A typology of post-M&A marketing integration

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Abstract: The merger and acquisition (M&A) literature remains scarce on descriptions about marketing integration. The few M&A studies focusing on marketing integration describe a one-type-fits-all integration. This paper develops a typology on marketing integration. The typology departs from the continuum between standardised products and customised services, and the continuum between transactional and relational exchanges with customers. Literature reviews and qualitative case studies functioned as data sources for the typology. The findings denote how the integration varies greatly, both in terms of degree of integration and in what could successfully be integrated based on variations in offerings and customer interactions. The paper contributes to the M&A literature and the previous scarce literature on marketing related to M&As.

Keywords: integration; marketing; merger and acquisition; M&A; typology.


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1 Introduction

The merger and acquisition (M&A) literature has remained scarce on descriptions about marketing integration (Christofi, et al., 2017; Homburg and Bucerius, 2005; Öberg, 2013; Öberg and Tarba, 2013; Zollo and Meier, 2008). Those attempts to approach the topic (Anderson et al., 2001; Balmer and Dinnie, 1999; Capron and Hulland, 1999; Rao-Nicholson and Khan, 2017) have focused on

1 brand equity and integration
2 marketing integration related to consumer goods
3 customer reactions in business-to-business (B2B) settings.

To really grasp marketing integration, it is important to consider consequences of the integration (or non-integration) on the acquirer and acquired parties, and on customers – something which the present literature fails to do. What is more, the present research defines the marketing function in different ways (cf. American Marketing Association, 2013; Sheth et al., 1988), while it seems to suggest a one-type-fits-all approach to marketing integration.

The variation among companies in terms of their offerings (e.g., products and services) and how they interact with customers (spot markets or long-term relationships; cf. Dyer and Singh, 1998; Rust et al., 2004; Sheth et al., 1988) could, however, expect to affect whether and how the companies should integrate their marketing functions. This paper highlights the uniqueness of individual companies’ offerings and customer interactions, and develops a typology of marketing integration. It does so through literature reviews and case study research. It departs from the continuum between standardised products and customised services (offerings), as well as that between transactional and relational exchanges with customers (interactions). These dimensions help to capture marketing integration from both the acquirer’s/acquired party’s and the customer’s point of view.

The paper contributes to previous research through bringing together and extending research on marketing integration and customer reactions. Previous research has denoted how marketing integration has great impact on the success or failure of M&As (Homburg and Bucerius, 2005). Still, marketing integration has been given limited attention in previous M&A research (Christofi et al., 2017; Homburg and Bucerius, 2005). Again, this implies that marketing integration is important, but also requires more research. The variation among companies’ offerings and customer interactions stressed in this paper expands the lens on M&As to more fully understand their complexity. The practical relevance of the paper consists of how the typology helps managers to determine the appropriate integration given the type of customer interaction and offering their companies produce. The comparative management perspective comes forth in how the integration focuses on the acquirer’s and acquired party’s capabilities, and in the typology describing differences and links among offerings, interactions, and integrations.

The rest of the paper is structured as follows: After this introduction, a section summarises previous research on marketing integration and customer reactions. Thereafter, different types of customer interactions and offerings are discussed, and then linked to integration typologies/taxonomies. The research design is described, and the typology is thereafter presented. The paper ends with a concluding discussion.
2 Theoretical background

2.1 Mergers, acquisitions and marketing: a literature overview

Most previous studies on M&As focus on the acquirer and acquired party, describing motives, integrations, or outcomes related to finances, organisational issues, or strategy of the firm (e.g., Papadakis, 2005; Weber and Tarba, 2012). It is only quite recently that researchers have suggested that more attention should be given to marketing integration and customer reactions (Christofi et al., 2017; Homburg and Bucerius, 2005; Öberg, 2013; Öberg and Tarba, 2013; Zollo and Meier, 2008). The scant literature on M&As and marketing can be divided into three categories:

1. literature on brand equity and brand integration predominately appearing in marketing journals
2. research focusing on (consumer) marketing integration positioned to the strategic management area
3. studies on customer reactions, mostly linked to B2B marketing research.

The literature explicitly referring to brand integration describes the strategies and effects of transferring product brands between the acquirer and the acquired party. Central topics are the value of brands (brand equity) in the M&As (Bahadir et al., 2008; Kumar and Hansted Blomkvist, 2004; Lambkin and Muzellec, 2010; Rao-Nicholson and Khan, 2017; Srivastava, 2012), how various brands may infer new brand perceptions as they become integrated (Lee et al., 2014; Strach and Everett, 2006), decisions on brand transfer as a means to integrate businesses (Gussoni and Mangani, 2012; Lambkin and Muzellec, 2008; Vu et al., 2009; Yang et al., 2012), and customers’ (consumers’) reaction to any change in brands (Jaju et al., 2006; Machado et al., 2012). Recent literature has focused extensively on brands in relation to emerging market firms (Liu et al., 2017; Rao-Nicolson and Khan, 2017). This stream of the literature is frequent to indicate how the brand of the company with the highest equity would be the one to transfer following the M&A. While the theme indirectly denotes customer reactions (to brand integration and in terms of changed perceptions), it describes a very limited part of marketing and focuses on the integration among products, rather than the integration between the acquirer’s and the acquired party’s marketing functions.

The research on M&As that includes the integration of the marketing function refers to the integration of sales staff and marketing capabilities, in addition to brands (Capron and Hulland, 1999). It foremost concerns consumer marketing goods (e.g., Capron and Hulland, 1999; Galavotti et al., 2017; Öberg and Tarba, 2013; Park et al., 2009; Weber and Dholakia, 2000). Central themes include synergies of marketing integration, direction of transfer of marketing capabilities, and the impact on performance. To exemplify, Weber and Dholakia (2000) describe synergies intended to improve the acquirer’s position in terms of duplication of products, brand positions, advertising efforts, and customer service facilities. Capron and Hulland (1999) research synergies in the marketing dimension through focusing on the redeployment of brands, sales forces, and general marketing expertise. They conclude that it is better to transfer these from the acquirer to the target than the converse, and that differences in size between the acquirer and the acquired party may lower the probability of such transfers. In Capron (1999), these findings are further explored with the conclusion that redeployment enhances...
revenue capabilities and reduces costs long-term. With a less extensive definition of the marketing function than Capron (1999), Homburg and Bucerius (2005) focus on the integration process and its effects on marketing performance, and conclude that the marketing effects have larger impact on overall performance than have cost synergies. Sinkovics et al. (2015) research the antecedents for marketing integration and the speed of integration, and point out how various firms have different abilities to actually integrate their businesses, thus arguing in line with this paper in terms of differences among firms. The theme of integration of the marketing function is very limited in capturing customer reactions, while it broadens the perspective on the integration of marketing (compared to the studies on brands), and furthermore, describes how brands and sales staff, for instance, may need to be integrated in different ways.

The literature focusing on customer reactions to M&As, for the most part, refers to corporate (B2B) customers and studies individual customer firms’ reactions to their suppliers’ M&As. These studies have indicated how reactions may spread around networks of firms as companies make decisions triggered by the M&A (Anderson et al., 2001; Bocconcelli et al., 2006; Degbey and Pelto, 2015; Mattsson, 2000). The reactions may include decisions related to what company to buy from, but may also include decisions to make competing acquisitions, for instance. The reactions heavily affect the outcome of the M&A (Anderson et al., 2001). In attempts to explain these reactions, Öberg (2008) links them to integration, and points at how customer reactions are more severe if products, sales or maintenance staff are integrated, while noting that there is a general reluctance among customers to adjust to new combinations of offerings. Thus, the theme extensively concerns the reactions to integration, while it is less developed in connecting different reactions to various marketing integrations.

The previous literature that describes the marketing integration and/or customer reactions has thus emphasised how the marketing integration may be critical for the success or failure of the M&A (Homburg and Bucerius, 2005). Furthermore, it has indicated how the direction of integration matters (Capron et al., 1998), and has in some few cases pointed out how various M&As may produce different results (Sinkovics et al., 2015), but not linked this to the type of customers or what is exactly integrated.

To more fully grasp the marketing integration, it is important to include the different items (brands, products, sales staff, etc.) to integrate and customer reactions to these integrations. It is also paramount to consider how various offerings may give different weight to the brands, products, and sales staff, for instance, and on how the customer and the supplier (the M&A party) interacts. The next section describes these dimensions in further depth.

### 2.2 Different offerings – different customers

The marketing literature describes offerings and customers in different ways, not the least related to different theoretical fields of the marketing discipline (cf. Sheth et al., 1988). Two dimensions frequently operationalised in marketing research and teaching are the continuum between relational and transactional exchanges (Dyer and Singh, 1998; Sheth et al., 1988), and the division between products and services.

Sheth et al. (1988), for instance, distinguish between interactive and non-interactive theories on marketing to emphasise how customers are or are not seen as parties affecting the outcome in their relation to suppliers. Largely overlapping with the interactive theories are descriptions of relationships between customers and suppliers. Such
relationships entail adjustments between the parties (Hallén et al., 1991), and mean that the supplier sells to the same customer over time. In addition to the economic exchanges, social connections are often developed between the parties (cf. Granovetter, 1985). These social connections mean that the supplier and customer start caring about one another, and they may include how a customer continues with the supplier, even though financial calculations would propose a shift of suppliers.

The opposing perspective of non-interactive theories links to the idea that a supplier sells to a market of unidentified customers. The exchanges thereby become transactional rather than relational (e.g., Williamson, 1991), and focus is on the economic ties between the supplier and customer. While the relational exchanges would include investments and adjustments between the parties (Hallén et al., 1991), the transactional exchanges would mean attempts to sell as much as possible to a random mix of customers.

Hence, research makes a distinction between relational exchanges and transactional ones, and it is suggested that the various types of exchanges affect how both the supplier and customer act and should act towards each other. It is along that continuum that Sheth et al. (1988) make one of very few attempts to structure various marketing theories.

In teaching, and also as a demarcation of the development of the marketing discipline from only focusing on products, marketing is often divided between product and service markets. This then focuses on the offerings produced. Early, the distinct characteristics of services versus products were described (Grönroos, 1978; Zeithaml et al., 1990). This then put focus on how service offerings are immediate, non-standardised, and include the customer as a co-producer. More recently, and also connected with the development of services as a research domain within marketing, the boundary between products and services has been questioned. Rather than describing distinguishing characteristics, the research points at product and service mindsets of suppliers (Vargo and Lusch, 2004) and how products and services may be integrated in the offerings (e.g., Dimache and Roche, 2013). Again, this suggests a continuum rather than divide between standardised products and highly customised services (Howard and Sheth, 1969; Norgan, 1994; Sheth et al., 2000; Vargo and Lusch, 2004). The product to service continuum would include the degree of customisation, and whether the company is foremost focused on differentiation of offerings or cost savings.

While there are obviously many different ways to describe both the offering and the interaction with customers, this paper proposes a continuum based on transactional to relational exchanges with customers, and a second continuum emphasising the offering from standardised products to highly customised services. These continua become means to grasp different marketing integrations following M&As. The selected dimensions are based on how research and education, respectively, see these as fundamental and rarely describe marketing along other dimensions. Furthermore, and as seen in this paper, the continua are relevant in how they emphasise various items (brands, products, sales staff, etc., Capron and Hulland, 1999), and degrees of integration as well as different effects of customer reactions (e.g., Öberg, 2008).

2.3 Towards a typology on marketing integration

There have been some previous attempts to summarise and present best practices for integration. Chatterjee and Brueller (2015) and Haspeslagh and Jemison (1991) present
Taxonomies on M&A integration. These depart from empirics rather than research dimensions (cf. Baden-Fuller and Morgan, 2010; Meyer et al., 1993), and concern the entirety of the acquirer and the acquired party. More specifically, they focus on fits, resource interactions, complementarities of the acquirer and target, and needs to remain autonomous. Angwin and Meadows (2015) introduce a typology to create more nuances in the integrations among firms. Researchers have also highlighted that firms should better resist integration so as not to destroy values of acquired firms.

Common for these attempts to structure the integration of firms is how they focus on characteristics of the acquirer and the acquired party only, while this present paper thus emphasises the need to better understand the integration of different company functions, and how the integration of marketing is seen as greatly affecting the outcome of the M&A (cf. Homburg and Bucerius, 2005) by means of customer reactions. In comparison to previous taxonomies, the present paper departs from theoretical constructs (cf. Baden-Fuller and Morgan, 2010) and emphasises variances among companies in terms of their offerings and customer interactions.

3 Research design

To develop the typology (e.g., Miles and Snow, 1978), various dimensions of how the marketing discipline describes different schools of thought (Sheth et al., 1988) were elaborated on and tested with the integration of the marketing function. Specifically, the two dimensions of type of interactions and offerings were decided through extensive literature studies to see how marketing research and education define and distinguish central dimensions. The different dimensions were further compared so as to minimise the risk that they really described similar types of characteristics. This resulted in the final decision on types of interactions and offerings described as the continuum from transactional to relational exchanges, and the continuum from standardised products to customised services. In the paper, the continua are treated as separate dimensions to create the four types of integrations as outlined in the paper.

To capture the fit among the dimensions vis-à-vis the marketing integration, the combination of previous research and empirical examples was used. The empirical examples are based on case study research on 13 acquisitions (based on some seventy interviews), along with secondary data research to capture additional and more renowned acquisitions. While the primary-data acquisitions are anonymous in this paper, Table 1 gives some indications about the sizes of the companies, their orientations to products and/or services, their way to interact with customers, industry sectors, their domestic/international dimension, and whether they included incumbent or young firms.

The case studies were based on semi-structured, open-ended questions applying a face-to-face interview technique. They targeted customers and representatives of acquirers and acquired parties. Each interview lasted between one and two-and-a-half hours and was conducted at the workplace of the interviewees. Interviewees included CEOs, marketing and production managers, sales and maintenance staff of the acquirers and acquired parties, and procurement staff, CEOs, and users of the customers. The interviewees also included retired staff who had held leading positions in the companies, and with a few exceptions, the interviewees had worked for their respective companies for a minimum of five years, on up to 35 years. Those more newly recruited were instead interviewed based on previous positions.
<table>
<thead>
<tr>
<th>Acquisition</th>
<th>Size of acquirer/acquired party</th>
<th>Industry</th>
<th>Domestic/International</th>
<th>Age of firms (if different acquirer/acquired party)</th>
<th>Product/service</th>
<th>Customer interaction</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>20% of world market each</td>
<td>Equipment</td>
<td>International</td>
<td>Incumbent</td>
<td>Product</td>
<td>Relational</td>
</tr>
<tr>
<td>2</td>
<td>Large players in domestic niche markets</td>
<td>Standardised services</td>
<td>Domestic</td>
<td>Incumbent/young</td>
<td>Service</td>
<td>Transactional</td>
</tr>
<tr>
<td>3</td>
<td>Large company acquiring small firm</td>
<td>Software solutions</td>
<td>International</td>
<td>Incumbent/young</td>
<td>Product</td>
<td>Transactional</td>
</tr>
<tr>
<td>4</td>
<td>Large company acquiring family firm</td>
<td>Education</td>
<td>International</td>
<td>Incumbent/young</td>
<td>Product/service</td>
<td>Transactional</td>
</tr>
<tr>
<td>5</td>
<td>Large firm buying small firm</td>
<td>Industry materials</td>
<td>International</td>
<td>Incumbent</td>
<td>Product</td>
<td>Relational</td>
</tr>
<tr>
<td>6</td>
<td>Niche market players</td>
<td>IT-solutions</td>
<td>International</td>
<td>Young</td>
<td>Service</td>
<td>Transactional</td>
</tr>
<tr>
<td>7</td>
<td>Small firms</td>
<td>Advanced technology</td>
<td>International</td>
<td>Young</td>
<td>Product</td>
<td>Transactional</td>
</tr>
<tr>
<td>8</td>
<td>Local/national players</td>
<td>IT consultancy</td>
<td>Domestic</td>
<td>Incumbent</td>
<td>Service</td>
<td>Relational</td>
</tr>
<tr>
<td>9</td>
<td>Local players</td>
<td>IT-solutions</td>
<td>Domestic</td>
<td>Incumbent</td>
<td>Product</td>
<td>Relational</td>
</tr>
<tr>
<td>10</td>
<td>Leading position in the USA and Europe, respectively</td>
<td>Equipment</td>
<td>International</td>
<td>Incumbent</td>
<td>Product</td>
<td>Transactional</td>
</tr>
<tr>
<td>11</td>
<td>Large company acquiring small firm</td>
<td>Advanced technology</td>
<td>Domestic</td>
<td>Incumbent/young</td>
<td>Product</td>
<td>Relational</td>
</tr>
<tr>
<td>12</td>
<td>Main domestic players in niche market</td>
<td>IT-software</td>
<td>International</td>
<td>Incumbent</td>
<td>Product</td>
<td>Relational</td>
</tr>
<tr>
<td>13</td>
<td>Local players</td>
<td>Customised IT solutions</td>
<td>Domestic</td>
<td>Incumbent</td>
<td>Service</td>
<td>Relational</td>
</tr>
</tbody>
</table>
The secondary data studies targeted such acquisitions as Daimler-Chrysler, HP-Compaq, and Astra-Zeneca, and were based on structured reviews of newspaper items for the year preceding the acquisition and to date. These cases aimed to complement the primary data cases through providing renowned examples of frequently described M&As comprising marketing integration failures or success.

In the analysis of the different cases, they were initially classified in the transactional/relational dimension, product/service dimension, how the marketing function was integrated, and the success/failure of this approach. This was done per case and included such descriptions from the secondary data cases. The analytical unit was thus each M&A, and the variables to structure the analysis were the degree and direction of marketing integration, the characteristics of customer interactions, the offering, and the success/failure in terms of customer retention/customer losses and their effect on the M&A parties. Textual sources and interview transcripts were searched for these variables.

In the next step, descriptions focused on identifying groups of M&As with similar features along the central theoretical dimensions (that is, the transactional/relational dimension and the product/service dimension; cf. Ketchen et al., 1997) and linking these features to the success or failure of the M&A from a marketing integration point of view. Internal consistency (cf. Drazin and Van de Ven, 1985; Venkatraman, 1989) meant that certain sets of combinations were seen to explain these successes/failures. The individual cases helped to capture both characteristics of the company’s offering (product to service) and customer interaction (transactional to relational), as well as the success of specific marketing integrations. If a certain combination of dimensions lacked successful examples, further secondary data studies were performed to ensure that each type was represented by multiple examples in the success dimension.

4 A typology of marketing integration

Table 2 outlines the typology of the marketing integration following M&As. The typology thus departs from the theoretical continua of relational to transactional exchanges (Dyer and Singh, 1998; Sheth et al., 1988), and of service to product offerings (Howard and Sheth, 1969; Norgan, 1994; Sheth et al., 2000; Vargo and Lusch, 2004). The different types are then justified through empirical examples to see whether the dimensions provide fit with regard to the marketing integration and its success. The four types outlined in Table 2 are further described below.

4.1 Type #1

The first type refers to the M&As between parties that both produce standardised products and sell these to various customers. One such example is the acquisition between Arla and MD Foods in the dairy sector. The type would be characterised by consumer goods with brands as one aspect to position the products vis-à-vis competitors (e.g., Balmer and Dinnie, 1999). As previous research has acknowledged, this type would require a handling of brands, where the brand equity would determine the direction of the integration (the party with the most valuable brand would transfer this to the other party;
If brands are of equal strength, or if they represent different segments of the same market, decisions should be made to maintain both companies’ brands. The strength and the complementarity should also be seen in the cultural dimension, meaning that they may be integrated with regard to the strongest country-of-origin image (cf. Liu et al., 2017) or maintained to demonstrate how they are locally connected.

Table 2  A typology on marketing integration

<table>
<thead>
<tr>
<th>Product</th>
<th>Service</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Transactional</strong></td>
<td><strong>Type #1</strong>: High level of integration.</td>
</tr>
<tr>
<td>Key focus: brands. Should be taken from the party with the stronger brand equity to the other party.</td>
<td>Key focus: standardisation of services. Complementarities in offerings to link customers closer to the company.</td>
</tr>
<tr>
<td><strong>Type #2</strong>: Integration while keeping segments.</td>
<td></td>
</tr>
<tr>
<td><strong>Relational</strong></td>
<td><strong>Type #3</strong>: Products should be maintained and supported separately.</td>
</tr>
<tr>
<td>Maintenance staff as an important link to maintain customers.</td>
<td>Complementarity of offerings, but service staff maintained.</td>
</tr>
<tr>
<td><strong>Type #4</strong>: Sales and maintenance staff important to maintain.</td>
<td></td>
</tr>
</tbody>
</table>

While customer reactions may follow from the integration of brands, the transactional characteristic of the exchanges would mean that customers only temporarily interact with the supplier. This again stresses the brands rather than product characteristics or sales staff as communicating the company’s products. Attempts to link customers closer to the firms would be based on increased customisation of offerings, thus also transferring patterns of interactions to the lower right corner in the typology.

4.2 Type #2

The second type describes M&As between parties offering services or highly customised products. The customer interaction, however, would be based on transactional exchanges, also meaning that the customer does not invest heavily in the supplier (e.g., Hallén et al., 1991). The services may therefore be of quite low individual economic values, or the supplier may over-invest in its adaptation to the customer. Consumer banking, such as the acquisition between Merita and Nordbanken, describes this type. The transactional characteristic of the interaction with customers would create room for integration. Based on how products or services are more specialised, however, they should be maintained to a higher extent than in Type #1. This would include that the knowledge connected with specific customer groups/segments should not be integrated (e.g., staff; Öberg and Tarba, 2013). Again, and related to the idea of specialisation, M&As belonging to this type could well be complementary to reach additional service offerings, for instance. Banks complementing their offerings with insurance is one example thereof.

The type would also include the potential attempt to increase the relational characteristic of the interaction with customers, so as to balance the customisation that the suppliers provide, and hence move into Type #4 interactions.
4.3 Type #3

The third type denotes M&As between parties that provide quite standardised products to customers that engage in repeated exchanges with them. Thus, to maintain these customers, it becomes important to keep the ties that link the customers to the suppliers. Customers’ investments in mass-produced equipment exemplify this category, and the acquisition between the truck manufacturers Linde and Still exemplifies this type. Analyses here include whether it is the product as such, or the maintenance of it that creates the value-carrying link for customers. The resulting consequence would be not to integrate the value-carrying link. The links to the customers may have to do with the staff, or the augmented product. Typically, this type would include any such link beyond the standardised product so as to differentiate offerings and create the relational aspect with customers (cf. Sheth et al., 1988), or the product would not have any severe competition. If the latter applies, the risk is that additional firms will start offering such products. Therefore, the M&A parties should focus on establishing links that increase the customisation of products, or which introduce staff-related ties (such as maintenance staff) to the offering. Compared to Type #2, this type would focus on individual customers rather than customer segments (cf. Öberg, 2008).

Hence, partial integration would apply and often focus on the core product, while the staff or augmented features of the product should be kept separate, as these are the ties that create the relational links to customers. In comparison to brands, the features would have more to do with the qualities of products or added services/maintenance, and be features that the customer becomes aware of when using the product (cf. American Marketing Association, 2013).

4.4 Type #4

The last type describes highly customised offerings to customers that repeatedly interact with their suppliers. One example here is the acquisition between auditing or consultancy firms, such as Cap Gemini and Ernst and Young. In the literature on servitisation and service logic (Dimache and Roche, 2013; Vargo and Lusch, 2004), manufacturing firms try to move into this type not only through customised service offerings, but also by increasing the relational characteristic of exchanges (cf. Dwyer et al., 1987).

M&As involving such suppliers should focus on the maintenance of those value-carrying links that make customers repeatedly turn to the same supplier. The customisation would normally involve staff of the suppliers and it would be more important to keep the staff than the underlying products (or brands). In comparison with, for instance, Capron and Hulland (1999), the staff would reach beyond sales staff and rather include service and maintenance staff of the suppliers. In the case of consultancy firms, the consultants and their in-depth knowledge about the business of the individual customers would be the value-carrying link not to integrate. This essentially means that back offices and administrations may be integrated, while the interface with individual customers should be maintained as separate units (cf. Öberg, 2008).

This type brings attention to how marketing includes adjustments of offerings (cf. Hallén et al., 1991), and to how maintenance and service delivery staff often are those that the customer attaches to beyond the initial sales.
5 Concluding discussion

This paper develops a typology of marketing integration through associating what should and should not be integrated with the type of interaction with customers, and the type of offering produced (cf. Dyer and Singh, 1998; Rust et al., 2004; Sheth et al., 1988). The four types of integration described in the paper indicate how the integration should be handled differently in each type. The types further denote the importance of potentially repositioning the M&A parties into a different type, especially if there is an imbalance between the interaction with customers and the customisation provided by the supplier. Most previous studies on the integration of marketing have focused on companies that would be referred to as Type #1: consumer-goods companies emphasising brand integration and/or deliveries of standardised products (e.g., Capron and Hulland, 1999; Homburg and Bucerius, 2005).

The relational dimension introduced in the typology points at how the integration of marketing extends well beyond brands, sales force, and the general marketing expertise of the firms (Capron and Hulland, 1999). Rather, it is those individuals serving customers and having in-depth knowledge about the customers (cf. Öberg and Tarba, 2013) that become a key value-carrying link for customers, not the least if offerings are highly customised (such as expert advice). The relational dimension also points at how it may be fruitful for M&A parties to develop their customer interactions to include more repeated interactions with customers (cf. Dimache and Roche, 2013).

The above types denote M&As among parties with similarities in their setups of products and/or services, and with similarities in their interactions with customers. However, an M&A may well include parties complementing one another, or even quite diverse parties in terms of offerings and ways to interact with customers. The more diverse the offerings, the less the likelihood that they could and should be integrated in the marketing dimension, based on limited potentials to actually do so. But, if one supplier is more involved in repeated exchanges with its customers, it would be that party’s marketing expertise that should be transferred to the other party, regardless of this being the acquirer or target.

5.1 Theoretical contribution

This paper contributes to theory through marking how the marketing integration needs to be handled differently based on the type of interaction with customers and the offering of the firms. The main theoretical contribution is the typology as such, and the outlined integration in each type, while the paper also provides insight into how different M&As need to handle the marketing integration in different ways.

In the broader perspective, the paper contributes to the M&A research dealing with marketing and customers (Christofi et al., 2017; Homburg and Bucerius, 2005; Öberg, 2013; Öberg and Tarba, 2013; Zollo and Meier, 2008). That stream of literature remains scarce, and also fragmented among research on brands, integration of marketing functions, and customer reactions. The current paper becomes an attempt to bridge this fragmentation, while still considering differences among different M&As and customers.
5.2 Managerial implications

For managers, it is important to consider the potentials and risks associated with the integration of the marketing function, firstly when the target is evaluated and when synergies are accounted for. The typology may help in this regard as it points to both what should and should not be integrated. An analysis, as part of the due diligence, should thereby target the interaction patterns with customers and the type of offerings.

Managers further need to ensure a proper handling of the integration as such. This includes communication, how to minimise risk of staff losses should these be considered as important links to customers, and when the integration should take place. There are a number of questions to address. Given the interaction patterns with customers, how much is the target’s customer portfolio worth? What are the overlaps in terms of customers, interaction patterns, and products/services between the acquirer and the target? What important links to customers can be defined? How can the continuation of these links be ensured – for the acquirer and for the customers? How should communication and timing be handled in those functions that are to be integrated?

5.3 Limitations and ideas for further research

This paper is the first to outline a typology of marketing integration following M&As. Future studies could test this typology on further cases, and use it in action-research based situations and on quantitative datasets. This would be the means to come to terms with the flaws of qualitative research and how conclusions may not be generalisable from such research. With that said, the typology as such is developed from theoretical constructs (cf. Baden-Fuller and Morgan, 2010; Meyer et al., 1993) and the case studies indeed helped to create an understanding for the success or failure of the individual M&As. Additional studies could still help to test, but also fine tune findings from this present paper.

The typology is developed based on similarities between the acquirer and the acquired party along the dimensions of transactional/relational exchanges with customers and the product/service offering. The typology could be further explored related to

1. vertical M&As
2. acquirers and targets with different interaction patterns and/or product/service compositions between them
3. in situations of M&As including emerging markets.

The last situation would expect to follow those types as introduced here, while brand equities would be coloured by the country-of-origin image (cf. Liu et al., 2017), for instance. Possible integration would also be affected by the geographical distance between the acquirer and the acquired party. Culture, as an aspect often discussed in previous M&A research (e.g., Weber and Tarba, 2012), may have influencing powers over customers in different geographical areas, and in relation to the view on customers (cf. the interaction logic; Vargo and Lusch, 2004). The culture thus needs to be handled, while it also needs to be contrasted between actual differences among customers, and inertia created within the organisations and a possible reluctance to integrate as a consequence (cf. Öberg, 2008).
In the broader perspective, the marketing dimension of M&As deserves further research and also more bridging among different schools of thought in the marketing discipline (cf. Sheth et al., 1988).

References


A typology of post-M&A marketing integration


