Examining the Role of Cooperation Between International Marketing and Sales Departments to Create Value for Customers

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Abstract: The present study aims to investigate the role of cooperation between international marketing and sales departments to create value for customers. The sample includes 300 respondents from among managers and staff of sales and marketing departments of manufacturing companies of Urmia city who were randomly selected. For this purpose, the views of sample were collected using a questionnaire and were used to calculate variables. To analyze the data, Lisrel software was used. The findings suggest that long-term corporate strategies cause customer value to rise. At the same time, the presence of effective communication between marketing and sales departments in companies has a positive effect to create value for customers. According to the findings, using direct sales personnel and the ability and creativity of the sales staff in sample companies has a desirable effect on creating value for customers. Finally, the results showed that in accordance with the visions reflected in the sample, creating value for customers has a positive effect on company's performance in the market.

Key words: Creating value for customers, market performance, long-term strategy, effective communication between marketing and sales departments, data

INTRODUCTION

In recent years, the relationship between marketing and sales departments has been considered by many researchers and a variety of models and frameworks have been presented for it. In this regard, other researchers have tried to investigate the influence of the relationship between these two organizational units on factors such as marketing development, customer value, business performance and the roleof the marketing and sales departments on operational process of value creation. But what is less discussed is the role of interaction between marketing and sales departments on value creation processes in the organization. The process of value creation is a series of activities and actions each of which adds value to the products and the organization services and ultimately, the final consumer will benefit from it. In this view, anorganization isviewed as different processes that interact with each other to create organizational performance. Classification framework of the process ehich has been presented by the American Quality and Productivity Center (AQPC) is one of the world's most widely used process reference models in management which has been the developed pattern of many processes of the organizations (Guenzi and Troilo, 2007).

Problem statement: In marketing concept, it is believed that achieving organizational goals depend completely ondefinng and determining the needs and wants of target markets and providing better and effective customer satisfaction. In today's competitive world, companies which do not follow short-term sale will be successful and creating superior and different value for customers is their basic purpose.

Guenzi and Troilo argued that achieving an appropriate level of value for customers needs effective and efficient collaboration of marketing and sales departments in the companies. In accordance with previous experimental and theoretical evidence, one of the most common causes of conflict between marketing and sales departments is the differences in the perception of these units of the company's overall goals, allocating resources and evaluating theefficiency. Such conflicts emerge in priorities and conflicting activities because, basically, marketing focuses on long-term vision and goals, while sales unit looks for tactical and short-term activities. As a result, creating value for customers in such circumstances may be very complex and ambiguous.

Empirical evidence shows that direct employees to sell products and services, compared with agencies, have more ability to create superior value for customers. In this regard, Dyshmn suggested that companies that plan to provide products and services based the needs of their customers to would better use direct sellers. This causes to have control over the sales force and facilitates the implementation of related strategies to create value for customers. While, the agencies because there is no effective relationship to the company may not follow such strategies.

A fundamental principle of marketing is that creating value for the customer increases customer satisfaction and the loyalty and, ultimately, improves market performance (Homburg and Jensen, 2004). Previous research considered this chain communication in different industries and countries, but the direct effect of creating value for the customer on the performance of the market is unclear. Hence, the significant issue of this research is ambiguity in the factors affecting value creation for customers based on cooperation of sales and marketing departments and its role in the effectiveness of market. As a result, the main research question is raised as follows. What factors affect the value creation based on the collaboration of sales and marketing departments for customers and what is its role in the functioning of the market?

Literature review: Frank and Piller presented a new trend in the literature about customers as value creator, company's competitive strategies and innovative process not as receiver but as values and products provided by marketing. Dash and Mahaptra (2006) measured customer satisfaction in the banking industry. They argue that banks' success depends on increasing the quality, speed and demand for banking services by customers and citing the words of Lord William Thomas Kelvin, express a few signs for satisfaction.

Lingenfeld believes value creation for the customer to be emotional psychologically which is obtained as a result of the comparison between the specifications of the received product with the needs or demands of customers and society's expectations with the product. Vorhies *et al.* (2009) studied a variety of ranked models of brokerage. The researchers showed that brokerage performance is potentially driven from their activities in the areas of marketing and analysis of market. They hypothesized that functional structure of brokers and their measurement pave ways to attract greater investment to the capital market.

Vargo and Lusch (2008), through multi lateral analysis, found four categories of the ways through which customers create value in brand communities as follows: Social networking, social interaction, perception management and brand application. They claim that members of the brand contributed to value creation and marketing practices; these ways will totally increase the value customers perceive and promote health and social welfare of groups which focus on brand.

Safarzadeh and Masdar investigated the effect of individual factors (organizational commitment, willing to progress) and management factors, i.e., system of behavioral control and feedback, recognition and participation in making decision as three variables which affect on the sales force motivation towards marketing intelligence activities. The results of the study showed that the feedback variable is the most effective one in motivating a sales force and, also, sales force with marketing the smart activity by a factor of 65% coefficience has the highest impact. Organizational commitment variable has the highest impact in behavioral effort of sales force with 59% coefficience.

Hughes *et al.* (2012) studied the impact of different aspects of product-market strategy including cost leadership, differentiation and product-market scope on marketing capabilities including specialized capabilities and marketing architecture and their relationship with market performance. The results of the analysis showed that the cost leadership strategy, differentiation and product-market scope have significant positive effect on architectural and specialized marketing capabilities. Also, the relationship between architectural and specialized marketing capabilities and market performance is significant and positive. The model test results showed that the model is a good fit.

Hamidizadeh and Kheirkhah investigated the impact of marketing knowledge management on organizational performance in the petrochemical industry in Iran. The results showed that there is a significant positive correlation between knowledge management capabilities and the entire organization performance (market performance, customer performance and financial performance). Foreign marketing capabilities have the greatest impact on the performance of the entire organization, market performance and financial performance, while domestic marketing capabilities have the most impact on customer performance.

MATERIALS AND METHODS

The research is descriptive-survey and of correlation type. The present study, regarding objective, is practical and the factors affecting value creation for customers are explained. In this study, the correlation between independent and dependent variables is the target of researcher. Also, this study, in terms of data collection, is a survey and the data needed to test hypotheses was collected through survey questionnaires. This study examines the relationships between variables and tries to prove this relationship in the current conditions.

Research hypotheses:
- H₁: The long-term corporate strategies have a positive impact on creating value for customers

Table 1: Dimensions ofresearch variables

Variable type	Variable dmension
Dependent	
Creating value for customers	Meeting the needs of customers
	The ability to develop creative solutions
	Act quickly on the market
	Innovation
The performance of the market	Sales growth
	Market share
	Profitability
The performance of the market	The importance of the long-term goals of the company
	The importance of long-term results in the company
	The importance of long-term decisions in the company
The existence of effective relation between marketing and sales units	The company's efforts in creating the relationship
	The profitability of relation for the company
	The satisfaction of the directors from relation
	Mutual responsibility of units towards each other
The use of direct sales staff	Existance of direct sales staff
	Adequacy of direct sales staff
The ability and creativity of sales staff	Effort of the sales staff to meet customer needs
	Efforts of the sales staff to fix the problems of customer
	Subjective interest of the sales staff to customers
	Search of the sales staff for customers for the best choice
	Suggestion of the sales staff to customers for the best choice

Table 2: Sample adequacy test for path analysis

Kaiser-Meyer-Olkin adequacy	Measure of sampling	Values (0.809)
Bartlett's Test of Sphericity	Chi-square	3025.98
	Degrees of freedom	300
	A significant level of	0

- H_2: Effective communication between marketing and sales departments in companies has positive impact on creating value for customers
- H_3: Using direct sales staff in companies has positive impact to create value for customers
- H_4: The ability and creativity in corporate sales staff has positive impact on creating value for customers
- H_5: The creation of value for customers in companies has positive impact on their performance in the market

Reasech variables and their dimensions: According to the nature of research, field study and library research have been used in order to gather the information required for fundamental variables. It has been tried to ask questions in such a way that it is understandable for respondents in different levels of information.Questions have been raised based on the five-item Likert scale where respondents are able to comment on various aspects of research in five different levels shown in Table 1.

The population and sample size and their adequacy: The population of this research includes sales and marketing managers and workers of manufacturing companies inUrmia. Due to the wide range and diversity of these companies in the city, the number of statistical population is unknown. In structural equation, modeling analysis of samples (observations) to the independent variables should not be <5. So, in general, in structural equation

modeling methodology, the sample can be determined between 5 and 15 observations per measured variable: $5 q \le n \le 15 q$. Where q is the number of observed variables or the number of questions and n is the sample size. As the number of questions in the survey questionnaire is 21 questions, the sample must be between 105-315 observations; in the present study, 150 observations (respondents) are considered.

Investigating the adequacy of the sample for statistical analysis: In the analysis, one must ensure that data can be used for analysis. In other words, the adequacy of underlying data (sample size and relationships between variables) should be monitored for analysis. KMO index is used for this purpose. KMO index is a measure of sampling adequacy which examines small partial correlation between the variables and thereby, determines whether the variance of variables is affected by shared variance of some hidden and fundamental factors or not. If the value of KMO index is close to 1, the sample size for path analysis is appropriate; otherwise (<6/0), data cannot be used for path analysis. Test results of samples adequacy for present data are in the Table 2. The estimated value for KMO index is 809/0 which is >6.0 and close to 1. Accordingly, the sample size (number of respondents) is adequate for the analysis. Also, significance level for Bartlett test is <0/05 that shows the path analysis is suitable to identify model structure and its factors.

RESULTS AND DISCUSSION

The results of path analysis: To evaluate the model and ensure the reliability of it, LISREL software (LISREL8.5) is
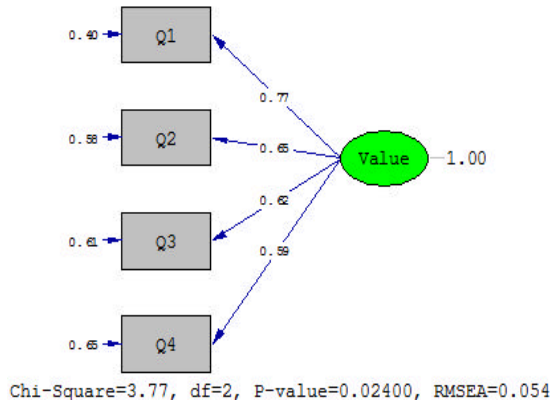
Fig. 1: Measurement model of creating value for customers using factor analysis in standard mode
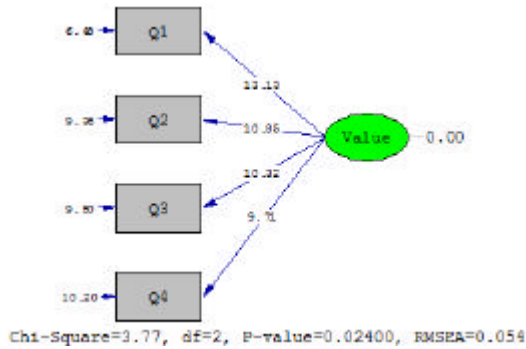

Fig. 2: Measurement model of creating value for customers using factor analysis in significant mode
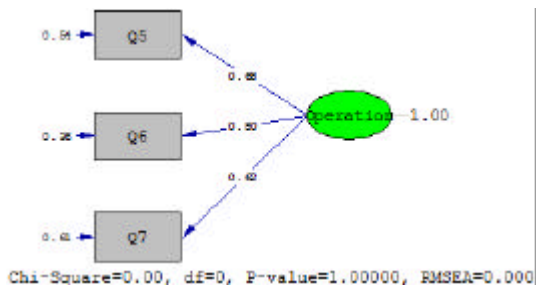

Fig. 3: Measurement model of market performance diemnsions using factor analysis in standard mode

used. The output of this software includes path charts and fitted indicators and also linear equation based on independent and dependent variables which are as follows.

Measurement model of creating value for customers: Figure 1 and 2 are show the value for customers in standard and significantmodes. As Fig. 1 and 2 show, the membership of all the factors examined in this variable has been confirmed.
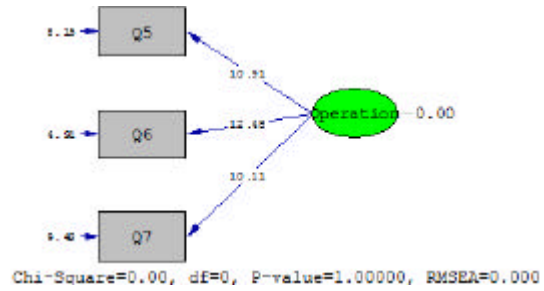

Fig. 4: Measurement model of market performance dimensionsusingfactor analysis in a significant mode
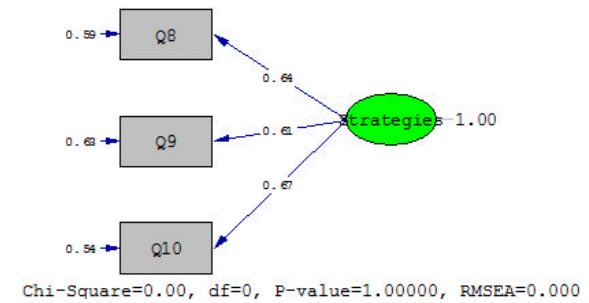

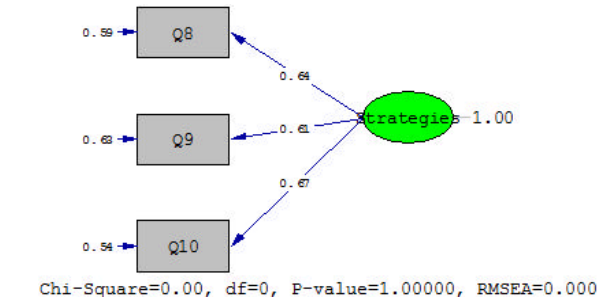Fig. 5: Measurement model of long-term strategies using factor analysis in standard mode

Fig. 6: Measurements model of long-term strategies using factor analysis in significant mode

Measurement model of market performance: The following Fig. 3 and 4 show market performance dimensions in standard and significant modes. As Fig. 3 and 4 shows the membership of all the factors examined in this variable has been confirmed.

Measurement model of long-term strategies: The following Fig. 5 and 6 show price dimension model instandard and significant modes. As Fig. 5 and 6 show the membership of all the factors examined in this variable has been confirmed.

Measurement model of effective communication between marketing and sales departments: Figure 7
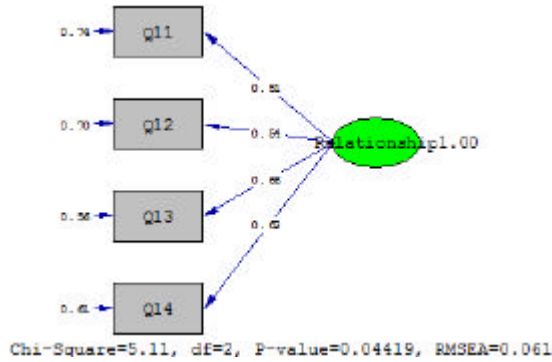
Fig. 7: Measurement model of effective communication dimensions between marketing and sales departments using factor analysis in standard mode
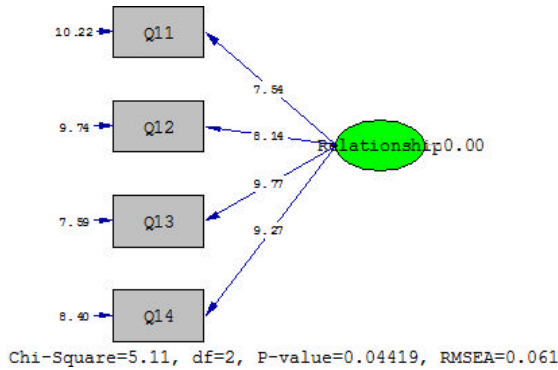

Fig. 8: Measurement model of effective communication dimensions between marketing and sales departments using factor analysis in significant mode
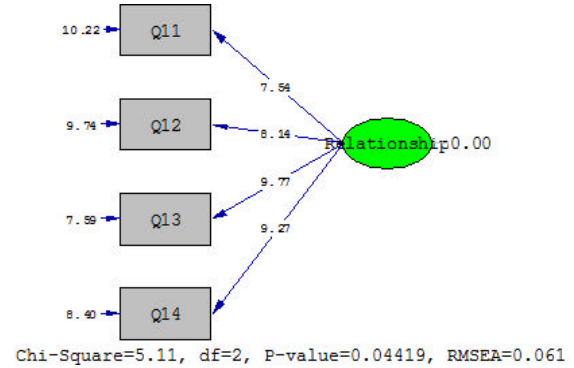

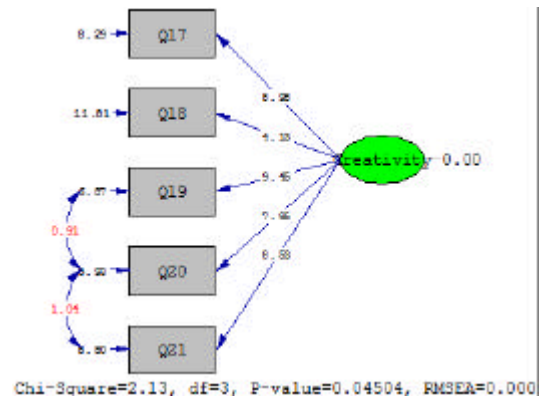Fig. 9: Measurement model oftheability and creativity of sales staff using factor analysis in standard mode

Fig. 10: Measurement model of theability and creativity of sales staff using factor analysis in significant mode

show the model of effective communication dimensions between between marketing and sales departments in standard and significant modes. As Fig. 7 and 8 show the membership of all the factors examined in this variable has been confirmed.

Measurement model of the ability and creativity of sales staff: Figure 9 and 10 show the ability and creativity dimension model of sales staff in standard and signifcant modes. As Fig. 9 and 10 show the membership of all the factors examined in this variable has been confirmed.

Normal distribution of variables: Before examining the relationships between variables, it is necessary to examine the normality of variables. One way to verify the claims of normal distribution of variable is using the Kolmogorov-Smirnov test. The results of these tests are presented in the Table 3.

Table 3: Normal distributeion of variables

Factors	Kolmogorov-Smirnov	Sig.
Creating value for customers	1.632	0.010
The performance of the market	2.202	0.000
Long-term strategies	1.969	0.001
The existence of effective relation between marketing and sales units	1.473	0.026
The use of direct sales staff	2.195	0.000
The ability and creativity of sales staff	1.104	0.175

- Do the designed variables have normal distribution?
- The null hypothesis: research variables have normal distribution
- First hypothesis: research variables do not have normal distribution
- Test distribution is normal

The results of this test indicate that the significant level of variables is <0.05 and it should also be pointed out that the SPSS Software, according to the
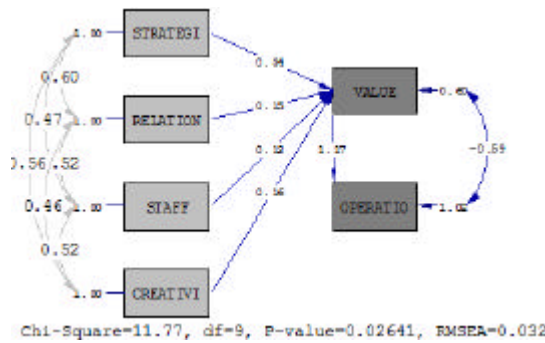
Fig. 11: Measurement of the overall model and hypotheses results in standard mode
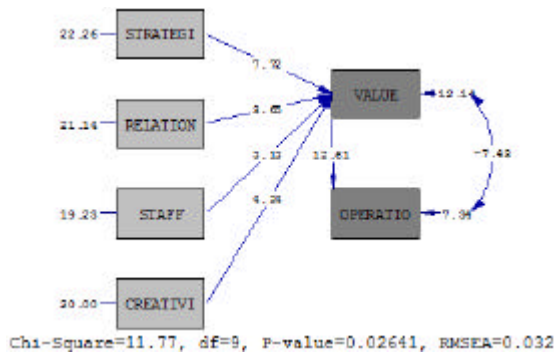

Fig. 12: Measurement of the overall model and hypotheses results in significant mode

central limit theorem, detected the results of this questionnaire to be normal; thus, the null hypothesis,the normality of variables, is confirmed.

Hypotheses testing using linear structured relations:
After determining the measurement models to assess conceptual model as well as ensuring the presence or absence of a causal relationship between variables and the fittnessof the observed data with conceptual models, research hypotheses were tested using structural equation modeling. The results of tests are reflected in Fig. 11, 12 and Table 4.

The results of statistical analysis: As it has been proved in the previous section, since our distribution was diagnosed normal (Kolmogorov-Smirnov test), using LISREL software, correlation between variables was tested. To explore the causal relationship between independent and dependent variables and confirming the total model, path analysis has been used. In this study, path analysis was performed using LISREL8.5 software. The results of the LISREL output show that the ratio of the chi-square to the degree offreedom is less than

Table 4: Fit indices of conceptual model

X^2/df	RMSEA	RMR	GFI	CFI	NNFI	IFI
1.30	0.032	0.022	0.91	0.97	0.95	096

three and confirm other fitness models. The following table summarizes the significant factor and hypotheses results.

In the first hypothesis of the research, it had been claimed that long-term strategies of companies have positive effect on creating value for the customers; statistical analysis between these two shows, according to the Table 5 ,there is a significant number between two variables (7.72) and because this value is greater than 1.96, hence, this hypothesis can be confirmed. On the other hand because the significant number obtained is positive, this effect is direct.

The second hypothesis claimed that the effective communication between marketing and sales departments in companies has positive effecton creating value for customers;statistical analysis between these two shows, according to the Table 5, there is a significant number between two variables (3.65) and because this value is greater than 1.96, hence, this hypothesis can be confirmed. On the other hand because the significant number obtained is positive, this effect is direct.

The third research hypothesis claimed that using direct sales staff in companiespositively affects on creating value for customers;statistical analysis between these two shows, according to the Table (4-5), there is a significant number between two variables (3.13) and because this value is greater than 1.96, hence, this hypothesis can be confirmed. On the other hand because the significant number obtained is positive, this effect is direct.

The fourth research hypothesis claimed that the ability and creativity of sales staff in the companies have positive impacts on creating value for customers; statistical analysis between these two shows, according to the Table (4-5), there is a significant number between two variables (4.24) and because this value is greater than 1.96, hence, this hypothesis can be confirmed. On the other hand because the significant number obtained is positive, this effect is direct.

Thefifth research hypothesis claimed that creating value for customers in the companies has positive influence on their performance in the market; statistical analysis between these two shows, according to the Table 5, there is a significant number between two variables (12.61) and because this value is greater than 1.96, hence, this hypothesis can be confirmed. On the other hand because the significant number obtained is positive, this effect is direct.

Table 5: Hypotheses results

Hypotheses	Standard	Sig.	Result
Long-term strategies of companies have positive effect on creating value for the customers	0.34	7.72	confirmed
The effective communication between marketing and sales departments in companies has positive effect on creating value for customers	0.15	3.65	confirmed
Using direct sales staff in companies positively affects on creating value for customers	0.12	3.13	confirmed
Ability and creativity of sales staff in the companies have positive impacts on creating value for customers	0.16	4.24	confirmed
Creating value for customers in the companies has positive influence on their performance in the market	1.17	12.61	confirmed

CONCLUSION

The results of the first hypothesis show that long-term corporate strategies have positive effect on creating value for customers. The findings of the first hypothesis can be argued that, firstly, in the research sample, long-term approach has been adequately taken into consideration and secondly, customer reaction to this approach has been favorable and have a positive assessment of it. The results of the second hypothesis showed that effective communication between marketing and sales departments in companies has a positive effect on creating value for customers. About the findings of the second hypothesis, it could be argued that, first of all, in the sample company, there is an appropriate interaction between marketing department and sales department; secondly, the coordination and interaction have potential benefits, which is directly in the interests of customers and attracting their satisfaction.

The third hypothesis test results showed that the use of direct sales staff in companies has a positive effect on creating value for customers. The third hypothesis research findings can be interpreted in a way that probably, in the sample company, dedicated sales staff and their top performance are important to customers and create a positive view in them so that the staff make efforts to understand and satisfy their needs. The fourth hypothesis test results showed that the ability and creativity of the sales staff in companies have a positive impact on creating value for customers. About the fourth hypothesis findings, it can be concluded that the creativity of the sales staff in sample companies is due to their continuing role in sales and probably have been able to act appropriately in this issue. The fifth hypothesis test results showed that creating value for customers in these companies has a positive effect on their performance in the market. The fifth hypothesis research findings can be argued in a way that the actions of companies in the sample have had favorable consequences according to customer needs and creative efforts to fix them.

SUGGESTIONS

- According to the findings of the investigation, managers and owners of profit units are recommended to identify strategies for creating value for the customers in the company and to try to improve them

- According to the findings of the investigation, managers and owners of profit units are recommended to decide on creating harmony between the sales and marketing units and know that this issue will potentially improve their efficiency
- According to the findings of the investigation, sales staff of companies are recommended to try for new and innovative ways of sales management in their sections and, so, help to improve the sales performance of the company

RECOMMENDATIONS

Future researchers are proposed to research in the following item: reviewing the relationship between modern marketing methods and tools and the market performance of companies. Reviewing customer reaction to sales staff changing in chain stores. Reviewing the impact of the coordination between sales and marketing sections of companies on the amount of sales in the company

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