

Marketing Organization and Implementation in Private U.S. Sawmilling Companies

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Abstract

Despite increasing counts of scholarly signals that forest sector companies continue to be largely sales-oriented, marketing has become a somewhat forgotten topic in forest sector business literature. We aim to redress this situation. Specifically, we examine how marketing is organized and implemented in forest products companies by drawing on two perspectives: the entity perspective and the activity-based perspective. Data were collected from 20 companies via personal, in-depth, semi-structured interviews; and triangulated using website information and field notes. Our results indicate that organization and implementation of marketing among forest products companies still remains at an incipient stage. Many companies still continue to mix marketing and sales, and grossly undervalue activities such as marketing information management and product development. We argue that fostering a better conceptual understanding of marketing among forest industry managers may help them organize and implement it more effectively.

Keywords: case study, marketing activities, marketing department, sawmilling companies

1.0 Introduction

To respond to ever-increasing complexity of customer needs, marketing in the forest products industry is evolving from a production/sales orientation to a customer/market orientation (Toppinen et al. 2013, Hansen and Juslin 2005, Narver and Slater 1990). When market demand is simple and homogenous, marketing can be production/sales-oriented. In this context, the task of companies is simply to produce large quantities of a commodity and then it is up to sales people to convince customers to place orders. This situation reflects little true marketing and sales is the key activity. As customer demand becomes increasingly complex, it

becomes more important for companies to have a better understanding of what customers need and provide products and services that meet these needs accordingly (Spetic et al. 2016, Dasmohapatra 2009, Hugosson and McCluskey 2009, Hansen and Juslin 2005, Niemelä and Smith 1996). Achieving this task requires effective and efficient communication and coordination within companies. Therefore, marketing must involve a broader range of people in companies, instead of a solely task for the marketing entity, which is normally known as the marketing department (Webster 1992, Narver and Slater 1990).

Krohmer et al. (2002) suggest that it is beneficial for the marketing department to obtain involvement of other relevant functional units in marketing activities and this dispersed marketing approach increases the performance of the organization. As marketing becomes a shared task among individuals and functional units within companies, the boundary between marketing and other functional departments continues to blur (Narver and Slater 1990). Some research concludes that marketing is on the decline as a standalone function

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and companies are reducing the size and resources associated with formal marketing entities (Moorman and Rust 1999). On the contrary, others maintain that a strong marketing department is important and will induce a market-oriented culture (Verhoef and Leeflang 2009, Piercy 1998).

Although the opinions about how it should be organized are somewhat mixed, the importance of marketing undisputed. During the past two decades, there has been growing discussion on the organization and implementation of marketing within firms. Topics that revolve around this research agenda include the role of marketing and how it has been changing (Moorman and Rust 1999), the interface and relationship between marketing and sales (Madhani 2016, Bieman et al. 2010, Homburg et al. 2008), the capabilities of market-driven organizations (Vorhies and Neils 2005, Day 1994) and marketing's influence within companies (Verhoef and Leeflang 2009). Two primary perspectives emerge when investigating marketing within a firm: the entity perspective and the activity-based perspective. The entity perspective treats marketing as an entity in the organization, while the activity-based perspective focuses on the activities traditionally and generally considered as marketing and sales activities (e.g., selling, advertising, product development). These two perspectives are not mutually exclusive nor do they contradict each other. Instead, they enable researchers to examine marketing in the organization through glasses with different colored lenses and obtain a better understanding of the phenomenon (Workman et al. 1998).

Despite the rich history in the research field of marketing and the implementation and organization of marketing, work in the forest products industry is sparse. This article attempts to bring marketing back to the forefront of forest sector scholarship. In this article, we take into consideration both the specialized marketing group and activities related to marketing and aim to gain a better understanding of how marketing is organized and implemented. Our research questions are as follows:

In the context of private U.S. sawmilling companies,

- How does marketing fit in the organization as a management entity?
- How is marketing implemented as activities?

This work is based on qualitative data collected through field visits and website analysis of private U.S.

sawmilling companies. The purpose is to obtain an in-depth understanding of marketing organization and implementation, rather than to make any generalization to the overall sawmilling sector. Looking at marketing in the context of the studied companies through both an entity approach and an activity-based approach allows a better understanding of the structural and non-structural role of marketing. This can provide industry managers with insights to better manage marketing in their companies and compare their efforts with peers. For researchers, an enhanced understanding of the role of marketing as suggested by industry managers should assist developing an improved framework for studying marketing in the context of the forest sector. We thus provide an important contribution by refocusing forest business research on the core elements of forest products marketing.

We organize the rest of the paper in the following way. Below we first provide an overview of the role of marketing, from both the entity perspective and the activity-based perspective. In the section that follows, we describe study methods including design, data collection, and analysis. Finally, we present results which we discuss both from academic and practical perspectives. Finally, we draw study conclusions and outline key limitations.

2.0 Theoretical background

2.1 Marketing as an Entity

Commonly referred to as "marketing department", "marketing organization", or "marketing function", marketing as an organizational entity can be very different from one company to the next. Piercy (1986), in his work on the marketing department and the Chief Marketing Executive in medium-sized companies in the UK, finds that less than half of the studied companies have a formally organized department with a group of specialized employees performing marketing responsibilities. These departments have different names, including marketing department, sales department, marketing and sales department. Although more than half of the studied companies are without such a department, some of them have one executive carrying out responsibilities that could be categorized as "marketing", such as promotion and advertising. He maintains that such a difference can be associated with company size and

the companies that have a formalized department for marketing are bigger companies. For the companies that have a formally organized department for marketing, he concludes that the integration of various functions (e.g., sales, advertising, customer service) are different from firm to firm. For example, sales is a part of marketing in some of the studied companies while as a separate department in others (Piercy 1986). Besides the presence and constitution of the marketing entity, its size is also found to vary among companies (Hooley et al. 1984, Piercy 1986).

Wind (1981) suggests that many marketing decisions are influenced by other functional departments while at the same time other decisions in a firm are influenced by marketing considerations as well. The marketing entity should not be an isolated function in an organization. The coordination between marketing and other business functions is essential for the company to provide superior customer value and maintain competitiveness in the marketplace. The interfunctional characteristic of the marketing entity is a central aspect of a market orientation, which is a phenomenon studied extensively over the past 25 years with the general agreement that market orientation is positively related to firm performance (Kirca et al. 2005, Krohmer et al. 2002, Narver and Slater 1990). There is abundant research illustrating that the interaction and collaboration between marketing and other departments such as R&D and manufacturing are important to the firm (Krohmer et al. 2002, Griffin and Hauser 1996). For instance, Griffin and Hauser (1996) suggest that well-conducted market research and a clear understanding of customer needs will contribute to successful product development. They maintain that customer needs are closely linked to design attributes and thus the joint consideration of marketing issues, engineering issues and technical issues are encouraged. Also, market information and marketing research should be used by other departments besides marketing and new product development should be an interfunctional process (Griffin and Hauser 1996). In the empirical research conducted by Kahn and Mentzer (1998), marketing's collaboration with manufacturing and R&D is also found to improve product management performance and overall company performance.

Recently, research attention on the marketing-sales relationship has increased (Biemans et al. 2010), especially with respect to how marketing and sales are

organized within the firm and the communication and collaboration between marketing and sales (Homburg et al. 2008, Rouziès et al. 2005). Marketing and sales can exist in a firm as separate functional units (Workman et al. 1998) or a single entity (Kotler et al. 2006). The collaboration and power position between the marketing department and the sales department also varies among firms. In B2B companies, Biemans et al. (2010), suggest a continuum demonstrating an evolutionary perspective of marketing-sales configuration, from sales-dominant with very little marketing to marketing and sales in a relatively equal position with an integrated interface and close collaboration. Firms may move along this continuum as their size increases. Homburg et al. (2008) consider the marketing-sales interface to be constituted of five conceptual domains: information sharing, structural linkages, power distribution, orientations and knowledge. Successful marketing-sales configurations normally encompass an intense use of structural linkages with a clear but not extreme power distribution between marketing and sales, high market knowledge within the marketing unit, and a long-term orientation of the sales unit (Homburg et al. 2008).

In the context of the forest products industry, Sinclair (1992) lists four types of marketing organizations that have been commonly adopted by forest products companies. They are function-based organizations, market-based organizations, geographic-based organizations and product-based organizations. He suggests that the function-based organization is a more centralized and simple structure, with all functional areas reporting to a chief executive. Depending on the specific structure, this type of marketing organization can be either marketing dominant or sales dominant. As the company grows and the diversity in its product lines increases, more decentralized organizational structures are preferred (Rich 1970). Compared with the function-based organization, a market-based organization, a geographic-based organization and a product-based organization are more decentralized structures.

2.2 Marketing as Activities and Practices

The most well-known approach to understand and categorize marketing activities is the "marketing mix" that consists of 12 items, including product planning, pricing, branding, channels of distribution, personal selling, advertising, etc. These 12 marketing activities are

considered to be key elements of a marketing program (Borden 1984). For pedagogical reasons, the original "marketing mix" was shortened and reconstructed into a four-variable framework by McCarthy (1960). Known as the famous "4P" nowadays, the framework includes four components which are product, price, place (distribution) and promotion. Some advocates of "marketing mix" and "4P" also suggest that service should be added to the framework (e.g., Collier 1991).

Based on the "marketing mix" framework, there are certain capabilities that a firm should possess in order to achieve high performance (Vorhies and Morgan 2005, Day 1994). This capability-approach is also a way to look at marketing activities, but from a slightly different angle. Day (1994) groups marketing capabilities into three major categories: *inside-out*, *outside-in* and *spanning*. *Inside-out* marketing capabilities mostly focus on the "inside" of the organization and are "activated by market requirements, competitive challenges, and external opportunities." Examples are manufacturing, logistics and employee training. *Outside-in* marketing capabilities, such as market sensing and customer linking, focus on the external environment. Taking the external environment into consideration, the company defines other capabilities and is able to compete in the market by anticipating market needs and developing and maintaining important relationships. *Spanning* capabilities bring the inside-out and outside-in capabilities together. For example, price setting and new product/service development are spanning capabilities that will require the support of both internal (inside-out) and external (outside-in) analyses.

In a similar vein, Vorhies and Morgan (2005) synthesize the literature and the findings from their fieldwork and suggest eight marketing capabilities which are considered important to achieve good business performance: (1) product development; (2) pricing; (3) channel management; (4) marketing communications; (5) selling; (6) marketing information management; (7) marketing planning; (8) marketing implementation. As previously mentioned, the notion of marketing capabilities is somewhat different from marketing activities, but they both look at marketing at the operational level and normally cover similar areas of marketing.

According to the textbooks in forest products marketing written by Hansen and Juslin (2011) and Sinclair (1992), marketing activities adopted in the forest prod-

ucts industry are quite similar to what are suggested in the general marketing literature. There is also empirical research examining marketing activities in forest products companies. Researchers tend to focus on a particular marketing activity and examine how it is implemented in companies. Product, process and business systems innovation is frequently discussed by forest products marketing researchers and is suggested to be an important source of firm competitiveness (Hansen and Nybakk 2016, Hansen and Bull 2010, Stendahl et al. 2007, Bull and Ferguson 2006). Under the umbrella of marketing communication, advertising (Hamner et al. 2012, Tokarczyk 2012, Kärnä et al. 2002), corporate social responsibility (Vidal and Kozak 2008, Toppinen et al. 2013, Panwar and Hansen 2007, Han and Hansen 2012, Owari et al. 2006, Kärnä et al. 2003), and trade shows (Shi and Smith 2012) also attract a fair amount of research attention. These studies provide knowledge about specific marketing activities. However, there is little empirical research examining how marketing activities are implemented in forest products industry companies.

2.3 A Summary of the Two Perspectives

The marketing entity and marketing activities constitute two distinctive dimensions of marketing organization and implementation in a firm. Taking a look at both dimensions generates complementary knowledge and provides a clearer and more holistic picture of the role of marketing in an organization. These two dimensions are also related to each other. Taking the marketing entity's standpoint, its positions and possible sub-units are separated and defined by their duties, which consist of the activities they should perform. Without the designation of duties and activities, the positions and sub-units are nothing more than empty organizational terms. Similarly, the marketing activities must be assigned to and performed by individuals and groups. In practice, the existence of either a marketing entity or marketing activities will have to depend on the other (marketing activities or marketing entity) in order to be meaningful. Therefore, we chose to investigate both in this work.

3.0 Methods

We adopted a case study approach for this research since the purpose of this study is exploratory. The "case" here is the phenomenon "the organization and implementation of marketing", rather than the sample companies. The

case study approach was employed as a framework to collect and document evidence about the organization and implementation of marketing.

3.1 Sample

We followed a theoretical sampling approach and focused on companies that represent strong and positive examples of marketing sophistication (Eisenhardt 1989). Accordingly, our study sample consisted of private U.S. sawmilling companies in three geographic locations of the U.S. (Table 1). These companies included seven softwood products manufacturers, 10 hardwood manufacturers and three companies manufacturing both. One or two managers were interviewed from each company. In all but three cases where more than one manager were interviewed in a company, the interviews were conducted separately. The positions held by the interviewees were Chief Executive Officer, President, Vice President of marketing/sales, Sales manager and Chief Operating Officer. In total, the sample included 30 managers in 20 companies (Table 1).

3.2 Data and Analysis

We collected three types of data for this study: personal interviews, field notes and company websites. To allow flexibility and depth of information, a semi-structured interview protocol was developed (Yin 2009). The protocol was reviewed by a group of forest products marketing researchers, one graduate student that had industry experience, and two forest business professionals. All reviewers were outside of the study sample. Only slight modifications were made to the interview protocol based on reviewer feedback (Table 2). Personal interviews were conducted during the period of 2010-2011. All the interviews were audio-recorded and later transcribed. Field notes were taken during and immediately after each company visit, based on the researcher's direct observation and general impression of the interviewees and companies. Company websites were examined and information relevant to the research topic was carefully summarized as written notes. Among the three data sources, personal interviews and field notes constituted the center piece of the case study evidence, while company websites were used to gather additional information for source and data triangulation.

We followed the three-part approach to data analysis suggested by Miles and Huberman (1994). The analysis included data reduction, data display and conclusion

Table 1. General sample information.

Region	No. of sampled companies	No. of interviewees
West & West North Central	7	12
South	4	6
East	9	12
Total	20	30

Table 2. Questions included in interview protocol.

- 1) Can you tell me about your background?
- 2) What responsibilities do you have for your current position/ previous background related to marketing?
- 3) Could you draw a simple organizational structure of your company and indicate where you fit?
- 4) Are other departments involved in marketing?
- 5) Could you please describe your major marketing activities and practices?

*This list includes only those questions relevant to this article.

drawing/verification. In addition, we followed steps suggested by Yin (2009) to ensure validity and reliability.

3.2.1 Part 1: Data Reduction

The qualitative analysis software NVIVO was employed to code the interview transcriptions. A list of primary themes was first developed following the interview protocol. The transcripts were examined carefully and the useful "chunks" of information were identified, highlighted and summarized under each primary theme. The summary of these "chunks" of information were read with the purpose of identifying secondary themes. Additional primary themes were also identified based on literature as well as patterns that emerged during the coding process. All the themes and secondary themes were mentioned by at least three companies. Next, the transcripts were totally recoded according to all the primary and secondary themes, to ensure that all relevant data was thoroughly included in the codes. Finally, two primary themes were identified, one with several secondary themes (Table 3). In addition, reflective remarks and initial ideas about the data and codes were documented in the form of a memo.

3.2.2 Part 2: Data Display

We used matrices in this part of the analysis to display data, with rows representing a company and columns

Table 3. Primary themes and secondary themes identified during data analysis.

Primary themes	Secondary themes
Marketing entity	No secondary theme
Marketing activity	1. Selling 2. Customer support 3. Market information management 4. Marketing communication 5. Product development 6. Pricing

containing information addressing interview protocol questions. Patterns and codes developed were summarized and organized into a large matrix, while data collected from company websites was displayed in a separate matrix for data triangulation. Data reduction and data display took place concurrently with website analysis. When analyzing company websites, the researcher visually scanned the website of each company, and placed relevant information and notes directly into a previously created matrix.

3.2.3 Part 3: Conclusion Drawing/Verification

We analyzed the data in the matrices firstly within each individual company and then compared it among companies. Conclusions were drawn based on data collected from all of the sources. It should be emphasized that the first author and the second author each analyzed the data independently, while keeping an open dialogue to exchange opinions regularly during the whole data analysis process.

3.3 Validity and reliability

We followed Yin (2009) to ensure validity and reliability. First, we used a case study protocol consistently with each studied company. Second, we conducted a pilot test with two industry professionals that were not included in our study sample and one graduate student who had an industry background. The case study interview protocol was slightly modified according to their feedback. Third, we used multiple sources of evidence to triangulate the data. Finally, we had two different researchers conducting the analysis independently for the purpose of investigator triangulation (Yin 2009). Agreement between the researchers was quite high in initial stages of analysis and through continuous discussion and negotiation became completely consistent. In other words, "intersubjective consensus" was met.

4.0 Results and discussion

Our results are divided and organized based on the primary themes identified through our analysis (Table 3). Following the presented results of each primary theme, we discuss our interpretation of the data. All of the quotes presented below are from the interview data. The website information was used only to confirm and verify conclusions.

4.1 The Marketing Entity in Studied Companies

4.1.1 The Marketing Entity

All of the companies studied have a department that is responsible for both marketing and sales work and are named marketing, sales or marketing/sales. They are mainly made up of sales managers and sales people.

So we have a sales VP. He has a softwood sales manager, a hardwood sales manager and a panel manager. (West & West North Central, Softwood)

Then there is one sales office that does all of sales and marketing work for all 3 mills. In that office, there are 4 people: 2 are sellers, primary sellers, full time sellers; 1 does the scheduling. (East, Softwood)

In a few companies, both the department and the executive position titles include "marketing" in them. However, in reality they are sales departments as indicated by the following quotes,

[interviewer: What is your title?] VP of sales and marketing. [interviewer: What are your major job responsibility?] Well. Sales for all the sawmills. Not logs, just lumber products, lumber and panel products. We do sometimes sell logs. (West & West North Central, Softwood)

[interviewer: What is your title?] VP of marketing. [interviewer: What are your job responsibilities?] My responsibility is to really develop market share for the company, the native production, in other words, [company name] production and sell it. (West & West North Central, Softwood)

Some of the companies have a marketing position that is essentially advertising and promotion. There is one company that has a marketing person who performs some customer/market analysis duties. However, he/she is part of the sales team and is not very much involved in the decision-making process. In general,

these “marketing” people are dominated by sales in the studied companies.

We call it marketing but this is really more advertising... When these sales people want to develop an advertisement or a brochure, they would be working with our advertising department to produce that. (East, Softwood)

I also got a marketing person, marketing and advertising. She will set up trade shows and stuff for us... She also manages our website. (West & West North Central, Softwood)

In terms of structure of the marketing entity, the managers mainly focus on the sales personnel in their descriptions. Many companies break up the sales work geographically, although some are more structured and some are less structured. A fairly structured example of a marketing entity is presented below. The manager is a Vice President of Sales and the sales force is divided into two parts: internal sales and external sales. Although internal sales, based at corporate headquarters is organized by product lines, external sales is organized by, and based in, geographic regions. The interviewee suggests that the internal sales and external sales perform different jobs (Figure 1).

The people that are out in the field that are aligned geographically, they are less transactional... They (external sales) go in, they sit down with them, give them samples, brochures, information and try to either bring in a new customer or if you are a current customer introduce you to a new product. Once that sales job is done and now you are a customer. Then you start calling on the phone to these folks (internal sales) here. These (internal sales) are the folks that you are gonna talk to on a daily basis to place orders... (West & West North Central, Softwood)

4.1.2 Discussion of the marketing entity in studied companies

Although it is difficult to provide an explicit explanation of how a marketing department differs from a sales department, researchers outline some differences of the mindsets between marketing and sales employees which constitute an essential part of the distinction of a marketing department and a sales department. For example, Rouziès et al. (2005) suggest that marketing people focus on market research while sales people normally deal with personal relationship and transactions with individual customers. Also, marketing people are considered to be motivated by profits and oriented towards long-term goals, whereas sales people are considered to be motivated by sales volume and oriented towards short-term objectives (Rouziès et al. 2005, Kotler 1977).

Most of the interviewees do not understand the potential differences between a marketing department and a sales department. Strictly speaking, most sampled companies have a sales department rather than a marketing department. However, very few interviewees acknowledge it. When asked about their marketing department, they simply talk about the sales department without any clarification, even though they do sometimes refer to it as “our sales department”. Thus it can be inferred that “marketing department” and “sales department” are synonymous to them. Also, their thinking simply resides in sales rather than marketing; they focus on selling rather than finding out and meeting customer needs. This indicates the existence of a sales orientation in these companies.

Hooley et al. (1984) suggest that sales-oriented companies typically have small marketing departments with one or two people. In some cases, the companies are considered to have no real marketing department,

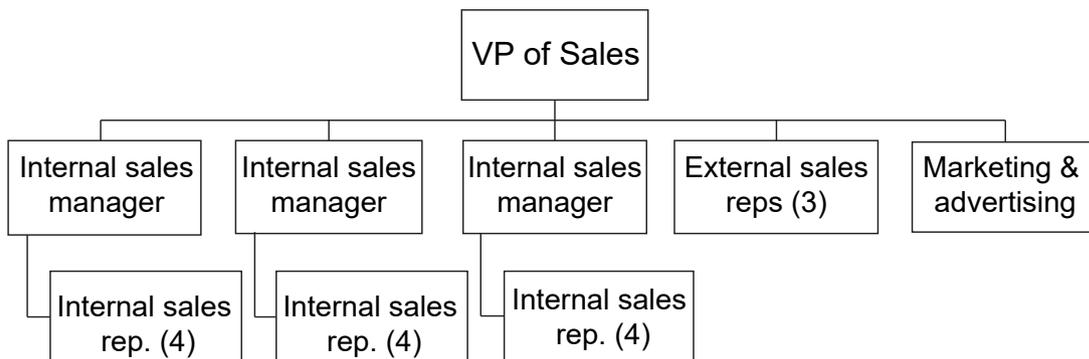


Figure 1. An example of a marketing entity in the studied companies.

although there are marketing activities and marketing related expenditures. These cases include the companies with the sales executive as the only employee being responsible for some level of marketing activities besides his/her sales work, and the firms with a marketing executive as one and the only marketing staff who reports to the sales executive (Hooley et al. 1984). The situations of the studied companies were quite similar to what Hooley et al. (1984) describe in their work. Although the size of the marketing entities in the studied companies vary and there are companies with fairly large marketing entities, the sales people constitute the major component in these larger marketing entities. Other employees are mostly support staff and were dominated by sales people. Thus, these so-called “marketing” entities are actually sales departments mainly performing sales tasks. According to previous research, one characteristic of a “market-oriented” company is the establishment of a chief marketing executive, who is in charge of advertising, sales and other marketing activities (Workman 1998, Carson 1968). This is not the case within the studied companies. The marketing/sales executives are mostly responsible for sales work, despite the fact that their titles contain the word “marketing”. This reflects a sales-oriented mentality, as opposed to a customer/market orientation.

The forest products industry is traditionally production/sales-oriented. The Great Recession may have reinforced this tendency. During the recession, it is possible that companies were more motivated to cut costs and enhance operational efficiency in order to survive, rather than focusing on long-term profits (O’Malley et al. 2011). They relied more on sales efforts which could help their companies with cash flow and short-term efficiency. Also, Homburg et al. (2000) maintain that being customer-orientated normally requires more complexity in the marketing entities’ structures. During a recession companies are more likely to have a simpler structured marketing entity—a sales-focused entity probably—for the sake of efficiency and cost-saving (Homburg et al. 2000).

Presumably, the managers with such a mindset believe that being sales-oriented would help to save their companies from the recession. It is true that an emphasis on sales may help with their sales volume and short-term turnover. However, if the companies are all about hard selling and continue to ignore changing customer needs, it is questionable that if they will achieve sustained profits and competitiveness in the long run. Numerous

researchers (Narver and Slater 1990, Liao et al. 2011) consider company profits and long-term competitiveness as the consequences of a market orientation that concentrates on customer satisfaction, instead of a sales orientation which focuses on sales volume. It may be beneficial for forest products industry managers to rethink the approach that they have been taking and find the “happy medium” between short-term sales efficiency and long-term profits.

4.2 Marketing Activities in Studied Companies

4.2.1 Selling

Managers speak extensively about how they make personal contact with customers and try to sell them their products. Typical ways include writing letters/emails to the current or potential customers, sending samples, talking to them on the phone, and visiting in person.

We will go in there, shake the guy’s hand, take him to lunch or dinner, go look at his lumber facility, find out what he really needs, get to know him, try to begin the process of getting him involved and buying what we make. (West & West North Central, Softwood)

We go visit customers, we give them samples, we send in sample loads with the agreement we will buy them back if they don’t like them, give them guarantee...to get them out to our sawmill, ask them what they want. (West & West North Central, Softwood)

A key selling tactic many interviewees emphasize is personal relationships. A good personal relationship with customers may lead to a good working relationship and eventually make sales happen consistently.

We actually find what the best thing to do is, what I found is people like to talk to the same person. So we have it separated by customers...So customer A is always talking to [name], customer B is always talking to [name]. All that relationships. Keep it like that. (East, Hardwood)

Once I go down there and buy them (customers) a shrimp dinner, we are usually good friends. Then we sell them more lumber. That’s how we do it. (West & West North Central, Hardwood)

4.2.2 Customer Support

A few managers mention ways to support their customers, through post-sales follow-up, joint market

research and services. By conducting these activities, they took care of their customers' needs. This category of activities reflects some level of customer/market-oriented thinking.

The third big way in which our sales works to make sure our customer is happy with the product is they actually to travel to see the customer and talk to the people who are using our product and actually look first hand in how it is working for them. (East, Hardwood)

So we often will go with our customer who we sell the lumber to, to visit their customer the end-user, the person who is actually using the product, to hear directly from the end-user, how is that product working for them. (East, Softwood)

We make sure not only did we deliver early enough but did we not deliver it too early too. Customers don't really want it too early. It is a just-in-time world. (West & West North Central, Softwood)

4.2.3 Market Information Management

Despite the obvious focus on selling, some managers also speak about finding customer needs and wants. Specific ways include talking to customers on the phone and doing field visits. Both direct customers and end users are considered by these managers. This theme shares some similarities with the previous theme but has a different focus.

Our ears are open and finding out where things are happening... So our marketing is "keeping our eyes open" I guess and trying to follow where we think this business is going. Sometimes it is a wild goose chase, but usually we ask them questions... (East, Hardwood)

So we need to know the end use application. Hence we go talk to our customers whether it is the owner of the company or it is the VP sales or right down to the general manager who is really providing the product through his location in the market. We do that for all of our customer segments. (West & West North Central, Softwood)

4.2.4 Marketing Communication

Managers speak extensively about marketing communication. The topics included advertising, tradeshow, and branding.

Although paper media is still the mainstream for advertising, the internet is becoming increasingly popular.

One thing we just have done recently is we have taken some time in the last year to put together a new website which we think will help us as a marketing tool. So we updated our information on our website...it can be a good marketing tool for us in the future. (East, Hardwood)

Also we are doing more and more on electronic marketing or on the internet...we are trying different types and means to reach our audience which would be the manufacturing industry. (East, Hardwood)

Many managers mention trade shows are a preferred way to meet their current and potential customers. Trade shows are favored by companies because they are able to have personal contact with many people at the same time. They consider it more efficient than advertising and field visiting.

Trade shows and meetings are where a lot of our customers are and we might have a booth and do some advertising at the trade show and have our sellers be at the trade show. (East, Softwood)

We do go to trade shows primarily because...it is one of the most effective ways to get together with a lot of customers, because...Everybody is there! (West & West North Central, Hardwood)

A few managers speak of branding. They place the brand name either on the lumber or on the packaging. Some of them mention that producing good quality products make it easier for successful branding.

The lumber is stamped. The producers have to stamp the lumber... We try to brand our products more in recognition of the fact that we are one of the very few people that manufacture the specific products. So they are not necessarily branded to the finished user but they are branded to our customer base. (South, Softwood)

We've been around a long time. We make a very good quality product, very consistent. And it has got a very well-known name brand. It helps them sell it. Many of their customers will only take a specific brand of lumber. So it is branded. (West & West North Central, Hardwood)

4.2.5 Product Development

Some managers express that their marketing/sales people identify product needs of the customers and bring that information back to the company. The mar-

keting/sales people will work with manufacturing and customers to develop new products.

Also, a big part of product development has been through the initiative of our sales staff, where they work with the customer, find out if the customer is looking for something a little special. (East, Hardwood)

Well, we are largely a marketing-driven organization. [name of the marketing/sales staff] has daily contact with our markets and with our customers. We are very flexible from a manufacturing stand of point to the extent that [name of the marketing/sales staff] will develop products in coordination with our customers. (South, Softwood)

4.2.6 Pricing

Managers speak of different approaches to pricing. Some companies follow a price guide or price report developed by groups such as RISI and Random Lengths, while some rely more on talking to people in the industry and supply-demand situation.

There are a couple of publications that report what they think the prices are on different species and grades of lumber. They are not accurate but can give you an idea, but they won't tell you exactly what the true market is. So it is only by communicating with other people in the industry you get a better idea of what the pricing actually is. (East, Hardwood)

If we have a big pile out there that is piling up, because it is not moving, then the price is probably going down. If we don't have any out there, that means we are selling it ahead. That means price is going up. It is completely supply-demand driven. From that we generate this price guide. (West & West North Central, Hardwood)

4.2.7 Discussion of marketing activities in studied companies

Whether or not sales is organized within or separated from marketing in a company, selling is undoubtedly an important marketing activity (Hansen and Juslin 2011). However, many managers spend a lot of time talking about their selling tactics as if selling is the most important part of marketing. Although some of the tactics mentioned have a customer-focus, it is sensed that "selling" what the companies have receives far more consideration than finding out what the customers needed.

A close, collaborative relationship between companies and their customers is being sought by companies in the B2B world. Such relationships are developed and exist in forms of joint programs and close communication links (Day 1994). Different from the personal relationship emphasized by many sales people, this coordinated relationship is based on mutual benefits and shared goals, and in many cases, is developed between companies and functional departments, rather than between individuals on a personal level. A thoughtfully developed and carefully executed customer support program will certainly contribute to the establishment and reinforcement of a collaborative relationship with industrial customers. Toppinen et al. (2013) suggest that the forest industry should consider adopting a service-dominant logic. This service-dominant logic requires a closer relationship between a company and its customer in product and service development processes, in order to create superior value for the customer (Toppinen et al. 2013, Lusch 2011). However, customer support and service is not a widely mentioned theme among the managers. This indicates that customer support and service could be an area for potential development.

A central tenet of a market orientation is suggested to be the ability of the firm to learn about customers and markets (Kohli and Jaworski 1990, Narver and Slater 1990). Kohli and Jaworski (1990) maintain that the organization-wide generation of market intelligence, the dissemination of the intelligence across departments, and organization-wide responsiveness to the market intelligence constitute market-oriented organizational behaviors. Day (1994) also suggests that market sensing is an important capability of market-driven companies. Some managers do admit the importance of market information management. However, they mainly focus on how they obtain market information from outside and mention little about how the information is distributed, interpreted and responded to within their companies. Also, many of the interviewees simply do not mention this marketing activity. It is sensed that not enough importance is placed on identifying customer needs and market trends. For those companies suffering from the financial crisis and struggling to find a way to survive, this can be a good place to start.

Electronic advertising is gaining growing popularity among businesses. It is considered to be more efficient and covers a broader range of audiences due to wide internet usage. Many of the studied companies reflect

this trend and are developing their own internet marketing programs. Compared to many of the companies in the B2C market, forest products industry companies are behind on using the internet as a marketing tool so more efforts are needed in this area. Also, a couple of managers mention e-business, which is also a good opportunity that the forest products industry companies could pursue.

Tokarczyk and Hansen (2006) recommend that managers should consider two questions when they try to brand their products: What the brand stands for and how it can be maintained, improved and communicated. Many of the interviewees express quite clearly that they try to create an image of “good quality” by branding all or a certain grade of their products. However, there is a lack of discussion on how they pursue branding, except for simply mentioning the brand name is stamped or printed on the package. The situation is quite similar when managers talk about trade shows. Trade shows are effective ways for forest products industry companies to reach current and potential customers (Shi and Smith 2012, Smith and Smith 1999). There are ways to study the different goals of the attendees and tailor the communication message to meet their needs. However, managers talk about attending trade shows in a very general way without providing any details. It may be that managers need to take a more strategic approach to branding and trade shows.

Marketing’s participation in product planning and development is a characteristic of marketing-oriented companies and is suggested to have positive impact on firm performance (Kahn and McDonough 1997). Research on marketing’s cross-functional integration with new product development indicates that interdepartmental collaboration may have a stronger impact on performance than interdepartmental interaction (Kahn 1996). The job of marketing/sales people in product development in the studied companies is mostly information collection and dissemination, which is more of interdepartmental interaction. Companies can potentially benefit from marketing/sales people being more involved and taking a stronger role in product development.

Hansen and Juslin (2011) list three different pricing methods commonly used by forest products industry companies. They are market-based pricing, cost-based pricing and value-based pricing. Among the three pricing methods, market-based pricing is suggested to play a significant role in North America (Hansen and Juslin 2011). It

is mainly based on pricing newsletters and sales’ market knowledge. Such a method is also frequently mentioned by the managers. So the findings are consistent with what is suggested in the literature. This largely reflects a production/sales orientation. Companies, especially those who consider themselves “high quality” producers may want to give consideration to value-based pricing. This method is able to offer them the highest possible level of price optimization and thus more profit if they can anticipate customers’ perceptions of their products correctly (Hansen and Juslin 2011).

5.0 Conclusions

Despite calls for improved marketing sophistication in the sector, we find underdeveloped thinking on the organization and implementation of marketing within forest products industry companies. From the entity perspective, most companies in this study do not have an integrated marketing department managed by a marketing executive. Instead, they have a sales department with a sales executive. This largely reflects a sales-oriented mentality. From the activity-based perspective, the importance of sales’ job is widely emphasized, while other marketing activities receive little attention. It may be that in the mind of the managers with a sales-oriented mentality *market information management* and *product development* are not as important as *selling*. It may also be that they do not consider *market information management* and *product development* as marketing activities. If this is the case, an enhanced understanding of the notion can potentially benefit the implementation of marketing in forest products industry companies. Our findings provide strong evidence that forest sector companies have a major opportunity to increase their marketing sophistication. Fostering a better conceptual understanding of marketing among forest industry managers may help them organize and implement it more effectively. Done appropriately, this can pay off in competitive advantage.

6.0 Limitations

The interviews were conducted during the Great Recession when the companies were experiencing very difficult markets. Marketing could be a more topical issue within this special context. However, due to the same reason, the managers might be cautious to reveal much detail about their business and be overly conser-

vative on their answers. Also, during the recession, the managers could be increasingly critical about investing much effort into marketing which is unlikely to bring the companies short-term returns. Therefore, this contextual impact should always be taken into consideration when examining and interpreting the interviewees' responses. In addition, the study is qualitative in nature and is not aimed at generalizing to any population beyond the study sample.

7.0 Literature cited

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