

Title:

Marketing and Sales organization in a “Brand-Focused Professional” multinational

Keywords: marketing organization, sales organization, marketing-sales interface

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Abstract

This article tests a multidimensional model of the marketing and sales organizational interface, based on a previous one tested for European companies (Homburg et al., 2008), in a specific taxonomical configuration: a brand focused professional multinational, in three successful Latin American branches.

Factor reliability and hypotheses were studied through a confirmatory factor analysis.

Results show the existence of a positive relationship between formalization, joint planning, teamwork, information sharing, trust and interface quality. Interface quality and business performance show also a positive relationship.

This empirical study contributes to the knowledge of the organizational enhancement of interactions in emerging markets

Introduction

This paper validates, within the context of a post-crisis Latin American market, a previously tested model of the marketing and sales interface for European companies, identifying factors which influence the quality of the organizational interface and its effect on business performance

The success of consumer goods companies requires goal alignment (Strahle et al., 1996) and a coordinated and collaborative relationship between the marketing and sales departments (Cespedes, 1996; Dewnsap and Jobber, 2000). The organizational interface becomes more relevant given environmental changes (Cespedes, 1993; Workman, 1993; White et al., 2003; Jayachandran et al., 2004), facing market fragmentation, greater speed pressure and new industrial applications (Shapiro, 2002; Jayachandran et al., 2004). This strategic requirement of a collaborative relationship is confronted with significant differences that exist between the marketing and sales functions, because of their different orientation and knowledge (Deshpandé and Webster, 1989; Montgomery and Webster, 1997) and the organizational configuration throughout different firms (Webster, 1997; Homburg et al., 2000).

Extensive research has been conducted on the interdepartmental interaction between Marketing and other functions (production, research and development, finance, logistics), while research on the relationship

with the sales function has only been done more recently (Dewsnap and Jobber, 2000; Rouziès et al., 2005). Since the effectiveness of sales and marketing is correlated to positive outcomes such as superior customer value creation, and business performance (Biemans et al., 2009; Guenzi and Troilo, 2007; Dawes and Massey, 2005; Homburg and Jensen, 2007; Le Meunier-FitzHugh and Piercy, 2007; Malshe, 2010; Malshe and Sohi, 2009a, 2009b), its effective management is possibly of greater importance in improving business performance and organizational success than any other internal interface.

This study performs an empirical analysis of the factors affecting the marketing and sales interface in a multinational packaged consumer goods company, in three countries of Latin America, with a record of outstanding performance and a global recognition for its excellence in execution. Knowledge, information sharing, teamwork skills, planning and formalization, pertaining to the marketing and sales interface are examined, as well as the effects of trust as a relational factor, confirming in turn its relation to its performance in the market.

The “Quality of Marketing and Sales Interface” concept

Homburg and Jensen (2007, p. 126) use the term “quality of cooperation between marketing and sales” (instead of “integration”) defined as “the extent to which there is a state of collaboration between marketing and sales that is characterized by unity of effort.” Rouziès et al. (2005, p. 115) argue that “sales–marketing integration is a dynamic process in which the two functional areas create more value for their firms by working together than they would create by working in isolation.” That is to say, activities are consistent and coherent with each other (same goal) and are coordinated over time. However, considering the criticisms made to, and the ambiguity of the term “integration” (Homburg and Jensen, 2007), the definition of Rouziès and colleagues (2005) with the term “quality of marketing and sales interface” will be used herein.

The quality of the interface has been conceptualized with two approaches (Homburg et al., 2008), either considering different managerial typologies of the marketing and sales interface (Webster, 1997; Day, 1999; Kotler et al., 2006) or analyzing the marketing and sales departments’ integrative mechanisms and their relation to business performance (Dewsnap and Jobber, 2000; Dewsnap et al., 2004; Rouziès et al., 2005). In addition to this, considering a psychological social perspective, some studies explore conflict in the marketing-sales interface (Ruekert and Walter, 1987; Yandle and Blythe, 2000; Dewsnap and Jobber, 2002;

Kotler et al., 2006) and its effect on business performance (Dawes and Massey, 2005). Although the level of interpersonal conflict is relatively low, the cross-relationship between the marketing and sales functions has shown poor communication levels (Cespedes, 1993; Strahle et al., 1996; Dewsnap and Jobber, 2000, 2002; Dawes and Massey, 2005; Rouziès et al., 2005; Kotler et al., 2006; Piercy, 2006). Activities which may exert a positive influence on customer and competitor responses (Homburg et al., 2007), are improvement in information processes and organizational knowledge (Davenport, 2006) as well as the improvement in the company's emotional system, especially towards customers (Day, 2003). Organizational structures too are evolving towards the establishment of "integrative roles" as well as "customer oriented teams" integrated around customer management strategy, fostered by technological changes. Empirical results have shown the positive relation between marketing and sales cooperation and business performance. They also identified ways to improve collaboration between marketing and sales (Le Meunier-FitzHugh and Piercy, 2007), such as the attitude towards collaboration, conflict reduction (Dawes and Massey, 2005), communication (Ruekert and Walter, 1987; Piercy, 2006). Trust dimensions (cognitive and emotional) and its positive relation to perceived effectiveness on the relation between marketing and sales have also been considered (Dawes and Massey, 2007).

Homburg and colleagues (2008) have developed an empirical study which conducts a systematic investigation of the taxonomy of interfaces, creating a multidimensional model which integrates simultaneously dimensions which had previously been studied as isolated elements: power (Homburg et al., 1999), shared information (Strahle et al., 1996), integrative mechanisms (Cespedes, 1995), cognitive orientation and knowledge (Cespedes 1995; Montgomery and Webster, 1997). The above mentioned multidimensional model studies those five domains and identifies superior configurations called "Brand-focused Professionals" (consumer goods companies with differentiated marketing and sales functions), characterized by top quality collaboration systems and market performance.

The marketing and sales interface, however, can also be conceived as an intra-organization social network, characterized by three critical components: knowledge, trust (cooperation and reciprocity of a long term continuous exchange relationship) and information dissemination. Applying this analogy we use previous studies applied to the configuration of Japanese "keiretsu" networks (Wakabayashi, 2003) that enable us to examine how trust fosters cooperation and coordination (quality of the interface). In fact, Dawes

and Massey (2006, 2007) indicate a positive relationship between trust and the perception of interface quality. Wakabayashi (2003) defines “relational trust in goodwill” as trust derived from reciprocity and “general trust in competence” as reliability on results and partner competence.

All these constructs and models have been tested elsewhere, but the combination of these approaches in an integrated way has not been done, nor validated in a Latin American context.

Theoretical model and hypotheses

The conceptual framework presented in Figure 1 is based on the multidimensional model tested in European companies by Homburg and colleagues (2008). The original model, however, does not study the effect of trust dimensions on the perceived relationship effectiveness, previously tested by Dawes and Massey (2007). Trust is built upon interactions between individuals with different “thought worlds” and the support of regulatory frameworks and institutional processes (Child and Faulkner, 1998). At the same time, trust is identified as a factor that fosters cooperation since it stabilizes the relationship and turns it into a safer one (Ring, 1997). Summarizing the above:

- H1 Organizational trust is positively associated with the firm’s quality of marketing and sales interface

The second set of hypotheses is based on the original multidimensional model tested empirically in Europe by Homburg and his colleagues (2008), which defines the dimensions affecting marketing and sales interface in the different taxonomies. This study examines the above mentioned model in one of its most effective taxonomies in terms of interface quality: “Brand Focused Professional” companies.

Data dissemination and communication is a dimension described by Homburg et al. (2008) as a key factor for organizational learning and particularly to new product development (Fisher et al., 1997; Kotler et al., 2006). The hypothesis established by Rouziès and his colleagues (2005) states the existence of a positive relationship between formal and informal communication and integration. In fact, bidirectional communication has a strong negative effect on conflict (Dawes and Massey, 2005; Kotler et al., 2006). Many conducted studies recommend sales feedback in market data collection (Kotler et al., 2006; Le Meunier-FitzHugh and Piercy, 2006). Summarizing the above, it is expected that:

H2 Information sharing is positively associated with the firm's quality of marketing and sales interface

Structural linkages, the ability to create teamwork, planning and formalization are integrative mechanisms (Workman et al., 1998), considered by Homburg and colleagues (2008). Hence:

H3 (a) Team work skills are positively associated with the firm's quality of marketing and sales interface

H3 (b) Joint planning is positively associated with the firm's quality of marketing and sales interface

H3 (c) Formalization is positively associated with the firm's quality of marketing and sales interface

Different sets of knowledge and marketing and sales orientation differentiate these (firms or departments) and establish them as consumer and customer experts respectively. Market knowledge of marketing (sales) is defined by Homburg and colleagues (2008, p. 139) "as the extent to which a typical employee in marketing/sales is knowledgeable about customers and competitors, and we define "product knowledge of marketing/sales" as the extent to which a typical employee in marketing/sales is knowledgeable about products and internal processes". In addition to those skills, the literature has also discussed social skills, like the abilities to deal with conflicts, to communicate and to convince. The dissimilarity between marketing and sales accounts for the development of a strong in-group identification, which can increase conflict among the departments (Homburg et al., 2007). Knowledge differences and different interpersonal skills will also hinder communication between marketing and sales, affecting negatively their ability to reach agreement on debated issues. Summarizing the above:

H4 (a) Differences between marketing and sales with respect to market knowledge are negatively related to the firm's quality of marketing and sales interface.

H4 (b) Differences between marketing and sales with respect to product knowledge are negatively related to the firm's quality of marketing and sales interface.

H4 (c) Differences between marketing and sales with respect to interpersonal skills are negatively related to the firm's quality of marketing and sales interface.

Power is another domain which reflects how the influence over market-related activities is divided amongst the marketing and sales functions (Homburg, et al., 1999). There are firms where sales department is the dominant and others where marketing units are dominant (Workman et al., 1998). However, in the organization under study, marketing and sales departments have equal weight, hierarchical level and participation in the Company Board. Within this structure, power is probably more dependent on exchange relationships, dimension that should be measured using another approach like network analysis, not covered by this research.

Another conceptual domain developed by Homburg and his colleagues (2008) is referred to orientation pertaining to time horizon and objects like customers versus products (Lawrence and Lorsch, 1969). This orientation -especially when dealing with objects- is defined this way by the Company Board: sales is customer focused and marketing is consumer focused, therefore orientation cannot be activated, and observations on this dimension have not been included.

Finally, there is empirical evidence that relates the quality of cooperation between the marketing and sales functions and business performance (Dewsnap et al. 2000, 2004, Rouziès et al., 2005; Le Meunier-FitzHugh and Piercy, 2007; Homburg et al., 2008), which implies that:

H5 The firm's quality of marketing and sales interface is positively associated with business performance, achieving better competitive results.

----- Take in Figure (No.1) -----

Company Selection and Data Collection

This empirical study is conducted at a multinational consumer goods company in some of its Southern Cone Latin American branches (Argentina, Uruguay and Paraguay). The consumer packaged goods industry requires both, sales and marketing to play important roles in achieving business success (Hulland et al., 2012). Each of the three subsidiaries is significantly large in turnover, ranging annual sales from \$ 100 million to more than \$ 1 billion (euros) and 150 to over 2000 employees. The company has a worldwide presence and a large market share for 15 participating categories and 25 different brands. The growth of the Southern Cone region was awarded to show one of highest growth rates in the world, both in terms of absolute value as well as compared to other regions. This growth has positively affected market share

performance in most product categories where the firm occupies the first position with regard to its competitors. The firm's business performance goals are defined and aligned throughout the entire organization, offering an incentive compensation system, based on growth and profitability and differentiated and participative functions in the decision-making process. Marketing and sales are two clearly differentiated functions, each with its own structure and an equal position in the firm's hierarchical organizational chart. The Southern Cone has been considered a relatively uncertain environment, with changing rules in terms of internal price control, protectionism regulations on imports, taxes on exports, etc. To this we may add strong competitive intensity represented by multinational corporations as well as by local companies, with great variety and complexity of categories and brands.

According to the study conducted by Homburg and his colleagues (2008), the taxonomic group to which this type of consumer goods companies belong ("Brand-Focused Professionals") is characterized by the highest levels of formalization, joint planning, team work and shared information, as well as the highest levels of market and product knowledge.

The present study surveyed directors and managers within both sales and marketing departments of the same firm in different countries, Argentina, Uruguay and Paraguay, on a data base supplied by the firm. A self-administered questionnaire was used as the data collection instrument, and it was sent via e-mail to each of the people included in each country's data base. Every person contacted received an introduction on the project's objective, as well as an information confidentiality clause. The questionnaire and its rating scales were based on previous literature and were assessed through semi-structured qualitative interviews. After quality control of the data, 43 valid answers were received from all three countries, over a period of less than 10 days, with similar quotas for marketing and sales. These cases represent a high rate 57% response (Homburg et al. 2007, 2008) and enough cases to enable the use of statistical analysis techniques (Mertler and Vannata, 2005). Of the total useable responses, 55% are from marketing, 45% from sales, 7% directors, 33% category or channel managers and 60% brand or client managers. The marketing and sales responses came from a population with the same distribution (Z de Kolmogorov Smirnov's Non-Parametric Test) and non-significant differences (Non-parametric Test from the U of Mann-Whitney), all of which enabled us to unite all marketing and sales responses under one unique sample.

Variables Validation, Measurement and Testing

The mean scores for interface quality, joint planning, information sharing and teamwork confirmed the brand-focused professional taxonomy (3.8 to 4.2, being 5 the maximum level). The measures were tested using exploratory factor analysis and found to be uni-dimensional. Following this, we used two-stage least squares estimation of observed-variables to assess the measurement properties of the items (software R 2.15.1, Fox (2006)).

Reliability of each multi-item scale was reassessed through calculation of the alpha coefficient. Convergent validity was established calculating the average variance extracted (AVE) for each construct that was higher than 0.50 (Fornell and Larcker, 1981). Discriminant validity was established confirming that the correlation for all pairs of constructs was less than the (AVE) $1/2$ for each individual construct (Fornell and Larcker, 1981). Additionally the pattern of cross-loadings of all items was evaluated, in order to verify that no item loading would be higher in another construct than in the construct it is intended to measure.

Prior literature on marketing's interfaces has examined the quality of marketing and sales interface and business-level outcomes simultaneously. Market performance of the firm is defined by Homburg and Jensen (2007, p. 126) "as the extent to which the organization achieves better market-related outcomes than its competitors with respect to metrics such as customer satisfaction and loyalty, new customer acquisition, market share, and so forth".

Market performance was assessed using 3 items. Informants were asked to indicate the extent to which the business unit's profit, growth and market share outcomes had occurred over the previous year, based on 5-point scales (anchors: "1 = "Strongly disagree", 5 = "strongly agree") (Homburg and Jensen, 2007; Homburg et al., 2008; Trade audits Nielsen/CCR) but all three items had low convergence ($\alpha = .76$). Considering high factor loading (> 0.6 , Costello and Osborne 2005), the performance construct was substituted by the market share variable, which is consistent with the marketing and sales managers' objectives and was verified through the Nielsen/CCR Trade audits information. This result is probably due to the fact that the respondents are aware of the firm's growth and profitability but they don't have this information on competitors'.

The quality of the interface was assessed using six items (Ellinger 2000; Homburg and Jensen, 2007; Homburg et al., 2008). All six items show high convergence ($\alpha = 0.91$).

Information sharing was assessed using three items (Jaworski and Kohli, 1993; Homburg et al., 2008). All three items show high convergence ($\alpha = 0.94$).

Team-work was assessed using eight items (Cespedes, 1996; Homburg et al., 2008). All eight items show high convergence ($\alpha = 0.85$). Formalization was assessed using seven items (Ruekert and Walker, 1987; Dewsnap and Jobber, 2004; Homburg et al., 2008), showing high convergence ($\alpha = 0.85$). Joint planning was assessed using four items (Piercy, 1989; Homburg et al., 2008), showing high convergence ($\alpha = 0.87$).

Descriptive statistics and references to the relevant sources are presented in Table 1.

----- Take in Table (No.1) -----

Market and product knowledge was assessed primarily using six items (Homburg et al., 2008), showing both low convergence (marketing knowledge $\alpha = 0.60$, sales knowledge $\alpha = 0.75$). Sales knowledge can be improved by eliminating the customer knowledge variable ($\alpha = 0.81$); however, due to the fact that it is an extremely relevant variable, this would not be feasible. Based on Homburg and Jensen approach (2007), a formative measurement model was applied considering the constructs as a summary index of observed variables covering different facets of the construct that cannot be expected to have significant correlations between them (Jarvis et al., 2003).

Trust was assessed using three items (Wakabayashi, 2003), showing high convergence ($\alpha = 0.85$).

Our hypotheses propose both direct and indirect effects of constructs on market performance. Because we attempt to test the direct and indirect path hypotheses simultaneously, a confirmatory factor analysis was conducted using structural equation modeling (SEM) in order to understand the relationship between studied variables and latent variables which are the cause of the aforementioned ones. SEM was estimated using R 2.15.1 software (Fox, 2006), a package that provides basic structural equation modeling facilities, including the ability to fit structural equations in observed variable models by two-stage least squares (assuming multinormality) ^[1]. As a result, we are able to test the model through complementary measures of fit like χ^2 , GFI, RMSEA, Bentler-Bonnet and Tucker-Lewis index (Bentler and Bonnett, 1980; Tucker and Lewis, 1973), that capture different elements of the fit of the model, being then appropriate to report a selection of different fit measures.

Individual parameters of the model were examined, estimating polychoric correlations within the tested model in order to see how well the proposed model fits the European driving theory. Due to resulting

non-convergence problems, structural equation models were estimated based on Pearson's correlation matrix (considering items as being continuous) given that parametric methods show the interaction between variables more strongly. Given our sample size of 43, it was not possible to include all constructs into a single structural equation model, since the ratio between the number of observations and the number of parameters to be estimated (N: t) would not achieve the minimum requirement to achieve stable inference (5:1) necessary for stable inferences on the total model (Herzog et al., 2007). Against this background, five separate models were analyzed, one for each hypothesis.

Findings

Hypotheses with a high and statistically significant structural coefficient (beta), goodness-of-fit index (GFI, Bentler- Bonnett, Tucker-Lewis, Bentler CFI) about or higher than 0.9 and RMSEA values up to 0.08 were validated (or not rejected) (Bagozzi and Yi, 1988; Baumgartner and Homburg, 1996; Bentler, 1990).

----- Take in Table (No.2) -----

As hypothesized and shown in Table 2, trust (β z value=4.8 Pr(>|z|) 1.6) has a significant and positive effect on interface quality (H1). (Model $\chi^2 = 34.72$ Df = 29 Pr ($>\chi^2$) = 0.21388, χ^2 (null model) = 250.30 Df = 45, GFI = 0.87426, RMSEA = 0.06853 90% CI: (NA, 0.14246), Bentler-Bonnett NFI = 0.86129, Tucker-Lewis NNFI = 0.95677, Bentler CFI = 0.97214.

As hypothesized, information sharing (β z value=3.0 Pr (>|z|) 2.5222e-03), Model $\chi^2 = 38.935$ Df = 39 Pr ($>\chi^2$) = 0.47279, χ^2 (null model) = 300.36 Df = 55, GFI = 0.87358, RMSEA index = 0 90% CI: (NA, 0.10706), Bentler-Bonnett NFI = 0.87037, Tucker-Lewis NNFI = 1.0004, Bentler CFI = 1, has a positive effect on interface quality (H2).

As hypothesized, teamwork (β z value=3.3 Pr (>|z|) 8.9869e-04), joint planning (β z value=2.7 Pr (>|z|) 7.6684e-03) and formalization (β z value=2.9 Pr (>|z|) (β z value=3.3 Pr (>|z|) 8.9869e-04) have a significant and positive effect on interface quality (H3a, 3b, 3c).

Team work and interface quality: Model $\chi^2 = 128.47$ Df = 72 Pr ($>\chi^2$) = 4.869e-05, χ^2 (null model) = 407.52 Df = 91, GFI = 0.7486, RMSEA = 0.13665 90% CI: (NA, 0.14246), Bentler-Bonnett NFI = 0.86129, Tucker-Lewis NNFI = 0.95677, Bentler CFI = 0.97214.

Joint planning and interface quality: Model $\chi^2 = 46.419$ Df = 49 Pr($>\chi^2$) = 0.57837, χ^2 (null model) = 284.30 Df = 66 GFI = 0.8569, RMSEA = 0 90% CI: (NA, 0.14246), Bentler-Bonnett NFI = 0.86129, Tucker-Lewis NNFI = 0.95677, Bentler CFI = 0.97214.

Formalization and interface quality: Model $\chi^2 = 89.678$ Df = 83 Pr($>\chi^2$) = 0.28894, χ^2 (null model) = 385.91 Df = 105, GFI = 0.8053, RMSEA = 0.043769 90% CI: (NA, 0.098407), Bentler-Bonnett NFI = 0.76762, Tucker-Lewis NNFI = 0.96993.

Contrary to what was expected, all knowledge constructs squared difference index (Tsui et al., 1992; Homburg and Jensen 2007), show a negative but not significant relationship with the quality of marketing and sales interface (H4a, 4b, 4c). Market Knowledge difference and interface quality: (β z value= - 0.7 Pr ($>|z|$) 0.5). Model $\chi^2 = 653.84$ Df = 20 Pr ($>\chi^2$) = 0, χ^2 (null model) = 834.37 Df = 28, GFI = 0.76208, RMSEA = 0.86866 90% CI: (NA, NA), Bentler-Bonnett NFI = 0.21637, Tucker-Lewis NNFI = -0.10045, Bentler CFI = 0.21396) Product Knowledge difference and interface quality: (β z value= - 1.3 Pr ($>|z|$) 0.2). Model $\chi^2 = 653.96$ Df = 20 Pr ($>\chi^2$) = 0, χ^2 (null model) = 836.14 Df = 28, GFI = 0.76401, RMSEA = 0.86874 90% CI: (NA, NA), Bentler-Bonnett NFI = 0.21789, Tucker-Lewis NNFI = -0.098243 Bentler CFI = 0.21554) Interpersonal skills difference and interface quality: (β z value= - 0.8 Pr ($>|z|$) 0.4). Model $\chi^2 = 655.46$ Df = 20 Pr ($>\chi^2$) = 0, χ^2 (null model) = 836.83 Df = 28, GFI = 0.76064, RMSEA = 0.86977 90% CI: (NA, NA), Bentler-Bonnett NFI = 0.21674, Tucker-Lewis NNFI = -0.099907, Bentler CFI = 0.21435.

Although it is not possible to conclude that there is not any significant relationship between knowledge and interface quality, it is readily apparent that when a high level of knowledge specialization is attained, the interface have developed integrative tools that minimize this effect (Workman, 1993).

Finally, as hypothesized, quality of the interface has a significant and positive effect on firm performance (H5). (β z value=2.2 Pr ($>|z|$) 2.7528e-02), Model $\chi^2 = 16.404$ Df = 24 Pr($>\chi^2$) = 0.87293, χ^2 (null model) = 176.07 Df = 36, GFI = 0.92472, RMSEA = 0 90% CI: (NA, 0.065052), Bentler-Bonnett NFI = 0.90683, Tucker-Lewis NNFI = 1.0813, Bentler CFI = 1.

Conclusions and Managerial Implication

This study focuses on the organizational interface of the marketing and sales departments in Latin America, an interface playing a key role in a company with a consumer and customer-centric mindset. A

fundamental issue is how firms can generate value and compete successfully from the management of interface relationships.

Our findings suggest that the quality of the marketing and sales interface is positively associated with business performance, and is consistent with previous conceptual and empirical evidence and taxonomic studies (Dewsnap et al., 2000, 2004; Rouziès et al., 2005; Le Meunier-FitzHugh and Piercy, 2007; Homburg and Jensen, 2007; Homburg et al., 2008) conducted elsewhere. Those results enhance the importance of interface management on the firm's successful achievement of goals in Latin America.

Our results also validate sharing information, teamwork, formalization, joint planning and quality of the interface dimensions as relevant variables and their positive relationship with the interface quality. At the same time trust, identified as a factor developed on existing literature (Wakabayashi, 2003) is validated and positively related to the quality of the interface, confirming previously tested models (Dawes and Massey, 2006, 2007).

A significant contribution has been made to existing literature, by validating empirically previous models tested in Europe, within the managerial structure of a consumer goods firm in Latin America's southern cone, which has been able to react effectively when confronted to a high turbulence context, capitalizing post-crisis growth by delivering value to consumers and clients.

Since our analysis rests on a small number of respondents (although they represent 60% of the sample) and limited survey data provided by a firm operating in the consumer goods industry, the applicability of our findings to other industries needs to be tested. Future research could also examine trust and network variables and study the way in which different organizational network mechanisms operate according to different cultural norms and market mechanisms.

Despite these limitations, our study broadens the understanding of sales-marketing interface based on a quantitative empirical investigation for the first time in a brand focused professional company in Latin America. In this context, our findings suggest that the main challenge for senior executive managers is to make sure marketing and sales teams continue to improve the quality of interface, building trust and developing organizacional linkages and information sharing mechanisms.

We hope further research will deepen our contributions.

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Notes

[1] When variables are measured on a Likert scale, as in this case, special estimation procedures are required, due to non-normality of variables or joint multivariate normality. There is an integration of the SEM package with other facilities available in R (Fox, 2006). At the same time R enables the assessment of the structural model. This combined analysis enables the measurement of observable variable errors to be analyzed as an integral part of the model and the combined factorial analysis in an operation with hypothesis validation.

Table 1: Descriptive Statistics by Construct

Construct	Variables	M	SD	Alpha Cronbach	Source
Trust	Mutual trust	3,91	0,84	0,85	Wakabayashi (2003)
	Long term mutual trust	4,05	0,79		
	Mutual support	4,33	0,71		
Knowledge of marketing	Knowledge of clients	2,77	0,81	0,60	Homburg et al. (2008)
	Knowledge of competitors	3,91	0,78		
	Knowledge of brands	4,44	0,63		
Knowledge of sales	Knowledge of clients	4,35	0,72	0,75	Homburg et al. (2008)
	Knowledge of competitors	3,95	0,62		
	Knowledge of brands	3,81	0,91		
Differences in Market knowledge	Clients marketing-sales Competitors marketing-sales			0,22	Homburg and Jensen (2007)
Differences product knowledge	Brand marketing-sales Product marketing-sales			0,6	Homburg and Jensen (2007)
Differences interpersonal skills	Teamwork marketing-sales Communication marketing-sales Persuasion marketing-sales Conflict tolerance marketing-sales			0,46	Homburg and Jensen (2007)
Teamwork	Teamwork skills marketing	4,09	0,84	0,85	Cespedes (1996) Homburg et al. (2008)
	Teamwork skills sales	4,12	0,70		
	Communication skills marketing	3,91	0,90		
	Communication skills sales	3,88	0,66		
	Persuading skills marketing	3,74	0,66		
	Persuading skills sales	3,74	0,73		
	Conflict tolerance marketing	3,28	0,70		
	Conflict tolerance sales	3,47	0,83		
Information Sharing	High speed information	3,55	0,80	0,94	Jaworski y Kohli (1993) Homburg et al. (2008)
	Proactive information	3,14	0,94		
	Relevant information	3,42	0,91		
Formalization	Process trust	3,88	0,70	0,85	Ruekert and Walker (1987) Dewsnap and Jobber (2002) Homburg et al. (2008)
	Written formalized process	3,81	0,73		
	Process development	3,40	0,70		
	Rules compliance	3,84	0,62		
	Rules effectiveness	3,77	0,61		
	Knowledge of process marketing	3,86	0,70		
	Knowledge of process sales	3,81	0,84		
Joint planning	Joint planning	4,05	0,49	0,87	Piercy (1989) Homburg et al. (2008)
	Joint decision	3,93	0,51		
	Joint implementation	3,67	0,68		
	Joint resolution	3,56	0,91		
Interface quality	Frictionless collaboration	3,56	0,91	0,91	Ellinger (2000) Homburg and Jensen (2007) Homburg et al. (2008)
	Coordinated decision	3,91	0,65		
	Coordinated activities	3,81	0,76		
	Common objectives	4,02	0,60		
	Agreements compliance by sales	3,88	0,73		
	Agreements compliance by marketing	3,74	0,66		
	Relationship satisfaction	3,91	0,90		
Business performance	Profitability result vs competitors	3,63	1,07	0,76	Homburg and Jensen (2007) Homburg et al. (2008) Trade audits (Nielsen, CCR)
	Turnover growth vs competitors	4,00	0,85		
	Market share vs competitors	3,65	0,95		

Table 2

Effects of trust, information sharing, structural linkages and knowledge difference on interface quality and market performance of the business

Construct effect	Null Model	Model							Hypotheses
	Chi-square	Chi-square	Beta Z value	Beta Pr(> z)	Goodness of fit	RMSEA	BB NFI	Tucker Lewis NNFI	
Trust	250,30	34,72	4,8	1,6e-06	0,874	0,074	0,861	0,957	H1
Information	300,36	38,94	3,1	2,5e-03	0,874	0	0,870	1,000	H2
Teamwork	407,52	128,47	3,3	8,9e-04	0,749	0,137	0,685	0,775	H3a
Joint planning	284,30	46,42	2,7	7,7e-03	0,857	0	0,837	1,016	H3b
Formalization	385,91	89,68	2,9	3,9e-03	0,805	0,044	0,768	0,970	H3c
Market knowledge	662,28	843,49	-0,7	5,0e-01	0,744	0,874	0,215	-0,103	H4a rejected
Product knowledge	653,96	836,14	-1,3	2,0e-01	0,764	0,869	0,218	-0,098	H4b rejected
Interpersonal skills	655,46	836,83	-0,8	4,3e-02	0,761	0,870	0,217	-0,099	H4c rejected
Interface quality	176,07	16,40	2,2	2,8e-02	0,925	0	0,907	1,081	H5

Figure 1

Conceptual model and hipótesis

