

# When marketing misses a trick

## *Failure to spread word about firm's successes*

**W**hen a food factory – a supplier to one of the UK's best-known retailers – embarked on a waste reduction strategy the results were remarkable. Most of the waste was being dispatched completely unsorted, increasing the cost of disposal and also incurring landfill taxes. With careful management of segregation, and the assistance of an external recycling organization, a target of zero landfill was achieved and the cost of disposal was also offset by substantial revenue from recycling. The initiative had a very visible impact in both the factory and associated offices, with additional recycling bins and instructional posters. The savings identified were calculated at £250,000 per annum.

Therefore, was the inspiring success trumpeted from the rooftops by a marketing department anxious to flaunt the company's corporate social responsibility (CSR) credentials? Well, no. The marketing function within the wider organization was not involved in the project, either as a project sponsor or, indeed, overseeing the whole business improvement initiative. Consequently, the potential benefits of a CSR message were missed.

A second project in which the company's marketing people were found lacking was concerned with the control of one of the production processes. One consequence of the weights and measures legislation which applies to the UK's food industry is that the actual weight of a product may be slightly more than that declared on the packaging, as it would be illegal to sell it below the stated weight. As it can be difficult to get the weight tolerance exactly right, the customers end up getting more than they paid for – a practice known in the industry as "Give-away."

### **Classic case of "customer voice" not being recognized**

The company used the noted business performance improvement system Lean Six Sigma (LSS) to identify process variables which, once identified, could be controlled, resulting in a significant reduction in "Give-away." Once control was taken, it was possible to change the relative proportions of various ingredients, reducing the most expensive ingredient – a chocolate coating – while not altering the overall declared weight. At this stage, marketing had to become involved as the change in proportions needed to be reflected on the packaging declaration.

It became clear that they (marketing) were making assumptions about customers' preferences and perceptions which turned out to be wrong. It turned out that, not only did the customer agree to a reduction in chocolate by 1 per cent to meet the required recipe specification, but the customer did not know the original percentage of chocolate and did not seem concerned with what had been assumed by marketing as the product's unique selling proposition. A classic case of "customer voice" not being recognized by the very

department charged with analyzing customer voice – the marketing department. The project generated annual savings of £75,000, with the potential to further improve the control, and to apply to other product lines.

### Manufacturing cost base reduced by £3.7 million

The two projects were part of a larger project undertaken by the company to face head-on the problems of operating in old and poorly designed buildings, with excessive overhead costs and a feeling that inefficient working practices were ingrained into the workforce. The original solution was closure and a move to new premises. However, a new site management team challenged this decision and initiated a program to keep the business open by “closing the gap” between the cost of production at the existing site and the likely cost at any new facility. They started to address some of the wastes and associated issues of using traditional management techniques and examined a range of business improvement approaches that would facilitate projects directed at solving some of the more deep-rooted problems.

The new management team, in collaboration with a training organization, implemented a Green Belt LSS certification program. (LSS – is an amalgam of two previously established improvement approaches: Lean Manufacturing as exemplified in the Toyota Production System, and Six Sigma, generally credited to Motorola. Today, LSS is seen as the most prevalent improvement methodology in the Western business world).

The overall survival strategy for the plant achieved its objectives in the first year, reducing the manufacturing cost base of the factory by more than £3.7 million – a saving of more than 10 per cent. These savings were additional to other ongoing cost-reduction initiatives – for example, supplier rationalization. In an attempt to develop a future for the factory, rather than just avoid closure, the strategy was re-aligned and re-launched with a second set of objectives. The first LSS projects did make a small contribution to the attainment of this objective but their full impact was not felt until the second year when they were collectively expected to deliver £1.5 million a year to the bottom line.

### Marketing function should be at the heart of any LSS initiative

As for the disconnect with the marketing function, almost from the outset, it appeared that the marketing department was not interested in the survival strategy of the site, the overall strategic plan to “close the gap.” Lara Chaplin of Coventry University’s Business School and Simon T.J. O’Rourke of Messier-Buggatti-Dowty, Gloucester, UK, who conducted the study say: “Part of this may have been associated with self-interest as marketing saw itself as a central function, even though they are located at the site being researched, and therefore not affected by any plant-based concerns. It appeared that there was almost a desire to remain apart from the production site so as not to be caught up in the disruption surrounding the closure announcement. It seemed that the marketing function did not recognize that anything connected to the manufacturing process and associated business improvement techniques would have direct relevance to their external activities.”

There is a strong argument that the marketing function should be at the heart of any LSS initiative. The benefits of adopting a marketing orientation and the move towards adopting a societal orientation are widely recognized as beneficial. However, as this case suggests,

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the gap between customer focus and operations remains wide. The advantages to the marketing department of not only embracing business improvements to gain potential CSR marketing communications messages but actually understanding production are being missed. It is therefore suggested that in future LSS improvement projects the marketing department senior manager should be involved from the offset. The case study demonstrates the need to engage the whole organization when establishing improvement activities.

**Keywords:**

Six Sigma,  
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Corporate social  
responsibility,  
Customer voice,  
Market orientation,  
Improvement initiatives

**Comment**

This review is based on "Lean Six Sigma and marketing: a missed opportunity" by [Chaplin and O'Rourke \(2014\)](#). In explaining how a food manufacturing company successfully implemented LSS improvement programs, they highlight how the firm's marketing department was not fully engaged with the initiative and how they missed opportunities to present a positive CSR message to customers and other stakeholders.

**Reference**

Chaplin, L. and O'Rourke, S.T.J. (2014), "Lean Six Sigma and marketing: a missed opportunity", *International Journal of Productivity and Performance Management*, Vol. 63 No. 5, pp. 665-674.

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