CRM, SRM, AND INTEGRATED NPD: HAVING THE RIGHT PRODUCT VERSUS HAVING THE PRODUCT RIGHT

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ABSTRACT

Scholars have repeatedly pointed out that supply chain integration, both outside and within the firm is a key ingredient to optimize business performance. One area of supply chain integration that has received considerable attention is the New Product Development (NPD) process and the impact of involving customers and suppliers. While the literature certainly has recognized the importance of the integrative NPD process, very few articles have examined the impact of collaborating with both customers and suppliers in the same model. This study develops a model comprised of three core business processes (CRM, SRM, and INPD), and examines their impact on product quality. Integrated new product development has been used by leading companies and innovators to boost time-to-market, differentiate product offerings, or achieve superior product quality. Customer Relationship Management (CRM) and Supplier Relationship Management (SRM) are important building blocks in achieving integrated NPD. But are CRM and SRM always equally relevant, especially in light of varying business priorities? Focusing on product quality, the current study suggests that CRM, SRM, and integrative NPD have differential effects when it comes to 'getting the right product' (quality of design) versus 'getting the product right' (quality of conformance). Hypotheses are developed and tested on a sample of 225 firms in the automotive industry. Implications for theory and future research are discussed.

References available on request.