

Effect of purchasing and marketing integration on new product development speed: The moderating role of environmental dynamism

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ABSTRACT

The increasing relevance of purchasing-marketing functional integration (PMFI) has drawn scholars' attention in recent years. However, more empirical research is still needed that adopts a contingent approach and studies the differentiated role each of these two functions plays in PMFI. Based on Information Processing Theory, the two flows of information that PMFI requires, from marketing to purchasing and vice versa, are used as a PMFI proxy. The study posits a positive impact of these two information flows on a typical NPD performance indicator, namely, its speed, and a positive moderation of environmental dynamism on that effect. Data from 141 Spanish firms are used to conduct a moderated multiple regression analysis to test these effects, showing that the marketing information impact of NPD speed is positive regardless of the level of environmental dynamism. However, the effect of purchasing information on NPD speed is positive when the rate of environmental dynamism is medium or high, but negative when it is low. These results will help managers to assess when each one of these flows should be promoted. Above all, they stress the need to control for possible asymmetries in the role the different functions play in functional integration.

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