

THE RELATIONSHIP BETWEEN MARKETING AND PURCHASING IN BUSINESS-TO-BUSINESS MARKETS

Competitive paper

Roberta Bocconcelli¹, Annalisa Tunisini²

Department of Business Studies -Università di Urbino “Carlo Bo”

Via Saffi, 42 - 61029 Urbino (PU)- ITALY

¹*e-mail: roberta.bocconcelli@uniurb.it*

²*e-mail: annalisa.tunisini@uniurb.it*

Abstract

The work focuses on the relevance of the relationship between marketing and purchasing in companies acting in business-to-business markets. The paper develops an analysis of the business marketing and purchasing literature on the topic of the relationship between marketing and purchasing. It emerges how scarce attention has been addresses to this relationship within a general limited analysis of the intra-organizational issues in marketing and purchasing literature. The paper aims at clarifying some questions concerning the relationship between marketing and purchasing in business markets and providing an interpretative framework of such a relationship in business companies: four macro typologies of the intra-organizational relationship between marketing and purchasing are proposed.

Keywords: marketing, purchasing, organization, relationships

INTRODUCTION

It is recognized that in business-to-business markets one of the most important topic is related to organizational issues (Håkansson et al., 1979). It is almost agreed in literature on the fact that in business markets a small number of close, complex, long-term relationships account for a large percentage of inter-organizational business (Håkansson, Snehota, 1995; Turnbull et al., 1996), and that these strategic relationships have necessitated a move from traditional transactional exchanges to more interactive, longer-term partnership relationships that ultimately lead to an increase of the value created (Morgan, Hunt, 1994; Blankenburg et al., 1999; Sahay, 2003; Ulaga, Eggert, 2006; Pinnington, Scallon, 2009).

It has been observed how, in this context, little attention has been paid to the problem of the impact of the external changing organizational context into the internal configuration of the firm (Ivens et al., 2009). In substance, greater consideration has been addressed just to the inside-out organizational processes, but little attention has been dedicated to intra-organizational questions. Which are the role and the organization of marketing when a company's market mainly consists of a set of limited business relationships with a few customers? Which impact the variety of business exchange relationships and their interconnections have on the company's internal marketing processes? How do they affect company's inter-functional relationships? These questions are sometimes conceptually debated by literature (Webster, 1997; Day, 1997), but limitedly empirically faced by focalized research.

Even if marketing literature emphasizes the importance of lean enterprise and the fall of the barriers among functional departments towards a greater interaction among different functional activities and towards forms of business process management (Achrol, 1991; Moller, Rajala, 1999), a few research is devoted to enter specifically into the fall of such barriers and into the investigation of the specific determinants and forms of the relationship of marketing with other functional units. Very little attention is in particular dedicated to the implications that a company's focus on customer satisfaction in a value supply perspective have on intra-organizational relationship between marketing and purchasing.

In our perspective, the variety of interactions and interdependencies between customers and suppliers in business markets (Håkansson, Snehota, 1995) should lead to a higher consideration by researchers of the impact on the strategic role, organization capabilities and performance of the marketing and purchasing functions and on the relationship between these two departments within the firm.

Both are the typical "boundary functions", being marketing the interface between the company and the downstream market and being purchasing the interface between the company and the upstream market. The little attention dedicated to the relationship between marketing and purchasing is thus partially motivated by their traditional view at the opposite side of the company. It is also motivated by the empirical observation of the scarce dialogue between marketing and purchasing personnel in companies where it seems that the two functions are very distant to each other. However looking deeply at company's business market processes it emerges the relevance of a greater interaction between marketing and purchasing.

The paper presented here wants to analyze the prevailing literature on the topic of the relationship between marketing and purchasing in companies acting in industrial markets Secondly it aims at identifying the competitive advantages and opportunities stemming from the relationship between marketing and purchasing in business markets and thus providing an interpretative framework of such a relationship in business companies.

In particular, the interpretative framework, in which we identify four typologies of the relationship between marketing and purchasing, wants to put into light the possible variety of

“forms” that such a relationship can assume in different business contexts with different implications in terms of opportunities and competitive advantages for the company. Different business contexts emerge by a contextual variety of upstream and downstream relationships the company is involved in with suppliers and customers.

To be aware of such a variety of the relationship between marketing and purchasing and the possible forms it can assume in different business contexts can be of help for both managers and researchers. For managers it helps to clarify under which conditions and with which consequences the interaction between marketing and purchasing can be fruitful and is to be encouraged. For researchers the framework can be of help in addressing future research on at a large extent unexplored situations and relational aspects.

The paper is structured as follows. In the second section (*The importance of the relationship between marketing and purchasing*) we motivate the importance of considering the relationship between marketing and purchasing in industrial markets and in business companies. In the third section (*Literature on business marketing and purchasing organizational issues*) we shall analyze the major contributions developed in business marketing and purchasing literature on the issues of the organization of the marketing function and its relations with other functions, purchasing in particular; the same aspects are debated in relation to the purchasing function. In the fourth section (*Developing intra-organizational issues: an interpretative framework*), we propose an interpretative framework of the variety of the relationship between marketing and purchasing in business companies. In the last section we develop some final reflections.

THE IMPORTANCE OF THE RELATIONSHIP BETWEEN MARKETING AND PURCHASING

In order to start debating the importance of the relationship between marketing and purchasing, let us tell you a story.

Do you remember *Matrix* movies, the trilogy by Wachowski brothers, in which Neo and companies fight against “Matrix”, the artificial intelligence that controls the life of the entire humanity? In the second episode “Matrix reloaded”, there is a spectacular scene that takes place in the highway, in which Trinity, one of the protagonists, rides a *Ducati 996*, the famous Italian motorbike. The scene is very long and the Ducati brand is clearly visible for a lot of times (as the agreement with Ducati imposed). The scene has been used as one of the primary trailers to launch the movie all over the world (you can easily find the scene on the web by searching “Matrix and Ducati” on Google).

It was a great success for the movie.

A great success for Ducati too? Yes, a great success from the marketing point of view, but no business for Ducati; more, a failure from a business perspective.

Just few days after the exit of the movie in the cinemas, Ducati’s dealers have been pressed by a lot of requests of *Ducati 996* motorbikes! Just a problem: all of them were looking exactly for the “*Ducati matrix motorbike, the green one that Trinity rides in the movie*”. The dealers had to answer: “*Sorry, there’s not that green among available colours in Ducati offering, and no green at all!*”.

Ducati immediately implemented a sort of emergency strategy to fill the gap and catch the emergent opportunity. Many problems arose in this process. The motorbike employed in the movie was a unique piece realized for the specific purpose. Even if the uniqueness of the piece was just related to the colour, a special green requested by the movie’s directors (that evokes the colour prevailing in the movie), Ducati’s purchasing department and the suppliers of the company that created the special bike for the movie, were not prepared to face such a

situation in a short time. More, the purchasing department was not involved in anyway in the previous process and marketing people were the only involved in the project with no precise idea of the time needed to synchronize and co-ordinate the “supply side” of Ducati to fast produce and deliver the green motorbike. Timing to activate the supply chain was longer than expected and when Ducati was finally able to satisfy the demand, too long time had passed and the consumers were no more interested in buying the motorbike. A great opportunity had been lost. In the same time negative effects on the marketing department and activities occurred.

The story underlines that the relationship between marketing and purchasing activities is not just important in terms of synchronization of the operational activities – i.e. the implementation of the so-called *transfer ability*, the capacity to transfer the product or service in the way that meet the objectives and constraints of the customers. The relationship between marketing and purchasing, in terms of communication processes, information exchanges, interaction, is more and more significant also in relation to the improvement of the company’s *problem-solving ability*, the capacity to fully satisfy customer’s needs, to solve users’ problems, to improve their performances (Ford et al., 2002).

In order to explain this last point we have another story of a small high-tech company (*Building Automation-Italy*) acting in the automation sector, specialized in the domotic business and realizing customized hardware-software solutions for both firms and final customers. A business customer, asked for a specific solution in order to improve and customize the security system of his small company. The marketing responsible alone had some meetings with the customer in order to better understand his requests and to formalize an offering. Just after this the purchasing responsible, strictly working with internal software developers, has been involved in the process and started to look for some suppliers (hardware and software suppliers) that fit the customers’ requests. The problem was that the customer’s requests were actually the requests that the marketing responsible reported to the purchasing people that had to coordinate the solution development process. The result was that when the solution was almost finished the customer complained that the final result was not really the expected one: some adjustments were not necessary and some others were completely absent. Just after this, company viewed the importance to involve the purchasing responsible in a new (time and money consuming!) solution development processes that implied the direct and contextual rapport between marketing department, purchasing department and the customer. The problem-solving ability of the company under analysis has been actually reached and improved when purchasing people and marketing people started working together in order to solve an emergent problem experienced with one customer.

The importance of the relationship between marketing and purchasing can be connected to a third rationale: it supports the company’ strategic positioning. Let’s take the example of an Italian large mechanical company that has delocalized part of the production in India in order to product a line of low price products specific for the Indian market. Marketing department had put into light the advantages of such a strategy to capture a large emerging market and gradually transforming the Indian factory in a centre of production for the company’s low positioning products. The company started such a venture in India but difficulties soon became numerous and more than expected especially due to the development of an effective and efficient supply network in India, capable to respond to the market strategy. In India suppliers were not so easy to find, especially competent as in Italy. On their part many Italian suppliers were not disposable to offshore in India. Again a scarce dialogue and joint planning between the marketing and purchasing department and among marketing managers and supplier managers caused problems to the rapid implementation of an important market strategy.

The three business stories put into light the importance to consider the relationship between marketing and purchasing as critic in terms of implantation of the company's transfer ability, problem solving ability and positioning strategy.

From the theoretical point of view some researchers in the field of business marketing have recently devoted their attention to analyse to the motivations subtending the importance of the relationship between marketing and purchasing observing that the latter is both inevitable and beneficial (Piercy, 2009; Sheth *et al.*, 2009). Sheth, Sharma and Iyer (2009) examine the relationship between marketing and purchasing as a result of the shift from product-to capability-focused commerce. The authors point out that marketing and purchasing departments has to become closer for two main reasons: the first is related to the fact that marketers become solution oriented rather than product focused and they thus will need to source products and services from third parties vendors with a consequent and inevitable deeper involvement of the purchasing department. The second reason is connected with the emergence of customer-centric marketing coupled with build-to-order manufacturing, which will lead to a better alignment of marketing and purchasing to deliver solutions to customers. As a consequence, authors stress that marketing and purchasing direct relationship inside companies' must be reconsidered. Piercy as well (2009), considers increasingly strategic the direct relation between marketing and purchasing departments in companies acting in BtoB contexts, especially to align strategic customer relationship management processes with supplier relationship management processes and both of these with the management of collaboration and joint ventures with third parties.

This relationship alignment is considered necessary to connect customer needs to complex technical solutions, often involving customized products. According to the author, the intra-organizational consequences are considerable: it is necessary the development of strategic internal relationships between the groups responsible for managing customer relationships (marketing and sales, strategic account managers and so on), for managing supplier relationships (purchasing function, key supplier managers and so on) and collaboration (alliance management). It is thus necessary an internal partnering between the boundary-spanning functions that have direct impact on the delivery of value to the customer.

Taking the purchasing literature on its part, it is stressed the importance of the relationship between purchasing and marketing in companies playing in business markets (Dubois, Winstra, 2005; Fung *et al.*, 2008). Great contributions in this direction stem from SCM (Supply Chain Management) literature (Lambert, Cooper, 2000; Jüttner *et al.*, 2007; Bals *et al.*, 2009), especially when it is recognized that the supply chain moves to create value in the eye of the customer who is the one who activates the supply chain and to which supply chain processes are directed. In particular, Jüttner, Christopher and Baker (2007) discuss the benefits of the integration between marketing and supply chain management and highlight how the companies which effectively link their customer and supply chain operations gain competitive advantage by differentiating not only customer-needs based products and services, but also the underlying delivery processes.

The same concept of demand chain management emphasizes the synergies between marketing and purchasing (Heikkilä, 2002). As it is necessary for companies to adjust rapidly, effectively and efficiently supply to meet customers' specific requirements, some authors emphasize that marketing should become responsible for supply management too (Sheth *et al.*, 2001). Others argue that supply chain management in companies should be responsible for all the processes directed to create and deliver value propositions to customers (Kumar *et al.*, 2000). In summary, supply chain management literature quite extensively emphasize the need for integration with marketing, even if the study of the specific modalities and intra-organizational consequences of such integration are quite neglected.

To sum up, taking both marketing and purchasing literature, except for the awareness of the importance of the relationship between marketing and purchasing, little attention has been paid to the related organizational issues.

LITERATURE ON BUSINESS MARKETING AND PURCHASING ORGANIZATIONAL ISSUES

The limited analysis of the relationship between marketing and purchasing as well as of the relationship between marketing and other functional units is to be considered within the general limited analysis of the intra-organizational issues in marketing and purchasing literature.

LITERATURE ON THE MARKETING SIDE

Several authors in business marketing literature recognize that organizing marketing activities in ways that fit the implementation requirements of a business strategy, enhance performance and is crucial to long term survival (Andersson, 2000; Vorhies, Morgan, 2003). It is emphasized that the organization of marketing function and activities covers a primary role in strategy formulation and implementation in companies playing in business markets (Håkansson, Ostberg, 1975; Slater, Olson, 2001).

In particular, according to Harris and Ogbonna (2003) we can distinguish two main streams of literature in business marketing literature on organizational topics. The first deals with the issue of marketing as one of the functional units in the firm, which has a clearly defined *functional specialization* (Ruekert et al. 1985; Achrol, 1991, 1997; Achrol, Kotler, 1999). The second adopts a more *process oriented* perspective on marketing organization taking into account a set of activities that marketing carries out as the typical firm's function that regulates the exchanges with markets (Anderson, 1982; Piercy, 1986; Piercy, Morgan, 1989; Day, 1997; Webster, 1997; Workman et al., 1998).

The attention is focused on the fact that monitoring continuously the market, dealing with a lot of market interfaces, interacting and creating value with them are key activities of the marketing function and that these activities are often not located in a single functional unit but rather dispersed across the organization with multiple actors involved in them (Day, 1997; Webster et al., 2005).

In this direction a growing body of literature focused on the topic of cross-functional interaction between marketing and other departments, as a tool to move towards a renewed approach to marketing organization within firm's boundaries (Ruekert, Walker, 1987a; Workman et al., 1998; Kahn, Mentzer, 1998; Houston et al., 2001).

Wind (2005) argues that there is a need now to increase cross-functional perspectives in management research and practice. He puts into light how "*marketing, at the interface between the organization and the environment, can provide new opportunities for value creation and growth. It should be a concern to the entire organization. Marketing provides opportunities by identifying opportunities to serve unmet needs of current customers or new customers for the company's current and new products and services. A focus on growth requires an integrated approach, cutting across the organizational functions and activities*" (Wind, 2005, p. 866). Moreover, he highlights that there is still debate about whether the organization needs a marketing department, as a centre of expertise, or the work should be more thoroughly diffused, but that, in the same time, there is a clear need to apply marketing insights more broadly. The author recovers in the reshape of organizational architecture and

in the implementation of processes to ensure cross-functional integration, the enablers in making marketing an engine for growth.

In this stream of literature a perspective based on the dyadic relations between marketing and other departments is prevailing. Studies have addressed the integration of marketing with *finance* (de Ruyter, Wetzels, 2000; Zinkhan, Verrbrugge, 2000), *R&D* (Gupta et al. 1986; Ruekert, Walker, 1987b; Song, et al., 1996; Song, Thieme, 2006; Massey, Kyriazis, 2007; Leenders, Wierenga, 2008), *sales* (Dewsnapp, Jobber, 2000, 2002; Dawes, Massey, 2005), *manufacturing* (Olson, 1993; Narasimhan, Das, 2001).

Some of these studies have been mainly concerned with the problem of internal communication, market knowledge sharing, cooperation and co-ordination between marketing and different functional units recognizing that a good integration between marketing and such departments is essential for the success of marketing programs and company's positioning (De Luca, Atuahene-Gima, 2007; Rolland, Kaminska-Labbé, 2008). Some others emphasize the different level of competition/conflict or collaboration between marketing and other departments (Bondra, Davis, 1996; Luo et al., 2006).

However, in this field of studies the marketing and R&D interface remains the most extensively researched dyad within the specific context of the new product development process. Moreover, we observe the emphasis on the key role of the organization of the marketing function in firm's strategy and business development, but with a lack of attention on the translation of these concepts into some more useful and effective *organizational devices* in business marketing literature.

LITERATURE ON THE PURCHASING SIDE

Some degree of attention has been paid in the last years to the organizational issues of the purchasing function. In particular, since the end of the nineties a great number of scholars have stressed that purchasing is becoming increasingly strategic in companies (Lamming, Cox, 1995; Hardt et al., 2007).

Some scholars taking a perspective of purchasing as a company's function stresses that from the organizational point of view this function is evolving from a clerical function to a strategic one (Pearson, Gritzmaker, 1990; Spekman et al., 1994; Cox, Hines, 1997). In this respect they write that purchasing has an increasing important role in business companies development underling the changing organizational emergencies involved (Pearson, 1999). In particular, the issue of whether the function should be centralised or decentralised has been studied. In this respect has been stressed that purchasing department evolves including more and more strategic activities, increasingly critical capabilities of the people involved, the higher level procurement officer as critical to organizational effectiveness (Gadde, Håkansson, 2001; Trent, 2004; Axelsson et al., 2005; Monczka et al., 2005).

Other scholars starting from the approach above, rather than debating on the functional view of purchasing as a primarily service department responsible for the efficient management of the workflow of goods and services supporting the manufacturing activities, concentrates on a view of purchasing as a strategic process (Cousins, 1992; Cousins, Spekman, 2003). It is emphasized how in today's competitive environment many firms source a large percentage of their parts and components. That means that, from an organizational point of view the purchasing department is becoming more and more crucial in relation to the inter-organizational relationships with suppliers. Supplier Relationship Management (SRM) in relation to company's strategy formulation and goals achievement is considered central in some studies (Moeller et al., 2006). In the last few years emerged in several purchasing organisations the Key Supplier Manager (KSM) function. The role

consists of managing relationships with suppliers that the company has identified as strategic (Massirilian, Calvi, 2004).

This process view is developed by literature when it sees the increasing cross-functional nature of sourcing decision process especially in new product development context (Trent, Monczka, 1994; Trent 1996; Trent, 2004). Suppliers are an increasingly important resource for manufacturers and provide materials and services that constitute a majority of the cost of many new products; in addition suppliers may provide innovative product and process technologies that are critical to the development effort (Handfield et al., 1999). In this respect, as argued by Moses and Åhlström (2008), since supply network structures are often complex, including resources and suppliers in many different combinations, sourcing decisions have become more cross-functionally oriented to gain a more holistic view of the decisions' effects. It is thus very important the cross-functional interaction of purchasing function with other departments (Pearson, 1999; Dubois, Winstra, 2005; Bals et al. 2009).

Literature on supply chain management, taking a more holistic perspective of company's business processes aiming at generating and distributing value to customers, suggests company's organizational solutions that concentrate marketing management and supplier management in the same department (Kumar et al., 2000). In general within this literature the issue of the integration between marketing and other departments stems from the implicitly assumed process-oriented view in this field of studies (Bregman, 1995; Ellinger, 2000; Christopher, Payne, 2002; Jüttner et al., 2007; Palmer, Wong, 2007).

But again, in this respect has been argued by Persson and Håkansson (2009) that maybe something is missing in Supply Chain Management literature too, in relation to specific intra-organizational issues. In particular, taking a purchasing side perspective, they point out the room for "*research where the organization within the companies – both regarding purchasing and marketing – is systematically related to how the external organizing together with suppliers and customers are designed or approached*" (Persson, Håkansson, 2009, pp. 11-12).

DEVELOPING INTRA-ORGANIZATIONAL ISSUES: AN INTERPRETATIVE FRAMEWORK

We have emphasized the growing importance of the relationship between marketing and purchasing. In the same time we have shown how little attention has been addressed to this issue in business marketing and purchasing literature.

In particular, we have stressed how, from both managerial and academic point of view, it emerges the urgency to face the issue of the relationship between marketing and purchasing adopting a perspective that takes into account the inter-organizational context in which business companies act.

In the second section of the paper we have addressed three examples of companies in which the little awareness of the importance of the relationships between marketing and purchasing negatively impacted to general companies' performances and objectives. In particular we have shown how transfer ability, problem solving ability and strategic positioning have been compromised by a missed link between marketing and purchasing inside the three companies.

We thus agree on the fact that intra-organizational aspects of the relationship between marketing and purchasing can be successfully grasped by the way companies "*conceive and approach the external organizing together with suppliers and customers*".

The following theoretical analysis and interpretative framework derive from a long research experience (a longitudinal five-years research on business companies in important

industrial districts in Italy) on a large number of business companies in the mechanical, furniture, textile and leather sectors. For mechanical sector we analyzed about 8 companies; in the furniture industry we studied about 6 companies; in the textile and leather sector we took into account 3 companies. For the specific purpose of this study we conducted in each one of the above mentioned companies one/two specific in-depth interview/s to Purchasing and Marketing responsible (jointly or separately) to complete and enrich our knowledge and experience of the companies under analysis and to address the information we accumulated during years to the specific aim of the research topic presented in this work. The three cases reported in the second section of the paper are emblematic cases of companies that we have analysed in relation to the topic under examination.

It is important to point out that we are not interested, in line with the prevailing business and marketing literature, at observing intra-organizational aspects adopting a strict “functional perspective” on the relationship between marketing and purchasing in business companies, just focalized on the specific activities performed by the formal marketing and purchasing departments. In fact, this limited view should lead to a misunderstanding of the actual relationship between marketing and purchasing.

We take a “process perspective” and refer to marketing and purchasing as a set of varied activities in relation to each other and simultaneously concerning the interfacing and the interaction with customers and suppliers.

Adopting this view, we state that any company, depending on its own business context, level of customer orientation, and supplier orientation, will have different types of interaction between marketing and purchasing as well as different organizational solutions explaining such relationship. In particular, we claim that a variety of possible intra-organizational settings are emerging in different business companies acting in different business contexts (see Figure 1).

INSERT FIGURE 1 HERE

That is not surprising if we think that some companies declare that no relationship characterize marketing and purchasing and no great need of interactive relationships is expected by the management. In the same time other companies state that there is an urgent need for variably connecting marketing and purchasing activities.

We propose here an interpretative framework of such a variety, by defining four macro-typologies of the relationship between marketing and purchasing (see Figure 2):

- **Exchanging** situations;
- **Interacting** relations;
- **Interfacing** states;
- **Integrating** settings.

As external relationships, the internal one between marketing and purchasing can be evaluated in terms of the number of exchanging episodes, the exchanges’ substance repetitiveness, the nature of the exchange, the power dependence relations, level of conflict, same people involved in different processes, and so on.

The four typologies of the relationship between marketing and purchasing emerge by the combination of two macro-dimensions in which we have somehow aggregate the above mentioned characteristics:

- *Purchasing / Marketing structure;*
- *Processes of exchange between Marketing and Purchasing.*

With “Purchasing / Marketing structure” we refer to the shape of the organization of marketing and purchasing activities.

By “Processes of exchange between marketing and purchasing” we finally refer to the intensity of the exchange’s processes between marketing and purchasing.

For each dimension we have thus determined two “extreme states”:

- *Detached* and *Jointed* for “Marketing / Purchasing structure” dimension;

- *Isolated* and *Repeated* for “Processes of exchange between marketing and purchasing” dimension.

INSERT FIGURE 2 HERE

Exchanging relationship (*Detached* structure and *Isolated* processes) is characterized by a situation in which marketing and purchasing act as totally separated. The relationship between marketing and purchasing is restricted to sporadic transactions that are mainly addressed to align administrative activities when necessary.

We find this situation in a lot of business companies where there is no need to integrate marketing and purchasing activities in relation to external relationships with suppliers and customers that are conducted in different places in time and space and referring to independent supplier and customer relationships objectives. In this sense marketing and purchasing have not many reasons and needs to be connected to each other.

Interacting relationships (*Detached* structure, *Repeated* processes) emerges when many episodes of exchange take place in a regular way between marketing and purchasing. The process of exchange is addressed to constantly align operational activities that, even if are conducted in detached structures with their own market objectives, are impacting on the overall capacity of the company of reducing time to market and increasing efficiency.

We find this situation in companies where there is the need to synchronize purchasing and marketing activities in relation to external relationships oriented and designed with a prevailing efficiency’s objectives. The example of Ducati and the related issue of transferability presented in the second section of this paper addresses this kind of situation.

In the textile and fashion industry most of the companies present such a condition. For example, in these kind of companies, the relationship between marketing and purchasing represents an indispensable condition for activating traceability processes: the link between the sourced market and management of supplier relations must, in order to be efficient and effective, necessarily take into account the impact that traceability activities and timing will have on customers (and final consumers). These are typical situations for companies developing the principles of *agile* supply chain.

We can thus claim that Interacting relationship is mainly connected to companies’ **Business Efficiency** objectives.

Interfacing (*Jointed* structure, *Isolated* processes) states are when the relationship between marketing and purchasing is reinforced and mediated by inter-functional teams and other organizational units that guarantee interdependence and interaction between marketing and purchasing activities. In this sense marketing and purchasing are structurally jointed in relation to specific and defined purposes mainly related to increase problem solving ability and respond to customization and innovation requests expressed by the customers.

We find this situation in companies that show a great customer orientation. The example of Building Automation and the related problem-solving ability issue, deals with this kind of situations.

Most of the companies acting in the mechanical industry and in particular in instrumental mechanics sector can be taken as examples in this case. The relationship between marketing and purchasing activities in this kind of companies is connatural with the prevailing customer driven processes. Strategic marketing and purchasing activities are crossing and interfacing throughout the organization according to a unique aim and perspective: to develop a customer value proposition that, on the one side, encounters the needs of the customers and, on the other side, takes account of the opportunities and the burdens connected to the resources that the company is able to activate and mobilize as well as of the costs connected to them. In these companies marketing and purchasing activities are increasingly spread out among several organizational units, forming networks of marketing and purchasing streams of activities.

Finally, we can claim that the Interfacing relationship is mainly connected to **Business Innovation** contexts.

Integrating (*Jointed* structure, *Repeated* processes) settings emerge when decisional processes concerning marketing and purchasing develop jointly, also thanks to a unique responsible for both of them. The marketing and purchasing activities are merged in an unique organizational “device” and the exchange processes are constantly interdependent being all of them finalized to achieve new market strategies.

We actually find this situation in very few companies. Biesse case, dealing with strategic positioning issue presented in the second section of the paper, is just an example that allows us to formulate some considerations and reflections in this respect.

In our research activity we have observed a company in robotics that has recently implemented a marketing/purchasing department that plays as the most important strategy’s regulator in relation to the very particular evolving business. Marketing and purchasing people constantly act together in relation to a unique perspective that is to link suppliers and customers. As a consequence they act as solution providers both on the downstream and the upstream contexts for their efficiently, but mostly effective coordination.

Ultimately, we can claim that Integrating relationship is strictly connected to specific goal of new **Market Strategies**.

FINAL REFLECTIONS

The proposed interpretative framework put into light different needs and different levels of interaction and interdependence between marketing and purchasing in business companies. Those are connected to two aspects: firstly the fact that firm specific and context specific elements differently make it necessary such a relationship; secondly, companies for different reasons can be at different stages of such integration.

The interpretative framework can be thus of help in a double perspective.

Firstly, the prevalence of one or another relationship typology that we have individuated could be useful in order to address and better focalize further research on this topic. Secondly, the emerging of different situations should be used as well to provide some managerial considerations that help companies to fruitfully grasp opportunities and threats linked both to the organizational design of the marketing and purchasing activities and to the managing of the existing and potential relationship between them. With this respect, different evolutionary paths in relation to different and changing contexts (inter-organizational issues)

can be pointed out for each company that might show a prevalence of one or another of the four typologies of the relationship between marketing and purchasing.

REFERENCES

- Achrol R.S. (1991), "Evolution of the Marketing Organization: New Forms for Turbulent Environment", *Journal of Marketing*, Vol. 55 (October), pp. 77-93.
- Achrol R.S. (1997), "Changes in the Theory of Interorganizational Relations in Marketing: Toward a Network Paradigm", *Journal of the Academy of Marketing Science*, Vol. 25 (1), pp. 56-71.
- Achrol R.S., Kotler P. (1999), "Marketing in the Network Economy", *Journal of Marketing*, Vol. 63, pp. 146-163.
- Anderson P.F. (1982), "Marketing, Strategic Planning, and the Theory of the Firm", *Journal of Marketing*, Vol. 46 (2), pp. 15-26.
- Andersson P. (2000), "Studies on industrial marketing change processes. E theoretical review and suggestive framework", *Advances in Business Marketing and Purchasing*, Vol. 9, pp. 51-117.
- Axelsson B., Rozemeijer F., Wynstra F. (2005), *Developing Sourcing Capabilities. Creating Strategic Change in Purchasing and Supply Management*, Wiley, Chichester.
- Bals L., Hartmann E., Ritter T. (2009), "Barriers of purchasing departments' involvement in marketing service procurement", *Industrial Marketing Management*, forthcoming.
- Blankenburg D., Eriksson K., Johanson J. (1999), "Creating value through mutual commitment to business network relationships", *Strategic Management Journal*, Vol. 20 (5), pp. 467-486.
- Bondra J.C., Davis T.R.V. (1996), "Marketing's Role in Cross-functional Information Management", *Industrial Marketing Management*, Vol. 25, pp. 187-195.
- Bregman R.L. (1995), "Integrating Marketing, Operations, and Purchasing to Create Value", *Omega*, Vol. 23 (2), pp. 159-172.
- Christopher M., Payne A. (2002), "Integrating Customer Relationship Management and Supply Chain Management", in Baker M. (Ed.), *The Marketing Book*, 5th Edition, Butterworth Heinmann.
- Cousins P.D. (1992), "Purchasing: a professional approach", *Purchasing and Supply Management*, (September), pp. 20-23.
- Cousins P.D., Spekman D. (2003), "Strategic Supply and the Management of Inter and Intra-Organizational Relationships", *Journal of Purchasing & Supply Management*, Vol. 9, pp. 19-29.
- Cox A., Lamming R. (1997), "Managing Supply in the Firm of the Future", *European Journal of Purchasing and Supply Management*, Vol. 3 (2), pp. 53-62.

- Cox A.W., Hines P. (Eds.) (1997), *Advanced Supply Management: The Best Practice Debate*. Erlsgate Press, Boston (UK).
- Dawes P.L., Massey G.R. (2005), "Antecedents of conflict in marketing's cross-functional relationship with sales", *European Journal of Marketing*, Vol. 39 (11/12), pp. 1327-1344.
- Day G.S. (1997), "Aligning the Organization to the Market", in Lehmann D.R., Jocz K.E. (Eds), *Reflections on the Futures of Marketing*, Marketing Science Institute, Cambridge, pp. 67-96.
- De Luca L.M, Atuahene-Gima K. (2007), "Market Knowledge Dimension and Cross-Functional Collaboration: Examining the Different Routes to Product Innovation Performance", *Journal of Marketing*, Vol. 71 (January), pp. 95-112.
- de Ruyter K.L., Wetzels M. (2000), "The marketing-finance interface: a relational perspective", *Journal of Business Research*, Vol. 50 (2), pp. 209-215.
- Dewsnapp B., Jobber D. (2000), "The sales-marketing interface in consumer packaged-goods companies: a conceptual framework", *Journal of Personal Selling and Sales Management*, Vol. 20 (2), pp. 109-119.
- Dewsnapp B., Jobber D. (2002), "A social psychological model of relations between marketing and sales", *European Journal of Marketing*, Vol. 36, n. 7/8, pp. 874-894.
- Dubois A., Winstra F. (2005), "Organizing the Purchasing Function As an Interface Between Internal and External Networks", paper presented at the 21st IMP Conference, Rotterdam, Nederland.
- Ellinger A.E. (2000), "Improving Marketing/Logistics Cross-Functional Collaboration in the Supply Chain", *Industrial Marketing Management*, Vol. 29, pp. 85-96.
- Ford D., Berthon S., Gadde L-E., Hakansson H., Naudè P., Ritter T., Snehota I. (2002), *The Business Marketing Course*, Wiley & Sons, London.
- Fung V.K., Fung W.K., Wind Y. (2008), *Competing in a flat world: building enterprises for a borderless world*, Pearson Education, Wharton School Publishing.
- Gadde L-E., Håkansson, H. (2001), *Supply Network Strategies*, Wiley, London.
- Gupta A., Raj S., Wilemon D. (1986), "A model for studying R&D-marketing interface in the product innovation process", *Journal of Marketing*, Vol. 50, pp. 7-17.
- Håkansson H., Ostberg C. (1975), "Industrial Marketing: An Organizational Problem?", *Industrial Marketing Management*, Vol. 4, pp. 113-123.
- Håkansson H., Snehota I. (1995), *Developing Relationships in Business Networks*, Routledge, London.
- Håkansson H., Wootz B., Andersson O., Hangard P. (1979), "Marketing as an Organizational Problem – A Case study", *European Journal of Marketing*, Vol. 13 (3), pp. 81-93.

- Handfield R.B., Ragatz G.L., Petersen K.J., Monczka R.M. (1999), "Involving Suppliers in New Product Development", *California Management Review*, Vol. 42, pp. 59-82.
- Hardt C.W., Reinecke N., Spiller P. (2007), "Inventing the 21st-century purchasing organization", *The McKinsey Quarterly*, Vol. 4, pp. 115-124.
- Harris L.C., Ogbonna E. (2003), "The Organization of Marketing: A Study of decentralized, Devolved and Dispersed Marketing Activity", *Journal of Management Studies*, Vol. 40 (2), pp. 483-512.
- Heikkilä J. (2002), "From supply to demand chain management: efficiency and customer satisfaction", *Journal of Operations Management*, Vol. 20, pp. 747-767.
- Houston M.B., Walker B.A, Hutt M.D., Reingen P.H. (2001), "Cross-unit competition for a market charter: the enduring influence of structure", *Journal of Marketing*, Vol. 65 (2), pp. 19-34.
- Ivens B.S., Pardo C., Tunisini A. (2009), "Organizing and integrating marketing and purchasing in business markets: An introduction to the special issue, issues and implications", *Industrial Marketing Management*, forthcoming.
- Jüttner U., Christopher M., Baker S. (2007), "Demand-Chain Management-Integrating Marketing and Supply Chain Management", *Industrial Marketing Management*, 36, pp. 377-392.
- Kahn K.B., Mentzer J.T. (1998), "Marketing's integration with other departments", *Journal of Business Research*, Vol. 42, pp. 53-62.
- Kumar N., Sheer L., Kotler P. (2000), "From Market Driven to Market Driving", *European Management Journal*, Vol. 18 (2), pp. 129-142.
- Lambert D., Cooper M. (2000), "Issues in Supply Chain Management", *Industrial Marketing Management*, Vol. 29, pp. 65-83.
- Lamming R., Cox A. (1995), *Strategic Procurement Management in the 1990s: Concepts and Cases*, Erlsgate Press, London.
- Leenders M.A., Wierenga B. (2008), "The Effect of the marketing-R&D interface on new product performance. The critical role of resources and scope", *International Journal of Research in Marketing*, Vol. 25 (1), pp. 56-68.
- Luo X., Slotegraaf R.J., Pan X. (2006), "Cross-Functional 'Coopetition': The Simultaneous Role of Cooperation and Competition Within Firms", *Journal of Marketing*, Vol. 70 (April), pp. 67-80.
- Massey G.R., Kyriazis E. (2007), "Interpersonal trust between marketing and R&D during new product development projects", *European Journal of Marketing*, Vol. 41 (9/10), pp. 1146-1172.
- Massirilian O., Calvi R. (2004), "Key Supplier Manager (KSM): an emerging function in purchasing?", paper presented at the 20th IMP Conference, Copenhagen, Denmark.

- Moeller S., Fassnacht M., Klose S. (2006), “A Framework for Supplier Relationship Management (SRM)”, *Journal of Business-to-Business Marketing*, Vol. 13 (4), pp. 69-94.
- Monczka R., Trent R., Handfield R. (2005), *Purchasing and Supply Chain Management*, Thomson Publishing, Cincinnati.
- Morgan R.M., Hunt S.D. (1994), “The commitment-trust theory of relationship marketing”, *Journal of Marketing*, Vol. 58 (July), pp. 20-38.
- Moses A., Åhlström P. (2008), “Problems in cross-functional sourcing decision processes”, *Journal of Purchasing and Supply Management*, Vol. 14, pp. 87-99.
- Narasimhan R., Das A. (2001), “The impact of purchasing integration and practices on manufacturing performance”, *Journal of Operations Management*, Vol. 19, pp. 593-609.
- Olson E.M. (1993), “The marketing-manufacturing relationship within the new product development process”, *AMA Educators’ Proceedings*, Vol. 4, pp. 280-286.
- Palmer R., Wong C.Y. (2007), “Marketing and Supply Chain Integration – Evolution or Emergence?”, paper presented at the 23rd IMP Conference, Manchester, UK.
- Pearson J.N. (1999), “A longitudinal study of the role of the purchasing function: toward team participation”, *European Journal of Purchasing & Supply Management*, Vol. 5, pp. 67-74.
- Pearson J.N., Gritmaker K.J. (1990), “Integrating Purchasing into Strategic Management”, *Long Range Planning*, Vol. 23 (3), pp. 91-99.
- Persson G., Håkansson H. (2009), “Organizing for Interaction. The Missing Link in Supply Chain Management”, paper presented to the 25th IMP Conference, Marseilles, France.
- Piercy N.F. (1986), “The role and function of the chief marketing executive and the marketing department – a study of medium-sized companies in the UK”, *Journal of Marketing Management*, Vol. 1 (3), pp. 265-289.
- Piercy N.F. (2009), “Strategic relationships between boundary-spanning functions: Aligning customer relationship management with supplier relationship management”, *Industrial Marketing Management*, forthcoming
- Piercy N.F., Morgan N.A. (1989), “Marketing Organization in the UK Financial Services Industry”, *International Journal of Bank Marketing*, Vol. 7 (4), pp. 3-10.
- Pinnington B.D., Scanlon T.J. (2009), “Antecedents of collective-value within business-to-business relationships”, *European Journal of Marketing*, Vol. 43 (1/2), pp. 31-45.
- Rolland N., Kaminska-Labbé R. (2008), “Networking inside the organization: a case study on knowledge sharing”, *Journal of Business Strategy*, Vol. 29 (5), pp. 4-11.

- Ruekert R.W., Walker O.C. (1987a), "Marketing's interaction with other functional units: a conceptual framework and empirical evidence", *Journal of Marketing*, Vol. 15, pp. 1-19.
- Ruekert R.W., Walker O.C. (1987b), "Interactions between marketing and R&D departments in implementing different strategies", *Strategic Management Journal*, Vol. 8, pp. 233-248.
- Ruekert R.W., Walker O.C., Roering K.J. (1985), "The organization of marketing activities: a contingency theory of structure and performance", *Journal of Marketing*, Vol. 49 (1), pp. 13-25.
- Sahay B.S. (2003), "Supply chain collaboration: the key to value creation", *Work Study*, Vol. 52 (2/3), pp. 76-83.
- Sheth J.N., Sharma A., Iyer G.R. (2009), "Why integrating purchasing with marketing is both inevitable and beneficial", *Industrial Marketing Management*, forthcoming.
- Sheth J.N., Sisodia R.S., Sharma A. (2000), "The antecedents and consequences of customer-centric marketing", *Journal of the Academy of Marketing Science*, Vol. 28 (1), pp. 55-66.
- Slater S.F., Olson E.M. (2001), "Marketing's Contribution to the Implementation of Business Strategy: An Empirical Analysis", *Strategic Management Journal*, Vol. 22 (11), pp. 1055-1067.
- Song M.R., Thieme J. (2006), "A cross-national investigation of the R&D-marketing interface in the product innovation process", *Industrial Marketing Management*, Vol. 35 (3), pp. 308-322.
- Song X.M., Neeley S.M., Zhao Y. (1996), "Managing R&D-marketing integration in the new product development process", *Industrial Marketing Management*, Vol. 25, pp. 545-553.
- Spekman R.E., Kamauff W., Salmond D.J. (1994), "At Last Purchasing is Becoming Strategic", *Long Range Planning*, 27 (2), pp. 76-84.
- Trent R.J. (1996), "Understanding and evaluating cross-functional sourcing team leadership", *International Journal of Purchasing and Materials Management*, Vol. 32 (4), pp. 29-36.
- Trent R.J., (2004), "The use of organizational design features in purchasing and supply management", *Journal of Supply Chain Management*, Vol. 40 (3), pp. 4-18.
- Trent R.J., Monczka R.M. (1994), "Effective cross-functional sourcing teams: critical success factors", *International Journal of Purchasing and Materials Management*, Vol. 30 (4), pp. 3-11.
- Turnbull P., Ford D., Cunningham M. (1996), "Interaction, relationships and networks in business markets: an evolving perspective", *Journal of Business & Industrial Marketing*, Vol. 11 (3/4), pp. 44-62.

- Ulaga W., Eggert A. (2006), "Relationship value and relationship quality", *European Journal of Marketing*, Vol. 40 (3/4), pp. 311-327.
- Vorhies D.W., Morgan N.A. (2003), "A configuration Theory Assessment of Marketing Organization Fit with Business Strategy", *Journal of Marketing*, Vol. 67 (1), pp. 100-115.
- Webster F.E. (1997), "The Future Role of Marketing in the Organization", in Lehmann D.R., Jocz K.E. (Eds), *Reflections on the Futures of Marketing*, Marketing Science Institute, Cambridge.
- Webster F.E., Malter A.J., Ganesan S. (2005), "The decline and dispersion of marketing competence", *MIT Sloan Management Review*, Vol. 46 (4), pp. 35-43.
- Wind J. (2005), "Marketing as an engine of business growth: a cross-functional perspective", *Journal of Business Research*, Vol. 58, pp. 863-873.
- Workman J.P., Homburg C., Gruner K. (1998), "Marketing Organization: An Integrative, Framework of Dimensions and Determinants", *Journal of Marketing*, Vol. 62 (3), pp. 21-41.
- Zinkhan G.M., Verbrugge J.A. (2000), "The Marketing/Finance Interface: Two Divergent and Complementary Views of the Firm", *Journal of Business Research*, Vol. 50 (2), pp. 143-148.

APPENDIX

Figure 1: The variety of the relationship between marketing and purchasing

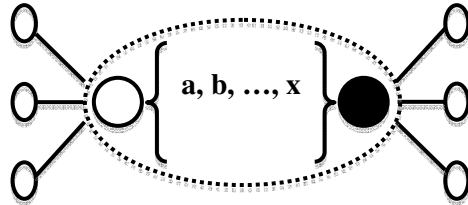


Figure 2: Four typologies of the relationship between marketing and purchasing in business companies

