

**LAUNCHING NEW GLOBAL PRODUCTS INTO SUBSIDIARY MARKETS:
THE VITAL ROLE OF SALES AND MARKETING COLLABORATION**

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ABSTRACT

We examine how to encourage collaboration between local sales and marketing teams in multinational enterprise (MNE) subsidiaries in order to successfully commercialize new product launches by creating integrated, locally adapted implementation plans. Empirical research within six subsidiaries of an MNE operating in southern Latin America found that centrally produced processes alone were insufficient for successfully launching new products in these subsidiary markets. However, devolving power, while using cross-functional teams and formalized processes to encourage communication, led to the development of the types of trust that facilitate effective relationships between sales and marketing teams, which resulted in successfully adapted new product launches for each subsidiary market. We discuss the implications of our findings for theory and practice.

Keywords: *New Product Launches; Intrafirm Relationships; Sales and Marketing; Trust; MNE Subsidiaries; Latin America.*

Research Paper

INTRODUCTION

Multinational enterprises (MNEs) from developed economies face diverse demands to develop and launch new products into their global markets, stemming partly from technological and scientific developments that result in shorter product life cycles, and partly from growing competition from both indigenous firms and other MNEs, including those from emerging markets. As a result, MNEs are investing more than ever before in new product development (NPD) through re-engineering and innovation programs. This is particularly the case for fast-moving consumer goods (FMCG), defined as consumer products that are in high demand, sold quickly, and affordable: the five top global FMCG companies in 2018 were Nestlé, Procter & Gamble, PepsiCo, Unilever, and AB-Inbev, with total revenues exceeding USD 340 billion (Statista, 2019). The high demand for these consumer goods and strong competition in their respective industries result in MNEs continuously rolling out new products globally (Li & Lin, 2015). Consequently, the subsidiaries of MNEs are being tasked almost incessantly to launch new products into their markets.

The challenge of new product launches for the subsidiaries is twofold: the selection of appropriate products and the effective commercialization of those products locally adapted to each area (e.g. Fang, Wade, Delios & Beamish, 2012; Lee, Lin, Wong & Calantone, 2011). Although creating commercialization strategies for new product launches is typically the responsibility of the Sales and Marketing¹ functions (e.g. Ernst, Hoyer & Rübsaamen, 2010; Kotler & Armstrong, 2012; Malshe & Biemans, 2014), how the new product launch strategies are formulated for each market will largely depend on (1) the complexity of the new product, (2) whether the market place is developed or developing (Lee et al., 2011), and (3) the effectiveness of Sales and Marketing interactions within each subsidiary (Malshe & Biemans, 2014).

Emerging markets have become more significant to MNEs, who are finding that more of their sales and income growth now comes from these markets (Bahadir, Bharadwaj & Srivastav, 2015).

¹ Hereafter, Sales and Marketing (capitalized) denotes functional departments within the subsidiaries

However, new products are typically generated in the home market, usually with close collaboration between research and development and the parent company sales and marketing departments, and then sequentially launched into global subsidiaries (Griffith, Yalcinkaya & Rubera, 2014). This is a practice that does not always promote the adaptation of marketing strategies for local markets. Regional strategies require a clearly coordinated, locally appropriate implementation process that is aligned to the conditions of local markets (Lee et al., 2011). This challenge is especially acute in emerging markets as they tend to differ in several fundamental dimensions from developed markets, including their market structure, marketing capabilities, revenue potential, and infrastructure (Bahadir et al., 2015; Burgess & Steenkamp, 2006). FMCG firms sell predominantly to wholesalers and retailers; consequently, studying sales and marketing business-to-business (B2B) processes in emerging markets can make a significant contribution to international marketing practice as it will provide additional insights into how to generate locally adapted, new product launches.

The main objective of this study is to fill a gap in the literature by examining intra-firm processes within MNE subsidiaries – specifically, how to improve the ability of local Sales and Marketing teams in emerging markets to work cooperatively to commercialize new product launches in a B2B setting. Ernst et al. (2010:6) first examined the role of Sales and Marketing cooperation in new product launches and emphasized that “... sales-marketing encroachment may serve to improve communications and coordination between the two functions, which also contributes to more effective launch of new product”. However, they did not explore how collaboration could be generated. A study by Malshe and Biemans (2014) explored the importance of Sales and Marketing relationships in different stages of new product development in the US health industry but did not consider these relationships in the context of emerging markets. Le Meunier-FitzHugh and Piercy (2007a) highlighted some of the key factors in improving Sales and Marketing collaboration and reducing conflicting behaviors, but they did not consider the influence of trust.

Moorman, Deshpandé and Zaltman (1993: 82) define trust as “...a willingness to rely on an exchange partner in whom one has confidence”. Fukuyama (1996) developed the notion of high-trust and

low-trust societies; economically prosperous nations tend to be high-trust societies where business relations can be conducted informally and flexibly on the basis of trust. However, building trust within and across organizations is a critical issue in many emerging markets, where interpersonal trust tends to be low – and this is particularly the case in South America, where the World Values Survey (Inglehart, et al., 2014) found that fewer than 15% of respondents in Chile, Uruguay and Peru indicated that they trusted others. To address these gaps in the literature, we place our study in an emerging market in response to Burgess and Steenkamp’s (2006) assertion that these markets may exhibit unique societal challenges, and we examine the importance of trust in developing effective collaboration between Sales and Marketing in emerging market subsidiaries. We draw on concepts from organizational social exchange, cross-functional behavior, and trust (e.g., Homans, 1958; Kahn 1996; McAllister, 1995) and the thought-world differences between Sales and Marketing (Homburg & Jensen, 2007) to support our hypotheses of how to improve collaboration between these functional departments within new product commercialization in emerging markets.

This study makes three contributions to international marketing research and cross-functional cooperation. First, we propose and empirically verify factors and management actions that influence Sales and Marketing collaboration within the commercialization planning process, which is critical to sales success in emerging markets. Our second contribution relates to exploring the benefits of including Sales in marketing planning to improve adaptability. Third, we expand on the limited research on marketing practices in emerging market subsidiaries by considering the effects of trust on sales performance. Our investigation therefore has implications for the nature and contribution of sales teams to successful new product launches in B2B emerging markets. The following section explores the conceptual framework based on the interface between Sales and Marketing.

THEORETICAL FOUNDATIONS AND CONCEPTUAL FRAMEWORK

Internal organizational relationships in MNEs have long been a focus in the marketing literature, for both academics and practitioners. Researchers have found that improving the relationship between Sales and Marketing is essential for delivering both customer value and improved performance (Guenzi &

Troilo, 2007; Le Meunier-FitzHugh & Piercy, 2007b), but there is evidence that Sales and Marketing teams rarely act in concert or operate without an underlying conflict that is caused by inconsistent objectives and different thought-worlds – the attitudes, beliefs and assumptions held by a particular group of people (e.g. Homburg & Jensen, 2007; Malshe a& Al-Katib, 2017; Rouziès, Anderson, Kohli, Michaels, Weitz & Zoltners, 2005). Indeed, the tension between the need for collaboration between Sales and Marketing on the one hand, and the different focus of each department’s activities on the other, continues to be a challenge for MNE subsidiaries. Although Michailova & Paul (2014) noted the importance of understanding intra-firm relationships within MNEs and the processes that help to develop them, little research has been done on such relationships within MNE subsidiaries. The need for adaptability and agility in successfully launching new products into subsidiary markets provides an opportunity to study how the management of the Sales and Marketing relationship in subsidiaries can be improved within a series of activities that have measurable outcomes.

The successful commercialization of new products in emerging subsidiary markets remains a key strategy for MNEs. Previous studies have examined internal collaboration/integration through each of the various stages of NPD and identified that it is a critical knowledge transformation mechanism (Hirunyawipada, Beyerlein & Blankson, 2010). However, at the final stage, commercialization within the market, there is a continuing question as to how cross-functional integration can be leveraged to deliver improved sales success (Hughes, Le Bon & Malshe, 2012). This is significant because new product success “requires the effective implementation of market launch activities” (Kuester, Homburg & Hess, 2012:38). The commercialization of new products in FMCG companies is primarily the responsibility of the sales and marketing functions, so encouraging them to collaborate at the local level and align their objectives is essential to creating sales success (e.g. Ernst et al., 2010). Further, Malshe and Biemans (2014) highlighted the importance of ensuring that information from Sales is included in the commercialization stage of NPD.

In the majority of B2B organizations, Sales and Marketing are functionally distinct and are structured as two separate departments, with similar power, and with both parties performing activities

that belong to their own domain (e.g. Biemans, Brenčič & Malshe, 2008; Homburg, Jensen & Krohmer, 2008). This distinction has led to the development of separate and sometimes differing thought worlds, created by different goals, time orientations, market knowledge, working practices and perspectives (Homburg & Jensen, 2007; Malshe, Johnson & Viio, 2016), which is often antithetical to close collaboration and frictionless working. These differences in thought-worlds between Sales and Marketing repeatedly lead to difficulties in co-ordination and effective communication, and to poor working relationships (e.g. Kotler et al., 2006). The extant literature on the Sales and Marketing interface suggests that many organizations are still struggling with how to maintain a balance between the necessary separation of the two functions and, at the same time, their need for collaboration so that their activities are aligned (Beverland, Steel & Dapiran, 2006; Hughes et al., 2012).

To provide solutions to this challenge, a number of process characteristics have been highlighted as being beneficial to internal collaboration and cross-functional working; these include improving communications and knowledge transfer, trust creation, and establishing cross-functional teams (Kuester, Homburg & Hildesheim, 2012; Hirunyawipada et al., 2010; Le Meunier-FitzHugh & Piercy, 2007b). Additionally, several authors suggest that internal collaboration should be built on joint planning, strategic agreement, and cohesive teamwork, leading to the transfer of knowledge between parties to improve new product success (e.g. Sivasubramaniam, Liebowitz & Lackman, 2012).

The HQ-subsidary relationship in MNEs has been widely researched in the international business literature (e.g., Bartlett & Ghoshal, 1989; Birkinshaw, 1996; Birkinshaw, Hood & Jonsson, 1998; Geleilate, Andrews & Fainshmidt, 2019; Kostova, Marano & Tallman, 2016; Lazarova, Peretz & Fried, 2017; Nooederhaven & Harzing, 2009; O'Donnell, 2000). Within global new product launches, the corporate marketing team is typically responsible for designing and communicating brand values, as well as providing strategic guidance for the launch of the new product into subsidiary markets to ensure worldwide brand consistency and focus (Fang et al., 2012; Heinberg, Ozkaya & Taube, 2017). The role of the local Marketing function is to adapt these centrally developed communication messages to their own markets, which can be achieved effectively only with the cooperation of local Sales staff (e.g. Malshe &

Biemans, 2014). The local Sales team is expected to convey customer and competitor information, which is especially critical for subsidiaries in emerging markets, where market knowledge may be difficult to obtain (Hirunyawipada et al., 2010; Lee et al., 2011). Thus, Sales staff have a dual role within the implementation process, as both providers of insights to the Marketing team and as vendors of new products to customers (Fraenkel, Haftor & Pashkevich, 2016; Kuester, Homburg & Hildesheim, 2017; Malshe & Biemans, 2014). However, while it is generally agreed that the inclusion of Sales in launch strategy planning can increase the adoption of new products, how this inclusion can be achieved effectively is still unclear (Hughes, Le Bon & Rapp, 2013; Keszey & Biemans, 2016; Kuester et al., 2017; Malshe et al., 2017), especially in low-trust cultures (Fukuyama, 1996).

In summary, the success of new products in subsidiaries in emerging markets requires the effective commercialization of new product launch activities (Kuester, et al., 2012), and in MNE subsidiaries these activities are primarily the responsibility of the local Sales and Marketing teams. Therefore, it is necessary to understand how to engender effective collaboration between Sales and Marketing so that market intelligence of subsidiary markets can be generated, and knowledge can be exchanged. The theoretical foundation for our study is exchange theory (Thibaut & Kelley, 1959) and social exchange theory (Homans, 1961; Blau, 1964). Social exchange theory maintains that social behavior is the result of an exchange process whose purpose is to maximize benefits and minimize costs. Pfeffer & Salancik (1978) extended exchange theory to organizational contexts and noted that one way for organizations to cope with uncertainty in their environment, such as information asymmetry, is to restructure their exchange relationships to foster interorganizational cooperation. In the context of MNE subsidiary organizations, Sales and Marketing are both expected to be committed to the success of the organization, and they find themselves in a state of reciprocal interdependence: Marketing relies on Sales to get the customer to buy new products and to provide essential intelligence on customers and competitors, while Sales relies on Marketing to adapt the marketing strategies appropriately so that the customers will want to buy the new products. Here, we apply three

of Homans' (1961) propositions about social exchange theory to explain that cooperation between Sales and Marketing will continue as long as both parties see the value in it:

1. Success Proposition: behavior that creates positive outcomes is likely to be repeated.
2. Stimulus Proposition: if an individual's behavior was rewarded in the past, the individual will continue the previous behavior.
3. Value proposition: if the result of a behavioral action is valuable to the individual, it is more likely for that behavior to occur.

Morgan and Hunt (1994) maintain that the presence of both commitment and trust in an exchange relationship results in cooperative behaviors. Here, we emphasize the importance of two types of inter-personal trust in building cooperative behaviors that provide mutual benefits.

We start with the assumption that an integrated approach to new product launch planning, requiring collaboration between local Sales and Marketing teams, is an essential prerequisite to the successful launch of new products. In the following section, we examine the antecedents to integrated new product implementation planning, and we develop testable hypotheses based on the posited relationships.

CONCEPTUAL MODEL AND HYPOTHESES

(Insert Figure 1 about here)

The conceptual framework presented in Figure 1 illustrates the relationship between the desired outcome, Integrated New Product Implementation Planning (PLAN) for the subsidiaries in emerging market, and its antecedent constructs: Formalization of Process (FMZ), Internal Communication (Communication Amount and Communication Quality (CO and CQ), Interpersonal Trust (Cognitive-based Trust and Affect-based Trust (CBT and ABT) and Sales and Marketing Relationship Effectiveness (RE). We provide conceptual support for the model below, and Table 1 summarizes the relevant streams of literature.

(Insert Table 1 about here)

Integrated New Product Implementation Planning. Our model starts with the desired outcome: establishing the conditions for developing effective, locally adapted new product launch implementation planning between Sales and Marketing [PLAN]. Such planning requires the integration of information from both Sales and Marketing to create successful new product launches that not only match the local market conditions but are also able to convey global brand values. This in turn requires collaboration and coordination between the two departments so that Marketing includes Sales in the planning process and the two departments exchange information, expertise and vision; in this way, their activities before and during the launch are consistent, coherent and coordinated over time (Ernst et al., 2010; Hughes et al., 2012; Malshe & Biemans, 2014). Cooperating with Marketing facilitates Sales' understanding of the new product specifications and value proposition, thereby enabling Sales to influence the customers' perceptions of the new product (e.g. Keszezy & Biemans, 2016). Hughes et al. (2013) indicated that Sales is often the best internal source of customer and competitor knowledge. Therefore, joint preparation of the implementation plan should help Marketing to capture critical information from Sales regarding the needs of the market (Hirunyawipada et al., 2010; Kuester et al., 2017). The market environment also impacts the degree of integration needed in implementation planning (Bahadir et al., 2015); for example, in emerging markets, marketing messages adapted to each market are often needed for customers to understand the specific features and benefits of the latest products (Lee et al., 2011; Malshe, Al-Khatib, Al-Habib & Ezzi, 2012). In sum, studies have shown that integrated new product implementation planning is a requirement for the successful launch of new products in subsidiary markets, and we position it as the dependent variable in our model.

Formalization of Process is defined here as the extent to which Sales and Marketing interactions and informational exchanges are structured by the rules and procedures that they operate within. A key managerial role is to create formalized processes (e.g. lines of communication, formal meetings, process steps) that guide functional interactions and that are clearly associated with success (Keszezy & Biemans, 2016; Le Meunier-FitzHugh & Piercy, 2007b). Formalization is provided by the organization's management model and the structured innovation process as a whole; any gaps between internal functions

should be addressed by applying either formal or informal coordination and cooperation processes (Frezatti, de Souza Bido, Capauano da Cruz & Machado, 2015). One such formalization process in NPD is stage and gate, which enables an organization to provide processes that shape the planning of and provide feedback at each stage of development. Formalizing interactions between Sales and Marketing during the implementation stage can help to improve linkages and flows of communication, as well as to limit conflict and uncertainty (Keszey & Biemans, 2016). Studies have indicated that creating cross-functional project teams between Sales and Marketing is one way of improving their interactions and promoting collaboration (Homburg et al., 2008; Le Meunier-FitzHugh & Piercy, 2007b). The suggestion is that such cross-functional teams should focus all parties on achieving a single goal and provide opportunities for consultation, which would remove some of the conflict between Sales and Marketing. We hypothesize that:

H₁ The formalization of Sales and Marketing interaction is positively related to integrated new product implementation planning in MNE subsidiaries in emerging markets.

Inter-functional Communication: Amount and Quality. The extant literature highlights that interpersonal communications are an essential factor in establishing effective and committed cross-functional relationships between Sales and Marketing (e.g. Hughes et al., 2012; Hulland, Nenkov & Barclay, 2012). Communications may be both informal (casual exchanges, either verbally or through other media), or formal (during meetings, reports, etc.) (e.g. Akgun, Kesken & Byrne, 2012; Rouziès et al., 2005). Two dimensions of cross-functional communication identified in the literature are communication amount and communication quality (e.g. Homburg et al., 2008; Morgan & Piercy, 1998; Ruekert & Walker, 1987). Communication amount (CA) is defined as the frequency of contact (formal and informal) between the groups, whereas communication quality (CQ) is a two-way process of credible and relevant information exchanged to create understanding and to facilitate decision-making (Fisher, Maltz & Jaworski, 1997; Morgan & Piercy, 1998).

Increasing the amount of communication between groups involved in a project facilitates the development of a common language and provides openings to exchange information (Jespersen, 2012).

Increasing opportunities for both formal and informal communication should allow clearer understanding between the parties, so that they can develop a common language and coordinate their actions (e.g., Becerra & Gupta, 2003). In addition, through communication opportunities Marketing has the ability to translate the corporate brand values to the Sales staff and thence to the consumer (Fang et al., 2012; Heinberg et al., 2017). Even informal banter or idle talk can help in reducing distance between group members, thereby increasing the cohesiveness of cross-functional teams (e.g. Akgun et al., 2012). However, increasing the amount of communication also creates difficulties, as it can overload the participants, impede cooperation and create frustration (e.g. Rouziès et al., 2005), and increasing the amount of communication, on its own, is unlikely to improve Sales and Marketing relationships.

One way to improve communication without reducing its effectiveness is to improve its quality. Quality communication has been positively associated with creating cohesiveness and understanding (Sivasubramaniam et al., 2012). This effective communication develops an understanding of each other's point of view that promotes greater collaboration and improves Sales and Marketing relationships (Homburg et al., 2008). As communication quality increases, Sales will have the opportunity to share local market information that is relevant to the planning of new product launches (Hirunyawipada et al, 2010; Malshe & Biemans, 2014), and Marketing will be able to share brand values and marketing positioning (Fang et al., 2012), thereby reinforcing the collaborative behaviors between Sales and Marketing that we define as building relationship effectiveness (RE). Thus, the hypotheses are:

H₂ The formalization of Sales and Marketing interaction in new product implementation planning in MNE subsidiaries in emerging markets is positively related to the amount of communication between parties.

H₃ The communication amount between Sales and Marketing is positively related to integrated new product implementation planning in MNE subsidiaries in emerging markets.

H₄ The communication amount between Sales and Marketing in MNE subsidiaries in emerging markets is positively related to communication quality.

H₅ Communication quality in MNE subsidiaries in emerging markets is positively related to Sales and Marketing relationship effectiveness.

Interpersonal trust: Cognitive-based and Affect-based Trust. Interpersonal trust creates the appropriate commitment and cooperation to accomplish joint objectives, positively affecting Sales and Marketing interactions and information transmission, and reducing rivalry (e.g. Keszey & Biemans, 2016). There is considerable evidence that interpersonal trust is important for creating inter-functional collaboration. For example, Malshe et al. (2012) found that trust-building activities by Marketing influences organizational learning as well as Sales' buy-in of marketing strategies. Prior research has identified two distinct dimensions in interpersonal trust: cognitive-based trust and affect-based trust (McAllister, 1995). Interpersonal trust starts with cognitive-based trust (CBT) that is created, as interactions become more established, when people prove to be reliable and professionally competent (e.g. Johnson & Grayson, 2005; McAllister, 1995). Affect-based trust (ABT) is created when concern for the other party's wellbeing is expressed and emotional ties are developed among individuals (Johnson and Grayson, 2005).

A study of peer managers found a positive correlation between interpersonal communication and perceived trustworthiness as information provided is found to be reliable (Becerra & Gupta, 2003). Also, communication quality within internal relationships can influence the development of interpersonal trust, as feedback and the opinions of the other party are included in discussions (Dawes & Massey, 2007; Johnson and Grayson, 2005). Therefore, increasing the quality of communications is expected to be positively associated with relationship effectiveness, as well as with the development of affect-based trust. Where affect-based trust exists, Sales and Marketing teams are more likely to be able to work together and challenge each other when engaged in planning, as the two parties rely on each other's goodwill, honesty and supportiveness (Hirunyawipada et al., 2010; Malshe & Al-Katib, 2017). Four hypotheses are proposed to explain the impact of these antecedents in our model:

H₆ Communication quality between Sales and Marketing in MNE subsidiaries in emerging markets is positively related to cognitive-based trust.

H₇ Cognitive-based trust between Sales and Marketing in MNE subsidiaries in emerging markets is positively related to affect-based trust.

H₈ Affect-based trust between Sales and Marketing in MNE subsidiaries in emerging markets is positively related to relationship effectiveness.

H₉ Affect-based trust between Sales and Marketing in MNE subsidiaries in emerging markets is positively related to integrated new product implementation planning.

Relationship Effectiveness between Sales and Marketing. A key construct in our model is relationship effectiveness (RE), which involves collaborative behaviors such as working together for mutual benefit and creating combined strategies to achieve common goals (e.g. Hulland et al., 2012). Relationship effectiveness between Sales and Marketing can lead to positive outcomes, such as better planning, superior value creation, sales growth, and increasing market share (Guenzi & Troilo, 2007; Le Meunier-FitzHugh & Piercy, 2007a). The Sales and Marketing functions each have significant, interdependent roles to play in planning new product implementations, so they need to work in concert, listen to each other's views and have an effective, collaborative relationship. Such group cohesiveness can be created where members of sub-group feel a personal bond with the other sub-group when they are working interdependently (Hughes et al., 2012; Le Meunier-FitzHugh and Piercy, 2007a; Sivasubramaniam et al., 2012). However, it is natural that tensions can still exist between sub-groups that work intensively together, especially when there are perceived functional differences, such as those between Sales and Marketing (Homburg and Jensen, 2007). Relationship effectiveness is achieved when Sales and Marketing believe that they can act in concert to achieve aligned goals (e.g. Le Meunier-FitzHugh & Piercy, 2007a). Our hypothesis is:

H₁₀ Relationship effectiveness between Sales and Marketing will be positively related to integrated new product implementation planning in MNE subsidiaries in emerging markets.

METHODOLOGY

In order to test our conceptual model, we were able to gather data from a major multinational FMCG company that is listed in the Fortune Global 500 (2019). The Company has a worldwide presence and we

selected six Spanish-speaking subsidiaries in South America to participate in the study: Argentina, Chile, Peru, Bolivia, Uruguay and Paraguay. These subsidiaries form a single geographic cluster within the Company's organizational structure, Southern Latin America, and they had recently experienced above average performance in the categories in which the Company competed. Each subsidiary has a significant turnover (annual sales from USD100 million to more than USD 1.5 billion) and employee numbers ranging from 150 to over 2000. At the time of the study, Argentina and Chile had the highest revenues, followed by Uruguay and Peru, and then Bolivia and Paraguay. Sales and Marketing are two clearly differentiated functions within each subsidiary in the Southern South America region, each with its own structure and an equal hierarchical position in the Company's organizational chart. The Company's performance goals of growth and profitability are centrally defined and aligned throughout the entire organization. This Company had been experiencing double-digit growth rates in revenues and significant market share in southern Latin America. In the three years prior to the study, global revenues for the Company had increased on average by 4.7%; its global emerging markets saw an average 8.7% growth for the same period, while the Southern Latin America region experienced an average 21.3% sales growth.

Survey Method and Empirical Tests

To test our hypotheses, data were collected by surveying via e-mail senior Sales and Marketing personnel involved in the successful launch of 50 new products initiated by the parent Company. The aim was to gather data on the variables in the Sales-Marketing relationship and their impact on new product implementation planning.

Measure Development. The questionnaire was compiled in Spanish by one of the authors, who is bilingual in Spanish and English, from previously established scales and a review of the literature (see Table 2). To ensure face and content validity, the questionnaire was pretested in Spanish in Argentina and Uruguay with six Sales and Marketing managers. After the pretest, six questions were reworded to improve clarity and the structure was amended. The constructs for the study used reflective multi-item, 7-point Likert-type scales (Jarvis, MacKenzie & Podsakoff, 2003). We selected these scales to allow us to

test the constructs for dimensionality, reliability and validity (Bollen & Lennox, 1991). (A copy of the complete questionnaire is available upon request from the authors.)

(Insert Table 2 about here)

Sample characteristics. The participants were drawn from both Sales and Marketing personnel in the six countries that comprised the Southern South America region of the Company who were identified from the Company's database as having participated in recent new product launches. The Sales representatives were involved in the launches of new products in both the home care products and personal care products sectors, while the Marketing personnel were involved in launches for either home care products or personal care products, depending on their area of responsibility. The self-administered survey was sent from the regional HQ to 217 senior Sales and Marketing personnel in all six countries along with a cover letter introducing the project's objective and a statement of confidentiality. We explained in the instructions that, when completing the questionnaire, the respondents should consider the implementation of new product launches that they had been involved in during the past six months.

Response Rates. Responses were received from three or four Sales and Marketing personnel from each territory. A total of 152 valid questionnaires were received over a period of less than 30 days, which represents a response rate of 70% of the total sampling frame of 217. Of the respondents, 55% were from Marketing and 45% from Sales; 7% were directors, 33% category or channel managers, and 60% brand or client managers. The countries represented were Argentina 25%, Uruguay 25%, Peru 20%, Chile 14%, Bolivia 8% and Paraguay 8%.

The unit of analysis was recent new product launches. No significant differences were found between the means of respondents from Sales or Marketing, or from those at different hierarchical levels. Box plots for each country's measure of relationship effectiveness indicated three differentiated groups: the countries with the highest annual revenues, Argentina and Chile, had the highest mean rates of relationship effectiveness, with Uruguay and Peru at a medium level of both revenues and relationship effectiveness, and finally Bolivia and Paraguay with the lowest levels. A representative box plot for the item "Responded well to feedback and advice from Marketing (Sales)" is shown in Figure 2. This

measurement tool seems to be sensitive to different levels of size, structural complexity and cross-functional relationship evolution, in spite of the subsidiaries being part of the same Company, with the same corporate guidelines. Finally, we tested for non-response bias by comparing the non-respondents with the respondents on two dimensions: (1) the composition of the Sales and Marketing functions; (2) staff seniority within the Company. No significant differences were found.

(Insert Figure 2 about here)

Control Variables. We included two control variables that may have affected the relationship effectiveness between Sales and Marketing and the ability to plan. The first control variable was the age of the organization. The length of time that the subsidiary had existed creates a history of planning that could influence how the Sales and Marketing staff interact, and the relationships between Sales and Marketing may change over time (Homburg & Jensen, 2007). The effect was measured using the date that the country subsidiary was established (supplied by the Company). The second control variable was related to the number of employees (subsidiary size).

Measurement Refinement, Reliability and Validity. Since we had adapted items from multiple scales, we first applied exploratory factor analysis to the data. The reliability of each multi-item scale was reassessed through calculation of the alpha coefficient (without violating minimal sample size to parameter ratios) as shown in Table 3. The reliability estimates of the constructs ranged from 0.72 (Formalization) to 0.88 (Communication Quality); a Cronbach's alpha score of 0.70 or higher indicates a satisfactory level of scale reliability (Burns & Burns, 2008), so all the construct measures were deemed reliable.

(Insert Table 3 about here)

Convergent validity was established by calculating the average variance extracted (AVE) for each construct that was higher than 0.50. Discriminant validity was established confirming that the correlation for all pairs of constructs was less than the AVE root square for each individual construct (Fornell & Larcker, 1981). The pattern of cross-loadings of all items was evaluated, in order to verify that no item loading would be higher in another construct than in the construct it was intended to measure (Chin,

1998). The measurement model (confirmatory factor analysis) established how and to what extent the observed variables are linked to the underlying latent factors.

ANALYSIS

To evaluate the validity of the measures, we used confirmatory factor analysis (CFA). As shown in Table 4, the resulting indices indicated acceptable construct fit. The R^2 for integrated new product planning (PLAN) was 0.28, for relationship effectiveness (RE) $R^2=0.67$, for formalization (FMZ) $R^2=0.15$, for cognitive-based trust (CBT) $R^2=0.52$, for affect-based trust (ABT) $R^2=0.70$, for communication quality (CQ) $R^2=0.25$ and for communication amount (CA) $R^2=0.29$. These findings suggest that the dependent variable and independent variables of this study were clearly predicted in the model.

(Insert Table 4 about here)

Tests of Hypotheses

The goodness-of-fit statistics of the model, as shown in Table 4, indicate an adequate fit with ($\chi^2 = 288.66$, $df = 214$, $p < 0.001$ ($\chi^2 / df = 1.3$), $TLI = .95$, $CFI = .96$, and $RMSEA = .05$). The comparative fit index (CFI) in particular has been found to be a robust index even under severely non-normal conditions (Ping, 1995), and a CFI value of 0.90 or greater indicates acceptable fit (Tabachnick & Fidell, 2001), while MacCallum, Browne and Sugawara (1996) suggest that a RMSEA score of 0.05 or less also indicates acceptable fit. Our model met both criteria for fit. The results are summarized in the structural model in Figure 2. As predicted (H10), RE has a positive effect on PLAN ($\beta = 0.101$, $p < 0.10$). However, FMZ is negatively related to PLAN (H1) ($\beta = -0.121$), a relationship that is opposite to what was predicted and is significant at $p < 0.10$. FMZ is positively related to CA (H2) ($\beta = 0.236$, $p < 0.10$), as expected. Additionally, (H3) CA has a positive effect on PLAN ($\beta = 0.181$, $p < 0.05$). Also, (H4) CA is positively related to CQ ($\beta = 0.303$, $p < 0.05$). Further, (H5) CQ has a strong positive effect on RE ($\beta = 0.773$, $p < 0.001$) and (H6) CQ on CBT ($\beta = 0.856$, $p < 0.001$). Our results also found that CBT has a strong positive effect on ABT ($\beta = 0.997$, $p < 0.001$) (H7). Finally, ABT is positively related to RE ($\beta = 0.482$, $p < 0.001$) (H8) and also to PLAN ($\beta = 0.123$, $p < 0.10$) (H9). In short, nine of the ten hypotheses from our

model were supported. Our control variables suggest that the dependent variable is not influenced by the age of the organization. However, the number of employees has a significant positive effect on both RE and PLAN ($p < .01$).

(Insert Figure 2 about here)

Common Method Bias. To identify the possibility of common method bias, we employed a single-method factor (Podsakoff & Organ, 1986). The goodness-of-fit diagnostic for a single factor model ($\chi^2 = 923.46$, $df = 209$, $p < 0.000$; TFI = 0.59, CFI = 0.63, and RMSEA = 0.15) suggests a poor model fit, which indicates that common method bias is unlikely to explain the observed relationships among the constructs.

RESULTS AND DISCUSSION

This study of the Sales/Marketing relationship was set within six subsidiaries of a large MNE in southern Latin America. Emerging markets have different characteristics and requirements than developed markets (Bahadir et al., 2015) and these markets are frequently volatile and require agile and responsive new product launch strategies. In emerging markets worldwide, the entry of new competitors exerts a downward pressure on prices and increases the complexity of the marketplace, and successful competitors are those that can counter the rapidly changing competitive environment with swift actions based on insights into local consumer behavior. For FMCG firms, both customer attitudes (wholesalers and retailers) and consumer attitudes are also changing, driven by digitalization and rapidly changing consumer trends. Therefore, these emerging markets require speed, agility, and connectivity to the customer for survival and market growth. When launching new products to subsidiaries in emerging markets, MNEs need to retain control of their global brand values and consistency of message, but also need to provide subsidiaries with dispersed power (Balogun et al., 2011) to enable them to appropriately adapt to local conditions and successfully implement new product launches. Revised Sales and Marketing processes are required to improve adaptability to local markets to achieve the responsiveness required.

We found differences in the responses across the subsidiaries in the study, even though the product launches in all country markets were successful, with Bolivia and Paraguay responding significantly lower on the Likert scale on most variables. We were not able to determine definitively the

cause of these differences. We examined multiple possible causes, but the only plausible explanation appeared to be differences in the size of the subsidiary, in the products selected for each market, and in the local distribution system. The measurement tool seemed to be sensitive to different levels of size, structural complexity and evolution, in spite of each subsidiary being part of the same MNE with the same corporate guidelines. The differences in size is also confirmed by the control variable ‘number of employees’. This suggests that that smaller organizations may not have the resources necessary to support internal integration efforts at the same level. Creating collaboration between internal departments is costly in terms of management time and coordination effort (Homburg, Alavi, Rajab & Weiseke, 2017), particularly as potential conflicts and low trust between the parties can be detrimental to the commercialization effort as a whole.

The Sales and Marketing team in each subsidiary decided which new products to launch and how to launch them, in terms of local marketing and sales strategies. In Bolivia and Paraguay, and Peru, traditional channels represent about 80% of sales, with customers purchasing small quantities in local “mom and pop” outlets. In contrast, in Chile, Argentina and Uruguay, the channels of distribution are more concentrated, with a higher percentage of supermarkets and hypermarkets serving the customers, and traditional channels representing 40% of sales or less.

Where organizations are launching new products into various international markets, they are reliant on local knowledge to create a strategic fit between the organization’s offer and the external environment, rather than relying on host-home country similarity (Fang et al., 2012; Nguyen & Rugman, 2014). This research study finds that new product launches are much more successful in subsidiary markets when integrated implementation planning between local Sales and Marketing functions (PLAN) is supported by senior management and combines market intelligence from sales with the brand concepts as they are understood by marketing to develop accurate market intelligence (e.g. Hirunyawipada et al., 2010). By encouraging Sales and Marketing to collaborate, whilst focusing on their traditional core competences, the launch can be successfully tailored to the needs of customers in emerging markets.

From a theoretical perspective, it is important to understand the nature of intra-firm relationships within MNEs and the processes that contribute to structuring those relationships (Michailova & Paul, 2014). Our model shows that greater relationship effectiveness between Sales and Marketing is reliant on a number of antecedent factors. Counter intuitively, a high level of formalization in Sales and Marketing interactions was found to be negatively associated with integrated new product implementation planning (H1 is rejected). The type of formalization processes provided by management in this study did not facilitate integrated implementation planning and it is possible that the formality of the commercialization processes may act as a ‘straight-jacket’ to interaction, knowledge exchange and creativity. One of the stated objectives of the senior management in the organization was increased flexibility, as they were building towards increased agility in all markets; however, the predefined structure of the formalized processes currently used were rather formulaic and they did not create the type of interaction that promoted collaboration. On a positive note, the formalization of process employed did provide the necessary opportunities to increase the amount of communication, both formal and informal, between Sales and Marketing, and thus H2 is supported.

The increase in communication amount between Sales and Marketing has two positive effects: (1) it impacts directly on the creation of integrated new product implementation planning as the increase in communication amount between Sales and Marketing facilitates the exchange of information and knowledge, as suggested by Ernst et al (2010) and Hirunyawipada et al. (2010) (H3 is supported); (2) communication amount impacts positively on communication quality (H4 is supported). This suggests that there must be a sufficient amount of communication between Sales and Marketing before communication quality can be created, as the participants learn to convey critical and relevant information quickly and accurately, because accurate and recent market intelligence from the local sales team is necessary for effective launch planning in subsidiary emerging markets.

The results show that communication quality also directly impacts on Sales and Marketing relationship effectiveness, as the exchange of critical information helps both teams to create a common mental model of the market and greater understanding of each other’s perspectives (H5 is supported). The

development of interpersonal trust is built on greater communication quality between Sales and Marketing. Cognitive-based trust grows as Sales and Marketing teams come to rely on the other's expertise and competence (H6 is supported). As previously established, Sales and Marketing have differing thought-worlds even though they are engaged in customer interactions in the same market (Homburg & Jensen, 2007). Overcoming these differences through increased quality of communications is critical to the development of cognitive based trust and, as they depend more on each other and come to understand each other's contribution/perspective, they can establish the emotional ties that builds affect-based trust; thus, H7 is supported. Additionally, cognitive-based trust was found to be a strong predictor of affect-based trust in previous studies (McAllister, 1995).

Affect-based trust between Sales and Marketing is associated with increased relationship effectiveness and facilitates integrated planning (H8 is supported). Affect-based trust leads to the belief that both parties are acting for the common good and that they have an effective interactive/collaborative relationship that leads to achieving shared goals. Creating a trusting environment also directly improves integrated planning (H9 is supported). When Sales and Marketing are jointly involved in planning new product launches, they rely on inter-personal trust in both its forms, based on the information provided during discussions and on the other's expertise, with the result that planning is more accurate because it includes the market intelligence from Sales. However, only affect-based trust improves Sales and Marketing relationship effectiveness in the minds of the participants. Relationship effectiveness is achieved when Sales and Marketing personnel believe that they can act in concert and that they can respond positively to feedback and operate without the conflict that has previously been found to exist in their relationship (e.g. Le Meunier-FitzHugh & Piercy, 2007b; Rouziès et al., 2005). Thus, a strong Sales and Marketing relationship based on their individual competences and understanding of each other's perspectives, and within an environment of mutual trust, allows integrated new product launch plans to be developed collaboratively, as predicted in H10.

The results indicate that integrated new product implementation plans within subsidiary markets should be prepared jointly by both Sales and Marketing. However, these integrated plans can be created

only when both parties are able to communicate freely, trust each other's input, and have an effective working relationship, and when senior managers are required to provide the conditions under which these antecedents can be operationalized. Senior managers at the MNE understudy highlighted the importance of a commitment from the central management team and for the local management to act as a mediator to improving sales and marketing collaboration through establishing cross-functional teams. The management objective is to align priorities between Sales and Marketing so that they can connect the needs of the customer through the Sales teams' interaction with the marketing of the new product launch.

The results of our study also contribute to the development of marketing theory. Although previous studies have examined the effects of cognitive based trust (CBT) and affect based trust (ABT) on both dysfunctional and functional conflict and perceived relationship effectiveness (Massey & Dawes, 2007), and the effects of communication on interdepartmental conflict between Sales and Marketing (Le Meunier-FitzHugh & Piercy, 2007), we believe that this is the first study to focus on the relationship between Sales and Marketing in new global product launches in MNE subsidiaries. The results indicate that a strong bond of trust between Sales and Marketing, supported by an understanding of their mutual interdependence and a two-way flow of valuable information as indicated by social exchange theory (Homans, 1958), is essential to planning the successful launch of new global products. The hypothesized relationships and the conceptual model (Figure 1) were supported by the literature, and the structural model (Figure 2) achieved satisfactory measures of fit. However, to confirm the validity of our conceptual model, we examined different sequences of relationships and tested two alternative models: the first with Relationship Effectiveness (RE) as a mediator for each independent variable, and the second with RE as the dependent variable and new product implementation planning (PLAN) as a mediator for each independent variable. Both alternative models failed to meet minimum goodness of fit criteria (GFI <.90; RMSEA >0.05)) and the number of predicted relationships found to be non-significant ranged from three to eight, compared to just one in our conceptual model (Figure 2). We are confident that the findings of our study can be generalized to the sales/marketing relationship in MNE subsidiary organizations in other

emerging markets – and perhaps also in developed country markets, although this would need to be tested empirically.

MANAGERIAL RELEVANCE

Launching new products in subsidiary territories can be challenging, especially for organizations that engage in emerging markets. However, the rapidly changing business environment in such markets introduces an opportunity for innovative, integrated planning by local Sales and Marketing functions in launching new products to their territory. This confirms the importance of developing effective relationships between local Sales and Marketing functions, empowering them to take decisions for their market.

This study of new product launches in a B2B context produced several notable findings that are relevant to managers responsible for new product implementation. First, to successfully engage in the global commercialization of new products, MNEs should grant subsidiary Sales and Marketing teams devolved power to create their own new product launch strategies. There is still a debate in the literature about how much autonomy should be given to MNE subsidiaries (e.g. Lazarova, Peretz & Fried, 2017), and a recent meta-analysis of the literature indicated that, although subsidiary autonomy has an overall positive relationship with performance, the relationship is mitigated by contingencies such as institutional distance, industry dynamism, and knowledge exchange with the HQ (Geleilate, Andrews & Fainshmidt, 2019). However, in emerging markets especially, it is essential that customers are attracted to the new offerings by combining local customer-market information from Sales with the brand's global values to create innovative and locally adapted launch strategies. To achieve this, collaboration between local Sales and Marketing staff needs to be facilitated by senior management to improve relationship effectiveness and coordinate launch planning.

A second key finding is that formalization processes are necessary to structure Sales and Marketing interactions and improve communication frequency, but not are not sufficient alone to develop integrated launch strategies. Because the planning process is complex and needs to integrate information

from all parties, it is necessary to encourage both formal and informal communication so that critical information and market intelligence can be shared, which means ensuring that both Sales and Marketing are given responsibility and authority to contribute to the planning process. Therefore, senior managers should encourage formal planning meetings and cross-functional informal exchanges as the norm, perhaps through setting up cross-functional planning teams with invested authority. Senior managers should also consider conducting a periodic internal communications audit (Hargie & Tourish, 2009) to assess the quantity and quality of both formal and informal communication within the cross-functional teams. Over time as the planning process produces greater success, mutual trust can be developed between Sales and Marketing teams, as they come to rely on each other's knowledge and skills, thereby building relationship effectiveness that cannot be achieved by formalized processes alone. This is especially critical in low-trust societies, such as the six countries in our study, where social bonds tend to be linked to family ties (Fukuyama, 1996) rather than to one's work-related position or relationships.

Furthermore, we found that the inclusion of Sales in strategic implementation planning is critical in ensuring that the customer's voice is heard which, in turn, can generate learning and social exchanges that are beneficial to both parties and develop locally adapted market intelligence that can improve the implementation of new product launches and increase sales. It was these actions that led to the southern Latin American subsidiaries experiencing double-digit growth rates in revenues and significant market share increases. To correctly manage emerging markets, senior managers will need to provide structures and strategies that facilitate the development of innovative, locally effective implementation plans for new products and to ensure that Sales and Marketing activities are aligned within this process.

Finally, the recent novel corona virus pandemic, which resulted in sudden changes in demand for many consumer products and disruption to the supply chain, created a rapidly changing and uncertain business environment where the FMCG firms that succeed are those that listen attentively to consumers and move fast to bring solutions and appropriate brand messages to their markets. Indeed, the Company's CEO confirmed that the businesses that will emerge strongest from this crisis will be those that move quickest. Fast, effective action requires good communication, but the quarantine that was imposed in

many nations, including all six South American countries studies in our study, impeded face-to-face communication; in such circumstances, shared goals and inter-personal trust are the key to achieve speed in decision-making and action. Therefore, it is incumbent upon managers to encourage the development of a strong, collaborative and trusting relationship between local Sales and Marketing teams that can help subsidiaries to produce a rapid, effective response to supply and demand shocks in times of crisis.

LIMITATIONS AND DIRECTIONS FOR FUTURE RESEARCH

Although we expect these findings to be generalizable to other FMCG multinationals in other industries and in other emerging markets, we undertook this study in a single FMCG company operating in southern Latin America. Consequently, the applicability of our findings to other industries and countries needs to be tested to provide greater insight into the processes required to effectively launch new products into subsidiaries in other emerging markets and/or in other industries. In relatively high-trust emerging markets, such as China (Inglehart, et al, 2014), developing trust between Sales and Marketing in local subsidiaries might not be such a challenge. Sales and Marketing relationships during planning are affected by a wide range of factors, so future research could draw on other frameworks, such as the impact of alternative integration mechanisms on the development of trust and internal relationships. Methodologically, this research examined only linear relationships, even though relationships could be curvilinear e.g., different levels of communication may facilitate relationship effectiveness. All key informants in this study came from a database outlining their expertise and project involvement; consequently, the results should be interpreted with this possible bias in mind. In future studies, the inclusion of objective measures of effectiveness (e.g., new product turnover, speed to market, market share) could complement the subjective outcome measure (integrated new product implementation planning). Although we found no significant differences between the hierarchical levels within the Company, further studies could examine different levels of operation. We discovered that organizational size influenced Sales and Marketing relationship effectiveness in our study, therefore future research could also further investigate the impact of subsidiary size on the success of new product launches.

CONCLUSIONS

This research has established that the success of new product launches in emerging markets can be improved by providing strategies and structures in MNE subsidiaries that encourage Sales and Marketing to collaborate and develop locally appropriate new product implementation plans. The experience of the Company's subsidiaries in emerging markets in southern Latin America illustrates the importance of empowering local Sales and Marketing teams to take decisions for their own markets. MNEs should ensure that processes are in place to generate relationship effectiveness between Sales and Marketing teams, as this does not usually develop naturally. In particular, managers should develop processes and mechanisms to overcome the different mindsets generated in functional departments and to develop trust between functional teams that are expected to work closely together. In response to the findings of this study, the Company has recently created new Cross Functional Innovation Teams led by Sales and Marketing managers within each subsidiary, with the express objective of creating integrated launch plans appropriate to each territory. Additionally, local Sales knowledge is now included in the Company's global planning process for new product launches, which demonstrates the importance of a two-way flow of communication between the HQ and subsidiaries, as well as the impact of academic research, such as this study, on business practice.

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Table 1. Summary of the Literature Review

New Products		Sales and Marketing interface	
Subsidiary role	Successful new product launch	Global subsidiaries Sales & Marketing	
<p>-Li & Lin, 2015. -Fang, Wade, Delios & Beamish, 2012. -Malshe & Biemans, 2014. -Bahadir, Bharadwaj & Srivastav, 2015. -Griffith, Yalcinkaya & Rubera, 2014. -Balogun, Jarzabkowsdi & Vaara, 2011.</p> <p>Emerging Markets -Lee, Lin, Wong & Calantone, 2011</p>	<p>-Malshe & Biemans, 2014. -</p> <p>Organizational behavior -Becerra & Gupta, 2003. -Johnson & Grayson, 2005. -McAllister, 1995.</p> <p>Exchange theory -Homans, 1958, 1961. -Thibaut & Kelley, 1959.</p> <p>Internal collaboration/ integration -Hirunyawipada, Beyerlein & Blankson, 2010</p> <p>Effective implementation -Kuester, Homburg & Hess, 2012.</p> <p>Process innovation -Beverland, Steel & Dapiran, 2006. -Kotler, Rackham & Krishnaswamy, 2006. -Le Meunier-FitzHugh & Piercy, 2007a.</p>	<p>-Ernst, Hoyer & RübSaamen, 2010 -Kotler & Armstrong, 2012 -Malshe & Biemans, 2014. -Homburg & Jensen, 2007. -Le Meunier-FitzHugh & Piercy, 2007b. -Malshe, Johnson & Viio, 2016. -Keszey & Biemans, 2016. -Kuester, Homburg & Hildesheim, 2017. -Nguyen & Rugman, 2014.</p> <p>Commercialization of new products -Ernst, Hoyer & RübSaamen, 2010. -Malshe & Biemans, 2014.</p> <p>Information in NPD -Malshe & Biemans, 2014.</p> <p>Marketing Role -Fang, Wade, Delios & Beamish, 2012. -Heinberg, Ozkaya & Taube, 2017. -Balogun, Jarzabkowski & Vaara, 2011. -Malshe & Biemans, 2014.</p>	<p>Relationship improvement or no conflicts -Guenzi & Troilo, 2007. -Le Meunier-FitzHugh & Piercy, 2007b. -Homburg & Jensen, 2007. -Malshe & Al-Katib, 2017. -Rouziès, Anderson, Kohli, Michaels, Weitz & Zoltners, 2005.</p> <p>Functionality distinction (goals, practices, culture) -Biemans, Brenčič & Malshe, 2008. -Homburg & Jensen, 2007) -Homburg, Jensen & Krohmer, 2008. -Le Meunier-FitzHugh & Piercy, 2007a.</p> <p>Functionality distinction (service & time orientation, skills) -Malshe, Johnson & Viio, 2016.</p> <p>Functionality distinction: justice -Hulland, Nenkov & Barclay, 2011.</p> <p>Conflicts -Kotler, Rackham & Krishnaswamy, 2006).</p> <p>Balance separation & collaboration -Guenzi & Troilo, 2007.</p>

		<p style="text-align: center;">Sales Role</p> <ul style="list-style-type: none"> -Lee, Lin, Wong & Calantone, 2011. -Malshe & Biemans, 2014. -Fraenkel, Haftor & Pashkevich, 2016. -Kuester et al., 2017. 	<ul style="list-style-type: none"> -Homburg & Jensen, 2007. -Hughes, Le Bon & Malshe, 2012. <p style="text-align: center;">Joint planning, strategic agreement</p> <ul style="list-style-type: none"> -Hirunyawipada, Beyerlein & Blankson, 2010. -Sivasubramaniam, Liebowitz, & Lackman, 2012. <p style="text-align: center;">Interpersonal trust</p> <ul style="list-style-type: none"> -Dawes & Massey, 2007. -Keszey & Biemans, 2016. -Moorman, Deshpandé, & Zaltman, 1993. -Morgan & Hunt, 1994.
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Table 2. Survey Items

Construct	Items	Measurement Source
Formalization of sales and marketing planning process during new product launches (FMZ)	<p>To coordinate sales and marketing activities during new product launches:</p> <ol style="list-style-type: none"> 1. Formal communication channels are followed 2. Standard operation procedures are established 3. Marketing understands the sales process 4. Sales understands the marketing process 5. Marketing and Sales stick to the guidelines^b <p>(7-point scales with completely agree/completely disagree anchors)</p>	<p>Adapted from: Ruekert and Walker (1987) Homburg, Jensen and Krohmer (2008)</p>
Communication Amount between sales and marketing during new product launches (CA)	<p>During new product implementation planning of new product launches sales and marketing communicate frequently through:</p> <ol style="list-style-type: none"> 1. Electronic mail^a 2. Impromptu face-to face conversations 3. Scheduled one-to-one phone conversations 4. Scheduled one-to-one meetings 5. Impromptu one-to-one meetings^a 6. Impromptu one-to-one phone conversations^a 7. Reports^a <p>(7-point scales with never/very frequently anchors)</p>	<p>Adapted from: Morgan and Piercy (1998)</p>
Communication Quality between sales and marketing during	<p>During new product implementation planning of new product launches, people in the sales (marketing) unit of our business unit/company:</p>	<p>Adapted from: Fisher, Maltz and Jaworski (1997)</p>

<p>new product launches (CQ)</p>	<ol style="list-style-type: none"> 1. Are willing to deal with information request from marketing (sales) people^a 2. Respond promptly and without a reminder to two-way information requests from marketing (sales) people 3. Inform the marketing (sales) unit proactively^a 4. Provide information that is useful for marketing (sales) work on the projects 5. Provide information that is relevant for marketing (sales) work on the projects 6. Provide information that is highly credible for marketing (sales) work on the projects^b <p>(7-point scales with completely agree/completely disagree anchors)</p>	<p>Homburg, Jensen and Krohmer (2008) Monaert, Deschoolmeester, De Meyer and Souder (1992)</p>
<p>Cognitive-based Trust between sales and marketing during new product launches (CBT)</p>	<p>During new product implementation planning of new product launches, people in the sales (marketing) unit of our business unit/company:</p> <ol style="list-style-type: none"> 1. Other work associates who must interact considers marketing (sales) to be trustworthy 2. Marketing (sales) approach their job with professionalism and dedication 3. I see no reason to doubt marketing (sales) competence and preparation for the job 4. I can rely on marketing (sales) to not make my job more difficult by careless work 	<p>Adapted from McAllister (1995)</p>

	(7-point scales with completely agree/completely disagree anchors)	
Affect-based Trust between sales and marketing during new product launches (ABT)	<p>During new product implementation planning of new product launches, people in the sales (marketing) unit of our business unit/company:</p> <ol style="list-style-type: none"> 1. Have a relationship in which marketing (sales) both freely share ideas, feelings, and hopes 2. Can talk openly to marketing (sales) about difficulties that I'm having at work and know they will want to listen 3. If I shared my problems with marketing (sales), I know that they would respond constructively and with understanding <p>(7-point scales with completely agree/completely disagree anchors)</p>	Adapted from McAllister (1995)
Relationship Effectiveness between sales and marketing during new product launches (RE)	<p>During new product implementation planning of new product launches, people in the sales (marketing) unit of our business unit/company:</p> <ol style="list-style-type: none"> 1. Overall, both are satisfied with the working relationship between marketing and sales^b 2. Collaborate frictionless 3. Act in concert^b 4. Coordinate the market-related activities in a credible way 5. Fully carried out their responsibilities and commitments to marketing (sales)^b 6. Responded well to feedback and advice from marketing (sales) 	Adapted from: Homburg, Jensen and Krohmer (2008) Ruekert and Walker (1987)

	<p>7. The time spent developing and maintaining the relationship with marketing (sales) has been worthwhile^a</p> <p>8. Achieve their common goals^b</p> <p>9. From a performance perspective, the relationship between marketing and sales has been effective^b</p> <p>(7-point scales with completely agree/completely disagree anchors)</p>	
<p>Planning of New Product Implementations (PLAN)</p>	<p>The planning of new product implementation is integrated between sales and marketing when:</p> <ol style="list-style-type: none"> 1. Marketing goals and sales goals are reconciled 2. Both units commit to the efficiency of common collaboration and coordination 3. Marketing-related activities are jointly planned 4. Market-related activities decisions are taken jointly^b 5. Market-related activities are carried out jointly^b <p>(7-point scales with completely agree/completely disagree anchors)</p>	<p>Adapted from: Homburg, Jensen and Krohmer (2008)</p>

Note. ^a Item deleted following CFA analysis. ^b Item deleted on model validity.

Table 3. Means, standard deviations, internal consistency of constructs (Cronbach's alpha), and correlations

Construct	No. of items	Mean	SD	Cronbach's α	FMZ	CBT	ABT	CA	CQ	RE	PLAN
Formalization (FMZ)	4	4.42	1.37	0.72							
Cognitive-based Trust (CBT)	4	5.46	1.22	0.87	0.21***						
Affect-based Trust (ABT)	3	4.98	1.22	0.81	0.39***	0.70***					
Communication Amount (CA)	3	5.30	1.45	0.73	0.43***	0.40*	0.51**				
Communication Quality (CQ)	3	5.07	1.41	0.88	0.36**	0.60***	0.59**	0.57***			
Relationship Effectiveness (RE)	3	5.31	1.23	0.84	0.32***	0.68**	0.73**	0.59**	0.66***		
New Product Implementation (PLAN)	3	5.19	1.24	0.84	0.53***	0.53***	0.63***	0.57***	0.53***	0.59**	
AVE					0.53	0.63	0.62	0.50	0.75	0.66	0.65

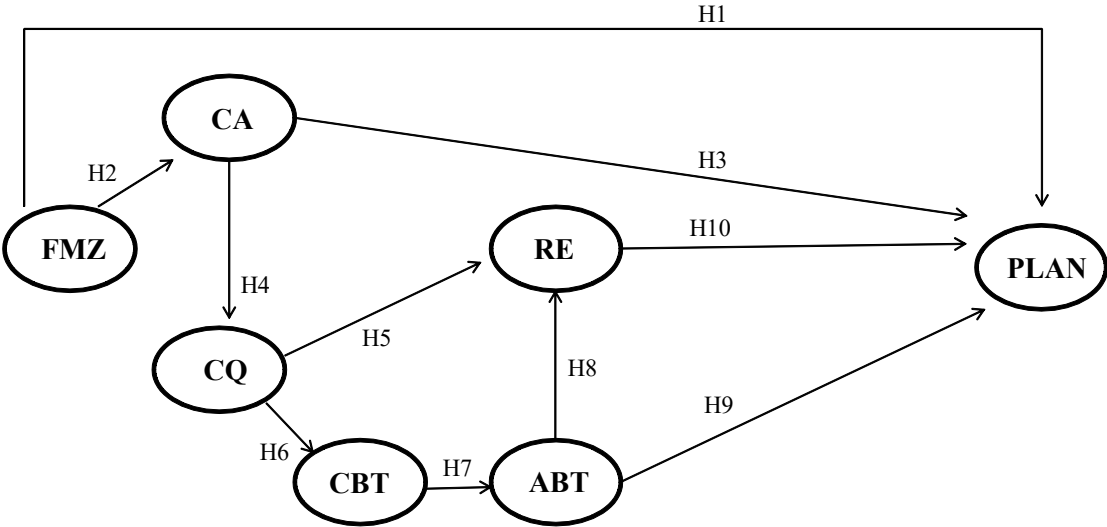
Note. N= 152. Significance levels for two-tailed t-tests: * p<.1; **p<.05; ***p<.01.

Table 4. Sales-Marketing construct relationship, path coefficient, t-values and structural modeling results

Hypothesized Relationships	Standard β	t-value	χ^2	Df	Tucker-Lewis TLI	Bentler CFI	RMSEA
H1 FMZ \rightarrow PLAN	-0.121	-1.553*					
H2 FMZ \rightarrow CA	0.236	2.010**					
H3 CA \rightarrow PLAN	0.181	2.514**					
H4 CA \rightarrow CQ	0.303	2.344**					
H5 CQ \rightarrow RE	0.773	3.476***					
H6 CQ \rightarrow CBT	0.856	5.445***					
H7 CBT \rightarrow ABT	0.997	3.832***					
H8 ABT \rightarrow RE	0.482	3.433***					
H9 ABT \rightarrow PLAN	0.123	1.857*					
H10 RE \rightarrow PLAN	0.101	1.469*					
Firm Age \rightarrow RE	-0.030	-0.350 n.s.					
Firm Age \rightarrow PLAN	-0.130	-2.430 n.s.					
No empl. \rightarrow RE	0.218	2.144**					
No empl. \rightarrow PLAN	0.297	4.345***					
Model statistics			288.66***	21	0.95	0.96	0.05

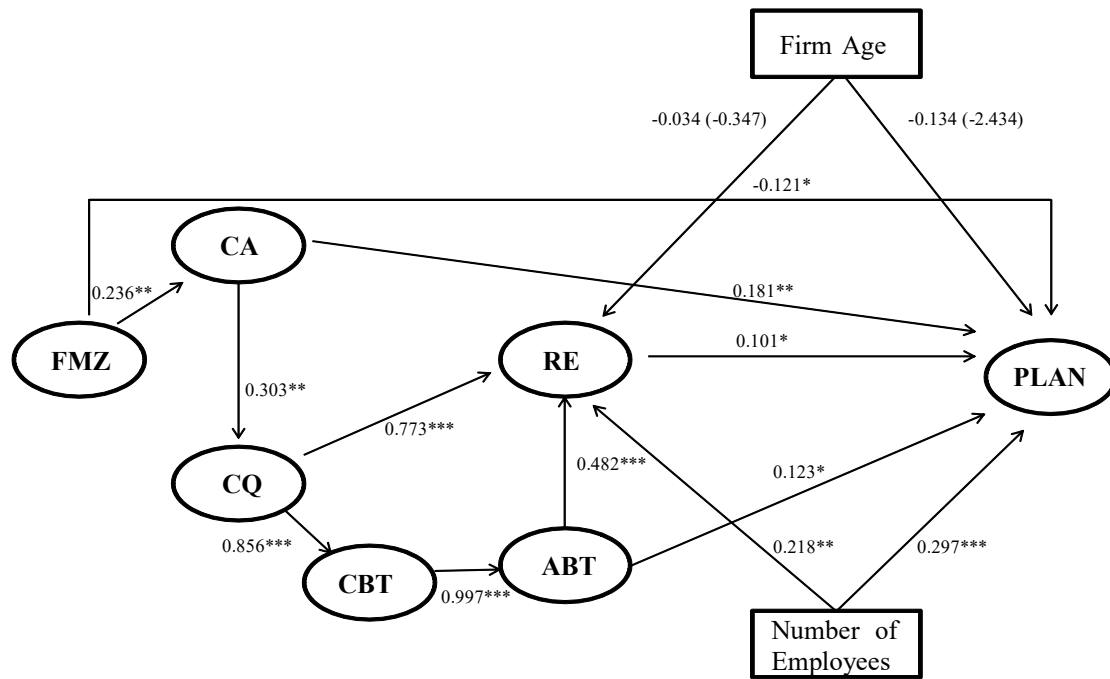
Note. N= 152, Significance levels *p < .10, **p < .05, ***p < .01

Figure 1 Conceptual Model



FMZ= Formalization; CA= Communication Amount; CQ= Communication Quality; CBT= Cognitive-based Trust; ABT= Affect-based Trust; RE= Relationship Effectiveness; PLAN= Integrated New Product Implementation Planning

Figure 2 Structural Model



FMZ= Formalization; CA= Communication Amount; CQ= Communication Quality; CBT= Cognitive-based Trust; ABT= Affect-based Trust; RE= Relationship Effectiveness; PLAN= Integrated New Product Implementation Planning
 Significance levels *p < .10, **p < .05, ***p < .01