



**SELLING AND SALES FORCE
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Creating Effective Sales and Marketing Relationships

**Kenneth Le Meunier-FitzHugh
Leslie Caroline Le Meunier-FitzHugh**



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Kenneth Le Meunier-FitzHugh

Senior Lecturer (Associate Professor) in Marketing

Norwich Business School

University of East Anglia

Norwich, UK

Leslie Caroline Le Meunier-FitzHugh

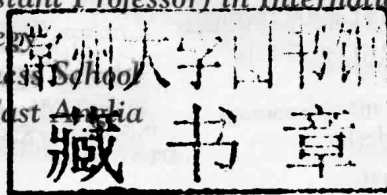
Lecturer (Assistant Professor) in International

Business Strategy

Norwich Business School

University of East Anglia

Norwich, UK



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Northch, UK

Leslie Caroline Le Medaller FitzHugh
Lecturer in Marketing, Department of International
Business, School of Business,
University of
Northch, UK



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Abstract

The aim of this book is to discuss how corporate sales and marketing functions can operate collaboratively. Although effective sales and marketing interactions are critical to achieving organizational goals, their practical working relationship is frequently described as being unsatisfactory. Sales and marketing have developing their own perceptions of what should be achieved and how it can be realized. Because of the differences that exist between sales and marketing, the exploration of the issues and possible solutions to the sales and marketing dilemma offers an exciting opportunity for practitioners and academics, both in the context of management, and training and development programs, to deliver superior customer value. We will explore how sales and marketing can become more competitive in the face of dynamic and borderless markets, where lead generation is less important than building long-term relationships with customers.

The book considers the follow areas related to the sales and marketing interface: How the crises in the sales and marketing interface became established. How alignment between sales and marketing can be achieved in lead generation. Consideration of the formal and informal methods of communication that can assist in establishing inter-functional collaboration. How collaboration between sales and marketing can improve customer relationships. The role of senior management in improving sales and marketing working relationships, and the optimization of the sales and marketing interface.

Keywords

Sales, Marketing, Conflict, Collaboration, Management, Communication, Lead Generation, Resources, Value Creation, and Competitive Advantage.

Introduction

The operation of the sales and marketing interface remains a critical and topical dilemma for executives. Sales and marketing functions have the capabilities required to assist the organization to adapt to rapidly changing environments through focusing on customer needs and the activities of competitors (Malshe 2010). To gain the maximum benefits for the organization, sales and marketing need to collaborate as this has been found to have the potential to affect the bottom line (Le Meunier-FitzHugh and Piercy 2007). Sales and marketing functions also have the common goals of understanding customer needs and solving customers' problems in a way that is superior to their competitors. Consequently, to achieve these and other common goals, it is necessary for sales and marketing to collaborate and interact effectively. However, they are frequently managed as individual functions with their own objectives, behaviors, and culture which may impede collaboration. In spite of decades of lip service to the importance of internal integration, achieving effective sales and marketing relationships has proved elusive for many organizations.

Why Improve the Sales and Marketing Interface?

Although effective sales and marketing interactions are critical to achieving organizational goals, their practical working relationship is frequently described as being unsatisfactory (Aberdeen Group 2002). Sales and marketing are often managed as individual functions, which have led to each group developing their own perceptions of what should be achieved and how it can be realized, as well as their individual perceptions they have developed, very different skill sets, and behaviors. These characteristics emphasize some of the issues that exist in the sales and marketing interface. Research has found some very destructive sales and marketing behaviors, such as withholding information, distrust, creating obstructions to decision making, and opportunistic actions (Kotler, Rackham, and Krishnaswamy 2006). The result of these behaviors leads to a reduction

in performance, dissatisfaction, and increased tension between the two groups. Because of the differences that exist between sales and marketing, the exploration of the issues and possible solutions to the sales and marketing dilemma offers an exciting opportunity for practitioners and academics, both in the context of management, and training and development programs, to deliver superior customer value.

While it is understood that marketing is the anchor of sales (Capon 2011), it is sales that delivers the orders that the organization relies on to succeed. Marketing can lay the foundation for sales success through communications with the market place, creating and communicating brand values and providing promotional materials. In a real sense, marketing actions should dovetail with sales so that they can deliver the value that the market is demanding. It is necessary then, for sales to have a clear and unambiguous idea of what marketing is trying to achieve and how they intend to achieve it. This understanding should help to guide the sales manager's decision-making process. Sales should also be able to engage with marketing so that they feed information into marketing decision-making processes and aid their market comprehension. The sales force is an ideal position to provide this understanding of the market. Each manager should not be shy in pushing their counterpart to deliver on their jointly conceptualized customer value and this can only be achieved when sales have a deep understanding of marketing, and marketing really appreciates what sales is trying to achieve. "After all, marketing and sales are in the competitive battle together." (Capon 2011, 594)

Objectives

The objectives of this book are to consider the touch-points that exist between the sales and marketing functions to identify how they can be leveraged to the organization's advantage, and to recommend strategies to overcome the barriers that have developed over time between the two groups. This should result in a number of benefits for sales and marketing functions, as well as for the organization as a whole. Collaborating sales and marketing functions should allow the full development of marketing ideas, which should lead to sales receiving promotional materials that are relevant and up to date, and the customers will receive a coherent message

that will result in the creation of customer value. The alignment of sales and marketing activities should result efficiencies in operation. The aim is to create a situation where there is a dynamic interaction or synergy between the two functional areas that results in greater value for the organization than they can create independently (Rouzies et al 2005). To achieve these objectives we shall first review the existing crises in the working relationship between sales and marketing, and then consider how to optimize working relationships through overcoming organizational and structural barriers. We shall also review how to improve of sales and marketing collaboration, its benefits and its impact on the organization.

Structure

This book consists of seven chapters considering the following:

Chapter 1: *The Sales and Marketing Interface*—reviews why the sales and marketing interface has recently come into focus as requiring management attention. The benefits of an effective and collaborative sales and marketing function are reviewed and the background to research into this interface is summarized.

Chapter 2: *Crises in the Sales and Marketing Interface*—considers some of the barriers to integrating sales and marketing activities. The differences between functional and dysfunctional conflict are examined, and how cultural, organizational, and infrastructural barriers may become established.

Chapter 3: *Alignment and Effective Working Relationships in Lead Generation*—explores how some of the structural and organizational barriers to collaborative sales and marketing may be overcome through alignment of processes. The chapter reviews the key process of lead generation, and how it may be aligned to reduce friction.

Chapter 4: *How should Sales and Marketing Communicate?*—considers how communication (dialogue) between sales and marketing can be created and leveraged to improve the alignment between sales and marketing functions.

Chapter 5: *The Role of Sales and Marketing in Customer Relationships*—reviews the importance of building long-term relationships with the customer and the relevance of trust, both inter-personal

and inter-organizational, is explored. Finally, the concept value and how value may be co-created with sales and marketing is considered.

Chapter 6: *Managing the Sales and Marketing Interface*—outlines the importance of senior management's role in communicating their attitude to collaboration and reviews how managers may facilitate collaboration in the sales and marketing interface through employing a number of integrative activities (e.g., cross-functional teams, cross-functional meetings and planning, joint training, job rotation, and joint rewards).

Chapter 7: *Optimizing the Sales and Marketing Interface*—this final chapter considers how structure and location may influence the working relationship between sales and marketing, and considers other possible solutions to improving the interface.

Who Is this Book for?

We believe that this book will be a valuable resource to all students of management, but is especially relevant to MBA and executive MBA students with an interest in business-to-business marketing, as well as students studying for qualifications in sales and marketing (undergraduate and postgraduate) around the world. Further, the text should be attractive to managers with an interest in the management of sales and marketing and how it impacts on the organization.

Finally

We hope that you will enjoy your journey through the challenges and issues that exist between sales and marketing. We do not offer finite solutions, but present a range of possible options and links, that should enable managers to evaluate their current situation and develop the most suitable structure and processes for their organization.

Kenneth Le Meunier-FitzHugh and
Leslie Caroline Le Meunier-FitzHugh, 2015

Contents

<i>Introduction</i>	<i>vii</i>
Chapter 1 The Sales and Marketing Interface.....	1
Creating Customer Value	1
Operation of the Sales and Marketing Interface.....	3
Collaboration Verses Integration	7
The Changing Role of Sales.....	8
The Changing Role of Marketing.....	11
Chapter 2 Crises in Working Relationships between	
Sales and Marketing	13
Growth or Conflict	13
Barriers to Collaboration	15
Organizational Barriers	19
Location Barriers.....	20
Inconsistent Processes.....	20
Competing for Resources and Budgets	21
Informational Constraints	22
Outcomes of Conflict between Sales and Marketing	23
Chapter 3 Alignment and Effective Working Relationships	
in Lead Generation	27
Aligning Sales and Marketing.....	27
Process Alignment.....	29
Lead Generation and the Sales Funnel.....	31
Consultative Selling	34
Effects of e-Marketing.....	35
Selling Direct through the Web.....	36
How Should Sales and Marketing Work Together?.....	36
Chapter 4 How Should Sales and Marketing Communicate?	41
What Is Communication?	41
Building Market Information Systems.....	44
Joint Planning.....	47
Communicating with the Customer.....	48
New Product Development.....	49

Chapter 5	The Role of Sales and Marketing in Customer Relationships	53
	Customer Focus and Relationship Building.....	53
	Trust between Buyers and Sellers.....	57
	Value Co-Creation	60
Chapter 6	Managing the Sales and Marketing Interface.....	65
	Motivating collaboration.....	65
	Integration Mechanisms.....	67
	Cross-Functional Meetings and Joint Planning	68
	Cross-Functional Teams	69
	Cross-Functional Training.....	70
	Job Rotation.....	71
	Rewards Alignment.....	74
Chapter 7	Optimizing the Sales and Marketing Interface.....	77
	Structure and Process	77
	Communication.....	79
	Location.....	80
	The Role of Learning in Collaborative Behavior	81
	Customer Value.....	82
	Practical Integration	83
	Management Role	83
	Five Key Points in the Sales and Marketing Collaboration	85
	Conclusion.....	86
	<i>References</i>	87
	<i>Index</i>	97

Diagrams

Diagram 1	Sales and Marketing Alignment.....	4
Diagram 2	Creating Collaboration between Sales and Marketing	8
Diagram 3	Barriers to Sales and Marketing Collaboration	17
Diagram 4	Sales and Marketing Configurations.....	28
Diagram 5	Steps to Success in Lead Generation.....	33
Diagram 6	Sales and Marketing Responsibilities in the Funnel	35
Diagram 7	New Sales and Marketing Responsibilities in the Funnel	37
Diagram 8	Communication Types between Sales and Marketing	43
Diagram 9	Types of Trust in Organizational/ Customer Relationships	59
Diagram 10	Customer Value Co-Creation	61
Diagram 11	Managing Sales and Marketing Integration	68
Diagram 12	Processes Where Sales and Marketing Contribute in the Customer Value Chain	79
Diagram 13	Optimizing the Sales and Marketing Interface.....	84

Case Studies

Case Study 1	An Illustration of How the Roles of Sales and Marketing are Changing.....	9
Case Study 2	The Barriers Operating between Sales and Marketing	18
Case Study 3	Alignment of Activities.....	30
Case Study 4	Intelligence Systems and Power	46
Case Study 5	Benefits of Forming Sales and Marketing Partnerships	56
Case Study 6	Effects of Sales and Marketing Reward Structures	73

CHAPTER 1

The Sales and Marketing Interface

Introduction

The relationship between sales and marketing personnel has presented a number of challenges for many organizations. Even organizations that have integrated sales and marketing activities have experienced tensions. Over the past few years there have been many and varied debates around this topic, but still stories continue about poor support from marketing and misuse of marketing materials by sales. However, whichever side of the debate you are on there are a number of views to consider, and no one has yet come up with the ultimate solution.

Creating Customer Value

Marketing is concerned with the process of “creating, communicating and delivering value to customers and for managing customer relationships in ways that benefit the organization and its stakeholders” (American Marketing Association 2004). This definition highlights the importance of customer value to organizational success. It also confirms the central role that customer relationships play in creating sales for the organization. As salespeople are those members of the organization who most frequently communicate directly with customers, customer relationships are usually managed through this function. The division between the sales and marketing functions is therefore evident even in the 2004 definition of marketing by the American Marketing Association. Sales and marketing have different competences and are frequently structured and managed

separately in larger organizations (Piercy 2006). Consequently, although sales and marketing functions have the same overall goal of creating added value for their customers, thereby generating increased sales and profit for the organization, they still have their own objectives, behaviors, and culture. Marketing is generally more concerned with longer-term strategic objectives related to communicating value, while sales is more concerned on shorter-term sales objectives that relate to meeting customer needs (Ernst, Hoyer, and Rubsaamen 2010). Both functions, however, are critical parts of the customer value chain that needs to operate in a seamless manner.

The customer value chain is a way of thinking about how an organization is able to outperform its competitors and secure sales. This value chain is based around the core business processes of marketing and how well these activities are coordinated (Hammer and Champy 1993; Porter 1980). Five core processes in the creation of customer value are directly relevant to the sales and marketing relationship.

- **Market Sensing**—this relates to all the activities that are in management of market information, including the collection of data, analysis to identify new insights into the market, and the dissemination of market information to all parts of the organization. Consequently, sales and marketing have to share information in an integrated fashion to provide a complete picture of the market.
- **New Offering Realization**—this is concerned with the research and development of new products. Sales and marketing should be involved in the concept stage as well as the implementation stage of new product development (Ernst, Hoyer, and Rubsaamen 2010), and therefore they will need to communicate together on market changes and customer needs.
- **Customer Acquisition**—this is a key area in which sales and marketing are required to interact and cooperate. Customer acquisition relates to targeting and engaging new customers and understanding their needs, which cannot be achieved individually.

- **Customer-Relationship Management**—the customer-relationship process has developed and increased in importance over the past few years, as customer needs have become more complex and customer retention has become more difficult (Piercy, Cravens, and Lane 2007). While sales have traditionally been responsible for customer relationships, the development of the Internet has meant that there is more direct contact between the customer and marketing. Effective customer relationships are therefore requiring greater internal communication and interaction than previously was required.
- **Fulfillment Management**—this refers to the process that fulfills the customer's needs that is, receiving orders, shipping items, and collecting payment. Although this does not directly relate to the sales and marketing relationship, it does require the information on customer requirements to be effectively communicated to the supply chain.

The result of reviewing the effects of the sales and marketing interface on these key processes in the customer value chain highlights why this interface has gain so much recent management attention. Cross-functional sales and marketing cooperation is essential to delivering excellence in the customer-relationship management that leads to customer satisfaction (Guenzi and Troilo 2007). As market places become more competitive, organizations are increasingly reliant on the sales from fewer customers (Capon 2011). Consequently, deep insights into these customers' needs at both domestic and global levels are required for success. Focusing on offering superior customer value and quality customer relationships through integrated sales and marketing functions will assist the organization to grow and create competitive advantage.

Operation of the Sales and Marketing Interface

So what are the problems with the sales and marketing interface? Friction between sales and marketing has been generated over time and can be caused by a number of factors including:—the allocation of resources and how these resources are used, conflicting goals set by senior management,

misunderstanding of each roles and the lack of high quality interaction. On the whole marketing personnel and sales personnel have good personal working relationships, but it is the demand of their roles and how these roles interrelate, which are causing difficulties and impacting on customer value. A disconnect between sales and marketing functions that has been observed in many organizations, in both business-to-consumer (B2C) and business-to-business (B2B) organizations. Marketing efforts are usually directed at supporting sales in finding new customers, but there are a lot of lost and dormant leads in most organizations. The Aberdeen Group (2002, 1) found that

“As much as 80% of marketing expenditure on lead generation and sales collateral are wasted—ignored as irrelevant and unhelpful by sales.”

There are many examples of this lack of collaboration between sales and marketing. One example from our own experience is of a marketing department producing materials specifically for a new product launch. Although this material was produced in full consultation with marketing teams from each territory, the sales teams were not fully engaged with the process. In some territories the sales terms felt that the specifications were not presented correctly, in others the data sheets provided were insufficient, and in some the materials produced were not suitable at all. The marketing departments from each territory had apparently not met/considered the opinions of their sales teams during the consultation. Developing marketing materials that include both sales and marketing perspectives is just a small example of how sales and marketing should work together as salespeople have insights into customers' needs and activities of competitors that were not always being integrated into marketing's thinking, and marketing have an overview



Diagram 1 Sales and Marketing Alignment