Industrial Marketing Organization and the IMP Approach: A Comparative Analysis

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Abstract

During the last IMP Conference it was discussed - as an introduction to the Special Track on Marketing Organization - the status of the organizational aspect of the marketing function in the business markets (Pardo and Ivens, 2006). At this occasion, it was stressed, that this issue was to be linked to the debates - stressed by several authors - on the decline of this marketing function within companies (Webster, Malter and Ganesan 2005). This paper reviews the writings of three leading authors in the field of marketing organization (Webster, Piercy, and Homburg) and contrasts it with the IMP view on marketing organization. It concludes with the development of propositions for further research for IMP scholars interested in marketing organization.

Keywords: marketing organization, marketing function, marketing processes

1. Introduction

The IMP approach to studying business markets is characterized by a focus on the actors, activities and resources involved in inter-organizational business exchanges. It provides rich descriptions rather than managerial checklists and decision rules (Brennan/Baraldi/Harrison/Tunisini/Zolkiewski 2006). Although IMP authors have made some valuable contributions to the question how actors (i.e. companies) organize internally in order to participate in dyadic or network relationships, the overwhelming part of the literature is concerned with aspects of exchange rather than with organizational design. Also, the contribution of the IMP literature to the domain of industrial marketing organisation remains limited. The connected issue of the role of marketing function in neglected, too, with a consequence that quite no authors within the IMP researchers has participated to the rich debate on the evolution of marketing function which the authors examined in this paper have taken relevant part in.

In this work we take into analysis the perspectives and the reflections of three prominent scholars in the field of marketing organizations - Webster, Piercy and Homburg -. The aim is to analyse their view and how it can be framed within the more general literature debate on marketing role and organization. Secondly, we want to contrast the authors’ perspectives with the emerging issues, suggested explicitly but mostly implicitly, on marketing organization by the IMP approach.

The paper continues in the perspective of the corresponding special track organized at the 22nd Annual IMP conference (Milan 2006). Following a state-of-the-art review on current research in industrial marketing organization (Pardo and Ivens 2006) several scholars presented conceptual thoughts and empirical results on the topic that we use in order to develop our comparison. In particular, our analysis is developed in order to face three main questions: the first one concerns the making sense of the questioning of the role and organization of marketing in companies. Our thesis is that it is an important topic to face both theoretically and empirically. The second question concerns how much the issue can benefit of a comparison and combination of different perspectives. Our analysis, we think, shows that the debate on marketing role and organization could be further enriched by the adoption of the IMP perspective but, especially, through the combination of different perspectives. The third question concerns the empirical applicative value of the above debate. We do think that the topic represents a very important managerial and organizational problem that both large and, especially small and mid-sized companies need to face.
The remainder of the paper is organized as follows: In a first step we review three leading scholars’ writings on marketing organization. The three authors are Webster, Piercy, and Homburg. For each author we present a summary of his work, show how his work relates to the work of other scholars in the field, and finally provide a comparison of the author’s writings with the IMP literature on industrial marketing organization. Following this review section, in a second step we identify several directions for future research in marketing organization for IMP scholars.

2. Webster’s contribution

2.1 Webster’s analysis of marketing organization

Among the US marketing scholars, Webster is one of the few that have deeply entered into the topic of the organization of the marketing function and seriously questioned the role of marketing in companies.

In the beginning of the 1980s he explored the views of executives of 30 major companies in order to collect their perceptions of the performance of the marketing function and their ideas of what role marketing had to play in the future. The result of his research was a strategic role of the marketing function that had to support companies in their strategic positioning, even if some critical areas were identified: the lack of innovativeness and entrepreneurial thinking; the diminishing productivity of the marketing expenditure, the poor understanding of the financial implications of marketing actions and decisions, the incomplete acceptance of the marketing concept (Webster, 1980).

This last observation – the incomplete acceptance of the marketing concept – demonstrated a clear starting point of Webster’s research: the “marketing concept” according to which marketing has to develop a deep understanding of the markets, support decisions concerning company’s strategic positioning as well as define the positioning and segmenting decisions to play in the market gaining advantages over competitors.

It is interesting to observe that this starting point – the marketing concept - has been put seriously into discussion by Webster in the following studies (1992; 1994, 1997) where the author has also deeply reviewed the role of marketing in the corporations and the profile of its organizational dimension.

In particular, Webster refers to the “new marketing concept” according to which “marketing’ job is to provide information to decision makers throughout the organization and develop total marketing programs (...) that responds to changing customer needs and preferences” (p.9). Differently from the old marketing concept, the author continues “the new marketing concept is more than a philosophy; it is a way of doing business. It includes customer orientation, market intelligence, distinctive competences, value delivery, marketing targeting and the value propositions, customer-defined total quality management, profitability rather than the sales volume, relationship management, continuous improvement and a customer-focused organizational culture” (p.16) (Webster, 1994).

According to this line of reasoning Webster (1992; 1997) has developed a perspective on marketing as the “design and management of all the business processes necessary to define, develop and deliver value to customers. These processes consist of sets of interdependent activities, some of which are traditional marketing activities and others of which have traditionally been organized under the functional rubric of production and operation. In other words, a marketing process is any
Marketing processes thus include 1) value defining processes (market researches, analysis of core competences, strategic positioning in the value chain and economic analysis of customer use systems); 2) value developing processes (new product development; design of distribution channels; development of procurement strategy, vendor selection, partnering with service providers, pricing strategy and develop of value proposition); 3) value delivering processes (managing distribution and logistics; deployment of the sales force, order-entry, credit and post-sale services; advertising and sales promotion; application engineering, product upgrade and customer training).

Webster observes that many of these processes have always been controlled by engineering, production and purchasing functions; when they all have to be customer-driven, the author continues, the whole company is to evolve in a marketing organization. Marketing managers have mainly to design and manage strategic partnerships with customers and those who provide customers value.

Within this view Webster does not use the term “marketing function” but, rather, he discusses on marketing organization (as flexible and customer-driven) as well as on marketing capabilities diffused throughout the organization. These capabilities are to be integrated with other business functions in team-centered organizational processes. They however are disconnected from the activities and the responsibilities of people responsible for marketing that act at the strategic, business and functional levels. In particular, at the strategic level, chief executive officers and chief operating officers have the task of understanding company’s distinctive capabilities, the dynamics of customer needs and competitive product offerings, guiding the strategic process of matching customer needs and the company’s core competences; at SBU level, marketing managers have the task of segmenting and targeting, defining company’s value proposition and it positioning in the value chain; at the functional level, marketing specialists are responsible for product and brand strategies, communication and distribution. Webster adds that, as the company is involved in a set of different market relationships, these actors are also responsible for the management of strategic partnerships and other market relationships.

The optimistic vision the author develops in the previous studies about the future role of marketing changes a bit in his recent work on “The decline and dispersion of the marketing activities” (Webster, Malter, Ganesan, 2005), where the author, and his colleagues, report the results of a research similar to that of the 80s aimed at understanding: the changes in the organizations and the influence of marketing activities in large companies; the forces driving changes in the organization of the marketing function; whether marketing competences in more decentralized and flexible organizational structures finds its way into the value creating processes of innovation, customer relationships management and SCM.

The research starts from the observation of the declining of the influence, structure and significance of corporate marketing department and its growing disintegration. As Webster and colleagues write, many respondents to their question on the changes of marketing in their companies questioned “that depends upon what you mean by marketing” (pag.36). The uncertainty on what marketing is is considered one of the reasons of the declining of the marketing function in corporations where the growing disintegration of marketing activities makes it difficult to identify one unique centre of marketing responsibility.

According to the author there are 8 reasons of the declining of marketing:
1. Marketing remains an ambiguous concept with unclear responsibilities, which makes it hard to win budgetary support for. Part of the confusion reflects marketing’s multiple dimensions of culture, strategy and tactics.

2. In most of the companies there is a dominance of short-term financial metrics. What is sometimes called “the tyranny of the P&L.” and marketing does not fit well with these kind of metrics.

3. Linked to the precedent reason is the fact that for marketing it is difficult to assess and then justify a direct return on investment.

4. Different shifts of power have occurred in the channel and it seems that companies are now placing more importance on customer relationship management, trade promotions and the field sales force.

5. The increasing role of CRM and KAM makes sales and service dominate marketing.

6. The above mentioned "new power" of "new functions" in the companies pulls funds away from marketing activities and toward field sales activity and trade promotions.

7. Marketing has disappeared (or mostly disappeared) from the corporate staffs or as the authors say “Marketing has lost a seat at the table.” (p. 39)

8. In most of the companies the responsibility for marketing strategy had been pushed down in the organization and out into the strategic business units.

Following this analysis, two elements of reflection emerge: the former is that we observe the dispersion of marketing competences that leads to question what is the role of marketing specialists; the second is the role and responsibilities of a marketing centralized unit or department. The author attempts a reply to these questions and writes that marketing specialists have to keep company’s teams focused on customers, participate to the changing definition of customer value, diffuse knowledge about customers and competition. The marketing department is probably to evolve as a “center of excellence” that acts as depositary of knowledge about customers and builds and sustains marketing competences charged with diffusing customer culture within the organization.

2.2 Framing Webster within the debate on marketing organization

The focus of Webster’s research is mostly the large corporation and at a certain extent his research activities had the strong influence of companies playing in industrial markets (Webster, 1984) and in high tech markets (Webster, 1992). His interest in large corporations shows the need for understanding the most important trends in contexts that change very rapidly and in a revolutionary way. In this respect, Webster’s analysis gives an important input of what are the major changes occurring in companies and markets.

Webster’s researches, in their starting points and in their results, reflect the enormous changes that have affected large corporations and marketing management in the last two decades. We don’t want to recall them now but, summarizing, the increasing customer orientation and the centrality of customer value in company’s strategies as well as the connected large company’s deconstruction and the development of networked organizations, have seriously put into discussion the role and the dispersion of marketing competences within the firm.

This empirical approach adopted by Webster favours the approaching of the author according to an “evolutionary” perspective in the sense that his studies may be interpreted as strongly reflecting the changes occurring in the managerial practice and in the marketing discipline. The attention to weak signals, captured mostly through qualitative interviews, helps to capture major changes occurring in companies and in markets even if these changes are not diffused through all the organizations and industrial contexts.
His work is also strongly normative. He always questions what marketing is, should be and should become. His constant effort is in seeking a role for marketing competences and for marketing function in companies. In this respect, you can read a strong connection with the marketing concept tradition safeguarding marketing as a function, besides as a set of competences. That puts Webster in the middle between the activity and the functional approaches (Homburg et al., 1998). Similarly to Day (1997) Achrol (1991) e Achrol-Kotler (1998), Gronroos (1999) and Gummesson (1990), he discusses the evolution of companies as marketing organizations where you observe a dispersion of marketing activities (activity-based approach); The authors above tend however to stress a broad dispersion of marketing activities within hybrid organizations considerably restricting the role of the marketing department. Their researches thus mostly suggest to enter deeper into the hybrid marketing organizations and their management and relationship capabilities. In these terms the cited authors develop a descriptive and interpretative orientation in their research. As we have observed, Webster is mostly normative.

Similarly to Piercy and also to Homburg, Webster is indeed interested in keeping the focus on the role of marketing as a functional/departmental area (functional approach). His research mostly suggests to keep the focus on the role of marketing department and marketing management within the company’s governance. However, differently from Piercy he is not interested in capturing the variety of situations you can find in different companies. Differently from Homburg, who is very inductive in his approach and mostly interested in explaining what he observes in company’s behaviour and organization, Webster’s efforts is much more oriented to drawing normative than descriptive results. That makes his research different from Piercy’s who reflects on the results of his extensive analysis on both large and small and mid-sized companies suspecting the dissolution of the marketing function but with a little effort to seek room for its direct responsibilities. On his part, Webster uses his research results to identify which opportunities and challenges appear for the marketing function and marketing managers in the next future.

It is especially referring to the latter that Webster’s research mostly suggests to investigate into the task and responsibilities of marketing managers and to the contribution that marketing department may give to company’s profitability.

2.3 Webster and the IMP Approach

A comparison between Webster approach and the IMP approach may lead to fruitful suggestions on how to proceed in the research on the organizational dimension of marketing activities. We can start from examining the elements of difference and of similarity of the two approaches and then track the benefits of their combination.

Webster is strongly rooted in the traditional approach to markets and to the relationship between the company and the market; even if he stresses the need to renew these perspectives, he moves within a framework anchored to a traditional market concept developed in the sixties in the US. The single company and its individual market strategy is his main focus, that inevitably leads to take care of the problem of marketing function and competences. The IMP perspective is not an evolution of the traditional one but, rather, it originates from a challenge to the traditional marketing concept and view of the market. The market as a network of interdependencies is the main focus of the analysis and the single company is one of the actor of the network that performs both individual and collective strategies. The interest in the marketing function and company’s marketing competencies is limited as the main problem concerns the variables sub-standing companies’ interaction and company’s relational capabilities (Hakansson, Snehota, 1995; Ford et al. 1998; Ford et al. 2006; Hakansson, Harrison, Walouszewski, 2005). It is quite inevitable that within this perspective the problem of the marketing function is mostly faced as the activity based perspective is doing.
According to the IMP view, as the company has the problem of continuously relating to market actors and positioning in a set of interdependences, a structural and functional view of marketing appear insufficient and restrictive. It appears much more effective to deal with marketing organization in terms of a set of activities, resources and actors involved in company’s relating to customers and positioning within a set of interdependent market relationships. These activities, resources and actors not necessarily are all confluent in one specific company’s function. In the few limited cases when they talk about the marketing function, IMP authors write that its primary task is to develop the function of relationships, to develop (or interrupt) activity links, resource ties and actor bonds (Hakansson, Snehota, 1995). Marketing management is about managing a portfolio of customers and changing network position, orchestrating the actions of other actors (Ford et al., 1998). Webster also faces the problem of managing market relationships as a task of corporate, functional and operational marketing, but this task is associated with others, in a more traditional framework concerning the view of the market and of the company.

The few IMP studies that have directly faced the problem of the marketing function/department (Hakansson, Ostberg, 1975; Moller, Rajala, 1999) observe the spread of marketing activities among several organizational units. Moller and Rajala cite product management, field sales and customer service as major marketing actors playing as centre of an intricate set of intra and inter-organizational relationships. According to the authors, who refer to high tech firms, the developing of process-based view of organizing tasks and activities involving the coping with a set of market relationships explain the absence or dismantling of marketing department. In these terms the authors adopts an evolutionary view, as Webster’s, explaining the reasons of the dismantling of marketing departments in the companies they observe and setting the basis on the need for research devoted at understanding how inter-unit coordination and communication can be implemented.

A different approach from Webster’s is developed by Hakansson and Ostberg (1975), who adopt and stress a situational approach that leave rooms for different organizations of the marketing function. Even if the study has been developed more than 30 years ago, it reflects the essence of the IMP perspective according to which the substance of interaction reflects in company’s organization. According to Hakansson and Ostberg, formalization, standardization, centralization and configuration are variables that determine the degree of uncertainty of a situation of interaction exchange. In condition of high uncertainty you have a diffusion of marketing activities while when uncertainty is low marketing function exists with very limited tasks. The degree of market uncertainty and the need for tight interaction thus reflect in the company’s organization that must be flexible and decentralized in order to capture and exchange market information (Nonaka, Nicosia, 1979).

Webster observes the present situation of high uncertainty and, focusing on the firm, he is interested in understanding the future and the role of the marketing management function. He proceeds by collecting the weak signals stemming from the market and from large corporations. Differently, the IMP scholars are more focused in collecting and understanding the variety of market and company situations. This different views reflect in the more normative intent that Webster has compared to IMP scholars that are essentially positive in their analysis.

A combination between the two approaches may help to enrich the discussion on the topic of marketing organization. The convergence appear particularly useful in respect of two dimensions: the first concerns the interpretative and normative approach; the second refers to the individual and the collective perspective. As concern the former, we think that it is necessary to combine the normative approach adopted by Webster, based in the collection of weak signals and leading to the understanding what is changing and how a company could act, with the extensive positive analysis favoured by the IMP studies, involving different situations characterizing marketing role and
organizational dimensions. As concerns the latter, the individual perspective of the single company, that appears necessary in order to managerial and also normative implications, is to be combined with a more collective perspective – the company in a network - that can be useful to better understanding the variety of situations we can observe in marketing organization.

3. Piercy’s contribution

3.1 Piercy’s analysis of marketing organization

3.1.1 A specific status of Piercy's research

In the marketing organization literature, Piercy occupies a specific position. We can describe his contribution around the main following ideas:

− Piercy is one of the very few authors really interested in marketing organization. Not "organization" in general, but the specific arrangements of marketing in the organizations;
− Piercy is not only interested in the process view of marketing organization - which seems to be today the most adopted view by authors - he also tackles the problem of marketing organization from a functional perspective. This perspective is not the most "popular" one, but it provides research with very important and rich insights;
− In most of his works, Piercy tries to understand the nature, the reasons and the consequences of the weakening of marketing in corporations from an organizational point of view.

3.1.2 A framework to study marketing organizational aspects

Piercy and Cravens (1998) propose a model inspired by Hofer and Schendel to identify two different levels at which organizational issues can be discussed in a company:

− The functional and business level: here, the discussion concerns the subsystems of the marketing department and the marketing department itself;
− The corporate and enterprise levels: at these levels, critical issues are "the relationships formed and maintained with the external environment and the related issue of the centralization and decentralization of marketing responsibilities within a company". (Piercy and Cravens 1996, p. 16)

At both levels the authors identify marketing organization changes that have been driven by the evolution of organizational forms toward "network" forms.

3.1.3 The organization form of marketing within the firm: "departmentisation" and status of marketing

In 1986 Piercy carried out an important empirical study in the British manufacturing industry. Several results of this study deserve our attention. Piercy summarized them as follows:

"The fully integrated Marketing Department [...] may have been exaggerated in the literature and teaching of marketing. In terms of [...] the departmentisation of marketing, the integration of marketing functions into a specialist Marketing Department, the type and spread of Chief Marketing Executive (CME) managerial responsibilities, and the representation, status, and perceived power of the marketing department, the actual position
Several aspects of these findings may be helpful for our own research on marketing organization. Let us go deeper:

− First, Piercy's study puts into evidence that "departmentisation" (what we can describe as the establishment of a marketing department) is lower than what might have been expected. (Formal departmentisation of marketing is found only in some 45% of Piercys' sample, but the author points the fact that this sample was certainly biased by an overrepresentation of medium-sized companies).

− Second, concerning the integration of functions within marketing departments, it was found out that "some 50% of marketing departments had functional responsibility only for advertising and marketing research, and a further 20% also integrated trade marketing sales. Only one sixth of the firms displayed high levels of functional integration" (Piercy 1986, p. 281).

− Third, Piercy also puts into evidence that the CME responsibilities are largely participative and shared: "full and sole responsibility was claimed in only approximately half the cases for advertising, sales promotion, marketing research, and marketing staffing and training, and in other areas only a minority of CMEs claimed full responsibility". (Piercy 1986, p. 281).

As far as the status of the marketing department is concerned, several characteristics deserve our attention:

− First, concerning the status of the CME, Piercy notes that this status is dependent of the activities of the marketing department and more precisely to the fact that marketing and sales are – or not – organized together. But, globally speaking, in most of the cases (2/3 of the cases) the status of the CME is considered as being equal to the chief finance/accounting and chief production executive. In half of the cases the CME is rated as equal in status to the head of sales;

− Second, three-quarters of the marketing departments have some board representation;

− Third, Piercy notes that in more than 40% of companies the marketing department is perceived as the most powerful. Piercy comments this result underlining that the perceived power of marketing had increased significantly, and this, at the expense of production department. The author also suggests that now, the "major corporate rival to marketing" becomes… the finance department.

We must keep in mind that those results are now more than 20 years old... But it is interesting to confront them to several qualitative trends that were recently discussed, for instance by Webster et al. (2005). As a matter of fact, as it has been put into evidence in the part before, Webster et al. (2005) show that in many companies, the marketing function is in steep decline. They follow Piercy's idea by arguing that "the trend toward integrated marketing — much discussed in earlier decades — seems to have been overtaken by a counter trend toward disintegration" (p. 35). In other words, this "disintegration" means that marketing in many companies is "less of a department and more a diaspora of skills and capabilities spread across and even outside the organization" (p. 36).

3.2 The paradoxical situation of the marketing organization topic according to Piercy

Globally speaking, what Piercy's studies (most of them are carried out in different British activity sectors) are demonstrating can be subsumed around a paradox. On the one hand marketing
organization is proved to be an important factor of marketing performance - whether as a mean for marketing strategy implementation, or as a determinant of the marketing culture – and on the other hand, marketing is losing power within organizations. This loss of power is getting sensible through the following elements:

- Marketing organizations are far from the integrated models that literature usually describes;
- Marketing organizations are most of the time only responsible for "limited areas like market research and some sales promotion; strategy/ services forms, with planning responsibilities and little line responsibility; and selling-oriented forms, involved almost wholly in field sales operations" (Piercy 1998, p. 226);
- Conventional marketing departments are characterized by downsizing (and even closure).

Let's go further in this intrinsic paradox of marketing within organizations:

3.2.1 The weakening of marketing within organizations

In one of his most recent article, Piercy (1998) stresses the weakening of the marketing paradigm. According the author, this weakening can be read through the "downsizing and disappearance of the marketing function, but more fundamentally in the loss of strategic influence for marketing" (Piercy 1998, p. 222).

With such an analysis of the situation, Piercy really takes a much more radical position – about the role of marketing – than Webster did in his seminal article (1992). In Webster's article, indeed, the idea of rethinking the role of marketing was proposed. This rethinking was, according the author, necessary because of the move of marketing toward relationship marketing and new alliance-based organizational forms. Contrary to Webster who admits a recognizable role – even if altered - for marketing in the corporation, Piercy, as for him, really considers the downsizing and sometimes even disappearance of the marketing function.

3.2.2 The importance of marketing organization for marketing strategy and marketing culture

Aside with the statement of a weakening of the marketing paradigm, Piercy provides an interesting analysis of the organizational issue linking it to the topic of companies marketing effectiveness.

For Piercy, organizational dimensions can be considered as capabilities for the implementation of the marketing strategy (Piercy 1998; Piercy and Cravens 1995). And the topic of implementation, as Piercy recalls it, "has been long recognized as critical to marketing effectiveness" (Piercy 1998, p. 226). In other words, Piercy proposes us to link those organizational dimensions - our research is interested in - to the very topic of effectiveness (at least marketing effectiveness) of companies.

Piercy and Cravens (1998) also describe the role of marketing organization not only as an ability for marketing implementation but also as a contribution to the culture of marketing. "Commonly a distinction is made between marketing as a philosophy or culture, and marketing as a set of managed activities – strategies, systems, programmes. It is often argued that marketing organization is largely irrelevant to the former, and is concerned only with implementing the latter. New studies of market orientation suggest that this argument underestimates the significance of the marketing organization to the culture of marketing in a company". (Piercy and Cravens 1996, p. 9).
3.3 Marketing organization is not only a question of structure... but structure really matters for Piercy

3.3.1 The marketing organization issue cannot be reduced to its structural aspects...

In his 1986 article, Piercy proposes that the question of marketing organization should be raised the following way "the distinction is between firms where marketing is "everybody's concern" and those where marketing as such is handled by top management" (p. 266). Writing that, Piercy explicitly acknowledges the limitations of a study of marketing organization exclusively based on observing and analyzing marketing department structures.

These limitations are linked to the following aspects:

- Marketing organization is also a matter of managerial attitudes and philosophies and not only organizational "arrangements";
- Certain firms do not have formal marketing organizations but are, nevertheless, considered as "marketing orientated";
- The uncertainty characterizing most of the firms environment makes it impossible for marketing functions to be isolated in a specialist department.

3.3.2 ...but structural aspects of marketing organization really matter

But, we must keep in mind that, even with these reservations, Piercy still thinks that there is "considerable interest in establishing what organizational forms marketing take into companies". (Piercy 1986, p. 267).

Among the marketing organizational aspects that can be considered "the positioning and structural location of marketing in a company is of greater importance than simple "organizational trappings." Structural aspects of the marketing organization are thus occupying a specific and important place in Piercy's work. Along with Piercy, it could be important for us to consider that there's a real "signal" (Piercy 1998, p. 228) sent by "formal organizational arrangements for marketing". Piercy even goes a little bit further talking about the "symbolic" aspect of marketing structure. Thus, a minimal marketing organization structure "indicates" a weak influence of marketing in the firm...

This idea of the importance of the structural aspects of the marketing organization was already present in Piercy and Cravens (1995). In this article the authors argue that, contrary to the theorem that "structure follows strategy", "marketing structure may be seen a determinant of marketing strategy" (Piercy and Cravens 1995, p. 8).

Along with this idea of the importance of the structural aspect of marketing organization, there is also a very interesting comment formulated by Piercy regarding the current stress put on the processual approach (as opposed to a functional approach). For Piercy, one of the unattended consequences of such a focus on processes – to the extent that processes cut across traditional functional and organizational boundaries - is that it weakens "the marketing paradigm in organizations" (Piercy 1998, p. 227)

3.3.3 A specific view of marketing organization

As a conclusion, when regarding Piercy's contribution it is important to grasp his conception of "marketing organization". No better way to do that than quote the author: "one tangible aspect of
the implementation of marketing in companies is the formal organizational arrangements which pertain to the appointment of a Chief Marketing Executive (CME) and the location and establishment of a marketing department". (Piercy 1986, p. 266).

Thus, Piercy is one of the few authors interested in those specific aspects of "organizational structure of marketing". Piercy clearly recognizes that these structural aspects are not sufficient to understand the whole issue of marketing organization, but he thinks that those aspects really contribute to this understanding, and, as a consequence, should not be neglected.

3.4 Piercy and the IMP approach

We can find certain similarities but also strong differences between Piercy's approach and the IMP approach of the marketing organization issue. We've tried to organize them around the following points: the methodological approach; the strategic role of marketing organization; the network concept; the formality or informality of the marketing organization; the uncertainty as a contingency factor…

3.4.1 A descriptive and empirical approach

In line with most of IMP works, Piercy's works - especially in the 80s when focusing on the UK companies - is mainly descriptive. Managerial implications are not even considered on his research on the function and role of the CME. A little bit different is the case of the Piercy's and Cravens 1995 piece of work, where a managerial concern is clearly indicated. Just like in IMP approaches, empirical approaches (at least again in the works produced during the 80') are supporting Piercy's works. Those empirical researches use large data collections (built on huge postal questionnaires) (see Piercy 1986) but also monographic approaches to which Piercy's often refers in its works (see Piercy 1998).

3.4.2 The strategic role of marketing organization

Both Piercy and IMP authors (at least for the most representative) clearly establish the link between strategy (at least marketing strategy) and organization. But, this link is far more complex than the Chandler's motto "structure follows strategy"…

For instance, for Piercy and Cravens (1995) "marketing structures may be seen as a determinant of marketing strategy" (p. 8); or put in other words that "the marketing organization may actually shape the strategic choices" (p. 8). For these authors, marketing organization is a "highly significant issue in the implementation of marketing strategy" (p. 10).

This link between organizational and strategic issues has for long been put into evidence by the IMP community as, for instance, one of the conclusive sentence of the 1982 IMP book proves: "If a firm tries to change its strategy with respect to its relationships, then it is also likely that it must make changes in its technical and organizational features" (Hakansson 1982, p. 389). And the mutual influence of organization over strategy and strategy over organization was, as for it, mentioned in the first part of the same book "In the short term, organizational structures can be considered as the frameworks within which interaction takes place. In the longer term, it is possible that these organizational structures may be modified by the emerging interaction process or indeed by individual episodes" (Hakansson 1982, p.19).
Let's stress that for the IMP authors this mutual influence between strategy (interaction) and the organization of the interacting parties has been put into evidence whatever the part of the organization is concerned whether it is finance, research and development, production and of course the one that interest us the most, marketing: "the design of the appropriate marketing organization will be of critical importance" (Hakansson 1982, p. 112).

3.4.3 The network concept

As far as the focus of Piercy's researches - whether on network or single company – is concerned, the position of the author is much more difficult to establish than it is the case for Webster or Homburg. We can consider that the first articles from Piercy are not concerned with the network concept. As a matter of fact, in Piercy 1986's article dedicated to the Chief Marketing Executive, the focus is clearly the single company. The author recognizes being working "at the individual firm level" (p. 267).

On the contrary, network is at the core of the Piercy and Cravens 1998's article. For the authors, networks characterized organizational forms vertically disaggregated just like alliances, partnerships, etc… and they adopt Achrol's description of four types of network organization namely hollow, flexible, value-added and virtual networks.

So, for Piercy and for IMP authors, the term "network" does not seem to have exactly the same meaning. Indeed, Piercy does not consider network as being the way markets organize (as a set of interconnected organizational actors) but rather as a new form of companies. The evolution "toward networks" Piercy acknowledges is then similar to the move from transaction to relationship that Webster describes.

For Piercy, the logic of development of those network forms "will lead to the disappearance of the corporate marketing function because marketing is the responsibility of all organizational members". "Marketing disappearance" is raising the problem that, if marketing becomes everyone's responsibility "there is an excellent chance of actually being implemented by no-one" (Piercy and Cravens 1995, p. 24). In such a situation the issue of the "location and design of marketing processes" becomes of the foremost rank.

3.4.4 The formality or informality of the marketing organization

According to the IMP, a structural and functional view of marketing is insufficient. Homburg - as it will be shown further – has a much more mitigated position. He acknowledges that both a functional group perspective and an activity-based perspective are equally important in order to obtain an integrative picture of the topic (Workman, Homburg and Gruner 1998).

Piercy does share the idea that a study of marketing organization exclusively based on observing and analyzing marketing department structures would be too limited. Yet, the author also think that organizational forms marketing take into companies is of considerable interest and, among those marketing organizational aspects, the formal (structural) aspects of the marketing organization occupy a specific and important place.

3.4.5 Uncertainty

Piercy just like Webster (see part 1) and Homburg (see part 3) is in line with the IMP literature when considering that contingency factors are determining the marketing
organizational design. For instance, Piercy acknowledges the relationship between market structure and the structure of the marketing organization (Piercy and Cravens 1995, p. 9). Piercy considers - just like other others – that market uncertainty (but also market heterogeneity and interdependence) does impact the marketing organization (Piercy 1985; Piercy and Cravens 1995).

As a conclusion

A combination between Piercy's and the IMP approaches could certainly help to enrich the discussion on the topic of marketing organization. This combination could appear as a mean to complete the deep understanding of a firm's buyer-seller relationships (like it appears in the IMP perspective) by a deep and precise understanding of structural dimension of marketing organization (like in Piercy's approach).

4. Homburg’s contribution

4.1 Homburg’s analysis of marketing organization

Homburg and different colleagues have started writing on marketing organization at the end of the 1990s. The series of articles he co-authors starts with a general piece of work in which he develops an integrative framework of marketing organization (Workman/Homburg/Gruner 1998). He then sets out to explore various aspects of marketing organization, such as marketing influence within the firm (Homburg/Workman/Krohmer 1999), the movement toward a customer-focused organizational structure (Homburg/Workman/Jensen 2000), market oriented organizational culture (Homburg/Pflesser 2000), key account management (Homburg/Workman/Jensen 2002, Workman/Homburg/Jensen 2003), the interface between marketing and sales (Homburg/Jensen 2007), or organizational systems (Homburg/Grozdanovic/Klarmann 2007).

In his earlier writings (Workman/Homburg/Gruner 1998), he identifies two main dimensions of marketing organization. He claims that marketing organization has a structural dimensions and a non-structural dimension. The structural dimension comprises such aspects as the structure within marketing and sales departments, formalization and centralization, and the structural location of marketing and sales. Aspects of the non-structural dimension are the cross-functional dispersion of marketing activities, the power of the marketing subunit, and cross-functional interactions. This framework is the result of a comprehensive literature review in which empirical and conceptual papers from two complementary perspectives on marketing organization, the functional group perspective and the activity-based perspective, are analyzed. Homburg comes to the conclusion that the state-of-the-art is rather fragmentary and heterogeneous and argues for the need to integrate the extant literature into the framework he and his co-authors develop.

The programmatic 1998 paper presenting the integrative framework of marketing organization as well as the series of papers published in the following years contain several statements and conclusions Homburg formulates based upon the results of different empirical studies. The main points emerging from his research are the following:

- Homburg draws a realistic picture of the situation of marketing organization: He does not expect an integration of marketing and sales into one function nor does he expect to see sales report to a Chief Marketing Executive (CME) (Workman/Homburg/Gruner 1998, Homburg/Workman/Krohmer 1999). Rather, he observes that there are “important differences in the relative importance exerted by marketing and sales on various strategic
issues” (Homburg/Workman/Krohmer 1999, p.12) and he believes that, contrary to the existing approach in organizational research, both functions should not be grouped in empirical studies or conceptual work (Homburg/Workman/Krohmer 1999).

- He does not expect marketing departments to disappear, even if a cross-functional dispersion of marketing activities can be expected and if horizontal organization concepts such as process management are introduced (Workman/Homburg/Gruner 1998). Homburg finds no empirical evidence that the relative influence of marketing inside firms decreases. Instead, he observes that “marketing and sales are relatively influential in comparison with other functional groups” (Homburg/Workman/Krohmer 1999, p.11). At the same time he points out that certain functions, such as key account management, gain importance whereas for example country or product managers’ importance appears to be decreasing (Homburg/Workman/Jensen 2000).

- Concerning the centralization debate, Homburg sees advantages of cross-functional dispersion under certain circumstances, for example in the presence of high market and technology-related uncertainty, in smaller firms or in firms emphasizing differentiation (Workman/Homburg/Gruner 1998). Related to this, he observes that “it is common for people in more functional areas to interact with external partners” (Homburg/Workman/Jensen 2000, p.461). He also stresses the importance of cross-functional teams and emphasizes the necessity to acknowledge that different functional groups may be represented differently in such teams and that their influence inside the teams may vary (Homburg/Workman/Jensen 2000).

- On a more abstract level, Homburg observes that intangible organizational factors, such as market orientation and organizational learning, gain importance and posits that, as a consequence, “structures, coordination mechanisms, and cultures need to be developed that encourage flexibility, adaptability, and cross-functional sharing of information” (Homburg/Workman/Jensen 2000, p.461). He also points to the fact that customer orientation requires the adaptation of systems throughout the company, for example information or accounting systems (Homburg/Workman/Jensen 2000).

- An important characteristic of Homburg’s work is the fact that he sees the necessity to discuss marketing organization in a broad perspective, including consequences of changes in marketing organization for support activities in Porter’s (1985) terminology. For instance, Homburg sees consequences of changes in marketing organization for human resource management: “Firms need to adapt their recruiting strategies and employee selection criteria, need to re-evaluate their training programs, and need to rethink desired career paths” (Homburg/Workman/Jensen 2000, p.475).

- Concerning the consequences of new managerial concepts for the field of marketing organization, Homburg believes that new organizational forms are complementary to existing ones rather than substituting them. “We found that organizations that emphasize a process orientation tend to overlay business processes on functional organizations” (Workman/Homburg/Gruner 1998, p.35).

- He also believes in the importance of the marketing function for companies on a global level, and not only on the level of the strategic business unit (SBU). From his vantage point, marketing can be the linking function across business units because its core capabilities may be useful and universally applicable “even though the products themselves are different” (Workman/Homburg/Gruner 1998, p.37).
- In the debate about best practice solutions for marketing organization, Homburg takes the position that no overall best organizational design exists and that organizational decisions must be taken from a contingency perspective (Workman/Homburg/Gruner 1998, p.38). However, he shows empirically that classical contingency factors are not sufficient for explaining all the variance in marketing organizational designs and that, in line with the institutional view, “there may be a significant level of inertia” in companies (Homburg/Workman/Krohmer 1999, p.12). His conclusion is that there are limits to the adaptability of organizations to environmental changes.

4.2 Framing Homburg within the debate on marketing organization

The position of Homburg and his co-authors in the debate on marketing organization is one of partial agreement. For example, the conclusion of an in-depth study of 47 firms in the US and Germany (Workman/Homburg/Gruner 1998, p.35) is that “marketing will and should continue to exist as a functional group”. This position is consistent with the work of Webster (1997). On the other hand, Piercy’s conviction (1985) that companies should introduce a Chief Marketing Executive (CME) and that marketing and sales should report to this position is not shared by Homburg who believes “it is highly significant that 30 years after the call to integrate sales and marketing activities under a CME, we find no firms that had opted this recommendation” (Workman/Homburg/Gruner 1998, p.37).

More generally, Homburg’s position can be qualified as a realistic and pragmatic one. He believes that in order to succeed on today’s highly competitive markets, companies need to have a market orientation and that marketing as a function and as a set of processes is irreplaceable.

4.3 Homburg compared to the IMP Approach

As for Webster and Piercy, certain parallels between Homburg’s positions and the IMP work are observable. However, there are also important differences concerning several dimensions or aspects of marketing organization.

- As for Webster, the focus in Homburg’s conceptual work as well as in his empirical studies is on the single company whereas the IMP literature emphasizes the network view of markets and, hence, focuses strongly on the role of inter-firm interdependencies. Homburg does not address the issue of how companies need to organize in a network type of market structure, but he acknowledges that an activity-based perspective on marketing is important. However he considers that the activity-based view is only one side of the marketing organization coin and that the functional group perspective is equally important in order to obtain an integrative picture of the topic (Workman/Homburg/Gruner 1998). Homburg is in line with Hakansson/Ostberg’s (1975) view that marketing activities are not necessarily concentrated inside a marketing department, but rather spread across functional units. At the same time, his empirical results neither suggest that marketing departments are about to disappear nor about to lose their influence inside firms. As a consequence, the question may be raised whether the IMP’s limitation to the activity-based perspective is appropriate and need not be completed by a stronger focus on questions related to the structural dimension of marketing organization.

- When IMP authors pretend that marketing departments rarely have any importance in industrial marketing, the question is what they are talking about. Homburg stresses that marketing AND sales as well as other functional units execute marketing activities. But that
does not mean that marketing as an activity loses its importance. It is only distributed differently across functions. This point may constitute an opportunity for narrowing the gap between the IMP literature and the perspective Homburg takes when he discusses and analyzes the cross-functional dispersion of marketing activities. The IMP’s network view may be a helpful scheme in order to better understand the coordination of marketing activities and the collaboration of actors involved in these marketing activities INSIDE a firm. By interpreting the different marketing actors (in sales, product development, controlling and so forth) as a network inside the company, as an internal network, new insights may be gained.

- Homburg is in line with Hakansson/Ostberg (1975) when he also stresses the importance of uncertainty as a contingency factor determining marketing organizational design (Workman/Homburg/Gruner 1998). More generally he agrees that organizations adapt to their environment. However, he does not only see the substance of interactions with customers and other network partners as determinants but also the societal context, or firm- and SBU-specific factors (Workman/Homburg/Gruner 1998).

- Homburg goes beyond the IMP perspective by studying the importance of such organizational aspects as intangible factors (for example organizational culture) or tangible factors (e.g. IT systems, remuneration schemes etc.) for companies’ performance.

5. Summary and directions for future research

Discussing the comparison between the IMP literature and other research streams, we believe that it is necessary to analyse at least two dimensions: The first one is the content side of research into marketing organization, the second one is the relative importance attributed to questions of marketing organization as compared to other topics in marketing and purchasing research.

Concerning the content of research into marketing organization, our comparison of three important scholars in the field (see table 1), Webster, Piercy, and Homburg (WPH), with the IMP literature has revealed several differences. The first one is that WPH mainly adopt a firm perspective while IMP scholars privilege a relationship/network perspective; the second, connected to the first, is that, even if with different levels of attention to the two dimensions, WPH combine functional AND activity-based perspectives while IMP studies just focus on activity/process perspective; Thirdly, especially in respect to Webster, IMP scholars invest in interpretative models collecting the variety of market situations and usable according to a certain degree of flexibility and adaptation, rather than being firstly preoccupied to collect change signals and draw normative suggestions. Fourth, especially referring to Piercy, IMP scholars privilege to focus their attention to the dimension of informality in the marketing organization while Piercy and partially other scholars recover the need for a greater attention to the formal dimensions of the marketing organization.

There are other dimensions where IMP scholars solely partially differ from the authors examined. As Homburg, the IMP approach adopts a contextual rather than an evolutionary perspective trying to stress differences among organizations rather than trend of developments. Both in the IMP studies and in the other authors the connection between marketing and strategy is high.

Notwithstanding these similarities, in the content of research into marketing organization reflects the relative importance attributed to marketing organizational aspects. Whereas in the IMP
literature, marketing organization is a topic that receives little or no attention, in the traditional Anglo-American and European scientific marketing communities, topics related to marketing organization, although not a dominant stream of research, have a place in leading journals such as the *Journal of Marketing*, *Journal of Marketing Research*, and the *Journal of the Academy of Marketing Science*.

These observations, however, to us appear rather as an encouragement to develop a broader number of research projects looking at questions related to marketing organization from an IMP perspective. We believe so for several reasons. The first one is the fact that the concepts the IMP school of thought has developed over time have the potential to explain various facets of marketing organization. The second is that the IMP tradition, which often times privileges qualitative, case study based empirical research, can build on this methodological know-how to explore many of the complex and difficult research questions that arise in marketing organization by providing detailed, comprehensive insights into organizational arrangements inside and in-between companies. Although various quantitative empirical studies have been conducted, our overall knowledge about marketing organization remains fairly limited and even descriptive empirical work has the potential to contribute important new observations. The third reason for our optimism comes from the fact that IMP researchers often are close to companies and have access to information which is relatively confidential. Many of the research papers written by IMP scholars draw upon data (in the form of documents, interviews, own observations) that are only available to researchers in whom companies trust. It appears that within the IMP community, many scholars fulfil this criterion and thus have a good basis for exploring the numerous complex and confidential questions related to marketing organization.

Following what is suggested by the rich analysis developed by Webster, Piercy and Homburg, we think that it should be important to direct more attention at functional organization of marketing and sales. The extensive observation of cross-functional dispersion of marketing activities and competences encourage the bringing of the network approach inside the company as fruitful direction for future research in the field.

The research on marketing organization could be enriched by the adopting of the IMP perspective, that helps to enter deeper into the understanding of the micro-processes at the basis of marketing strategy and of its organizational dimension. The empirically observed criticality connected to KAM, sales managers, channel and product managers in value processes as well as the relevance of interaction and co-ordination among inter and intra-organizational market actors can well be captured, understood and addressed adopting the conceptual categories developed by the IMP perspective. The study of the interactive configuration of marketing organization can be effectively supported by the interpretative IMP framework and enriched through a combined analysis of the match between company’s internal marketing organizational structures, processes and competences and the structures and processes of the company’s network market context.

The concepts of marketing competences, the nature and the dynamics of the processes connected to customer value, dynamics characterizing interfunctional relationships can be further developed in their interpretation by adopting the IMP approach. It may also help to draw some normative considerations on the role and responsibilities of the marketing managers as well as on the co-ordination mechanisms supporting the processes of value creation and promoting firm’s profitability.

6. Some propositions for future research
We believe that from the preceding discussion it is possible to develop a series of promising directions for future research focused on the organization of marketing in business-to-business companies. Among the main research questions we would encourage scholars to tackle are the following:

- What relationships exist between value processes and marketing competences?
- What resources do marketing actors and functions usually dispose of and which ones among those resources have particular strategic importance?
- Where are marketing competencies localized in the company? How are they co-ordinated? Who does co-ordinate them?
- What is the role of the general marketing manager and of the marketing department inside companies? How broadly are their competencies defined?
- Under which conditions do we observe the institution of a formal marketing department and for what reasons do companies refrain from institutionalizing marketing in a dedicated function?
- What types of relationships can we observe between marketing and other functional units inside the company, particularly at the interface between marketing and sales, R&D, production and purchasing?
- Do the existence, the size, the relative influence and other dimensions along which we can describe marketing inside a company or a network have an influence on intangible aspects of marketing organization such as the marketing culture inside the entire company or a network?

For all of these questions, approaches ranging from descriptive to explanatory are imaginable. We believe that for many questions the establishment of a larger body of descriptive literature would already constitute a relevant advance for the field of marketing organization.
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Table 1
References


Webster, F.E. (1992), The Changing Role of Marketing in the Corporation, Journal of Marketing, 56 (4) 1-17


