

Marketing Capabilities and Selling Capabilities. Implementing a Framework Guide for a Business Performance

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Abstract

Business performance depends on many factors: economic context, market trends, competitive environment, customer behavior, managerial competences, marketing and selling capabilities. The literature review offers different approaches to understanding the role of marketing and selling in explaining business performance differences between firms. The case of multinational companies that engage in professional selling based on marketing support differs significantly from small businesses based on entrepreneurial selling. Managers need to find solutions to get a competitive market position and implement successful competitive strategies. In this article, the authors explore the nature of business performance obtained through the marketing and selling capabilities of the firm and develop a conceptual framework guide for analyzing and managing the elements involved in achieving performance. The purpose of this guide is to be a reference for managers who implement the concept of marketing and selling in the company's business. An effective marketing - selling interface is a determining factor for the creation of highly differentiated products / services by the company and perceived by the customers as most suitable for their needs.

Keywords: marketing capabilities, selling capabilities, business performance, marketing strategies.

JEL classification: M31

1. Conceptual framework

The relationship between the organization's marketing skills and business performance has been studied in the literature of many authors (Bonoma 1985, Day 1994, Hunt and Morgan 1995, Vorhies and Morgan 2005, West and others 2006, Varadarajan 2010).

The conclusion is clear: Business success requires both managerial skills and marketing skills, a balanced mix of visions, strategies, tactics, analysis methods, and working tools. The efforts made for this purpose will be directed towards achieving competitive advantage on the reference market. This requires having obvious abilities to combine different resources and turn them into outputs to achieve the proposed managerial and marketing goals.

Marketing managers need to adapt quickly to the competitive environment and try to harness the market opportunities identified by market analysis, combine company resources with the most appropriate competitive marketing strategies to achieve positive results and business performance.

Only in this situation, by implementing strategic marketing concepts, will create customer value and generate good profits globally.

Kotler (2000) considers that market orientation is an essential managerial vision in marketing, which involves the analysis and knowledge of both the consumers and the competitors of the firm. Knowing the market competitors, their strengths and competitive behaviors on the reference market allows the selection and initiation of appropriate marketing decisions in order to obtain a strong competitive position in the business environment.

Akroush (2012) believes that marketing is the best means of achieving the competitive edge that will enable the company to attract and retain target consumers.

Market orientation is specific to those companies who know how to identify and exploit market opportunities and develop offensive competition behavior focused on developing strong competitive skills.

Hamel and Prahalad (1994), Slater and Narver (1994) have shown that market orientation provides the foundation for value creation capabilities that enable business to consistently deliver superior value to customers.

Spanos and Lioukas (2001) believe that organizations are trying to deliver a real benefit to their customers because of a set of core capabilities they have in managerial, marketing and technology.

Marketing capabilities are required to formulate a marketing strategy based on the segmentation, targeting, positioning and marketing mix design.

Slater and Olson (2001) believe that marketing decision should be seen as a set of integrated decisions and actions whereby a business achieves its marketing objectives and fulfills the value requirement of its customers.

Returning to the marketing capabilities of the organization, Hunt and Morgan (1995), Vorhies and Morgan (2003) consider that they are based on the four components of the marketing mix - product, price, distribution and promotion - and marketing tactics required to implement the marketing strategy. Chang (1997, p.231) adds that a firm's success results from its ability to create customer value, which requires good adaptive capability in developing a product and marketing mix suitable to its target consumers.

In practice, it is considered that marketing is about value created in the minds of consumers based on clear elements of strong differentiation from other competitors' offers. To achieve this goal, a clear marketing strategy is needed that can answer the following questions:

- What will we sell? Developing a product concept based on advantages and obvious benefits,
- Who will we sell to? Segmentation, targeting, and positioning applied to create and deliver value to the target audience,
- How to sell? Through marketing tactics practically addressed by the company's sales force.

Due to the role and skills of the company's sales force, it will be the one that will implement in practice the marketing strategy adopted by the company's marketing specialists. That's why the company's sales capabilities are just as necessary and important as marketing.

Webster (2002) suggests that the relationship between marketing and selling has never been resolved. As a rule, at the relational level, the marketing specialists and the sales force of the company frequently encounter conflicts arising from marketing policy, and there is a discrepancy between marketing and sales objectives. Lack of communication between marketers and sales agents accentuates this discrepancy because the former do not clearly explain what the company is pursuing by promoting products and what goals they are pursuing in the long run while salespeople are trying to sell what they know and how they know Well, through direct contact with customers.

Guenzi and Troilo (2007) consider that an effective marketing-sales interface is a determining factor for the creation, delivery and communication of value produced by the company and desired by the customer.

Thus, it becomes necessary to understand the role of the sales force in implementing the company's marketing strategy and the development of sales capabilities that will lead to the synergy of all marketing activity through:

- coordination of corporate and marketing objectives with current sales efforts undertaken by sales agents,
- Establishing a relationship between corporate goals, marketing objectives and identified needs of consumers,
- Improve the efficiency of sales by understanding the implications of sales decisions on the company.

2. Framework guide for a business performance

Company managers need to be very careful when deciding on a marketing strategy because it can lead to business performance or, on the contrary, to business failure. Understanding the role of sales force in implementing marketing strategy and building customer relationships is a major asset in achieving organizational performance.

How should sales force activity be considered in the relational context between marketing and sales? The answer presents different facets depending on the particularities of the product / service made by the company, the target market, but also the managerial skills held.

In order to choose the best marketing strategy, managers will develop a marketing plan for their business based on four main stages: market analysis, marketing strategy, marketing mix and expected results.

Within each stage of the marketing plan, there are different questions, issues and concrete activities that will be developed based on the marketing and sales capabilities of the company. Business performance can only be achieved through the collaboration of the two types of capabilities, concretely through the collaboration of marketers with the company's sales representatives.

In the first stage, market analysis will involve marketing specialists and sales representatives of the company as they will collect and provide relevant information about market size and evolution, direct competitors and their competitive behavior, purchasing behavior, and Consumption, consumer segments, etc. If marketers can carefully analyze information about the target market and business environment for marketing decisions, the sales force will be the one to establish and communicate with the target audience.

Marketers need to perform a proper benchmark analysis and succeed in providing relevant information to establish a marketing strategy capable of giving the company a strong competitive position on the market.

In order to determine the best marketing strategy in the analyzed context and according to the company's competencies, it is necessary to establish specific objectives:

- financial objectives (sales and profit)
- non-financial objectives (brand awareness, brand perception, internet based objectives...)
- customer objectives (attracting new customers and retaining existing customers)
- strategic objectives (target positioning).

The marketing strategy is adopted following a thorough process that is based on the following stages: segmentation, targeting and positioning.

Starting from the definition given by Kotler & Keller (2009) marketing strategy, the marketing strategy lays out the target markets and the value proposition that will be offered, based on an analysis of the best market opportunities, clearly shows the need to choose a Realistic, original strategic variants and, obviously, hard to copy by competitors.

The third stage of the marketing plan involves describing the marketing mix that will be implemented to achieve the proposed goals. Starting from creating a product, describing its benefits and advantages, positioning itself within the chosen market segment, and then proposing different strategic variations according to product size and product lifecycle, the marketing and sales team will develop skills In knowing the product and creating a unique value to be passed on to the target audience.

The following decisions aim at establishing the most appropriate price level based on costs, demand and competitors, but also on the targeted marketing objectives, penetration of the market, maximizing profits. Market studies on consumer price acceptability are very useful to the company, with actual information being gathered through the sales force.

Distribution is another aspect to be addressed within the marketing mix, with major implications for finding the most appropriate marketing channels for target consumers. Again, the sales force plays an important role, and it is also involved in the distribution of products to final consumers.

The marketing communication provides optimal variants of the company's product / service promotion, focusing on the many communication techniques (advertising sales promotion, public relations, direct marketing and sales force) that will be part of the integrated communication to achieve product sales and obtaining the expected profit. In the integrated marketing communication, the sales force, due to direct contact with consumers, plays a particularly important role in promoting the product and developing a partnership relationship with the target audience, supported by other supporting communication techniques. But this vision is not coincidental, nor at the fingertips of any company. The practical approach to sales force as a component of the communication mix, with a decisive role in supporting product promotion and developing long-term customer relationships, is a practice of competitive companies with well-defined marketing and sales skills.

The final stage of the marketing plan, expected results, involves describing the marketing budget needed to achieve the goals set in the marketing plan to support the most appropriate marketing strategy. It is necessary to develop metrics for financial, non-financial, customer and strategic objectives to assess the extent to which they have been achieved. In fact, measurement of business performance is vital at this time, with analyzes that take into account financial indicators such as: cash flow, cost, margin, profit, ROI, market value and others.

Schematic, a conceptual framework for business performance, can be presented as follows:

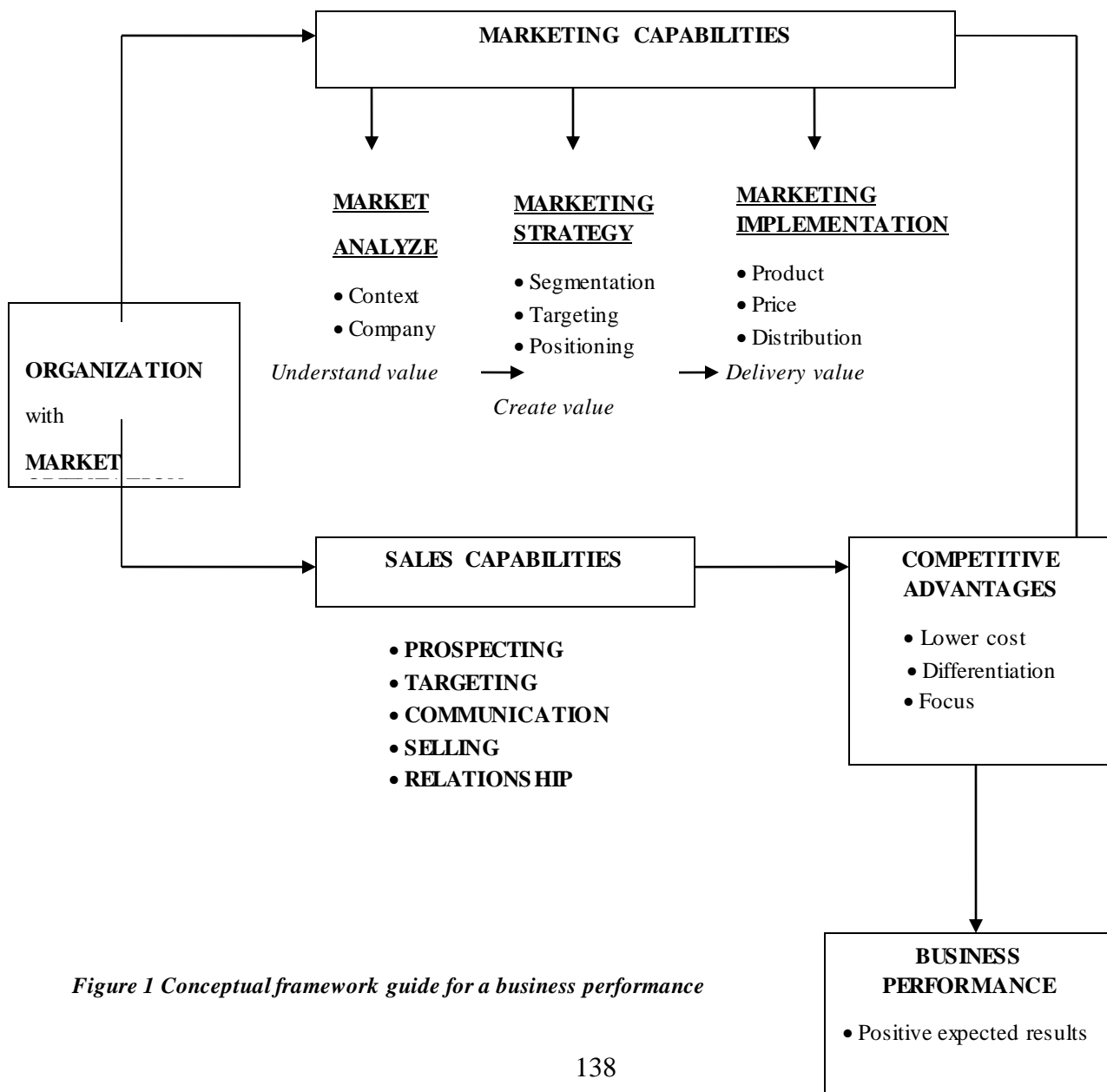


Figure 1 Conceptual framework guide for a business performance

Therefore, the managerial approach of the marketing activity carried out within a company implies knowledge of all endogenous and exogenous variables that influence the implementation of the marketing strategy. Marketing specialists need to pay more attention to these variables of influence and succeed in combining marketing and sales capabilities to increase the performance of the organization.

As it is well known, there are situations where the marketing strategy formulated by the marketers of the company may be appropriate to the situation under consideration, but implementation of the strategy is poor. Sales force has a significant role in implementing marketing strategy and therefore it needs to know the marketing objectives pursued by the company. When the marketing strategy is well formulated, and the effective implementation achieved, the result will be positive. Managers can use a grid to sketch the adoption and implementation of their own marketing strategy.

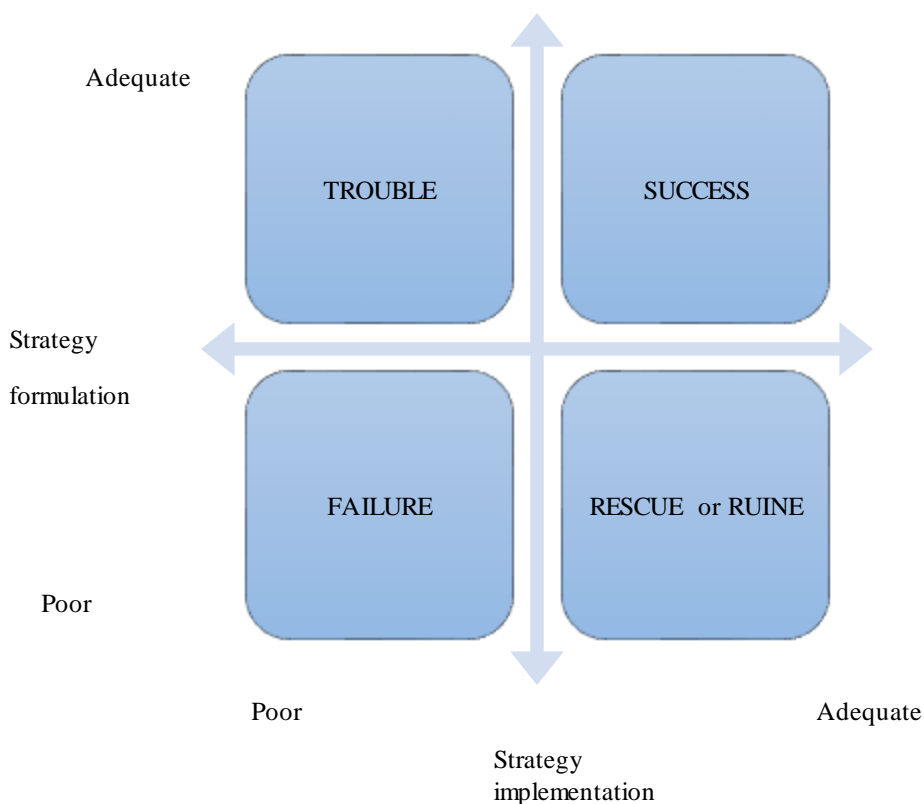


Figure 2 The Marketing strategy formulation- implementation grid

Source: West, Ford and Ibrahim, 2006, p. 401

In conclusion, the success of the marketing strategy depends on the company's ability to adopt the most appropriate variant and to implement it effectively by marketing tactics appropriate to the objectives. Therefore, we argue that in order to achieve business performance, a correlation between the marketing and sales capabilities of the company is required.

3. Discussions and implications

Addressing a strong competitive environment, the global economic crisis, the effects of globalization, and the impact of the pace of technological change make the business managers

have a strategic approach to their actions and activities to win a competitive position in the target market.

The conceptual framework guide for business performance has significant implications for managers and marketers alike. Even if the concepts presented in this article are known at the theoretical level, their application in practice often raises serious problems.

First of all, the market orientation of the company must be supported at the practical level through marketing decisions and concrete actions transposed to marketing tactics. A very good collaboration between marketers and the company's sales force increases the chances of implementing marketing strategy and achieving business performance.

Depending on the activity profile and the level of competitiveness developed, the company can describe a conceptual framework model based on a number of specific variables that will be analyzed through market studies. Correct identification and careful analysis of variables that can directly influence business performance is a fundamental element in this respect.

Secondly, the integration of the management-marketing concept at the company-wide level gives it a plus in the work done and, in the same way, supports the market orientation in a practical way.

Thirdly, marketing research is needed to identify direct links between marketing capabilities and sales capabilities developed to increase business performance. This marketing research involves marketing specialists, researchers and sales representatives who will seek answers to questions as to whether and how marketing and sales actions determine business performance. And last but not least, the dynamic nature of the relationship between marketing and business performance needs to be sustained by maximizing the marketing and sales capabilities of the company.

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