Sales-Marketing Integration in SMEs: An Exploratory Investigation of Marketing as a Sales Support Function

Introduction

Improving collaboration between different business functions can be seen as a core priority for both large and small organisations. Indeed, Rouzies et al. (2005) have argued that breaking down barriers between functions and encouraging teamwork can be the key to building competitive advantage. One area of business where such integration would be particularly beneficial is the sales-marketing interface, where both functions are responsible for the cultivation of successful customer relationships. As a result, the integration of sales and marketing is receiving increased academic attention (Dawes and Massey, 2005), particularly since publication of the seminal article ‘Ending the War between Sales and Marketing’ (Kotler, Rackham, and Krishanaswamy, 2006) in the Harvard Business Review. However this remains an area in need of further exploration (Le Meunier-FitzHugh and Piercy, 2010).

Effective sales-marketing integration can result in a greater sensitivity to changes in the marketplace (Lyus, Rogers and Simms, 2011) and improved new product performance (Ernst, Hoyer and Rubsaamen, 2010). Given such potential benefits, it is becoming increasingly recognized that improving the marketing-sales interface should be a priority for business managers (Biermans and Brencic, 2007; Le Meunier-FitzHugh, Massey and Piercy, 2010). However, despite their obvious interdependency the sales-marketing relationship has been described as “neither collaborative nor harmonious” (Dewsnap and Jobber, 2000, p. 109). Typically, different functions within an organisation struggle to empathise with their respective priorities owing to differing skill sets (Matthyssens and Johnston, 2006).

Research in this area to date has been largely focused on large multi-national organisations, which face a number of obstacles to sales-marketing integration including geographical separation and often cultural differences. However, far less research has addressed integration in the context of small-medium enterprises (SMEs). SMEs are generally characterised by a sales orientation, and whilst they do undertake marketing activity this is often implemented by the salesforce (Hill, 2001). Malshe (2009) has argued that, as salespeople are often the external voice of the organisation, that marketing’s main role should be to provide comprehensive support to the salesforce, a view that seems particularly relevant to sales oriented SMEs. Walsh and Lipinski (2009) note that marketing departments in smaller organisations tend to be less established and influential, and in some cases the sales-marketing interface can be difficult to identify in SMEs as both roles are undertaken by one person (Biermans and Brencic, 2007).

This working paper is based on a detailed case study of a SME that is currently engaged in a marketing Knowledge Transfer Partnership (KTP) with a North-East UK University. The KTP involves the employment of an associate to work alongside the SME for a two-year period, and in this case the associate is charged with the development of a sales support strategy, incorporating a range of marketing activities designed to aid the salesforce when approaching B2B customers. Whilst the case study organisation has an established salesforce, it is only very recently that staff have
been recruited to marketing roles. With this in mind, the study has two objectives. Primarily, the attitudes of the salesforce to an increased marketing emphasis in their daily activities will be explored. This will provide an interesting insight into salespeople’s general attitudes to the marketing concept. Secondly, the study aims to explore the sales-marketing integration that occurs as a result of the KTP project, with particular emphasis on the obstacles that may impede interdepartmental collaboration. In the subsequent section we briefly explore the existing literature that has addressed the integration of sales and marketing teams.

The Sales-Marketing Interface

Sales-marketing integration can be defined as “the extent to which activities carried out by the two functions are supportive of each other” (Rouzies et al., 2005, p. 115). Malshe (2010) has reported that studies in this area to date have typically focused on either the factors that cause conflict between sales and marketing or the interventions that can help improve working relationship between the two functions.

It is generally accepted that sales and marketing perform separate and distinct functions (Kotler, Rackham and Krishnaswamy, 2006; Homburg, Jensen and Krohmer, 2008; Ernst, Hoyer and Rubsaamen, 2010). This is because of different tasks and responsibilities (Workman, Homburg and Grunner, 1998), diverging departmental orientations (Dougherty, 1992), and different goal and time orientations (Homburg and Jensen, 2007). Marketing is normally responsible for the creation of strategy, and sales for implementation (Kotler, Rackham and Krishnaswamy, 2006). Given the differences between the responsibilities of sales and marketing functions, it is not surprising that sub-cultures exist between the two. Whilst these sub-cultures can make integration more complex, it has been argued that without such sub-cultures creativity would be lost (Beverland, Steel and Dapiran, 2006).

A recent Chartered Institute of Marketing (2011, p 2) paper has called for ‘Marketing and Sales fusion’ and suggests that “in 10 years from now, there will be no such things as separate marketing and sales departments. There will be one team comprising two interdependent disciplines”. This is, however, opposed by research elsewhere: Dawes and Massey (2005) found that the merging of sales and marketing departments did not result in a reduction in interpersonal conflict between the disciplines, and Le Meunier-FitzHugh and Piercy (2010) noted better quality communication, not changed organisational structures, is the key to successful integration.

It has been argued that, as both marketing and sales people focus on customer needs, greater integration between these functions is achievable (Hill, 2001). Various researchers have attempted to identify the factors that reduce inter-departmental conflict and improve integration; findings include senior management commitment to integration (Le Meunier-FitzHugh and Piercy, 2010), cross-departmental project teams (Dawes and Massey, 2005) strong communication structures and staff training (Oliva, 2006) and alignment of department goals and compensation structures (Malshe, 2010). In many sales oriented organisations it is clear that in order to improve their credibility with the salesforce, marketers “must serve as a readily accessible information source that salespeople can dip into whenever they need” and “work shoulder to shoulder with the field force, truly embrace the sales experience,
and be willing to learn from sales people and their customers if they want to enhance their credibility” (Malshe, 2010, p. 17).

It is apparent from the literature that a number of barriers exist which discourage sales-marketing integration. The relationship is often characterised by under-performance, a lack of communication, complaining (Malshe, 2009), and marketing’s disconnection with market conditions (Malshe and Sohi, 2009). Marketers complain that sales staff do not follow up on the leads they provide while sales staff complain about the quality of leads that marketing staff or departments generate (Smith, Gopalakrishna, and Chatterjee, 2006). Ancona and Caldwell (1992) highlighted a number of fundamental differences that increase perceived distance between the two functions: whilst marketers tend to be product focused, long-term oriented and office-based, salespeople are customer focused, short-term oriented and based in the field. Such differences lead to the functions having different views of the world (Malshe, 2010), with Lyus, Rogers and Simms (2011) concluding that salespeople and marketers can be labelled as ‘doers’ and ‘thinkers’ respectively, making it hard for them appreciate each others’ contributions to the business.

Beverland, Steel and Dapiran (2006) investigated the attitudes of marketing staff towards their sales colleagues, and identified that salespeople were perceived as:

- Lacking the skills to understand complex marketing information;
- Unwilling to become involved in the development of marketing strategy;
- Resistant to new ideas or approaches;
- Of secondary importance compared to the marketing function.

Such perceptions clearly illustrate that more needs to be learned on employee attitudes towards sales-marketing integration, and the current study will effectively reverse the work of Beverland, Steel and Dapiran (2006) by investigating the views of salespeople towards a newly established marketing department that is attempting to develop a range of materials to support the sales force.

**Proposed Method**

As previously discussed, the current research will be based on a SME that is working with a North-East UK university on a marketing KTP. The organisation has a small team of salespeople that is also complimented by three agents, a commercial director and a managing director with significant sales experience. The organisation now has a marketing department comprising of two staff (one of which is part of the KTP) who are tasked with supporting the salesforce.

Given the small size of the organisation, an exploratory qualitative study is appropriate to address the study objectives. It is intended that semi-structured interviews will be used with all employees mentioned above that have a sales role in the organisation. The managing director is a particularly important person to include in the research as they are likely to have been central to the development of many company processes (Sadler-Smith et al., 2003). Data will be analysed using NVIVO analytical software (Bazeley, 2007), and it is hoped that the findings of this study will be of value to sales-oriented organisations who are seeking to improve the relationship between sales and marketing functions.
References


