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# Exploring the Sources and Outcomes of Marketing-Sales Conflict

George J. Avlonitis,  
& Konstantinos Lionakis

Athens University of Economics & Business  
Department of Marketing & Communication



*The Athens Laboratory  
of Research in Marketing*



## Presentation Structure

- Purpose of the Study
- Research Hypotheses
- Research Methodology
- Analysis and Results
- Implications
- Limitations & Suggestions for Future Research

## Purpose of the Study (1/3)

**In the context of marketing organizational design, a fundamental issue that top management needs to address is the relationship between Marketing and Sales** (Rouzies et al. 2005; Guenzi and Troilo 2006; Homburg and Jensen 2007; Le Meunier-FitzHugh and Piercy 2007, 2011; Homburg et al. 2008; Hughes et al. 2012)

**Senior managers often describe the working relationship between Marketing and Sales (hereinafter M&S) as unsatisfactory** (Kotler et al. 2006), **while..**

- **the M&S relationship is characterized, mainly, by negative outcomes, e.g. a lack of cohesion, distrust, dissatisfaction and conflict** (Dewsnap & Jobber 2000, 2002) **and is reported to be far from harmonious** (Homburg, Jensen & Krohmer, 2008)

- **the kind of relationship between M&S is reported as having an impact on company performance** (Kotler et al., 2006; Meunier-FitzHugh & Piercy, 2007; Rouzies et al., 2005; Shapiro, 2002)

## Purpose of the Study (2/3)

Five voids in the current literature are setting the scene for this paper...

**(1) our paper contributes to this research domain by exploring the M-S relationship in terms of dysfunctional conflict; to the best of our knowledge only three studies in this domain are actually measuring the level of dysfunctional conflict between M&S** (i.e. Dawes and Massey 2005; Le Meunier-FitzHugh and Piercy 2007; Massey and Dawes 2007)

**(2) building on existing theory which discusses various types of antecedents of effective M-S relationship, our paper considers as antecedents for the creation dysfunctional conflict between M&S (a) the low degree of market orientation, (b) inconsistencies in the strategy formulated by the M-S units, and (c) the relative power of M&S**

**(3) to the best of our knowledge, this study is the first attempt which aims to explore the direct effect of M-S dysfunctional conflict to company performance**

**(4) none of the studies examining the outcomes of ineffective M-S relationship,** (see Guenzi and Troilo 2007; Hughes et al. 2012; Hulland et al. 2010; Le Meunier-FitzHugh and Lane 2009; Malshe 2010) **has addressed the impact of environmental forces**

**(5) our study is applying a dyadic approach in the examination of the antecedents and consequences of this type of conflict, since we consider the perceptions of both M&S managers of the same company**

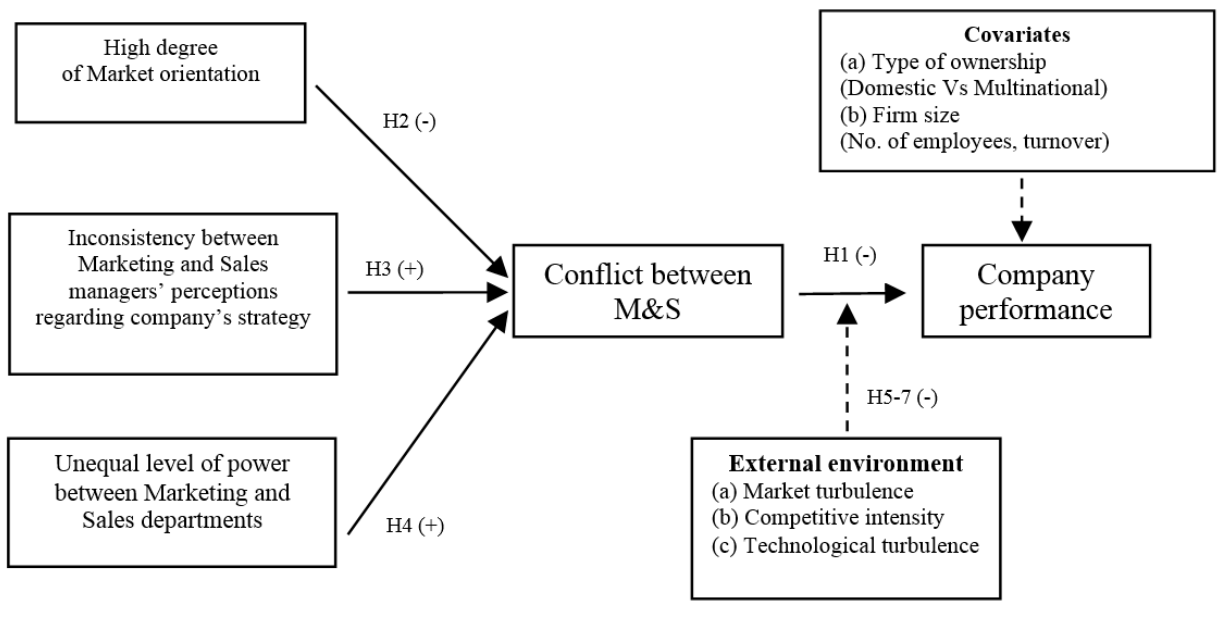
## Purpose of the Study (3/3)

This paper is addressing the M-S relationship by..

- (a) focusing on the level of conflict between M&S, and
- (b) exploring both the antecedents of this conflict, in terms of important organizational dimensions, and its consequences on company performance,

..taking under consideration the external environment within which the company operates

### Conceptual Framework



*H1: M-S dysfunctional conflict has a negative impact on company performance*

*H2: A high degree of market orientation is reducing the level of M-S conflict*

*H3: Inconsistencies in the perceptions of M&S managers regarding their company's strategy are enhancing the level of M-S conflict*

*H4: Differences in the level of power between the M&S units within the organization tend to enhance the level of M-S conflict*

*H5: High market turbulence is strengthening the negative effect of M-S conflict on company performance*

*H6: High competitive intensity is strengthening the negative effect of M-S conflict on company performance*

*H7: High technological turbulence is strengthening the negative effect of M-S conflict on company performance*

## Research methodology

### Sample & Data Collection

#### - Population of this study

Consumer packaged goods (CPG) companies with turnover of more than €10 million and employing more than 50 employees (which according to the definition of EU are considered medium and large companies) constitute the population for this study

Medium and large CPG companies constitute an ideal context for empirical investigation of the M-S interface (Dewsnap and Jobber, 2000, 2002), while in this type of organizations, M&S functions are often structured as separate and discrete departments performing different functions (Piercy, 1986; Shapiro, 2002; Workman, Homburg and Gruner, 1998)

#### - Sample / Response

Based on TNS' list of companies in Greece, 409 firms were identified as fulfilling the above two criteria

132 companies agreed to participate in our research (32.3% response rate) and provide dyadic data

#### - Data collection

Personal interviews were conducted, using a structured questionnaire, with the Marketing and Sales managers of each company

Both Marketing and Sales managers answered the same questionnaire in separate personal interviews (without knowing each other's answers).

## Research methodology

### Operationalization of Study Variables

- The constructs of **Marketing-Sales Conflict**, **Market Orientation**, **M&S Departments' Power**, the characteristics of the companies' external environment (in terms of **Market Turbulence**, **Competitive Intensity** and **Technological Turbulence**), and **Company Performance**, were measured as reflective models, since a reflective measurement model is appropriate when observed variables are interchangeable manifestations of an underlying construct (Bagozzi and Baumgartner, 1994)
- **M-S consistency regarding the company's strategy** was measured as dichotomous variable
- **Type of ownership** (domestic – multinational) and **size** (in terms of number of employees and turnover), were the company's characteristics that used for controlling performance.
  - From the sample of 132 companies, 91 were domestic, while 41 were subsidiaries of multinational firms (a dichotomous (0/1) variable was devised whereby the value of 0 stands for domestic companies, while the value of 1 stands for multinational companies) .
  - The number of employees as well as the company's turnover were used as continuous variables in order to capture company size (in the 132 companies of our sample, the average number of employees was approximately 320 employees per firm and the average turnover was approximately 90 million euros)

## Research methodology

### Operationalization of Study Variables Reflective Scales

#### **Marketing-Sales Conflict:**

- Both M&S managers were presented with the seven statements measuring interdepartmental conflict, as proposed by Jaworski and Kohli (1993).
- Using a 5-point Likert type scale, the respondents indicated their degree of disagreement or agreement (1="fully disagree", 5="fully agree") with each of these statements

#### **Market Orientation:**

- Both M&S managers were presented with the fifteen statements measuring this construct, as proposed by Narver and Slater (1990)
- Using a 5-point Likert type scale, the respondents indicated their degree of disagreement or agreement (1="fully disagree", 5="fully agree") with each of the fifteen statements.

#### **Departmental Power:**

- Both M&S managers were presented with the five statements measuring this construct, as proposed by Kohli (1990)
- Using a 5-point Likert type scale, the respondents indicated their degree of disagreement or agreement (1="fully disagree", 5="fully agree") with each of the statements.
- The estimation of the absolute value of the difference between the Marketing department's power and the Sales department's power provided the relative power of M&S departments, which was examined as an antecedent of M-S conflict.

#### **External environment:**

- In order to measure (a) market turbulence, (b) competitive intensity, and (c) technological turbulence, we adopted the respective scales and items developed by Jaworski and Kohli (1993).
- Both managers indicated their degree of agreement or disagreement with each of the respective scale statements, using a 5-point Likert type scale (1="fully disagree" to 5="fully agree").

#### **Company Performance:**

- Measured in terms of profits, sales volume, market share and ROI (e.g. Narver & Slater, 1990).
- The two managers indicated, using a five point scale, the firm's performance in comparison with their main competitor (1: much worse, 5: much better), as well as the degree of the firm's satisfaction (1: very displeased, 5: very pleased), for each one of the four performance criteria.

***During the analysis of the results, where necessary, the scales were reverted so that higher levels of agreement would always represent higher level of each construct***



## Research methodology

### Operationalization of Study Variables Reflective Scales

**Table 1. Operationalization of study variables**

Variables (N=132)		Mean (SD) / independent samples t test		AVE	CR	Cronbach's alpha
Sales department power	Marketing Managers	3.68 (.66)	ns	.612	.790	.804
	Sales Managers	3.81 (.62)		.570	.729	.793
Marketing department power	Marketing Managers	3.26 (.70)	ns	.635	.830	.845
	Sales Managers	3.15 (.68)		.679	.812	.829
M&S conflict	Marketing Managers	2.56 (.90)	ns	.835	.781	.939
	Sales Managers	2.60 (.96)		.849	.801	.949
Company performance	Marketing Managers	3.21 (.87)	ns	.879	.920	.958
	Sales Managers	3.20 (.91)		.866	.897	.953
Market Orientation						
Customer orientation	Marketing Managers	4.23 (.61)	ns	.635	.737	.902
	Sales Managers	4.08 (.58)		.679	.721	.887
Competitor orientation	Marketing Managers	4.03 (.62)	ns	.617	.754	.816
	Sales Managers	4.00 (.56)		.631	.708	.760
Inter-functional coordination	Marketing Managers	3.84 (.61)	ns	.629	.730	.826
	Sales Managers	3.80 (.60)		.620	.719	.778
External Environment						
Market turbulence	Marketing Managers	3.35 (.65)	ns	.644	.712	.734
	Sales Managers	3.50 (.66)		.720	.758	.801
Competitive intensity	Marketing Managers	3.96 (.58)	ns	.685	.738	.794
	Sales Managers	4.07 (.52)		.682	.720	.727
Technological turbulence	Marketing Managers	3.29 (.88)	ns	.785	.845	.899
	Sales Managers	3.40 (.82)		.764	.815	.874

Notes: (1) Reliability and validity of the reflective multi-item measures was assessed with two confirmatory factor analyses (CFAs) one pertaining in the perceptions of Marketing managers in the other in the perceptions of Sales managers. (2) Both measurement models showed a reasonable good fit with the data:  $\chi^2(404) = 856$ ; comparative fit index (CFI) = .924; Tucker–Lewis index (TLI) = .921; root mean square error of approximation (RMSEA) = .059 for the Marketing managers data; and  $\chi^2(419) = 871$ ; CFI = .929; TLI = .923; RMSEA = .057 for the Sales managers data. (3) All items loaded significantly on the hypothesized latent variables, indicating convergent validity. (4) Each construct manifests a composite reliability (CR) of at least 0.7 (Bagozzi et al., 1991). (5) Average variance extracted (AVE) is at least .57 and higher than the  $\phi^2$  for any pair of latent variables, a finding that provides evidence of discriminant validity (Fornell and Larcker, 1981). (6) Independent samples t-tests indicated no significant differences in the opinions of M&S managers regarding the reflective measures in question. (7) A composite measure that averages the responses from the two managers in each company was computed for each reflective measure

## Research methodology

Descriptive  
Reflective Scales

Table 2. Correlations and descriptive statistics

		1	2	3	4	5.1	5.2	5.3	6.1	6.2	6.3
1	Power (Marketing)	1									
2	Power (Sales)	-.167 (ns)	1								
3	M&S conflict	-.332**	-.327**	1							
4	Company performance	.314**	.323**	-.838**	1						
5	Market orientation										
5.1	Customer orientation	.215*	.382**	-.660**	.666**	1					
5.2	Competitor orientation	.282*	.208*	-.569**	.607**	.729*	1				
5.3	Interfunctional coordination	.303**	.284**	-.644**	.665**	.755**	.738**	1			
6	External Environment										
6.1	Market turbulence	.020 (ns)	.108 (ns)	.069 (ns)	.054 (ns)	.014 (ns)	.149 (ns)	.016 (ns)	1		
6.2	Competitive intensity	.013 (ns)	.107 (ns)	.018 (ns)	.023 (ns)	.082 (ns)	.154 (ns)	.002 (ns)	.202*	1	
6.3	Technological turbulence	.023 (ns)	.187 (ns)	-.102 (ns)	.172 (ns)	.169 (ns)	.115 (ns)	.187 (ns)	.107 (ns)	-.109 (ns)	1
	Mean (SD)	<b>3.21 (.63)</b>	<b>3.71 (.59)</b>	<b>2.58 (.91)</b>	<b>3.21 (.63)</b>	<b>4.16 (.60)</b>	<b>4.02 (.59)</b>	<b>3.82 (.60)</b>	<b>3.42 (.66)</b>	<b>4.01 (.55)</b>	<b>3.34 (.85)</b>

Notes: (1) \*p<.05 / \*\*p<.01 / ns=not significant / N=132. (2) market orientation: mean value=4.00 / SD=.06. (3) gap in the power between M&S departments: mean value=.50 / SD=.61 (estimated as the absolute value of the difference between the power of Marketing department and the power of Sales department).

## Research methodology

### Operationalization of Study Variables Dichotomous variables

#### Company's Strategy:

- McKee, Varadarajan and Pride's (1989) operationalization was adopted in order to capture the perceptions of M&S managers regarding the type of their company's strategy.
- Both M&S manager were provided with the definition of the three strategies of Miles and Snow (1978) typology (Prospector, Analyzer, and Defender) and were asked to identify the strategy of their company.
- Following the approach proposed by Stathakopoulos (1998), instead of using the terms "prospector", "analyzer" and "defender", we labeled the descriptions as "Type 1", "Type 2", and "Type 3" respectively, in order to control for socially undesirable responses.

*Through this operationalization, the companies were classified in two groups, as shown in Table 3, whereby group 1 contains companies in which the M&S managers had similar perceptions regarding their company's strategy (79.5%), while group 2 contains companies in which the two managers had different perceptions regarding the strategy in question (20.5%). Thus, a dichotomous 0 / 1 measurement was devised whereby the value of 0 stands for companies in group 1, while the value of 1 stands for companies in group 2.*

**Table 3. Marketing and Sales managers perceptions regarding their company's strategy**

Group 1 - Consistency (N=105 – 79.5%)		Group 2 - Inconsistency (N=27 – 20.5%)	
prospector	68 (65%)	prospector-analyzer	18 (67%)
analyzer	24 (23%)	prospector-defender	3 (11%)
defender	13 (12%)	analyzer-defender	6 (22%)

## Analysis and Results

In order to test the research hypotheses advanced regression analyses were conducted estimating two models, as it has been suggested in the literature (Aiken and West, 1991; Baron and Kenny, 1986)

In the first regression model the independent variables were the antecedents of M-S conflict, and the dependent variable was the level of M-S conflict; while, in the second regression model the independent variables were the antecedents in question together with the M-S conflict, and the dependent variable was company performance.

The second regression model also interprets the moderation effect of the external environment (market turbulence, competitive intensity, technological turbulence) on the relationship between M-S conflict and company performance, as well as the company characteristics (type of ownership, size) as covariates of performance, according to the suggestions of the relevant literature regarding moderated mediation (Edwards and Lambert, 2007).

In order to examine the potential presence of multi-collinearity the variance inflation factors (VIF) were estimated (the VIFs range from 1.072 to 1.901, well below the recommended cut-off of 10)

In order to examine the potential presence of auto-correlation, Durbin-Watson test was conducted in both models, providing results which indicate no auto-correlation (values: 1.927 in regression 1 / 2.076 in regression 2)

Table 4 shows that all hypotheses (except H7) find support

# Analysis and Results

**Table 4. Antecedents and Consequences of Marketing – Sales Conflict / Regression Analyses**

Dependent variable	Independent Variables	Hypothesis	Std Beta (t-value)	F-value	Adj. R <sup>2</sup>
Marketing-Sales Conflict	Regression model 1			75.441*	.530
	Market orientation	H2	-.511 (-8.76*)		
	Inconsistency between Marketing and Sales managers perceptions regarding company's strategy	H3	.145 (2.84**)		
	Unequal level of power between Marketing and Sales departments	H4	.441 (7.75*)		
Company performance	Regression model 2			89.773*	.610
	Marketing-Sales Conflict	H1	-.623 (-8.12*)		
	Market orientation	not developed	.255 (4.06*)		
	Inconsistency between Marketing and Sales managers perceptions regarding company's strategy	not developed	-.104 (2.78**)		
	Unequal level of power between Marketing and Sales departments	not developed	ns		
	moderators				
	Marketing-Sales Conflict x Market turbulence	H5	-.243 (2.11**)		
	Marketing-Sales Conflict x Competitive intensity	H6	-.209 (1.97**)		
	Marketing-Sales Conflict x Technological turbulence	H7	ns		
	covariates				
	Type of ownership		ns		
	Number of employees		ns		
	Turnover		ns		

Notes: (1) \* Significant at 0.01 level / \*\* Significant at 0.05 level / ns: not significant. (2) The direct effect of Market turbulence, Competitive intensity and Technological turbulence on company performance was estimated in the regression model 2 as not significant. (3) Type of ownership, number of employees and turnover were used as control variables for M-S conflict in the regression model 1; no significant effect emerged.

## Theoretical implications

Our study makes five important contributions to the extant literature

**First**, we answer the long-standing calls for conducting multi-informant research in the domain of M&S integration by drawing on the perceptions of both M&S managers of the same organization vis-à-vis the study variables (e.g., Guenzi and Troilo 2007; Homburg et al. 2008; Massey and Dawes 2007)

**Second**, our findings concur with the literature, which suggests that M&S effective relationship is one of the components of market-driven organizations (Rouzies et al. 2005), by indicating that the adoption of market orientation can reduce the level of M-S dysfunctional conflict

*Moreover we provide findings which support the positive relationship between market orientation and company performance (e.g. Cano et al. 2004), placing the M-S dysfunctional conflict as a mediator in this relationship*

**Third**, our research empirically demonstrates that a source of dysfunctional conflict between M&S is inconsistency in the managers' perceptions regarding their respective companies' strategy, providing support to literature suggestions emphasizing the need for the strategic alignment of M&S (e.g. Shapiro, 2002)

**Fourth**, our findings indicate that when M&S units tend to have equal level of power, then the level of dysfunctional conflict between these two units is decreasing, and, as a consequence, the company's performance is increasing. *These findings concur with those reported by Homburg et al. (2008); thus, it seems that the most successful companies are characterized by fairly strong M&S departments*

## Theoretical implications

Finally, the study contributes to our understanding of the effect of the M-S dysfunctional conflict on company performance

To the best of our knowledge, only three studies in the pertinent literature are actually measuring the level of M-S dysfunctional conflict, indicating a relatively low level

Marketing-Sales dysfunctional conflict		
Mean	SD	Author(s)
2.51 out of 7	1.29	Dawes and Massey 2005
2.70 out of 7	1.06	Le Meunier-FitzHugh and Piercy 2007
2.77 out of 7	1.46	Massey and Dawes 2007
2.58 out of 5	.91	Our study

Nevertheless, even this moderate level of dysfunctional conflict seems to be detrimental for the organization, as our research provides empirical data demonstrating that this type of conflict has a strong negative impact on company performance

These findings support the relative conceptual literature (e.g. Kotler et al. 2006) regarding the harmful consequences of M-S conflict; but at the same time provide arguments against the general consensus that M-S relationship are problematic (e.g. Dewsnap and Jobber 2000, 2009)

Additionally, we identified that the relationship between M-S dysfunctional conflict and company performance seems to becoming even more negative when a company's external environment is characterized by high market turbulence and competitive intensity. These results are consistent with the suggestions put forward in the conceptual work of Rouzies et al. (2005).

## Managerial Implications

**The study has several managerial implications, providing guidance for top management responsible for the M&S organization. Top management should focus on...**

... creating fair relationships between M&S, which are characterized by a low level of conflict; this requires changes in the company's culture, as well as people's attitudes and behaviors and should be applied especially in highly turbulent and competitive markets

... becoming more market oriented by developing internal processes needed for focusing on customer desires and on competitors' strategies, and enhancing inter-functional coordination, especially between M&S.

... any status differences of the two departments, by removing barriers between these two units, and providing them both with an equal strategic voice.

... the creation of a clear and integrated strategy between M&S. The lack of alignment between M&S managers regarding their company's strategy seems to be a source of M-S conflict and ends up hurting company performance. Therefore

- M&S executives should be encouraged by the top management to meet on a regular basis in order to review and discuss strategy decisions, developing a common understanding of their company's strategy, and reach a consensus on the strategy which they implement (Strahle et al., 1996)

- in-house common training programs should be implemented in order to reduce the psychological distance between the two functional managers.

- requiring each manager to spend some time working with hers/his counterpart manager could improve flows of information and expertise between them.

- the Marketing manager should spend a specified amount of time in the field with the Sales manager (Massey and Dawes, 2007; Rouzies et al., 2005)



## Limitations – Future Research

- The selection of (a) a single geographical context (Greece) as a sampling frame, and (b) a single type of companies (consumer goods' companies) might be considered as the major limitations of this study.
  - Future research should address the issues examined in this study in other countries and in other types of companies (such as services) in order to ensure confidence in the stability of the findings and ultimate generalizability
- The measure of the impact of Marketing-Sales conflict on performance indicators, other than those examined in this study (e.g. financial, organizational), would add some value to the model
- To better interpret the model proposed in this paper and to provide managers with more practical guidelines, future research should analyze other drivers of effective relationships between M&S, such as company culture, organization structure and personal characteristics of managers of the two departments (Guenzi & Troilo, 2007)
- Future research should also investigate the role of “conflict resolution mechanisms” (see Cespedes, 1993), such as job rotation, information exchange, liaison unit, formulation of common training programs etc, in the reduction of the level of Marketing-Sales conflict

# Thank you for your attention!

**Authors:**

[Avlonitis@aueb.gr](mailto:Avlonitis@aueb.gr)

[Lionakis@aueb.gr](mailto:Lionakis@aueb.gr)

## Brief Literature Review & Research Hypothesis 1

**Following the suggestions of the relevant literature** (Boulding, 1963; Le Meunier-FitzHugh and Piercy, 2007), **we view conflict in the conventional sense:**

*that it is unhealthy, and associated with dysfunctional behaviors, dissatisfaction, and poor individual and/or group performance, since the M&S units appear as working at cross-purposes, having turf battles and incompatible goals and values, being obstructive, and not appreciating each other's roles*

**The consequences of this conflict on organisational processes and marketing performance are characterized as deleterious** (Chimhanzi, 2004)

**Conflict has been found to reduce inter-functional performance** (Dutton & Walton, 1996; Souder, 1981)

**Reducing dysfunctional conflict between M&S will improve their collaboration** (Meunier-FitzHugh and Piercy, 2007), **which in turn will lead to superior company performance** (Rouzies et al., 2005)

Thus, we can hypothesize that:

***H1: Marketing-Sales conflict has a negative impact on company performance.***

## Brief Literature Review & Research Hypothesis 2

**Two perspectives on market orientation can be distinguished** (Cano, Carrillat and Jaramillo, 2004)  
**a behavioral and a cultural**

**Both perspectives place cross functional relationships at the very hart of market orientation, in terms of**  
**(a) dissemination of market intelligence within the company** (Kohli and Jaworski, 1990), **and**  
**(b) inter-functional coordination** (Narver and Slater, 1990)

**Further, it has already been established that in a market orientated culture...**

- the effects of silos are limited** (Day, 1994)
- the collaboration between M&S is improved** (Le Meunier and Piercy, 2011)
- different groups will listen to each other and be encouraged to lay out their ideas and requirements honestly and vigorously** (Shapiro, 1988), **which are attributes that facilitate collaboration** (Rouzies et al. 2005)
- the creation of esprit de corps is enhanced** (Kirca et al., 2005; Kohli and Jaworski, 1990), **which in turn reduces interdepartmental conflict** (Barclay, 1991)

Thus, we can hypothesize that:

***H2: A high degree of market orientation is reducing the level of Marketing-Sales conflict***

## Brief Literature Review & Research Hypothesis 3

The M&S relationship is highly connected with the quality of strategy formulation and implementation (Menon et al., 1996)

Strahle, Spiro and Acito (1996) demonstrated inconsistencies in strategy formulation between M&S departments, suggesting that in most cases the activities performed at the Sales department level does not reflect the strategy at the SBU level

Colletti and Chonko (1997) showed that changes in marketing strategies do not drive to consistent modifications of sales strategies and tactics

Shapiro (2002) suggested that the existence of a clear, unified and explicit strategy between M&S will improve their cross functional relationships

Thus, we can hypothesize that:

***H3: Inconsistencies in the perceptions of M&S managers regarding their company's strategy are enhancing the level of Marketing-Sales conflict***

## Brief Literature Review & Research Hypothesis 4

**Power is defined as the relative importance of the unit (Marketing or Sales) to the organization,** following the suggestions of Dawes and Massey (2006)

**The organizational theory concurs that when two engaged parts are lacking a balanced level of power, then their dyadic relationship is characterized, mainly, by a high level of conflict** (Anderson and Weitz, 1989)

**Webster (1997) reported that the presence of power imbalance in an exchange relationship creates the potential for conflict**

Homburg et al. (2008)..

**(a) identified power balance between M&S as an important dimension in their effective interface, and**

**(b) developed a taxonomy regarding the M-S organization, where it was shown that when the Sales department is more powerful than the Marketing department or vice-versa, then both the cooperation quality of M&S departments and company performance are reduced**

Thus, we can hypothesize that:

***H4: Differences in the level of power between the M&S departments within the organization tend to enhance the level of Marketing-Sales conflict***

## The moderation effect of the external environment (Research Hypotheses 5, 6 & 7)

- High market turbulence has been found to

- (a) enhance the positive effect of interdepartmental interactions (less conflict and high connectedness) on product quality (Menon et al., 1997)
- (b) strengthen the interfunctional coordination–innovativeness positive relationship (Han et al., 1998)
- (c) enhance the positive effect of M-S integration on business performance (Rouzies et al., 2005)

***H5: High market turbulence is strengthening the negative effect of M-S conflict on company performance***

- High competitive intensity is proposed to

- (a) enhance the positive effect of M-S integration on business performance (Rouzies et al., 2005)
- (b) force a company to deliver superior value to customers (Kohli & Jaworski, 1990), and M-S integration is crucial for meeting customer needs and requirements (Rouzies et al., 2005)

***H6: High competitive intensity is strengthening the negative effect of M-S conflict on company performance***

- High technological turbulence is proposed to

- (a) enhance the positive effect between interdepartmental interactions and product quality (Menon et al., 1997)
- (b) force a company to share information more effectively and more quickly (Olson et al., 1995), and this information flow could enhance collaboration (Jaworski & Kohli, 1993)

***H7: High technological turbulence is strengthening the negative effect of M-S conflict on company performance***