Purchasing Strategy or “Reverse Marketing”: Proposal for a Relationship and Network Based Integrative Strategic Framework

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Abstract

Relationship-based strategic planning on industrial markets often presupposes a traditional “marketing” approach, with the focus on the industrial firm as a supplier, and its relationships with customers further down the manufacturing channel. Far less often is attention paid to the possibly same firm as a buying entity, evolving in an identical industrial environment, and with similar relationship problems to handle. The “purchasing marketing” side of the same debate.

In spite of more attention being placed of late on reducing the numbers of suppliers, and on “partnership” management, the strategic purchasing debate itself is often limited to issues such as the selection of the best “world class” suppliers, whilst ironically adopting, at the same time, rather abstract visions of the supply market - frequently product or materials based – rather than a “supplier market” vision. The relationship dimension of purchasing marketing gets attention, though not as much as it merits, and no satisfactory integrative model reflecting the role relationships play has been proposed.

In fact, it is argued here, that there are very few differences between the industrial and purchasing marketing situations, outside the fact of looking upstream of the manufacturing channel as opposed to downstream. The fundamental principles remain the same, indeed it is the very same market involved. This becomes all the more obvious when a network vision of industrial markets is adopted, with the notion of “supplier” and “buyer” being replaced by that of the “whole” firm, and its position and strategic identity in the network.

This paper attempts to address this issue. After a short review of the purchasing marketing literature, the similarities and differences between the two marketing situations are considered, in an attempt to assess the compatibility of traditional (supplier) relationship-based “marketing” strategic approaches with the industrial purchasing context. Can these be considered as two sides of the same coin, or are there major differences meriting radically different approaches? The authors then go on to propose an integrative framework for purchasing marketing, drawing inspiration from techniques and methods proposed by various authors and developed specifically for the more traditional “supplier” marketing perspective.

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