

Abstract

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Assessing the impact of marketing/supply chain inter-functional integration using a measurement taxonomy.

Purpose of this paper: It has been repeatedly suggested in conceptual and empirical research on the concept of market orientation that inter-functional coordination is major to creating profitable business relationships which is the primary goal of marketing. Thus, relationship between different disciplines sharing the same customer focus has emphasized the importance of inter-functional integration between the demand side managed by marketers and the supply side managed by the supply chain department. A major obstacle to functional procedural cooperation/integration is conflicting key performance indicators (KPIs) between marketing and supply chain management (SCM). The purpose of this paper is to explore and identify marketing/sales and supply chain performance measures that might assess the impact of functional procedural integration between the marketing domain and the supply chain domain based on literature, SCOR model and empirical study. This study presents the stage of development of the proposed measurement taxonomy (1) primary taxonomy of measures based on a literature content analysis, (2) a modified taxonomy based on semi-structured exploratory interviews, (3) A refined structured marketing/supply chain measurement taxonomy after a series of in-depth structured interviews. Design/methodology/approach: As highlighted in the purpose of this paper, how to assess the integration impact is understudied. The research is exploratory in nature and requires qualitative methods to identify the relevant constructs and develop a measurement taxonomy reflecting the integration. Data were collected through 9 in depth semi-structured, 90 to 120 minutes, interviews and 11 in-depth structured, 120 to 180 minutes, interviews with strategic and tactical managers from four Fast Moving Consumer Goods (FMCG) industry global leading companies including Procter and Gamble and Unilever. Findings: This research is part of a PhD project where the results of the empirical study are discussed in this paper. Based on literature studies on the integration of SCM and marketing functions and measurements, an academic/practical gap has been identified. A marketing/supply chain integration conceptual framework, based on literature and the empirical study, is proposed. This framework is supported by taxonomy of marketing/SCM measurements based on literature and four FMCG industry global leading companies. It reveals that the key performance indicators (KPI) of these best practices are positively influenced by these integration practices. What is original/of value in paper? Although inter-functional integration was strongly supported in scholarly work, it was also emphasized that diversity of KPI's is a key barrier to this integration. A few attempts have been made to solve this problem. Thus, this research, based on empirical study related to industry's best practices, will propose taxonomy of measurements to assess the performance of marketing/SCM integrated supply chain. Research limitations/implications: The purposive sampling techniques of four industry's best practices has been carried out which might affect the generalizability of the research. Practical implications: Scholarly work has revealed some evidence suggesting that integrated SCM is not fully realised in practice. The study points to managers the importance of integrating marketing and supply chain functions. It directs them to the major KPIs to justify the positive relationship on the overall performance.