



Improving marketing success: The role of tacit knowledge exchange between sales and marketing

Dennis B. Arnett^{a,b,*}, C. Michael Wittmann^{c,1}

^a Texas Tech University, Rawls College of Business, Lubbock, TX, USA

^b Buskerud University College, School of Business and Social Sciences, Hønefoss, Norway

^c The University of Southern Mississippi, College of Business Administration, 118 College Drive #5091, Hattiesburg, MS 39406, USA

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ABSTRACT

Successful organizations adapt their marketing strategies to marketplace changes. Boundary spanners, such as salespeople, because they are able to embed themselves in social networks outside the organization, play a key role in developing marketplace knowledge. However, if this knowledge remains solely with the boundary spanners, it cannot be used effectively to improve firm performance. This study investigates tacit knowledge exchange between sales and marketing and its ability to enhance marketing success (i.e., marketing program innovativeness, relative efficiency, and relative effectiveness). In addition, by examining five antecedents hypothesized to influence tacit knowledge exchange, it provides guidance to sales and marketing managers, who desire to improve tacit knowledge exchange, and, in turn, marketing success.

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1. Introduction

To be successful, firms must adapt their marketing strategies to environmental changes. However, though marketplace knowledge is important, it means little if it remains with an organization's boundary spanners. To be useful, knowledge must be disseminated throughout the organization (Kohli & Jaworski, 1990). Some knowledge (i.e., explicit knowledge) can be codified and, therefore, can be transferred using information technology systems (Speier & Venkatesh, 2002). However, other knowledge (i.e., tacit knowledge), because it cannot be written down, can only be transferred using a give-and-take process by which participants develop, over time, an understanding of the complexities involved in a situation (Inkpen & Dinur, 1998).

Tacit knowledge use enables firms to apply important knowledge in operational activities, which results in improved efficiency, value creation, and better financial performance (Teece, 1998; Tsai & Li, 2007). For example, when a salesperson learns more about the needs of a c-level executive in a major customer's organization, they can use it to better tailor the message, develop a stronger solution, and improve the chance of increasing revenue. Thus, tacit knowledge can be a source of competitive advantage and, therefore, it is important to understand

how tacit knowledge is exchanged (Kale, Singh, & Perlmutter, 2000). A key factor for successful tacit knowledge transfer is the development and use of social networks (Granovetter, 1985; Haldin-Herrgard, 2000).

Salespeople, because of their boundary spanning positions, are prime sources of both customer and competitor knowledge (Judson, Schoenbachler, Gordon, Ridnour, & Weilbaker, 2006; Speier & Venkatesh, 2002). They develop relationships with key customers that allow them to gather both explicit (e.g., knowledge of competitors' products and strategies) and tacit knowledge (e.g., how customers' strategies interact with their own organizations' strategies). However, as Mellow (1989, p. 26) emphasizes, "The challenge for management is getting all that competitive information out of the sales force's heads and back to headquarters, and then distilling it into a form that is, as they say in the intelligence business, 'actionable.'" The problem stems from a lack internal social networks in which knowledge can be transferred.

In this study, tacit knowledge exchange between two functional areas—sales and marketing—is examined. These areas are often organized as separate functions, which can lead them to "feud like Capulets and Montagues—with disastrous results" (Kotler, Rackham, & Krishnaswamy, 2006, p. 3). However, research suggests, when they share knowledge, substantial benefits accrue (Workman, Homburg, & Gruner, 1998). This study examines the influence that tacit knowledge exchange has on marketing success (i.e., marketing program innovativeness, relative efficiency, and relative effectiveness). First, tacit knowledge exchange is examined in the context of personal selling. Second, a model that highlights the role that tacit

* Corresponding author at: Texas Tech University, Rawls College of Business, Lubbock, TX, USA. Tel.: +1 806 742 2951; fax: +1 806 742 2199.

E-mail addresses: dennis.arnett@ttu.edu (D.B. Arnett), mike.wittmann@usm.edu (C.M. Wittmann).

¹ Tel.: +1 601 266 4969.

knowledge exchange plays in encouraging marketing success is developed (see Fig. 1). Third, the model is tested using data gathered from business-to-business sales professionals. Fourth, the implications of the results are discussed.

2. Personal selling, social networks, and tacit knowledge exchange

The nature of customer–salesperson relationships has changed dramatically over the last twenty years (Jones, Chonko, & Roberts, 2004). In general, customers expect salespeople to provide more value-added, tailored solutions to their problems than in the past (Cron, Marshall, Singh, Spiro, & Sujan, 2005). In response, many sales organizations are more customer-focused and adopt relationship marketing perspectives (Jones, Brown, Zoltners, & Weitz, 2005; Weitz & Bradford, 1999). As a result, their marketing strategies focus more resources on developing and maintaining long-term, partnering relationships with key customers (Homburg, Workman, & Jensen, 2002). An important factor for the success of sales organizations is the development of salespeople, who are capable of both gathering extensive knowledge of the marketplace and leveraging internal resources of their organizations (Bradford et al., 2010). How can salespeople gain access to these resources? Research suggests the key lies in the development of relational networks both within the salespeople's organizations and across their customers' organizations (Hutt & Walker, 2006; Walter, Lechner, & Kellermanns, 2007). Salespeople must develop an ability to embed themselves both within the broader social structure of their own organizations and within the social structure made up of their customers.

For many salespeople, external social networks are “business as usual.” That is, developing close relationships with customers is seen as a key strategy for increasing sales (Gonzales, Hoffman, & Ingram, 2005). However, the advantages of internal social networks may not be as obvious. This may be due, in part, to a lack of training programs dealing with relational issues internal to the organization (see, e.g., Cron et al., 2005). As a result, salespeople may never understand the need to develop internal social networks or may not have sufficient training in the skills necessary to develop and maintain such relationships. The resulting “structural holes” (i.e., missing network connections) represent lost opportunities to gather and share knowledge (Burt, 1995, 2001).

3. Tacit knowledge exchange and marketing success

The deeper understanding that results from having tacit knowledge is an important firm resource (Hunt, 2000; Walter et al., 2007). For example, it is a key factor in organizational learning (Hau & Evangelista, 2007), the development of innovations (Cavusgil, Calantone, & Zhao, 2003), and the establishment of long-term competitive advantages (Hooley, Greenley, Cadogan, & Fahy, 2005). However, not all organizational environments are conducive to transferring it across functional and structural boundaries (Lam, 2000). The exchange of tacit knowledge requires frequent, personal interactions between the people involved (Nonaka, 1994; Szulanski, 1996). Organizational mechanisms that encourage the transfer of tacit knowledge, include cross-functional teams (Eng, 2006), collaborative norms (Eng, 2006), and regularly scheduled cross-functional meetings (Eisenhardt & Santos, 2002).

Researchers have underlined the need for developing better communication flows between sales and various functional areas (Judson et al., 2006). However, many researchers emphasize that communication between sales and marketing provides unique opportunities to reap sizeable benefits (e.g., Kotler et al., 2006; Rouziès et al., 2005). Tacit knowledge exchange is an integral aspect of the dynamic process of knowledge generation. The ability to maintain a useful stock of tacit knowledge is a dynamic competence (Howells, 1996). Better exchange of such knowledge, between sales and marketing, should increase the likelihood of marketing success (i.e., increase marketing program innovation, relative efficiency, and relative effectiveness).

3.1. Marketing success

Marketing is a function and a set of processes that enables the organization to create, communicate, and deliver value to its customers (Hunt & Arnett, 2006). By enabling organizations to deliver more valuable offerings, it constitutes an organizational resource (Hunt, 2000). Furthermore, when developed fully, it becomes a competence (Day, 1990). Organizations that develop a marketing competence are able to sustain the coordinated deployment of assets in a way that helps them achieve their goals (Sanchez, Heene, & Thomas, 1996). Marketing success then, as Hunt and Arnett (2006, p. 822) argue,

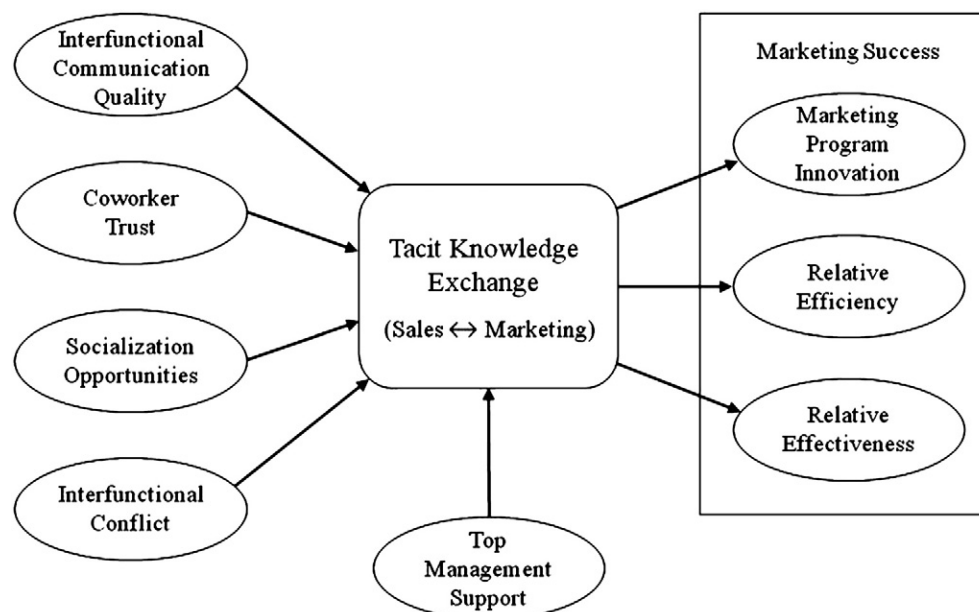


Fig. 1. Tacit knowledge exchange and marketing success.

“...occurs when a firm's competence in marketing constitutes an organizational resource (i.e., it contributes to enabling the organization to produce efficiently and/or effectively a market offering that has value for some market segment(s)).” Therefore, to increase the likelihood of marketing success, tacit knowledge exchange must influence positively the amount of value delivered to customers, and the overall efficiency and effectiveness of the firm (Sheth & Sisodia, 2002).

3.1.1. Marketing program innovation

One way to deliver more value to customers is to be innovative. Innovative marketing programs “deviate from conventional marketing practice in ways that are meaningful to customers” (Andrews & Smith, 1996, p. 175). The exchange of tacit knowledge between sales and marketing provides a catalyst for marketing innovation. It contributes to creativity by bringing together unique perspectives, mental models, and problem solving techniques (Levin & Cross, 2004). By sharing tacit knowledge, salespeople provide personnel in other functional areas a deeper understanding of the operating environment and the firm's customers (Andrews & Smith, 1996). This knowledge facilitates a marketplace orientation, which encourages firm innovation (Han, Kim, & Srivastava, 1998; Slater & Narver, 1995). The development of innovative marketing programs relies on a detailed understanding of customers. As Lee, Naylor, and Chen (2011, p. 395) maintain, “With the accumulation of customer knowledge, a more informed firm should be able to plan and carry out its marketing program to cater to unmet customer needs better than its rivals.” Therefore, it is posited:

H₁. Tacit knowledge exchange between sales and marketing is positively related to marketing program innovation.

3.1.2. Relative efficiency and relative effectiveness

Efficiency and effectiveness are important factors in marketing success. They enable organizations to occupy positions of competitive advantage (Hunt, 2000). A firm's marketplace position is determined by its level of efficiency and effectiveness (Wittmann, Hunt, & Arnett, 2009). Relative efficiency refers to the ability to use resources better than competitors; while relative effectiveness refers to an ability to deliver more value than competitors. Both these elements relate directly to marketing success. As Sheth and Sisodia (2002, p. 351) maintain, “The overall productivity of marketing is clearly related to both of these elements; it must develop a marketing mix appropriate to the segments it seeks to serve, and then efficiently execute the specific marketing actions necessary to achieve the desired marketing objectives.”

Tacit knowledge is often described as expert knowledge or “know how” (Brown & Duguid, 1998). It enables decision-makers to understand how to use explicit knowledge. As Haldin-Herrgard (2000, p. 359) maintains, “Tacit knowledge makes work go more smoothly, it increases the quality of the work and it often characterizes a master of his/her profession.” In general, tacit knowledge enables decision-makers to (1) develop better situational understanding, (2) master standard processes, which improves speed and productivity, and (3) recognize situations in which tacit knowledge can be applied, which results in more efficient/effective decision-making (Eraut, 2000).

Salespeople, when they share their tacit knowledge, provide others a deeper understanding of customers, which allows firms to improve operational activities resulting in increased efficiency and effectiveness (Haldin-Herrgard, 2000; Judson et al., 2006; Levin & Cross, 2004). In addition, tacit knowledge exchange infuses valuable information into the organizational memory, which can aid market offering development by increasing process efficiency and effectiveness (Tsai & Li, 2007).

Therefore, it is posited:

H₂. Tacit knowledge exchange between sales and marketing is positively related to relative efficiency.

H₃. Tacit knowledge exchange between sales and marketing is positively related to relative effectiveness.

3.2. Factors affecting tacit knowledge exchange

3.2.1. Interfunctional communication quality

Increased interfunctional communication improves organizational success by allowing goal adjustments, task coordination, and learning (Sividas & Dwyer, 2000). As Ahmed and Rafiq (2003, p. 1183) maintain, “Communication is an indispensable activity in the functioning of all processes, but it is critical in highly cross-functional ones.” Learning cannot take place without communication (Lei, Slocum, & Pitts, 1999). It is a human activity that links people together and facilitates social connections (Blazevic & Lievens, 2004). To be effective, the subject being communicated must be perceived as being of high quality (i.e., accurate, adequate, and complete) (Johlke & Duhan, 2001).

Communication quality enhances tacit knowledge exchange in three ways. First, it serves as a signal for the nature of the relationship. When cross-functional communication is perceived to be of high quality, each partner tends to believe that the other respects and values the relationship (Cavusgil et al., 2003). Second, quality communication encourages the formation of the social ties necessary for future tacit knowledge exchange (Lin, 2007). Third, research suggests that knowledge is more likely to be transferred, when it is perceived to be useful and reliable (Szulanski, 1996). Therefore, it is posited:

H₄. Interfunctional communication quality is positively related to tacit knowledge exchange between sales and marketing.

3.2.2. Coworker trust

Trust is an important factor in the building of social relationships (Gundlach, Achrol, & Mentzer, 1995; Hunt, Arnett, & Madhavaram, 2006). Trust exists when one party has confidence in another's reliability and integrity (Morgan & Hunt, 1994). It acts as a lubricant in relationships that facilitates knowledge exchange (Arrow, 1974). It is important in all types of social exchange, including interorganizational and intraorganizational relationships (Massey & Dawes, 2007). In addition, it plays a central role in knowledge sharing processes (Hall & Andriani, 2003) and influences both the extent and the efficiency of knowledge exchange (Dhanaraj, Lyles, Steensma, & Tihanyi, 2004). As Lin (2007, p. 415) maintains, “Given that sharing tacit knowledge is a form of sharing power with others, it takes trust for individuals to share tacit knowledge with their coworkers, because trust may reduce perceived uncertainty, facilitate risk-taking behaviors, and foster a constructive orientation (Morgan & Hunt, 1994) that consequently enhances their willingness to share tacit knowledge with their coworkers.” Therefore, it is posited:

H₅. Coworker trust is positively related to tacit knowledge exchange between sales and marketing.

3.2.3. Socialization opportunities

Socialization has been examined in a number of areas, including the socialization of new employees to an organization (e.g., Kim, Cable, & Kim, 2005), the use of socialization to improve strategic partnerships (e.g., Gupta & Govindarajan, 2000), and the use of socialization as a way to align organizational goals and values (Sparks & Hunt, 1998). In this study, socialization opportunities refer to those organizational mechanisms that build interpersonal familiarity, personal affinity, and convergence in cognitive maps among personnel from different functional areas (Gupta & Govindarajan, 2000). Socialization mechanisms range from informal gatherings, such as company picnics and holiday parties, to formal opportunities, such as multifunctional training programs and cross-functional teams (Maltz & Kohli, 2000). These situations provide opportunities for the formation of social ties (Gupta & Govindarajan, 2000; Stephen & Coote, 2007). Without these ties, tacit knowledge exchange cannot take place (Lam, 2000). As Eraut (2000, p. 122) emphasizes, “Knowledge of contexts and organizations is often acquired through a process of socialization through observation, induction and increasing participation rather than formal inquiry.”

When people have the opportunity to form social connections, barriers among them decrease, which encourages the sharing of tacit knowledge (Lin, 2007). Therefore, it is posited:

H₆. Socialization opportunities is positively related to tacit knowledge exchange between sales and marketing.

3.2.4. Interfunctional conflict

Although the division of organizations into functional areas (e.g., sales and marketing) supplies a platform for increased efficiency and effectiveness, it often provides an environment that fosters conflict. Conflict arises when people's perceptions are dissimilar in reference to goals, ideologies, perspectives, and/or priorities (Chimhanzi & Morgan, 2005; Maltz & Kohli, 2000). As Menon, Bharadwaj, and Howell (1996) emphasize, conflict can be dysfunctional for the organization, when it leads to unhealthy behaviors, such as the distortion and withholding of information, open hostility and distrust during interactions, and the creation of obstacles that impede decision-making processes. Organizational conflict is often felt by those involved in interactions between functional areas on an emotional level (e.g., they may have feelings of frustration, tension, and anxiousness) (Pondy, 1967). It often feeds upon itself. As Anderson and Weitz (1992, p. 28) suggest,

It appears difficult to recover from a negative history, as each side doubts the other's commitment—and that doubt in turn influences each side's own commitment to the relationship. In sum, conflict seems to pay lasting negative dividends.

Though Anderson and Weitz (1992) examine conflict in distribution channels, the nature of interfunctional relationships often mirrors those of intraorganizational relationships (Rodríguez, Pérez, & Gutiérrez, 2007). Interfunctional conflict is the degree to which the relationship between the functional areas is characterized by tension and negative feelings. This type of conflict weakens relationships, which, in turn, reduces open communication and knowledge sharing (Auh & Menguc, 2006). Therefore, it is posited:

H₇. Interfunctional conflict is negatively related to tacit knowledge exchange between sales and marketing.

3.2.5. Top management support

The strategic initiatives of an organization are guided by top management (Wittmann et al., 2009). Top management, through its leadership and resource allocations, signals to others in the organization the importance of knowledge sharing activities (Eisenhardt & Galunic, 2000). Managers serve as change agents by promoting actions that enhance knowledge exchange. Without top management support, learning will not take place (Senge, 1990). Through its efforts, management creates internal environments favorable to knowledge exchange (Lei et al., 1999). By supporting knowledge exchange efforts, it motivates employees to practice such behaviors (Blazevic & Lievens, 2004). When management

provides a clear vision emphasizing the value of knowledge sharing, knowledge exchange is increased (Nonaka, 1991). Therefore, it is posited:

H₈. Top management support is positively related to tacit knowledge exchange between sales and marketing.

3.3. Method

3.3.1. Sample

The sample consists of business-to-business salespeople. Respondents were recruited from a commercial panel and were guaranteed anonymity. Panel members included both business-to-business and business-to-consumer salespeople. However, only business-to-business salespeople were allowed to participate in the online survey. Two hundred fifty-one (251) salespeople visited the survey site, 9 left without answering the survey and 242 people filled-out the survey. However, 42 of the surveys were not filled out sufficiently and were subsequently dropped from the analysis, which left a final sample size of 200.

Thirty-eight percent (38%) of the respondents are between the ages of 46 and 55 (38%). Twenty-eight percent of the respondents are over the age of 55, 21% are between the ages of 36 and 45, 12% are between the ages of 26 and 35, and 2% are under 25 years of age. Respondents average 10.5 years with their current employer (range = 1 to 42 years). The sample consists of more female salespeople (54%) than male salespeople (46%). The majority of respondents (53%) work at companies with less than 100 employees, while ~30% of the respondents work in companies with over 500 employees.

3.3.2. Measures

The study uses multi-item scales to measure nine reflective constructs. Each item is measured using a seven-point scale. All scales have been used in prior research (see Appendix A). Each scale consists of three items.

3.4. Results

3.4.1. Analysis

The data were analyzed using the two-stage approach recommended by Anderson and Gerbing (1988). First, the measurement properties of the constructs were examined using confirmatory factor analysis. The internal reliabilities, convergent validity, and discriminant validity were examined. The means, standard deviations, and intercorrelations of the constructs are shown in Table 1. Second, the hypotheses represented by Fig. 1 were tested, using structural equation modeling.

3.4.2. Measurement model

All internal consistency measures are $\geq .84$, which is above the .70 level recommended by Nunnally (1978) to indicate that a scale demonstrates internal reliability. The measurement model includes 27 items across nine constructs (see Table 2). The fit indices for the model are as

Table 1
Means, standard deviations, and correlations.

	Mean	SD	1	2	3	4	5	6	7	8	9
1. Interfunctional communication quality	4.59	1.54	1.00								
2. Coworker trust	5.17	1.52	0.66	1.00							
3. Socialization opportunities	4.22	1.79	0.70	0.47	1.00						
4. Interfunctional conflict	3.20	1.59	-0.23	-0.37	-0.13	1.00					
5. Tacit knowledge exchange	4.66	1.49	0.69	0.70	0.66	-0.17	1.00				
6. Top management Support	5.07	1.56	0.58	0.65	0.54	-0.23	0.71	1.00			
7. Marketing program innovation	3.77	1.50	0.42	0.36	0.41	-0.19	0.43	0.44	1.00		
8. Relative efficiency	4.62	1.40	0.43	0.39	0.46	-0.09	0.37	0.49	0.63	1.00	
9. Relative effectiveness	5.08	1.49	0.42	0.48	0.36	-0.20	0.43	0.47	0.47	0.78	1.00

All correlations in bold are significant at the $p < .01$ level.

follows: $\chi^2_{(288)} = 426.09$ ($p < 0.00$); root mean square error of approximation (RMSEA) = 0.049; and the comparative fit index (CFI) = 0.99.

3.4.3. Structural model

The hypothesized model in Fig. 1 is tested using covariance structure analysis. The fit indices suggest that the model fits the data ($\chi^2_{(303)} = 466.17$, $p = 0.00$; RMSEA = 0.052; CFI = 0.99) (see Table 3). In regard to marketing success, the model explains 20% of the variance in marketing program innovation, 16% of the variance in relative efficiency, and 21% of the variance in relative effectiveness. Tacit knowledge exchange is related significantly to marketing program innovativeness, relative efficiency, and relative effectiveness ($\beta = .45$, $p < .01$; $\beta = .40$, $p < .01$; and $\beta = .46$, $p < .01$, respectively). Thus, H₁, H₂, and H₃ are supported. The model explains 71% of the variance in tacit knowledge exchange. Three of the four hypotheses involving tacit knowledge exchange are supported. Specifically, interfunctional communication, coworker trust, and socialization opportunities are related significantly to tacit knowledge exchange ($\gamma = .14$, $p < .05$; $\gamma = .31$, $p < .01$; $\gamma = .26$, $p < .01$, respectively). Thus, H₄, H₅, and H₆ are supported. However, interfunctional conflict is not related significantly to tacit knowledge exchange. Thus, H₇ is not supported. Finally, top management support is related significantly to tacit knowledge exchange ($\gamma = .32$, $p < .01$). Thus, H₈ is

Table 2
Properties of the measurement model.

Constructs/indicators	Standardized loading	Reliability	Estimated variance extracted
Interfunctional comm. quality		0.96	0.88
ICQ1	0.91		
ICQ2	0.95		
ICQ3	0.95		
Coworker trust		0.97	0.92
CT1	0.98		
CT2	0.98		
CT3	0.92		
Socialization opportunities		0.90	0.75
SE1	0.73		
SE2	0.89		
SE3	0.96		
Interfunctional conflict		0.93	0.81
IC1	0.99		
IC2	0.91		
IC3	0.79		
Tacit knowledge exchange		0.94	0.83
KT1	0.91		
KT2	0.92		
KT3	0.90		
Top management support		0.94	0.85
TMS1	0.94		
TMS2	0.93		
TMS3	0.89		
Marketing program innovation		0.84	0.65
MPI1	0.81		
MPI2	0.74		
MPI3	0.86		
Relative efficiency		0.92	0.81
ME1	0.92		
ME2	0.98		
ME3	0.78		
Relative effectiveness		0.95	0.86
MEF1	0.93		
MEF2	0.95		
MEF3	0.90		

Model fit ($\chi^2 = 426.09$ ($p = 0.00$), $df = 288$; RMSEA = 0.049; CFI = 0.99).

All loadings are significant at the $p < 0.01$ level.

To test for common method bias, a single method factor with its loadings constrained to be equal, was allowed to directly influence all endogenous constructs. An examination of the structural paths reveals that there were no substantive changes (average change = 0.04, minimum change is 0.00, maximum change is 0.09).

Table 3
Results.

Construct/structural path	Path coefficient (t-value)	R ²
Marketing program innovation		0.20
Tacit knowledge exchange → marketing program innovation	0.45 ^a	
Relative efficiency		0.16
Tacit knowledge exchange → relative efficiency	0.40 ^a	
Relative effectiveness		0.21
Tacit knowledge exchange → relative effectiveness	0.46 ^a	
Tacit knowledge exchange		0.71
Interfunctional comm. quality → tacit knowledge exchange	0.14 ^b	
Coworker trust → tacit knowledge exchange	0.31 ^a	
Socialization opportunities → tacit knowledge exchange	0.26 ^a	
Interfunctional conflict → tacit knowledge exchange	Not significant	
Top management support → tacit knowledge exchange	0.32 ^a	

Model fit ($\chi^2 = 466.17$ ($p = 0.00$), $df = 303$; RMSEA = 0.052. CFI = 0.99).

Note: The disturbance terms for marketing program innovation, marketing efficiency, and marketing effectiveness were allowed to correlate to account for factors not included in the model.

^a Significant at the $p < 0.01$ level.

^b Significant at the $p < 0.05$ level.

supported. In general, the results suggest that the overall structure of the proposed model fits the data.

4. Contributions and implications

4.1. Theoretical contributions

Organizations that are able to better understand and, in turn, adapt to marketplace changes are more successful. The underlying premise is that knowledge (e.g., knowledge of economies, competitors, and customers) is an important resource that enables organizations to develop competitive advantages over rivals. However, to be useful, knowledge must not only be gleaned from the environment, it must also be made available to decision-makers throughout the organization. An important source of knowledge for organizations is the boundary spanner (e.g., salespeople). Boundary spanners create external social networks that span multiple organizations and have the potential to become conduits for information exchange within the organization. This study develops and tests a model of tacit knowledge exchange between sales and marketing. The model furthers our understanding of how tacit knowledge exchange influences marketing success. Specifically, this study (1) explains the role of tacit knowledge exchange in the context of sales and marketing, (2) examines factors that facilitate tacit knowledge exchange, and (3) tests the relationships between tacit knowledge exchange and marketing success (marketing program innovativeness, relative efficiency, and relative effectiveness).

The results suggest that certain factors facilitate tacit knowledge exchange. First, when communication between sales and marketing is perceived to be higher in quality (i.e., more accurate, adequate, and complete), tacit knowledge exchange tends to be higher. This is consistent with research that maintains that quality communication enhances tacit knowledge exchange because it signals that the relationship between sales and marketing is valued, improves social ties between the functional areas, and is more highly valued and, therefore, is received more readily (Blazevic & Lievens, 2004; Cavusgil et al., 2003; Lin, 2007; Szulanski, 1996). Second, when coworker trust is higher, tacit knowledge exchange tends to be higher. The nature of tacit knowledge requires it to be transferred using frequent, personal interactions. Sharing one's tacit knowledge with others involves risk (i.e., the person is giving up something of value that only

he/she may possess). As a result, trust is important. The result supports prior research that maintains that relationships characterized as having high levels of trust are more conducive to tacit knowledge transfer (e.g., Levin & Cross, 2004; Lin, 2007).

Third, when salespeople have more opportunities to interact with people in marketing (socialization opportunities are higher) tacit knowledge exchange tends to be higher. The result is consistent with research that suggests that social ties are necessary for tacit knowledge exchange (e.g., Eraut, 2000; Lam, 2000). When employees are provided opportunities to meet and interact (e.g., in training sessions, in meetings, or during normal daily interactions), social ties are more likely to form. These ties, in turn, provide a foundation by which tacit knowledge can be more easily exchanged (Lin, 2007). Fourth, when salespeople perceive that top management supports knowledge sharing in the organization, tacit knowledge exchange tends to be higher. This result emphasizes the role that top management plays in organizations.

One factor in the study does not have a significant relationship to tacit knowledge exchange—interfunctional conflict. Although, as evidenced by its high standard deviation, the level of perceived conflict varies widely across the sample, no relationship is found between it and tacit knowledge exchange (see Table 1). This study focused specifically on negative conflict (i.e., conflict characterized by tension and negative feelings). However, given the lower mean (3.20), the result may suggest that this type of conflict may not be prevalent between sales and marketing. Perhaps, the types of conflict between sales and marketing are less visceral. For example, Bradford and Weitz (2009) examine task conflict (i.e., incompatibilities/disagreements in how business is conducted) in buyer–seller relationships and find a positive relationship between it and relationship quality. Their conceptualization is more in line with what Morgan and Hunt (1994) refer to as functional conflict, that is, conflict that can be resolved amicably. Therefore, though people in sales and marketing may describe their relationships as having conflict, it is not necessarily the destructive kind.

4.2. Managerial implications

The results provide support for the importance of sharing tacit knowledge between sales and marketing. The value for both sales management and marketing management is clear. The sharing of tacit knowledge influences marketing success. The tacit knowledge shared by salespeople brings a deeper understanding of the marketplace and the customer to the decision-makers in marketing, which allows them to make better informed decisions. In general, the results suggest that tacit knowledge exchange improves marketing program innovativeness, efficiency, and effectiveness.

What should sales and marketing managers do to promote tacit knowledge exchange? Management must build a culture in which co-workers are trusted, quality interfunctional communication is the norm, social networks between sales and marketing are common, and tacit knowledge exchange between sales and marketing is valued. Two mechanisms are suggested. First, managers should increase the opportunities that sales and marketing personnel have to develop social connections (i.e., increase socialization opportunities). To do this, managers can employ a variety of strategies, including the implementation of training programs that bring together people from different functional areas (Dawes & Massey, 2005) and the development of cross-functional selling teams (Arnett & Badrinarayanan, 2005; Arnett, Macy, & Wilcox, 2005). Second, managers, especially top level managers, must provide support for the development and maintenance of such a culture. For example, they must allocate adequate resources to programs designed to encourage tacit knowledge exchange (e.g., funding training and changes in organizational structures) and provide a clear message that tacit knowledge exchange is an important part of being a member of the organization.

4.3. Limitations and future research

Though the results provide new insights into the exchange of knowledge between sales and marketing organizations, the cross-sectional nature of the study provides limited inferences regarding causality. Therefore, additional testing of the theory is warranted. The natures of the theories investigated in this study suggest that they would generalize to business-to-consumer organizations. Therefore, investigations using data from business-to-consumer organizations are encouraged. Self-report measures are also used in the study. While this approach is common, it is not without concerns for same-source bias. While we do not find same-source bias to be an issue in this study, paired responses from both marketing and sales professionals would be advantageous.

Salespeople are viewed as important sources for both customer and competitive intelligence (Rapp, Agnihotri, & Baker, 2011). However, a concern with self-reported measures is the accuracy in which salespeople are able to assess measures of marketing success. Thus, a limitation of this study is that it does not use objective measures of marketing success. However, because the results do suggest that tacit knowledge exchange influences, at a minimum, the perception of marketing success, further research is warranted. For example, researchers could use customer responses to gauge marketing program innovation and effectiveness along with data from salespeople.

Tacit knowledge is useful throughout the organization (Eisenhardt & Santos, 2002). Therefore, models similar to the one investigated here could be used to examine tacit knowledge exchange among various functional areas. Another opportunity would be to explore how salespeople develop social networks (see Bradford et al., 2010 for some ideas). Research in this area would be invaluable to organizations wishing to disseminate marketplace knowledge among their employees.

Given the lack of relationship found between interfunctional conflict and tacit knowledge exchange, future research could examine other types of conflict (e.g., task conflict) to investigate whether they affect tacit knowledge exchange (see Medina, Munduate, Dorado, Martínez, & Guerra, 2005). Therefore, future research could examine additional variables. However, an alternative explanation for this finding is that there exists a social desirability bias (i.e., salespeople are unlikely to report conflict). To address this issue future research should evaluate how susceptible respondents are to such a bias (see Fischer & Fick, 1993). One additional limitation is that each of the constructs in the measurement model is just identified (i.e., have only three items). Therefore, the constructs are limited in terms of scope. Future research should use scales with more items.

5. Conclusion

Research suggests the importance of adapting marketing strategies to marketplace changes. One key component in this process is the salesperson. Because they are able to embed themselves both within external networks made up of customers and internal networks made up of employees from other functional areas, they become an important source of knowledge for their organizations. The concept that knowledge is a resource that should be shared is intuitive. However, the processes, factors, and issues involved in sharing knowledge, especially tacit knowledge, are complex. This study explores just a few of the many factors involved. There is still much to be understood.

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Appendix A. Measurement scales

Interfunctional Communication Quality (Frone & Major, 1988) (1 = strongly disagree to 7 = strongly agree)

- ICQ1 Communication that I have with marketing is accurate.
 ICQ2 Communication that I have with marketing is adequate.
 ICQ3 Communication that I have with marketing is complete.

Coworker Trust (Morgan & Hunt, 1994) (1 = strongly disagree to 7 = strongly agree)

- In our firm, employees in marketing:
 CT1 can be counted on to do what is right.
 CT2 have high integrity.
 CT3 are trustworthy.

Socialization Opportunities (adapted from Gupta & Govindarajan, 2000)

(1 = strongly disagree to 7 = strongly agree)

- SE1 Our development and/or training programs often include people from marketing.
 SE2 Members of marketing are easily accessible to people in sales.
 SE3 We are given ample opportunities to get to know people from the marketing.

Interfunctional Conflict (Morgan & Piercy, 1998) (1 = strongly disagree to 7 = strongly agree)

- IC1 Tensions frequently run high when members from sales and marketing work together.
 IC2 People from sales and marketing dislike having to work together.
 IC3 There is often tension over the specific terms of the working relationships between sales and marketing.

Tacit Knowledge Exchange (adapted from Eng, 2006) (1 = strongly disagree to 7 = strongly agree)

- TK1 Employees in sales and marketing teach each other the knowledge that they have learned.
 TK2 Employees in sales and marketing are willing to pass on the knowledge they have learned.
 TK3 Sales and marketing share lessons learned from unsuccessful organizational endeavors.

Top management Support (adapted from Lambe, Spekman, & Hunt, 2002) (1 = strongly disagree to 7 = strongly agree)

- TMS1 Senior managers in our firm believe that the sharing of knowledge among employees plays a role in the future success of our firm.
 TMS2 It is clear that senior managers in our firm want employees to share their knowledge.
 TMS3 I feel that knowledge sharing is strongly supported by senior managers in our firm.

Marketing Program Innovation (Andrews & Smith, 1996) (7-point semantic differential)

Compared to our competitors, our marketing programs are:

- MPI1 exciting/dull
 MPI2 average/revolutionary
 MPI3 an industry model/nothing special

Relative Efficiency (Spralls, Hunt, & Wilcox, 2011) (1 = strongly disagree to 7 = strongly agree)

Our firm, compared to our competitors:

- ME1 makes better use of resources.
 ME2 is more efficient.
 ME3 gets more output with less input.

Relative Effectiveness (Spralls et al., 2011) (1 = strongly disagree to 7 = strongly agree)

Our firm, compared to our competitors:

- MEF1 creates more customer value.
 MEF2 better understands customer needs.
 MEF3 is more responsive to customer needs.

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