

# The Impact of Marketing-Sales Relationship on Business Performance

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## THE IMPACT OF MARKETING-SALES RELATIONSHIP ON BUSINESS PERFORMANCE

This study explores the marketing-sales relationship and the impact it has on business performance. Literature review of this study draws together relevant research and literature on this topic, based on which the conceptual framework is formed. Empirical part of this study investigates the state of marketing-sales relationship in Finnish companies and the effects it has on business performance of the company or business unit.

The empirical part of this study was conducted as internet-based questionnaire, which was targeted at the upper management in Finnish companies. This "State of the Marketing 2010" – survey covers the most important areas of marketing, including marketing-sales relationship. The survey generated 1134 respondents, who are in the upper management in their organization. Thus, in national level the sample can be seen as extensive. Also internationally the sample size is remarkable, but it has to be noted that the results cannot be straightforwardly generalized to other countries as well, as national aspects might affect the results. The data was analyzed with two multivariable methods. First, with cluster analysis groups of companies were identified, which are different from each other based on their marketing and sales departments time and goal orientation. This cluster analysis was done in two contexts: companies operating mainly in business-to-business markets and in business-to-consumer markets. Second, with analysis of variance it was investigated how these different clusters affect the business performance.

The most important finding of this study is that marketing-sales relationship does affect the business performance of the company or the business unit in question when operating in business-to-business markets. Moreover, it is shown that the form of marketing-sales relationship, meaning whether the two functions are clearly separate, cooperate to some extent or are inseparable, and time and goal orientations together affect business performance too. Also, there are clear differences between companies in time and goal orientations of their marketing and sales departments so that companies can be grouped based on this dimension.

This study offers an overall view on the marketing-sales relationship of the company, its different dimensions and its effect on business performance in Finland. This serves as a basis for further quantitative and qualitative studies for example in other countries, and in investigating this issue further.

KEYWORDS: marketing-sales relationship, business performance, goal orientation, time orientation

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## MARKKINOINNIN JA MYYNNIN VÄLISEN SUHTEEN VAIKUTUS YRITYKSEN LIIKETOIMINNALLISEEN MENESTYKSEEN

Tämä tutkimus tarkastelee markkinoinnin ja myynnin välistä suhdetta sekä sen vaikutusta yritysten liiketoiminnalliseen menestykseen. Kirjallisuuskatsaus vetää yhteen aiheeseen liittyvän, olennaisen tutkimuksen ja kirjallisuuden, jonka pohjalta tutkimuksen teoreettinen viitekehys on muodostettu. Empiirinen osa käsittelee markkinoinnin ja myynnin välistä suhdetta suomalaisissa yrityksissä ja sen vaikutuksia yrityksen liiketoiminnalliseen menestykseen.

Tutkimus toteutettiin internet-pohjaisena, Suomessa toimivien yritysten ylimmälle johdolle suunnattuna kyselynä. Tämä Markkinoinnin tila 2010 -kysely käsittelee markkinoinnin merkittävimpiä osa-alueita, myös markkinoinnin ja myynnin välistä suhdetta. Tutkimukseen vastasi 1134 yritysten ylimpään johtoon kuuluvaa henkilöä, joten tutkimusta voi Suomen tasolla pitää kooltaan poikkeuksellisen kattavana. Kansainvälisestikin otoskoko on merkittävä. Tutkimuksesta saatua aineistoa analysointiin kahdella monimuuttujamenetelmällä. Ensin klusterianalyysillä pyrittiin tunnistamaan yritysryhmiä, jotka eroavat myynnin ja markkinoinnin osalta aikajänteeltään (aikaorientaatio) tai suunnittelunsa fokukselta (tavoiteorientaatio). Tämän jälkeen varianssianalyysin avulla tutkittiin miten nämä eri ryhmät vaikuttavat yritysten liiketoiminnalliseen menestykseen.

Tutkimuksen keskeisin tulos on, että markkinoinnin ja myynnin suhteella on vaikutus yritysten liiketoiminnalliseen menestykseen toimittaessa yritysten välisillä markkinoilla. Tähän liittyen tutkimus osoittaa myös, että markkinoinnin ja myynnin suhteen muoto, eli onko kyseessä täysin erilliset, yhteistyötä tekevät vai toisistaan erottamattomat toiminnot, sekä aika- ja tavoiteorientaatio vaikuttavat myös yhdessä yrityksen liiketoiminnalliseen menestykseen. Lisäksi on selvää, että yritykset eroavat markkinoinnin ja myynnin aika- ja tavoiteorientaation suhteen ja ne voidaan luokitella tämän osa-alueen perusteella.

Tämä tutkimus tarjoaa yleiskatsauksen markkinoinnin ja myynnin väliseen suhteeseen ja sen eri osa-alueisiin, sekä sen vaikutukseen yrityksen liiketoiminnalliseen menestykseen. Tämä tutkimus muodostaa pohjan useille jatkotutkimusvaihtoehdoille sekä kvantitatiivisesti että kvalitatiivisesti esimerkiksi eri maissa tai muutoin aihetta syventämällä.

AVAINSANAT: Markkinoinnin ja myynnin välinen suhde, liiketoiminnallinen menestys, aikaorientaatio, tavoiteorientaatio **Table of contents** 

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## 1. Introduction

Does it sound familiar to you that marketing is claiming that sales ignores work done by marketing, for example in regard to corporate branding and all the support materials and they just focus on doing their own thing? What about sales responding that marketing would not recognize a qualified lead even if it was right in front of them, that marketing does not produce the materials they need and that they only stress their one-size-fits-all corporate message? These are comments from respondents of a survey focusing on marketing-sales interface. (Aberdeen Group 2002, see Biemans & Brencic 2007, 259)

The focus of this study is the marketing-sales relationship and its effect on business performance. In this Chapter, I will first introduce this main topic and describe relevant background in order to show why this line of research is important and why further research in this area is required. Then, I will proceed to the research problem and objectives of this study, pointing out how this study addresses these issues in order to provide further knowledge. After this, I will go through the key concepts relevant for the topic. In the last section of this Chapter, I will shortly introduce the structure and organization of this study.

#### 1.1 Background

Recently there has been a growing interest in the relationship between marketing and sales (e.g. Homburg et al. 2008) and also on the effects it may have on business performance (e.g. Le Meunier-FitzHugh & Piercy 2007a). Already in the end of last century, there were publications on this matter in many academic journals (Cespedes 1993; Homburg et al. 1999). It seems that in the 21st century this issue has raised both increasing academic (Dewsnap & Jobber 2000 & 2002, Rouziès et al. 2005, Homburg et al. 2008) and managerial interest (Abrams 2007; Crandell 2009).

The marketing-sales relationship is a complex one, consisting of many different elements. In academic articles, it has often been analyzed from only one or few perspectives (e.g. Beverland et al. 2006; Matthyssens & Johnston 2006). While most of the research has a narrow perspective, Homburg, Jensen and Krohmer (2008, 137-138) have conceptualized the relationship most

comprehensively so far as based on the earlier literature they identify five domains of the marketing-sales interface. These include information sharing between marketing and sales, structural linkages between the two, power balance between the two, knowledge in regard marketing and sales and departmental orientations, namely time orientation and goal orientation (Homburg et al. 2008, 137-138).

Out of these domains, the information sharing, structural linkages and the power balance have received most research attention so far (e.g. Cespedes 1996; Oliva 2006; Le Meunier-FitzHugh & Piercy 2007a; Le Meunier-FitzHugh & Piercy 2007b; Malshe & Sohi 2009; Malshe 2010). Also knowledge issues have been discussed (Matthyssens & Johnston 2006; Nielsen 2006; Nonaka & Peltokorpi 2006), though not extensively in the context of marketing-sales relationship. Time and goal orientation have received only limited research attention, and almost none in the context of marketing-sales relationship. Still, information on how different time perspectives marketing and sales personnel might have (time orientation) and how focusing on different objects and goals (goal orientation) affects business performance would be useful for companies seeking to improve their business performance. Consequently, time and goal orientation are at the heart of this study as from these presented domains, more knowledge is needed especially on time and goal orientation.

In recent literature, the growing cross-functional integration of marketing activities is seen as a way to achieve better results in business performance (e.g. Le Meunier-FitzHugh, & Piercy 2007a). This could imply that if marketing-sales relationship is such that marketing activities are deployed jointly, the relationship could also have positive effect on business performance. Also in general terms, cross-functional integration is seen as means to achieving business improvements as functional operations are often already polished as much as possible (Brown 2005, 2).

There is also some empirical evidence that cross-functional deployment of marketing activities helps the strategic business unit in increasing its business performance (Krohmer et al. 2002, 451). In line with this is the view of marketing activities as sub processes of broader business processes as then it is clear that cross-functional processes are needed for the implementation of marketing ideas (Srivastava et al. 1999, 177).

Still, many view marketing-sales relationship as a rather untouched area with limited research (Dawes & Massey 2005, 1328; Rouziés et al. 2005, 113). Even though the conceptual approaches to marketing-sales relationship are increasing, empirical studies in this area are limited. Homburg, Jensen and Krohmer (2008, 133) state and show that the marketing-sales interface has not been researched systematically and deeply. They draw together the eight empirical studies made on this topic before 2008 and make three conclusions. First, there is a lack of empirical evidence on marketing-sales integration. Second, only three of the empirical studies focus especially on the marketing-sales interface and other five only discuss it as a side issue. Third, no variation between the companies is analyzed and the focus is on the typical, average company. (Homburg et al. 2008, 134-135)

#### **1.2 Research question and objectives**

Marketing-sales relationship and especially its effect on business performance still remains a largely unexplored area albeit of the rising interest towards it. Thus, this marketing-sales relationship and its effect on business performance is the area of this study at large. Also, besides focusing on the marketing-sales relationship overall, this study will have a strong emphasis on time and goal orientation, as these two have attained very limited previous research. With this study, I will discuss these issues from a theoretical perspective and then conduct an empirical study to find out how reality fits into the theoretical frames. As a result, this study shows both theoretically and empirically that marketing-sales relationship has effect on business performance.

The research question goes as follows:

#### How does marketing-sales relationship affect business performance?

This research question is divided into three sub questions, which specify the focus of this study. These are the following:

What elements are part of marketing-sales relationship and part of time and goal orientation of these departments?

How does marketing-sales relationship, especially time and goal orientations of these departments, affect business performance?

How does the effect of marketing-sales relationship on business performance differ in business-tobusiness and business-to-consumer contexts?

With this research question in mind, I intend to form a theoretical framework based on earlier literature. The research question of this study is observed from the viewpoint of companies in general. It is also seen from the perspective of top executives as they are participants of the empirical survey conducted for this study.

The main objective of this study is to produce empirically tested knowledge on the marketingsales relationship, which has received limited attention in academic literature, and especially, has been tested empirically only in few other studies. This way the main contribution of this study is to show that the marketing-sales relationship affects the business performance in Finnish companies and analyze this relationship based on the earlier literature.

Managerially, I intend to provide useful information on the sales-marketing relationship and especially on the effect that this relationship has on business performance. This can help managers to decide on how to manage their often separate marketing and sales functions and whether to invest on the development of this relationship or not.

#### 1.3 Methodology and scope

The empirical study is conducted as a part of the Stratmark-project of Aalto School of Economics and Hanken School of Economics, which is a project trying to emphasize the strategic focus of marketing. The "State of Marketing 2010" –survey, from which my empirical data is collected, is a nationwide survey in Finland covering different areas of marketing. The survey is part of the Stratmark-project. This survey resulted in sample of 1134. This survey will be discussed further in Chapter 3.

Several statistical methods are used to analyze the data gathered from the survey. In order to find out how companies differ in relation to time and goal orientations their marketing and sales departments have, a cluster analysis is conducted. This cluster analysis is done in two different contexts: business-to-business and business-to-consumer. These clusters from both contexts are then compared by variance analysis, both one-way and two-way ANOVA, to the business performance evaluated by companies' top executives. In addition, the state of marketing-sales relationship in Finnish companies and which of the formed clusters perform the best is analyzed with cross-tabulations.

The scope of the marketing-sales relationship in total is rather immense, so all the detailed aspects of the relationship cannot be included in this study. At large, this study focuses on the marketing-sales relationship in general and the effect it has on business performance. In specific level, it has a focus on time and goal orientations as one element of the marketing-sales relationship and its effect on business performance. Other elements are shortly discussed when introducing the marketing-sales relationship, but they are not considered in detail in this study.

The data set of this study consists only of Finnish companies. Thus, it can be assumed that the implications can mainly be drawn in relation to Finnish companies only. The literature review and the theoretical framework developed are seen as universal. The results of the empirical study are presented in Chapter 4 and discussed in Chapter 5.

#### 1.4 Key concepts

In the following, I will shortly present the key concepts of this study which are marketing, sales, marketing-sales relationship, business performance, time orientation and goal orientation. Out of these concepts, marketing, sales and marketing-sales relationship are explained in more detail in the beginning of Chapter 2 in order to provide the reader with appropriate view of the development of these concepts, which in turn affects the state of the marketing-sales relationship. Time orientation and goal orientation are explained more specifically in subchapter 2.2 and

business performance in subchapter 2.3. Other concepts that require definition are presented when they appear in the text.

*Marketing.* There is a continuous debate whether marketing should be seen as a separate organizational function or a process including various kinds of activities. Accordingly, there are various different definitions on what marketing is. (Grönroos 2006, 398) I find that comparison between marketing and sales should start from operational level as that is the most practical and digestible and thus differences can be seen. On the other hand, as I also focus on business performance, I feel that this should be included in the marketing definition. Thus, for the purposes of this study, marketing is defined as follows: "Marketing in operational level is the set of activities that an organization does to a serve its customers. These include at least brand and image building, marketing communications, loyalty programs and forecasting development of consumer needs, market changes and technological development. On a company level, marketing seeks to achieve customer preference and that way, profitable business performance as its own, key objective." (Ambler 2003, 21; Achrol & Kotler 1999, 147)

*Sales.* For the purposes of this study, I find it useful to combine operational side and performance outcomes in defining sales, so that sales definition is in line with the marketing definition. Thus, "sales activities include activities designed to promote customer purchase of a product or service in order to generate positive cash flow for the organization". (Levitt 1960; Dictionary 2010)

*Marketing-sales relationship.* The marketing-sales relationship is discussed in literature with varying terms. Homburg, Jensen and Krohmer (2008, 139) use the term "the quality of cooperation between marketing and sales" as they find it describing the state of the interdepartmental relationship instead of the process. They define the quality of cooperation between marketing and sales as "the extent to which there is a state of collaboration between marketing and sales that is characterized by unity of effort and harmony" (Homburg et al. 2008, 139). Marketing-sales relationship also develops and changes as time passes. Thus, the definition of marketing-sales relationship in this study is: "marketing-sales relationship is the state of collaboration between marketing and sales which develops and changes over time" (Homburg et al. 2008, 139; Biemans et al. 2010, 192). Naturally, this state can be either harmonious or disunited.

*Business performance* Organizational performance is a complex issue as performance can be seen as goal attainment, resource attainment or process success. For the purposes of this study, the goal approach is most relevant. There exists varying definitions of business performance. Ambler and Kokkinaki (1997, 666) have defined success based on the goal approach in the following way: "the proximity of achievement of goals". Business performance as such has seen to include both financial performance and operational performance (Venktraman et al. 1986, 801-804). Thus, by combining these two views business performance can be defined this way: "Business performance is the achievement of financial and operational business goals." This definition is used in this study. The estimations of management on their business performance have been seen to reflect well the actual business performance (e.g. Wiklund & Shepherd 2005, 81; Frank et al. 2010, 184). Thus, this is used as a performance indicator in the empirical part.

*Time orientation.* Homburg, Jensen and Krohmer (2008) have time orientation as part of their taxonomy of the marketing-sales relationship. Time orientation (the short-term versus long-term) they have defined as "as the extent to which activities of marketing/sales are guided by immediate action rather than by extensive planning". (Homburg et al. 2008, 139)

*Goal orientation*. Also goal orientation is part of the same taxonomy of the marketing-sales relationship as time orientation. Goal orientation (customer versus product) is defined as "the extent to which the activities of marketing/sales are guided by customer-related rather than product-related strategies, plans, and performance evaluations". (Homburg et al. 2008, 139)

#### **1.5 Structure**

Chapter 2 outlines relevant literature and earlier research. Marketing-sales relationship is discussed in general. More focus is given on time and goal orientation and also the relationship business performance has with marketing-sales relationship is discussed. Last, a conceptual framework is drawn based on the literature presented in the preceding subchapters. Chapter 3 presents the empirical study that was conducted in order to explore marketing-sales relationship's effect on business performance. I will also introduce the statistical analysis methods that are used

in this study. Chapter 4 introduces the empirical findings of the study. The results are also preliminary analyzed in regard the theory presented in Chapter 2. Chapter 5 concludes this all in a brief summary, which includes further discussion of the empirical findings and especially their fit with the theoretical framework presented, as well as their managerial implications. I will also present limitations of this study and implications for future research.

## 2. Literature review

In this Chapter, relevant literature and earlier research is presented. First, I will discuss the interrelated concepts of marketing, sales and marketing-sales relationship to form a basis for understanding the topic of this study. Second, I will discuss marketing-sales relationship in general and what elements are usually seen as part of this relationship and what kind of discussion it has intrigued in literature. This section is important as it presents the multitude of this matter. It shows the context of goal and time orientation when considering marketing-sales relationship and presents why specifically time and goal orientation are of importance. Third, after building the context of marketing-sales relationship, I will discuss more deeply time and goal orientation as elements of the marketing-sales relationship focusing first on time orientation, then on goal orientation and after this on the effects these two have on marketing-sales relationship. Fourth, I will present the effect marketing-sales relationship has on business performance and this way show the importance of this relationship for companies. Fifth, a conceptual framework is drawn based on the literature presented in the preceding subchapters.

#### 2.1 Overview to marketing-sales relationship

This subchapter is divided into two parts. The first one describes the development of the most relevant concepts, namely marketing, sales and marketing-sales relationship. The second part discusses the marketing-sales relationship and presents an extensive conceptualization of that relationship so that the view of this relationship would be as wide as possible.

## 2.1.1 Development of concepts marketing, sales and marketing-sales relationship

In this part, I will present the development of concepts marketing and sales, respectively, in order to build up background for understanding of the marketing-sales relationship. The ways in which the concepts of marketing and sales have evolved has a remarkable influence on the way marketing-sales relationship is viewed and how it is organized in today's business environment. In the end, I will also discuss the concept of marketing-sales relationship. It should be noted that this concepts are not separate from each other, but interrelated instead.

*Marketing.* There is a continuous debate whether marketing should be seen as a separate organizational function or a process including various kinds of activities. Others have seen marketing as a separate entity, while others see marketing being an eclectic set of activities, which is studied and conducted by people with a varying set of skills and knowledge bases. (Ringold & Weitz 2007, 251) Accordingly, there are various different definitions on what marketing is. The definition introduced by the American Marketing Association (AMA) is most commonly considered as a standard reflecting academic research and education and also marketing practise inside North America and beyond. (Grönroos 2006, 398) The marketing definition by AMA has developed over the years. In the following, I will shortly discuss the development of marketing and along with that, the development of AMA's marketing definition. This development is important as it still today affects how marketing is understood and interpreted in both business environment and academic world.

Before the first AMA definition, in the first decades of the 20<sup>th</sup> century, the first steps of marketing study in the academic field were interested on agricultural markets and processes where products were delivered to market and prices decided (Webster 1992, 1-2). The main focus at that time was on the transaction or output and how institutions performing marketing added value to products (Vargo & Lusch 2004, 3). There was relative absence of a managerial focus, as marketing was viewed as a variety of social and economic processes instead of managerial processes (Webster 1992, 1-2).

In 1935 marketing was defined by AMA as "the performance of business activities that direct the flow of goods and services from producers to consumers" (AMA 2008, 2). This clearly reflects the traditional view in which marketing focuses mainly on exchange and moving things from one place to another, but with slight emphasis on institutional and functional side (Bagozzi 1975, 32; Webster 1992, 2). Marketing has inherited this focus on exchange from economics, where dominant logic was based on the exchange of goods that normally were manufactured output. The focus was on tangible resources, embedded value and transactions. (Vargo & Lusch 2004, 1)

In the 1950s and 1960s marketing was often seen just as an extension to sales department. Webster (1992) describes that large and hierarchical structures were the dominant structure at that time and firms created marketing departments merely as additions to their sales functions. As the pace of change was slower at that time, this organizational structure and clearly defined tasks were probably suitable for that environment. (Webster 1992, 3-4, 13) On the other hand, already then it was emphasized that marketing should give more than regular input for the company instead of thinking that the success is brought by being in a growth industry and that way trusting the existing position (Levitt 1960, 45-46). Thus, the role and position of marketing in a company has raised discussions and debates as long as marketing has existed.

In 1960 a widely accepted classification of the marketing mix was made, consisting of price, product, place and promotion. Promotion included advertising, personal selling, publicity and sale promotion. It is one of the basic ideas of marketing. Later there have also been extensions of the traditional 4 P's model. (Waterschoot & Den Bulte 1992, 83-84; Webster 2005, 4) When marketing is seen as the 4 P model, it means that marketing is seen as purely operational. Because of the wide acceptance of 4 P model, it still affects how marketing can be seen only as operational, especially in real business environment. Thus, tactical view of marketing is rooted in this concept and even though marketing practice has evolved since 1950's, this concept is still relevant in both practice and research. (Webster 2005, 4)

In marketing theory, the marketing management school of thought started to emerge in 1950s and continued for more than thirty years. Customer focus became a central issue for marketing thought. Customers were not seen as just buying things, but needing or wanting fulfilment. Consequently, it was seen that everybody should focus on the customers, because satisfying customers is the only purpose of a company. Marketing was seen as a decision-making and problem solving function. (Vargo & Lusch 2004, 3) The theoretical foundation of marketing relied on other disciplines, mainly economics, statistics, mathematics, psychology and social psychology (Webster 1992, 3-4, 13). Even though marketing was at first related to companies and firms, it should not be limited into organizations doing business. Marketing provides useful perspectives and concepts for all organizations, as each should develop appropriate products for their consuming groups and communicate those effectively. (Kotler 1969, 15)

During the 1980s and 1990s, both the marketing theory and the form of marketing function in an organization started to evolve (Webster 1992, 4-10; Vargo & Lusch 2004, 1). In marketing theory, many new views developed that were not based on the 4P's concept. These appeared to be separate lines of research in relationship marketing, quality management, market orientation, supply and value chain management, resource management and networks, and services marketing. (Vargo & Lusch 2004, 1) At the same time, organizational structures began to change towards organizations were partnerships between firms started gaining importance. There became various new types of organizational forms such as partnerships, alliances and networks. It started to become clear that organizations could not do everything by themselves, but different organizations should combine their expertise. In this new organizational context, the traditional way of organizing marketing as a separate function and seeing the marketing concept in the traditional way could no longer continue. Instead, both needed to be re-examined. (Webster 1992, 4-10)

The previous AMA definition was updated in 1985 to the following: "*Marketing is the process of planning and executing the conception, pricing, promotion, and distribution of ideas, goods and services to create exchanges that satisfy individual and organizational objectives*" (AMA 2008, 2). This 1985 definition included the traditional 4 P's of marketing presented earlier. It is curious that the 4 P's was introduces already in year 1960 and it took more than 20 years from AMA to modify their definition. In 1980's, marketing theory was already beyond the 4 P's concept and discussing variety of other issues like relationship marketing, networks and market orientation (Webster 1992, 4-5) as it was presented earlier in this subchapter. To me, it seems that at least at this point, AMA's definition was clearly undeveloped compared to marketing research of that time and the past decade as well.

In 1990s there was a movement of thinking so that instead of seeing marketing as a function, it is seen as a set of values and processes that all functions in an organization participate in implementing (Moorman & Rust 1999, 180). As a result of this, marketing does not always exist anymore as a separate management function at the corporate level and it should not be seen as a responsibility of one department only (Webster 1992, 10; Grönroos 2006, 404). Marketing in essence is more than an economic optimization problem. It is a key component in the guidance system of a firm. This way marketing needs to be part of everyone's duties in the organization and element of the organizational culture. (Webster 1992, 14)

For being able to consider marketing function and marketing concept out of its traditional lines, it should be acknowledged that marketing operates in three different levels, the same levels of the strategy: corporate, business unit and functional or operational level. The role of marketing on each strategy level is different. On corporate level, marketing should assess market attractiveness of different markets, promote customer orientation and develop firm's overall value proposition. On business unit level, the most important thing strategically is to decide how to compete in the chosen businesses and reflectively, the most important marketing tasks are the planning process of market segmentation, market targeting, and positioning in the chosen segments. In the operational level, the important tasks relate to marketing mix and deploying the chosen activities. (Webster 1992, 10-12)

Marketing can be seen from three different dimensions: marketing as a business philosophy, marketing as a strategy or a business function and marketing as operational activities. Webster (1992, 10) has named these, respectively, marketing as a culture, marketing as a strategy and marketing as tactics. Achrol and Kotler (1999, 147) speak about marketing as business philosophy, as a business function and as a set of skills. On the highest level, Webster (1992, 10) finds marketing as a culture as basic set of values and beliefs concerning the central importance of the customer that guide the organization. Similarly, Achrol and Kotler (1999, 147) find that the philosophy of marketing in essence is about customer welfare as the ultimate goal of all marketing activities.

On the next level, Webster (1992, 10) sees marketing as a strategy defining how the company competes in the chosen businesses. Achrol and Kotler (1999, 147) point out that marketing as a business function has evolved to a point in which companies are focusing only on the core activities and outsourcing everything else. Marketing is seen as a core function still (Achrol & Kotler 1999, 147).

Third level is the operational one. Webster (1992, 10) claims that marketing as tactic refers to operational level so that marketing in essence is about the 4 P's, elements of the marketing mix. Achrol and Kotler (1999, 147) find this operational level, a set of skills, as containing for example brand and image building, marketing communications, customer service, loyalty programs and

ability to understand customers. They also mention that in the future, the importance of forecasting technological change and how consumer needs and markets change increases. In relation to the levels of strategy, these three dimensions of marketing are found in each level of the strategy, but the importance of them varies according to the level. (Webster 1992, 10; Achrol & Kotler 1999, 147) Still, regardless of the dimension in question, marketing can be seen as the way with which a firm achieves its key objectives (Ambler 2003, 21). Webster (2005, 4) points out that at each point in time, one of these levels has dominated in research and practice to the detriment of the others.

In the 21st century some have predicted that marketing discipline would be facing a paradigm shift. Vargo and Lusch (2004) have suggested that instead of a more fragmented variety of different schools of thought, marketing discipline would be evolving towards a new, service-focused dominant logic. They see marketing as moving away from the exchange of tangible goods towards the exchange of intangibles such as specialized competences, skills and knowledge and processes. The new dominant logic of marketing is seen as to integrate goods with services and providing a richer foundation for the development of marketing thought and practise and possible replace the traditional goods-focused paradigm. (Vargo & Lusch 2004, 1-2, 15)

Achrol and Kotler (1999), on the other hand, claimed in 1999 that in the future marketing activities will be characterized by the management of inter-organizational relations as we are moving more and more towards a network economy. Besides this, marketing is becoming more of a consumer consulting function than a marketer of goods and services. Due to these reasons they found that a paradigm shift of marketing would be close. (Achrol & Kotler 1999, 161-162) Also Srivastava, Shervani and Fahey (1999) have pointed out that marketing may require a paradigm shift, so that marketing in the future would be seen as part of core business processes (Srivastava et al. 1999, 178). Also managerially, marketing practice has changed from mass-marketing to knowledge- and experience based marketing (McKenna 1991, 65). This all shows that marketing discipline has been going trough radical changes as the world around us is changing constantly. This might at some point lead to a shift in paradigm, but at least in the present research in 2010 this issue of possible paradigm shift is not seen too clearly anymore.

Still, it can be stated that the conceptual foundations of marketing should be extended. The marketing discipline is seen to benefit if it combined economics, political science, and organizational behaviour as well as suitable frameworks from other disciplines like legal analysis, sociology, anthropology, and social psychology. This would enhance the understanding of the new central processes for marketing, such as negotiation, coordination and cooperation, which define marketing relationships. (Webster 1992, 13) Besides conceptual extension, audience of marketing scholars and marketing research should be extended beyond just marketing practitioners to business practitioners in general so that their contributions would also affect business around the organization (Brown 2005, 1-4).

In 2004, AMA's marketing definition was changed into: "Marketing is an organizational function and a set of processes for creating, communicating, and delivering value to customers and for managing customer relationships in ways that benefit the organization and its stakeholders" (AMA 2008, 2). This definition stimulated discussion in many articles with opposing views (Ringold & Weitz 2007, 253). This debate included for example the following issues. The definition was seen to include only marketing within an individual organization. Also, the definition did not note outside competition. There was also a fear that this definition would cause decreasing research opportunities as the scope of marketing was understated, which is clear when reflecting to ideas of Webster (1992) presented earlier in this subchapter. In addition, the customer value was not brought up as it was in the recent research and customer relationships were not treated as they should. Besides all these, there were claims stating that marketing should not have been seen as a sole organizational function. (Wilkie 2005, 8-9; Grönroos 2006, 397-405) On the other hand, is has been claimed that marketing should still exist as a separate function, connecting the customer to the product, service delivery and financial accountability (Moorman & Rust 1999, 196-196).

Due to the emergent debate after the 2004 definition, the AMA decided to rearrange the process of defining marketing (Ringold & Weitz 2007, 254). The newest definition of AMA in marketing is: *"Marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large"*. Marketing is not seen as a separate function anymore, but as an educational process. (AMA 2008, 1) As it can be seen, AMA is gradually taking a broader perspective on marketing as

marketing changes along with the environmental changes and clear development is taking place in marketing theory.

For the purposes of this study, as my focus is on both marketing-sales relationship and the effect it has on business performance, both marketing and business performance should be included in marketing definition. For being able to see on a basic level the differences between marketing and sales, the examination should start from the operational level, but to continue to strategic level to include the business performance (Webster 1992). Thus, for the purposes of this study, I combine the ideas of Ambler (2003) about marketing as achievement of key objectives and Achrol and Kotler (1999, 147) about operational marketing activities so that marketing is defined as follows: "Marketing in operational level is the set of activities that an organization does to a serve its customers. These include at least brand and image building, marketing communications, loyalty programs and forecasting development of consumer needs, market changes and technological development. On a company level, marketing seeks to achieve customer preference and that way, profitable business performance as its own, key objective." (Ambler 2003, 21; Achrol & Kotler 1999, 147)

*Sales*. Sales research is a core discipline in the academic marketing field (Geiger & Guenzi 2009, 874). Respectively, it is seen that research in selling and sales management should results in vital contributions to marketing thought and practise (Jones et al. 2005, 106). Kotler (1969, 15) sees that people see marketing as including selling, influencing and persuading. Also, sales researchers seem to most often publish their findings in marketing journals as they have only few journals that are focused principally on sales and also that way, sales is seen as a subfield in marketing (Plouffe et al. 2008, 79-84).

Traditionally, sales research has been seen as focusing on the individual salesperson-buyer dyad. Sales research has it academic roots in the 1960s. It started to gain more importance and spread faster in academic society when sales researchers got their first own specialist publication, the Journal of Personal Selling and Sales Management in 1980. Sales research has also seen sales as a separate organizational function. (Plouffe et al. 2008, 89; Geiger & Guenzi 2009, 875-876)

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At the moment, it is claimed that sales as a research area has fallen behind other areas critical to marketing success. Difficulties in data access and the perception that some do not see sales as integral to marketing are presented as potential reasons for this development. Still, sales research seems to rely quite a lot in models and assumptions that have been made in past decades and which might need to be revised as the demands in the marketplace are evolving. (Jones et al. 2005, 105)

In the 21st century, sales research is evolving in the both academic and professional side. During the twenty-first century, there has been rapid changes in the way selling is both executed and managed. Reasons for this change include at least the changes in international competition in Europe, as there virtually are no borders anymore and the increasingly globalised world economy as well as the economic down turn faced since the second half of 2008. Today greater research is also needed as contemporary selling is seen to be involved in highly complex social networks and the research is slowly evolving into that direction. (Plouffe et al. 2008, 89; Geiger & Guenzi 2009, 874-876) During the last few decades sales has changed in nature, from a tactically focused marketing specialty into a strategic function creating value in both industrial markets and elsewhere (Honeycutt 2002, 555; Geiger & Guenzi 2009, 875).

Intra-organizational issues are also seen as an emerging and important topic for sales research that requires more attention (Williams & Plouffe 2007, 413; Plouffe et al. 2008, 87). This may be because sales practices are usually seen as integrative in nature in a way that they connect different internal departments (Geiger & Guenzi 2009, 876). Academics' view is that managers fail to recognize the importance of intra-organizational issues and this way it is likely that sales continues operating in a silo as the culture and performance goals do not encourage to internal collaboration (Geiger & Guenzi 2009, 885). This points out the importance of the topic of this study as well.

Even though the amount of publications in sales has increased, it seems that there is not a clear conceptualization of sales concept as most of these publications focus on some narrow aspect of sales (Williams & Plouffe 2007, 411-412). This is also reflected when considering sales definitions. On the marketing field, there is a strong debate about what marketing in essence is. In the sales side, this kind of discussions is absent.

It seems that the debate about what marketing is does not extend into sales. Sales departments' duty is simply about selling, about a physical activity that focuses on persuading people to buy (Skaggs 2006, 30). According to Kotler (2003), "salespeople can research the customer before the visit, answer questions during the visit, and record important facts after the visit. Salespeople can retrieve product information such as tech bulletins, pricing information, customer buying history, preferred payment terms, and other data to facilitate their work. And finally, they make the sale." (Kotler 2003)

Levitt has claimed (1960, 50) that sales unit and activities have been emphasized more than marketing in companies as marketing is a more complex phenomena. He stresses that there is a clear difference between sales and marketing. Levitt's (1960) definition of sales has even been seen as classical (Cespedes 1995, xix). He says that "selling is preoccupied with seller's need to convert his product into cash." On the other hand, he sees marketing as "satisfying the needs of the customer by means of the product and the whole cluster of things associated with creating, delivering and finally consuming it." (Levitt 1960, 50) However, Cespedes (1995, xix) sees that because sales' importance of generating cash flows is undeniable, it still defines the substance and outlines most of companies' marketing programs.

AMA, which definitions of marketing were presented earlier, defines sales as follows: "Any of a number of activities designed to promote customer purchase of a product or service" (Dictionary 2010). For the purposes of this study, I find it useful to combine this definition to Levitt's (1960, 50) classical definition of converting product to cash in the following way: "Sales activities include activities designed to promote customer purchase of a product or service in order to generate positive cash flow for the organization". (Levitt 1960; Dictionary 2010) This definition is used in this study as it is comparable with the marketing definition, focusing on both, the operational level and business performance outcomes.

As conclusion, four important issues should be noted, from the presentation of marketing and sales concepts above, as they affect the marketing-sales relationship. First, marketing was at first, in the 1950s and 1960s, seen to develop as a mere extension of firms' sales departments. Later, these two have been seen as separate management functions. Today, marketing is often seen as

responsibility of other functions as well but marketing, where as sales is still seen as its own management function. (Webster 1992, 3-13; Plouffe et al. 2008, 89) Second, both marketing and sales were initially seen as tactical issues, but have developed into having more strategic importance (Honeycutt 2002, 555; Plouffe et al. 2008, 89). Third, at least in the academic world, sales research is seen as part of the marketing discipline, still seeking its place (Geiger & Guenzi 2009, 874; Jones et al. 2005, 105). Fourth, both marketing and sales should contribute to the business performance of an organization (Levitt 1960, 50; Ambler 2003, 21).

*Marketing-sales relationship.* Interdepartmental integration and relationships are discussed in literature with varying terms. There seems to be a lack of consensus on how the marketing department could be successfully integrated with other departments. A clear indication of this is the fact that the concept "integration" can mean different things depending on the writer. (Kahn & Mentzer 1998, 53)

One stream in the literature sees integration as an integrative process in which activities enhancing interdepartmental communication are essential (e.g. Ruekert & Walker 1987, 3; Griffin & Hauser 1996, 193-195). It is suggested that a marketing manager adopting this view would favour activities entitled to increasing communications, for example arranging more meetings and increasing written documentation. In essence, the marketing manager would focus on structuring the marketing department's relationship with other departments' through enhancing the diffusion of market information. (Kahn & Mentzer 1998, 53)

A second view sees integration between departments as a collaborative process, where the relationship is focused on "teams" and "resource sharing" (e.g., Lawrence & Lorsch 1973, 44-46). It is suggested that the marketing management having this collaborative view of integration would focus on establishing collective goal, mutual respect and teamwork between departments. This view is thus in essence about relationships and building esprit de corps. (Kahn & Mentzer 1998, 53) Management attitudes towards improving the coordination between marketing and sales are critical for improving collaboration between the two (Le Meunier-FitzHugh & Piercy 2007b, 939).

The main issue in integration with marketing and other departments is whether the integrative process view or the collaborative process view or both lead to higher levels of business

performance. It has been shown in an empirical research that collaboration has a significant, positive relationships with different performance outcome variables, where as there has been found no relationships with integrative process and performance. Also, no relationship has been found with both collaboration and integrative process into performance. (Kahn & Mentzer 1998, 57) Thus, companies should seek for collaboration as opposed to integration (Le Meunier-FitzHugh & Piercy 2007b, 941). The concept of collaboration is used also in this study when defining the marketing-sales relationship as the performance outcomes of that relationship are essential.

Also the marketing-sales relationship is discussed in literature with varying terms. Marketingsales integration, marketing-sales collaboration and marketing-sales interface are often used to signify relatively the same thing. Lawrence and Lorsch (1973, 11) have originally defined the integration between different organizational units as "the quality of the state of collaboration that exists among departments that are required to achieve unity of effort by the demands of the environment". Nevertheless, they noted that the concept "integration" is rather ambiguous. (Lawrence & Lorch 1973, 11)

Due to the ambiguity of the term integration, Homburg, Jensen and Krohmer (2008, 139) ended up using the term "the quality of cooperation between marketing and sales" as they find it describing the state of the interdepartmental relationship instead of the process. They define the quality of cooperation between marketing and sales as "the extent to which there is a state of collaboration between marketing and sales that is characterized by unity of effort and harmony" (Homburg et al. 2008, 139). One should also note that marketing-sales relationship develops and changes in companies over time (Biemans et al. 2010, 192). Thus, from this can be drawn a definition for marketing-sales relationship as follows: "marketing-sales relationship is the state of collaboration between marketing and sales which develops and changes over time" (Homburg et al. 2008, 139; Biemans et al. 2010, 192). Naturally, this state can be either harmonious or disunited.

In sum, it seems that when marketing-sales relationship is organized as a collaborative rather than integrative process, the effects on business performance are positive. Still, marketing and sales are organized quite differently in companies, but marketing activities are increasingly seen as responsibility of others than marketing personnel as well. Also, both marketing and sales have increased their strategic importance, which could have effected to the rising importance of the relationship between them as well. In strategic level, both marketing and sales should contribute to organization's business performance.

#### 2.1.2. Conceptualization of marketing-sales relationship

Next, I will provide an overview to marketing-sales relationship so that it is then visible how the focus of this study, namely time and goal orientation and their effect on the business performance, fits in the ensemble view of marketing-sales relationship. I will present an extensive conceptualization of marketing-sales relationship done by Homburg, Jensen and Krohmer (2008) and extend that with other relevant literature.

The marketing-sales relationship is of importance as successful outcomes of this relationship can be highly beneficial for the company in question. Successful relationship is seen to lead to longterm orientation in regard to strategy, joint team decisions both across hierarchical levels and functional teams and successful communication so that both teams are informed about relevant issues. It has been also suggested that marketing and sales need to work closely so that they can jointly form a prevent mechanism for customers initiating influence tactics against the supplier when seeking for example lower prices. (Borders 2006, 362) Marketing-sales relationship also has an effect on business performance, which can be either positive, neutral or negative (e.g. Krohmer et al. 2002, 461; Kahn 1996, 141; Le Meunier-FitzHugh & Piercy 2007a, 214). Also customer focus in its deepest form can be achieved through deep integration which involves also marketing and sales. Then, the focus is in bringing the understanding of customers needs to all day-to-day operations. (Gulati & Oldroyd 2005, 99-100) Thus, marketing-sales relationship clearly can have many positive effects in the company, but of course, this depends on the dimensions of this relationship and on context as well.

The marketing-sales relationship is often described as problematic and far from harmonious (Rouzies et al. 2005, 114; Montgomery & Webster 1997, 16). There is a lack of cohesion, which leads to conflicts. There is not enough trust between the people of the two functions, the coordination of joint activities does not work, and negative stereotypes of each other are common.

(Carpenter 1992, 29; Cespedes 1996, 29-30; Kotler et al. 2006, 3) Based on this it is not surprising that managers are not always satisfied with the results they have achieved in this area (Beverland et al. 2006, 386). This state of the relationship described above is most likely not beneficial for any company. This is why it is important to understand what the marketing-sales relationship is like and how it is constructed.

As it can be reasoned from the above paragraph, the marketing-sales relationship is a complex phenomenon. Unfortunately, in prevailing literature, it is often seen from only one perspective. So far, the most extensive conceptualization is done by Homburg, Jensen and Krohmer (2008, 137-138). They have identified five conceptual domains of the marketing-sales relationship based on earlier research: information sharing, structural linkages, power, orientations consisting of time and goal orientation and knowledge. Each of these domains contains one or few conceptual dimensions. Basically they have tied together similar constructs and they stress that there does not exists a hierarchical structure between these domains so that one would act as a prerequisite for another. (Homburg et al. 2008, 137) I will present these domains in the order reflected above.

The first conceptual domain in Homburg's, Jensen's and Krohmer's (2008) conceptualization is information sharing. This domain includes cross-functional intelligence dissemination and knowledge sharing. Information transmission, or dissemination, is seen as a central element in marketing-sales relationship, because it is a prerequisite for being able to use the information. They also see it as a bilateral issue as the information flows in this case should go from marketing to sales and vice versa. (Homburg et al. 2008, 137-138)

Effective communication between marketing and sales functions is seen to decrease the amount of interdepartmental conflicts and that way have a positive effect on collaboration between marketing and sales. Shared market intelligence, on the other hand, is seen to increase the level of communication. (Le Meunier-FitzHugh & Piercy 2007a, 211; Le Meunier-FitzHugh & Piercy 2007b, 945) For being able to communicate, marketing and sales personnel should also use same language with common definitions as if not, there can be a language barrier, which complicates the relationship (Oliva 2006, 395-396). Information sharing between marketing and sales is important also in a sense that it is means for building credibility by showing that the information and knowledge that marketing or sales has is really useful and vital (Malshe 2010, 17). Managerial

reports note that in the end, business suffers if sales and marketing do not communicate and share information. This problem is seen as a fundamental one. It is not claimed that the two sides should always agree, but they have to discuss. Marketing people have to share their market information and also ask for sales views on the matters and vice versa. (Lorge 1999, 27-29; Gulati & Oldroyd 2005, 94-97)

The second conceptual domain of marketing-sales relationship conceptualization is structural linkages (Homburg et al. 2008, 137). This refers to the degree to which formal interaction channels or horizontal platforms are created to aid interdepartmental activities (Workman et al. 1998, 27). It has been claimed that "mixing" marketing and sales with help of different kinds of structural linkages, would produce favourable results for organizations (Oliva 2006, 395). Structural linkages domain contains three dimensions. The first is the classical horizontal platform "team work" (Homburg et al. 2008, 138). This refers to the level in which market-related activities are developed and implemented together with marketing and sales personnel (Cespedes 1996, 31). The second dimension is joint planning, which means the degree in which marketing and sales jointly develop objectives, budgets and activities (Homburg et al. 2008, 138). The third dimension of structural linkages is formalization, which is seen as the level to which the cooperation between marketing and sales is managed by guidelines (Homburg et al. 2008, 138).

In regard to joint planning it has been pointed out that in order to successfully implementing the marketing strategy so that activities of both departments are coordinated with the strategy, both marketing and sales functions need to contribute already in the strategy making phase. It is essential that both functions participate equally during entire process. Still, it has been shown that often the sales function does not take part in making the strategy. (Anderson et al. 1999, 23; Olson et al. 2001, 25; Malshe & Sohi 2009, 401, 413) In addition, it seems that sales managers often "build" their sales objectives regardless of the marketing strategy so that the goals of sales and marketing are not clearly coordinated closely enough (Strahle et al. 1996, 14-15). Joint planning has also seen to have a positive effect on collaboration between marketing and sales (Le Meunier-FitzHugh & Piercy 2007b, 946).

Sales and marketing are organized differently in different firms, which can be seen in different degrees of formalization. It is claimed that integration mechanisms, like project teams and job

rotation, can have positive effect on collaboration between marketing and sales (Le Meunier-FitzHugh & Piercy 2007b, 948). Already Lawrence and Lorsch (1973, 32) noted that also inside organizations there are differences in the degree of the formality of structure and that the differences between departments are commonly related to the nature of the activities they employ. Traditionally, though, the relationship between marketing and sales has been seen as a sequential process in which marketing first plans and sales later executes these plans to some extent (Cespedes 1993, 38 & 1996, 29).

Earlier, sales unit has also been seen as a subunit to the marketing department (Ruekert et al. 1985, 14; Grönroos 2006, 409). This seems a little obscure, at least nowadays, as it is reported that in a study of 47 companies there were zero cases in which sales would report to a marketing manager (Workman et al. 1998, 37). Still managerial reports claim that in organizational hierarchy, marketing people see themselves positioned above sales people (Lorge 1999, 27). It is not always clear cut to identify the marketing-sales interface as small companies might not even have a marketing function. In small companies it may be only one person taking care of both of these areas, or marketing ideas and activities might come from managers, sales force, or an advertising agency. (Kotler et al. 2006, 4; Biemans & Brencic 2007, 257 & 262)

Managerial reports also questions whether the view of seeing marketing and sales as two, separate departments is becoming obsolete. Instead, some companies are building up teams that are responsible for specific client accounts, combining people from all around the traditional functions of the company. The main point there is to connect the groups that are in contact with the customer. (Lorge 1999, 32) Still, in the academic literature, no evidence is found in support that marketing department as such would be disappearing, quite the opposite. It has been found that when a company does not have a separate marketing department, it is usually due to the small size of the company in question. (Workman et al. 1998, 35)

Most often, however, sales and marketing are rather separate functions within an organization, though having many factors affecting the relationship between them. Even as a separate function, the form of the marketing functions varies a lot, at least based on the industry, the company size and the product life-cycle stage the company is at. (Kotler et al. 2006, 3-4) The factors affecting the relationship between marketing and sales include e.g. nature of the product offering, market

fragmentation, supply chain management requirements and accelerated product life cycles. There is need for coordination between marketing strategy and sales implementation, which means that also the sales unit has an important role in performing marketing activities. (Cespedes 1993, 39)

The third conceptual domain in marketing-sales relationship conceptualization is power (Homburg et al. 2008, 137). This domain projects how different organizational departments have influence on market-related activities (Homburg et al. 1999, 2-3). In this domain, there is a lot of variation between companies as it varies which one of the two units, marketing or sales, is dominant (Workman et al. 1998, 33). Homburg, Jensen and Krohmer (2008, 138-139) group different approaches to power into three different groups. First one focuses on the outcomes of power, second one is based on the sources of power and third one reflects to the decision areas in which power is used. (Homburg et al. 2008, 139) It is claimed that in an interdepartmental context, the third approach is most common. Consequently, power is assessed as to whether market-related activities are influenced by sales or marketing and to what extent. It is acknowledged that the structure of the marketing organization affects this power balance. (Homburg et al. 1999, 11-12) Power has also been discussed in context of customer relationship in a sense that what kind of power balance there is between the company and its customer or customers (Borders 2006, 366).

The fourth conceptual domain in marketing-sales relationship conceptualization consists of time and goal orientation (Homburg et al. 2008, 137-138). Departments are seen to differ based on the time horizon, whether the planning time line is seen in short-term or long-term and to objects, whether the department focuses on customers or products. These two are called reflectively time orientation and goal orientation. (Lawrence & Lorsch 1973, 32-33) The domains presented at first, namely information sharing, structural linkages and power, have attracted more research attention compared to the last two dimensions as they can be seen as "hard" domains. This domain of time and goal orientation and the last domain, knowledge, have so far attracted less research attention, possibly because they are "soff" domains and in some way, harder to measure and manage. (Homburg et al. 2008, 136-139) Still, I find that when a company wants to achieve extraordinary competitive advantage and that way higher business performance, all possible factors should be considered. Thus, more information is definitely needed on time and goal orientation so that it would be known what situations can be optimal for companies in relation to time and goal

orientation. This domain will be presented in larger extent in the subchapter 2.2 as it is in the main focus of this study.

The fifth conceptual domain in marketing-sales relationship conceptualization is knowledge. This domain pertains to the degree of expertise in an organizational unit (Homburg et al. 2008, 138), which can also be seen as part of credibility (Malshe 2010, 17). The importance of knowledge in inter-departmental relationships has been emphasized in the research on departmental thought worlds. Differences in knowledge can decrease the quality of communication and cause interpretive barriers (Dougherty 1992, 179). Market knowledge is seen as the extent to which an employee is knowledgeable about customer and competitors where as product knowledge is about being knowledgeable about products and internal processes (Homburg et al. 2008, 139). On the other hand, it is also suggested that differences in thought worlds could possibly both help and hinder the decision making on marketing activities (Deshpande & Webster 1989, 12). Relating to knowledge, organizational learning and commitment to it has been seen to relate positively with the level of collaboration between marketing and sales (Le Meunier-FitzHugh & Piercy 2007a, 210; Le Meunier-FitzHugh & Piercy 2007b, 945).

Besides these conceptual domains, Homburg, Jensen and Krohmer (2008, 139-140) have included three outcome variables and three context variables in their configuration of marketing and sales relationship. The first outcome variable is the "quality of cooperation between marketing and sales" which I presented earlier when discussing the marketing-sales relationship in subchapter 2.1.1. The second and third outcome variables are tied to the business performance of the business unit. The other one is market performance, reflecting the extent that the business unit in question is achieving better results, better market related outcomes than its competitors. The other business performance outcome is profitability, which is seen as return on sales (ROS). (Homburg et al. 2008, 139)

In the recent literature from the last two, three decades, the growing cross-functional integration and market orientation is seen as a way to achieve better results in marketing performance (Ruekert & Walker & Ruekert 1987, 15; Kohli & Jaworski 1990, 15; Duncan & Moriarty. 1998, 1; McKenna 1991, 79). It is also stated that marketing itself should have a bigger and more strategic role in order to achieve better business performance (Homburg et al. 1999, 12). Also some empirical evidence exist that cross-functional deployment of marketing activities helps the strategic business unit in increasing its business performance (Krohmer et al. 2002, 451). This is logical as marketing activities can been seen as sub processes of three core business processes generating customer value, namely product development management, supply chain management and customer relationship management. Thus the cross-functional processes are needed for the implementation of marketing ideas. (Srivastava et al. 1999, 168, 177) The effect the marketing-sales relationship has on business performance will be discussed in more detail in subchapter 2.3.

The three context variables in marketing-sales relationship conceptualization are internal change, market turbulence and technological turbulence and the industry. First, internal change is seen as the degree to which organizational issues such as structures, processes, leadership, and strategy are changing regularly. Second, environmental dynamism, including both market turbulence and technological turbulence, is seen as the degree to which competitive activities, needs of the customers and technology in the market are transforming regularly. Third, the industry is included as the level of profitability, namely the return on sales, varies depending on the industry. (Homburg et al. 2008, 139-140). These and other context variables are discussed in more detail in subchapter 2.3 as these are moderating the relationship between the business performance outcomes and marketing-sales relationship.

It is not totally straightforward that deeper marketing-sales integration would result in positive outcomes. There are also some drawbacks, and in all situations a deeper integration might not be desirable. There is empirical evidence that when a company operates in a dynamic environment, the dispersion of influence between different units on marketing activities might be unbeneficial, for example due to a slower decision making process. (Krohmer et al. 2002, 455)

Even though there is a rising interest in the marketing-sales relationship and collaboration between the two departments, it is notable that the empirical studies on this area are rather limited. Homburg, Jensen and Krohmer (2008, 133) state and show that the marketing-sales interface has not been researched systematically and deeply. They draw together the eight empirical studies made on this matter before 2008 and make three conclusions. First, there is a lack of empirical evidence on marketing-sales integration. Second, only three of the empirical studies focus especially on the marketing-sales interface and other five only discuss it as a side issue. Third, no variation between the companies is analyzed and the focus is on the typical, average company. All in all, it is stressed that the existing empirical studies focus on one or few sides of this broad relationship in isolation and that their conceptual model is the first broad classification. (Homburg et al. 2008, 134-135)

Many studies in marketing-sales relationship take it for granted that close and smooth cooperation is the right solution for all companies (e.g. Smith et al. 2006, 564-566, Guenzi & Troilo 2007, 104-105). Contrarily, Biemans, Makovec and Malshe (2010) stress that companies must develop the marketing-sales relationship in such a way that best suits the company and is environment. They point out that the quality and outcomes of this relationship depend on the characteristics of both functions and the way the relationship is organized. (Biemans et al. 2010, 192)

In sum, marketing-sales relationship is a complex and multifaceted issue. This can be seen in next page in Figure 1 that draws together literature presented in this subchapter and shows the multidimensionality of the marketing-sales relationship and its outcomes. It is important to notice that the development of marketing and sales concepts and disciplines, which was presented in 2.1.1, can have an important effect on the state of the marketing-sales relationship in companies today. For example, the fact that sales research has developed as sub-discipline of marketing could have an effect on the power related issues between marketing and sales.

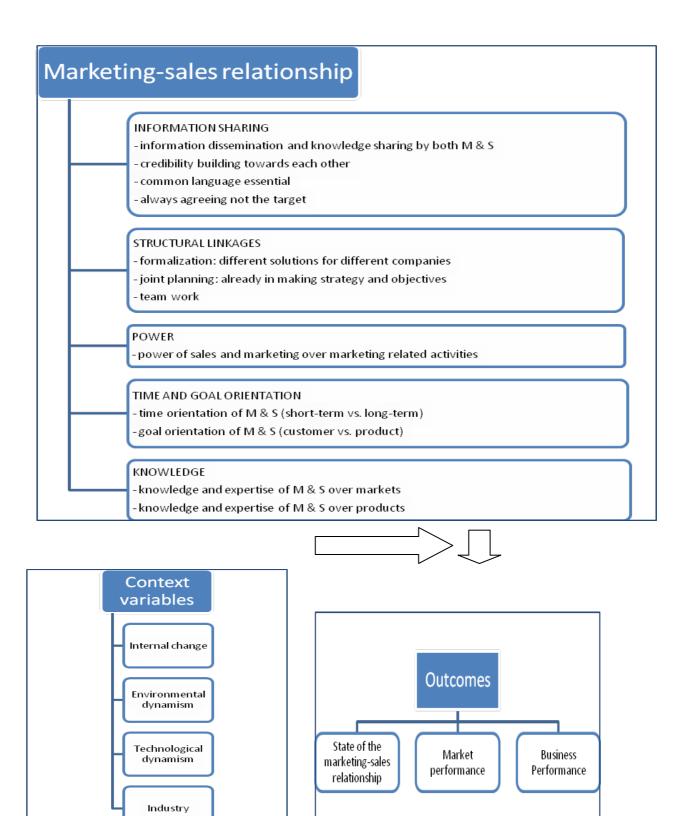


Figure 1: Conceptual model of marketing-sales relationship *(adapted from Homburg et al. 2008)* 

#### 2.2 Time orientation and goal orientation as elements of the marketing-sales relationship

In this subchapter, I will introduce the concepts of goal orientation and time orientation and relevant literature relating to them. I will also present the effects these orientations have on the marketing-sales relationship and that way point out why goal orientation and time orientation are important when discussing the marketing-sales relationship.

In organizational research, the conceptual scheme of differing departmental orientations, or in other words perspectives, has been of interest already in the end of 1960s. The work of Lawrence and Lorsch (1973) is seen as classical (Homburg et al. 2008, 139), as they have segregated several aspects of departmental orientations. They have discussed formality of structure, interpersonal orientation, time orientation and goal orientation. Trough these different perspectives departments might separate rather than combine information. (Lawrence & Lorsch 1973, 32-33) Since their work, two aspects have dominated the research of departmental interfaces: goal orientation and time orientation. (Dougherty 1992, 181; Griffin & Hauser 1996, 196) Also managerial reports have reflected these two issues (Lorge 1999, 28; Cespedes 1995, 63-65).

Time and goal orientation are part of a taxonomy on marketing-sales relationship presented by Homburg, Jensen and Krohmer (2008). They point out that besides the visible factors including information sharing, structural linkages and power, managers should concentrate on managing also softer factors like time and goal orientations and knowledge (Homburg et al. 2008, 149). Their conceptualization on time and goal orientation is grounded on two things. First, they base on the work of Lawrence and Lorsch (1973) presented above. Second, they also rely on the managerial reports (Cespedes 1995, 58-59; Lorge 1999, 28) showing that sales is seen as short-term oriented while marketing is long-term oriented. (Homburg & Jensen 2007, 126)

Homburg, Jensen and Krohmer (2008) have defined time orientation and goal orientation in the following way. Time orientation, which they named as the short-term (versus long-term) orientation, is defined as "the extent to which activities of marketing/sales are guided by immediate action rather than by extensive planning". (Homburg & Jensen 2007, 126; Homburg et al. 2008, 139) They have defined goal orientation, which they named customer (versus product) orientation, as follows: "the extent to which the activities of marketing/sales are guided by

customer-related rather than product-related strategies, plans, and performance evaluations". These definitions are used also in this study to allow comparability in the empirical part.

In recent years, these departmental orientations and especially goal and time orientation have been discussed as part of wider organizational concept: departmental "thought worlds" (Homburg & Jensen 2007, 124). It has been stated that the different "thought worlds" of managers could be explored in relation to conflict between marketing and other departments, especially marketing versus sales (Deshpande & Webster 1989, 12). This issue has been agreed to also in managerial reports (Varcoe 2008, 14).

Dougherty (1992) has researched the different departmental thought worlds. It was found that the thought worlds, which reflect the ways in which individuals and groups organize their thinking and action, are clear barriers for cooperation between departments. Having different thought worlds means that departments focus on different aspects of knowledge and that way understand the totality differently. (Dougherty 1992, 179)

Dougherty (1992, 182) presents two central elements on thought worlds: funds of knowledge which refers to what is known and systems of meaning which refers to how things are known. It is claimed that what is known beforehand is likely to affect how knowledge is received and interpreted later on. This implies that departments with different thought worlds, for example sales and marketing having different view on what is central and what they should focus on (e.g. product focus vs. customer focus), might not easily be able to share knowledge and ideas, as others views might be underestimated and prejudged and even ignored, if not fitting into one's own thought world. This way, vital information might be ignored. (Dougherty 1992, 182)

Dougherty's views are consistent with the differentiation concept of Lawrence and Lorsch (1973, 11) as they point out that differences in orientations are cognitive and emotional and they appear among managers in different departments. They specify that among departments and individuals appear differences in behaviours and attitudes as well as in working styles and mental processes (Lawrence & Lorsch 1973, 9).

Homburg and Jensen (2007, 125) point out that views on this matter of both Lawrence and Lorsch and Dougherty (Lawrence & Lorsch 1973, 11; Dougherty 1992, 182) touch upon knowledge and cognitive orientations. They have translated this thought-world concept, having both competence and orientation dimensions, into the context of marketing-sales relationship. Figure 2 presents their conceptual model.

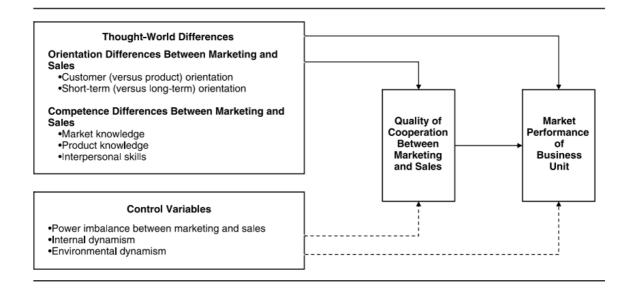


Figure 2: Conceptual model of marketing-sales thought worlds (Homburg & Jensen 2007, 125)

This model of Homburg and Jensen (2007, 125) consists of several different elements. First, there are differences of thought-worlds. This is divided into two parts: differences in time and goal orientations between marketing and sales and competence differences between marketing and sales. Only the orientation element is discussed further in the scope of this study. Second, there are control variables, which we will discuss partially in 2.3.2. These two, thought-world differences and control variables together lead to the quality of cooperation between marketing and sales. By this, Homburg and Jensen refer to as "the extent to which there is a state of collaboration between marketing and sales that is characterized by unity of effort." Then again, quality of cooperation leads to the market performance of the business unit in question. (Homburg & Jensen 2007, 125-127)

There are various potential reasons that departments have differing orientations in regard to time and object. These reasons include at least background of people, organizational routines, incentives and performance criteria. Personnel in different departments have often different kinds of educational backgrounds, which are seen as one reason for different orientations. Managers' influence on this is seen as especially important as they have more power over the department. Also the organizational routines in departments can be different and also this can affect time and goal orientations. (Griffin & Hauser 1996, 196; Dewsnap & Jobber 2009, 987)

Incentive and assessment systems are also another important reason for varying goal and time orientations as marketing and sales department are motivated with different kinds of incentives and assessed based on different performance criteria. Rouziés et al. (2005) suggest that incentives and measurability would actually be an important reason for differences in time and goal orientations. They find that incentives and measurability reinforce the different time and goal orientations of marketing and sales even more. (Rouziés et al. 2005, 115) Marketing and sales are actually judged based on different metrics that seem to be based on differing functional roles within the organization. Marketing is devoted to creating long-term competitive advantage for the organization through programs and they focus on for example market share, contribution and profit-and-loss account and are rewarded based on sales and the profitability of some specific product or area they are responsible for. On the other hand, sales department is dedicated to closing deals which are followed by sales volume compared to targets. The incentives for sales are usually related to the total amount of sales in a territory, regardless of specific products. In regard to measurability, it can easily be seen whether sales achieves its sales target or not. (Cespedes 1996, 28; Rouziés et al. 2005, 115; Kotler et al. 2006, 6) Aligning incentives and measurement could possibly lead to positive effects on collaboration between marketing and sales (Le Meunier-FitzHugh & Piercy 2007b, 949). It has been pointed out that incentives and reward systems must be in accordance with both marketing and sales strategies. For example sales managers and personnel should not be told to do one thing, and yet rewarded for doing something else. (Strahle et al. 1996, 16)

Next, I will provide a deeper look into time orientation and goal orientation separately. Even though theses two are related, each should be discussed separately to provide a clear view on both.

## 2.2.1 Time orientation

Time orientation is seen as a changing component between different departments and their members, which varies from short-term to long-term. In regard to time orientation, Lawrence and Lorsch (1973, 34) have expected that members of different departments would have different orientations towards time due to environmental differences. It was especially stated that sales was expected to focus on short-term issues. (Lawrence & Lorsch 1973, 33-34)

The view of differing time orientations was shown correct as Lawrence and Lorsch (1973, 35) found in an empirical research that in different departments, time orientation of their members was related to the time span of the feedback they receive. In sales, it was reported that their work dealt with matters that would have a relatively fast effect on profits. This is consistent with the environmental side, as the feedback from the market, the context in which sales people work, comes relatively fast. Consequently, this supports the view that in regard to time, sales people are rather short-term oriented. On the other hand, in administration, for example, they had longer time horizons, which is in line with having different orientations due to environmental differences, as they are able to get feedback from the project they do only when the project ends. Lawrence and Lorsch do point out that when discussing time orientation, they discuss general tendencies, not exact timeframes. It is acknowledged that even among members of one department, people have different time orientations relating to the tasks they have. (Lawrence & Lorsch 1973, 35)

This view of differing time orientation between departments has received other support as well among academics. Cespedes (1995, 65) pointed out that different groups might approach joint activities with different views of the related time line. Moreover, he emphasizes that time horizons of different groups varies also based on their focus on the different parts of the product life cycle. For example product management tends to focus on product development and seek for required resources while sales unit concentrates on specific product requirements with a certain segment or account. (Cespedes 1995, 65-66)

In regard to marketing and sales specifically, it has often been stated by various researchers on this field that marketing is long-term oriented whereas sales, on the other hand, is seen more short-term oriented (Cespedes 1993, 37; Rouziès et al. 2005, 114-115; Homburg et al. 2008, 139). Also

managerial reports reveal this view of sales with short sight, focus on quarterly revenue and marketing with strategic, longer term perspective (Lorge 1999, 28; Cespedes 1995, 58-59). Some have also given understanding to sales, as sometimes, the whole company might not exist if the sales unit does not meet its short-term targets. Still, this cannot be used as an excuse the bypass the long-term strategic objectives. (Olson et al. 2001, 25) It has also been seen that the differing time orientations affect the goal and resource allocation decisions as well, so that sales tries to meet customer expectations, while marketing focuses on brand equity building activities (Kotler et al. 2006, 5; Montgomery & Webster 1997, 15-16). Whether marketing is long-term or short-term oriented, depends on the point of comparison. Marketing is actually not always seen as long-term oriented, as for example compared to R&D it is seen as short-term oriented (Griffin & Hauser 1996, 196).

Contrarily, also marketing can be viewed as short-term oriented. As companies are facing pressure from financial markets and shareholders, also marketing ends up focusing on short-term goals and tactical outcomes such as sales volume, changes in awareness and their effects on business performance. (Webster 2005, 4) It is even claimed that most marketers fail to act on a long-term basis, but have their focus on short-term gains such as improving sales on this month, market share this week, or shelf space compared to competitors (Sheth & Sisodia 2005, 10).

As presented above, time orientation has been found to be one of the factors separating marketing and sales. Beverland, Steel & Dapiran (2006, 386) show in their empirical study, which focused on identifying cultural factors that drive marketing and sales apart, that among other factors, differences in beliefs about time focus separate these two. This study of Beverland et al. (2006) indicates that theoretical frames are correct and sales department often has a short-term focus and marketing a long-term one. In practise this means that sales sees itself as responding to customers' immediate needs where as marketing does not really mind about customers' day-to-day problems, but rather about long-term perspectives. To managers it was suggested that they should try to direct sales towards having a more strategic focus as well. (Beverland et al. 2006, 386, 390)

Differing time orientations within an organization are important as they affect how organization uses it resources and makes investments. An example of this is that a department, which is shortterm oriented, might prioritize the investments going into customer loyalty on a lower level, than a department, that is long-term oriented. (Homburg & Jensen 2007, 126)

In sum, time orientation of an organizational department and its members is seen as either shortterm or long-term oriented and it differs based on varying environmental conditions different departments face. Especially sales is shown to be short-term oriented and marketing long-term oriented. These differences in time orientations may be due to different kinds of objectives marketing and sales departments face.

## 2.2.2 Goal orientation

Lawrence and Lorsch (1973, 36-37) have claimed that departments differ also in their orientations towards goals and objectives. Departments have different tasks they accomplish in order to achieve certain objectives. These tasks deal with a particular aspect of the environment. For example sales managers should have their main focus on achieving market objectives in order to be effective. The findings show that usually members of each department have their focus only on their own activities and objectives. For example, sales personnel were mostly focusing on customer problems, competitive activities, and other issues in the marketplace. Also, it seems that their goals often relate to either customer or product related issues. (Lawrence & Lorsch 1973, 36-37) These goals are most often set by management (Anderson et al. 1999, 23). In other words, marketing and sales are claimed to differ based on what are the goals of their main activities and what they are trying to optimize (Homburg & Jensen 2007, 126). Also Dougherty (1992, 188) points out, when talking about her systems of meaning as how things are known, that there are differences between people and departments as some view their task as making the product while others view it as building a relationship with buyer.

Goal orientations of marketing and sales are usually seen as product orientation and customer orientation reflectively. Differences between marketing and sales exist in regard to goal orientation and these differences can be a potential source for conflicts. It has been claimed by many that marketing is more product-oriented operating at national level and sales is more customer-oriented so that focus is on specific accounts. (Cespedes 1993, 37; Rouziès et al. 2005, 114-115; Homburg et al. 2008, 139) There is a potential conflict between a product-oriented department and a customer-oriented department for example in decisions about eliminations of unprofitable products. Product-oriented department would like to eliminate it where as customer-oriented department might see it as the "anchor product" in some important account. (Homburg & Jensen 2007, 126) On the other hand, it has been suggested that while marketing focuses on specific products, sales has responsibilities for multiple products in multiple categories due to role alignment (Cespedes 1995, 63).

Customer orientation is seen as central for sales personnel as it is seen that customer-oriented sales personnel are an important aspect in achieving business performance. Sales people, who actually have a high level of customer orientation, truly care for their customers, and engage in activities that produce value for customers, including processing customer feedback and solving customer problems. In short, customer orientation is seen as a characteristic of a high-performing sales person. (Jaramillo & Grisaffe 2009, 167-168)

On the other hand, customer orientation is often seen as a central element of the whole company. Montgomery and Webster (1997) point out that there seems to be some kind of acceptance among managers about the fundamental importance of customer orientation in extremely competitive global markets. Basically this means that the view of putting the customer first is widely accepted. In real life, though, creating a customer-oriented company is not so simple and should be investigated in more detail than it has so far. (Montgomery & Webster 1997, 17) Also Cespedes (1995) points out that often in a company it can well be accepted that success is defined by "the customer" meaning that all groups somehow understand the customer orientation. Still, at the same time "the customer" is seen and interpreted differently by different groups. This implies that different activities involving, for example customer contact, are prioritized and given resources differently. (Cespedes 1995, 63)

In managerial reports, it has been claimed that the customer focus is totally lost when "sales does the sales thing, marketing does the marketing thing – and no one does the customer thing". It is unclear who is responsible for company's relationship with customers. Marketing and sales often make promises for customers, but it is not clear who is responsible for keeping the promises and

building customer loyalty. (Lorge 1999, 28; Brown 2005, 3) On the other hand, some find that it is ultimately marketing's responsibility to connect the interests of customers and the company, which often does not happen (Sheth & Sisodia 2005, 10).

Problems exist also in aligning different strategies that marketing and sales deal with. Strahle, Spiro and Acito (1996, 1) have empirically shown that discrepancies exist between marketing and sales personnel with regard to specific product strategies. This means that marketing strategy and product-level strategies are not in line with each other. Potential reasons for this include the rapidity of product turn-over as offerings are changing on a faster pace, changes in personnel and miscommunication. Sometimes marketing managers also seem to push sales to achieve higher and higher volumes even when marketing strategy stresses other things. It would be important that there would be enough coordination between strategic levels so that business level strategy is reflected in functional activities. If these activities are not aligned with business level strategy, company is likely to suffer from negative consequences such as loss of market share, wasted resources and conflicts between functions. (Strahle et al. 1996, 1-15)

In sum, goal orientation of an organizational department and its members, especially sales and marketing, is seen as either product-oriented or customer-oriented. Especially sales is found to be customer-oriented and marketing product-oriented, which leads to conflicts in for example defining and interpreting strategies. These differences in goal orientation may be due to different kinds of objectives and assessment systems marketing and sales departments encounter.

## 2.2.3 Effect of time and goal orientation on marketing-sales relationship

It can be stated that differences in time and goal orientation between departments are an important separating factor, and basis for conflict, when considering specifically marketing and sales (Deshpande & Webster 1989, 12; Cespedes 1995, 51-53). It has also been seen as a major stressor in other inter-functional relationships of the marketing department (Griffin & Hauser 1996, 196).

Based on the presented literature in previous subchapters, it seems clear that in many organizations marketing and sales departments have different time and goal orientations, which

often results in a conflict between departments. This leads to a situation in which the people in sales or marketing do not really understand the meaning of issues raised by others and this way neither group values enough the contribution of the other for the company. Also, this confounds the effective coordination between the two. (Rouziés et al. 2005, 115; Kotler et al. 2006, 3) It should, however, be noted that there are major variations between companies in regard to time and goal orientation. In some companies, marketing and sales are close to each other, having same kind of time and goal orientations where as in others, they are far apart. (Carpenter 1992, 30-31; Lorge 1999, 28)

There are differing views on whether differences between departments in time and goal orientation are harmful for the company or not. The different orientations are claimed to be necessary for the organization to cope with the surrounding external environment. (Dewsnap & Jobber 2009, 987) Homburg and Jensen (2007, 133) find in their empirical work that differences in time and goal orientation between marketing and sales have a positive effect on the overall market performance, even though these differences can have a negative effect on the cooperation between these two departments. This means that even though having different time and goal orientations can complex the cooperation inside the company, it will in the end result in better decision making as more viewpoints are taken into account. (Homburg & Jensen 2007, 133-134) In similar way, it has been stressed by Cespedes (1996, 30) that the solution for solving problems between marketing and sales departments is not to eliminate the differences.

An example of usefulness of different time orientations could be in the context of pricing. Sales may be agreeable to myopic pricing when customers are pressuring strongly, where as marketing might argue for the long term perspective. If not, a company might end up in a situation where it sacrifices its revenue and profits. When thinking about goal orientation, a common situation can be that the product-oriented department would like to insert as many new features as possible into a product, but the customer-oriented department would be advising for not the overcharging the customers. This means that similar goal and time orientations between different departments are not desirable, as the company gets a more wide view on issues when several different perspectives are discussed. (Homburg & Jensen 2007, 133-135)

In contrary, some studies have pointed out that if companies focus excessively on short-term goals, it leads to poor cooperation between marketing and sales, resulting in different views on company's vision, goals and activities, for example. Thus, marketing and sales should both act on long-term. Relating to this, it has been also empirically shown that among other things, a company's long-term strategic orientation affects the creation of superior customer value as the company works more effectively and efficiently, and this way increases the market performance. This long-term strategic orientation means that the goals and objectives are of long-term perspective, and there is time to make long-term decisions so that marketing and sales cooperate and align their views. (Guenzi & Troilo 2007, 98, 104-105)

The contradictory views whether differences in goal and time orientation are positive or negative exists also among managers. In some managerial reports, it is viewed that even though differences in thought worlds can cause conflict, this should not be eliminated, but structured in such a way that both marketing and sales get to act as devils advocates. This way all the relevant information from these two departments would be evaluated and exploited in the decision making process. (Varcoe 2008, 14) In other managerial reports, overcoming the differences between the two departments is called for. It is seen as highly unbeneficial for the company if marketing and sales personnel view the world differently. (Donath 1999, 16)

Homburg and Jensen (2007) have done an empirical research on their model of departmental thought worlds, which was presented earlier in subchapter 2.1.2. They found that mean differences were highly significant for both goal orientation and time orientation. Specifically, sales was inclined towards customer orientation and short-term orientation while marketing was the opposite, inclining towards product orientation and long-term orientation. Please find these results also in Figure 3. These results confirm the descriptions of the marketing sales-relationship in the literature. (Homburg & Jensen 2007, 131)

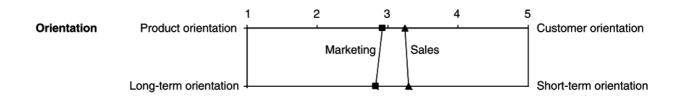


Figure 3: Goal orientation and time orientation profiles of marketing and sales (*Homburg & Jensen 2007, 131*)

The results of this empirical study are interesting all in all. First, all five models showed a positive, significant impact that the quality of cooperation between marketing and sales has on the market performance of the business unit. Second, it was also found that different orientations do affect the quality of cooperation and in essence, that thought world differences, so differences in both orientations and competences decrease the quality of cooperation between marketing and sales. Third, it was found that the differences in goal orientation as well as differences in time orientation have a positive effect on business performance of the business unit. It was also showed that the positive effect different orientations have on business performance is bigger than the negative effective is on the decreasing quality of cooperation. (Homburg & Jensen 2007, 131-132)

With the same data set, Homburg, Jensen and Krohmer (2008) conducted another empirical research as well. They found five clusters which differed in regard to both time and goal orientation among other things. (Homburg et al. 2008, 142-144) The most successful clusters in regard to business performance were the following ones. "The Brand-Focused Professionals" cluster had marketing and sales departments that both are the most long-term oriented out of the clusters. Marketing was clearly product-oriented in this cluster. It also had significant power over marketing activities. In this cluster, the cooperation between marketing and sales seemed to be working well. This cluster was the best performing one as it achieved the highest levels in all outcome variables. This indicates that if both marketing and sales are long-term oriented, better results can be achieved. (Homburg et al. 2008, 145-146) Another successful cluster, "Sales-Driven symbiosis", combined complementary skills of marketing and sales. There, both marketing and sales were highly customer-oriented. Surprisingly, sales unit in this cluster was rather long-term oriented. No information is available whether marketing was long-term or short-term oriented. (Homburg et al. 2008, 146) This cluster was the second highest performer in all outcome variables.

In sum of the empirical studies on goal and time orientations, in 2007 Homburg and Jensen found that the quality of cooperation between marketing and sales has an impact on the business performance of the unit in question. Also, it was found that different orientations decrease the quality of cooperation, but have a positive effect on the business performance. (Homburg & Jensen 2007, 131-132) From the 2008 study by Homburg, Jensen and Krohmer, it is important to note that the high performing clusters, Brand-Focused Professionals and Sales Driven Symbiosis, have in common the fact that they both have sales unit with long-term orientation (Homburg et al. 2008, 145-146).

To conclude, both goal orientation and time orientation seem highly relevant for both the marketing-sales relationship and business performance. Time orientation can be either short-term oriented, which sales unit is often seen to be, or long-term oriented as marketing is seen. Goal orientation can be divided into customer orientation and product orientation, respectively. The differences in orientations may be due to different kinds of objectives and targets the different departments face. There is no clear accordance whether these differences are beneficial or detrimental for the company. It seems slightly the way if the differences would cause conflicts inside the companies, but result in positive effects to business performance.

## 2.3 Marketing-sales relationship and business performance

This subchapter will discuss the effect of marketing and sales relationship to company's or business unit's business performance. I will first discuss the concept of business performance as such so that it is visible from which angle performance is converged. Then I will present literature and research on how marketing-sales relationship affects business performance. This is central for this study as the most important target is to show that there is a clear relationship between marketing-sales relationship and business performance. Last, I will discuss few moderating factors between the marketing-sales relationship and business performance outcomes. These have to be presented and acknowledge as there are moderating factors in between marketing-sales relationship and business performance and thus, these can affect the effect marketing-sales relationship has on business performance. *Business performance* Literature reviews on performance point out that there has not been a joint understanding among academics on what constitutes performance. Still, it is said that literature can be interpreted so that there are three significant perspectives that most often appear in performance literature. These are the goal approach, the systems resource approach and the process approach. The goal approach claims that organizations try to achieve clear, identifiable goals so attaining goals is the focus. The systems resource approach focuses on the relationship between the organization and its environment and it sees performance as organization's ability to attain resources that are scarce, but valuable. The process approach focuses on the organizations members and their activities and behaviour. This way all three, goals, resources and processes or behavior can be seen as essential components of organizational performance. (Ford & Schellenberg 1982, 50)

Assessing organizational performance has been in the focus of extensive and increasing research both empirically and in conceptual manner (Ford & Schellenberg 1982, 49). It has been stressed in academic literature that regardless of the perspective chosen to conceptualize organizational performance, it remains as a compound and multidimensional phenomenon (Dess & Robinson 1984, 265). In effect, the performance of a company or a business unit is seen differently from a perspective of different stakeholder groups, for example investors, employees and customers. Also, it matters whether the one assessing the company has a short-term or long-term perspective . (Walker & Ruekert 1987)

For the purposes of this present study, the goal approach is most appropriate as the goal approach is seen as the widest concept of the performance approaches. It has been claimed than in assessing organizations more than one of these approaches should be employed in order to achieving better understanding of dynamics of organizations (Ford & Schellenberg 1982, 56). On the other hand, the goal approach can include goals in relation to resources and processes as well and it is for that reason chosen for this study.

Business performance is at the center of strategic management (Venktraman et al. 1986, 801-802) and there is a growing tendency to consider it in relation to marketing as well (e.g. Clark 1999, 711; Ambler 2003, 6-11; Lamberti & Noci 2010, 139-141). The challenge with marketing and

business performance is that it is not simple to measure the relation between the two. Measuring marketing effectiveness is not straightforward, as it might be difficult to assess effects of some marketing activities, like brand image development in the short-term. This has lead to a situation where marketing efforts are often assessed based on the process of making decisions and some intermediate outcomes such as brand attitudes and brand awareness instead of the long-term effects on business performance. (Rouziés et al. 2005, 115) This could be a possible reason why the research on the relationship between marketing and business performance is still limited, though increasing.

The shareholder value approach is dominating business environment and executives' minds today as the ultimate goal of companies. The basic idea of this approach is that companies' purpose is to maximize the returns to shareholders. It is also claimed that marketing should better understand what shareholder value is and how marketing can contribute to it. This way the strategic importance of marketing, which currently is quite minimal, would grow. (Lukas et al. 2005, 414-415). Srivastava et al. (1999) has already showed that there is a relationship between marketing and shareholder value (Srivastava et al. 1999, 177-178). Thus, financial performance is stressed nowadays.

Business performance is different from financial performance, which can be seen in Figure 4 below. Financial performance refers to pure financial goals such as sales growth or earnings per share and assumes that financial goals are dominant in relation to other goals organizations have. (Venkatraman & Ramanujam 1986, 801-804) Early work of marketing measurement focused especially on this financial side (Clark 1999, 713). Business performance on the other hand is seen as including both financial performance and operational performance. Operational performance is seen to include also other than purely financial goals such as market-share and product quality. By including also operational performance indicators, the focus moves from pure financial factors to both financial factors and key operational factors leading to financial performance. (Venkatraman & Ramanujam 1986, 801-804) In relation to marketing, in the field of marketing performance measurement the focus has moved from including only financial measures to including both financial measures (Clark 1999, 713-714) so the focus has moved towards business performance. Figure 4 provides an overview of the realm of business performance.



Financial performance Goals: earning per share, sales growth

Financial and operational perfor-mance (business performance) Goals: market share, product quality

Figure 4: The realm of business performance *(adapted from Venkatraman et al. 1986, 803)* 

The concept of business performance does not have a single, accepted definition, but many definitions, which approach business performance from different perspectives (Venktraman et al. 1986, 801-802). Ambler and Kokkinaki (1997, 666) have defined success based on the goal approach in the following way: "the proximity of achievement of goals". These goals, that companies pursue, can be pursued either consciously or unconsciously and the goals can be set either by themselves or others. (Ambler & Kokkinaki 1997, 666)

By combining this idea of goal achievement (Ambler & Kokkinaki 1997, 666) and the idea of business performance as including financial and operational performance (Venkatraman et al. 1986, 803), business performance can be defined in the following way: "Business performance is the achievement of financial and operational business goals" (Venkatraman et al. 1986, 803; Ambler & Kokkinaki 1997, 666). This definition is used in this study as it is wide enough to include both financial and operational of business goals with different time perspectives.

In the empirical part of this study, business performance measure bases on the estimation of the managers of business unit or company on their business performance. This approach is suitable as it is common to use management estimation of something, self-reported measures in other words, for example sales growth or cash-flow growth compared to competitors, as a valid measure instead of real financial figures (e.g. Wiklund & Shepherd 2005, 81; Frank et al. 2010, 184). In short, business performance measure in the empirical part is not actual numbers or facts but managements estimation on their business performance. This is reasonable also, because business performance is seen to include more than mere financial figures as presented above.

## 2.3.1 The impact of marketing-sales relationship on business performance

Organization is often assessed based on its output. This is often stressed in relevant literature. There are two possible sides on evaluating output: behavioral and non-behavioral. Behavioral consequences are for example turnover and satisfaction and non-behavioral one is for example profit. These consequences can be either intended or unintended. Still, both can be seen as organizations outcomes. (Ford & Schellenberg 1982, 55)

In regard to marketing, it has been argued that there are four different ways in which marketing activities can enhance companies' value creation and that way increase business performance. First, marketing can speed up cash flows through reducing customer risk and building strategic alliances. Second, marketing can increase cash flows trough innovation and differentiation. Third, marketing can build assets like brand equity. Fourth, marketing can reduce risks in for example helping to increase customer retention. (Montgomery & Webster 1997, 19) It is assumed that at least some of these issues are such that marketing and sales can affect them jointly. After all, marketing and sales are jointly responsible for generating revenue and profit for an organization (Smith et al. 2006, 564; Patterson 2007, 185).

Even though not extensive, there is also some empirical research that shows that marketing's interfunctional integration to other functions relates positively to some performance indicators including company performance, business unit performance, profitability and both product development and product management performance (Krohmer et al. 2002, 461; Kahn 1996, 141; Kahn & Mentzer 1998, 57-58; Le Meunier-FitzHugh & Piercy 2007a, 214). Cross-functional cooperation in arranging marketing activities so that various departments contribute to those activities usually increases the performance of the company or a strategic business unit. Still, there are always both sides, for example inter-functional integration can make the decision making slower. (Krohmer et al. 2002, 461-462) This does not yet point out that the marketing-sales relationship would have a more important effect than collaboration towards other functions.

Considering the marketing-sales relationship, it seems that most of the academic literature on this issue has focused purely on the cooperation and relationship between marketing and sales, and has not extended their research beyond that, to the effects on performance for example (e.g. Dawes &

Massey 2005; Beverland et al. 2006; Matthyssens & Johnston 2006). There are some exceptions though, which bring up also the importance of collaboration between sales and marketing to the achievement of different performance objectives including market objectives, organizational objectives and financial objectives (e.g. Homburg & Jensen 2007; Smith et al. 2006, 564; Le Meunier-FitzHugh & Piercy 2007a, 207).

It seems that when marketing-sales collaboration is successful, organizations or strategic business units can have superior profits. In various conceptual frameworks, it has been clearly indicated that the better functioning the marketing-sales collaboration, the higher the business performance will be. In detailed level, when cooperation between marketing and sales is working smoothly, companies can really achieve remarkable improvements in performance metrics such as cost of sales, sales cycles and market-entry cots. (Krohmer et al. 2002, 461-462; Rouziès et al. 2005, 113; Kotler et al. 2006, 3)

Moreover, empirical evidence exists considering particularly the collaboration between marketing and sales and its effect on business performance. With means of both qualitative and quantitative research it has been indicated that market performance is positively affected by effective marketing-sales relationship (Guenzi & Troilo 2007, 98). It is found in a qualitative study that a high level of collaboration between these two units is associated positively to business performance outcomes. This sample covered twenty individuals in 9 different firms, so the results cannot be generalised. (Dewsnap & Jobber 2009, 990 & 1002) Similar result is found in a large quantitative research, with sample of 223, as it was found that there is a direct and positive relationship between marketing-sales collaboration and improved business performance (Le Meunier-FitzHugh & Piercy 2007a, 207).

In an empirical study, the best performing companies have achieved higher integration between departments than other companies, but at the same time these departments were highly differentiated. This differentiation was in line with environmental demands. It is suggested that in order for achieving high performance, a company needs to balance both differentiation and integration with environmental requirements. In short, this means that companies have to differentiate the departments clearly, but at the same time make these departments collaborate well. (Lawrence & Lorsch 1973, 49-53)

It is also claimed in both academic literature and managerial reports that a lack of alignment between marketing and sales do not result in a neutral outcome from the company perspective, but actually result damaging the business performance (Lorge 1999, 28; Kotler et al. 2006, 3; Le Meunier-FitzHugh & Piercy 2007a, 209). Company can do extensive amounts of work for nothing and in this way waste resources and damage the company if the marketing-sales relationship is not working. Marketing can for instance produce high amounts of leads through marketing activities which can damage the sales if part of the leads are poorly qualified or sales does not follow them up. (Smith et al. 2006, 564) Longer sales cycles, missed quotas, bad productivity as sales uses its time to developing sales materials and bad sales efficiency are named as consequences of lack of alignment between marketing and sales (Patterson 2007, 185). Also a report done by the Aberdeen group (Aberdeen Group 2002, see Biemans et al. 2010, 184) shows that there is an extensive disconnection between marketing and sales which results in wasted expenditures and energy for the company.

## 2.3.2 Moderating factors between marketing-sales relationship and performance outcomes

There are moderating factors between marketing-sales relationship and performance outcomes, which are important to acknowledging and fully understanding the context of the topic of this study. Based on previous research, it seems that there are various factors, besides the actual marketing-sales relationship and integration, which also moderate the outcome whether the marketing-sales interface has a positive effect on business performance. (Rouziès et al. 2005, 120) In subchapter 2.1.2, I presented the three context variables Homburg, Jensen and Krohmer (2008, 139-140) have included in their conceptualization. These were internal change, environmental dynamism and industry. Also other moderating factors have been discussed in the literature including at least customers, competitors and company (Rouziès et al. 2005, 120). Also more specific moderating factors are suggested. These include environmental complexity, customer sophistication, competitive structure, and company acquisition propensity (Rouzies et al 2005, 120), but these are not discussed in detail here. Now I will discuss each one of the main moderators, namely internal change, environmental dynamism, industry, customers, competitors

and company, in turn to show which factors can affect the effect marketing-sales relationship has on business performance.

First, internal change is seen as the degree to which organizational issues such as structures, processes, leadership, and strategy are changing regularly (Homburg et al. 2008, 139-140). For example redundancy and downsizing have become increasingly widespread (Worrall et al. 2004, 140). Internal change has been shown to affect the attitudes of managers in different departments (Reilly et al. 1993, 176-178; Worrall et al. 2004, 140-141) and this way internal change has an effect on the departments as well. As there exist different kinds of situations of internal change, for example strategy changes in growth phase and situations of cutbacks (Reilly et al. 1993, 176-178), the context of internal change can be assumed to affect whether the change helps or hinders the interdepartmental cooperation. Especially the situations of redundancies can hinder the interdepartmental cooperation and attitudes relating to that (Worrall et al. 2004, 156-159).

Second, environmental dynamism, including both market turbulence and technological turbulence, is seen as the degree to which competitive activities, needs of the customers and technology in the market are transforming regularly (Homburg et al. 2008, 139-140). In relation to internal change, this has clearly been more interesting research topic, as there are many more commentaries on this. For example, it has been proposed that the greater the environmental uncertainty is, the greater the positive effect of marketing-sales integration to business performance will be. So far this claim has not been tested empirically. Still based on this, it is assumed that this dispersion should be corrected by integrative activities. (Rouziès et al. 2005, 120) Relating to this, it has been suggested that marketing activities are dispersed around the organization when there is environmental uncertainty. Due to higher uncertainty, the allocations of tasks to organizational units is less clear and established and companies are likely to try on different kinds of organizational arrangements for responding to environmental uncertainty. The dispersion of activities decreases as the size of the company increases. (Workman et al. 1998, 32)

Contrarily to Rouziés' et al. (2005) views, it is identified in an empirical study that the dynamism of markets seems to lessen the positive effect that marketing-sales integration is claimed to have on business performance (Krohmer et al. 2002, 461). Market-related dynamism is defined here as "the frequency of major market-related changes" (Krohmer et al. 2002, 454). I presented above

that Rouziès et al. (2005) suggested that marketing-sales integration would have a greater positive impact on business performance when there is environmental uncertainty. Unfortunately they have not defined what they mean with "environmental uncertainty". It could be assumed that even though market dynamism would not be totally the same as environmental uncertainty, it is an element that is part of environmental uncertainty. So that way, there are contradictory arguments on what is the impact of environmental dynamism on the effect of marketing-sales relationship has on business performance.

Third, the industry is included as the level of profitability, namely the return on sales, varies depending on the industry (Homburg et al. 2008, 139-140). This seems to be quite a clear issue as it is often just mentioned in articles as a fact and then left at that.

Fourth, customers are also discussed as an additional factor when thinking about what effect marketing-sales relationship has on business performance. It is suggested that when a company has a high customer concentration, so that few of them account for most of company's sales, there is a stronger positive effect of sales-marketing collaboration on business performance. This is reasoned in a way that when a company is more dependent on only few customers, it has to serve them even better and for being able to do that, it has to have its sales-marketing functions working well together. (Rouziès et al. 2005, 120)

Fifth, also competitors and specifically the competitive intensity are supposed to have a moderating influence between the marketing-sales relationship and business performance. Assumption is that when the competitive intensity is high, the impact of the marketing-sales relationship on business performance is more significant. (Rouziès et al. 2005, 120) This is assumed so, because when there is high competition, a company has to serve its customers even better and deliver superior value to them (Kohli & Jaworski 1990, 14).

Sixth, another element discussed is the company itself. It has been suggested that when a company relies extensively on a new product or services strategy, the positive effect of the marketing-sales relationship is greater. When launching new products or services, the two functions need a closer cooperation in order for being successful. (Rouzies et al 2005, 120-121)

In regard to both company and superior value creation, it is proposed and empirically investigated that besides effective marketing-sales relationship, also firm's long term strategic orientation and customer-oriented salespeople affect positively both customer value creation and market performance (Guenzi & Troilo 2007, 98). From these views, it can be drawn that within the company, at least the mentioned three aspect, new product or service strategy, company's long term orientation and customer-oriented salespeople, all in the end affect performance positively.

To sum up, there seems to be several moderating factors between marketing-sales relationship and performance outcomes. It is important to understand this even though in the empirical part, the focus is not on these moderating factors, but in investigating whether there is a relationship between business performance and marketing-sales relationship. By presenting these moderating factors I have build up understanding on that even though it is shown in the empirical part that there is a clear connection between business performance and marketing-sales relationship, there are several factors in between which affect this relationship. Thus, the effect marketing-sales relationship might have on business performance is a complex issue, as already the marketing-sales relationship as such is constructed of multiple dimensions. In the following subchapter I will present a conceptual framework, which bases on the literature presented in the literature review.

# 2.4 Conceptual framework

Next, I will shortly present the theoretical framework of this study. This framework is based on relevant literature, which I have presented in the preceding subchapters. This framework is divided into two parts, one of which describes the marketing-sales relationship as a multiple phenomenon and another one, which focuses on the goal and time orientations of marketing and sales and the possible effects on business performance.

Marketing-sales relationship is a complex phenomenon, which can be considered from varying perspectives, for example from company perspective, from perspective of one of the departments in question, from customer perspective and from competitive perspective. The main dimensions of marketing-sales relationship, which were presented earlier, are information sharing, structural linkages, power, time and goal orientation and knowledge. There are also moderating factors,

which affect the outcomes of marketing-sales relationship. These factors include at least internal change, environmental dynamism, technological dynamism and the industry in which the company operates. Additional factors relating to the industry are customers, competitors in that area and also the company itself, other than marketing-sales relationship wise. The outcomes of marketing-sales relationship include at least the state of the relationship, for example whether it is cooperative or disunited, market performance of the business unit, referring to what kind of market related outcomes it is achieving compared to its competitors, and business performance referring to the financial and operational performance of the business unit. Figure 5, which represents this framework on the next page, includes the idea that these outcomes can be positive, negative or neutral depending on how the dimensions of marketing-sales relationship are constructed.

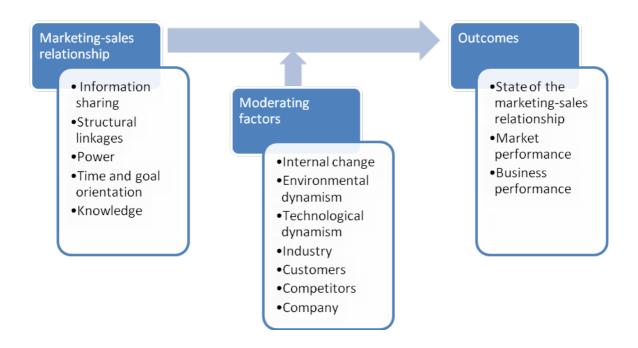


Figure 5: Marketing-sales relationship as a complex phenomena affecting business performance

The second part of the theoretical framework focuses only on one dimension, time and goal orientation, of marketing-sales relationship. Based on the earlier literature, this framework, which is found in its basic form in Figure 6, basically suggest that differing goal orientations of marketing and sales and differing time orientations of marketing and sales have effect on business performance of the business unit in question. This relationship is not straightforward though, but there are moderating factors, which affect the outcomes of this relationship (Homburg & Jensen

2007, 125; Rouziés et al. 2005, 120) as presented earlier in Figure 5. Still, it is suggested that there is also a straight relationship between goal and time orientations of marketing and sales and that the differences in goal and time orientations of marketing and sales would in the end lead to improved business performance of the business unit in question. In the empirical part of this study, this latter part of theoretical framework is tested.

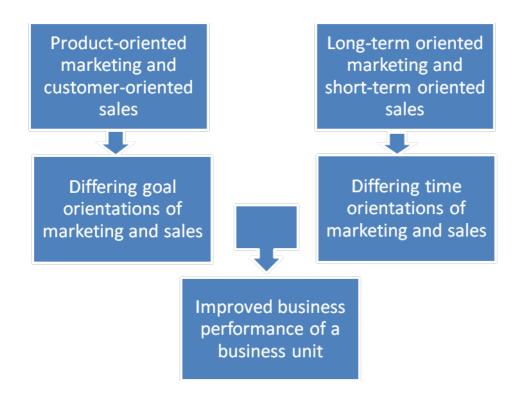


Figure 6: Differing time and goal orientations improving business performance

# 3. Research methods

The main goal of the empirical study conducted was to enquire a possible connection between marketing-sales relationship and business performance of a company. Especial focus was given to goal and time orientation as part of marketing-sales relationship and the impact of these orientations on business performance. For the purposes of this study, a quantitative approach was seen as more appropriate, because that way a fuller image of relationship between marketing and sales and business performance could be achieved.

In this Chapter, the empirical study conducted, data collection and the data are presented in detail in order to explore the effect of marketing-sales relationship on business performance. I will also introduce the statistical analysis methods that were used. The main statistical analysis methods used in this study are cluster analysis and analysis of variance. Also cross-tabulations are used and chi-square testing for statistical differences. Methods are presented shortly method in turn.

### 3.1 Data collection

The data of this present study was gathered as part of the "State of Marketing 2010" –survey in the Stratmark-project. The web-based questionnaire of this survey was nationwide, covering different industries and companies of varying sizes. The survey was about the current state of marketing in companies operating in Finland. The survey was targeted to all Finnish companies, which have more than five employees. The target population was formed with help of MicroMedia, a Finnish company specialized on target marketing, which provided the address directory, which was used as a sampling frame. The survey was addressed to upper management of the companies in target population.

The same kind of survey was already conducted in 2008 as a part of the Stratmark-project. Thus, the questionnaire used in this survey was adapted from the previous one. Some changes were made during fall 2009. Most of the items in the questionnaire are based on previous research and thus, already validated. In relation to marketing-sales relationship, the questions in regard to time

and goal orientation were based on Homburg et al. (2008). Due to this, also definitions of goal and time orientation in this study are the same as Homburg et al. (2008) to allow comparability of the results at least to some extent. As the questionnaire was already used in similar form in 2008, additional test rounds were not made as the questionnaire was seen suitable for the data collection per se. The questions were divided into eight groups covering different themes. These groups addressed the business environment of the company and its position in the market, role of marketing, marketing-sales relationship, impact and productivity of marketing, business processes and marketing, managerial challenges and investments on marketing, market orientation, learning and innovativeness and background information. The questionnaire is presented as a whole in Appendix A.

In regard to this present study, the survey included various questions addressing the marketingsales relationship. As marketing and sales are organized in such a varying ways in different companies (e.g. Kotler et al. 2006), it was asked whether they are separate functions, cooperate in some areas, cooperate in most areas or cannot be separated from each other. The goal and time orientation questions were structured in a same way as Homburg et al. (2008) did in their similar survey. It was asked whether each unit (marketing/sales) aligns volume and revenue plans, strategy definition and performance evaluations by products or customers. This was assessed on a scale from 1 to 6. The scale also included options "neither" and "cannot say". Similarly, it was asked whether each unit is characterized by a systematic and analytical or pragmatic and intuitive approach and whether their planning horizon is long-term or short-term. The final questions, in relation to marketing-sales relationship, are translated into English and presented in Appendix B.

The final survey was conducted in January-March 2010. The questionnaire was sent to the whole target population defined in the sampling frame. The sampling frame consisted of upper management from all Finnish companies with over 5 employees. Besides the actual invitation to participate in the survey, three reminders were sent to target population. The final sample size was 1134. The response rate was on a company level a little more than 10 % and in regard to potential respondents it was 6 %.

## 3.2 Describing the data

The data collected included 1134 responses in total. Figure 7 below presents how companies' activities are divided into both services and products in business-to-business markets and business-to-consumer markets. From this figure it can be seen that this sample includes more companies operating in business-to-business markets than business-to-consumer markets. The amount of companies is significantly high in business-to-business services as approximately 35 % companies in this sample bring 76 – 100 % of their turnover from business-to-business services. Contrarily the number of companies in this sample, which main activities are in business-to-consumer services side, is the lowest.

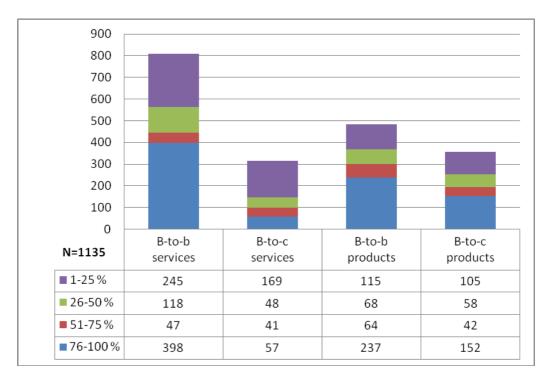
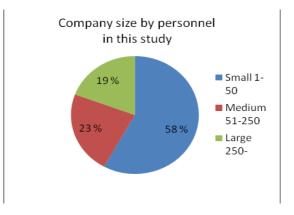
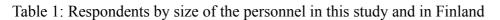


Figure 7: Amount of business-to-business and business-to-consumer activities in the companies investigated

The companies responding this survey vary also in their sizes as can be seen from Table 1 on the next page. In this table the respondents are presented by the size of personnel. Comparing to that 99 % of Finnish companies have less than 50 employees (Annual Metrics 2008), it shows that this study has emphasis on medium sized and large companies.





On the other hand, when considering that in Finland large companies cover for 51.3 % of total turnover, medium sized companies for 16.1 % and small ones 32.6 %, the sample in this study seems more reasonable. Still, as it can be seen in the Table 2 below, 75 % of companies in this study have somewhat small turnover, less than 50 million. From this point of view, small companies are emphasized in this study which is reasonable when considering the small size of vast majority of Finnish companies.

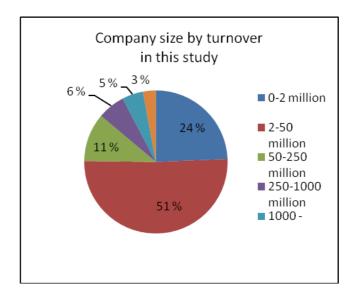


Table 2: Respondents by company size

#### 3.3 Statistical analysis methods

In this part, the statistical analysis methods used in this study are described. Two multivariate techniques, cluster analysis and analysis of variance were used to analyze the data. First, cluster analysis was conducted to see whether companies can be divided into different groups based on the goal and time orientations of their marketing and sales departments. This clustering was done in two parts, for business-to-business companies and business-to-consumer companies separately. Second, analysis of variance, both one-way and two-way ANOVA, were conducted in order to identify the possible relationship between the state of the market-sales relationship, the time and goal orientation of marketing and sales to be specific, and business performance of a business unit. The clusters formed in cluster analysis were used as the basis for analysis of variance. Besides these, cross-tabulations and chi-square were used to find out whether there exists a relationship between companies' turnover and their marketing-sales relationship. These are presented shortly at first, and then the two more important multivariate methods are described in respective order.

*Cross-tabulations and Chi-square test* Cross-tabulations are a statistical technique, which is used to describe two or more variables at the same time. The variables need to have limited number of categories or distinct values. The results of cross-tabulation are tables which reflect the joint distribution of these variables. (Malhotra & Birks 2007, 516)

The chi-square is most commonly used statistical test to assess the statistical significance of the observed association in a cross-tabulation and contingency tables. The test assists in determining whether there exists a systematic association between the two variables in question. The actual test is done so that an expected value or frequency is computed for all cells assuming that no association exists between the variables. Then, these results are compared with the actual frequencies and the chi-square value is calculated. (Malhotra & Birks 2007, 521-522; Bryman & Bell 2003, chap. 11)

It is so that the greater the difference is between these frequencies, the greater the chi-square value is. This does not have significance on its own. Instead, it needs to be interpreted in relation to its

associated level of statistical significance which is probability (p). It is an ordinary convention that in order to being at acceptable level, p should be lower than 0.05. (Bryman & Bell 2003, chap. 11)

Whether the chi-square has statistical significance depends on the number of categories of the two variables in question. This is handled trough degrees of freedom (df). In chi-square in regard to cross-tabulation, the number of degrees of freedom is the same as the number of rows (r) minus one and the number of columns (c) less one multiplied together. In short, it is: df= (r-1) x (c-1). The number of degrees of freedom affects the chi-square distribution so that it becomes more symmetrical as degrees of freedom increases. (Malhotra & Birks 2007, 522)

There are few things that need to be taken into account. The chi-square statistic should be estimated only when the data is absolute counts or numbers, not percentages for example. Also, the observations should be drawn independently. Moreover, the chi-square is not to be used when the expected or theoretical frequency in any cell is less than five. This means that the data used in research cannot be too small. (Malhotra & Birks 2007, 523) Cross-tabulations and chi-square are used to compare the state of the marketing-sales relationship and business performance and to compare clusters and business performance in this study.

### 3.3.1 Cluster analysis

One of the important issues of data analysis is to classify data into set of clusters or categories. Cluster analysis examines a set of interdependent relationships. It is called also classification analysis or numerical taxonomy. Here the groups are not decided beforehand but suggested by the data and tightly interlaced in statistical way, so that the data objects in same groups display similar properties based on some criteria. Also these properties should be such that the clusters are distinct from each other. (Hair et al. 1998, 473-474; Kettenring 2006, 3; Malhotra & Birks 2007, 596-612; Xu & Wunch 2009, chap. 1) Several different methods exist for making cluster analysis and there is no agreement on which methods are the most appropriate ones. Thus, there are some issues in regard to the methodology of cluster analysis that still requires further research. (Cramer 2003, 46; Kettenring 2006, 4)

The use of cluster analysis as a scientific method to analyze research data has been growing rapidly. Reasons for this include at least the growth of data mining, increased computing power and the ability of cluster analysis to simplify massive data sets. (Kettenring 2006, 3-4; Kettenring 2009, 460)

The main goal of clustering is to separate the data so that it reveals set of "natural", hidden data structures. One goal of clustering is to do this by categorizing objects into reasonably similar groups based on the set of variables considered. Over all, the goals of clustering can be summarized in to following four aspects: development of classification, investigation of useful conceptual schemes for grouping entities, hypothesis generation trough data exploration and hypothesis testing or attempt to determine if types defined through other procedures are in fact present in the data set. (Malhotra & Birks 2007, 596; Xu & Wunch 2009, chap. 1) The results of cluster analysis either provide immediate insights on a research question or a foundation upon which to construct other analysis (Kettenring 2006, 3).

Clustering algorithms partition data objects to a specific number of clusters. However, the term cluster does not have a precise, broadly accepted definition. The following are all possible definitions of a cluster:

- "A cluster is a set of entities which are alike, and entities from different clusters are not alike."
- "A cluster is an aggregate of points in the test space such that the distance between any two points in the cluster is less than the distance between any point in the cluster and any point not in it."
- "Clusters may be described as continuous regions of this space (*d*-dimensional feature space) containing a relatively high density of points, separated from other such regions by regions containing a relatively low density of points."

All of these definitions include the idea of internal homogeneity and external separation. (Xu & Wunch 2009, chap. 1)

Cluster analysis is an interdependence method. This means that the analysis does not choose a dependent variable. (Saunders 1994, 13) Thus, cluster analysis makes no distinction between dependent and independent variables. Instead, interdependent relationships between the whole set

of variables, both dependent and independent, are examined. Objects in a group are rather homogenous in terms of these variables and different from objects in other clustered groups. Cluster analysis assigns object to one and one group only. In short, cluster analysis reduces the number of objects by grouping them to a smaller number of objects. (Malhotra & Birks 2007, 596)

Several clear steps which are part of conducting cluster analysis, which are presented in Figure 8, can be identified. First, the problem is formulated. This means that the variables or features on which clustering is done are selected. The set of variables selected should show the similarity between objects so that this similarity or dissimilarity is relevant for marketing problems. This part can also include variable or feature extraction. Anyhow, ideal features should be useful in distinguishing patterns belonging to different clusters, immune to noise, and easy to obtain and interpret. Second, the data is prepared as often some changes are needed before conducting the analysis. (Saunders 1994, 15-17 Cramer 2003, 46-53; Malhotra & Birks 2007, 597-606; Xu & Wunch 2009, chap.1)

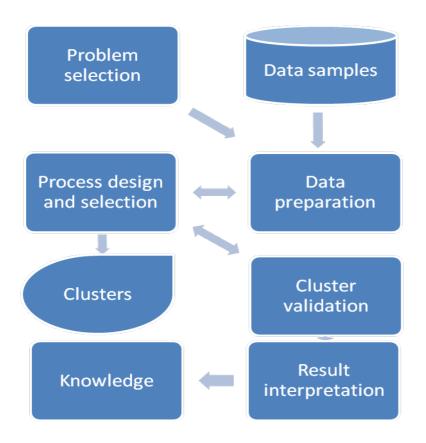


Figure 8: Clustering procedure with basic steps (adapted from Saunders 1994, 14 and Xu & Wunch 2009, chap. 1)

Third, the process is designed and selected. The key question here is how clusters should be formed. To answer this question, distance measure is selected. The most common approach is to measure similarity in terms of distance between pairs of objects. An often used measure of similarity is Euclidean distance or its square. This is the square root of the sum of the squared differences in values for each variable. As the distance measure is decided, clustering can be constructed as an optimization problem with a specific criterion function. (Saunders 1994, 17-20; Malhotra & Birks 2007, 597-606; Xu & Wunch 2009, chap. 1)

Clustering procedures, which can be either hierarchical or non-hierarchical, are selected after distance measure. Hierarchical clustering refers to development of a hierarchy or treelike structure. These methods can be either agglomerative or divisive. Agglomerative clustering, which is commonly used in marketing research, refers to a situation where each objects starts out in a separate cluster and clustering proceeds by forming bigger and bigger clusters. Divisive clustering is quite the opposite as all the objects are in the beginning in the same, big cluster and then divided into smaller clusters. The non-hierarchical methods are often referred to as K-means clustering. The choice of clustering procedure and the choice of a distance measure are interrelated. Also the number of clusters is decided. The relative number of clusters should be somehow meaningful so that there are not too many clusters. (Saunders 1994, 19-20; Cramer 2003, 46-53; Malhotra & Birks 2007, 597-606) This means that each cluster solutions should be seen in relation to its structure against the homogeneity of the clusters. There has to be some important differences between the clusters. (Hair et al. 1998)

Fourth, the reliability and validity of the formed clusters is assessed (Cramer 2003, 46-53; Kettenring 2006, 23-24; Malhotra & Birks 2007, 597-606). Decent evaluation standards and criteria are important in offering a degree of confidence for the clustering results. These assessments should be totally objective. Generally, there are three categories of testing criteria: external indices, internal indices, and relative indices. (Saunders 1994, 22-24; Xu & Wunch 2009, chap. 1)

Fifth, the results are interpreted. There should be a clear understanding of the data so that the information could be used effectively to problem solving. Here the cluster centroids, which represent the mean values of cluster objects in each variable, are examined. (Malhotra & Birks 2007, 597-606; Xu & Wunch 2009, chap. 1)

An important aspect of clustering is that it is not a process that would become ready with one trial. Instead, often clustering requires a series of trials and repetition. Furthermore, even choosing the appropriate criteria for clustering is a demanding problem as there is no universally applicable way to select the criteria. (Xu & Wunch 2009, chap. 1)

In this study, the Euclidean distance measure was chosen. The cluster analysis was conducted based on the goal and time orientation questions and whether the company operates in business-to-business markets (either products, services or both) or in business-to-consumer markets (either products, services or both) as a main area. This approach of having two contexts was seen as an appropriate one, as in academic articles, there seems to be a prevailing tendency to observe marketing-sales relationship also in terms of the market context (e.g. Cespedes 1993, Biemans et al. 2007, Biemans et al. 2010) Another important reason for this is that in the small amount of empirical studies that have investigated this issue, the focus has usually been on the typical, average company. Thus, no variation between companies has really been investigated and analyzed. (Homburg et al. 2008, 134-135) Consequently, this study seeks to produce information on different kinds of companies, the ones operating in business-to-business markets and the ones operating in business-to-consumer markets, as well. Because the data used in this study was quite large, a non-hierarchical cluster method was seen as appropriate. Thus, the clustering was conducted with K-means clustering method, which is non-hierarchical and uses the Euclidean distance measure.

As using K-means clustering method, the number of cluster has to be decided beforehand. Thus, the analysis was conducted with number of clusters varying from 2 to 5 in business-to-business context and 2 to 4 in business-to-customer context. As a stopping rule, the pseudo-F statistic captures the "tightness" of clusters and a larger number of the pseudo-F indicates a better clustering solution. As second stopping rule, the cubic clustering criterion reflects the deviation of

clusters from the distribution expected. (Lim et al. 2006, 507-508) These statistics for this study are shown below in Table 3.

<b>Business-to-business clusters</b> Pseudo F	2 233.68	3 188.99	4 131.31	5 129.89
CCC	61.74	60.529	41.57	49.01
Business-to-consumer clusters	2	3	4	
Pseudo F	99.30	76.44	65.49	
CCC	39.93	35.40	33.71	

Table 3: Pseudo-F and CCC values for possible clustering solutions

Based on the Pseudo-F and cubic clustering solution, the two-clustering solution seems suitable with peak values of both statistics. In deciding about the clustering solution, it was seen appropriate to consider the interpretability and meaningfulness of each solution (Hair et al. 1998, 477-479). In business-to-business context, both two-cluster and three-cluster solutions seemed to give only some information and in business-to-customer context, this problem existed in the two-cluster solution. Contrarily, four-cluster solution in business-to-business context appeared to provide richer insights into the possible differences between companies in regard to time and goal orientations of marketing and sales. Also, the four-cluster solutions and the three-cluster solutions were still seen as appropriate as the clusters were similar enough when considering their size and similar enough internally and also, different enough from the other clusters. This is a suitable way to do clustering, but it has to be noted that some see clustering as too subjective as in the end, it is the decision of the research on how many clusters to include (Hair et al. 1998, 477-479). In this study, these solutions were chosen albeit the statistic would have supported smaller number of clusters.

### 3.2.2 Analysis of variance

Normally *t* test serves a way to compare means of two groups and their statistical significance. Sometimes it is not enough to compare only two groups, but more. Analysis of variance (ANOVA) is used when a hypothesis about difference between more than two groups (their means) is tested. Analysis of variance can also be used for two groups, but t test is often recommended for this purpose. The name of the test already indicates that the test is about analyzing variance between samples. The null hypothesis is that all the means are the same. If this would be true, it would means that all the groups would have similar means, they would be normally distributed and also they would have the same variance. (Malhotra & Birks 2007, 546; Macfie & Nufrio 2006, chap. 14)

ANOVA must have at least a dependent variable that is a metric. This means that it is measured using interval or ratio scale. On the other hand, the independent variables must be categorical so non-metric. (Malhotra & Birks 2007, 546) There are few conditions under which ANOVA can be used. First, the groups in ANOVA are regarded as separate populations so they must be taken as independent random samples. Second, it is assumed that these populations are normally distributed. Third, the variance in these different groups should be the same. Small violations of this assumption do not make a significant difference. (Macfie & Nufrio 2006, chap. 14)

One-way ANOVA tests the difference between two or more means that have been put in categories or subjected to one single factor. The term one-way actually refers to the issue that only one factor instead of many is included. There are two kinds of variation in one-way ANOVA. There is variance between groups and variance within groups. The factor here tries to explain the variance between groups. Macfie & Nufrio 2006, chap. 14) When interpreting the results of one-way ANOVA, the null hypothesis needs to be considered. If the null-hypothesis is correct, then the factor, which is the independent variable, does not have a significant effect on the dependent variables. If, conversely, the null-hypothesis is rejected, then the independent variable has impact on the dependent variables. (Malhotra & Birks 2007, 551)

The problem with one-way ANOVA is that sometimes it might lead to results that are over generalized, as opposite to two-way ANOVA, the results may be connected to other relating factors, independent variables as well. This problem can be avoided to some extent by using two-way ANOVA. Two-way ANOVA tests the difference between two or more means which in this case are categorized by two factors instead of just one. Two-way ANOVA is more complex than the one-way ANOVA, but the same principles apply for both models. The difference is that in two-

way ANOVA, the overall variance needs to be portioned between explanatory factors. This can be done in two different ways, but these are not explained here as they are out of the scope of this study. (Macfie & Nufrio 2006, chap. 14) There can also be n-way ANOVA where there are more than two factors (Malhotra & Birks 2007, 555).

In this present study, after conducting cluster analysis, analysis of variance was used. First, oneway ANOVA was conducted in both contexts, so the clusters formed in cluster analysis, were used as the independent variable in ANOVA. Business performance, assessed by the top management of the company, was used as the dependent variable. As stated earlier, sometimes one-way ANOVA might lead to over generalized results. To avoid this, also two-way ANOVA was conducted in both contexts. Clusters and the structure of marketing-sales relationship were used as independent variables and business performance as the dependent one. The results of these analyses are presented in Chapter 4.

## 3.3 Validity and reliability

There are no scientific principles which would guarantee a valid and reliable questionnaire, but there are ways in which this can be pursued. First, the items in the questionnaire should be based on prior research whenever possible. Due to this, in this study most of the questions were based on prior research. Second, the questionnaire should be pre-tested. (Malhotra & Birks 2007, 325-347) In this study, the questionnaire was pretested and used already in 2008 and only some changes were made for the questionnaire in 2010. Thus, the questionnaire was not pretested again as it was seen to serve as a valid for data collection already due to prior testing and usage.

A possible concern is the total error of this study. Total error refers to the variation between the true mean value in the population of the variable of interest and the observed mean value obtained from the sampling frame of the current study. (Malhotra & Birks 2007, 74) As the survey was targeted at the whole sampling frame, which was the best available representation of the population, the sampling error was minimized as much as possible. Still, it is noteworthy that the sampling frame only included the respondents available at the registry of MicroMedia. This might somehow affect the results as all the Finnish companies are not listed in this registry. Still, the

sampling frame was considered representing rather well the whole population of Finnish companies.

Response errors occur when a respondent answers the questions, but for some reason gives inaccurate information or whose responses are falsely analysed. Thus, this error can occur due to the respondent or the researcher. To be specific, response error is defined as a variation between the true mean value of the sample and the observed mean value obtained in the study. (Malhotra & Birks 2007, 75) As in this study data was collected in a web-survey, the researcher-related response error is not possible. It is unlikely that the respondent-related response error would have occurred either, as the wording in each questions was simple, but still it is a possibility that needs to be recognized.

# 4. Results and analysis

In this Chapter, the results of the empirical part of this present study are presented and preliminary analyzed. Before proceeding to more sophisticated methods, a cross-tabulation was made on the research data. The target was to find out whether there exists a relationship between companies' turnover and their marketing-sales relationship in order to see whether some state of the marketing-sales relationship would differ notably depending on the company size. Also the chi-square test was made in order to ensure the statistical significance of the results. The results of cross-tabulations and chi-square test are presented in Table 4.

			Turnover					
Marketing-sales relationship	< 2 mil.	2-50 mil.	50-250 mil.	250-1000 mil.	1000 mil. <	Do not know	Total	Ν
Separate functions	17.8%	51.1%	4.4%	8.9%	8.9%	8.9%	100 %	45
Cooperate in some areas	12.4%	48.8%	14.1%	12.4%	5.0%	7.4%	100 %	121
Cooperate in most areas	18.7%	45.9%	15.0%	9.0%	8.5%	3.0%	100 %	401
Can't be separated from each other	31.4%	54.9%	8.0	2.7%	1.8%	1.4%	100 %	567
Ν	276	577	124	70	54	43		1134
Frequency missing=1								

Table 4: Marketing-sales relationship compared to turnover

χ2 =109.0 d.f.=15 p=0.0001

As it can be seen, the results are statistically significant. One should note that out of all respondents, 43 did not provide their organization's turnover, but this did not have effect on significance of the results. These results should be seen as indicative. N varies quite a lot from one group to another in both marketing-sales relationship side and turnover wise.

Based on these results, it seems clear that in smaller companies it is more likely that sales and marketing are seen as one function. This might be true for many reasons, one being that smaller companies have fewer people and that way they might not be able to have more than one or few people working on marketing and sales. It is also interesting, that only minority of Finnish companies thinks marketing and sales are clearly separate functions. All in all, it seems that in most Finnish companies, marketing and sales either cooperate closely on most matters or are seen as one function.

## 4.1. Cluster analysis

In the "State of Marketing 2010" survey, the goal and time orientations of marketing and sales where reflected by asking whether each department sets its volume and revenue plans, strategy definitions and performance evaluations plans primarily by products or customers, whether each department is characterized by systematic and analytical or pragmatic and intuitive approach and whether the planning horizon is long-term or short-term. These dimensions from questions 14 to 17 were subjected to K-means cluster analysis in a way that companies were separated into two groups based on whether they operate mainly in business-to-business markets or business-to-consumer market. This approach was seen as a suitable one, as in academic articles, there seems to be a prevailing tendency to observe marketing-sales relationship also in terms of the market context, as in whether company operates in business-to-business or business to customer markets (e.g. Cespedes 1993, Biemans et al. 2007, Biemans et al. 2010). There is also absence of empirical studies, which would note any differences between companies (Homburg et al. 2008, 134-135). It is possible that context could affect the marketing-sales relationship, even though this has not been discussed extensively among academics.

Out of 1134 companies, 791 operated mainly in business-to-business markets, 313 in business-toconsumer markets and 31 operated evenly in both markets. The lastly mentioned 31 companies were eliminated from this cluster analysis as it was not possible to locate them in either group as they operated 50 % in business-to-business markets and 50 % in business-to-consumer markets. If company had more than 51 % of its operation in either market, it was located to that group. Thus, cluster analysis was conducted to these two groups. The target was to classify companies into different groups based on goal and time orientations of their marketing and sales departments. The final cluster centroids present the mean values of observations in that specific cluster on each factor. For companies in business-to-business markets, these are presented below in Table 5.

	Group 1	Group 2	Group 3	Group 4
	N=54	N=117	N=148	N=472
Sales aligns volume and revenue plans by products/ customers	3.019	4.863	2.230	3.949
Sales aligns strategy definition by products/customers	3.444	4.838	2.507	3.930
Sales aligns performance evaluations by products/ customers	3.167	4.940	2.412	4.042
Marketing aligns volume and revenue plans by products/customers	4.611	4.991	2.318	3.731
Marketing aligns strategy definition by products/ customers	4.648	4.940	2.486	3.701
Marketing aligns performance evaluations by products/customers	4.815	5.051	2.439	3.839
Sales is characterized by systematic/pragmatic approach	3.148	4.128	3.176	2.540
Marketing is characterized by systematic/pragmatic approach	3.870	4.034	3.284	2.653
Sales has a planning horizon on long-term/short-term	2.796	3.966	3.459	2.903
Marketing has a planning horizon on long-term/short- term	2.500	3.795	3.027	2.572

Table 5: Cluster centroids of the groupings of business-to-business companies

For companies operating in business-to-consumer markets, these are presented below in Table 6.

Table 6: Cluster centroids of the groupings of business-to-consumer companies

	Group 1	Group 2	Group 3
	N=40	N=117	N=156
Sales aligns volume and revenue plans by products/customers	4.200	2.504	3.564
Sales aligns strategy definition by products/customers	4.450	2.684	3.782
Sales aligns performance evaluations by products/customers	4.525	2.821	3.878
Marketing aligns volume and revenue plans by products/customers	4.350	2.026	3.827
Marketing aligns strategy definition by products/customers	4.375	2.265	4.000
Marketing aligns performance evaluations by products/customers	4.600	2.231	4.026
Sales is characterized by systematic/pragmatic approach	4.550	2.556	2.372
Marketing is characterized by systematic/pragmatic approach	4.550	2.547	2.513
Sales has a planning horizon on long-term/short-term	3.975	3.256	2.769
Marketing has a planning horizon on long-term/short-term	3.675	2.889	2.487

These cluster centroids are the basis when analyzing the results of cluster analysis as the centroids enables describing each cluster by assigning it a name or label (Malhotra & Birks 2007, 606). Based on these two cluster analyses, it seems that companies in business-to-business markets can be grouped to four different clusters, based on the different dimensions relating to the goal and time orientation, and similarly, companies in business-to-consumer markets can be grouped to three different clusters. With the help of the cluster centroids from Tables 5 and 6, it is possible to describe these groups in more detail in regard to time and goal orientation. This description of these groups in business-to-business markets is summarized to Table 7 and the clusters are also named.

Group 1	Group 2	Group 3	Group 4
Pragmatic and customer- oriented marketing -cluster	Pragmatic, customer- and short-term oriented marketing and sales –cluster	Product-oriented marketing and sales and short-term oriented sales -cluster	Analytical and customer-oriented marketing and sales and long-term oriented marketing -cluster
N=54	N=117	N=148	N=472
- sales is neither product nor customer-oriented, only in strategy making it is slightly customer-oriented	- both marketing and sales are highly customer-oriented in setting targets, planning and strategy making, marketing slightly more than sales	- both marketing and sales are somewhat product-oriented, sales is slightly more, especially in regard to volume and revenue targets	- this is the biggest group with 472 companies in it
- marketing is clearly customer- oriented	- both marketing and sales have a rather pragmatic and intuitive approach, sales a little more than marketing	- neither has a clearly systematic and analytical or pragmatic and intuitive approach	- both marketing and sales are somewhat customer-oriented, sales a little more than marketing
- sales does not have a systematic and analytical approach and also does not have a pragmatic and intuitive approach	- both marketing and sales are somewhat short-term oriented, sales a little more than marketing	- sales is somewhat short-term oriented, marketing is not short- term or long-term oriented	- both marketing and Sales have a slightly analytical and systematic approach
- marketing has a somewhat intuitive and pragmatic approach			- marketing is somewhat long-term oriented, sales is not short-term or long- term oriented
-both sales and marketing have slightly long-term oriented approach to planning, marketing a little more than sales			

Table 7: Interpreting the business-to-business clusters

Based on the results in Table 7 it seems that companies in business-to-business markets can be divided into four different kinds of groups based on their marketing and sales departments' relation to goal and time orientation. In first group, which is also the smallest one, marketing is only slightly customer-oriented. Marketing has a somewhat intuitive and pragmatic manner. Also, both sales and marketing have a slightly long planning horizon. In second group, both groups are slightly customer-oriented, have a rather pragmatic and intuitive manner of working and have a short time orientation. In third group, both marketing and sales are somewhat product-oriented and neither has a clearly analytical or pragmatic approach. Sales unit is rather short-term oriented. In the last group, which is also the biggest one, both marketing and sales are quite customer-oriented, and they have an analytical and systematic approach. Marketing has a somewhat long planning horizon.

Same cluster analysis was conducted also for companies operating mainly in business-toconsumer markets. Description of the formed groups in this analysis is below in Table 8 and these groups are also named.

Group 1 Pragmatic, customer- and short-term oriented marketing and sales –cluster	Group 2 Analytical and product- oriented marketing and sales and long-term oriented marketing –cluster	Group 3 Analytical, customer- and long-term oriented marketing and sales -cluster
N=40 - both marketing and sales are quite customer-oriented	N=117 - both marketing and sales are product-oriented, sales a little and marketing somewhat more	N=156 - both marketing and sales are rather customer-oriented, marketing is slightly more than sales
- both marketing and sales have a very pragmatic and intuitive approach	- both marketing and sales have a somewhat systematic and analytical approach	- both marketing and sales have a somewhat systematic and analytical approach, sales a little more than marketing
- both marketing and sales have a short time orientation, sales slightly more than marketing	- marketing has a slightly long time orientation	- both marketing and sales have somewhat long time orientation, marketing a bit more than sales

 Table 8: Interpreting the business-to-consumer clusters

Based on the results in Table 8 it seems that companies in business-to-consumer markets can be divided into three different groups based on their marketing and sales departments' relation to goal and time orientation. In first group, both marketing and sales are customer-oriented, they have a pragmatic approach and they are short-term oriented. In second group, both marketing and sales are product-oriented and have a somewhat systematic and analytical approach. Marketing is turned towards long-term orientation as well. In third group, both marketing and sales are customer-oriented, they have a somewhat systematic and analytical approach and they have long-term orientation.

When comparing the groups among business-to-business companies and the groups among business-to- consumer companies, the following things should be noted. First, in both contexts exists groups in which marketing and sales were product-oriented, but in business-to-business context, the units do not have a clearly analytical or pragmatic approach and sales is somewhat short-term oriented. Controversially, in business-to-consumer context this group has a clear analytical approach and marketing is slightly long-term oriented. Second, in both contexts exists a group in which both units are customer-oriented and have an analytical approach. In business-toconsumer context, both marketing and sales have a long-term orientation where as in business-tobusiness context, only marketing is slightly long-term oriented. Third, in both contexts exists a group in which both marketing and sales are customer-oriented, have a pragmatic approach and are short-term oriented. Fourth, from business-to-business groups, the group where marketing is customer-oriented, has a pragmatic approach and both marketing and sales are long-term oriented, did not have a counterpart in business-to-consumer side. In sum, there seems to be many similarities in business-to-business and business-to-consumer markets in ways in which companies form groups based on their marketing and sales departments' time and goal orientations.

These are preliminary results and are discussed in more detail in the concluding section of this study. The results of this cluster analysis were analyzed further with analysis of variance. The results of this are discussed next.

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# 4.2. Analysis of variance

After forming the groupings with cluster analysis, analyses of variance were made. The target was to find out whether the previously formed cluster would have an effect on business performance of a company as such and also, if clusters would have a joint effect with the form of marketing-sales relationship on business performance. Thus, both one-way ANOVA and two-way ANOVA were used in both business-to-business clusters and business-to-consumer clusters. Interestingly, statistically significant results were found only in relation to business-to-business cluster. Still, in the following the results from both business-to-business side and business-to-consumer side are presented.

First, when conducting one-way ANOVA for cluster of both business-to-business and business-toconsumer companies, the target was to find out whether these clusters have an effect on business performance of the company. See Table 9 below for results.

Business-to-business clusters	Mean	SD	Business-to-consumer clusters	Mean	SD
Group 1 Pragmatic and customer- oriented marketing -cluster N=54			Group 1 Pragmatic, customer- and short-term oriented marketing and sales –cluster N=40		
Group 2 Pragmatic, customer-and short-term oriented marketing and sales –cluster N=117	3.148	1.139	Group 2 Analytical and product- oriented marketing and sales and long-term oriented marketing – cluster N=117	2.675	0.764
	2.615	0.972		2.530	0.761
Group 3 Product-oriented marketing and sales and short- term oriented sales –cluster N=148	2.736	0.868	Group 3 Analytical, customer- and long-term oriented marketing and sales –cluster N=156	2.526	0.799
Group 4 Analytical and customer- oriented marketing and sales and long-term oriented marketing - cluster N=472				2.320	0.199
	2.697	0.884			
Total	3.820	0.914	Total	0.380	
F	4.58		F	0.62	
Significance	0.0035		Significance	0.536	

Table 9: Results of one-way ANOVA: clusters affecting business performance

Based on this research data it can be stated that clusters from business-to-business context have an effect on business performance of a business unit or a company. These clusters consisted of companies operating in business-to-business markets, and were grouped based on time and goal orientations of their marketing and sales departments. This result should be seen as indicative and it has to be noted that the clusters formed are not comparable in size so this might skew the results somehow. The results for business-to-consumer context were not significant and thus, will not be analyzed further.

In business-to-business context, group number two is the best performing one indicating that customer-orientation, pragmatic approach and short-term orientation would be paying off when present in both marketing and sales departments. The three best performing groups are somewhat close to each other when considering their mean values. Group number four also has customer-oriented departments, but group number three has product-oriented ones. Also different approaches and time orientations are mixed between the three best performing groups. Thus, it is hard to draw any clear conclusions on which orientation or combinations of orientations would lead to best business performance.

Two-way ANOVA was conducted in order to find out whether both, the form of the marketingsales relationship and the clusters based on goal and time orientations of marketing and sales departments would have a joint effect on business performance. Here marketing-sales relationship refers to the form of the relationship in the company as in whether they are two separate functions, whether these two cannot be separated or if they cooperate on some level in between these two opposites. (Please see Appendix B for question 12 in English.) Thus these are two different dimensions of marketing-sales relationship: form and time and goal orientation. Results of this analysis are summarized on next page in Table 10.

	Significance Type	Significance Type	2
<b>Business-to-business</b>	Ι	III	<b>R-Square</b>
Model	0.0003	0.0003	0.052
Clusters	0.003	0.211	
Marketing-sales relationship	0.117	0.005	
Joint effect	0.009	0.009	
	Significance Type	Significance Type	2
Business-to-consumer	Ι	III	<b>R-Square</b>
Model	0.917	0.917	0.017
Clusters	0.561	0.819	
Marketing-sales relationship	0.449	0.414	
Joint effect	0.964	0.964	

Table 10: Clusters' and marketing-sales relationship forms' joint effect on business performance

Again the results are statistically significant for business-to-business side and not for business-toconsumer side. Albeit the results from two-way ANOVA in business-to-business side are statistically significant, there are differences between Type I and Type III methods. Type I refers to the probability of rejecting the null hypothesis when it is true. Type III refers to the probability of correctly rejecting the null hypothesis for the wrong reason. (Mosteller 1948, 63-64) In this study, both Type I and Type III show that the joint effect is significant, but Type I shows that cluster would have a significant effect and marketing-sales relationship would not and Type III shows the opposite. Usually results from Type I and Type III should be similar, but if not, Type III is usually trusted as it is seen to be as a wider approach than Type I (Huynh 2005, 1). Thus, from this analysis results based on Type III should be emphasized.

Consequently, it seems that clusters would not have a significant effect on business performance. This is interesting as one-way ANOVA before showed the opposite. Possible reason for this difference is that one-way ANOVA tends to give a generalizing picture of the topic investigated, where as two-way ANOVA considers more factors. Still, the joint effect of clusters and form of marketing-sales relationship is notable as the R-square indicates that a little more than 5 percent of the variation of business performance can be explained trough this joint effect.

To see which clusters achieved the best business performance and to shed still more light on the results of one-way ANOVA, a cross tabulations was made on the clusters and the business performance factor. The results are presented on next page in Table 11.

Business performance of the	Group 1 Pragmatic and customer- oriented marketing - cluster	Group 2 Pragmatic, customer-and short-term oriented marketing and sales -cluster	Group 3 Product-oriented marketing and sales and short- term oriented sales -cluster	Group 4 Analytical and customer-oriented marketing and sales and long-term oriented marketing - cluster	
business unit					Total
Very good	5.6 %	9.4 %	6.8 %	6.1 %	53
Good	27.8 %	38.5 %	31.1 %	37.7 %	284
Middle	24.1 %	38.5 %	46.6 %	38.6 %	309
Rather poor	33.3 %	10.3 %	12.8 %	15.9 %	124
Poor	7.4 %	1.7 %	2.7 %	1.3 %	16
Cannot tell	1.9%	1.7 %	0 %	0.4 %	5
Ν	54	117	148	472	791

## χ2 =37.34 d.f.=15 p=0.001

This table clearly shows that group one is the weakest performing one. Characterizing for this cluster is that it has a marketing unit which is very customer-focused and has a pragmatic approach, but sales unit does not seem to have any characterizing features in relation to time or goal orientation. From this table, more distinctions can be made also between other three groups, which all perform somewhat well. Also here group two, in which both sales and marketing are customer-oriented, pragmatic and short-term oriented, performs the best and the difference is notable when looking at categories "very good" and "good". Group number four, with customer-oriented, systematic and long-term oriented marketing and sales, seems to do second best in the highest groups, but it is notable that it also has quite a big percentage on category "rather poor". Group three, with product-oriented marketing and sales, has a smaller percentage in the two highest categories jointly, but already in the third, "middle" category, it has many companies.

In conclusion, it seems that goal and time orientations of companies have some effect on business performance in business-to-business context. Moreover, it seems that these orientations and marketing-sales relationship together can also have a joint effect on business performance. Still, these conclusions should only be seen as indicative and cautious. No conclusions can be made on what would be the best combination of time and goal orientations of marketing and sales so that it would lead to best business performance.

# 5. Summary and conclusions

The purpose of this study was to examine marketing-sales relationship and the possible effect it has on business performance. The study was motivated by rising academic interest on the marketing-sales relationship (e.g. Dewsnap & Jobber 2000 & 2002, Rouziès et al. 2005, Homburg et al. 2008), lack of studies combining this issue with business performance (Le Meunier-FitzHugh, & Piercy 2007a) and managerial reports confirming that marketing-sales relationship can be either a problem or a benefit in the real world (Aberdeen Group 2002, see Biemans & Brencic 2007; Abrams 2007; Crandell 2009).

The main research question that the study was set out to answer was: *How does marketing-sales relationship affect business performance*? This was approached by describing the elements of marketing-sales relationship, especially time and goal orientation and how these affect business-performance. It was also of interest whether it matters if company operates in business-to-business or business-to-consumer markets.

Quantitative study was seen as a suitable approach in responding to the targets of this study. Accordingly, the method of the study consisted of a web-based questionnaire, from which data was gathered. This data was later analyzed with statistical analysis methods, mainly cluster analysis and analysis of variance.

In this concluding part, I will first discuss the results of this study. Then I will compare it to previous research and the theoretical framework and present the possible implications. After this, managerial implications are shortly discussed. Last, possible limitations of this study are presented and suggestions for further research discussed.

## 5.1 Discussion

The purpose of this study was to show a possible connection between marketing-sales relationship and business performance. The most important finding of this study was to empirically show that a relationship exists between marketing-sales relationship and business performance in business-tobusiness context. This and other main findings of the study are presented below.

First, companies seem to differ based on time and goal orientations of their marketing and sales departments. With help of cluster analysis, four differing groups were found in business-to-business context and three different groups in business-to-consumer context. These three groups from business-to-consumer context were found also in business-to-business context. In short, these groups can be characterized roughly in following way:

- companies with customer-oriented marketing and sales, which have analytical approach
- companies with customer-oriented and short-term focused marketing and sales, which have pragmatic approach
- companies with product-oriented marketing and sales

There were some differences between business-to-business context and business-to-consumer context, but only a little, as the first two mentioned groupings above were practically identical in both contexts. As some articles discuss this issue only from one of these contexts (e.g. Cespedes 1993, Biemans et al. 2007, Biemans et al. 2010), it could have been assumed that bigger differences exist between these contexts. When conducting cluster analysis, business-to-business context resulted in one more relevant grouping than business-to-consumer context. This may be due to the difference in sample size, but it can be caused by something else too.

Second, goal and time orientations of marketing and sales seem to affect business performance in business-to-business context. In business-to-consumer context the results were not statistically significant and thus, are not discussed further. In business-to-business context, the best performing grouping had marketing and sales departments with customer-orientation, pragmatic approach and short time orientation. Homburg and Jensen (2007, 131) have studied this as well and in their empirical study, the cluster performing second best, "Sales-Driven symbiosis", both marketing and sales were customer-oriented. Compared to the results of this study, there are similarities as here, the best performing cluster had marketing and sales departments with customer-orientation and also another one of the next performing clusters had the same. This could slightly indicate towards that customer-orientation leads to increased business performance.

Still, implications have to be drawn with caution as the next two groups were quite close to the best performing one and for that reason, it is hard to draw any conclusions on which kind of time and goal orientations would lead to best business performance. Still, it can be claimed that both, time and goal orientation seem to have effect, either positive or negative, on business performance. It also should be noted that in this study, it is not investigated whether the effect of marketing-sales relationship on business-performance is positive, neutral or negative, which all are possible according to academic literature (e.g. Krohmer et al. 2002, 461; Kahn 1996, 141; Le Meunier-FitzHugh & Piercy 2007a, 214).

Third, goal and time orientation and form of marketing-sales relationship jointly seem to affect business performance in business-to-business context. Again, in business-to-consumer context the results were not statistically significant. Here, marketing-sales relationship refers to the structural organization of marketing and sales inside a company as in whether they are clearly separate functions or inseparable or something between the two. This joint effect seems to be at least notable as a little more than five percent of the variation of business performance can be explained with the joint effect.

Consequently, most important finding of this study is that marketing-sales relationship affects business performance in business-to-business context. It seems that both time and goal orientations of marketing and sales departments affect business performance as such and also jointly with the form of marketing-sales relationship. Moreover, it has to be recognized that this study is valuable already as contributing to the lack of empirical studies on focusing purely on marketing-sales relationship. Furthermore, as far as it is know, this is one of the first studies to investigate marketing-sales relationship in different contexts instead of focusing on single type of average company. (Homburg et al. 2008)

Compared to the theoretical framework, which was constructed based on earlier literature, this present study suggests both some similarities and some differences. First, the theoretical framework had an expectation that in regard to goal orientation, marketing would be product-oriented and sales customer-oriented. Contrarily, the results of this study show that this is only partially true in most of the companies, as both marketing and sales were customer-oriented, and

in some companies, both marketing and sales were product-oriented and in some companies only one really showed an orientation towards either products or customers. None of the groups cluster analysis provided were such that marketing would have been product-oriented and sales customeroriented.

Second, it was expected in the theoretical framework that marketing would be long-term focused and sales short-term focused. As such, this did not hold true as in one cluster for example both marketing and sales were clearly short-term oriented. On the other hand, in most clusters, marketing had at least a little longer term focus compared to sales. Webster (2005, 4) has stated that also marketing can be viewed as short-term oriented. This is due to rising pressure from financial markets and shareholders, so that also marketing starts to focus on short-term goals and tactical outcomes. (Webster 2005, 4) Based on this present study, Webster's views are confirmed that marketing can be short-term oriented as well.

Third, in theoretical framework it was suggested that differences between marketing and sales in both goal and time orientation would lead to increased business performance. In this study, the best performing cluster was one in which both sales and marketing units had customer-orientation, pragmatic approach and short-term orientation. Basically, in the best performing cluster the marketing and sales unit did not differ based on time and goal orientations. Also other clusters were such that none of them in either of the two contexts had marketing and sales departments, which had different approaches to both time and goal orientation.

Consequently, this study does not show whether departments with different time and goal orientations would have the best business performance as the sample consisted of no such companies in the formed clusters. Homburg and Jensen (2007, 133) have shown that differences in time and goal orientation increase business performance, even though this can decrease the quality of cooperation between this two units. From this can be drawn an idea to this present study, that possibly management in Finnish companies has focused on improving the actual cooperation between the two and in eliminating differences albeit it might not bring the highest returns. Cespedes (1996, 30) has stressed that lessening the differences in views is not the right solution as then a more comprehensive view on issues is missed, which may lead to poor decision making.

Contrarily, others have called for similar world views of marketing and sales as beneficial for the company (Donath 1999, 16).

Outside the actual theoretical framework, Kotler (2006, 3-4) has claimed that most often marketing and sales would be rather separate functions within organizations even though having many factors affecting the relationship between them. Contrarily, this study shows that minority of Finnish companies has separate marketing and sales functions. Instead, it seems that most often marketing and sales either cooperate closely on most matters or are seen as one, inseparable unit. This supports existing managerial reports, as at least some have noted this as well (e.g. Lorge 1999, 32).

Guenzi and Troilo (2007, 98, 104-105) on the other hand have claimed that both marketing and sales should have a long term orientation. This study does not give any insight into this matter as in the formed clusters marketing and sales units of most companies had somewhat short-term orientation and none had both marketing and sales departments with long-term orientation. A cautious assumption could be made, that one possible reason for the relatively short-time orientations is the difficult economic situation, which has continued since 2008.

In conclusion, it can be stated that this study supports the theoretical framework only partially. It seems that in most companies marketing and sales are somewhat similar in relation to time and goal orientation besides small differences. The most important theoretical contribution of this study is that there clearly is a connection between marketing-sales relationship and business performance in business-to-business context. In addition it is shown that time and goal orientation of marketing and sales affect business performance in this context.

## 5.2 Managerial implications

A clear implication for management is that marketing-sales relationship is an issue that should be paid attention to and invested in. There are many other issues as well, which affect business performance, but also additional effect can be searched in managing marketing-sales relationship. Unfortunately, based on this study, it is not clear how marketing-sales relationship should be arranged so that it would bring most benefit for the company.

Another managerial implication in relation to Finnish companies is that it seems that in most Finnish companies marketing and sales cooperate rather closely. Especially clearly separate marketing and sales functions were rare. Consequently, it could be assumed that for today's business environment, other solutions, than clear separation, are more suitable.

The data suggest that often in companies, marketing and sales actually have similar orientations in regard to time frame and goal. Earlier research would suggest that differing orientations would have an increased positive effect on business performance (Homburg & Jensen 2007, 133). This data does not support this, but a reason for this is that there were no companies in which this would have been the situation. Thus, it is still possible that increased benefits might be achievable, if marketing and sales would have a different time perspective and different goal orientation. This is something management could consider.

## 5.3 Limitations and implications for future research

Some limitations exist in generalizing these results. It is notable that the data of this study consists only of Finnish companies. It is possible that because of this, results might be somehow skewed to reflect national issues. Another limitation is that from business-to-consumer context, no statistically significant findings were found in analysis of variance. Consequently, the results of this study are limited to business-to-business context. A possible limitation is also that the empirical part of this study focuses mainly on one dimension of marketing-sales relationship and its effect on business performance, instead of focusing on the whole, complex marketing-sales relationship.

As this study was conducted as a quantitative one, it is somewhat impossible to have any explanatory results. Qualitative study would be needed to confirm assumptions behind the prevailing facts of this study, for example to find out why marketing and sales have the time and goal orientations that they do. Moreover, investigating causality in this study is challenging as it is

possible that some things happen jointly and that there is no relation between them. In this study this would mean that best performing companies just happen to align their marketing-sales relationship similarly and there is no relationship between marketing-sale relationship and business performance.

Several possibilities for further research exist. First, the study could be replicated in another country or countries so that results between different nations could be compared and possible national characteristics recognized and analyzed. Second, more research is needed from business-to-consumer context. Third, especially time and goal orientation of marketing and sales departments could be investigated more in terms of which kind of orientations are the most beneficial ones for the company in relation to business performance. Fourth, also other dimensions of marketing sales relationship could be investigated more, especially in relation to business performance.

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# **Appendix A: The Stratmark Questionnaire**

### Markkinoinnin tila 2010

Aalto-yilopiston kauppakorkeakoulun ja Hanken svenska handelshögskolanin käynnistämän StraMark-hankkeen tavoitteena on nostaa suomaiainen markkinointi- ja kaupalistamisosaaminen osaksi kansalista ydinosaamista Suomen liike-elämän pitkän aikavälin kansainvälisen kilpalulyyyn turvaamiseksi.

Ensim m šinen suomalaisen markkinointiosaamisen roolia ja tilaa katoittava Markkinoinnin tila -kysely toteutettiin kevättalvella 2008. Kysely keräsi lähes 1200 vastaajaa, muodostaen yhden kokkuluukaltaan laajimmista maassamme koskaan kerätyistä taloustieteen tutiimusaineistoista. Päikittaistutkimuksen ja kehityksen vertalluun yli ajain mahol listamiselis kysely toteuteiteina nyt toista kerää met talläkin kertaa ajankohtaista ja monipuolista tietoa suomalaisten nyttysten markkinoinnin tilasta, roolista, prosesseista ja mittaroinnista.

Pyrimme ta voittamaan kattavasti koko liikke-elämän kentän, sillä myös päämäärät ovat yhteisiä. Mitä suuremman joukon vastaajia saamme, sitä tarkotuksenmukaisemmin tulokistilla voimme tulevaisuudessa palvella yhteistä kehtystyötä. Kyselyn tulokset muodostavat yhden konkreettisimmista liiketalouden tulemuta vaikenteistä nyö ja tulevaisuudessa.

Ky sely n täyttäminen vie testiryhmän vastausten perusteella aikaa keskimäärin noin 35 minuuttia. Kyselyn voi tarvittaessa tallentaa välillä, joten koko lomaketta ei tarvitse täyttää kerralla. Kiitoksena vaivannäöstä kaikille kyselyyn vastanneille lähetetään raportti, josta käyvät ilmi kyselyn keskeisimmät löydökset. Raportti lähetetään tulosten valmistuttua kesällä 2010.

Tutkimustiedot raportoidaan ainoastaan kokonaisuuksina, joista yksittäisiä vastaajia ei voida tunnistaa.

Kiitos, että olet mukana nostamassa suomalaista markkinointiosaamista uudelle tasollel

Tutkim usterveisin,

Professori Henrikki Tikkanen ja StratMark-tutkimusryhmä Aalto-yliopiston kauppakorkeakoulu

There are 47 questions in this survey

### Yrityksen liiketoimintaympäristö ja asema päämarkkinoilla

Ensimmäisessä osiossa käsitellään edustamasi liiketoimintayksikön toimintaympäristöä ja asemaa päämarkkinoilla. Ellei erkseen mainittu, vastaa kaikkin taman kyselyn kohtiin liiketoimintayksikösi ja valtasemasi päätoimialan näkökulmasta. Mikai yhtyksestasi ei viodia erottaa selkesät toiminnataan tai markkinoillaa polkevai vyisköittä, vastaa koko ymyksen näkökulmasta. Pietren yhtysen kohdalla liiketoimintakysikkö yy yhtys tanköttaav tyeensä. samaa Pyydämme tetä pyrkimään koko kyselyn ajan johdonmukaisuuteen siinä, mitä yhtyskoitonaisuutta vastauksenne koskevat. Mikäi edustat monkansallasta tai jolbaalia vyiskä, vastaa suomalasen yksikön näkökulmasta. Mikäi nyiskoistoimi usealla toimialalla, vastaa pääasiallisen (yrityksellesi tärkeimmän) toimialan mukaisesti.

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Nimi Y-tunrus S [K5]K5, Mik (alitse vain yksi see Maa-, riista-, Kaivostoiminta	tahan: kä on liiketoimintayksikkösi pääasiallinen toimiala? * euraavista. metsä-, ja kalatalous ja ja louhinta len ja juomen valmistus	
Nimi Y-tunnus 5 [K5]K5. Mikk Valitse vain yksi see Mae-, riista-, Kaivostoiminta Elintarvikkeide Tekstiilen, vaa	tahan:  kä on liiketoimintayksikkösi pääasiallinen toimiala? *  uraavista: metsä-, ja kalatalous a ja louhinta len ja juomen valmistus natteiden, nahan ja nahkatuotteiden valmistus	
Nimi Y-tunnus 5 [K5]K5. Mikk Valitse valn yksi ser Mae-, riista-, Kavostoiminte Elintarvikkeide Tekstillien, vaa Puutavaran ja	kä on liiketoimintayksikkösi pääasiallinen toimiala? * uraavista: metsä-, ja kalatalous ia ja louhinta len ja juomen valmistus astideden, nahan ja nahkatuotteiden valmistus a puutuotteiden valmistus	
Nimi Y-tunnus 55 [K5] K5. Mikk Valitse valn yksi sei Mae-, nista-, Kaivostoiminte Eliritavikkeide Tekstilien, val Puttavaran ja	tähan:  kä on liiketoimintayksikkösi pääasiallinen toimiala? *  euraavista: metsä-, ja kalatalous aja louhinta len ja juomien valmistus saatteiden, nahan ja nahkatuotteiden valmistus sapuutotteiden valmistus ustuotteiden valmistus, kustantaminen ja graafinen tuotanto	
Nimi Y-tunnus 5 [K5]K5. Mikk Valitse valn yksi se Maa-, riista-, Kaivostoiminta Elint arvikkeide Tekstillien, vai Puut avaran ja Pupt reteollisu O jy- kumi- ja	tähan:  kä on liiketoimintayksikkösi pääasiallinen toimiala? *  euraavista: metsä-, ja kalatalous a ja louhinta en ja juomen valmistus satteiden, nahan ja nahkatuotteiden valmistus a puutuotteiden valmistus usutuotteiden valmistus, kustantaminen ja graafinen tuotanto n muovtuutteiden sekä kemikaalien ja kemiallisten tuotteiden valmistus	
Nimi Y-tunnus 5 [K5]K5. Mikk Valitse vain yksi se Maa-, riista-, Kaivostoiminta Elintarvikkeide Tekstilien, va Putavaran ja Papenteollisuu Oly- kumi- ja	tahan:  ktä on liiketoimintayksikkösi pääasiallinen toimiala? *  euraavista: metsä-, ja kalatalous (a ja louhinta len ja juomen valmistus aatieden, nahan ja narkatuotteiden valmistus aa puutuotteiden valmistus uustuotteiden valmistus, kusantaminen ja graafinen tuotanto muovutuotteiden valmistus, kusantaminen ja graafinen tuotanto mineraalituotteiden valmistus	
Nimi Y-tunnus 5 [K5]K5. Mikk Valitse vain yksi se Maa-, riista-, Kaivostoimint Elintarvikkeide Tekstiilien, va Putavaran ja Olg- kumi- ja Olg- kumi- ja	tahan:	
Nimi Y-tunnus 5 [K5]K5. Mikk Valitse valn yksi sei Mae-, riista-, Kaivostoiminte Tekstillien, vai Putavaran ja Papenteollisu Olly- kumi-ja Ei-metallisten Metallien jalos	tahan:  ktä on liiketoimintayksikkösi pääasiallinen toimiala? *  euraavista: metsä-, ja kalatalous (a ja louhinta len ja juomen valmistus aatieden, nahan ja narkatuotteiden valmistus aa puutuotteiden valmistus uustuotteiden valmistus, kusantaminen ja graafinen tuotanto muovutuotteiden valmistus, kusantaminen ja graafinen tuotanto mineraalituotteiden valmistus	

O Energia- ja vesihuolto

O Rakentaminen O Moottoriajoneuvojen kauppa, korjaus ja huolto sekä pottoaineen vähittäismyynti O Agentuuritoiminta ja tukkukauppa O Vähittäiskauppa O Majoitus- ja ravitsemistoiminta O Kuljetus, varastointi ja tietoliikenne O Rahoitus- ja vakuutustoiminta, pankit O Kiinteistöalan palvelut ja vuokraustoiminta O Tietojenkäsittelypalvelu O Tutkimus ja kehittäminen O Muu liike-elämää palveleva toiminta (B-to-B-palvelut) O Julkinen hallinto ja maanpuolustus O Koulutus O Terveydenhuolto- ja sosiaalipalvelut O Ymparistönhuolto O Järjestötoiminta O Virkistys- kulttuuri ja urheilutoiminta O Muu

#### 6 [K6]K6. Mikä on edustamasi liiketoimintayksikön tuottamien hyödykkeiden ja palveluiden osuus sen liikevaihdosta? Vastaa siten, että eri vaihtoehtojen yhteenlasketuksi arvoksi tulee 100 %. \* Kirjoita vastauksesi tähän:

Kulutushyödykkeet (b2c)	
Tuotantohyödykkeet (b2b)	
Kulutuspalvelut (b2c)	
Yrityspalvelut (b2b)	

### 7 [K7]K7. Mikä seuraavista kuvaa parhaiten liiketoimintayksikkösi markkinoita tai päätoimialaa?

Valitse vain yksi seuraavista:

O Uudet, kehittyvät markkinat

- O Kasvavat markkinat: markkinat ovat vakiintuneet, mutta kasvavat tasaisesti
- O Kypsät markkinat: markkinat ovat vakiintuneet, eikä merkittäviä muutoksia enää tapahdu
- O Taantuvat markkinat; markkinoiden kasvu on kääntynyt laskuun

### 8 [K8]K8. Mikä seuraavista parhaiten kuvaa liiketoimintayksikkösi asemaa päämarkkinoilla? \*

Valitse **vain yksi** seuraavista:

O Ainoa yritys markkinoilla

- O Markkinajohtaja: suurin markkinaosuus
- O Haastaja: toiseksi tai kolmanneksi suurin markkinaosuus
- O Seuraaja: pienempi markkinaosuus

#### 9 [K9]K9. Missä määrin seuraavat väittämät kuvaavat liiketoimintayksikkösi markkinoita ja toimialaa? \*

Valitse sopivin vaihtoehto

in .		Ei				
aa Samaa tä mieltä	Jokseenkin samaa mieltä	samaa eikä eri mieltä	Jokseenkin eri mieltä	Eri mieltă	Täysin eri mieltä	En osaa sanoa
Q	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
	tă mieltă	aa Samaa samaa mieta mieta	aa Samaa samaa ekalen ta mielta mielta mielta II O O O II O O O	aa Samaa samaa eika en Jokseenkin ia mieita mieita mieita en mieita	aa Samaa samaa eka eri Jokseerkin Eri ta mielta mielta mielta on mielta mielta	aa Samaa samaa elka en Jokseenkin Eri en mielta mielta mielta en mielta mielta mielta mielta

	Täysin samaa mieltä	Samaa mieltä	Jokseenkin samaa mieltä	Ei samaa eikā eri mieltā	Jokseenkin eri mieltä	Eri mielta	Täysin eri mieltä	En osaa sanoa
Uusila asiakkailla on tuotteeseen liittyviä tarpeita, jotka ovat erilaisia kuin nykyisillä asiakkaillamme.	0	0	0	0	0	0	0	0
Palvelemme jatkuvasti meille uusia asiakkaita.	0	0	0	0	0	0	0	0
Toimialallamme kilpailu on armotonta.	0	0	0	0	0	0	0	0
Toimialallamme esiintyy monia "promootiosotia".	0	0	0	0	0	0	0	0
Kilpailijat pystyvät vastaamaan välittömästi mihin tahansa yksittäisen toimijan tarjoamaan.	0	0	0	0	0	0	0	0
Hintakilpailu on toimialamme tunnusmerkki.	0	0	0	0	0	0	0	0
Uudesta kilpailullisesta toimenpiteestä kuulee lähes joka päivä.	0	0	0	0	0	0	0	0
Kilpailijamme ovat suhteellisen heikkoja.	0	0	0	0	0	0	0	0
Toimialallamme teknologinen muutos on nopeaa.	0	0	0	0	0	0	0	0
Teknologiset muutokset tarjoavat toimialallamme suuria mahdollisuuksia.	0	0	0	0	0	0	0	0
Toimialamme teknologiset läpimurrot ovat mahdollistaneet suuren määrän uusia tuoteideoita.	0	a	0	0	0	0	0	0
Teknologiset kehitysaskeleet ovat toimialallamme melko pieriå.	0	0	0	0	0	0	0	0

### 10 [K10]K10. Kuinka tärkeinä pidätte seuraavia kilpailukeinoja liiketoiminnassanne? \*

Valitse sopivin vaihtoehto:						
	Erittäin tärkeä	Tarkea	Keskimääräisen tärkeä	Vain vähän tärkeä	Ei lainkaan tärkeä	En osaa sanoa
Uusien tuotteiden kehittäminen	0	0	0	0	0	0
Toiminnallinen tehokkuus	0	0	0	0	0	0
Tuotteiden laadunvalvonta	0	0	0	0	0	0
Kokenut/koulutettu henkilökunta	0	0	0	0	0	0
Olemassa olevien tuotteiden kehittäminen/jalostaminen	0	0	0	0	0	0
Tuotemerkin/brandin tunnistaminen	0	0	0	0	0	0
Innovatiivisuus markkinoinnin tekniikoissa ja menetelmissä	0	0	0	0	0	0
Jakeluketjujen kontrollointi	0	0	0	0	0	0
Kyvykkyys valmistaa erikoistuotteita	0	0	0	0	0	0
Tuotteet korkean hintaluokan markkinasegmenteissä	0	0	0	0	0	0
Mainostaminen	0	0	0	0	0	0
Maine toimialan sisällä	0	0	0	0	0	0
Innovatiivisuus tuotantoprosesseissa	0	0	0	0	0	0

### Markkinoinnin rooli

Toisessa osiossa pureudutaan markkinoinnin tehtäväkenttään, asemaan ja rooliin liiketoimintayksikössä.

### 11 [K11]K11. Millainen on markkinoinnin ja tuotekehityksen suhde liiketoimintayksikössäsi? \*

- Valitse vain yksi seuraavista:
- O Kyseessä ovat erilliset toiminnot
- O Toiminnot tekevät yhteistyötä joillakin osa-alueilla
- O Toiminnot tekevät yhteistyötä useimmilla osa-alueilla
- O Tuotekehitystä ja markkinointia ei voida toimintoina erottaa toisistaan

# 12 [K12]K12. Millainen on markkinoinnin ja myynnin suhde liiketoimintayksikössäsi? \*

- Valitse vain yksi seuraavista:
- O Kyseessä ovat erilliset toiminnot
- O Toiminnot tekevät yhteistyötä joillakin osa-alueilla
- O Toiminnot tekevät yhteistyötä useimmilla osa-alueilla
- O Myyntiä ja markkinointia ei voida toimintoina erottaa toisistaan

#### 13 [K13]K13. Kuinka vahva strateginen rooli markkinoinnilla on seuraavissa yksikkösi toiminnoissa? \*

Valitse sopivin vaihtoehto:

	Erittäin vahva rooli	Vahva rooli	Keskivahva rooli	Heikko rooli	Ei roolia	En osaa sanoa
Ylin johto	0	0	0	0	0	0
Sisäinen viestintä	Õ	0	Õ	0	0	0
Ulkoinen viestintä	0	0	0	0	0	0
Myynti	0	0	0	0	0	0
Asiakassuhteiden hallinta	0	0	0	0	0	0
Sijoittajasuhteiden hallinta	0	0	0	0	0	0
Tutkimus- ja kehitystoiminta	0	0	0	0	0	0
Logistiikka, tilaus- ja toimitusketjun hallinta	0	0	0	0	0	0

### Myynti ja markkinointi

Kolmannessa osiossa keskitymme myynti- ja markkinointitoimintojen strategisin lähestymistapoihin sekä toiminnoissa olemassa olevaan tietoon. Pyydämme siis sinua vastaamaan sekä myynnin että markkinoinnin näkökulmasta.

### 14 [K14]K14. Liiketoimintayksikkömme myyntiyksikkö: \*

	Täysin tuotteiden perusteella	Enemmän tuotteiden perusteella	Ei selkeästi kummankaan perusteella	Enemmän asiakkaiden perusteella	Tâysin asiakkaiden perusteella	En osaa sanoa
Asettaa volyymiin ja uottoon liittyvät odotukset	0	0	0	0	0	0
vläärittää osaltaan strategiaa	0	0	0	0	0	0
Arvioi suoriutumistaan	0	0	0	0	0	0

### 15 [K15]K15. Liiketoimintayksikkömme markkinointiyksikkö: \*

Valitse sopivin vaihtoehto:						
	Täysin tuotteiden perusteella	Enemmän tuotteiden perusteella	Ei selkeästi kummankaan perusteella	Enemmän asiakkaiden perusteella	Täysin asiakkaiden perusteella	En osaa sanoa
Asettaa volyymiin ja tuottoon liittyvät odotukset	0	0	0	0	0	0
Määrittää osaltaan strategiaa	0	0	0	0	0	0
Arvioi suoriutumistaan	0	0	0	0	0	0

#### 16 [K16]K16. Liiketoimintayksikkömme <u>myyntitoiminnossa ja markkinointitoiminnossa</u> lähestymistapaa kuvaa parhaiten: \*

Valitse sopivin vaihtoehto:

	Systemaattinen ja analyyttinen	Melko systemaattinen ja analyyttinen	Ei kumpikaan toista enemmän	Melko käytännöllinen ja vaistonvarainen	Käytännöllinen ja vaistonvarainen	En osaa sanoa
Myyntitoiminto	0	0	0	0	0	0
Markkinointitoiminto	0	0	0	0	0	0

#### 17 [K17]K17. Liiketoimintayksikkömme <u>myyntitoiminnossa ja</u> <u>markkinointitoiminnossa</u> suunnittelun aikajännettä kuvaa parhaiten: \*

Valitse sopivin vaihtoehto:

			Ei pitkä eikä			
	Pitkä aikaväli	Melko pitkā aikavāli	lyhyt aikaväli	Melko lyhyt aikaväli	Lyhyt aikaväli	En osaa sanoa
Myyntitoiminto	0	0	0	0	0	0
Markkinointitoiminto	0	0	0	0	0	0

### 18 [K18]K18. Liiketoimintayksikkömme <u>myyntitoiminnossa</u> tyypillisen työntekijän tietotaso seuraavien osa-alueiden osalta on: \* Valitse sopivin valitoehto:

				Melko		Enosaa
	Hyvä	Melko hyvä	Keskitasoa	heikko	Heikko	sanoa
Asiakkaat	0	0	0	0	0	0
Kilpailijat	0	0	0	0	0	0
Tuotteet	0	0	0	0	0	0
Sisåiset prosessit	0	0	0	0	0	0

#### 19 [K19]K19. Liiketoimintayksikkömme <u>markkinointitoiminnossa</u> tyypillisen työntekijän tietotaso seuraavien osa-alueiden osalta on: \* Valkse sopivin valitoehto:

	Hyvä	Melko hyvä	Keskitasoa	Melko heikko	Heikko	En osaa sanoa
Asiakkaat	0	0	0	0	0	0
Kilpailijat	0	0	0	0	0	0
Tuotteet	0	0	0	0	0	0
Sisäiset prosessit	0	0	0	0	0	0

### Markkinoinnin vaikuttavuus ja tuloksellisuus

Neljännessä osiossa keskitytään markkinoinnin vaikuttavuuden ja tuloksellisuuden seurantaan liittyviin aiheisiin. Osiossa käsitellään mm

20 [K20]K20. Seurataanko liiketoimintayksikössäsi s	äännöllis	esti markkin	oinnin tavoitteiden
saavuttamista? *			
/alitse <b>vain yksi</b> seuraavista:			
O Kylla O Ei			
21 [K21]K21. Millä tasolla tavoitteiden saavuttamist	a seurata	an?	
Only answer this question if the following conditions are met: Yastaus oli 'Kyllâ' at question '20 [K20]' (K20. Seurataanko liiketoimintayksiko	össäsi säännö	Ilisesti markkinoinr	in tavoitteiden saavuttamista?)
/alitse <b>kaikki</b> jotka soveltuvat			
Vuositasolla			
Kvartaalitasolla			
Kuukausitasolla tai useammin     Projektitasolla			
22 [K22]K22. Raportoidaanko markkinoinnin tulokse (esim. vuosikertomuksessa tai muissa tilinpäätöstied /allse vain yksi seuraavista.			opuolisille tahoille
O Kylla			
O Ei			
23 [K23]K23. Missä ja miten markkinoinnin tuloksell Dnly answer this question if the following conditions are met: Vastavs oli Kylla'at question '22 [K22] (K22. Raportoidaanko markkinoinnin			
vuosikertomuksessa tai muissa tilinpäätöstiedotteissa)?) Vastauksesi:			
tuloksellisuuden mittareihin. Kysymme sinulta 1) mi liiketoimintayksikössäsi käytössä, sekä 2) mitkä mit	tkä seura tarit ovat	avista mittar nähdäksesi l	eista ovat xeskeisimpiä
tuloksellisuuden mittareihin. Kysymme sinulta 1) mi liiketoimintayksikössäsi käytössä, sekä 2) mitkä mit seurattavia mittareita? Yksi mittari voi olla käytössä 25 [K24a]K24a. Kuluttajan/loppukäyttäjän ajatuksi.	tkä seura tarit ovat , keskein	avista mittar nähdäksesi l en, molempia	eista ovat ceskeisimpiä ı, tai ei kumpaakaan.
tuloksellisuuden mittareihin. Kysymme sinulta 1) mi liiketoimintayksikösäsi käytössä, sekä 2) mittä mit seurattavia mittareita? Yksi mittari voi olla käytössä 25 [K24a]K24a. Kuluttajan/loppukäyttäjän ajatuksi. Valitse kaikki sopivat vahtoehdot.	tkä seura tarit ovat , keskein a/asentei Käytössä	avista mittar nähdäksesi l en, molempia ta ja tunteita Keskeinen	eista ovat ceskeisimpiä ı, tai ei kumpaakaan.
tuloksellisuuden mittareihin. Kysymme sinulta 1) mi iiketoimintayksikössäsi käytössä, sekä 2) mitkä mit seurattavia mittareita? Yksi mittari voi olla käytössä 25 [K24a]K24a. Kuluttajan/loppukäyttäjän ajatuksi. /alitse kaikki sopivat vaihtoehdot Turnettuus (spontaari/auteltu/yhteensä) Merkitävyys (keskeisys, tärkeys)	tkä seura tarit ovat , keskein a/asentei	avista mittar nähdäksesi l en, molempia ta ja tunteita	eista ovat ceskeisimpiä ı, tai ei kumpaakaan.
tuloksellisuuden mittareihin. Kysymme sinulta 1) mi liiketoimintayksikösäsi käytössä, sekä 2) mittä mit seurattavia mittareita? Yksi mittari voi olla käytössä 25 [K24a]K24a. Kuluttajan/loppukäyttäjän ajatuksi. Vallise kaikki sopivat vahtoehdot. Turnetluus (spontaari/autettu/phteensä) Merkittayys (keskeisys, tarkeys) Koettu laatu / arvoslus (kurka korkeelle arvotettu)	tkä seura tarit ovat , keskeine a/asentei Käytössä	avista mittar nähdäksesi l en, molempia ta ja tunteita Keskeinen	eista ovat ceskeisimpiä ı, tai ei kumpaakaan.
tuloksellisuuden mittareihin. Kysymme sinulta 1) mi liiketoimintayksikössäsi käytössä, sekä 2) mitkä mit seurattavia mittareita? Yksi mittari voi olla käytössä 25 [K24a]K24a. Kuluttajan/loppukäyttäjän ajatuksi valitse kaikki sopivat vaihtoehdot Turnettuus (spontaari/autettu/yhteensä) Merkittävyys (keskeisys, tärkeys) Koettu laatu / arvostus (kuirka korkealle arvotettu) Kulutaja-käyttäjätyytyväisys (odotusten täyttyminen) Relevarsis kulutajalle/lopukäyttäjälle ("mirulle sopiva tuotemerkki")	tkä seura tarit ovat , keskeine a/asentei Käytössä	avista mittar nähdäksesi l en, molempia ta ja tunteita Keskeinen	eista ovat ceskeisimpiä ı, tai ei kumpaakaan.
tuloksellisuuden mittareihin. Kysymme sinulta 1) mi liiketoimintayksikösäsi käytössä, sekä 2) miktä mit seurattavia mittareita? Yksi mittari voi olla käytössä 25 [K24a]K24a. Kuluttajan/loppukäyttäjän ajatuksi. Valitse kaikki sopivat vaihtoehdot. Turnettuus (sportaari/autettu/yhteensä) Merkittavyys (keskeisyys, tärkeys) Koettu laatu / arvostus (kurika korkealle arvotettu) Kulutaja-rkäyttäjätlytylväisyys (odotusen täyttyminen) Relevanssi kulut-jallei/oppukäyttäjälle ("minulle sopiva tuotemerkki") Imago / persoonallisuus / identiteetti (voimakkuus)	tkä seura tarit ovat , keskeinn a/asentei Kaytossa	avista mittar nähdäksesi i en, molempia ta ja tunteita Keskeinen	eista ovat ceskeisimpiä ı, tai ei kumpaakaan.
tuloksellisuuden mittareihin. Kysymme sinulta 1) mi liiketoimintayksikössäsi käytössä, sekä 2) mitkä mit seurattavia mittareita? Yksi mittari voi olla käytössä 25 [K24a]K24a. Kuluttajan/loppukäyttäjän ajatuksi Valitse kaikki sepivat vaihteehdot: Turnethuus (spontaari/autettu/yhteensä) Merkittavyos (keskeisyos, tärkeys) Koettu laatu / arvostus (kuirka korkealle arvotettu) Kkulttaja-/käyttäjä yytyväisys (odotusten täyttyminen) Relevanssi kuluttajalei/oppukäyttäjälle ("minulle sopiva tuotemerkki") Imago / persoonallisuus / identiteetti (voimakkuus) (Koettu) enlaistuminen (ero muihin brandeihin) Stotuuminen / ostoaikomus (liimaistu oston todennäköisyys)	tkä seura tarit ovat , keskeine a/asentei Käytössä	avista mittar nähdäksesi l en, molempia ta ja tunteita Keskeinen	eista ovat ceskeisimpiä ı, tai ei kumpaakaan.
tuloksellisuuden mittareihin. Kysymme sinulta 1) mi liketoimintayksikösäsi käytössä, sekä 2) miktä mit seurattavia mittareita? Yksi mittari voi olla käytössä 25 [K24a]K24a. Kuluttajan/loppukäyttäjän ajatuksi. /alitse kaikki sopivat vahtoehdot Turnetluus (spontaari/autettu/yhteensä) Merkittayys (keskeisys; tarkeys) Koettu laatu / arvostus (kurika korkealle arvotettu) Kulutaja-käyttäjätytyväisyys (odotusen täyttyminen) Relevanssi kulutajalle/loppukäyttäjälle ("minulle sopiva tuotemerkki") Imago / persoonallisuus / idenitäetti (voimakkuus) (Koettu) erilaistuminen (ero muhin brandeihin) Stoutuminen / ostoaikomus (ilmaistu oston todennäkoisyys) Muut aserteet, esim, mietymys (uselta mahdollisia indikaattoreita)	tkä seura tarit ovat , keskeinn a/asentei Kaytossa	avista mittar nähdäksesi i en, molempia ta ja tunteita Keskeinen	eista ovat ceskeisimpiä ı, tai ei kumpaakaan.
tuloksellisuuden mittareihin. Kysymme sinulta 1) mi liiketoimintayksikösäsi käytössä, sekä 2) miktä mit seurattavia mittareita? Yksi mittari voi olla käytössä 25 [K24a]K24a. Kuluttajan/loppukäyttäjän ajatuksi. Valitse kaikki sopivat vaihtoehdot. Turnettuus (sportaari/autettu/yhteensä) Merkittavyus (kekeisyys, tärkeys) Koettu laatu / arvostus (kurika korkealle arvotettu) Kulutaja-rkäyttäjätlytylväisyys (odotusen täyttymien) Relevanssi kulutajalla/loppukäyttäjälle ("minulle sopiva tuotemerkki") Imago / persoonallisuus / identiteetti (voimakkuus) (Koettu) erilaistumiene (ero muihin brandeihin) Stoutuminen / ostoalkomus (ilmaistu oston todennäköisyys) Muuta serteet, esim. mieitymys (useita mahdollisia indikaattoreita) Tieto (Kokemukset tuotteen ominaisuuksista)	tkä seura tarit ovat a/asentei käytössä 	avista mittar nähdäksesi i ta ja tunteita Keskeinen	eista ovat reskeisimpiä 1, tai ei kumpaakaan. 1 seuraavat mittarit
tuloksellisuuden mittareihin. Kysymme sinulta 1) mi liketoimintayksikösäsi käytössä, sekä 2) miktä mit seurattavia mittareita? Yksi mittari voi olla käytössä 25 [K24a]K24a. Kuluttajan/loppukäyttäjän ajatuksi. Valtse kaikki sopivat vahtoehdot Turnetluus (spontaan/autettu/yhteensä) Merkittavyys (keskeisys, tärkeys) Koettu laatu / arvostus (kuirka korkealle arvotettu) Kulutaja-käyttäjätytylväisyys (odotusen täyttyminen) Relevanssi kulut ajalla/loppukäyttäjälle ("mirulle sopiva tuotemerkki") Imago / persoonallisuus / ideniteetti (voimakkuus) (Koettu) enlaistuminen (ero muhin brandehin) Stioutuminen / ostoaikomus (ilmaistu oston todennäköisyys) Muut aserteet, esim. mieitymys (useita mahdollisia indikaattoreita) Tieto (Kokemukset tuotteen ominaisuuksista) 26 [K24b]K24b. Kuluttajan/loppukäyttäjän käyttäyt	tkä seura tarit ovat a/asentei käytössä 	avista mittar nähdäksesi i ta ja tunteita keskeinen 	eista ovat reskeisimpiä 1, tai ei kumpaakaan. 1 seuraavat mittarit 1 seuraavat mittarit
tuloksellisuuden mittareihin. Kysymme sinulta 1) mi liiketoimintayksikösäsi käytössä, sekä 2) mittä mit seurattavia mittareita? Yksi mittari voi olla käytössä 25 [K24a]K24a. Kuluttajan/loppukäyttäjän ajatuksi. Valitse kaikli sopivat vaihtehdot Turnettuus (spontaari/autettu/yhteensä) Merkittavyus (keskeisyys, tarkeys) Koettu laatu / vaotsus (kuirka korkealia avotettu) Kulutaja-/käyttäjätyytyväisyys (odotusten täyttyminen) Relevanssi kuluttajäleloppukäyttäjät avotettu) Kulutaja-/käyttäjätyytyväisyys (odotusten täyttyminen) Relevanssi kuluttajäleloppukäyttäjät (minulle sopiva tuotemerkik") Imago / persoonallisuus / identiteetti (voimakkuu) (Koettu jalati daistuminen (ero muliin torandekuu) Stoutuminen / ostoaikomus (ilmaistu oston todenrakkoisyys) Muut aserteet, esim. mieltymys (useita mahdollisia indikaattoreita) Tieto (Kokemukset tuotteen ominaisuuksista) 26 [K24b]K24b. Kuluttajan/loppukäyttäjän käyttäyti	tkä seura tarit ovat a/asentei käytössä 	avista mittar nähdäksesi i ta ja tunteita Keskeinen	eista ovat reskeisimpiä , tai ei kumpaakaan. seuraavat mittarit seuraavat mittarit arit Keskeinen
tuloksellisuuden mittareihin. Kysymme sinulta 1) mi liiketoimintayksikösäsi käytösäs, sekä 2) miktä mit seurattavia mittareita? Yksi mittari voi olla käytössä 25 [K24a]K24a. Kuluttajan/loppukäyttäjän ajatuksi. Valitse kaikki sopivat vahtoehdot Turnetuus (spontaari/autettu/yhteensä) Merkittävyys (keskeisyys) tärkeys) Koettu laatu / arvostus (kurika korkealle arvotettu) Kulutaja-käyttäjätyytiväisyys (odotusen täyttymien) Relevanssi kulutajalei/loppukäyttäjälle (minulle sopiva tuotemerkki") Imago / persoonallisuus / identiteetti (voimakkuus) (Koettu) erlaistuminen (ero muihin brandeihin) Stoutuminen / ostoaikomus (limaistu oston todennäköisyys) Muut aserteet, esim. miettymys (useita mahdollisia indikaattoreita) Tieto (Kokemukset tuotteen ominaisuuksista) 26 [K24b]K24b. Kuluttajan/loppukäyttäjän käyttäyti Valitse kaikki sopivat vahtoehdot: Käyttäjien (asiakkaiden) kokonalsmaara Uusien käyttäjein (lukumäärä	tkä seura tarit ovat , keskein a/asentei a/asentei	avista mittar nähdäksesi i ta ja tunteita keskeinen 	eista ovat eeskeisimpiä 1, tai ei kumpaakaan. • seuraavat mittarit • seuraavat mittarit • seuraavat mittarit
Koettu laatu / arvostus (kuirka korkeelle anvotettu) Kulutaja-/kayttäjätyytyväisyys (oddusten täyttyminen) Relevanssi kuirta jällei/oppukäyttäjälle ("minulle sopiva tuotemerkid") Imago / persoonallisuus / identiteetti (voimakkuus) (Koettu) erilaistuminen (ero mulini brandeihin) Skoutuminen / ostoaikomus (limaistu sotan todennäkoisyys) Muut aserteet, esim. mieitymys (useita mahdollisia indikaattoreita) Tieto (Kokemukset tuotteen ominaisuuksista) 26 [K24b]K24b. Kuluttajan/loppukäyttäjän käyttäyt Valitse kaikki sopivat vaihtoehdot: Käyttäjien (asiakkaiden) kokonaismäära	tkä seura tarit ovat , keskeinu a/asentei a/asentei 	avista mittar nähdäksesi i ta ja tunteita Keskeinen	eista ovat reskeisimpiä 1, tai ei kumpaakaan. a seuraavat mittarit a seuraavat mittarit a seuraavat mittarit Keskeinen

Tuotteiden määrä käyttäjää Leadien määrä / tiedustelut Konversioprosentti (leadista Loppukäyttäjiltä tulevien vali	(uusien pros myyntiin)	pektien luku	määrä)		joomaa)	aytössä k	Keskeinen	
27 [K24c]K24c. Välip seuraavat mittarit	ortaan as	iakkaide	n/jälleenn	nyyjien su	ihteen laa	tua ja omi	naisuuksi	a
Valitse kaikki sopivat vaihtoeho	lot							
			Käytössä	Keskeinen				
Jakelu / saatavuus (esim. m Asiakastyytyväisyys	iyymälöiden	lukumäärä)						
Asiakasvalitusten määrä								
28 [K24d]K24d. Marl		iutumista	a kilpailijoi	hin verra	ttuna seur	aavat mit	tarit	
Valitse kaikki sopivat vaihtoeho	lot:					-		
Markkinaosuus (osuus mark	kinasta myy	ntimäärän m	ukaan)		Käytössä	i Keskeir	ien	
Suhteellinen hinta (esim. os								
Markkinaosuuden uskollisuu Markkinapeitto (osuus ostaj			/ttävien tuottei	iden joukossa	a) 🗌			
Suhteellinen kuluttajatyytyvä			essa kilpailijo	ihin)				
Suhteellinen koettu laatu (ko Osuus kaikesta markkinoint								
o suus nunosta marinina	in osti i lasta	(05005 1010	gonusta)					
29 [K24e]K24e. Inno	voinnin t	uloksellis	uutta seu	raavat mi	ttarit			
Valitse kaikki sopivat vaihtoeho	lot.							
					Käytössä	Keskeine	ən	
Uusien tuotteiden lukumäärä Liikevaihto uusista tuotteista			n tuotteiden ia	inseeraukset	) 📙			
Uusien tuotteiden kate (myy	ntikate)							
30 [K24f]K24f. Talou		uloksellis	uutta seur	aavat mit	ttarit			
Valitse kaikki sopivat vaihtoeho	lot		175.17		7.5			
Myynti (arvo ja/tai määrä)			Kaytı E		skeinen			
Alennus-% (alennukset ja hy				1				
Myyntikatteet (kokonaistuot Markkinointipanostukset (es								
Liikevoitto / kannattavuus (ti			E					
Omistaja-arvo Taloudellinen lisäarvo (EVA	N.			1				
Sijoitetun pääoman tuottoas								
Asiakkaan elinkaariarvo (cu	stomer lifetin	ne value, CL	V) [					
31 [K25]K25. Arvioi 1	yksikkösi	kykyä mi	tata suori	utumista	seuraavie	1 osa-alue	iden koho	ialla. *
Valitse sopivin vaihtoehto:				Ei				
	Erittáin		Melko	heikko eikä	Melko		Erittäin	Ei relevantti
	hyvä	Hyva	hyva	hyvä	heikko	Heikko	heikko	meille
Kuluttajan/loppukäyttäjän ajatukset/asenteet ja	0	0	0	0	0	0	0	0
tunteet Kuluttajan/loppukäyttäjän						1960		
käyttäytyminen	0	0	0	0	0	0	0	0
Väliportaan asiakkaiden/jälleenmyyjien	0	~	0	~	0	~	0	0
suhteen laatu ja ominaisuudet	0	0	0	0	0	0	0	0
Suoriutuminen suhteessa	0	0	0	0	0	0	0	0
kilpailijoihin Innovoinnin tuloksellisuus	0	0	ő	õ	0	0	0	0
Taloudellinen	0	0	õ	õ	0	0	0	0
tuloksellisuus								

### 32 [K26]K26. Mitkä ovat suurimmat esteet/haasteet markkinoinnin mittaamiselle? \*

Valitse **kaikki** jotka soveltuvat.

Riittävää rahoitusta ei ole saatavilla
 Johdon ajan puute

Ei tukea multa yksiköiltä

Kannustimien puute
Aineiston puute

Yhdenmukaisuuden Muu:	putte mittauksissa en aikoina
33 [K27]K27. Mik uloksellisuudesta	ä on yksikkönne ylimmän johdon arvio markkinoinnin tämänhetkisesta 1? *
'alitse <b>vain yksi</b> seuraavi	sta
🔿 Erittäin hyvä	
<ul> <li>Erittäin hyvä</li> <li>Hyvä</li> </ul>	
-	
) Hyva	
) Hyvä ) Keskitasoa	

#### Liiketoimintaprosessit ja markkinointi

Viidennessä osiossa pyydämme sinua arvioimaan liiketoimintayksikkösi suoriutumista liiketoiminnan ydinprosessien osalta tärkeimpiin kilpailijoihin nähden.

#### 34 [K28]K27. Arvioi liiketoimintayksikkösi suoriutumista tuotekehityksen ja innovoinnin osalta tärkeimpiin kilpailijoihin verrattuna. \*

Valitse sopivin vaihtoehto:							
	Huomattavasti parempi kuin kilpailijoilla	Parempi kuin kilpailijoilla	Jonkin verran parempi kuin kilpailijoilla	Ei eroa kilpailijoihin nähden	Jonkin verran heikompi kuin kilpailijoilla	Heikompi kuin kilpailijoilla	Huomattavasti heikompi kuin kilpailijoilla
Kyky kehittää uusia tuote- tai palveluideoita	0	0	0	0	0	0	0
Uusien liiketoimintamallien hyödyntäminen	0	0	0	0	0	0	0
Ulkoisten sidosryhmien ja liiketoimintaverkoston hyödyntäminen tuotekehitysvaiheessa	0	0	0	0	0	0	0
Yhteistyö ja tiedonjako muiden toimintojen kanssa	0	0	0	0	0	0	0
Ideoiden nopea kaupallistaminen	0	0	0	0	0	0	0
Tuote- tai palveluinnovaatioiden määrä	0	0	0	0	0	0	0
Uusien tuotteiden tai palveluiden menestyksekäs lanseeraaminen	0	0	0	0	0	0	0
Tutkimus- ja kehitysinvestointien tuloksellisuus	0	0	0	0	0	0	0

#### 35 [K29]K29. Arvioi liiketoimintayksikkösi suoriutumista tilaus- ja toimitusketjun johtamisen osalta tärkeimpiin kilpailijoihin verrattuna. \*

Valitse sopivin vaihtoehto:

Tantoo oopirini Tantoon							
	Huomattavasti parempi kuin kilpailijoilla	Parempi kuin kilpailijoilla	Jonkin verran parempi kuin kilpailijoilla	Ei eroa kilpailijoihin nähden	Jonkin verran heikompi kuin kilpailijoilla	Heikompi kuin kilpailijoilla	Huomattavasti heikompi kuin kilpailijoilla
Informaatio- ja viestintäteknologian (ICT) käyttö	0	0	0	0	0	0	0
Parhaiden jakelijoiden hankkiminen ja pitäminen	0	0	0	0	0	0	o
Parhaiden toimittajien hankkiminen ja pitäminen	0	0	0	0	0	0	0
Asennuksen ja ylläpidon hallinta	0	0	0	0	0	0	0
Tilausten käsittely	0	0	0	0	0	0	0
Tehokas laskutus ja maksuehdot	0	0	0	0	0	0	0
Logistiikan ja varastojen hallinta	0	0	0	0	0	0	0
Huolto-/palvelutuen tarjoaminen jakelijoille	0	0	0	0	0	0	0
Toimitusvarmuus	0	0	0	0	0	0	0

36 [K30]K30. Arvioi liiketoimintayksikkösi suoriutumista asiakkuuksien johtamisen osalta tärkeimpiin kilpailijoihin verrattuna. \* Valtse soolvin vahtoehto:

Asiakastiedon keruu	Huomattavasti parempi kuin kilpailijoilla O	Parempi kuin kilpailijoilla O	Jonkin verran parempi kuin kilpailijoilla	Ei eroa kilpailijoihin nähden	Jonkin verran heikompi kuin kilpailijoilla	Heikompi kuin kilpailijoilla O	Huomattavasti heikompi kuin kilpailijoilla
Asiakastietojärjestelmän hallinta (CRM)	0	0	0	0	0	0	0
Asiakassuhteiden säilyttäminen	0	0	0	0	0	0	0
Yrityksen tarjooman ja asiakkaiden tarpeiden vastaavuus, asiakastuntemus	0	0	0	0	0	0	0

	Huomattavasti parempi kuin kilpailijoilla	Parempi kuin kilpailijoilla	Jonkin verran parempi kuin kilpailijoilla	Ei eroa kilpailijoihin nähden	Jonkin verran heikompi kuin kilpailijoilla	Heikompi kuin kilpailijoilla	Huomattavast heikompi kun kilpailijoilla
Potentiaalisten uusien asiakkaiden tunnistaminen	0	0	0	0	0	0	0
Asiakaspalvelun suunnittelu ja toteutus	0	0	0	0	0	0	0
Asiakaskohtaamisten suunnittelu ja toteutus	0	0	0	0	0	0	0
Kyky vastata asiakkaiden tiedusteluihin ja pyyntöihin nopeasti	0	0	0	0	0	0	0
Tuotteiden ja palveluiden ristiinmyynti	0	0	0	0	0	0	0
Tuotteiden ja palveluiden lisämyynti	0	0	0	0	0	0	0
Kannattamattomien asiakassuhteiden lopettaminen	0	0	0	0	0	0	0
Asiakastyytyväisyys	0	0	0	0	0	0	0

#### Liikkeenjohdolliset haasteet ja markkinointiin kohdistuvat panostukset

Kuudennessa osiossa pyydämme sinua arvioimaan liiketoimintayksikkösi liikkeenjohdollisia haasteita sekä taustalla vaikuttavia tekijöitä markkinointiin panostamisen yhteydessä.

#### 37 [K31]K31. Missä määrin seuraavat haasteet ovat tällä hetkellä liiketoimintayksikkösi liikkeenjohdon huomion ja resurssien kohteena? \*

Valitse sopivin vaihtoehto:

l

Valitse sopivin vaihtoehto:								
	Erityisen huomion kohde			Keskimääräisen huomion kohde			Vähäisen huomion kohde	Ei relevanttia meille
Uuden tuotteen tai sovelluksen kehittäminen	0	0	0	0	0	0	0	0
Taloudellisten resurssien ja tuen hankkiminen	0	0	0	0	0	0	0	0
Ulkopuolisten asiantuntijoiden tai hallituksen jäsenten hankkiminen	0	0	0	0	0	0	0	0
Tuotetuki tai asiakaspalvelu	0	0	0	0	0	0	0	0
Pätevän henkilökunnan hankkiminen	0	0	0	0	0	0	0	0
Tarkoituksenmukaiset välineet ja toimitilat	0	0	0	0	0	0	0	0
Luotettavien myyjien ja toimittajien verkoston kehittäminen	0	0	0	0	0	0	0	0
Kysyntää vastaavien määrien tuotanto	0	0	0	0	0	0	0	0
Myyntitavoitteiden saavuttaminen	0	0	0	0	0	0	0	0
Johdon osaamisen ja kykyjen laajuus ja taso Kustannusten kontrollointi	00	00	00	0	00	00	00	0
Organisatoristen roolien, vastuiden ja käytäntöjen määrittely	0	0	0	0	0	0	0	0
Johdon tietojärjestelmien kehittäminen	0	0	0	0	0	0	0	0
Kannattavuus- tai markkinaosuustavoitteiden saavuttaminen	0	0	0	0	0	0	0	0
Laajentuminen uusille maantieteellisille alueille Hallinnollisen taakka ja byrokratia	00	00	00	00	00	00	00	00
Taloudellisten järjestelmien ja sisäisen kontrollin kehittäminen	0	0	0	0	0	0	0	0
Aseman vakiinnuttaminen tuote-/markkinasegmenteissä	0	0	0	0	0	0	0	0
Asiakkaiden tarpeiden selvittäminen ja tyydyttäminen	0	0	0	0	0	0	0	0
Systemaattinen kilpailijoiden analysointi	0	0	0	0	0	0	0	0

38 [K32]K32. Millaisissa tilanteissa liiketoimintayksikkösi tekee eniten markkinointiin kohdistuvia uusia panostuksia? Valitse seuraavista vaihtoehdoista vähintään yksi ja enintään kolme, tärkeysjärjestyksessä. \*

Aseta kohdat järjestykseen välillä 1-8

Kil	pailun kiristyessä
Uu	sille tuotealueille mentäessä
Uu	sille markkina-alueille mertäessä
Ku	n yrityksellä on mennyt hyvin ja sille on kertynyt varallisuutta
ΚL	n menee heikosti ja yritys tarvitsee tuloja ja asiakkaita
٢u	in yrityksen strategiassa korostuvat kasvutavoitteet
Uu	isia panostuksia tehdään tasaisesti, taloudellisesta tai markkinatilanteesta juurikaan riippumatta
En	osaa sanoa

## Markkinasuuntautuneisuus, oppiminen ja innovatiivisuus

Seitsemännessä osiossa tarkastellaan strategisia painotuksia ja käytäntöjä mm. asiakas- ja kilpailijasuuntautuneisuuden, organisatorisen oppimisen ja innovatiivisuuden osalta.

Valitse sopivin vaihtoehto:				Ei				
	Täysin samaa mieltä	Samaa mieltä	Jokseenkin samaa mieltä	El samaa eikä eri mieltä	Jokseenkin eri mieltä	Eri mieltá	Täysin eri mieltä	Ei relevantti: meille
Myyntihenkilöstömme jakaa								
säännöllisesti tietoa kilpailijoidemme strategioista liiketoimintayksikkömme (yrityksemme) sisällä	0	0	0	0	0	0	0	0
Liiketoimintamme tavoitteita ohjaa ensisijaisesti asiakastyytyväisyys	0	0	0	0	0	0	0	0
Vastaamme ripeästi kilpailutoimiin, jotka uhkaavat meitä	0	0	0	0	0	0	0	0
Seuraamme jatkuvasti asiakassuuntautuneisuuttamme a sitoutumistamme asiakkaiden tarpeiden palvelemiseen	0	0	0	0	0	0	0	0
Kaikkien toimintojemme ylin iohto tapaa säännöllisesti nykyisiä ja mahdollisia asiakkaita	0	0	0	0	0	0	0	0
Jaamme avoimesti tietoa onristuneista ja epäonristuneista asiakaskokemuksista kaikkien toimintojen kesken	0	0	0	0	0	0	0	0
Strategiamme kilpailuedun saavuttamiseksi perustuu asiakkaiden tarpeiden ymmärtämiseen	0	0	0	0	0	0	0	0
Kaikki toimintomme (esim. markkinointi/myynti, tuotanto, T&K, rahoitus/laskentatoimi, ine) on irtegroitu palvelemaan kohdemarkkinoidemme tarpeita	0	0	0	0	0	0	0	0
Liiketoimintastrategioitamme ohjaavat uskomuksemme siitä, miten voimme tuottaa suurempaa arvoa asiakkaillemme	0	0	0	0	0	0	0	0
Mittaamme asiakastyytyväisyyttä järjestelmällisesti ja tiheästi	0	0	0	0	0	0	0	0
Kiinnitämme paljon huomiota myynnin jälkeiseen palveluun	0	0	0	0	0	0	0	0
Ylin johtomme keskustelee säännöllisesti kilpailijoidemme vahvuuksista ja strategioista	0	0	0	0	0	0	0	0
Kaikki esimiehet ymmärtävät, miten jokainen voi myötävaikuttaa asiakasarvon luomiseen liiketoiminnassamme	0	0	0	0	0	0	0	0
Keskitymme asiakkaisiin, joiden kohdalla voimme saavuttaa kilpailuetua	0	0	0	0	0	0	0	0
Jaamme resursseja muiden liiketoimintayksiköiden kanssa	0	0	0	0	0	0	0	0

## 40 [K34]K34. Missä määrin seuraavat väittämät kuvaavat tilannetta liiketoimintayksikössäsi? \*

Valitse sopivin vaihtoehto	ç.							
	Täysin samaa mieltä	Samaa mieltä	Jokseenkin samaa mieltä	Ei samaa eikā eri mieltā	Jokseenkin eri mieltä	Eri mieltä	Täysin eri mieltä	Ei relevanttia meille
Johtajat ovat pohjimmiltaan samaa mieltä siitä, että avain	0	0	0	0	0	0	0	0
kilpailuetuumme on organisaatiomme kyky oppia.								
Organisaatiomme perusarvot pitävät sisällään oppimisen kehittymisen välineenä.	O	0	0	0	0	0	0	0
Meillä työntekijän oppiminen mielletään investointina, ei kustannuseränä.	a	0	0	0	0	0	0	0

	Täysin samaa mieltä	Samaa mieltä	Jokseenkin samaa mielta	Ei samaa eikā eri mieltā	Jokseenkin eri mieltä	Eri mielta	Täysin eri mieltä	Ei relevanttia meille
Oppiminen nähdään organisaatiossani keskeisenä voimavarana, jota tarvitaan takaamaan	0	0	0	0	0	0	0	0
organisaation henkiinjääminen. Organisaatiossamme pyrkimykset ovat yhteisiä.	0	0	0	0	0	0	0	O
Orgarisaatiomme visiosta ollaan täysin samaa mieltä kaikilla organisaatiotasoilla, kaikilla osastoilla ja kaikissa toiminnoissa.	0	0	0	0	0	0	0	0
Kaikki työntekijät ovat sitoutuneita tämän organisaation tavoitteisiin.	0	0	0	0	0	0	0	0
Työrtekijät kokevat itsensä yhtiökumppaneiksi, osallisina määrittelemässä organisaation suurtaa.	0	0	0	0	0	0	0	0
Emme pelkää arvioida kriittisesti yhteisiä oletuksia, oita olemme tehneet asiakkaistamme.	0	0	0	0	0	0	0	0
Tämän yrityksen henkilökunta ymmärtää, että tapaa jolla he hahmottavat markkinaa, täytyy atkuvasti kyseenalaistaa.	0	0	0	0	0	0	0	0
kyseenalaistamme harvoin yhteisesti omia tapojamme tulkita asiakasinformaatiota.	0	0	0	0	0	0	0	0

#### Taustatiedot

Kahdeksannessa ja viimeisessä osiossa kysytään muutamia keskeisiä tietoja edustamaasi yhtykseen liittyen. Tiedot käsitellään ehdottoman luottamuksellisesti, ja tuloksia raportotaessa vastaukset jaotellaan kokonaisuuksiin, joista yksittäiset yhtykset eivät ole tunnistettavissa. Yksittäisten yhtyksen teitoja ei raportoida.

#### 41 [K35]K35. Omistusmuoto \*

Valitse vain yksi seuraavista:

🔘 Osakeyhtiö

Julkinen osakeyhtiöMuu

#### \_\_\_\_\_

## 42 [K36]K36. Mikä on edustamassasi yrityksessä ulkomaisen omistuksen osuus? \*

Valitse **vain yksi** seuraavista: 0 0% 0 < 25% 0 25-50%

- 51-75%○ > 75%
- O 100%

O En osaa sanoa

## 43 [K37]K37. Työntekijöiden lukumäärä liiketoimintayksikössäsi \*

Valitse valn yksi seuraavista: 0 1-5 0 8-10 0 11-20 0 21-50 0 51-100 0 101-250 0 251-500 0 > 500

O En osaa sanoa

## 44 [K38]K38. Liiketoimintayksikkösi markkinaosuus \*

Valitse vain yksi seuraavista: Alle 1% 1% - 3% 3% - 5% 5% - 10% 10% - 20%

- 0 20% 35%
- 0 35% 50%
- O Yli 50 %
- O En osaa sanoa

## 45 [K39]K39. Liiketoimintayksikkösi liikevaihto (EUR) viimeisimmän julkistetun tiedon mukaan \*

Valitse vain yksi seuraavista:

- Alle 350 000
   350 000 2 milj.
- O 2 milj. 10 milj.
   O 10 milj. 50 milj.
- O 50 milj. 100 milj.
- O 100 milj. 250 milj.
- O 250 milj. 500 milj.
- 500 milj. 1000 milj.
   Yli 1000 milj.
- O En osaa sanoa

#### 46 [K40]K40. Pyydämme vielä arvioimaan, miten yksikkösi menestys suhteutuu tärkeimpiin kilpailijoihin nähden? \*

pangoinin nahden?

	Huomattavasti suurempi kuin kilpailijoilla	Suurempi kuin kilpailijoilla	Jonkin verran suurempi kuin kilpailijoilla	Ei eroa kilpailijoihin nähden	Jonkin verran pienempi kuin kilpailijoilla	Pienempi kuin kilpailijoilla	Huomattavasti pienempi kuin kilpailijoilla
_iikevaihto	0	0	0	0	0	0	0
Suhteellinen liikevoitto edelliseltä tilikaudelta	0	0	0	0	0	0	0
Sijoitetun pääoman :uottoprosentti (ROI)	0	0	0	0	0	0	0
Kokonaispääoman tuottoprosentti (ROA)	0	0	0	0	0	0	0
Markkinointiin sijoitetun pääoman tuottoprosentti (MRO1/ROM1)	0	0	0	0	0	0	0
Markkinaosuus	0	0	0	0	0	0	0
Uusien tuotteiden osuus liikevaihdosta	0	0	0	0	0	0	0
Uusien tuotteiden kannattavuus	0	0	0	0	0	0	0

47 [K41]K41. Mikä on yksikkönne ylimmän johdon arvio liiketoiminnan tämänhetkisestä menestyksellisyydestä? \*

Valitse vain yksi seuraavista:

O Erittäin hyvä

Erittain hyva
 Hyva
 Keskitasoa
 Heikko
 Erittäin heikko
 En osaa sanoa

110

# Appendix B: Questions 12, 14-17 and 47 translated into English

Question 12: How is the marketing-sales relationship constructed in your business unit? Choose only one from the following options:

- Marketing and sales are separate functions
- Marketing and sales cooperate in some areas
- · Marketing and sales cooperate in most areas
- Marketing and sales cannot be separated from each other as functions

Question 14: In our business unit, the sales function:

- Aligns volume and revenue plans primarily by...
  - 1=products, 2=more by products, 3=clearly neither, 4=more by customers, 5=customers, 6=cannot tell
- Aligns strategy definition primarily by...
  - 1=products, 2=more by products, 3=clearly neither, 4=more by customers, 5=customers, 6=cannot tell
- Aligns performance evaluations primarily by...
  - 1=products, 2=more by products, 3=clearly neither, 4=more by customers, 5=customers, 6=cannot tell

Question 15: In our business unit, the marketing function:

- Aligns volume and revenue plans primarily by...
  - 1=products, 2=more by products, 3=clearly neither, 4=more by customers, 5=customers, 6=cannot tell
- Aligns strategy definition primarily by...
  - 1=products, 2=more by products, 3=clearly neither, 4=more by customers, 5=customers, 6=cannot tell
- Aligns performance evaluations primarily by...
  - 1=products, 2=more by products, 3=clearly neither, 4=more by customers, 5=customers, 6=cannot tell

Question 16: The sales/marketing function of your business unit is characterized by a...

- sales function
  - 1=systematic and analytical approach, 2=rather systematic and analytical approach, 3=clearly neither, 4=rather pragmatic and intuitive approach, 5= pragmatic and intuitive approach, 6=cannot tell
- marketing function
  - 1=systematic and analytical approach, 2=rather systematic and analytical approach, 3=clearly neither, 4=rather pragmatic and intuitive approach, 5= pragmatic and intuitive approach, 6=cannot tell

Question 17: The sales/marketing unit of your business unit has a planning horizon that is rather...

- $\cdot$  sales function
- 1=long term, 2=mainly long-term, 3=clearly neither, 4=mainly short-term, 5=short-term, 6=cannot tell
- marketing function
- 1=long term, 2=mainly long-term, 3=clearly neither, 4=mainly short-term, 5=short-term, 6=cannot tell

Question 47: What is the assessment of your business unit's management on the current success of your business? Choose only one from the following:

- Very good
- Good
- Middle
- Poor
- Extremely poor
- Cannot tell

# **Appendix C: SAS printouts**

Table Analysis Results

## The FREQ Procedure

	Table	of Recode_	K39 by K	312					
Recode_K39		K12(K12)							
Frequency Col Pct	1	2	3	4	Total				
1	8 17.78	15 12.40	75 18.70	178 31.39	276				
2	23 51.11	59 48.76	184 45.89	311 54.85	577				
3	2 4.44	17 14.05	60 14.96	45 7.94	124				
4	4 8.89	15 12.40	36 8.98	15 2.65	70				
5	4 8.89	6 4.96	34 8.48	10 1.76	54				
6	4 8.89	9 7.44	12 2.99	8 1.41	33				
Total	45	121	401	567	1134				
	Fre	equency Mi	issing =1						

Statistics for Table of Recode\_K39 by K12

Statistic	DF	Value	Prob					
Chi-S quare	15	109.0274	<.0001					
Likelihood Ratio Chi-Square	15	108.5519	<.0001					
Man tel-Haenszel Chi-S qua re	1	70.0411	<.0001					
Phi Coefficient		0.3101						
Contingency Coe fficient		0.2962						
Cramer's V		0.1790						
WARNING: 21% of the cells have expected counts less than 5. Chi-Square may not be a valid test.								

Effective Sample Size = 1134 Frequency Missing = 1

#### Cluster Analysis Results The FASTCLUS Procedure Replace=FULL Radius=0 Maxclusters=4 Maxiter=1

	Initial Seeds							
Cluster	K14 (1)	K14 (2)	K14(3)	K15(1)	K15(2)	K15(3)		
1	2.000000000	2.000000000	2.000000000	6.000000000	6.000000000	6.000000000		
2	6.000000000	6.000000000	6.000000000	6.000000000	6.000000000	6.000000000		
3	1.000000000	1.000000000	1.000000000	1.000000000	1.000000000	1.000000000		
4	5.000000000	4.000000000	5.00000000	2.000000000	2.000000000	5.000000000		

	Initial Seeds						
Cluster	K16 (1)	K16(2)	K17(1)	K17(2)			
1	1.000000000	6.000000000	2.000000000	2.000000000			
2	6.000000000	6.000000000	6.000000000	6.000000000			
3	5.000000000	5.000000000	5.000000000	5.000000000			
4	2.000000000	1.000000000	2.000000000	2.000000000			

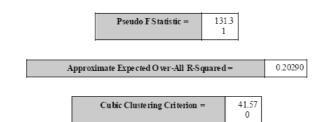
Criterion Based on Final Seeds =

0.970 7

	ClusterSummary							
Cluste r	Frequency	RMS Std Deviation	Maximum Distance from Seed to Observation	Radius Exceeded	Ne arest Cluste r	Distance Between Cluster Centroi ds		
1	54	1.0766	5.0006		4	2.5222		
2	117	0.9647	5.1118		1	3.5787		
3	148	0.9968	5.6514		4	3.7937		
4	472	0.9377	5.2433		1	2.5222		

1 Observation(s) were omitted due to missing values.

	Statistics for Variables						
Variable	Total STD	Within STD	R-Square	RSQ/(1-RSQ)			
K14(1)	1.20358	0.88167	0.465425	0.870644			
K14(2)	1.09213	0.83972	0.411063	0.697973			
K14(3)	1.17654	0.87829	0.444846	0.801301			
K15(1)	1.23034	0.92455	0.437451	0.777623			
K15(2)	1.16858	0.89666	0.413477	0.704962			
K15(3)	1.18280	0.86735	0.464310	0.866752			
K16(1)	1.25270	1.12076	0.202589	0.254059			
K16(2)	1.17857	1.04842	0.211670	0.268505			
K17(1)	1.14437	1.07347	0.123400	0.140771			
K17(2)	1.13404	1.04779	0.149564	0.175867			
OVER-ALL	1.17719	0.96283	0.333570	0.500534			



WARNING: The two values above are invalid for correlated variables.

	Cluster Me ans							
Cluste r	K14(l)	Kl4(2)	Kl4(3)	K15(1)	K15(2)	K15(3)		
1	3.018518519	3.44444444	3.166666667	4.611111111	4.648148148	4.814814815		
2	4.863247863	4.837606838	4.940170940	4.991452991	4.940170940	5.051282051		
3	2.229729730	2.506756757	2.412162162	2.317567568	2.486486486	2.439189189		
4	3.949152542	3.930084746	4.042372881	3.730932203	3.701271186	3.838983051		

	Cluster Me ans						
Cluster	K16(l)	K16(2)	K17(1)	K17 (2)			
1	3.148148148	3.870370370	2.796296296	2.500000000			
2	4.128205128	4.034188034	3.965811966	3.794871795			
3	3.175675676	3.283783784	3.459459459	3.027027027			
4	2.540254237	2.652542373	2.902542373	2.572033898			

	ClusterStandard Deviations							
Cluste r	K14(1)	K14(2)	K14(3)	K15(1)	K15(2)	K15(3)		
1	1.205189107	1.143755263	1.128532191	0.959887310	0.872156456	0.972723740		
2	0.764582181	0.776344939	0.768906504	0.793244391	0.833465949	0.797043609		
3	0.865786533	1.013491450	0.954253308	0.825092550	0.892039523	0.874633850		
4	0.870341297	0.749653560	0.846063123	0.978352085	0.915633547	0.869100020		

	ClusterStandard Deviations						
Cluste r	K16(l)	K16(2)	K17(1)	K17 (2)			
1	1.203883769	1.182359271	1.052931749	0.985747490			
2	1.156230957	1.173938434	1.136628590	1.249403040			
3	1.187899399	1.075645925	1.096552286	1.112366760			
4	1.079863137	0.989345523	1.052261692	0.976964891			

#### Cluster Analysis Results

### The FASTCLUS Procedure Replace=FULL Radius=0 Maxclusters=3 Maxiter=1

	Initial Seeds						
Cluste r	K14(1)	K14(2)	K14(3)	K15(1)	K15(2)	K15(3)	
1	6.000000000	6.000000000	6.000000000	6.000000000	6.000000000	6.000000000	
2	1.000000000	1.000000000	1.000000000	1.000000000	1.000000000	1.00000000	
3	1.00000000	2.00000000	4.00000000	5.00000000	5.00000000	5.00000000	

Initial Seeds						
Cluste r	K16(l)	K16 (2)	K17(1)	K17(2)		
1	6.000000000	6.000000000	6.000000000	6.000000000		
2	1.000000000	1.000000000	5.000000000	5.000000000		
3	1.000000000	1.000000000	1.000000000	1.000000000		

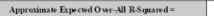
Criterion Based on Final Seeds =

1.010 3

Cluster Summary Maximum Distance from See d to Observation RMS Std Deviation Distance Between Cluster Centroids Radius Exceeded Ne arest Cluste r Cluster Frequency 40 1.0277 5.7325 3 3.7111 1 5.1714 2 117 1.0111 3 3.6549 1.0013 156 5.9817 2 3.6549 3

	Statistics for Variables							
Variable	Total STD	Within STD	R-Square	RSQ/(1-RSQ)				
K14 (1)	1.25136	1.09546	0.238568	0.313315				
K14 (2)	1.16529	0.98011	0.297117	0.422712				
K14 (3)	1.14481	0.97035	0.286167	0.400887				
K15(1)	1.30555	0.90936	0.517948	1.074465				
K15 (2)	1.25713	0.89472	0.496712	0.986933				
K15 (3)	1.26672	0.84675	0.556028	1.252396				
K16(1)	1.30980	1.10603	0.291511	0.411455				
K16 (2)	1.27684	1.08638	0.280724	0.390286				
K17 (1)	1.16234	1.09393	0.119913	0.136251				
K17 (2)	1.12387	1.05846	0.118701	0.134689				
OVER-ALL	1.22816	1.00833	0.330274	0.493149				

Pseudo FS tatistic =	76.4
	4



0.16104



WARNING: The two values above are invalid for correlated variables.

Cluster Me ans						
Cluste r	K14(1)	K14 (2)	Kl4(3)	K15(1)	K15(2)	K15(3)
1	4.200000000	4.450000000	4.525000000	4.350000000	4.375000000	4.600000000
2	2.504273504	2.683760684	2.820512821	2.025641026	2.264957265	2.230769231
3	3.564102564	3.782051282	3.878205128	3.826923077	4.00000000	4.025641026

	Cluste r Me ans							
Cluste r	K16 (1)	K16(2)	K17(1)	K17 (2)				
1	4.550000000	4.550000000	3.975000000	3.675000000				
2	2.555555556	2.547008547	3.256410256	2.888888889				
3	2.371794872	2.512820513	2.769230769	2.487179487				

Cluster Standard Deviations							
Cluste r	K14(l)	K14 (2)	Kl4(3)	K15(1)	K15(2)	K15(3)	
1	1.181046906	1.060962311	0.933356227	1.051250781	1.078638743	0.900142439	
2	1.118989165	1.071975076	1.022297823	0.736505477	0.884669843	0.747231850	
3	1.054510969	0.882042145	0.939065759	0.984810193	0.850047437	0.901244430	

	Cluster Standard Deviations							
Cluste r	K16 (1) K16 (2) K17 (1) K17 (2)							
1	0.814924882	0.875595036	1.049725239	1.248332221				
2	1.170355416	1.086720204	1.107605729	1.056815139				
3	1.120011225	1.133007300	1.094538665	1.006348747				

## One-Way Analysis of Variance Results

#### The ANOVA Procedure

## Dependent Variable: K41 K41

Class Level Information						
Class	Levels	Values				
C LUS TER	4	1234				

Number of Observations Read	79 2
Number of Observations Used	79
	1

One-Way Analysis of Variance Results

Source	D F	Sum of Squares	Mean Square	F Value	$\mathbf{Pr} > \mathbf{F}$
Model	3	11.4606816	3.8202272	4.58	0.0035
Error	78 7	656.9059429	0.8346962		
Corrected Total	79 0	668.3666245			

R-S quare	Coeff Var	Root MSE	K41 Mean
0.017147	33.55019	0.913617	2.723135

Source	D F	Anova SS	Mean Square	F Value	$\mathbf{Pr} > \mathbf{F}$	
C LUS TER	3	11.46068159	3.82022720	4.58	0.0035	Ĺ

Cluster	Mean of K41	Std. Dev. of K41
	2.72314	0.91980
1	3.14815	1.13947
2	2.61538	0.97243
3	2.73649	0.86788
4	2.69703	0.88353

## One-Way Analysis of Variance Results

### The ANOVA Procedure Dependent Variable: K41 K41

Class Level Information					
Class	Le vels	Values			
C LUS TER	3	123			

Number of Observations Read	31 3
Number of Observations Used	31 3

Source	D F	Sum of Squares	Mean Square	F Value	$\mathbf{Pr} > \mathbf{F}$
Model	2	0.7605397	0.3802699	0.62	0.5363
Error	31 0	188.8177350	0.6090895		
Corrected Total	31 2	189.5782748			

R-S quare	Coeff Var	Root MSE	K41 Mean
0.004012	30.64972	0.780442	2.546326

Source	D F	Anova SS	Mean Square	F Value	$\mathbf{Pr} > \mathbf{F}$
C LUS TER	2	0.76053972	0.38026986	0.62	0.5363

Cluster	Mean of K41	Std. Dev. of K41
	2.54633	0.77950
1	2.67500	0.76418
2	2.52991	0.76081
3	2.52564	0.79878

## Linear Models

## The GLM Procedure

Class Level Information						
Class	Le vels	Values				
C LUS TER	4	1234				
K12	4	1234				

Number of Observations Read	79 2
Number of Observations Used	79 1

Source	F	Squares	Mean Square	F Value	$\mathbf{Pr} > \mathbf{F}$
Model	15	34.4568911	2.2971261	2.81	0.0003
Error	77 5	633.9097334	0.8179480		
Corrected Total	79 0	668.3666245			

R-S quare	Coeff Var	Root MSE	K41 Mean
0.051554	33.21189	0.904405	2.723135

Source	D F	Type ISS	Mean Square	F Value	Pr > F
CLUSTER	3	11.46068159	3.82022720	4.67	0.0031
K12	3	4.83204134	1.61068045	1.97	0.1171
CLUSTER*K12	9	18.16416820	2.01824091	2.47	0.0089

Source	D F	Type ШSS	Mean Square	F Value	Pr > F
CLUSTER	3	3.70135433	1.23378478	1.51	0.2110
K12	3	10.78836504	3.59612168	4.40	0.0045
CLUSTER*K12	9	18.16416820	2.01824091	2.47	0.0089

Paramete r	Estimate		Standard Error	t Value	$\mathbf{Pr} >  \mathbf{t} $
In terce pt	2.724000000	F	0.05719958	47.62	<.0001
CLUSTER 1	0.053777778	E	0.18321071	0.29	0.7692
CLUSTER 2	-0.073206349	E	0.12749547	-0.57	0.5660
CLUSTER 3	-0.047529412	E	0.12369495	-0.38	0.7009
CLUSTER 4	0.000000000	E			-
K12 1	-0.224000000	E	0.22071101	-1.01	0.3105
K12 2	0.338500000	E	0.16980185	1.99	0.0466
K12 3	-0.113534884	E	0.08959522	-1.27	0.2055
K12 4	0.000000000	E			-

			Standard		
Parameter	Estimate		Error	t Value	$\mathbf{Pr} >  \mathbf{t} $
CLUSTER*K1211	-0.553777778	E	0.69855690	-0.79	0.4282
CLUSTER*K1212	0.550388889	E	0.44209921	1.24	0.2135
CLUSTER*K1213	0.967336053	E	0.28525703	3.39	0.0007
CLUSTER*K1214	0.000000000	E		-	-
CLUSTER*K1221	0.073206349	E	0.44499587	0.16	0.8694
CLUSTER*K1222	-0.625657287	E	0.34084437	-1.84	0.0668
CLUSTER*K1223	0.111389882	E	0.20764708	0.54	0.5918
CLUSTER*K1224	0.0000000000	E			
CLUSTER*K1231	-0.119137255	E	0.38939070	-0.31	0.7597
CLUSTER*K1232	-0.290832657	E	0.26280491	-1.11	0.2688
CLUSTER*K1233	0.365635724	E	0.19882380	1.84	0.0663
CLUSTER*K1234	0.0000000000	E			-
CLUSTER*K1241	0.0000000000	E			
CLUSTER*K1242	0.0000000000	E			-
CLUSTER*K1243	0.00000000.0	E			-
CLUSTER*K1244	0.000000000	E			

Note The X'X matrix has been found to be singular, and a generalized inverse was used to solve the normal equations. Terms whose estimates are followed by the letter 'B' : are not uniquely estimable.

## Linear Models

## The GLM Procedure

Class Level Information							
Class	Levels	Values					
K12	4	1234					
CLUSTER	3	123					

Number of Observations Read	31 3
Number of Observations Used	31 3

Source	D F	Sum of Squares	Mean Square	F Value	$\mathbf{Pr} > \mathbf{F}$
Model	11	3.2471202	0.2951927	0.48	0.9170
Error	30 1	186.3311545	0.6190404		
Corrected Total	31 2	189.5782748			

R-Square	Coeff Var	Root MSE	K41 Mean
0.017128	30.89908	0.786791	2.546326

Source	D F	Type ISS	Mean Square	F Value	<b>P</b> r > <b>F</b>
K12	3	1.64557645	0.54852548	0.89	0.4486
CLUSTER	2	0.71771237	0.35885619	0.58	0.5607
K12*CLUSTER	б	0.88383141	0.14730523	0.24	0.9638

Source	D F	Type ШSS	Mean Square	F Value	Pr > F
K12	3	1.77521970	0.59173990	0.96	0.4139
CLUSTER	2	0.24790976	0.12395488	0.20	0.8186
K12*CLUSTER	6	0.88383141	0.14730523	0.24	0.9638

Paramete r	Estimate		Standard Error	t Value	$\mathbf{Pr} >  \mathbf{t} $
In terce pt	2.564102564	H	0.08908656	28.78	<.0001
K12 1	-0.564102564	E	0.40335655	-1.40	0.1630
K12 2	-0.030769231	E	0.22182374	-0.14	0.8898
K12 3	-0.055627988	E	0.13575207	-0.41	0.6823
K12 4	0.000000000	E			-
CLUSTER 1	0.208624709	E	0.18993318	1.10	0.2729

Parameter	Estimate		Standard Error	t Value	<b>P</b> r ≥ t
CLUSTER 2	0.019230769	E	0.14433672	0.13	0.8941
CLUSTER 3	0.000000000	E			
K12*CLUSTER 1 1	-0.208624709	E	0.89993060	-0.23	0.8168
K12*CLUSTER 1 2	0.480769231	E	0.57476367	0.84	0.4036
K12*CLUSTER 1 3	0.000000000	E			
K12*CLUSTER 2 1	-0.241958042	E	0.42487336	-0.57	0.5695
K12*CLUSTER 2 2	-0.140799397	E	0.31387352	-0.45	0.6541
K12*CLUSTER 2 3	0.000000000	E			
K12*CLUSTER 3 1	-0.080735649	E	0.32069179	-0.25	0.8014
K12*CLUSTER 3 2	-0.006872012	E	0.21029021	-0.03	0.9740
K12*CLUSTER 3 3	0.000000000	E			
K12*CLUSTER 4 1	0.000000000	E			
K12*CLUSTER 4 2	0.000000000	F		-	
K12*CLUSTER 4 3	0.000000000	E			

Note The X'X matrix has been found to be singular, and a generalized inverse was used to solve the normal equations. Terms whose estimates are followed by the letter 'B' are not uniquely estimable.

## Table Analysis Results

## The FREQ Procedure

Table of K41 by CLUS TER							
K41(K41)		CLUSTE	R(Cluster	)			
Frequency Col Pct	1	2	3	4	Total		
1	3 5.56	11 9.40	10 6.76	29 6.14	53		
2	15 27.78	45 38.46	46 31.08	178 37.71	284		
3	13 24.07	45 38.46	69 46.62	182 38.56	309		
4	18 33.33	12 10.26	19 12.84	75 15.89	124		
5	4 7.41	2 1.71	4 2.70	6 1.27	16		
6	1 1.85	2 1.71	0 0.00	2 0.42	5		
Total	54	117	148	472	791		
	Fre	equency M	issing = 1				

## Statistics for Table of K41 by CLUSTER

Statistic	DF	Value	Prob			
Chi-S quare	15	37.3438	0.0011			
Likelihood Ratio Chi-Square	15	32.2625	0.0059			
Man tel-Haenszel Chi-Square	1	3.3788	0.0660			
Phi Coefficient		0.2173				
Contingency Coefficient		0.2123				
Cramer's V		0.1254				
WARNENG: 33% of the cells have expected counts less than 5. Chi-Square may not be a valid test.						

Effective Sample Size = 791 Frequency Missing = 1