

Abstract

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A COMPREHENSIVE STUDY OF MARKETING/SUPPLY CHAIN MANAGEMENT CROSS-FUNCTIONAL INTEGRATION IMPACT ON PERFORMANCE

A substantial body of literature is written on the benefits of cross-functional integration between marketing and Supply Chain Management (SCM), nevertheless, a major gap was identified regarding concrete actions needed to be taken to effectively implement such integration and measures to realise and evaluate the integration's impact on performance. Previous research has failed to support the claim about the positive impact of marketing/SCM cross-functional integration on performance. This research proposes a framework to conceptualise marketing/SCM cross-functional integration in order to optimise Supply Chain Performance (SCP) and overall business performance through identifying a set of integrative marketing capabilities and a measurement taxonomy to assess the impact on performance. Due to the novelty of the research, scarce studies and limited cross-functional effective practices, purposive sampling of specific case studies had to be followed. The case studies were Selected from the Egyptian Fast Moving Consumer Goods (FMCG) market. Five Multinational Companies (MNC) fulfilled a set of criteria to be used as the research case studies and to reflect a global perspective. The research was divided into three phases, exploratory, explanatory and descriptive. The exploratory phase used a semi-structured research approach. At the exploratory phase, the cross-functional integration status between the marketing department and the SCM departments was examined. Moreover, a set of integrative marketing capabilities was explored. These capabilities are claimed to have the ability to impact SCP and business performance if well aligned between the demand creation side of the organisation (marketing and sales) and the demand fulfillment side (SCM). In addition, a list of integrative practical SCP measurements were investigated at this phase in an attempt to compile a measurement taxonomy capable of assessing the impact of integrating/aligning the identified marketing capabilities with SCM. At the second phase, the explanatory phase, the study attempted to support the results of the exploratory phase. The explanatory phase was divided into two parts, Part A and Part B. This phase employed a more structured approach. Part A resulted in defining the strength of the relationship/influence between each identified marketing capability and each SCP attribute (reliability, agility, responsiveness, cost and asset management). Part B resulted in a proposed comprehensive measurement matrix of 28 Performance Indicators (PI) capable of assessing the impact of marketing/SCM cross-functional integration on SCP and business performance. Thus, a conceptual framework was developed to visualise the measured impact of marketing/SCM cross-functional integration on performance through illustrating the influence of integrating each marketing capability on each SCP attribute and that this influence can be measured by specific corresponding PI. Moreover, in order to practically illustrate a cross-functional integration process, a descriptive research phase was conducted. The integration processes of each case study were mapped and in-depth observations were undertaken to follow and understand the level and scheme of cross-functional integration between the marketing department and the SCM department at the case studies. The descriptive phase resulted in a practical cross-functional integration process model based on the best practices of the five MNCs. This research phase followed an unstructured research approach to fully comprehend the cross-functional integration phenomenon. Finally the cross-functional integration process of Unilever Mashreq, a core case study, was demonstrated and the results of its integrative Key Performance Indicators (KPIs) were shown in order to serve as a real life example reflecting the integration impact on performance. The research provides an original contribution to knowledge by developing a conceptual framework that can benefit companies by offering a tool to evaluate the effectiveness of the marketing/SCM cross-functional integration leading to improved SCP and overall business performance. Moreover, this research also presents a practical integration model to marketing and SCM executives

with key cross-functional processes that facilitate implementing successful practices between the demand creation side of the organisation, the marketing department, and the demand fulfillment side of the organisation, the SCM department.