



Exploration of sales–marketing interface nuances in Saudi Arabia[☆]

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ABSTRACT

Extant research on sales–marketing interface has ignored emerging markets as research contexts. This study uses grounded theory methodology and depth-interview data from 37 sales and marketing professionals in Saudi Arabia to explicate how firm contexts that are influenced by Islamic values may shape intra-organizational mechanisms between firm leadership and sales and marketing departments, moderate their roles in marketing strategy activities, and affect interface dynamics. Specifically, appreciation of high power distance and traditional authority allow top leadership to be extensively involved in firm's everyday operations and there is a conspicuous absence of two-way dialog between top leadership and interface personnel. As a result, marketing strategy making authority is rarely transferred to sales and marketing. The context thus creates a chain of command with top leadership holding central authority, marketers preparing action plans and salespeople implementing those plans. Overall, this context brings forth certain hitherto unexplored perspectives on this interface.

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1. Introduction

Business organizations often rely on customer-facing departments such as sales and marketing to create, communicate, and deliver differentiated value propositions. Given the revenue generation responsibility these departments share in today's hypercompetitive business environment, firms expect the interface between sales and marketing to be optimal so that they can maintain competitive advantage in the marketplace (Guenzi & Troilo, 2007; Krohmer, Homburg, & Workman, 2002; Malshe & Sohi, 2009a).

Sales–marketing interface (*henceforth interface*) literature highlights many critical factors that can either contribute to or hamper the optimal functioning of this interface. Specifically, research highlights the importance of interface integration, cooperation, collaboration, and communication in this regard. Further, scholars suggest that organizational structures, cultures, systems, processes, and people-related elements may impact how this interface functions (Dewsnap

& Jobber, 2000, 2002; Homburg, Jensen, & Krohmer, 2008; Le Meunier-FitzHugh & Piercy, 2007; Rouziès et al., 2005).

As one examines interface literature, one cannot help but notice that most studies on this interface have used samples from the US, European Union, or Australia and New Zealand. The commonality across these research contexts is that they are developed economies that share Western European cultural origin, which shapes their way of life. As a result, current understanding of this interface has remained context-specific. This is consistent with Burgess and Steenkamp (2006, p.337) who note: "...our knowledge of marketing phenomena derives almost exclusively from research conducted in high income, industrialized countries."

Research in the area of international business highlights how societal culture as well as the characteristics of emerging markets impact organizational mechanisms, organizational members' roles, and their interactions (Abdul-Muhmin, 2005; Huff & Smith, 2008; Kulviwat, Bruner, & Al-Shuridah, 2009; Laroche, 2009; Li & Zhou, 2010; Liu, Luo, & Shi, 2003; Yavas, Cavusgil, & Tuncalp, 1987; Zhou & Li, 2010). This evidence suggests that studying the interface nuances in different national or cultural contexts may bring forth the hitherto unexplored perspectives on this interface.

Saudi Arabia (*henceforth Saudi*) is a case in point. Saudi has a unique societal culture shaped by Islamic values, status hierarchy, and notions of high power distance that may affect how intra-organizational entities interact with one another (Bhuiyan, 1998). Further, Saudi is an emerging economic powerhouse (CIA Factbook, 2010). As Burgess and Steenkamp (2006, p.337) note, "Emerging markets present significant departures from the assumptions of theories developed in the Western world that challenge our conventional

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wisdom” and hence it is “paramount for the future of marketing science and practice that we conduct more research in so-called emerging markets.” Consistently, this paper examines the organizational mechanisms and interface dynamics within Saudi Arabia that not only is an emerging market, but also represents a non-western context influenced by Islamic values. In doing so, this paper aims to expand theoretical boundaries of the interface literature.

The next section contains a brief overview of the interface literature as well as how cultural elements shape business practices in Saudi. Methodology and detailed findings follow this section. The paper concludes with a discussion of theoretical contributions, managerial implications, and study limitations and future research.

2. Background

2.1. Sales–marketing interface

Extant literature on sales–marketing interface suggests that in many firms the working relationship between sales and marketing remains sub-optimal (Kotler, Rackham, & Krishnaswamy, 2006). Relatedly, major focus of the early interface literature remained on understanding factors that may (a) hamper the smooth functioning of this interface such as interfunctional conflicts, differences in sales and marketing thought worlds, sub-cultures, and lack of goal and compensation alignment, or (b) contribute to its optimal functioning such as enhanced interface integration, collaboration, or cooperation (Beverland, Steel, & Dapiran, 2006; Dawes & Massey, 2005; Homburg & Jensen, 2007; Maltz, 1997; Matthysens & Johnston, 2006).

The more recent work in this area has studied (a) how sales and marketing may successfully create marketing strategies, (b) how marketers may enhance their credibility in salespeople’s eyes, or (c) how marketers may gain *buy-in* for their strategies from the sales force. This work also suggests that different firms may organize their sales and marketing functions differently, which may impact the interface dynamics (Biemans, Makovec-Brenčič, & Malshe, 2010; Malshe, 2010; Malshe & Sohi, 2009a, 2009b).

In summary, extant interface research shows that some differences between sales and marketing are here to stay since these differences emanate from different roles and responsibilities. Nonetheless, organizations may institute cross-functional processes, strategic and operational integrative devices, or joint sales–marketing taskforces to harmonize this interface (Dewsnap & Jobber, 2009; Piercy & Lane, 2003). Additionally, firms may also aim to reduce turf barriers, intergroup differentiation, and intercultural and philosophical differences within this interface by engendering greater interface trust and cooperation (Hutt, 1995; Ingram, 2004; Oliva, 2006; Piercy & Lane, 2003).

2.2. Saudi Arabia: culture and business practices

Hofstede (1980, 1991) proposes four cultural dimensions: power distance, uncertainty avoidance, individualism, and masculinity/femininity to investigate nuanced differences among societies. Power distance refers to the extent to which individuals accept unequal power distribution in institutions. Uncertainty avoidance refers to the extent to which people can tolerate ambiguous situations. Individualism/collectivism refers to the degree to which people prioritize self-interests over interests of those that belong to their immediate social circle— that is, their in-group. Last, masculinity/femininity dimension refers to whether societies emphasize masculine values such as assertiveness and competitiveness over feminine values such as being accommodating, valuing trust, or maintaining a caring attitude toward others.

Hofstede highlights that Saudi Arabia scores high (86/100) on power distance indicating deep social divisions of power with limited interaction and movement between social classes. Relatedly, Harris and Moran (1987) note that Saudi business culture, which is influenced by Islamic traditions, is not only high power distance but also

the one that recognizes status hierarchy. One often finds that top managers within Saudi firms make decisions autocratically, and subordinates look up to superiors for guidance. In addition to one’s position on the organizational hierarchy, many Saudi managers may possess informal power that typically originates from family connections (Bhuiyan, 1998).

Saudi scores somewhat high (68/100) on uncertainty avoidance, which suggests that Saudis like to go by the *rulebook* to reduce risks and uncertainty. This may explain why Saudi managers are not tolerant of employees’ spontaneous actions or deviation from the formal rules (Bjerke & Abdulrahim, 1993; Muna, 1980). As such, Saudi firms follow centralized decision-making practices (Baker & Aboulsmail, 1993) with top management exerting strong control and minimizing any deviations. Further, being less tolerant of ambiguity, Bhuiyan (1998) notes that Saudi managers tend to avoid conflicts and when necessary deal with conflicts and the resultant ambiguity in an authoritarian manner.

Saudis score low (50/100) on masculinity/femininity index indicating that they somewhat value competition and performance. Last, Saudis are low (36/100) on individualism dimension indicating that Saudi managers put group well-being and progress before individual gains. With respect to the last two dimensions, Saudi organizations resemble clan organizational forms that (a) have organic solidarity; (b) employ a system of traditional authority; (c) place great emphasis on norms and common values; and (d) work to reduce the distinctions between individual and organizational goals (Ouchi, 1980).

Overall, the literature review on Saudi business practices brings forth how Saudi culture has a significant impact on the roles and responsibilities of different intra-organizational entities and how they interact with each other. Given that the extant knowledge of sales–marketing interface comes from only using samples drawn from developed, western contexts; conducting an in-depth investigation of this interface in an emerging market such as Saudi Arabia is likely to test interface theory’s assumptions and advance this literature in a meaningful way.

3. Methodology

The lack of extant theoretical frameworks on this interface in Saudi context motivated us to conduct a qualitative study and collect interview data using theoretical sampling technique (Strauss & Corbin, 1990). Theoretical sampling is a purposive, non-random sampling technique that requires researchers to look for informants and settings that would allow them to maximize the discovery of variations among concepts during data collection (Creswell, 2007; p. 240–41).

The research team began recruiting interview informants using personal contacts at mid-to-senior levels within different companies (Tuli, Kohli, & Bharadwaj, 2007). Further, referral and snowballing techniques helped us to contact additional informants. Overall, out of the 41 sales and marketing professionals that the researchers approached, four declined the interview request owing to reasons of confidentiality and/or company policy. The final informant pool consists of 37 sales and marketing professionals. All informants were Saudi nationals and each informant had been in his/her current job for at least 2.5 years.

All informant companies were either Saudi owned or controlled, and had between 100 and 400 employees. Their annual sales ranged between \$100 and 250 million and they operated in business to business environment. Each company in the sample had independent marketing and sales departments. The principles of theoretical sampling directed us to purposefully sample from companies and industries that would represent varying degrees of growth rates, industry competitiveness, and environmental uncertainty (See Table 1).

The discovery-oriented interviews (Deshpande, 1983) lasted between 40 and 110 min. The researchers conducted each interview at the respondent’s workplace, in the privacy of their office, at a time

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