



Sales–marketing interface in Saudi Arabia: A commentary

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ABSTRACT

This commentary essay discusses recent research conducted by Malshe, Al-Khatib, Al-Habib, and Ezzi (2012) and identifies areas where future research is needed. Their study extends our knowledge about the marketing and sales interface in Saudi Arabia and provides evidence of organizational mechanisms that appear to be culture bond. This paper reviews interesting considerations stemming from this article.

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1. Introduction

Researchers of the sales and marketing interface consistently report that inter-functional collaboration enhances business performance (e.g., Le Meunier-FitzHugh & Piercy, 2011). Not surprisingly, improving marketing and sales collaboration is repeatedly echoed by the business press and triggers significant research efforts. Over the last decade, a number of studies have offered insights into marketing and sales: (1) configurations (Homburg, Jensen, & Krohmer, 2008; Workman, Homburg, & Gruner, 1998), (2) mind sets (Homburg & Jensen, 2007), (3) respective influence (Homburg, Workman, & Krohmer, 1999), (4) dispersion (Krohmer, Homburg & Workman 2002), (5) interface revenue and profit implications (Smith, Gopalakrishna, & Chatterjee, 2006) and, (6) activity planning (Strahle, Spiro, & Acito, 1996) among others.

Malshe, Al-Khatib, Al-Habib, and Ezzi (in press) [MKHE hereafter] extend our knowledge about the marketing and sales interface in emerging markets, specifically Saudi Arabia. They uncover the way the Saudi context influences the interface dynamics using qualitative research. Specifically, they show how high power distance facilitates centralized decision-making and authoritarian control over the marketing strategies adopted by high-level executives in a typical Saudi firm. Their study also reports evidence about how Saudi high uncertainty avoidance affects interface communication by mandating that communication must follow established norms (e.g., all cross department communication must be channeled through supervisors). The study raises several important issues that warrant further attention by future researchers.

1.1. Marketing and sales interface in an emerging economy

Contrary to what formal organizational charts suggest, MKHE find that marketing and sales functions are almost powerless initiators of action in Saudi Arabia. Sales and marketing managers seldom participate in the development of strategy. They merely execute the strategies of the top executives. This observation echoes the work of Segalla (2010) who found that the sense of responsibility for making and implementing strategic decisions varies widely across managers of different nationalities. Interestingly, MKHE illustrate how this lack of participation in decision-making creates apparently dysfunctional organizational mechanisms. The first is the absence of two-way communications between top-level executives and marketing and sales managers. CEOs do not allow lower level managers to question their decisions. Information sharing is generally a critical success factor in today's environment so institutional mechanism that muffles this exchange might be a significant handicap to serving customers better. Secondly, top-level leaders closely monitor the implementation of the action plans they establish to implement the strategic framework they develop. Again, one wonders if this type of monitoring could have perverse effects since it may relieve marketing and sales managers of any responsibility to make the sales plan work. In the field, account managers often need flexibility to meet client needs. Strictly "going by the book" may be detrimental to goal achievement. Third, MKHE found that marketing managers appear to "own the customer" in that, at least symbolically, sales managers have subordinate positions in the firm. Apparently, this is a necessary hierarchical positioning in order to achieve the firm's goals. However, to the extent that it is true it pushes the contributions of sales people even further toward the periphery. This seems to be the best way to lose precious opportunities to identify and service the needs of clients. Observers of the typical Saudi Arabian power and control structure must wonder how such a system evolved and whose needs it serves. Are marketing executives so clueless about customer segmentation and product

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positioning that they are simply strategy implementers? Are sales people so imperceptive that they simply handout the sales brochures and take orders? In the end, we do not know enough about the marketing and sales management jobs in the Saudi configuration (i.e., market or product knowledge, customer or product orientation, short or long-term orientation, information sharing, etc.). Scholars should further explore the content of marketing and sales roles within Saudi organization especially as they are likely to change in the wake of Saudi societal values westernization (e.g., the Saudi monarch gave women the right to vote and hold political office in September 2011).

1.2. Exploring leadership roles

While MKHE distinguish between formal and informal organizations at the marketing and sales interface level, it is unclear what hidden system explains leadership roles in the Saudi context. For example, in their review on Islamic leadership, *Faris and Parry (2011)* show that notions of righteous leadership or shepherd/servant/guardian/leaders (derived from Quranic mandates) partially explain the morals and sense of responsibility of Islamic leaders. They describe the Islamic perspective, according to which followers must serve their leaders as long as they obey God and the Prophet. They also report the moral obligations of leaders to provide welfare, justice, guidance and protection to their followers. In this sense, changes in Saudi societal values are likely to conflict with the leadership practices described in MKHE. A related issue pertains to the profile of marketing and sales managers about which we know very little. In keeping with the call for more research on the hidden side of leadership by *Nickerson and Zenger (2002)*, we suggest that scholars complement MKHE's research study by examining how important Saudi families and religious Imams interact with organizations to influence perceptions and roles of leadership.

Additionally, further research could explore the influence of western management practices that are imported into the Saudi business environment by multinational operating in the country. There should be some type of cross-fertilization if Saudi-owned and foreign-owned firms compete for the same customers. If the practices uncovered by MKHE are indeed embedded in the Saudi culture then it would be reasonable to assume that foreign businesses might find it necessary to adapt their own organizational structures and practices to "fit" the native business culture. Finally, given the historical paucity of business schools in Arabian Gulf region, many organizational leaders were educated in western universities. Thus, one may wonder why the Saudi corporate leadership seems to turn its collective back toward its western training? The many cultural and institutional influences on leadership roles appear a fruitful avenue for research.

1.3. Marketing and sales roles

While hidden systems supporting leadership roles may seem critical, pointing out the mechanisms explaining marketing and sales roles is important. As suggested earlier, MKHE describe very little of the marketing and sales jobs. For example, we do not know much about those managers' knowledge, skills and abilities [KSAs hereafter] or performance metrics. For example, *Segalla, Rouziès, Besson and Weitz (2006)* provided evidence of various performance evaluation and reward procedures for sales people across European countries. More to the point, a number of researchers suggest that the criterion for success differs between developing and emerging economies. According to *Kanungo and Jaeger (1990)*, people in emerging economies typically place more importance on religious values whereas materialism and individual achievement are more important in developed countries. To move forward, what is necessary is a thorough comprehension of Islamic work ethics and its influence on

organizational mechanisms. Similarly, researchers should consider other factors, such as KSAs, in order to shed new light on the relationships between marketing and sales personnel. For example, do marketing and sales managers only implement their leader's strategies because they do not have the right KSAs to help create strategy? Interestingly, earlier research (*Kanungo and Jaeger 1990*) suggests that human capabilities are considered as being fixed in developing countries. However, if new skills are needed, Saudi firms will need to put into place human resource development programs in order to set up specialized career paths. For example in European firms *Rouziès, Segalla and Weitz (2003)* found that internal vs. external promotion policies are culture bond. Therefore, if Saudi firms experience the need for skilled marketing or sales executives, perhaps they will develop specific training in order to develop human capital. It is interesting to note that many of Saudi Arabia's neighbors (e.g., Qatar and the Emirates) are investing very heavily in developing knowledge-based economies. Qatar alone funded the creation of a number of advanced schools in medicine, business, archeology, engineering, fine arts, journalism, and foreign affairs. Such massive investments are likely to produce a bumper crop of well-trained managers who are likely to demand a greater role in decision-making.

2. Conclusion

To conclude, western companies with joint ventures or green field installations in Saudi Arabia should be cautious when they setup marketing and sales operations in this country since marketers and sales professionals' roles seem to be more symbolic than the ones of their western counterparts. If such a finding is generalizable, then western companies seeking marketing and sales partnerships with Saudi firms may need to focus more on establishing and strengthening their relationships at the top level of Saudi organizations. Even if it is difficult for western organizations to conceive market orientation without the involvement of marketing and sales personnel, the Saudi culture might require this in the short term. However, reviewing this cultural adaptation strategy is necessary since western firms could be put into untenable positions. Anecdotic evidence suggests that western companies struggle to resolve difficult situations where a country's norms violate home country laws, norms or firm policies. For example, some companies considered forbidding female sales executives to apply for posts in their Saudi subsidiary because women cannot drive alone to sales calls or indeed even receive the respect of male buyers as appropriate business partners. Apparently, many executives think implementing gender-neutral hiring practices in Saudi Arabia (and probably elsewhere) is not worth the business it would lose. Further research effort on work ethics convergence should pursue this promising avenue of research.

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