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**Do Logistics and Marketing understand each other? An empirical investigation of the
interface activities between Logistics and Marketing**

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Abstract

The purpose of the paper is to investigate the understanding between logistics and marketing functions, to highlight specific issues relating to the interface activities between the two areas, and to discuss the impact for business processes.

Findings are presented from a research-based case study with a major international food manufacturer, the results of which have helped the company to gain a better understanding between the marketing and logistics functions. The research has highlighted further implications for the supply chain.

The paper discusses key findings and proposes a number of recommendations for marketing and logistics educators, practitioners and researchers.

Keywords: marketing mix, logistics, interface activities, business processes, supply chain; food industry

Introduction

It has long been recognised in the literature that interdependence between functions is necessary to create customer value.

A key challenge facing organisations is the need to integrate functions as well as the supply chain (Pagell, 2004). In particular, difficulties become evident when a company's internal functions operate like functional "silos" rather than working together to meet the needs of the customer (Ballantyne, 2000, Min and Mentzer, 2000, Stank et al 1999, Morash *et al.* 1997). When this happens, company performance and competitive advantage are not maximised.

There is a body of literature which specifically addresses logistics and interdepartmental integration e.g. logistics and R&D, logistics and marketing, logistics and operations. However, most of the research concerning logistics and marketing addresses integration between the two functions in relation to the delivery of customer service (e.g. Emerson and Grimm, 1996) and not the internal perspective (e.g. Kahn & Mentzer, 1996, Stank et al 1999, Murphy & Poist 1996, Ellinger 2000). The views of logistics and marketing practitioners have been investigated by Murphy & Poist (1996) and in part, some of their work acted as a catalyst for this study.

Many practitioners and academics alike, understand about the importance of integration between marketing and logistics activities at the conceptual level, but at the operational level the benefits are often difficult to achieve (Mollenkopf, *et al*, 2000). Stank, Daugherty and Ellinger (1999) examined the marketing/logistics interface from a logistics perspective. In particular they looked at the association between collaborative interdepartmental integration and external performance. Ellinger, (2000), further suggests that research is required to explore the potential contribution of better marketing/logistics collaborative interactions. However, lacking in the literature is a detailed explanation of the interface between logistics and marketing in relation to the marketing mix (Stock, 2002).

Key studies which have addressed the internal perspective of logistics and marketing functions have investigated interfunctional co-ordination (Murphy & Poist, 1996), cross functional collaboration (Ellinger, 2000), interdepartmental integration (Kahn and Mentzer 1996, Stank *et al* 1999, Mollenkopf *et al* 2000), which highlighted issues of co-ordination, communication and how these issues affected company effectiveness and performance.

This study looks at the marketing/logistics interface from a balanced viewpoint and associated business processes as defined by Hammer and Champy (1993). In this paper the business processes focused on are New Product Development, co-ordination and prioritisation of projects and the impact of decision making between the functional areas which ultimately impact on customer service and business performance. The contribution

of this paper is how a better understanding between marketing and logistics can lead to improved business processes.

Following a review of the literature, the paper explains the methodology adopted, and reports on the results from the case study. Finally the paper ends with a discussion of the key findings for marketing and logistics educators, practitioners and researchers.

Literature Review

Links between marketing and logistics

It is widely understood that logistics and marketing are linked through the distribution element of the marketing mix i.e. one of the “P’s”. (E.g. Mentzer et al 2000, Svensson 2003). Similarly, logistics contributes to customer service, a critical element of the marketing concept (Murphy and Poist, 1996).

The interface between marketing and logistics is key to the delivery of customer service and the achievement of customer satisfaction. Achieving excellent customer satisfaction through outstanding service levels is challenging because it involves inter-functional co- ordination between logistics and marketing functions (Emerson and Grimm, 1996).

Much of the research has looked at marketing and logistics in terms of the delivery of customer service, the external situation and the benefits. There is little research looking at the internal situation.

Ellinger (2000) suggests that despite the importance of cross functional integration, much of the research has focused on marketing and R&D integration and the benefits rather than marketing and logistics. For example the R&D/marketing interface and the new product development process have been well researched over the years (Wang and Montaguti, 2002).

However, there have been a few studies which have looked at interfunctional coordination (Murphy & Poist, 1996), cross functional interfaces and business performance relationships (Morash, Droge and Vickery, 1997), and marketing and logistics integration (Kahn and Mentzer, 1996, Stank *et al* 1999)).

Ellinger (2000) looked at cross functional collaboration and effective interdepartmental relations in relation to an organisation's reward and evaluation system. Morash et al (1997) investigated cross functional interfaces and overall business performance for logistics, marketing, production and new product development.

Collaboration emphasizes co-operation but creating an environment which breaks down the organisational silos is difficult. Moreover, the effect will be felt within the organisation in terms of business practices and philosophies (Stank et al 1999).

There are a number of ways to improve coordination – use of reward systems, changing the appraisal system to include collaboration as a factor and performance indicators which reflect the contribution of both functional areas (Ellinger 2000). Indeed there may be different solutions required for each function e.g. for marketing co-operation may be enhanced by top management support and coordinating committees. In contrast improvement for logistics was gained by training, education and mutual goals (Murphy and Poist 1996).

Companies need to be excellent not just in marketing but to achieve process integration across functional areas to create competitive advantage. Marketing must directly influence the business processes to achieve that aim (Srivastava et al 1999).

Understanding

Effective marketing relies on the performance of other functional areas e.g. production, logistics, R&D and finance. Functional myopia and a lack of understanding that personnel are contributing to the creation and delivery of customer satisfaction, often leads to conflict (Shipley, 1994).

A lack of understanding between logistics and marketing functions (e.g. Christopher, 2000, Murphy & Poist, 1996), may have implications for organisational efficiency and discourse. The potential areas for conflict which have been identified are -

inventory, order processing, packaging and customer service (Speh, 1977, cited in Murphy and Poist, 1996).

The studies by Min and Mentzer (2000) and Murphy and Poist (1996) focus on lack of communication, lack of co-ordination and conflict. Ellinger (2000) suggests that the relationship between marketing and logistics is illustrated with examples of conflict and lack of communication rather than collaborative integration. He further suggests that there is a gap in the research which needs to investigate the possible benefits of effective marketing/logistics interdepartmental integration.

Understanding and co – operation across departments (e.g. marketing and logistics) is critical to the delivery of excellent customer service and ensuring customer satisfaction. From a customer viewpoint this means a seamless process. From a company viewpoint it is the ability to operate across the functional silos. In order to improve customer service in the supply chain, the challenge for managers is to gain a better understanding of what is required for cross functional collaboration and the benefits (Ellinger 2000).

Ellinger's study (2000) indicated that whilst logistics managers felt that developing a good relationship with marketing was worthwhile, this did not appear to be developed further and was not translated into operating effectiveness.

Interface activities

Researchers and practitioners understand the importance of the interface between logistics and marketing for the delivery of customer service (Emerson and Grimm, 1996). However, as Morash et al (1997), suggest “too often a company’s internal functions operate like functional ‘silos’ rather than working together for the benefit of the customer” and ultimately, improved company performance.

Examples of poor coordination between marketing and logistics in terms of interface activities which can impact company performance are illustrated in a study by Murphy & Poist (1996). They suggest the result is higher transport costs, higher packaging costs and longer transit times. Similarly, other research has indicated that conflict arises between marketing and logistics in the areas of inventory, packaging, order processing and purchasing (e.g. Lynagh and Poist 1984).

Because processes cut across functional boundaries, Murphy and Poist (1996) suggest that attention should be paid to what they term ‘interface’ activities which they defined as common points between two or more functions. For the purposes of this study the ‘interface’ between logistics and marketing is deemed to include the marketing programme decisions of the marketing mix at the operational level.

The challenge lies in how interfunctional coordination is managed between marketing and logistics.

Supply Chain Management (SCM)

Supply chain management (SCM) is acknowledged in the literature as a link between logistics and marketing due to the interrelationship between marketing activities in marketing channels (e.g. Mentzer et al (2000) and Lings (2000)).

For supply chains to work effectively, co-ordination between marketing and logistics functions is an important prerequisite (Murphy & Poist, 1996). The difficulty, however, lies not just with the management of the inter-functional activities, but also with the fact that logistics may mean very different things to different companies depending on their size, the industry and indeed their own interpretation of what logistics means for them. This is illustrated by the responses of some of the key personnel in the case study (see Tables 2, 3 and 4).

Insert Figure 1 here

For the purposes of this paper, the scope of logistics is represented by Figure 1. The Logistics Function in the case study was designed to manage the organisation and movement of materials and relevant information between all the listed functions in the Internal environment up to the delivery to the customers in the External environment.

This study focused on the marketing /logistics ‘interface’ activities at the operational level, and found detailed examples of how these interfaces had an impact on logistics and the rest of the supply chain in an international food manufacturer based in the UK and led to improvements in business processes.

Methodology

The research investigated the ‘interface’ activities between the logistics and marketing decisions being made and the impact on logistics and the supply chain. To this end there was an initial exploration of the responsibilities of each function and the perceptions of each of the functional roles within the company. This was necessary as marketing and logistics may have different responsibilities in different companies. The interface activities were then defined (by the company) and then a detailed analysis of impact for logistics was conducted, which highlighted specific issues between the two functions. The subsequent impact for business processes was then identified.

Due to the exploratory nature of the research project an embedded case study approach was adopted (Yin, 1994) using multiple units of analysis to achieve in depth results.

The study explored the Marketing and Logistics departments within the Consumer Business Division at the European Headquarters of an international food company, based in the UK. The international food company is a global leader in the manufacture and

distribution of ambient food and the products are supplied via the main grocery retailers in the UK. The scope of this study was limited to the UK retailers.

The context of the study was the food industry which was chosen because it is extremely competitive and relies heavily on logistics and SCM interface capabilities to compete. An international food company was chosen to provide breadth to the study. Also, the strength of its brand, created an opportunity to investigate both the logistics and marketing interfaces using a more complex supply chain model. This complexity arose from the significant number of activities a successful company undertakes in order to manage a strong global brand position.

Research Objectives

The purpose of the research was:-

To explore the understanding between the marketing and logistics functions.

To investigate the interface activities between logistics and marketing and the decisions which have an impact for logistics and the supply chain.

To investigate the impact of the activities on business processes.

Data Collection

The data was collected using semi-structured interviews lasting one and a half hours with eight key personnel in marketing and logistics. Managers in both logistics and marketing were used as it was assumed that they would have the most knowledge and be most involved with interface activities (aka Murphy & Poist 1996).

A case study protocol, see Table 1, was followed using discussion guides and triangulation was achieved using a combination of company documentation, interviews with company managers, food industry reports and academic papers,.

Insert Table 1 here

The scope of the study concentrated on the marketing programme decisions of the marketing mix at the operational level, to assess the impact for logistics and the supply chain.

The results were validated by discussions with the managers who took part. In addition, a workshop with twelve senior managers in the food industry who were part of the 'SUCCESS' research project¹ was conducted, to assess the general applicability of the

¹ a multi-disciplinary research team who are developing a novel process to assess supply chain costs in the food industry being led by Warwick University and Cranfield University.

results. The managers from a range of companies were asked the extent to which the issues were relevant and applicable to their company environments.

Analysis of results

The analysis reviews the understanding between marketing and logistics and then discusses the interfaces between logistics and marketing (i.e. the marketing mix elements - product, price, promotion and distribution) which appeared to have the most impact for logistics and the supply chain. It finishes by highlighting issues for business processes.

1. Understanding between logistics and marketing

This section relates to Table 2 Marketing Logistics Understanding, where respondent quotations have been selected to illustrate key findings.

There appeared to be a good understanding of the marketing function by logistics and others, as respondents were able to describe the function of marketing in good detail and naturally listed the 4 P's (i.e. product, price, promotion and distribution). The description of the logistics function by key members of marketing was much weaker. They could make suggestions about areas such as materials for product manufacture, warehousing and distribution, but without much level of detail (see Table 2 Factor 1, Marketing respondents).

Insert Table 2 here

Marketing were seen to drive the business strategy with the creation of good customer centric ideas and logistics were then tasked with developing optimal solutions for the ideas.

When respondents were probed further to test for real understanding as opposed to merely listing functional activities, the understanding appeared to be at a superficial level. Whilst logistics could describe what marketing did, they did not always understand exactly what that meant in detail, nor did they understand the rationale behind decisions taken (see Table 2 Factor 3 Logistics respondent).

2. Logistics Marketing Interface Activities

The following section refers to Table 3 containing key quotations from respondents.

The marketing programme decisions in relation to the marketing mix elements were clearly identified by respondents in the study as the areas of interface i.e. product, packaging, promotion, distribution. Interestingly, price was not mentioned as an interface activity except in relation to price promotional activity. Additional interfaces suggested were inventory and forecasting.

Insert Table 3 here.

2.1 Product Decisions

The product element appeared to produce the most examples of misunderstanding and impact for logistics, the supply chain and business processes: for example, new product initiatives, product modifications, product deletions, and packaging.

A clear example was evidenced with an initiative to position an existing product in a new, novel, pack size and shape which produced production and implementation problems for logistics. Whilst logistics knew that the initiative was imminent, they learned about the exact details late on in the launch process. Not only was the packaging using materials which had not been previously used, it was a different shape, contained much less product and the in-store mechanism to display the product was not properly considered (see Table 3 Factor 1 Logistics respondent). The consequences for logistics were that the display had to be remodelled and the packaging solution had to be outsourced at a time when the number of suppliers was being rationalised. Additionally, if logistics had known the details much earlier then a different solution could have been suggested. (Similar examples are cited by Murphy & Poist, 1996).

There were clear procedures for new product development, but they appeared to have no flexibility or contingency for 'non standard' developments. The new product packaging idea cited above, was a radical change for the logistics environment and yet was given the same timeframe for introduction as an established product launch. Despite there being a procedure for new product development there was no understanding of the overall

process. This is fine when everything works well, but had major implications for the business when changes were made to plans.

Timing and lack of detailed information were the most often mentioned areas for contention mentioned by logistics, which led to implementation problems. (see Table 3 Factor 1 Logistics Respondent). Clearly, more time was necessary earlier on in the process to facilitate more in depth discussion.

A further example was in relation to product deletion, which had implications for inventory and stock write off. Within the food industry inventory and stock control is crucial. Obsolescence was highlighted as a major area for improvement either because marketing had forecast inaccurately or they had failed to let logistics know early enough that a product was being discontinued. This did not allow safety stock levels to be reviewed effectively (see Table 3 Factors 5 & 6 Logistics respondent).

2.2 Promotional Decisions

Promotional decisions revolved around short term sales promotion activities e.g. buy one get one free and pricing promotions. The more established promotional activities for the core business were well documented and monitored over time. Marketing were well aware of which types of activity would have the best result for the company. In this situation, inventory and forecasting decisions appeared to be well managed from both a logistics and marketing perspective (see Table 3 Factor 2 Marketing and Logistics respondents).

However, new promotional strategies highlighted challenges for forecasting. For example, a new TV campaign to promote a new product was a great success for the company. In becoming a ‘victim of its own success’ however, forecasts for consumer uptake of the product as a result of the campaign were too low. With no previous experience of a mass advertising medium, any forecast was likely to be erroneous (see Table 3 Factor 2 Marketing respondent).

2.3 Distribution Decisions

Distribution decisions appeared to be relatively straightforward and were mentioned in relation to the existing methods of delivering products to the retail outlets. For example, marketing would indicate the retailers and stores that were ‘listed’ and logistics would organise the physical distribution. Incidences of this not running smoothly were in relation to urgent distribution to prevent out of stock situations. This was mainly due to lack of information or miscommunication between marketing and logistics resulting in increased distribution costs (see Table 3 Factor 3).

2.4 Pricing Decisions

Interestingly, price was not discussed in detail as having any implications except its use in promotional campaigns where there are obvious stock implications.

3 Business Processes

The following section refers to Table 4 containing key quotations from respondents.

There were a number of examples in the study which highlighted deficiencies in business processes.

Insert Table 4 here.

Firstly, an understanding of why the decisions were made by marketing was absent and highlighted issues of co-ordination between the two functional areas. (Examples of co-ordination issues have been indicated in other studies (e.g. Murphy & Poist 1996, Morash et al 1997). Furthermore, marketing did not appear to understand the ramifications of the decisions they made and the impact on logistics and the rest of the supply chain (see Table 4 Factor 1).

Secondly, co-ordination proved to be problematic in certain circumstances. For example as marketing activity plans were poorly co-ordinated this had a knock-on effect for logistics (see Table 4 Factor 2).

Thirdly prioritisation was an issue whereby it appeared to be deadline driven by both marketing and logistics and not by importance to the business (see Table 4 Factor 3).

Finally, there appeared to be a New Product Development procedure and timetable for packaging and artwork production but no overall process for development, which might include contingency plans for other parts of the business (see Table 4 Factor 4).

Discussion and Implications

The study discovered explicit evidence regarding issues in relation to the logistics/marketing interface activities at the operational level. The results highlight that the interface activities are not simply confined to marketing programme decisions, but have far reaching effects for forecasting and inventory. In particular the study highlighted that the responsibility for forecasting did not lie solely with marketing, which was the perception.

The critical issues for discussion are perception and communication of detailed information, the ramification of decisions made by marketing on logistics and the implications of these errors for business processes.

1 Marketing Logistics Understanding

1.1 Perception and communication

Many of the issues arising between marketing and logistics appear to be about miscommunication and perception. There were a number of key meetings where marketing activities and decisions were discussed by relevant and appropriate personnel and yet the

messages were either not heard or not understood. For example, marketing perceived that they have informed logistics about new product introductions at a joint monthly meeting and were then surprised when logistics suggested that they were not informed early enough about the launch. Conversely, logistics perceived that they have not been informed, as marketing failed to provide a sufficient level of detail for them to act and therefore were unsure or unable to respond. The irony is that neither party sought clarification.

The issue here is not simply about being informed early on in the process, but the level of detail necessary to develop an optimum solution for the company.

It was also perceived that marketing were responsible for forecasting. Consequently, when problems arose marketing bore the brunt of the problems. The reality was that a number of departments input to the activity, but there was no clear line of responsibility back to any one department and as a consequence the message to logistics was unclear. Again, this was a clear example of where there has been a breakdown in the business process.

One possible answer is to improve the understanding and communication between the two functions by having more in depth-discussions, more often and to introduce training and awareness sessions to address the issues arising. Individual performance measures of key personnel could also be aligned to encourage more integration.

1.2 Implications for Business Processes

There are quality procedures for NPD and new product introduction within the company, but they did not reflect the overall process which accounted for some of the problems encountered. Viewing these in terms of process and modifying internal procedures would give a more holistic approach and substantially alleviate the issues. The company subsequently put in place a new product development process and introduced the production of detailed product specifications.

There was also the realization that success criteria for project implementation must be both multi-functional and commercial. It is inappropriate for Marketing to be ready to launch if other parts of the business are not at the same stage. In this respect, the company considered introducing a process which included a 'go/no go' decision template for all launch activities.

As discussed in section 1.1. on page 21 frequent meetings and joint meetings did not always produce positive results. A better understanding of the total process by both functional areas is necessary. This is consistent with Christopher's (2000) recommendations in this area.

Conclusions

The contribution of this paper is how a better understanding between marketing and logistics can lead to improved business processes.

The current research provides a number of insights which have a number of implications for the international food company, practitioners and academics. For the company, a greater visibility and understanding of the issues surrounding marketing decisions and logistics became apparent. In particular, marketing are generating good, customer centric ideas, which may not be compatible with production facilities in the factories. This must be viewed in the context of the overall strategy for the supply chain within the company. Logistics and other parts of the supply chain have been very responsive and with a more holistic view of business processes by both marketing and logistics, better supply chain solutions will be developed.

The issues arising are at the operational level where implementation problems highlight weaknesses in business processes.

For practitioners in general, the results act as a guide for developing more effective relationships between marketing and logistics. The challenge for companies is not only to become responsive but to break down functional barriers.

Better business processes developed and agreed across the functional departments will lead to better implementation and ultimately increased business performance and customer satisfaction.

This study highlighted that marketing and logistics have different perspectives on what it takes to achieve the successful implementation of a project. However, if they can

learn to work towards joint goals, joint planning and multi functional success criteria then perhaps they can achieve cross functional excellence.

For academics, (despite the work of Christopher (2000) and Srivastava et al (1999), the results of the study support the view that there is still a requirement to develop clear processes which transcend business functions and modify procedures. The evidence suggests that companies are still not addressing the process based view.

Limitations of the study

The study uses a single case study which may suggest further case studies are required to validate the findings. However, as mentioned previously in the methodology section, the results were validated by discussion with respondents in the case study company and at a subsequent workshop with Key senior managers in the food industry. The results suggest that there is a high level of generalisability with other companies within the industry and gives further validity to the results found.

Further research

The study discovered explicit evidence and data regarding the issues in relation to the logistics /marketing interface. Potential cost implications were identified, but further research is required to investigate the extent of the costs to provide a more detailed assessment of the effects of an under-performing interface.

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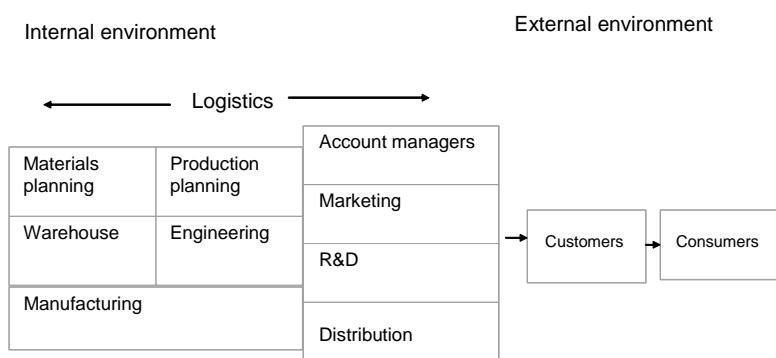
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Figure 1 Supply chain structure for consumer business



Source: Case study company

Table 1 Case study protocol

- Initial meeting and discussion with the Vice President of the Supply chain to agree research
- Outline of project, objectives and timings sent to Vice President of the Supply
- Key informants identified and overview of project sent to them to agree interview dates
- Discussion guides sent to informants in advance
- Company documentation collected on site
- Feedback and verification with interviewees
- Results presented to VP
- Results presented externally to key managers in other international food companies

Table 2 Marketing Logistics Understanding

Factor	Logistics Respondents	Marketing Respondents
1 Understanding of Logistics	<p><i>The word logistics is a confusing term even for the logistics professionals'</i> Respondent B (Logistics)</p> <p><i>' logistics... is a wider department than perhaps in other companies...I think a lot of people think of logistics as warehousing and distribution which is probably what my pre-conception was before I came here'</i> Respondent A (Logistics)</p>	<p><i>'..they are the people who ensure that we get the materials where we want when we want in the best possible way...includes warehousing, distribution and buying'</i> Respondent D (Marketing)</p> <p><i>'...(my understanding) is weaker...I know that when we launch a new product we start to get them involved'.</i> Respondent E (Marketing)</p>
2 Understanding of Marketing	<p><i>'they look at product range and decide what products they want to discontinue...new products...promotions, advertising, general marketing activity'</i> Respondent A (Logistics)</p>	<p><i>'... role is to come up with new opportunity areas for the business and...execution of new product launches...'</i> Respondent D (Marketing)</p>
3 Deeper Understanding of Marketing/ Logistics	<p><i>'I think...there is sometimes a possible lack of understanding by marketing of what we do in logistics in order to get the product made and to discontinue a product...I think it's also vice versa ...we need to understand better'. (Respondent A Logistics)</i></p> <p><i>'it (Marketing) impacts the supply chain in a good way when it brings about growth and change and innovation... It impacts the supply chain adversely when in those same situations it is unable to be more specific about what it really needs/means'</i> Respondent B (Logistics)</p>	<p><i>'I would imagine a lot of the decisions we make impact logistics so promotion, NPD...new pack formats'.</i> Respondent E (Marketing)</p>

Table 3 Issues at the interface

Factor	Logistics Respondents	Marketing Respondents
1 Product Decisions	<p><i>‘...we are not involved early enough in the decision making process...by the time it’s got to us they have already decided what they are doing and we just have to cope with it’</i></p> <p>Respondent A (Logistics)</p>	<p><i>‘new product development and new pack formats’</i></p> <p>Respondent D (Marketing)</p>
2 Promotional Decisions	<p><i>‘it is easy for core business...we’ve been doing it a long time and have lots of experience’</i></p> <p>(Respondent A Logistics)</p>	<p><i>‘how do you estimate volume using new promotions when there is no experience?’</i></p> <p>Respondent E (Marketing)</p>
3 Distribution Decisions	<p><i>‘frequently spending accelerates on the project in the final stages and if we had more time we would have developed a different distribution solution’</i></p> <p>‘Respondent A (Logistics)</p>	<p><i>‘At times decisions are made without having thought about the implications’</i></p> <p>Respondent D (Marketing)</p>
4 Pricing Decisions	<p><i>‘only in relation to a promotion ...perhaps a free offer ,but that’s more product’</i></p> <p>Respondent B (Logistics)</p>	<p><i>‘tried price discounts but did not appear to have an impact on up take of the product’</i></p> <p>Respondent E (Marketing)</p>
5 Inventory	<p><i>‘if they had informed us that a product was being reviewed then the safety stock of raw materials could have been reviewed’</i></p> <p>Respondent B (Logistics)</p> <p><i>‘the most severe impact is in the area of obsolescence...because of the failure to understand the amount of material which sits in a slow moving supply chain’</i></p> <p>Respondent A (Logistics)</p>	<p><i>‘...need to improve forecast accuracy, giving enough notice of change, not just telling (logistics) about a new promotion and not telling anybody about discontinuations’</i></p> <p>Respondent D (Marketing)</p>
6 Forecasting	<p><i>‘Marketing are ambitious...they are going to sell a lot of new product...sales are less than expected and we are stuck with a lot of inventory’</i></p> <p>Respondent B (Logistics)</p>	<p><i>‘how do you estimate volume using new promotions when there is no experience?’</i></p> <p>Respondent E (Marketing)</p>

Table 4 Business Process Issues

Factor	Logistics Respondents	Marketing Respondents
1 Ramification of decisions	<p><i>'...with marketing decisions...their impact ripples through the organisation and we fail to understand the way in which they ripple'</i></p> <p>Respondent C (Logistics)</p>	<p><i>'Understanding what leads on from what and what the constraints are on others decisions'</i></p> <p>Respondent F (Marketing)</p>
2 Co-ordination	<p><i>'There is a gap in our process in that there is no umbrella process...verify that the plans are congruent with each other''</i></p> <p>(Respondent C Logistics)</p>	<p><i>'sometimes key people are left out'</i></p> <p>Respondent E (Marketing)</p>
3 Prioritisation of projects	<p><i>'the ones that have launch dates looming quicker than others'</i></p> <p>Respondent A (Logistics)</p>	<p><i>'We need to separate the bigger ideas from the smaller ideas ...that are from a commercial viewpoint more promising'</i></p> <p>Respondent D (Marketing)</p>
4 New Product Development Process	<p><i>' you can get development and label writing ...swallowing up say 4/6 months and then it is assumed that materials can be sourced and product produced and the whole range be launched within a 4 week period...'</i></p> <p>Respondent C (Logistics)</p>	<p><i>' we took decision at a point in time when we were not at the stage to "go"'</i></p> <p>Respondent F (Marketing)</p>