EXPLORING THE RELATIONSHIP BETWEEN MARKET ORIENTATION AND SALES AND MARKETING COLLABORATION

Author(s): Kenneth Le Meunier-FitzHugh and Nigel F. Piercy

Source: *The Journal of Personal Selling and Sales Management*, Summer 2011, Vol. 31, No. 3, International Selling and Sales Management (Summer 2011), pp. 287-296

Published by: Taylor & Francis, Ltd.

Stable URL: https://www.jstor.org/stable/41307395

# EXPLORING THE RELATIONSHIP BETWEEN MARKET ORIENTATION AND SALES AND MARKETING COLLABORATION

**Kenneth Le Meunier-FitzHugh and Nigel F. Piercy**

The relationship between sales and marketing has generated considerable academic interest in recent years, with studies focusing on how the interface can be improved. However, prior research has neglected an important aspect of this interface: the relationship between market orientation and collaboration between sales and marketing. This study considers this relationship and was carried out through a survey of managing directors/chief executives. The results indicate that collaboration between sales and marketing has a positive relationship with market orientation and that collaboration between sales and marketing as well as market orientation have a combined positive effect on business performance.

The importance of an effective sales and marketing interface to improving business performance has been attracting attention from researchers over the past few years, but to our knowledge no one has yet considered the interrelationship of collaboration between sales and marketing with market orientation and business performance. Some earlier research has investigated the interrelationship of market orientation and sales (e.g., Jones, Busch, and Dacin 2003; Piercy, Cravens, and Lane 2009), but they have not yet considered the sales and marketing interface in this context. Interfunctional collaboration has always been an important part of market orientation, but is cooperation between sales and marketing of particular relevance for market orientation?

A consistent market orientation is demonstrated both through the organization's culture and its operations (Santos-Vijande et al. 2005). According to Narver and Slater, "Market orientation consists of three behavioral components–customer orientation, competitor orientation, and inter-functional co-ordination" (1990, p. 21). It is essential for organizations with a market orientation to ensure that the internal functions work together to make the right marketing offer to their customers (Capon 2011). Organizational buy-in is required so that organizations can deliver what the customers need and what marketing and sales promise, but more importantly, marketing must be certain that the sales force supports its plans. The proposition of this paper is that collaboration between sales and marketing is a critical element in creating a secure foundation for interdepartmental coordination. It is furthermore suggested that by supporting a customer and competitor orientation, this kind of collaboration also strengthens market orientation. However, this area is under-researched and underemphasized in academic literature. The precise relationship between market orientation and the sales and marketing interface remains unclear.

Slater and Narver (1994) warned that when establishing a market orientation, it is important to ensure this cultural change is embraced and driven by senior management, and not simply a marketing focus that gives marketing activities an unnecessary significance within the organization. An imbalance in the power relationships between functional areas, particularly between marketing and sales, may result in interfunctional conflict (Massey and Dawes 2007). Interfunctional conflict may result in a reduction in teamwork, increasing distrust, and an eventual withdrawal from the relationship (De Dreu and Weingart 2003; Song, Xie, and Dyer 2000). The sales and marketing interface has exhibited elements of interfunctional conflict with evidence in expressions of dissatisfaction with the other group's performance, poor understanding of each other's role, and miscommunications (e.g., Dewsnap and Jobber 2000; Kotler, Rackham, and Krishnaswamy 2006; Rouzies et al. 2005). Sales and marketing functions should play a crucial part in the creation of market orientation as they are both customer facing and boundary spanning. Sales and marketing are visible to the customer, and this interface affects the effectiveness of other functions in maintaining a market focus within the organization.

It has been argued for many years that market orientation has a positive influence on business performance (e.g., Slater and Narver 2000), and more recently there has been a link established between collaboration between sales and marketing departments and improved business performance (Homburg and Jensen 2007; Le Meunier-FitzHugh and Piercy 2007). However, we propose that there may be a cumulative effect

**Kenneth Le Meunier-FitzHugh** (Ph.D., University of Warwick), Senior Lecturer in Marketing, Norwich Business School, University of East Anglia, UK, k.le-meunier-fitzhugh@uea.ac.uk.

**Nigel F. Piercy** (D.Litt., Heriot-Watt University), Professor in Marketing and Strategic Management and Associate Dean, Warwick Business School, University of Warwick, UK, nigel.piercy@wbs.ac.uk.

*Journal of Personal Selling & Sales Management*, vol. XXXI, no. 3 (summer 2011), pp. 287–296.

ISSN 0885-3134 / 2011 $9.50 + 0.00.
DOI 10.2753/PSS0885-3134310306

from improved collaboration between sales and marketing and market orientation on business performance, from which organizations may be able to benefit. This paper considers how collaboration between sales and marketing is related to market orientation and business performance through a survey of senior managers/chief executives in large, business-to-business (B2B) organizations in the UK market. We believe that this is the first study to test the link between collaboration between sales and marketing and market orientation, and their impact on business performance. This paper aims to contribute to the debate on the sales and marketing interface by confirming that certain suppositional correlations can be demonstrated empirically and therefore provide a foundation for further conceptualization and research.

## CONCEPTUAL DEVELOPMENT

The conceptual development considers the interrelationship between sales and marketing collaboration and market orientation, and how these contribute to improved business performance. Market orientation is an organizational philosophy or culture that coordinates activities across departments and can provide superior value to the buyer (Kohli and Jaworski 1990; Narver and Slater 1990). Establishing the three behavioral components highlighted by Narver and Slater (1990, p. 21)—interfunctional coordination, customer orientation, and competitor orientation—within the organization significantly affects the sales and marketing relationship. *Interfunctional coordination* should include sales and marketing. However, there is evidence to suggest that senior managers may consider these two departments to be part of the same function (e.g., Munn 1998; Schmonsees 2006) and that this may lead to a lack of focus on the sales and marketing relationship and how it can be facilitated. Further, there is evidence to suggest that the sales and marketing interface may exhibit signs of frustration, disharmony, and lack of understanding of each other's roles, which inhibits achieving the benefits of collaboration (Dewsnap and Jobber 2000; Kotler, Rackham, and Krishnaswamy 2006).

*Customer orientation* requires that an understanding of buyers' values is developed, and this can be achieved and enhanced through reciprocal communication between the sales and marketing departments. It is therefore important that senior managers do not remove their focus from the customers' viewpoint or life can be very difficult for marketing and sales (Capon 2011). Increased customer knowledge can provide a framework through which organizations create superior value for customers as compared to their competitors, which should have a positive effect on business performance. *Competitor orientation* improves market awareness, as the sales department is able to provide insights into competitor activities and their effect on the market. The marketing department provides information from market research and dissemination of the market information across the organization. However, the effective exploitation of this intelligence requires information sharing between sales and marketing, and effective interfunctional coordination that may be created through collaboration between sales and marketing.

The conceptual development looks at the relationship between these three elements; two independent variables, collaboration between sales and marketing and market orientation, and a dependant variable, business performance. The conceptual model is shown in Figure 1.

### Market Orientation

The concept of market orientation has been seen as "a cornerstone of both strategic marketing and strategic management" (Harris and Ogbonna 2000, p. 318), and may be related to the required levels of organizational coordination and responsiveness to market needs and competitors' activities (Kohli and Jaworski 1990; Narver and Slater 1990; Siguaw, Brown, and Widing 1994). The importance of a market orientation is supported by the suggestion that the greater the market orientation of an organization, the better overall performance in terms of profits, sales, and market share (Kohli and Jaworski 1990; Morgan and Turnell 2003). Slater and Narver (2000) found that market orientation is strongly associated with superior business performance, and their results were robust across industry boundaries. It is the ability of market orientation to drive collaboration across internal organizational boundaries that is critical to this paper. Therefore,

*Hypothesis 1: Market orientation is positively associated with business performance.*

### Collaboration Between Sales and Marketing

It should be noted that this study focuses on the concept of collaboration between sales and marketing, rather than the related, but conceptually distinct, concept of integration. Successful organizations are moving away from integration that places emphasis on formal control systems to adopting processes that are more flexible and promote collaboration. "Collaboration represents the unstructured, affective nature of interdepartmental relationships" including mutual understanding, common vision and information sharing/building (Kahn 1996, p. 139). Collaboration refers to the ability of two groups to communicate, coordinate activities, and share team spirit. Functional teams should stress collaboration in performing their activities and making decisions (Hult, Ketchen, and Slater 2002).

Corstjens and Corstjens (1999) indicated that cooperation between sales and marketing has the potential to improve the overall success of the organization. However, the sales and marketing interface continues to be problematic, as it has been identified that there is considerable distrust between the two functions—although senior managers recognize the importance of improving this interface (Dewsnap and Jobber 2000; Kotler, Rackham, and Krishnaswamy 2006; Rouzies et al. 2005). Sales and marketing are customer facing and have boundary-spanning roles, meaning a lack of cooperation may significantly reduce their effectiveness and has the potential to damage the overall success of the organization (Corstjens and Corstjens 1999). Krohmer, Homburg, and Workman (2002), Narver and Slater (1990), and Ruekert and Walker (1987) recognize that interdepartmental collaboration leads to improvements in performance. It is therefore proposed that improvements in collaboration between sales and marketing will positively influence business performance:

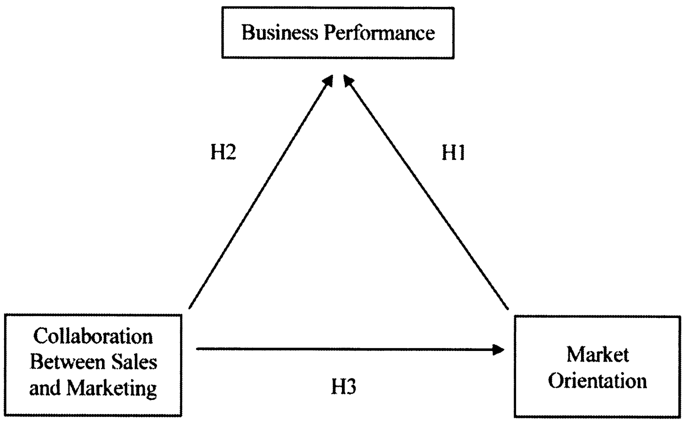
*Hypothesis 2: Collaboration between sales and marketing is positively associated with business performance.*

### Collaboration Between Sales and Marketing, and Market Orientation

Many researchers have hypothesized that improved collaboration between departments is an antecedent to market orientation (e.g., Narver and Slater 1990). However, collaboration is extremely difficult to initiate, especially between two departments with differing philosophies, processes, and goals, and with a history of distrust, such as sales and marketing (Dewsnap and Jobber 2000; Rouzies et al. 2005). Shapiro (1988) noted that in a successful market-oriented organization, different groups will listen to each other and be encouraged to lay out their ideas and requirements honestly and vigorously, thereby improving communication and collaboration. These concepts relate directly to the importance of collaboration between sales and marketing. According to Homburg and Jensen (2007) and Kotler, Rackham, and Krishnaswamy (2006), sales and marketing have necessarily different activities performed by different people appropriate to each function. This creates tension between the need to retain the distinctiveness of sales and marketing functions while simultaneously facilitating a collaborative stance to coordinate efforts around organizational goals. It has been widely accepted in marketing literature that to be effective, market orientation requires a high degree of integration and collaboration between staff in various functional areas (Kohli and Jaworski 1990; Narver and Slater 1990; Shapiro 1988; Webster 1997). To align activities, collaboration cannot just be based on close working relationships, but must be supported by aligned goals and processes required to achieve a market orientation:

*Hypothesis 3; Collaboration between sales and marketing is positively associated with market orientation.*

**Figure 1**
**Relationship Between Business Performance, Collaboration Between Sales and Marketing, and Market Orientation**




## METHODOLOGY

The research was carried out through a survey questionnaire mailed to the chief executives/managing directors of large, UK-based B2B organizations.

### Sample Selection

Large organizations were selected for this study as research by Piercy (1986) and Workman, Homburg, and Gruner (1998) indicates that they are more likely to have separate sales and marketing departments. We define large organizations as any company whose turnover exceeds £11 million. Wholesalers and industrial and consumer goods manufacturers were included in the survey to improve generalizability, while other sectors, for example, retailing, farming, and mining were excluded, as they were unlikely to have an external sales force. A commercial agency provided the names and addresses of 3,349 large UK organizations. A screening process was employed to remove those organizations that did not meet the size criterion, industry sector, or had duplicate listings. From the cleansed sampling frame, 1,000 organizations were randomly selected for inclusion in the survey, and personally addressed, self-administered, questionnaires were sent to their managing directors/chief executives. A follow-up letter was sent two weeks later and, if required, a final reminder with a new questionnaire again two weeks after that (Fox, Robinson, and Boardley 1998).

The survey generated 223 (22.3 percent) responses of which 77 were ineligible for a variety of reasons (e.g., the organization's turnover was too low, there were no sales or no marketing departments, the companies "do not complete surveys" or were no longer trading, or the research instrument was inadequately completed). The sample composition is shown

**Table 1**
**Sample Composition ($N$ = 146)**

| | Percent |
|---|---|
| Industry | |
| Industrial manufacturers | 42 |
| Wholesalers | 30 |
| Consumer goods manufacturers | 28 |
| Respondents | |
| Chairmen/chief executive officers/managing directors/directors/general managers | 70.5 |
| Marketing directors/managers/executives | 11.6 |
| Sales and marketing directors/managers | 6.9 |
| Sales directors/managers | 4.8 |
| Business development managers | 2.7 |
| Other human resources managers/accountants/ customer liaison managers | 3.4 |
| Total number of senior managers (directors) | 83.6 |
| Annual turnover | |
| £11–£20 million | 52 |
| £21–£50 million | 27 |
| More than £50 million | 21 |

**Table 2**
**Survey Response Rates**

| | Total |
|---|---|
| Sample size | 1,000 |
| Total number of respondents | 223 |
| Total number of usable respondents | 146 |
| Turnover too low (less than £11 million) | 24 |
| No sales or marketing department | 10 |
| Do not do surveys | 13 |
| No longer trading | 25 |
| Unusable | 5 |
| Total number ineligible respondents | 77 |
| Response rate (in percent) | 14.6 |

in Table 1, the response rate statistics are listed in Table 2. The final total was 146 usable responses, which is within the 10 to 20 percent frame recommended as appropriate for responses from managing directors/chief executives (Menon, Bharadwaj, and Howell 1996; Slotegraaf and Dickson 2004).

Multivariate analysis of variance (MANOVA) tests were carried out to discover if there were any significant differences between the types of respondent, industry types, and organizational turnover within the constructs in our model, and no significant differences were detected. Two possible sources of sampling error were considered. To examine nonresponse bias, chi-square tests and multiple $t$-tests were performed on the early and late response groups (Armstrong and Overton 1977). The early and late response groups were tested using chi-square based on industry type, turnover, and number of employees. No significant differences were found at the conventional level ($p > 0.05$). Multiple $t$-tests were also carried out and with the exception of business performance, yielded no significant differences between the two groups at conventional levels ($p > 0.05$). The multiple $t$-test on business performance found that early responses had an average score of 4.82 while later responses had an average of 4.36, which was significantly different. One explanation for this difference may be that less efficient/successful organizations are more likely to be those who respond later, after prompting. The noncoverage error was examined by comparing the characteristics (turnover, number of employees, and industry type) of a sample who did not respond. The tests found that the data did not contain any nonresponse bias.

## Data Analysis

Because the constructs were measured by multiple-item scales, we performed reliability analyses, together with the construct means, standard deviations, and Cronbach's alphas. The alphas ranged from 0.78 to 0.86. The relationships we hypothesized between our antecedent constructs and the dependent variables were evaluated using correlation and multiple regression. We checked for the presence of multicollinearity. The variance inflation factors are all below the cutoff value of 10. Moreover, all the condition indices were well below the critical value of 30. On the basis of these tests, multicollinearity did not appear to be a problem. We also tested for homoskedasticity, normality, linearity, independence of residuals, and outliers (Pallant 2004), and no irregularities or problems were discovered in the data.

First, we carried out a series of cross-tabulation analyses to explore the relationships between market orientation, collaboration between sales and marketing and business performance. The sample was divided into groups, those with high collaboration, market orientation, or business performance (> 4.5), and those with low collaboration, market orientation, or business performance (< 4.5). These analyses were employed to consider if there were any significant differences between companies with high/low collaboration between sales and marketing, market orientation, or business performance compared to each of the other measures.

### *Operationalization and Measurement*

All the items (including sources used for scale) are shown in the Appendix. The majority of the questions were selected from indicators and measures that had been previously developed, tested, and published in prior research, which also assists with the concurrent validity of the questionnaire (e.g., Evans and Schlacter 1985; Hult, Ketchen, and Slater 2002).

*Collaboration Between Sales and Marketing*

The measures aimed to define the degree to which the members of the organization stress collaboration and cooperation in performing activities and making decisions. The items on collaboration between sales and marketing consist of two items ($\alpha = 0.78$) and were adapted from a study by Hult, Ketchen, and Slater (2002).

*Market Orientation*

This measure was taken from a study by Narver and Slater (1990) and considers how far customer orientation, interfunctional coordination, and competitive orientation have been adopted by the organization. It consists of 14 items ($\alpha = 0.84$).

*Business Performance*

The measure of business performance is similar to those in prior research (e.g., Behrman and Perreault 1982; Morgan and Turnell 2003). The scale consists of six items ($\alpha = 0.86$).

*Validity*

The initial questionnaire was given to 25 part-time MBA students to assess content validity, as this may be measured with specialists in the area (Moser and Kalton 1971). A total of 16 questionnaires from the pilot survey were returned and as a result of the feedback from these two tests, a number of adjustments were made to the questions to improve their clarity. The content of the questionnaire was then discussed with six management students who were selected because they all held senior management positions. The refined questionnaire was then pretested by being sent to 30 managing directors (20 were returned), which resulted in further adjustments to the layout, grammar, and punctuation of the questions. Finally, four marketing lecturers independently reviewed the questionnaire and no other changes were made.

## RESULTS

To test our hypotheses, we conducted correlation and a multiple regression analyses. These tests were employed to consider the interrelationship between market orientation, collaboration between sales and marketing, and business performance. In addition, a series of exploratory cross-tabulation and chi-square tests were carried out. The first cross-tabulation considers high and low market orientation against high and low collaboration between sales and marketing (see Table 3). Table 3 revealed that there a significant difference in the result ($p = 0.000$) with 96 (66.7 percent) of the organizations demonstrated both high collaboration between sales and marketing and high market orientation. This result indicates that market orientation is linked to collaboration between sales and marketing, and supports the proposition that high interfunctional coordination contributes to market orientation as outlined by Kohli and Jaworski (1990). The second cross-tabulation considers high and low business performance against high and low collaboration between sales and marketing (see Table 4), and again there was a significant difference in the findings ($p = 0.000$). Table 4 shows that there is a relationship between high business performance and high collaboration (53.8 percent). However, 18.9 percent of the organizations reported that they had high collaboration between sales and marketing, but exhibited low business performance, indicating that collaboration does not necessarily guarantee high business performance and other factors must be relevant as well. The final cross-tabulation considered high and low business performance against high and low market orientation. The results suggest that market orientation (see Table 5) plays a role in achieving high business performance, as 58.2 percent of organizations had high market orientation and high business performance. Again, there was a significant difference in the results ($p = 0.000$).

### Collaboration Between Sales and Marketing, Market Orientation and Business Performance

Correlation and regression analyses were used to test the relationships between the variables, two independent variables (market orientation and collaboration between sales and marketing) and business performance as the dependent variable. The first hypothesis considers market orientation against business performance. The results indicate that there is a positive relationship between the two with a correlation of $r = 0.504$ (see Table 6). The correlation analysis also found that collaboration between sales and marketing has a positive correlation with business performance with $r = 0.467$ (see Table 6). The regression analysis tested if there is a combined effect of the two independent variables of collaboration between sales and marketing and market orientation on the dependent variable, business performance. The results show a strong relationship, with an adjusted $R^2$ of 0.294, $F(2, 143) = 31.220$, $p < 0.001$ (see Table 7). Finally, we considered whether there was a change in the adjusted $R^2$ between market orientation and business performance, and market orientation with collaboration between sales and marketing against business performance. The $R$ value for market orientation against business performance is 0.504. The adjusted $R^2$ for market orientation alone was 0.249, $F(1, 144) = 49.142$, $p < 0.001$, compared to a joint adjusted $R^2$ (0.294) for market orientation and collaboration between sales and marketing (see Table 7). Both Hypotheses 1 and 2 are accepted.

**Table 3**
**High and Low Market Orientation and High and Low Collaboration Between Sales and Marketing**

| | Collaboration Between Marketing and Sales | | |
|---|---|---|---|
| **Market Orientation** | **Low Collaboration** | **High Collaboration** | **Total** |
| Group 1: Low Market Orientation (percent) | 18 (12.5) | 23 (16) | 41 (28.5) |
| Group 2: High Market Orientation (percent) | 7 (4.9) | 96 (66.7) | 103 (71.5) |
| Total (percent) | 25 (17.4) | 119 (82.6) | 144 (100) |

*Notes:* Pearson's $\chi^2$ = 28.144, degrees of freedom 1, significance 0.000 / continuity correction = 25.618, degrees of freedom 1, significance 0.000.

**Table 4**
**High and Low Business Performance and High and Low Collaboration Between Sales and Marketing**

| | Collaboration Between Marketing and Sales | | |
|---|---|---|---|
| **Business Performance** | **Low Collaboration** | **High Collaboration** | **Total** |
| Group 1: Low Business Performance (percent) | 26 (18.2) | 27 (18.9) | 53 (37.1) |
| Group 2: High Business Performance (percent) | 13 (9.1) | 77 (53.8) | 90 (62.9) |
| Total (percent) | 39 (27.3) | 104 (72.7) | 143 (100) |

*Note:* Pearson's $\chi^2$ = 20.147, degrees of freedom 1, significance 0.000 / continuity correction = 18.440, degrees of freedom 1, significance 0.000.

**Table 5**
**High and Low Market Orientation and High and Low Business Performance**

| | Market Orientation | | |
|---|---|---|---|
| **Business Performance** | **Low Market Orientation** | **High Market Orientation** | **Total** |
| Group 1: Low Business Performance (percent) | 17 (12.1) | 35 (24.8) | 52 (36.9) |
| Group 2: High Business Performance (percent) | 7 (5) | 82 (58.2) | 89 (63.1) |
| Total | 24 (17) | 117 (83) | 141 (100) |

*Note:* Pearson's $\chi^2$ = 14.324, degrees of freedom 1, significance 0.000 / continuity correction = 12.620, degrees of freedom 1, significance 0.000.

### Collaboration Between Sales and Marketing, and Market Orientation

The third hypothesis considers whether collaboration between sales and marketing has a positive relationship with market orientation. The results showed that there was a strong correlation for this relationship with $r$ = 0.561 (see Table 6). Hypothesis 3 is therefore accepted. These findings suggest that there are strong links between market orientation and collaboration between sales and marketing, and that improvements in both have an increased beneficial effect on business performance.

## DISCUSSION

The current study addresses the call for more research into the relationship between sales and marketing (Kotler, Rackham, and Krishnaswamy 2006) and also aims to explore how col-

**Table 6**
**Correlation Matrix, Cronbach's Alpha, Mean, and Standard Deviation**

| | Cronbach's Alpha | Mean (Standard Deviation) | Market Orientation | Collaboration Between Sales and Marketing | Business Performance |
|---|---|---|---|---|---|
| Market Orientation | 0.84 | 5.14 (0.74) | | | |
| Collaboration Between Sales and Marketing | 0.78 | 4.99 (1.25) | 0.561** | | |
| Business Performance | 0.86 | 4.57 (1.15) | 0.504* | 0.467** | |

*Notes:* $N = 146$. * Correlation is significant at the 0.05 level (two tailed); ** correlation is significant at the 0.01 level (two tailed).

**Table 7**
**Multiple Regression**

| Direct Effect on Dependent Variable | | | | | |
|---|---|---|---|---|---|
| **Dependent Variable** | **Independent Variable** | **B** | **ß** | **t** | **p** |
| Business Performance | Market Orientation | 0.518 | 0.354 | 4.198 | 0.000 |
| | Collaboration Between Sales and Marketing | 0.239 | 0.269 | 3.189 | 0.002 |

*Notes:* $R = 0.542$, adjusted $R^2 = 0.294$, $F = 31.220$, significance of $F = 0.000$.

laboration between sales and marketing relates to market orientation. It would appear to be logical that if a market-oriented approach is adopted by an organization that the sales and marketing departments would be aligned to ensure that they are responding to the market efficiently. Evidence indicates, however, that these two functional groups are still operating independently of each other, in some cases competing for resources and focusing on their own agenda rather than those of the organization or the customer (Dewsnap and Jobber 2000; Rouzies et al. 2005). Direct intervention to improve the relationship may be ineffective as sales and marketing need to maintain independent functionality and have differing perspectives and objectives (Kotler, Rackham, and Krishnaswamy 2006; Shapiro 2002), but it is still imperative that they coordinate their efforts and collaborate to maximize the return on their activities.

The main finding of this research is that collaboration between sales and marketing has a significant and positive effect on both market orientation and business performance. It was expected that collaboration between sales and marketing would have a positive influence on market orientation, as the development of interfunction cooperation is part of effective market orientation according to Kohli and Jaworski (1990) and Narver and Slater (1990). This indicates that collaboration between sales and marketing has an additional positive effect on business performance other than the general benefit of interdepartmental cooperation engendered by a market orientation. Further, collaboration between sales and marketing has a direct and separate beneficial influence on business performance. Based on this research, organizations of whichever orientation should evaluate their sales and marketing functions to establish if they are operating collaboratively or not. A market-oriented organization should encourage greater cooperation between sales and marketing than its competitors, but all organizations should generally consider improving the relationship between sales and marketing to increase business performance.

Prior studies have found that market orientation has a beneficial impact on business performance (e.g., Slater and Narver 2000) and this research reinforces this relationship. The indications are that organizations should not only work to establish a market orientation through collecting and disseminating market information internally and developing competitive information (and on the customer), but also need to engender a positive attitude toward collaboration in senior managers to improve interfunctional cooperation, particularly between sales and marketing (Le Meunier-FitzHugh and Piercy 2007) to enable them to focus on their customers' needs. This is important as the smooth operation of the sales and marketing interface directly affects business performance in B2B organizations. For too long managers have allowed separate sales and marketing departments to maintain fiefdoms, developing their own specialist skills and routines without developing sufficient links to share and develop joint competences.

## MANAGEMENT IMPLICATIONS

Although managers have been encouraged to concentrate on the importance of interfunctional coordination as part of market orientation, there is evidence to suggest that the sales and marketing interface has not received the attention it requires to ensure that the benefits of collaboration between sales and marketing for business performance are achieved. Senior managers have an essential role in building an organizational environment that will allow for the development of collaboration and an understanding of the role that sales and marketing play in achieving organizational objectives by giving sales and marketing the tools to enable them to align their activities, share information more efficiently, and clearly understand each other's contribution to achieving objectives. Further, organizations with other orientations (product, service, or sales) should ensure that this critical interface is collaborative, as information sharing, supportive attitudes, joint planning, and aligned goals between these two interdependent, but also independent, functions is essential to improving customer satisfaction and business performance.

As part of a market orientation, interfunctional collaboration is emphasized, however focusing on the whole organization has meant that the microrelationship between sales and marketing may have been overlooked. This research indicates that ensuring that collaboration between sales and marketing is supported as part of the market orientation may result in a stronger market focus, improved market orientation, and greater business performance.

## LIMITATIONS AND FURTHER RESEARCH

There are several limitations to this study. First, the market-related and sales-related questions were answered by the same respondent and may therefore not provide detailed information on the intricate working of the sales–marketing relationship. Second, the measures for business performance are self-reported. Although there is evidence that this method of measuring success has been reliably used in previous research (e.g., Menon, Bharadwaj, and Howell 1996), it would be preferable to have an independent measure. This research provides an initial basis for future research into the importance of collaboration between sales and marketing in B2B organizations. The research should now be extended to consider if sales and marketing collaboration may be improved in small and medium-size enterprises, where there may not be separate sales and marketing departments as well as in organizations operating in business-to-consumer markets, or outside the United Kingdom. Further investigation could be usefully extended through a qualitative investigation into the more relational aspects of the sales and marketing interface.

## REFERENCES


Armstrong, J. Scott, and Terry S. Overton (1977), "Estimating Nonresponse Bias in Mail Surveys," *Journal of Marketing Research,* 14 (August), 396–402.

Behrman, Douglas N., and William D. Perreault, Jr. (1982), "Measuring the Performance of Industrial Salespersons," *Journal of Business Research,* 10 (3), 335–370.

Capon, Noel (2011), "Marketing: The Anchor for Sales" in *The Oxford Handbook of Strategic Sales and Sales Management,* David Cravens, Kenneth Le Meunier-FitzHugh, and Nigel F. Piercy, eds., Oxford: Oxford University Press, 571–595.

Corstjens, Judith, and Marcel Corstjens (1999), *Store Wars,* Chichester, UK: John Wiley & Sons.

De Dreu, Carsten K.W., and Laurie R. Weingart (2003), "Task Versus Relationship Conflict, Team Performance, and Team Member Satisfaction: A Meta-Analysis," *Journal of Applied Psychology,* 88 (4), 741–749.

Dewsnap, Belinda, and David Jobber (2000), "The Sales–Marketing Interface in Consumer Packaged-Goods Companies: A Conceptual Framework," *Journal of Personal Selling & Sales Management,* 20 (2), 109–119.

Evans, Kenneth R., and John L. Schlacter (1985), "The Role of Sales Managers and Salespeople in a Marketing Information Systems," *Journal of Personal Selling & Sales Management,* 5 (November), 49–55.

Fox, Christine M., K. Lynne Robinson, and Debra Boardley (1998), "Cost-Effectiveness of Follow-Up Strategies in Improving the Response Rate of Mail Surveys," *Industrial Marketing Management,* 27 (2), 127–133.

Harris, Lloyd C., and Emmanuel Ogbonna (2000), "The Responses of Front-Line Employees to Market-Oriented Culture Change," *European Journal of Marketing,* 34 (3–4), 318–340.

Homburg, Christian, and Ove Jensen (2007), "The Thought Worlds of Marketing and Sales: Which Differences Make a Difference?" *Journal of Marketing,* 71 (3), 124–142.

Hult, G. Thomas M., David J. Ketchen, Jr., and Stanley F. Slater (2002), "A Longitudinal Study of the Learning Climate and Cycle Time in Supply Chains," *Journal of Business and Industrial Marketing,* 17 (4), 302–323.

Jones, Eli, Paul Busch, and Peter Dacin (2003) "Firm Market Orientation and Salesperson Customer Orientation: Interpersonal and Intrapersonal Influences on Customer Service and Retention in Business-to-Business Buyer–Seller Relationships," *Journal of Business Research,* 56 (4), 323–340.

Kahn, Kenneth B. (1996), "Interdepartmental Integration: A Definition with Implications for Product Development Performance," *Journal of Product Innovation Management,* 13 (2), 137–151.

Kohli, Ajay K., and Bernard J. Jaworski (1990), "Market Orientation: The Construct, Research Propositions, and Managerial Implications," *Journal of Marketing,* 54 (April), 1–18.

Kotler, Philip, Neil Rackham, and Suj Krishnaswamy (2006), "Ending the War Between Sales & Marketing," *Harvard Business Review,* 84 (7–8), 68–78.

Krohmer, Harley, Christian Homburg, and John P. Workman (2002), "Should Marketing Be Cross-Functional? Conceptual Development and International Empirical Evidence," *Journal of Business Research,* 55 (6), 451–465.

Le Meunier-FitzHugh, Kenneth, and Nigel F. Piercy (2007), "Does Collaboration Between Sales and Marketing Affect Business Performance?" *Journal of Personal Selling & Sales Management,* 27, 3 (Summer), 207–220.

Massey, Graeme R., and Philip L. Dawes (2007), "Personal Characteristics, Trust, Conflict, and Effectiveness in Marketing/Sales Working Relationship," *European Journal of Marketing,* 41 (9–10), 1117–1145.

Menon, Anil, Sundar G. Bharadwaj, and Roy Howell (1996), "The Quality and Effectiveness of Marketing Strategy: Effects of Functional and Dysfunctional Conflict in Intraorganizational Relationship," *Journal of the Academy of Marketing Science,* 24 (4), 299–313.

Morgan, Robert E., and Christopher R. Turnell (2003), "Market-Based Organisational Learning and Market Performance Gains," *British Journal of Management,* 14 (3), 255–274.

Moser, Claus. A., and Graham Kalton (1971), *Survey Methods in Social Investigation,* 2d ed., London: Heinemann.

Munn, Richard C. (1998), "Marketers Must Align Themselves with Sales," *Marketing News* (November 9), 3–5.

Narver, John C., and Stanley F. Slater (1990), "The Effect of a Market Orientation on Business Profitability," *Journal of Marketing,* 54 (October), 20–35.

Pallant, Julie (2004), *SPSS Survival Manual: A Step by Step Guide to Data Analysis Using SPSS for Windows,* Maidenhead, UK: Open University Press.

Piercy, Nigel F. (1986), "The Role and Function of the Chief Marketing Executive and the Marketing Department: A Study of Medium-Sized Companies in the UK," *Journal of Marketing Management,* 1 (3), 265–298.

———, David W. Cravens, and Nikala Lane (2009), "Sales Management Control Level Competencies: Antecedents and Consequences," *Industrial Marketing Management,* 38 (4), 469–467.

Rouzies, Dominque, Erin Anderson, Ajay K. Kohli, Ronald E. Michaels, Barton A. Weitz, and Andris A. Zoltners (2005), "Sales and Marketing Integration: A Proposed Framework," *Journal of Personal Selling & Sales Management,* 15 (2), 113–122.

Ruekert, Robert W., and Orville C. Walker, Jr. (1987), "Marketing's Interaction with Other Functional Units: A Conceptual Framework and Empirical Evidence," *Journal of Marketing,* 51 (January), 1–19.

Santos-Vijande, María L. María J. Sanzo-Pérez, Luis I. Álvarez-González, and Rodolfo Vázquez-Casielles (2005), "Organizational Learning and Market Orientation: Interface and Effects on Performance," *Industrial Marketing Management,* 34 (3), 187–202.

Schmonsees, Robert. J. (2006), *Escaping the Black Hole: Minimizing the Damage from Marketing–Sales Disconnect,* Mason, OH: Thomson South-Western.

Shapiro, Benson P. (1988), "What the Hell Is Market Oriented?" *Harvard Business Review,* 66 (6), 119–125.

——— (2002), "Want a Happy Customer? Coordinate Sales and Marketing," *Working Knowledge* (October 28) (available at http://hbswk.hbs.edu/item/3154.html).

Siguaw, Judy. A., Gene Brown, and Robert E. Widing, II (1994), "The Influence of the Market Orientation of the Firm on Sales Force Behavior and Attitudes," *Journal of Marketing Research,* 16 (February), 106–116.

Slater, Stanley F., and John C. Narver (1994), "Market Orientation, Customer Value, and Superior Performance," *Business Horizons,* 37 (March–April), 22–28.

———, and ——— (2000), "The Positive Effect of a Market Orientation on Business Profitability: A Balanced Replication," *Journal of Business Research,* 48 (1), 69–73.

Slotegraaf, Rebecca J., and Peter R. Dickson (2004), "The Paradox of a Marketing Planning Capability," *Journal of the Academy of Marketing Science,* 32 (4), 371–385.

Song, Michael, Jinhong Xie, and Barbara Dyer (2000), "Antecedents and Consequences of Marketing Managers' Conflict-Handling Behaviors," *Journal of Marketing,* 64 (1), 50–66.

Webster, Fredrick E., Jr. (1997), "The Future Role of Marketing in the Organization" in *Reflections on the Futures of Marketing 1997, Practice and Education,* Donald R. Lehman and Katherine E. Jocz, eds., Cambridge, MA: Marketing Science Institute, 39–66.

Workman, John. P., Jr., Christian Homburg, and Kjell Gruner (1998), "Marketing Organization: An Integrative Framework of Dimensions and Determinants," *Journal of Marketing,* 62 (July), 21–41.

## APPENDIX
## SCALES ITEMS FOR CONSTRUCT MEASURE

| Construct | Items | Adapted From |
|---|---|---|
| Collaboration Between Sales and Marketing (1 = strongly disagree, 7 = strongly agree) | A team spirit pervades sales and marketing<br>Sales and marketing share the same goals | Hult, Ketchen, and Slater (2002) |
| Business Performance (1 = needs improvement, 7 = outstanding) | How successful is the organization at generating a high level of sales revenue?<br>How successful is the organization at generating high market share?<br>How successful is the organization at selling those products with the highest profit margins?<br>How successful is the organization at exceeding all sales targets and objectives during the year?<br>How successful is the organization at generating sales of new products?<br>How successful is the organization at producing sales with long-term profitability? | Behrman and Perreault (1982) |
| Market Orientation (1 = not at all, 7 = to an extreme extent)<br>Customer Orientation | Sales and marketing objectives are driven primarily by customer satisfaction.<br>We constantly review our level of commitment to serving our customers' needs.<br>Our strategy for competitive advantage is based on our understanding of our customers' needs.<br>Our marketing strategies are driven by our belief that we can create greater value for customers.<br>We measure customer satisfaction systematically and frequently.<br>We give close attention to after-sales service.<br>Senior management regularly visits our current and prospective customers. | Narver and Slater (1990) |
| Interfunctional Coordination | Sales and marketing are integrated when servicing our target market(s).<br>We share resources between sales and marketing.<br>We freely communicate information about successful and unsuccessful customer experiences between sales and marketing.<br>Sales and marketing staff understand how they can contribute to creating customer value. | |
| Competitive Orientation | Within our business, our salespeople regularly share information concerning competitors' strategies.<br>We rapidly respond to competitors' actions that threaten us.<br>Senior management regularly discusses competitors' strengths and strategies. | |