Sales and Marketing: From the Top

Author Details: Moiz A. Siddiqui
Faculty of Science, Angels International College, Faisalabad, Pakistan

Abstract: Sales and marketing are two critical components of any organization involved in business, without them, the very existence of an organization is not conceivable. Despite of their significance, the precise differences between the two always remain under a cloud of confusion. Therefore, this article presents a detailed account on the differences between sales and marketing. The differences are described in a three step manner: 1) From a historical perspective 2) By definitions available in the literature and 3) Functionality of both the components in an organizational setting. It is also indicated that both the components should have a certain amount of independency from one another with regards to daily operations however, at the same time, sales and marketing must be completely integrated for planning and development of strategy. Finally, also mentioned are the differences which impart a positive impact on the organization and those, which can be deleterious to the organization.

Keywords: marketing, sales, differences

1. Introduction

A quick search through any search engine regarding the topic at hand brings up a plethora of articles from all across the web exploring the subject with varying details. However, there are a couple of things common among all of these articles: firstly, they quickly jump towards the possible functions of sales and marketing without putting much effort to establish formal definitions, specially of sales, secondly, all these articles try to explain sales and marketing directly in the context and complexities of modern era without shedding any light on the equally important historical perspective. Hence, in order to truly appreciate the distinction between sales and marketing, we need to take a closer look at origins and gradual evolution of both the terms in businesses, and the types and trends of markets throughout the modern history. First introduced by Keith (1960), the evolution of marketing has now been characterized by 6 eras (Marketing: Historical Perspective 2007). Figure 1 illustrates the time-line of these eras. For the purpose of this article, three eras will be discussed below.

![Figure 1. Different Eras of Marketing](http://dstevenwhite.com/2010/06/18/the-evolution-of-marketing/)

1.1. Production Era:

The dawn of industrial revolution and advances in the factory systems made mass production possible hence, the time from the American Civil War till the early 20th century is designated as ‘Production Era’ by most texts (Perreault, Cannon and McCarthy 2012, p: 14; Churchill and Peter 1995, p:21; Griffin and Ebert...
In the production era, profits were made by cost-efficient production and businesses operated in the so-called “seller’s market” in which the demand outnumbered the supply and companies faced little or no competition. Customer preferences were given little attention as is highlighted by the classical example of Henry Ford saying, “Any customer can have a car painted any colour that he wants so long as it is black.” (Ford 1923). Hence, the products were mostly assumed to sell themselves.

1.2. Sales Era:

As production abilities and manufacturing capacities of the companies continued to grow, more and more companies started mass production and competitions arose. Businesses then, operated in the so-called ‘buyer’s market’ where supply of the products began to outnumber the demand. Churchill and Peter (1995) also note the economic conditions of the time i.e. The Great Depression followed by World War II (p:21). Hence, spending was considerably limited. Business owners needed a way to overcome this challenge; apparently, the products weren’t ‘selling themselves’ anymore. Therefore, in order to move the stocks out of the factories and increase sales, salespeople were hired whose primary task was to convince and persuade the customers into buying the company’s products ushering the businesses into the ‘Sales Era’. Even though customers were pitched and persuaded into buying the products, yet little was thought of about ‘customer needs’ as the major focus of companies was to keep the products moving and cash flowing. The Sales Era prevailed till about 1950’s (Marketing: Historical Perspective 2007; Griffin and Ebert 2002, p:36; Perreault, Cannon and McCarthy 2012, p: 15).

1.3. Marketing Era:

Post WWII economic strengthening meant increased buying power of the potential customers and also more competition in the markets. Many firms had developed R&D (Research and Development) departments to not just increase quality of their existing products but to establish new product lines. In the wake of the growing competition there came a need for producing more ‘desirable’ products and thus, for the first time customer needs and preferences were taken into account for developing new products and hence, new markets. Tools of promotion and advertising had also improved and customers were now more aware of their needs and had more options to choose from, thus, the simple and straightforward philosophies of Production and Sales era were simply not applicable anymore and companies had realized that, in order to stay in the business, they had to pay attention to customer needs and wants (Boone and Kurtz 2012, p:10). This revolution led to the development of separate marketing departments charged with performing market research and assessing customer behavior which eventually led to the establishment of marketing oriented companies which took customer preference into account even before the development of a new product. Therefore, the businesses henceforth entered the ‘Marketing Era’. The ideas and trends developed since the beginning of the Marketing Era, primarily emphasizing on creating value for customers through products and services, are still the mainstay behind the successes of many corporate giants in the new-age business world. And the core principles of the Marketing Era still prevail along with newer ideas of marketing (Marketing: Historical Perspective 2007; Churchill and Peter 1995, p:21).

In a nutshell, it can be stated that, in the context of historical perspective, sales is an older concept than marketing in general and a critical step towards the evolution of the concept of marketing itself. And in the context of Marketing Era, where marketing involves several pivotal tasks such as planning, positioning, promoting and distribution of products, ‘sales’ then, when implied to ‘selling’, becomes a major component of the ‘promotional mix’ (Johnson 1987), which itself now, is considered an important part of the larger ‘marketing mix’ introduced by Neil H. Borden (Borden 1984). Therein, sales is the single most important function of marketing which ensures physical exchange of values between companies and customers. Hence, since the beginning of the Marketing Era, as Boone and Kurtz (2012) state, “selling and marketing were no longer synonymous” (p:10).

2. Definitions:
Since the origins of the distinction between both the terms has been conspicuously outlined in the context of historical background, we now take a look into the various definitions, available in the literature, of marketing and sales in order to perform a more precise cross-sectional comparison.

2.1. Marketing:

Marketing is a dynamic field with an ever changing prospective, with context to time and trends in businesses as well as consumer behaviors. Advancement in technologies also plays a role and therefore it is hard to formulate a single one-fits-all definition. Every person may have a different concept and perceive a different definition of marketing, a notion expressed by Boone and Kurtz (2012) in their leading textbook “Contemporary Marketing” (p:6). Hence, the American Marketing Association, which is an officially recognized authority on the subject of marketing in America, outlines the current formal definition in the following way, as appears on their official website:

Marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large

(American Marketing Association 2013)

Table 1 summarizes the different definitions of marketing adapted by the American Marketing Association throughout the time since its conception.

<table>
<thead>
<tr>
<th>1935</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>Performance of business activities which direct the flow of goods from producers to consumers</td>
<td>Marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large</td>
</tr>
</tbody>
</table>

2004

Marketing is an organizational function and a set of processes for creating, communicating, and delivering value to customers and for managing customer relationships in ways that benefit the organization and its stakeholders

Table 1. Timeline of AMA’s different definitions of Marketing

American Marketing Association (2008)


It is particularly interesting to note that the first definition (1935) which coincides with the Sales Era of business, only actually defines the unidirectional sales process of the time in stating marketing as:

Performance of business activities which direct the flow of goods from producers to consumers
This clearly indicates that marketing mind-set of the time did not concern itself with creating values for the customers while a look at scope of the latest definition distinctly represents the breadth and evolution of the subject over the decades.

Apart from the AMA, several other authorities have also contributed to the process of formulating a definition of marketing which, indeed, are equally important as they approach the subject with a slightly different perspective. Kotler and Keller (2006) present a new idea, distinguishing between the managerial and societal roles of marketing and hence, add a societal dimension to the definition of marketing. Described as follows:

*Marketing is a societal process by which individual and groups obtain what they need and want through creating, offering and freely exchanging products and services of value to others*

(Kotler and Keller 2006, p:6)

Yet another definition of marketing prevails in perhaps one of the most renowned textbooks on the subject ‘Principles of Marketing’ stating:

*Marketing is the process by which companies create value for customers and build strong customer relationships in order to capture value from customers in return.*

(Kotler and Armstrong 2005, p:5)

A more business oriented approach to marketing strictly concerning buyers and sellers defines:

*The systematic planning, implementation and control of a mix of business activities intended to bring together buyers and sellers for the mutually advantageous exchange or transfer of products.*

(Marketing Dictionary 2013)

While the above mentioned definitions try to encompass every aspect of marketing in a detailed manner, certain shorter, more simplified definitions have also been proposed. In order to comprehend the core of marketing in the most simplified and brief manner, Kotler and Armstrong (2005) stated:

*Marketing is, managing profitable customer relationships*

(Kotler and Armstrong 2005, p:2)

While Kotler and Keller (2006) go even further in simplification by simply declaring marketing as:

*Meeting needs profitably*

(Kotler and Keller 2006, p:5)

### 2.2. Sales:

Sales, in the context of selling, is undoubtedly the oldest method of business (Peterson and Wotruba 1996). Being the only form of commercial exchange since the dawn of civilization, it still plays a crucial role in the businesses of today. However, there is still a lack of a consensus regarding a central definition of sales acceptable to all parties involved in the process of selling. It was also surprising to notice the complete absence of a precise definition of sales in several of the textbooks consulted for this article. Moreover, Peterson and Wotruba (1996) go further to criticize the ignorance of marketing literature on the understanding of sales, stating the marketing’s definitions of selling as “ambiguous, contradictory or simply inaccurate”. They presented a collection of such definitions present in the literature regarding selling (shown in Table 2) while slightly favoring the FEDSA’s definition yet citing it to be “not clearly enunciated”.

http://www.ijmsbr.com
Table 2. Different Definitions of Direct or Personal Selling

(Peterson and Wotruba 1996)

While other sources give the following definitions for sales:

*The act of selling; exchange of property of any kind, or of services for an agreed sum of money or other valuable consideration*

(Webster’s New World, p:1183)

Another definition is as follows:

*Contract involving transfer of the possession and ownership (title) of a good or property, or the entitlement to a service, in exchange for money or value*

(Business Dictionary 2013)

A definition of sales presented in Tanner and Raymond’s “Principles of Marketing: How Marketing Gets Done” claimed sales to be:

*Interactive, personal, paid promotional approach between buyer and seller*
This definition came under heavy criticism by the Sales Education Academy (SEA) for its oversimplification and lack of representation of the actual multi-step process of selling (Dixon and Tanner 2012).

Finally, Dixon and Tanner (2012) presented a fairly acceptable definition of sales, highlighting most of its functions and broadening its scope:

_Sales is the phenomenon of human-driven interaction between and within individuals/organizations in order to bring about economic exchange within a value-creation context_  

(Dixon and Tanner 2012)

3. **Functionality:**

In light of the definitions stated above, we now take a look at the differences between sales and marketing, and their practical implication, as a component of organizational function.

Not just students of marketing, organizations, including ‘Fortune 500’ even, often fail to draw the line between sales and marketing and confuse both the functions. Growing sales does not necessarily mean effective marketing (Kotler 1977).

The specific components of the organizational functions where sales and marketing differ in their respective approach are outlined below:

3.1. **Product vs. Customer:**

Marketing people, as brand/product managers are generally concerned with the planning and development of a specific product for the company with little-or-no regards for other products being sold by the same company. While on the contrary, sales people focus on a customer, or a group thereof, promoting most-if not all, of the products/services of the company to that customer (Rouzies et al., 2005).

3.2. **Product Bonus vs. Sales Bonus:**

Relating to the above parameter, bonuses and incentives for sales and marketers also differ. Sales people get rewarded for a total volume of sales (or sales target) in their areas or territories while product managers get rewarded for sales of a specific product developed by them (Rouzies et al., 2005).

3.3. **Analytical Approach vs. Personal Relationship:**

Sales people thrive on their ability to harbor healthy, business relationships with individual customers, making their job more people-oriented. On the other hand, marketers relate to customers through figures and numbers of market research, making their job more analysis-oriented (Rouzies et al., 2005; Kotler 1977).

3.4. **Continuous Activity vs. Sporadic Tasks:**

Sales people have a continuous nature of work constantly mobilizing to cater for customers, making calls, providing services etc. Marketers are more projects-oriented and are most active when developing a product, formulating a new advertising campaign, designing a promotional scheme etc (Rouzies et al., 2005).

3.5. **Field vs. Desk:**

Sales people perform field operations and individually visit potential customers for new sales pitches or existing customers for further detailing while marketing managers operate from behind the desks, drawing plans and analyzing data etc (Kotler 1977).

3.6. **Results vs. Process:**
Sales people are more results oriented, as performance efficiency can easily be measured by a simple and straightforward feedback of making a sale or not. However, assessing a marketer’s efficiency is not relatively so easy because it relies on the success of the entire marketing process which can only be assessed over time with factors such as brand recognition, market share etc (Rouzies et al., 2005).

3.7. Short-term vs. Long-Term:

Sales people are largely concerned with today’s markets, customers, strategies and products and results, on a daily, monthly or quarterly basis. While marketing people tend to be far-sighted and plan for results and success in the long run (Kotler 1977).

3.8. Sales Volume vs. Profit Planning:

Sales people are mostly concerned with their personal sales figures in order to fulfill a quota, achieve a target and acquire a bonus. Their job does not necessarily require them to be concerned about overall market performance of the company’s products. While marketing managers prioritize overall market success of a product by efficiently designing and implementing product, customer and marketing mixes towards the ultimate goal of larger market share and greater profitability (Kotler 1977).

3.9. Individual Customer vs. Market Segments:

Sales require salespeople to prioritize individual accounts and remain knowledgeable about individual customers and improve factors, to increase sales, concerning their specific areas and customers. While marketers are concerned more with ‘target markets’ and take measures that would lead to improve product performance in the entire market segment (Kotler 1977).

In an organizational setting these differences can often lead to confusion, and result in a difficulty of understanding the roles of the counterparts within the sales and marketing circles, which may negatively affect the performance of both. Figure 2 highlights most common arguments made by the sales and marketing people (Rouzies et al., 2005).

![Figure 2. A common argument between sales and marketing](Rouzies et al., 2005)

Kotler, Rackham and Krishnaswamy (2006) categorize these differences into two, i.e. economic and cultural. Economic differences include those that deal with resources and finances that are allocated to them for performing their respective tasks while cultural differences reflect those pertaining to work styles and orientations, objectives of the job etc.

http://www.ijmsbr.com
The usual process and steps that lead to a ‘hand off’ from marketing to sales, often called a “funnel” (depicted in figure 3), can lead to internal conflicts within the departments due to segregation and lack of harmony (Kotler, Rackham and Krishnaswamy 2006).

However, this can be avoided if both the departments are streamlined and integrated to synergize the overall performance of the company. While working in different settings, if properly synchronized, both the departments can achieve mutual objectives (Rouzies et al., 2005). Figure 4 illustrates such a method of integration.

Figure 3. The Funnel: Marketing to Sales Handoff
(Kotler, Rackham and Krishnaswamy 2006)
Alternatively, some authors have also proposed that differences between sales and marketing can be exploited in favor of the organization as well. If both sides efficiently play their roles, these differences become fruitful for the company. For example one side ensuring short term market success other, delivering long term market share, one pays attention to customer satisfaction, other propagates cash influx for the organization etc. However, they also note if differences are made in characteristics such as standard for product knowledge or interpersonal skills, this can have a negative impact on the performance of the organization (Homburg and Jensen 2007).

4. Discussion:

Renowned marketing guru Theodore Levitt, in his famous article “Marketing Myopia” stated, “The difference between sales and marketing is more than semantic. Selling focuses on the needs of the seller, marketing on the needs of the buyer. Selling is preoccupied with the seller’s need to convert his product into cash; marketing with the idea of satisfying the needs of the customer by means of the product” (Levitt 1960).

Generally, the marketing manager is the one, who most certainly went to business school and has a degree in management, while a sales manager is the one, who has 15 years of experience in sales! The latter blames the former for a lack of knowledge of the actual market while the former blames the latter for a lack of knowledge of actual market-ing. It may indeed be essential to differentiate between marketing and sales in order to truly understand their roles in the organization. However, one should be careful to just view the differences from a functional point-of-view and not differentiate the potential for efficiency and profitability.
of both. Conclusively, Kotler (1977) rightly compared marketing and sales to “seeding the field and harvesting the crops”.

5. References:

American Marketing Association | Copyright © 2013 MarketingPower, Inc <http://www.marketingpower.com/AboutAMA/Pages/DefinitionofMarketing.aspx>


Business Dictionary, Copyright@2013 WebFinance, Inc. 02 December 2013. Web <http://www.businessdictionary.com/definition/sale.html#ixzz2m8W4RosW>


Ford, H. My life and my work (1923) Page: 31


http://www.ijmsbr.com