THE ASSIMILATION OF INFORMATION TECHNOLOGY IN MARKETING PRACTICE:

A STAGES THEORY –

TRANSACTIONAL TO RELATIONAL MARKETING APPROACH

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.

The Impact of IT on Marketing: An Evaluation

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The Impact of IT on Marketing: An Evaluation

Abstract

There is widespread acceptance that information technology (IT) is a central component of business operations and extensively used in marketing. Aligned to this is the belief that marketing is experiencing radical and dynamic changes, many of which are IT driven. This paper reports a study of 204 Irish firms, which seeks to discover the level of transformation in the marketing function as a result of IT. It reviews whether marketer's use of IT has progressed from simply automating existing marketing systems to actually using IT to transform their marketing capabilities. The research ultimately aims to ascertain if marketing is achieving significant benefits from IT.

Key Words
Information Technology (IT), Marketing, IT Evaluation, Automation, Transformation.

Introduction

Marketing is, and will continue to be, heavily influenced by IT, and marketers who do not adapt to this new technological era will not survive (Bruce et al., 1996; Boshoff and Terbanche, 1996; Furness, 1996; Fletcher, 1995: Komenar, 1997: Rapp and Collins, 1995). The benefits of IT to marketing must centre on successful IT management, changes in processes (Fletcher, 1995; Scholten, 1995), the use of unfamiliar and challenging IT, and creative innovative strategies to cope with this different and dynamic market (Schlegelmilch and

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Sinkovic, 1998). Though the introduction of IT is predominantly viewed positively many companies find IT baffling, and to some extent it appears that expectations are high and actual benefits are low (Bird, 1994; Brynjolfsson, 1993; Hitt and Brynjolfsson, 1996; Peppard and Rowland, 1995; Van Grembergen and Van Bruggen, 1997; Walsham, 1993; Earl and Feeney, 1997), with many risks, costs and problems hindering the successful introduction and use of IT (Capon and Glazier, 1987; Drummond, 1998; Galliers and Baets, 1998).

There are limits to what IT can do without the benefit of good marketing (Burnstein and Kline, 1995). IT based systems *'cannot work miracles. They will not offset a poorly conceived or poorly executed marketing strategy. They will not compensate for an inferior sales force, and they will not sell inferior products'* (Moriarty and Swartz, 1989;186). IT on its own will not deliver benefits, what is need is a transformation in marketing activities to harness the opportunities from IT (Ward et al., 1996). Ultimately with IT *'the wisdom of its use, depends on the wisdom of the user'* (Glaser, 1997:251).

This study seeks to discover whether the transformation stage of IT use in marketing has been reached and what barriers and benefits appear to be accruing to marketing from IT. This study has an IT transformational focus, as it is at the stage of transformation that the impact of IT on marketing will be felt the greatest. The structure of this article is as follows. First, we will discuss IT evaluation difficulties and offer a framework to research IT in marketing. Then

the research methodology used and findings from the research project are discussed. Finally we examine the implications of these findings and the limitations of the research.

The Changing Nature of Marketing

Marketing by nature should be a creative and adaptive discipline that is constantly regenerating itself (Brownlie et al., 1994; Rapp and Collins, 1995: Cronin, 1995). Some contend that the very tenets of marketing will and should be changed and developed (Brownlie and Saren, 1992; Brownlie et al., 1994; Brown et al., 1996). Alternatively there is the argument that traditional marketing practices will continue - right product, place, promotion and price. What are changing are the techniques by which the marketing mix variables are realised (Murray and O'Driscoll, 1996; Hamilton, 1995).

One view of this era's impact on marketing is that the search for a new marketing paradigm has begun (Mitchell, 1994, O'Malley and Patterson, 1998; Piercy, 1998). This is similarly observed in the relationship marketing literature where many contend that a new and genuine transformation is taking place (Tzokas and Saren, 1997; Sheth and Parvatiyar, 1995; Webster, 1992). It is interesting that marketing has traditionally being slow to change and to capitalise on IT (Mitchell, 1994, Peattie and Peters, 1998). It now appears that it is embracing IT *'with a zeal and exponential enthusiasm unparalleled'* in its history (Deans, 1997:1279).

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The Metrology of IT Evaluation

IT is having a significant impact on companies, however the breadth and depth of this impact is still questionable and the effects are variegated and unpredictable (Sorrell, 1997; Melody, 1997). A common theme in the literature and in practice, is that IT evaluation is difficult due to a lack of utilisable and commonly accepted IT evaluation techniques (Ward et al., 1996; Remenyi et al., 1997). There are a plethora of techniques available including Financial Assessments, Information Economics, IT Performance Frameworks, Multi-Criteria Models, Portfolio Methods, Ratio Methods, Balanced Scorecards and Technology Acceptance Models. Financial assessments are by far the most popular technique (Willcocks et al., 1997), but suffer from the difficulty of isolating values for costs and benefits (Melody, 1997). The principal assumption underlying these models is that complete information exists and is readily available within companies (Hemingway, 1997). In practice however, *'quantification of benefits is uncertain and subjective, and quantification of costs is subject to accounting procedures'* (Demkes, 1997:184). It is often the intangible benefits which are the key drivers of business success (Thomas, 1998) and these benefits are the most difficult to quantify (Moriarty and Swartz, 1989).

Aligned to the evaluation difficulties is the fact that companies and industries vary in their level, use and diffusion of IT. The sheer diversity of functions, which IT can perform, makes any comparison of companies incommensurable. As IT becomes a strategic issue, the measurement difficulties are enhanced

(Farbey et al., 1992). *'IT is a multidimensional object, IT's value can look different depending on the vantage point chosen'* (Hitt and Brynjolfsson, 1996:138).

Much of the IT research to date lacks a marketing focus. It can be said that there are similarities with IT's use in other functions, though marketing requires a slightly different perspective due to its inter-functional emphasises (Leverick et al., 1998). Many academic studies focus on analysing one IT separately with the obvious lack of inter-relativeness. There has been a call for more holistic multidisciplinary studies of IT in business (Galliers and Baets, 1998) and also calls for more emphasis on what marketers actually do in practice (Brownlie and Saren, 1997; Laurent and Pras, 1999). This study, attempts to bridge this gap and evaluate the overall impact and benefits from IT in marketing, in Irish firms.

Automation, Information and Transformation

A three stage framework of automation, information and transformation (Zuboff, 1988; Remenyi et al., 1991), was used to track the impact of IT. These stages of IT development are similar to Haeckel's (1985) efficiency, effectiveness, unthinkable and Hammer and Mangurian's (1989), efficiency, effectiveness and innovation. Mooney et al., (1995), adaptation, figure 1, incorporates the potential benefits of IT, as it progresses.

Figure 1: Dimensions of IT Business Value

Business Process	Automational	Informational	Transformational
Operational	Labour costs Reliability Throughput Inventory Costs Efficiency	Utilisation Wastage Operational flexibility Responsiveness Quality	Product and service innovation Cycle time Customer Relationship
Managerial	Administrative Expense Reporting Routinization	Effectiveness Decision quality Resource usage Empowerment Creativity	Competitive Flexibility Competitive Capability Organisational Form

Source: Mooney, J.G., Gurbaxani, V., and Kraemer, K.L., (1995).

Automation links to the viewpoint that IT, since its development, has been seen to primarily automate previously manual systems and has been used extensively for routine and tactical activities to improve efficiency (Teng et al., 1994; Bruce et al., 1996; Leverick et al., 1998; Peatties and Peters, 1998). Information, the next stage of development, provides increased effectiveness and moves the IT development processes to a higher level of benefit (Remenyi et al., 1991; Handy, 1995). The transformational stage defines a company with new business operations and practices. This stage of maximising IT's potential requires a new marketing culture, a new mindset (Hagel and Armstrong, 1997), marketers who think 'like science fiction writers' (Sterne, 1995:295), who 'think out of the box' (Schlegelmilch and Sinkovic, 1998:169), a concentration on adaptation and 'changing the rules and creating turbulence' (Glaser, 1994:34), a focus on 'larger thinking' (Peters, 1997), and challenging existing paradigms (Peters, 1996). Transformation places creativeness, knowledge and information, as top company assets. This is the focus on the intangible rather

than the tangible (Mata et al., 1995, Heracleous, 1997; Schlegelmilch and Sinkovics, 1998). It is worth noting that *'it is generally more difficult and time-consuming to change the ideas that organisations use than the things that organisations use'* (Sanchez, 1997:943).

Research Objectives and Methodology

The main focus of this study is marketing manager's own perceptions of the level of automation, information and transformation in marketing in Ireland. More specifically this paper seeks to discover whether the transformation stage has been reached in marketing. To this end the research objectives are to:

1. Assess the use of IT by marketers in Ireland;

2. Investigate how marketers in Irish firms use IT;

3. Study the impact of IT upon marketing;

4. Delineate the problems associated with the use of IT.

This exploratory study, which is part of a larger study, with the aim of assessing the use of IT in marketing, was conducted through a quantitative postal survey of 500 marketing personnel in Ireland. The sample was selected randomly from the membership database of the Marketing Institute of Ireland. The questionnaire was pretested with 15 marketing managers. The final version was sent to marketing managers and 204 useable questionnaires were returned, yielding an effective response rate of 41%. The firms, were predominately medium to large in employment numbers, incorporating 39% manufacturing

and 61% service companies.

Results

*Objective One: The use of IT by marketers in Ireland.*

To investigate which information technologies marketers in Ireland use, we searched the general literature and compiled a list of 19 information technologies. We asked managers to indicate whether or not they used each of these technologies. The second column of the following table I, illustrates the usage for each technology. From this table we can clearly see that some technologies have a very high usage level whilst others have not, as yet, been adopted by the vast majority of our sample. In terms of hardware, networked personal computers and laptops are used by a large number of marketers. However, the decline in the use of mainframes is evident, which may be explained by their considerably higher costs or by the fact that networks of computers perform essentially the same role as mainframes (The Economist, 1993; Cunnigham and O'Marcaigh, 1996). There is high usage of various software. A large number of companies have their own Web sites and an equally large number use their e-mail facilities to communicate with their customers. In addition, a significant percentage of companies make active use of the Internet. However, a number of other information technologies are not used to the same extent as the ones above. For example only a small number of Irish firms make use of video conferencing, computerised marketing information systems, customer helplines and direct computer links with their customers and suppliers.

Table I: Information Technology Use and Type of Use by Marketers in Ireland

	Jse		Type of Use			
			Automate	Infomate	Transforn ate	Valid Number of firms
Hardware						
Personal Computers	91%		30%	36%	34%	185
Networked Computers	86%		22%	37%	40%	178
Main Frame	44%		22%	52%	26%	89
Laptops	73%		20%	31%	50%	149
Software						
Word Processing	96%		51%	18%	31%	192
Presentation Software	85%		28%	30%	43%	167
CD ROM	61%		13%	56%	31%	119
Databases	70%		15%	44%	41%	144
Spreadsheets	89%		36%	38%	26%	178
Communications						
Own Company Web site	62%		4%	74%	22%	129
Email for Internal Use	80%		15%	44%	41%	163
Email to customers	64%		14%	41%	45%	128
Video Conferencing	21%		11%	47%	43%	47
Research						
Internet	71%		4%	78%	18%	141
Computerised Marketing Information System	39%		6%	65%	29%	83
Computer Links						
with Suppliers	33%		26%	33%	41%	69
with Customers	43%		21%	36%	43%	84
Customer Technology						
Helplines	35%		9%	63%	28%	71

To gain an overall picture of the level of IT usage by Irish firms, we calculated the number of information technologies used by each firm. The following figure 2 presents the results of this analysis. On average, each firm is using 11 out of the 19 information technologies investigated in this study. This may be perceived as an indication that the rate of diffusion of IT amongst Irish firms is rather high. Nevertheless, it should be noted that ITs, which provide a link with company's external constituencies (e.g. suppliers and customers), are used less that those intended for internal use. It should be acknowledged that it is not whether a technology is used that makes a difference, but how it is used.

Figure 2: Number of Technologies Used by Irish Firms

Std. Dev = 3.76
Mean = 11.4
N = 206.00

Number of Technologies
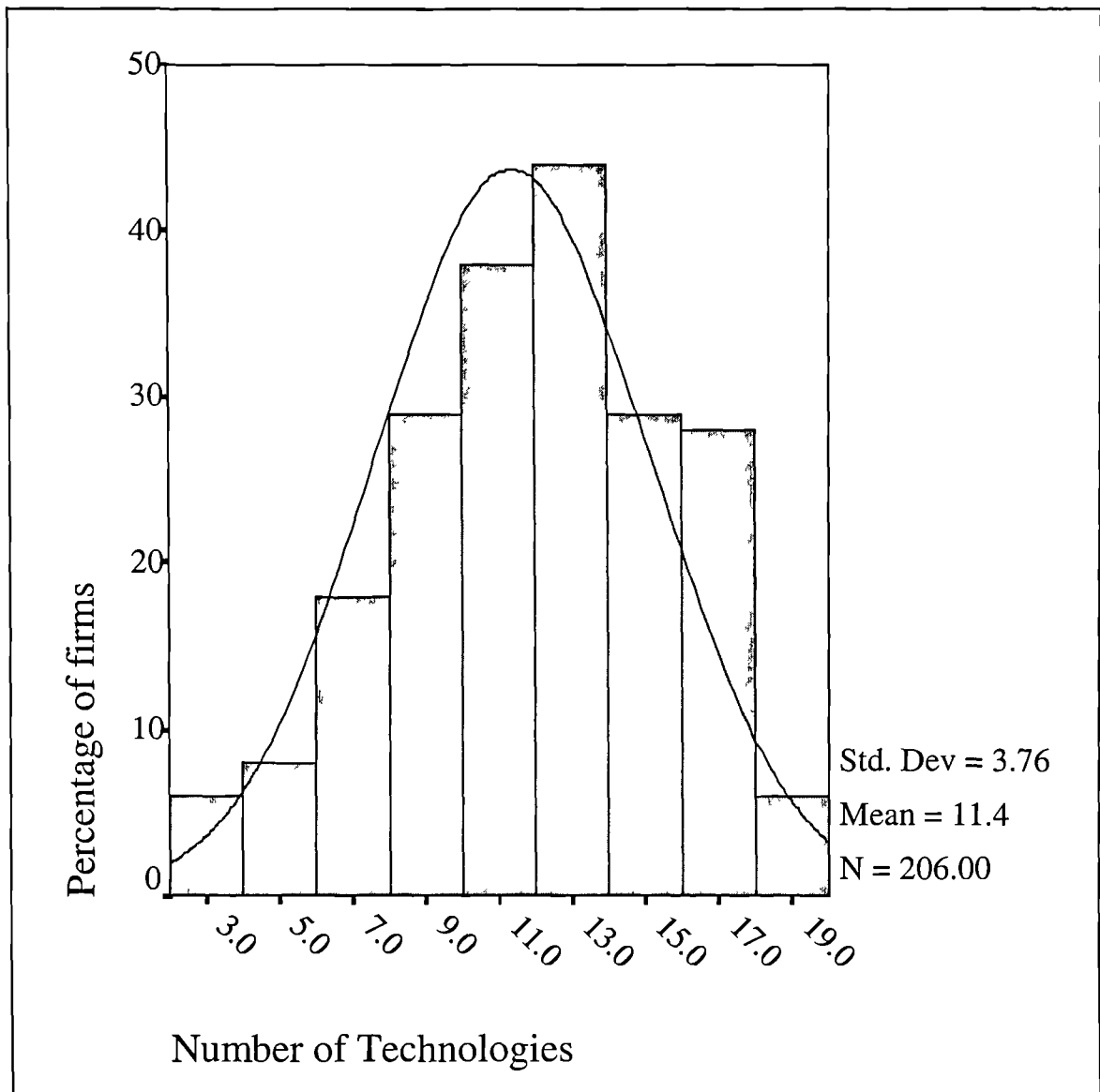
Objective Two: How marketers in Irish firms use IT.

As discussed earlier the model of automation, information and transformation was utilised in this study and this provided an interesting view of the level and diffusion of IT in marketing. The main IT that remains at the automation stage is the word processor. This research shows that the remaining technologies are gradually moving towards the informational stage with some evidence of technologies transforming marketing. Viewing the technologies separately, there is a wide diversity between the number of companies using them, and the types of use they make of them. Notably we would have expected that certain technologies would have been used to transfomate existing knowledge and practice. This was not the case for a number of them. For example spreadsheets usually perform an analytical function, but this research shows that they mostly automate existing practices and provide additional information. Similarly computerised marketing information systems, where they exist, are used mainly for the provision of additional information and not as an opportunity to question existing practices and assumptions. It may also be the case that the computerised MIS is used to simply justify decisions rather than providing insights, and highlights the lack of use of MIS for decision making, an issue which has been addressed in the marketing research literature (Davenport, 1994; Drucker, 1994). The Internet was viewed primarily as an information source, as was the company's own web site. This may be explained by the lack of e-commerce and trading over the Internet that has been highlighted in previous reports (Ellis, 1998; Brody, 1995). Finally helplines are used mainly for getting information about the customers. As customer helplines can be

perceived as an opportunity for direct contact with customers and a forum for discussion of the customers' problems and concerns, we would have expected this technology to be used for transforming the relationship between the company and the customer.

The technology that is most transforming marketing practices in Irish firms is the laptop computer and this links to the increasingly location independence of work. It was encouraging to note that where computer links to suppliers and customers exist, they are starting to move from an information mode to providing marketing with new and innovative communications and practices.

Objective Three: The impact of IT upon marketing

In line with the framework of IT use above, we expect the impact of IT to be greater in firms which have reached a tranformative mode of IT use. To test for this assumption and investigate the overall impact of IT upon marketing we proceeded as follows. First, we produced an additive score of IT use within the firm. For this purpose a weight factor was used i.e. 1 for automation, 3 for information and 5 for transformation. As such, the additive scale ranged from 1 to 95. We made the assumption that firms nearer to the upper level of the scale were closer to the transformative mode of IT use, whereas firms nearer to the lower end of the scale were using IT predominantly for automation purposes. The IT score produced a mean of 37.14 and a st.d. of 17.50. Examining the distribution of this variable, we noticed that the lower 25% of our firms (i.e. 52 firms) had a score of less than 24 whereas the top 25% (i.e. 51 firms) had a

score of 48.5 and higher. We used these statistics to create two groups of firms, which we expected to have quite distinct characteristics. Despite the arbitrary way in which the two groups were formed, it is in line with our expectation that firms using IT in different modes should experience different benefits (impact of IT).

The following table II illustrates the results of our analysis which was based on a comparison of means between the two groups above, on a number of statements (variables), which were measured on Likert type scales from 1 to 5, where 1 strongly disagree and 5 strongly agree.

Table II: The impact of IT upon marketing

	Group 1	Group 2		
	Means		t	Sig.
IT has changed marketing in this company for the better	3.50	4.18	-3.896	.000
IT in marketing has aided the growth of this company.	3.52	3.88	-2.209	.029
The use of IT in marketing has contributed to company profits	3.38	3.92	-3.101	.003
Marketing's use of IT contributes to this company's success	3.69	4.24	-3.509	.001
IT has enhanced our ability to satisfy our customers	3.71	4.14	-2.288	.024
IT has changed the way marketing serves customers	3.85	4.18	-2.040	.044
IT has changed the products we offer	3.40	3.92	-2.538	.013
IT has changed our method of distribution	3.44	3.84	-2.028	.045
IT has changed our distribution systems for the better	3.52	4.04	-2.844	.005
IT allows us to use more channels to reach our customers	3.69	4.14	-2.431	.017

Table II shows that firms from group 2 (i.e. the transformative use of IT) have felt changes in their marketing practices more strongly than firm in group 1 (i.e. automative use of IT). More specifically IT has contributed to the growth and profit performance of firms in group 2. This contribution was evident in that the transformative use of IT by firms in group 2 allows them to satisfy and serve their customer base better than before. In addition, marketers from firms in group 2 reported statistically significant changes in their products/services and distribution.

Objective 4: Delineate the problems associated with the use of IT.

The majority of respondents felt that marketing's use of IT had contributed to their company's success, made work easier and had changed marketing for the better. This being said, it was felt that there were obstacles preventing marketing from making full use of the available IT. The main obstacles to IT exploitation appear in Table III. There is a profound inter-relatedness between the main three problems (lack of training, lack of finance and the speed of change) which could centres on the rapid development of new and improved technologies, which leave companies struggling to maintain equipment and employee skills, at the level of IT development.

Table III: Problems with IT use

Problem	Frequency
Lack of training	23%
Lack of money	15%
Speed of change	15%
Lack of technological compatibility with customers	8%
Lack of time	7%
Computer problems	6%
Difficulties in making practical use of all the information now available	5%
Information overload	4%

Lack of training and time could be an indication of the expanded workload of marketers, due to increased competitive dynamics in this technology driven era. These two areas also highlight a conflict between having IT and using IT to its maximum potential and shows that reaping the full benefits from IT is an ongoing challenging. The difficulties in making practical use of the information now available and information overload, both point to the fact that there is extensive amounts of information in circulation. The difficulties arise in accessing relevant information and making the information applicable to marketing (Davenport, 1994).

Problems and difficulties in the area of IT use have been well documented (Bruce et al., 1996). A study by Kearney (1990) of 400 Irish and British companies found that only 11% of respondents considered their IT applications to be successful. Shaw (1994) discovered that marketers were dissatisfied with their IT systems and that dissatisfaction increased as the complexity of applications moved from routine and tactical activities to more sophisticated marketing information systems.

Discussion of Results and Implications of this Study

This paper explores the use of IT in marketing in Irish firms. This was initiated by the fact that despite widespread acceptance of the benefits of IT for marketing, our knowledge of the way marketers use IT and its eventual benefits for marketing are not well understood. Utilising the automational, informational and transformational framework we can conclude that IT is prevalent in Irish firms, but not all firms make use of the full potential of some of the technologies. The vast majority of IT is still used for automation and information purposes. We would not deny that this is a critical step towards any efforts to increase the marketing knowledge of the firm (Norris, 1996; Zuboff, 1988). Yet, for transformation to occur, marketers need to approach IT as a means for questioning marketing assumptions and existing practices. Indeed, despite the descriptive character of our study, evidence was produced suggesting that firms making a transformative use of IT have made gains in their ability to serve their customers and their overall marketing performance.

The fact that different IT's were used in different modes by the firms in our study, denotes the existence of a trajectory of use i.e. from automation to information to transformation. However, it must be acknowledged that for this trajectory to occur changes in the attitudes and behaviour of the people using IT is required. The fact that benefits were felt stronger by firms which have reached the transformation level, suggest that researchers and managers should reconsider the ways they use IT, in order to assess and anticipate the future marketing performance of their firms.

As marketing is now operating in a changed and changing environment dominated by a heavy reliance on IT to practice marketing, this research has some interesting and timely findings for this new era. A major danger for marketing practice is the dominant automational focus with much of the IT simply automating previously manual tasks rather than harnessing the potential of IT to radically change marketing practices. Marketers who see and react to the potential of IT are now a necessity as a new form of marketing is needed. This research points to a requirement for increased and enhanced creativity and forward thinking to connect IT to marketing tenets and then to move beyond the traditional practices and really use IT to market better and more efficiently, effectively and innovatively. No one knows where IT is going to lead us but marketing must be in the driving seat of company changes and developments as the responsibility for customer satisfaction in this new era is reliant on IT.

A point of caution highlighted in the research is that there are barriers to IT in marketing. There exists a duality of IT impact (Davies and Mitchell, 1994) where IT can be both an enabler and a constrainer of change. It is not easy for marketing managers to jump to a cyberspace transformational outlook but this is necessary in this technological era. This research which is part of a larger study ultimately hopes to contribute to the wake up call for marketing and its need to embrace IT, use IT, work with IT and radically and innovatively review marketing practices. Marketing academics and practitioners needs to be aware that IT is the future.

Limitations of the Research

This research was an exploratory study in order to obtain an overview of the level and use of IT in marketing in Ireland. We would contend that there is a need for a longitudinal study of this type to track changes in the capabilities of IT, the attitudes, experience, confidence and expertise of marketers and their use of IT and the changes in marketing as a result of IT. This research is a single static snapshot and what is needed for researchers is a continuous view of the development of IT in our marketing discipline.

It must also be noted that this research did not control for the myriad of elements that could impact on IT's use. We are aware that the evaluation of IT is constrained by firm specific issues, individuals attitudes and experiences, major difficulties with available IT evaluation methods and the lack of a comprehensive empirical research model. For future studies we would suggest the inclusion of other factors, particularly the human element of IT use. As noted earlier more research into what marketers actually do in practices is needed and this is doubly required as IT is changing marketing practices. Therefore in-depth studies of IT's use by marketers would aid in our ability to delve further into the transformational issues for a greater understanding of marketing practices in this new era. Despite the limitations, the descriptive character of the research and the fact that it was administered to a sample of marketers in only one country, we feel that it points to a number of useful research directions, particularly the need to focus on the transformational impact of IT which by its nature will transform marketing practice.

Conclusions

Marketing needs to be looking beyond productively and cost savings from IT to radically change how they practice marketing (Hitt and Brynjolfsson, 1996; Teng et al., 1994). IT in marketing must focus on modernising marketing, driving it forward, transforming businesses and customer satisfaction. IT transformation requires a corresponding change in corporate culture, rather than reinforcing behaviour that already exists (Davenport, 1994). Marketing needs to '*manage complexity rather than minimise it; to manage innovation rather than routinize it; and to embrace change rather than avoid it*' (Applegate, 1994:83).

This research provides an important exploratory overview of the level, use, barriers to and benefits from IT in marketing in Ireland. It highlights a profession that is using and to a certain extent benefiting from IT. The new business world is reliant on IT and Ireland, an island nation, must harness this IT to maximum potential. Rather than simply automating processes, IT should be transforming companies to new ways of satisfying current customers, searching for new customers and competing on the world stage. The business world is not a global village but a global technological jungle, where survival depends on the ability to use IT in new and innovative ways.

Application Questions

How can marketing cultivate a transformational response to IT?

Is IT in marketing a threat to marketing's survival in companies?

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APPENDIX B

INTERVIEW PROTOCOL – MARKETING INFORMANTS

Overview

Company name:_____

Informant's name: _____

Job Title: _____

Reporting to (title): _____

Responsible for:

Marketing only   Sales and marketing

Marketing and other (please specify)_____

Number of staff: _____

Sales:

_____

Marketing:

_____

Length of time in this position: _____.

Length of time in marketing: _____

Age: >20   21-30   31- 40   41-50   51-60

            61+

Company Background Information

Turnover:_____

Number of staff:_____

Markets operating in_____

_____

Location of offices or factories:_____

Ownership:_____

1

Education level:

Highest level of education: _____

Other:_____

Marketing Qualification

Highest marketing qualification: _____

Amount of experience in marketing:_____

IT Qualifications

Highest IT qualifications:_____

Level of IT experience:_____

_____

Comfort levels using IT:

Very Comfortable   Comfortable   Neutral   Uncomfortable   Very uncomfortable

Comfort levels understanding the benefits of IT

Very Comfortable   Comfortable   Neutral   Uncomfortable   Very uncomfortable

Comfort levels discussing IT and business processes and changes

Very Comfortable   Comfortable   Neutral   Uncomfortable   Very uncomfortable

Overview of the Marketing Department

Please tell me the story of your general experiences of changes in marketing since the early 1990s.

What in your view are the main trends in marketing?

What are the major changes you have experienced in marketing?

Structure of the marketing department: (level from CEO)_____

How has the marketing department itself changed since the 1990s?

What was the driver of change?

Please evaluate your company's performance over the past year relative to your major competitor.

	Better	Same	Worse
Overall marketing effectiveness			
Market share growth			
Sales growth			
Number of successful new products or services			
Profitability			
Level and use of IT in Marketing			

Probe: Discuss these issues particularly the IT aspect.

Can we just discuss your main marketing activities what you are involved in on a day-to-day bases?

Marketing Activities
Promotion
Advertising activities
Communication of quality image
Sales promotions (coupons, samples, free trials)
Building brand loyalty
Product/Service
Market segmentation
Target marketing of select customer groups
New product and service development
Product positioning to select customer groups
Pricing
Pricing below competitors
Product and service cost reduction
Volume discounts
Competitive price monitoring
Monitoring competitor's actions
Distribution
Reduction in distribution costs
Distribution of products/services through very exclusive channels
Distribution of products/service through all available channels
Market research
Market planning
Market research
Sales forecasting
Other

Probe: Throughout the diagram for their dominant focus.

What is your understanding of relationship marketing?

> .. to establish, maintain and enhance relationships with customers so that the objectives of the parties are met. This is achieved by a mutual exchange and keeping of promise. Such relationships are usually but not necessarily always long term (Gronroos, 1994:9).

Who holds the responsibility for relationship marketing?

Do you feel you practice relationship marketing?

With all your customers?

Probe: Discussion of customers, customer groups and marketing practices.

At what level do you feel that majority of your customers relationships are at?

	Customer Group	Customer Group	Customer Group
Transactions			
Repeated transactions			
Long term relationships			
Buyer seller partnerships			
Strategic alliances			
Networked organisation			
Vertical integration			

Probe: For groups/segments that they target and the level of responsibility that the marketing department has in these relationships.

We are just going to discuss various aspects of your marketing practices and what I am looking for is the dominant focus of marketing practices for you.

Marketing classified by relational exchange dimensions

	Transactional perspective	Relationship Perspective		
	Transaction Marketing	Database Marketing	Interaction Marketing	Network Marketing
Relational exchange dimensions				
Focus	Economic-transaction	Information and economic transaction	Interactive relationship between a buyer and seller	Connected relationship between firms
Parties involved	A firm and buyer in the general market	A firm and buyer in a specific target market	Individual sellers and buyers	Sellers, buyers and other firms
Communica tion Patterns	Firm to market	Firm to individual	Individuals with individuals	Firms with firms
Type of contact	Arms-length, impersonal	Personalised	Face to face, interpersonal	Impersonal interpersonal
Duration	Discrete	Discrete over time	Continuous	Continuous
Formality	Formal	*Formal (personalised through IT)	Formal and informal	Formal and informal
Balance of Power	Active seller - passive buyer	Active seller less passive buyer	Seller and buyer mutually active and adaptive	All firms active and adaptive

Marketing Classified By Marketing Dimensions

Managerial Dimension				
Managerial Intent	Consumer attraction (to satisfy the customer at a profit)	Customer retention (to satisfy the customer, increase profits, and obtain other objectives such as increased loyalty, decreased customer risk, etc)	Interactions (to establish, develop, and facilitate a co-operative relationship for mutual benefit)	Co-ordination (interaction between sellers, and buyers, and other parties across multiple firms for mutual benefit, resource exchange, market access, etc)
Decision Focus	Product or a brand	Product - brand and customers	Relationships between individuals	Connected relationships between firms (in a network)
Managerial Investment	Internal marketing assets (focusing on product - service, price, distribution, promotion capabilities)	External market assets *(emphasising communication, information and technology capabilities)	External market assets (focusing on establishing and developing a relationship with another individual)	External market assets (focusing on developing the firm's position in a network of firms)
Managerial Level	Functional marketers (e.g. sales manager, product development manager)	Specialist marketers (e.g. customer service manager, loyalty manager)	Managers from across functions and levels in the offer	General manager
Time Frame	Short term	Longer term	Short or long term	Short or long-term

Source: Coviello et al., 1997

Probe: All the way through this framework looking for evidence of relationship marketing practices.

Relationship Marketing and IT

Has IT changed your relationship with your customers? If yes in what way?

Do you practice customer relationship marketing through IT (as in the development of mutually beneficial special status between you and customers with an IT link)?

How is this working out?

Customer Group and IT:

Is there a group of customers that would say that you have a relationship that is IT based?

If yes please describe?

Probe for level of interaction

- Simple asymmetric access to databases to a more integrated platform with information sharing etc
- Nature of technology
- The structure of ownership
- Access policy
- Level of intensity of use
- Asymmetry
- Integration
- Scope

IT Assimilation in Marketing

What would you consider are the main areas of marketing that IT has impacted on?

What three IT's have changed marketing the most? In order of level of change.

What are the main benefits of IT use in marketing?

In general what level of IT do you have in marketing?

Probe along the Stages Theory

- **Automational** – as in it simply automates previously manual tasks - efficiency
- **Informational** – as in it provides information and therefore increased effectiveness
- **Transformational** – as in IT has transformed the way you practice marketing – radically changed it.

Do you feel that ultimately IT has transformed marketing and radically changed how marketing is practised?

Why do you say that?

What is the main focus of your IT – would you say that it is an internal focus on getting IT right within the company or an external focus viewing IT from the viewpoint of the marketplace.

Which would you say is the dominant focus of IT use in marketing?

Probe for the following

Use:

Frequency: how often do they use the system?

D - every day, **D x 3** - twice to three times a week,

W - once a week, **M** - once a month and **R** - rarely.

Ease of Use

Benefits and major use of IT systems in marketing

- **Automation (A):** This IT automates a previously manual system – more efficiency

- **Information: (I):** Provides information and so increases effectiveness

- **Transformation (T)** Completely changed practices – new practices and processes

Supports - Does the system support planning, processing data, communicating information or controlling?

Networked - Stand alone systems or networked online system - integrated

Type Developed in house, Tailored in house or Shelf bought systems

Probe: All the way through this framework and ask to view and observe the IT in operation where possible.

	Use	**F**	**Ease**	**A**	**I**	**T**	**Supports**	**Tailored**
Personal Computers								
Networked Computers								
Main Frame								
Laptops								
Personal Palm Computer								
Software								
Word Processing								
Spreadsheets								
Presentation software								
CD ROM								
DVD								
Database								
Central customer database								
Integrated with sales								
Integrated with call centre								
Integrated with internet								
Data consolidation and display								
Data mining								
Customer relationship management								
Marketing planning systems								
Marketing modelling								
Executive support systems								
Decision support systems								
ERP (Enterprise Resource Planning)								
Communications								
Own company website								
Interactive website								
Ecommerce								

Email for internal use								
Email to customers								
Electronic data interchange (EDI)								
Video conferencing								
Call centre								
Computer telephony integration								
Helplines -								
Freephone								
Voice Mail								
Computer Links with Suppliers								
Computer Links with Customers								
Research								
Internet								
Computerised Marketing Information System								
Sales Related								
Sales force automation								
Mobile phones								
Laptops								
Networked computers								
Telemarketing								
Other sales force systems								
Sales force automation packages								
Point of sale information systems								
Others (Please specify)								

IT Department and Marketing Department

How much contact does the marketing department have with the IT department?

What would you say is the role of the IT department in marketing?

Who makes the decisions on which IT is purchased for marketing?

Do you have a marketing plan?

How important is IT in the plan?

How involved are IT in the strategic marketing plans for marketing?

Are they involved in the development of the plans?

Do they sit in on marketing meetings and so on?

How involved are top management in IT/IS discussions?

In comparison to other departments how do you view marketing's use of IT?

Please discuss your relationship with IT staff; the manner and methods of interaction, conduct and association between the marketing and IT staff:

Probe for the following issues:

Processing of requests for changes to existing systems;

Degree of IT training

Users understanding of systems,

Users feelings of participation;

Attitude of the IT staff;

Reliability/Accuracy of output information

Precision of output information;

Communication with the IT staff;

Time required for new systems development;

Completeness of the output information;

Thinking of the marketing department and the IT department how integrated are the two departments? How integrated are the two?

Probe for:
Role of IS function
Primary role of IS
Performance criteria for the IS function
Triggers for developing IS applications
Top management participation in ISP
User participation in ISP
IS executive participation in marketing planning
Status of executive (number of levels below the CEO)

Barriers to IT in Marketing

What are the main obstacles in helping marketing exploit IT's potential more fully?

What do you consider are the three major barriers to IT use in marketing?

Are there any other barriers?

Taking your major barrier in what way does this hinder your IT development?

Which barriers would you say are the most dominant – technical, human or organisational?

What role does corporate culture play in your ability to maximise the potential from IT?

What are the main obstacles in helping marketing exploit IT's potential more fully?

What do you feel is needed to overcome the barriers to IT use in marketing?

Conclusion

Is there anything else you would like to tell me?

Is there any other IT that you think I should see?

Is there anyone else I should speak to?

Thank you very much for you time and your help.

INTERVIEW PROTOCOL – IT INFORMANTS

Overview

Company name:_____

Informant's name: _____

Job Title: _____

Reporting to (title): _____

Responsible for:

_____

Length of time in this position: _____

Length of time in IT: _____

Age: >20   21-30   31- 40   41-50   51-60   61+

Education level:

Highest level of education: _____

Other:_____

IT Qualifications

Highest IT qualifications:_____

Level of IT experience:_____

Marketing Qualification

Highest marketing qualification: _____

Amount of experience in marketing:_____

Overview of the IT Department

Number of staff in IT:_____

Structure of the IT department (Level from CEO):

Has this structure changed recently?

Do you outsource any of your IT?   Yes   No

If yes. What do you outsource?

_____

_____

_____

Can you just provide me with a review of the IT department?

What are your main daily operations?

Which are the most important ITs?

What is the dominant focus of this department?

Probe for

- Automation
- Information
- Transformation

Please tell me the story of your general experiences of the use of IT by marketing over the last number of years.

In comparison to other departments how do you view marketing's use of IT?

Do you have any specific difficulties in dealing with the marketing department that you don't have with other departments?

How knowledgeable do you feel you are about the internal workings of the marketing department and what they are trying to achieve?

In general what level of IT do you feel exists in marketing?

Automational – as in it simply automates previously manual tasks - efficiency
Informational – as in it provides information and therefore increased effectiveness
Transformational – as in IT has transformed the way you practice marketing – radically changed it.

_____

_____

_____

Do you feel that ultimately IT will transform marketing and radically change how marketing is practised?

_____

_____

_____

Why do you say that?

In general how much contact is there between the IT and marketing departments?

What would you say is the role of the IT department in marketing?

Who makes the decisions on which IT is purchased for marketing?

How involved are IT in the strategic marketing plans for marketing?

_____

_____

_____

Is IT involved in the development of the marketing plans?

Do they sit in on marketing meetings and so on or are you informed after the decisions have been made?

Which would you say is the dominant focus of IT use in marketing?

- Transaction use – focus on getting and keeping customers
- Database use – database manipulation and use
- Interactions - actual IT connections with customers, suppliers vendors etc
- Networks – moving towards a virtual organisation

Would you consider your company a networked company?

How close are you to becoming a virtual company?

Relationship between the IT and the marketing department

Please discuss your relationship with marketing staff; the manner and methods of interactions

Probe for the following issues:

Processing of requests for changes to existing systems;

Degree of IT training

Users understanding of systems,

Users feelings of participation;

Attitude of the marketing staff;

Reliability/Accuracy of output information

Precision of output information;

Communication with the marketing staff;

Time required for new systems development;

Completeness of the output information.

Role of the IT department in the company

Probe for:
Role of IT department
Performance criteria for the IT department
Triggers for developing IT applications
Top management participation
User participation
IT executive participation in marketing planning
Status of executive (number of levels below the CEO)

Barriers to IT in Marketing

What are the main obstacles in helping marketing exploit IT's potential more fully?

What do you consider are the three major barriers to IT use in marketing?

Are there any other barriers?

Taking your major barrier in what way does this hinder your IT development?

Which barriers would you say are the most dominant – technical, human or organisational?

What role does corporate culture play in your ability to maximise the potential from IT?

What are the main obstacles in helping marketing exploit IT's potential more fully?

What do you feel is needed to overcome the barriers to IT use in marketing?

Conclusion

Is there anything else you would like to tell me?

Is there any other IT that you think I should see?

Is there anyone else I should speak to?

Thank you very much for you time and your help.

APPENDIX C

INTRODUCTION TO THE CASE SUMMARIES

Structure of the Summary

The structure of this summary is that the data is analysed by proposition. Due to the interrelated nature of the propositions they link to form a picture of the case. Therefore all the information for each proposition does not necessarily appear under that proposition but the total summary is designed to build an overview of marketing's assimilation of IT. In the interest of brevity certain issues are highlighted and discussed in greater detail while some issues are only alluded to. The tables are designed to show the patterns for each proposition, though all issues included in the tables are not discussed in this brief summary.

Case A

Case Description

This company is a small division of a very large Irish food manufacturing company, founded in the late 1800s. There were originally a co-operative within the farming community and still maintain very strong links in the agricultural sector. This division manufactures and distributes a very well known consumer food brand, which has a somewhat traditional image in the marketplace. Their products are at the mature stage of the product life cycle.

The atmosphere in this division is very old world, quiet and peaceful. This is a very hierarchical division with very little forward or progressive thinking. According to the marketing manager *"The management style is very old style, top down. There is no lateral thinking."*

Competitive Situation: As a major player in the consumer food market, this company faces intense competition from a variety of major competitors and from niche players. There is a general decline in this food product area, which has intensified the competitive situation. They are the second largest suppliers in the Dublin area and the market leader outside of the Dublin market.

Dominant Marketing Issues: There is no new focus for marketing and there is a continuation of their normal marketing operations, which is managing their product and a concentration on promotion and packaging issues.

Dominant IT Issues: The dominant focus of the IT department is the review of their bespoke IT company-wide financially orientated information system (BKIS). They have consultants on site for the last number of months suggesting changes to the system.

* The IT department in this case is two IT staff members who are based in this division and their main role is in the support for the company wide information system. There is no separate IT support for this division. For general support issues marketing personnel contact the head office in the UK and utilise the centralised IT help desk.

Personnel Interviewed: The main informants for this study are listed in the table A1.

Table A1: Main Informants

Title	Main Area of Responsibility
Marketing Manager	Divisional marketing manager responsible for one product
Marketing Assistant	Responsible for one product (as above)
IT Systems Manager	Special responsibilities for the marketing and sales area and the hand held devices which link to the information system.

The management structure of the organisation related to the focal area of study, appear in the table A2. The main informants are highlighted in bold in the shadowed area.

Table A2   Organisation Structure – Marketing and IT

Chief Executive	
⬇	
Operations Director	
⬇	
Financial controller	
⬇	⬇
Marketing Manager	
⬇	**IT Systems Manager**
Marketing Assistant	

Support for the Propositions and Structure of the Summary

As an introduction to this case and a summation of the main findings, table A3 highlights the level of support for the propositions.

Table A3   Support for the Propositions

Proposition		Level of Support
Proposition 1	There is a major relationship marketing perspective to contemporary marketing practices	Lack of support for this proposition
Proposition 2	There is a major IT component in contemporary marketing practice and that assimilation is at the informational stage of development.	Lack of support for this proposition
Proposition 3	There is a dominant IT dimension to relationships marketing which will be evidenced through database and IT based interactions in marketing	Lack of support for this proposition
Proposition 4	There are barriers to IT assimilation by marketers	Support for this proposition

The structure of this summary is that the data is analysed by proposition. Due to the interrelated nature of the propositions they link to form a picture of the case. Therefore all the information for each proposition does not necessarily appear under that proposition but the total summary is designed to provide an overview of marketing's assimilation of IT. In the interest of brevity certain issues are highlighted and discussed in greater detail while some issues are only alluded to. The tables are designed to show the patterns for each proposition, though all the issues included in the tables are not discussed in this brief summary.

Proposition One: There is a major relationship marketing perspective to contemporary marketing practices

There is no support for this proposition. Though utilising the rhetoric of customer focus, there is a lack of a relationship focus. There have been no major changes in marketing, and no vision of future changes.

Transactional Marketing Focused: The marketing department is transaction focused. They concentrate on the consumer while the sales force manages the relationship with the retailers. Their main responsibility centres on the traditional elements of the

marketing mix, particularly promotion and brand management activities. As the marketing manager notes

> "From the traditional forms like TV and Radio, we are doing a lot more outdoor advertising but also a lot more sales promotion and below the line is becoming increasing popular rather than above the line advertising which is quite hard to measure."

Their dominant focus is on the final consumer and they are a transaction orientated marketing department offering minimal sales support. They are a successful company and can perceive no genuine reason for changing their strategies and tactics.

Relationship with the Consumer: They have a dominant transactional focus to their marketing practices (see table A4 and A5).

Table A4   Relational Exchange Dimensions of Transaction Marketing

Focus	Economic-transaction
Parties involved	A firm and buyer in the general market
Communication Patterns	Firm to market
Type of contact	Arms-length, impersonal
Duration	Discrete
Formality	Formal
Balance of Power	Active Seller – Passive buyer

Source: Adapted from Coviello et al., 1997

Table A5   Managerial Dimension of Transaction Marketing

Managerial Intent	Consumer attraction (to satisfy the customer at a profit)
Decision Focus	Product or a brand
Managerial Investment	Internal marketing assets (focusing on product - service, price, distribution, promotion capabilities)
Managerial Level	Functional marketers (e.g. sales manager, product development manager)
Time Frame	Short term

Source: Adapted from Coviello et al., 1997

Lack of a Relationship Marketing Focus: There is a lack of evidence of relationship marketing practices in the marketing department. They are totally focused on the consumer as a mass market of consumers.

Table A6   Evidence for the Lack of Relationship Marketing Focus

Evidence for the Lack of Relationship Marketing Focus
Lack of understanding of relationship marketing concept
Transactional focus
Sales Force control of the business to business relationships
Lack of cooperation between the sales force and the marketing department
Lack of systematic collection of marketing specific information
Lack of developments of databases or IT based interactions (see proposition two and three)

The sales force are the developers and controllers of the relationship with the retailers. The sales force are not IT friendly and are not yet fully linked internally by either email or by mobile phones. *"I think at a sales level you are talking about an industry that is quite backward ... Sales people would not be used to computers, it's elbows on the counter"*(Marketing Manager). They have very personal relationship with most of their intermediaries, which have developed over their 100 years of trading.

Though the marketing department does provide sales support to the sales force, there is no evidence of the free flow of information between the two departments. The sales force does implementation sales promotion campaigns directed at the final consumer for the marketing department but there is a lack of direct and ongoing communication between the two departments.

There is a lack of knowledge in the marketing department about major elements of the relationship between the company and their intermediaries. The marketing personnel lacked knowledge of the relationship with the retailers or the levels of IT. They suggested that the Information Systems Manager might have more knowledge in that

area. The company has an EDI and a self-completion invoice system with one of the major retailers, which the marketing personnel were unaware of.

There is no evidence of the collection of information on their final consumer and the only information they access is the standardised company-wide system or syndicated product research. For example though they run promotions where the consumers have to contact the company, they not collect any consumer information. *"I never thought of that, no we don't do it, sure what would we use that information for?"* (Marketing Manager).

Proposition Two: There is a major IT component in contemporary marketing practice and that assimilation is at the informational stage

They have very low levels of IT use in marketing and they lack some basic ITs. They do not view IT as pivotal part of their marketing operations. The marketing executive comments that *"marketing is to do with promotions, your packaging, your price, your product, not necessarily the IT you are using."* This view is mirrored by the IT department who do not view IT as pivotal to marketing's role. *"Its a thing that the core activity of marketing doesn't involve the IT process"* (Information Systems Manager).

Though they have an internet presence, their development of an internet site has been relatively slow, driven entirely by the junior marketing person who had to fight to get internet access for herself.

> *"Before I had access to the Internet I was plaguing them for a while to get it."* *I had to go almost around the world, the IT reports to the Finance Manager, marketing has no direct link to IT ... I had to go to the Finance Manager and told him that I needed it for research purposes" (Marketing Assistant).*

This internet site is a very basic site with no interactivity or connectivity and was introduced for competitive parity rather then due to any vision of what they will use the site for.

The marketing manager is a low level user of IT commenting that ""*IT would not be my thing*" and particularly negative towards analytical tools like excel. The major IT knowledge in marketing is the junior marketing person, though both the manager and the junior have a communications rather than an analytical focus. The marketing department lacks some basic marketing software though they are aware of the availability of these. For example they do no have planagram software which is widely available "*Another area in sales is category management and planagrams. We don't have software for that. We draw boxes, or do a table on word, its pathetic*" (Marketing Assistant).

They are aware that too much time is spent on manual tasks rather than real marketing and that more IT would increase their efficiency and effectiveness, but they are not demanding new ITs. Their requests are for standard ITs like a scanner and a colour photocopier.

Automational Stage of Development: They are at the early stages of automational usage, which is evidenced by the fact that they lack even the most basic decentralised IT systems. Their main focus is on the review of the automational centralised system (see table A7). IT is viewed as a scarce resource to be allocated only where necessary. They are slowly introducing email, but only to certain departments.

Table A7   Current Systems and Processes at the Development Stage

IT in Development or Implementation stage	Planned Usage for each system
Review of the BKIS (see below)	Senior management have introduced a review of the BKIS with the support of consultants to suggest improvements to the system.

They have an internal focus to their IT developments, which centres on increased efficiencies in production and finance. As the Information Systems Manager noted: *"We are not pretty enough to go outside the front door yet."*

A Review of the BKIS System

This case is at the automational stage of IT usage epitomised by the BKIS information system in use throughout the company. This system was developed in the early 1990s and was designed to automate high volume transaction orientated applications for production and finance. All departments utilise this system and production and finance are very happy with the information they receive from it. This is a product sales database and a management information system. The Information Systems Manager views the BKIS as an enterprise resource package with a sales and marketing module. The marketing people view it as a sales reporting tool. There are basic technical and usability problems with the system.

This is a centralised system and all access to the system is through the IT department. The data outputs are standardised and an individual programme must be written if any deviation from the standard information is required. For example when marketing run a promotion, a separate programme must be written to track the sales during the promotion. This process can take anything up to a week.

> *"We are actually our own worst enemy because somebody could ask me for a report and I'd spend half a day digesting what I think should happen, and we go away and it takes maybe 8 or 10 days for us to write it"* (Information Systems Manager).

When marketing request a special report this creates tension within the IT department, who would prefer if marketing would operate within the boundaries of the system.

Though it was innovative at the time of its development, particularly as it included collection of real time information on stock levels in each store nationwide, the system has not been changed since its development. This is a dos based application, which is not user friendly for information manipulation. There are no inbuilt levels of DSS in the guise of query tools and applications that would allow manipulation of the data without the assistance of the IS professionals. *"No, it's not at all flexible. The information is there, you just look at it, you can't manipulate it. You can't put it into excel or anything like that, that I am aware of"* (Marketing Assistant).

This is a classic example of a system, which provides both a database and a management information system, but the information is not in the required or usable form for marketing purposes. There is no decentralisation of the system for individual usage.

Marketing are critical of the system and their lack of direct access to the system but they have not demanded either a new system or major changes to this system. This is the only information system available for marketing. Marketing use of this system is limited and they download the same information each week. Though they have a system, which should be increasing their effectiveness, there is a limited benefit to marketing due to the poor design of the system and the lack of marketing specific information.

There is senior management awareness of the need to change the system and to update their IT. They have recently brought in outside consultants to review this system and there is a major working groups from each department writing plans for their information requirements from the system.

The marketing department is aware that they want different information but would rather a system, which allowed them to manipulate the information, rather than having to predesign the information they are going to require. This is the information leveraging concept. The IT department are only grudgingly talking about allowing individuals direct access, and the department is very powerful in this company.

Proposition Three: There is a dominant IT dimension to relationship marketing, which will be evidenced through database and IT based interactions in marketing.

Due to a lack of focus on relationship marketing within the marketing department there is a lack of any dominant use of IT for relationships. There is acceptance of the current limited systems and ad hoc and limited internet developments.

Marketing Specific Database Developments: The only database they have available is the BKIS product based information as discussed in proposition two (see table A8). This system is production and finance orientated rather than marketing. *"Its more production orientated. The information is more production based, sales information is evolving but you need to wait about a week to get it"* (Marketing Assistant).

Table A8   Evolution Stage of Databases

Evolutionary Stage	Issues for this Case
Database concept	BKIS system
Database structure	IT controlled Dos based information
Degree of integration	High from a sales and production perspective
Database strategy	Review of the antiquated system which lacks the ability for decentralised manipulation
Decision maker for database content	IT department
Personnel with direct database access	Information Systems Manager

Internet Developments: There is no open access to the internet in marketing (see proposition two). There is no intranet or extranet. There was haphazard development of

the internet site driven by the marketing assistant, (see table A9). There is no tactical or strategic plan for its development. *"No it didn't appear in the marketing plan for this year. I'll include in next years plans. Adele just went off and developed it"* (Marketing Manager). There is a contention that what they needed was a site and that is what they now have. There is no integration of the site with other marketing techniques and no database of consumers is being collected from the site. The site was developed and is run by marketing, but at a very basic level. They cannot envisage how their products could ever have an internet requirement.

Table A9   Evolutionary Stage of Internet Development

Evolutionary Stage	Issues for this Case
Internet concept	Basic web page
Internet structure	Basic stand alone
Degree of integration	None
Degree of integration between levels	None
Internet strategy	None
Decision maker for internet content	Marketing department
Personnel with direct internet access	Limited within the company

Proposition Four: There are barriers to IT assimilation in marketing

The main barrier is a personal barrier compounded by organisational cultural issues. The marketing department has only minimal IT orientation and is tied to traditional marketing practices which are very successful for them.

Their IT infrastructure is very old and is not user-friendly. As discussed in proposition two, their centralised finance orientated information system is not suitable for marketing use. They have encountered what could be considered as minor technical problems. For example they have on occasion had difficulties receiving emails. This has resulted in low level use of IT and damaged the current image of the system. There is an actual technical problem where email is not instant for some reason and is not trusted or used

extensively. Rather then concentrate on solving the email problem, the marketing department has returned to couriers and the post for communications purposes.

The marketing personnel have a lack of IT knowledge and expertise. *"I suppose a lack of knowledge, as to what is actually available for us"* (Marketing Manager). IT in marketing is not a priority. *"IT is not a priority, it may be in the sense of our whole distribution. That side is fairly advanced. But IT in marketing is very slow"* (Marketing Manager). In general, in the company, there is a negative attitude to IT.

> *"The culture needs to get their heads out of the sand and get with it. Just talking about IT, its just the whole structure isn't there to provide all the things we have been talking about. I don't know what will change them, it would have to be something quite radical. Someone would have to sit them down and prove to them that this will have a huge improvement. If they were to spend on IT or change the structure of the IT department. I think you would have to justify the changes, which is difficult"* (Marketing Assistant).

The lack of IT focus is evidenced by the lack of resources for IT developments *"Finance, as in money, budgets. I would have to ask the Finance Manager, I would have to justify the reasons like saving money"* (Marketing Assistant).

The major barrier is the control of the IT infrastructure by the IT department. The IT department is designed as the centralised custodian of all the IT applications and as discussed in proposition two there is no open access to systems for marketing. It is apparent that maintaining the legacy system despite all it flaws is a power and control issue. There appears to be an attitude that despite all it flaws it should not be changed.

> *"Its an old system, and is evolving all the time. It's a be-spoke system, written for us, we own the rights. And basically a large part of my role in the systems side is to just decipher what people want from the system, break it down to specific tasks, and ask the software people to write it. Prioritise them in the way they need to be done. This is a fourth generation language*

system. This system is not able to deliver windows type performance at the
front end. So people can't get colours and graphs that they want to do. We
can do it if we can get more data into the way they want it. What we are
trying to do now. Rather than spending many days developing nice new
reports on the operating systems, we are getting things into a way where we
can take it off the operating systems and onto a different platform, where
there is expertise in excel or other packages." (Information Systems
Manager)

A central feature of this case was the lack of demand for IT changes from marketing.
Despite all the issues with this system and particularly the fact that it dose not supply
marketing with the information they require, marketing has not actively complained. *"I*
was marketing manager for another company within the group and the information that
we required we were able to get 5 years ago." (Marketing Manager). They are only
now asking the IT department for changes to the system following recommendations
from consultants. Marketing has never requested new ITs. There is a perceived lack of
demand for IT from the marketing department. At the same time the IT personnel have
no vision for IT in marketing and wonder what marketing would use or need IT for.

"It's not as if you are sitting at your desk and saying because that thing
isn't done I can do nothing. Whereas if you look at a job that is more reliant
on the system, like taking orders on the phone, they are looking out the
window because the phone is gone. So it's not really that important still
(Information Systems Manager).

The Automational Stage of IT Assimilation
There is very little interaction between the IT and the marketing department. There is
conflict between the two departments due to the BKIS system. For example marketing
discusses a situation where the information was incorrect, while the IT department
strongly disputes this.

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"Yes it is slowing down marketing. It just means more time is spent trying to pull the correct information from reports. It also means that, you basically could be reading figures that aren't accurate. Which means you have misleading information, that could lead to wrong decisions being made, but in the past the financial reporting would take precedence over marketing. Financial and bakery reporting" (Marketing Manager).

The main difficulty that the IT department have with the marketing department is the nature of marketing requests, They find the constant need for changes and the immediacy of their information requirements difficult to cope with. The Information Systems Manager commented that they were the only department that ever asked for mid week reports, which are then manually complied! The IT department would prefer to supply a once off standard report.

But change is another thing. Request changes are a bit of trouble. If we were to agree to the standard reports, I would be getting people to sign off on that, because I just have a feeling in another month, another customer or product might be key and they go and change the standard reports" (Information Systems Manager).

Though the BKIS system could appear to be the problem, the IT department blames marketing personnel for not getting the most from the systems and are adamant that they are not using the system probably. Despite the fact that this system is five years in operation, IT feels that it is a training issue.

"I believe the information is correct. I couldn't begin to believe its not. Its a leading question, the system will give you what you asked it for. That's why we have to make sure that everybody knows how to use the system, how to get the information out." (Information Systems Manager)

The Information Systems Manager contends that marketing need to be trained to see the system the way the IT personnel view it, rather than form the point of view of what they want from the system! The IT personnel are anxious that the solution comes from within the systems and blames marketing for not being able to see that. *"I think the way they are looking at it is wrong ... they aren't as reactive as they ought to be. That's definitely where the system is being let down"* (Information Systems Manager).

He also comments on communication difficulties. He is technology focused and marketing personnel just don't understand technology.

> *"End users talking to the software people and the language getting confused. And the end users talking to technical people and the language getting confused. There should be an IT buffer, which is what we are trying to do. Put a wedge in between. So the messages are conveyed properly"*
> (Information Systems Manager).

He has no perception that there may be a problem with the systems or that there should be a new vision of IT in this company, which would be less centralised and control orientated.

Solutions to the Automational Stage of IT Assimilation

There is only minimal evidence of attempts to change the current situation though they have had consultants in to view the BKIS system.

Following from the consultant's visits this they have recently set up an IT steering committee designed as a bridge between all departments and the IT department and an aid to the prioritisation of all the requests.

> *"Because sales people say we are always last we get nothing. And then the production people have a new program in there; we have been dealing with the production and dispatch side of things for a while. Our sales and*

distribution has a hand held system and everyone is saying that they are

getting priority." (Information Systems Manager)

There are obvious superusers in various departments relied on to assist people's use of IT for the basic packages like word and excel, to avoid contact with the IT personnel.

Summary of Support for Propositions

Case A is a very automational user of IT with the control of the IT systems resting with the IT department. The marketing department is a very low user of IT and have no real vision or are not a driving force for IT developments.

They have a very transactional focus on the two elements of the marketing mix, promotion and branding and they rely on the traditional practices that have made them successful over the years. This case does not support the proposition that there is a dominant IT component to marketing practice, as they lack IT usage in marketing and are at the automational stage of IT developments. They lack a relationship marketing focus and they have no marketing specific database developments and only minimal internet developments.

There is evidence of conflict between the IT and the marketing departments, which relates to the company wide information system. The solution to this situation from the marketing perspective has been to work within the limitations of the system. The major barriers to IT assimilation is the lack of knowledge and demand from the marketing personnel for new systems and their lack of vision of how IT could improve or enhance their marketing practices. There are two main barriers to IT development in this company. The fact that marketing is not progressive and that the automational focus of the IT department which concentrates all it energy on an application that is now old technology and is restrictive of further IT developments. There is also a corporate

culture issue. They are conservative and very traditional with a lack of a change orientation.

Case B

Case Description

This company is the Irish sales and marketing division of a very large multinational pharmaceutical company with their head office in the UK. They have recently amalgamated with another leading player in this industry, creating the largest pharmaceutical company in Ireland. Their market is growing and though they operate in a competitive environment, it is a fairly static and controlled environment. They are facing increased retailer pressures due to the increasing power of the buyer.

This company is a marketing company only, facilitating the sales of their products through doctors, pharmacies and hospitals. The sales force specialises in building relationships and recommending their brand to the doctors in Ireland, numbering a few hundred in total, the majority of whom they know personally. They view their market as a very traditional, static, less dynamic market than other industries. According to the marketing manager, *"It's not as dynamic a market. These customers that we're dealing with are back in the Dark Ages anyway."* They have a distributor who handles all stock ordering and management of the supplies to the hospitals and pharmacies.

This case has recently amalgamated with a leading player in their industry to become one of the top three companies in this industry in the world.

Competitive Situation: There are five major players in this market and they also face competition from the non-branded generic versions of their products. This is the first time that companies like these have experienced such intense competitive activity. As many of their products are prescription based, the competition is particularly intense at the interface with the doctors.

Dominant Marketing Issues: Marketing in this company relies on perfecting their traditional practices related to a transactional marketing mix focus and there are no

major new developments. There are major changes in the sales area, including the introduction of an ETMS System, but marketing is not involved in this process at all.

Dominant IT Issues: The IT department is focused on automation of internal practices particularly finance. Their computerisation is very old and slow. They have a dominant focus on updating their systems to ensure Y2K compatibility. At the same time they are introducing a common platform across the two recently amalgamated companies.

Personnel Interviewed: The main informants for this study are listed in table B1.

Table B1   Main Informants

Title	Area of Responsibility
Marketing Manager	Manager of one product division.
Business Development Director	Responsible for business developments and the three sales managers report to him.
IT manager	Sole IT person in the company but has access to IT support from the head office and outsources his daily PC support.

The management structure of the organisation related to the focal area of study, appear in the table B2. The main informants are highlighted in bold in the shadowed area.

Table B2   Organisation Structure – Marketing and IT

Company President		
⬇		
CFO/Managing Director		
⬇		
Marketing Manager (one division)	**Business Development Director**	**IT/IS Manager**

This is a new structure as, since the amalgamation, they have had to "bolt on" as best they could. The research relates to the pre amalgamation era and centres on one

company only. The respondents all worked for the same company prior to the amalgamation and so the impact on the research was minimal.

Support for the Propositions and Structure of the Summary

As an introduction to this case and a summation of the main findings table B3 highlights the level of support for the propositions.

<div align="center">

Table B3   Support for the Propositions

</div>

Proposition		Level of Support
Proposition 1	There is a major relationship marketing perspective to contemporary marketing practices	Lack of support for this proposition
Proposition 2	There is a major IT component in contemporary marketing practice and that assimilation is at the informational stage of development.	Lack of support for this proposition
Proposition 3	There is a dominant IT dimension to relationship marketing which will be evidenced through database and IT based interactions in marketing	Lack of support for this proposition
Proposition 4	There are barriers to IT assimilation by marketers	Support for this proposition

The structure of this summary is that the data is analysed by proposition. Due to the interrelated nature of the propositions they link to form a picture of the case. Therefore all the information for each proposition does not necessarily appear under that proposition but the total summary is designed to build an overview of marketing's assimilation of IT. In the interest of brevity certain issues are highlighted and discussed in greater detail while some issues are only alluded to. The tables are designed to show the patterns for each proposition, though all the issues included in the tables are not discussed in this brief summary.

Proposition One: There is a major relationship marketing perspective to contemporary marketing practices

There is no support for this proposition. In general, though there have been major changes in the company, the marketing practices have remained relatively similar over the past years. There has been an expansion of the market to hospitals and pharmacies and increased sales pressure and changes in their distribution network. These changes are predominantly outside of the control of the marketing department and have not fundamentally changed the marketing operation.

The future trends for this case are the reality for many cases. They envisage no real changes to marketing.

Transactional Focus: Their marketing activities focus on the marketing mix variables and on the traditional techniques that they have always used. *"We still have reps on the road, samples, give-aways, music videos, and television, still have conferences abroad, still have mail-shots, we still have advertising."* (Marketing Manager).

Relationship with the Consumer: They have a dominant transactional focus to their marketing practices (see table B4 and B5).

Table B4   Relational Exchange Dimensions of Transaction Marketing

Focus	Economic-transaction
Parties Involved	A firm and buyer in the general market
Communication Patterns	Firm to market
Type of Contact	Arms-length, impersonal
Duration	Discrete
Formality	Formal
Balance of Power	Active Seller – Passive buyer

Source: Adapted from Coviello et al., 1997

Table B5   Managerial Dimension of Transaction Marketing

Managerial Intent	Consumer attraction (to satisfy the customer at a profit)
Decision Focus	Product or a brand
Managerial Investment	Internal marketing assets (focusing on product - service, price, distribution, promotion capabilities)
Managerial Level	Functional marketers (e.g. sales manager, product development manager)
Time Frame	Short term

Source: Adapted from Coviello et al., 1997

Lack of Relationship Marketing Focus: There is no evidence of a relationship marketing focus to their operations (see table B6).

Table B6   Evidence for the Lack of Relationship Marketing Focus

Evidence for the Lack of Relationship Marketing Focus
Lack of understanding of relationship marketing concept
Transactional focus
Sales force control of the relationships
Lack of cooperation between the sales force and the marketing department
Lack of developments of databases or IT based interactions (see propositions two and three)

As marketing in this company is very much focused on the transactional aspects of marketing, analysing product research information and promotional issues, there is no evidence that the relationship focus exists.

They do not use the term relationship marketing. The marketing manager discusses the "*psychology of influence and persuasion*". The relationship with the doctors is outside the domain of marketing and is totally controlled by the sales force. The concentration for marketing is on the consumer market.

The sales force are the dominant controllers of the relationships which exist. The personal nature of their relationship with the doctors is central. There is a contention

that the marketing practices are not really pivotal that the sales representatives are the critical component and success factor.

> *"It's a very personal business, I mean, you could run this business with reps only ... you could take all of the other, the other promotion links, advertising, sales promotion, public relations and just drop them ... and still have an extremely healthy business, based purely on sales reps"* (Marketing Manager)

This area is outside of the control of marketing who rely on the sales force to manager this area.).

Proposition Two: There is a major IT component in contemporary marketing practice and the assimilation of IT in marketing is at the informational stage

IT is not a major component of marketing practice. IT is used simply as a back office support for increased efficiency related to the standard packages.

> *"It's like pen and paper and light and food and it's an environmental hygiene factor, it's something you use. But at this point in time it is not, it contributes and supports marketing activities but it's not going to fundamentally change the nature of those marketing activities"* (Marketing Manager).

Automational Focus to IT: There is evidence of an automational focus to IT developments (table B7).

Table B7   Evidence for the Automational Stage of IT Assimilation in Marketing

Evidence Automational Stage of Development
Centralised system – control in the IT department
Finance orientation of the IT systems
Standardised system company-wide
Technology focus rather than informational focus
Lack of development of a range of decentralised ITs outside the control of the IT departments
Lack of demand for decentralised access to systems
Acceptance of automational focus by marketing personnel
Lack of IT skills, vision or IT orientation of marketing personnel
Lack of general company-wide access to email (see proposition three)
Lack of open access to the internet (see proposition three)

They is a lack of any developments of IT applications for marketing specific purposes. They have a centralised finance driven information system which is used to monitor their product sales. It is ten years in operation, DOS based, very antiquated, and it is not user friendly. Despite its flaws marketing are content with the system.

> "No, all we wanted was the basic access ... Can't do anything else with it ...
>
> It's limited in what it can do, it's nowhere near as flexible, for instance, as
>
> other systems in terms of managing the data (IT Manager).

It is currently being updated due to the Y2K issue and this is a global level initiative.

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The marketing personnel's lack of IT skills, vision or IT orientation is very apparent. (Sighs) "I once did a one day course ... dragged kicking and screaming into the IT age ... I am a gifted amateur." Within the marketing department there is a lack of a vision for IT and a disregard for its potential.

Marketing is only using the IT which is supplied to them, they are not requesting or driving forward IT developments. The marketing related IT developments are driven by sales or an external agent. The marketing manager had no knowledge of customer relationship management software and is convinced that IT has no role to play in the

relationship due to its personal nature. He does not conceptualise a change *"unless there's a major, seismic shift in the nature of the way they work."* (Marketing Manager).

The Business Development Director is much more IT focused and aware and actively researching and development sales specific applications. He is introducing a sales force automation package, which the marketing department were unaware of. An interesting observation is that the representatives will continue to report in by modem once a week because that is the way they have always done it. There is no view of IT as a transformer of practice.

Their syndicated research company has introduced a very user friendly system, which has resulted in the ability to manipulate, design and display real time raw sales data, accessing this information online much faster and more effectively than ever before. Currently this has simply increased the automation of a lengthy task. *"Nowadays you'd turn out an old thirty-slide presentation before coffee, you know ... most days it was taking about all day to do three charts, you know."* (Marketing Manager). There is an amazing contrast between this system and their own internal system discussed above.

Interestingly their distributors and the pharmacies have sophisticated IT based order-processing system. The business development executive had the latest IT link with the distributor but the marketing manager was not even aware of this system. In general this industry is not IT orientated but certain sectors are really driving IT developments and introducing cutting edge technology, particularly the distributors and the syndicated research agencies.

Proposition Three - There is a dominant IT dimension to relationship marketing, which will be evidenced through database and IT based interactions in marketing
As there was only weak support for the impact of IT on the marketing department this proposition could not be supported. Their database stage of development is very slow

and there is only a limited focus on internet developments in marketing as these are all controlled at the global head quarters.

Database Developments: They have two main databases. Their internal sales system, which is very old and relies on paper based inputting, and the new online highly sophisticated syndicated system , which supplies product information.

Their internal database system is very old and uses manually compiled data. They have no ability to datamine or manipulate the information in the system. Despite the manual and time-consuming nature of the system there is a fondness for it.

> *"Great database, but it eventually collapsed but it did work for many years. Recording sales, you could go in and check what doctor received how many calls, how many reps, what product, and all that. But it was very laborious, because it was initially hand-written on the forms submitted to the office then inputted by a person here" (Marketing Manager).*

Table B8   Evolution Stage of Databases

Evolutionary Stage	Issues for this case
Database concept	Very basic manual system
Database structure	A range of information
Degree of integration	None
Degree of integration between levels	None
Database strategy	Replacement by an ETMS
Decision maker for database content	Sales director
Personnel with direct database access	Management

They are only starting to develop a more user friendly system internally. This is an IT department development with a lack of marketing input. They are currently testing an ETMS designed to replace the paper trail and to automate the collection of sales information in sales. The Business Development Director is driving these developments and the marketing department had no knowledge of this new system.

In common with all their industry participants they have a sophisticated product sales database, which is syndicated information on sales and flows. This is an on line real time information source with a very user-friendly interface. They do not use this information innovatively and the major benefit is that they can design their graphs quicker!

IT Based Interactions

There was no vision within this case of IT interactions at the consumer interface or with their intermediaries. There is a contention that their market is not IT focused and their customers are not ready for IT.

> *"One of the reasons we don't communicate as effectively, as frequently, by say e-mail even, with our customers is that I believe still that the bulk of them aren't computer literate ... they probably do not see that it's relevant to their practice of medicine ...You tell a busy GP that he needs to be computerised and he'll ask you why?" (Marketing Manager).*

Internet Developments: There is a lack of focus on the internet as this is controlled by head office rather than the marketing department. The information is mainly related to the needs of the stock market and market analysts. There is product information but all of this is designed and updated by the head office.

They do have an intranet but marketing does not use it very often, as their IT systems are antiquated and very slow, though they do contend that the information on the system is very useful. There is no development of the intranet for the automation of marketing practices and there is no extranet development. As discussed in proposition two the marketing department could not envisage any reason for an IT based link either with their final consumers or with the doctors.

Proposition Four: There are barriers to the assimilation of IT in marketing

The major barrier to IT assimilation is the lack of an IT orientation in marketing. Marketing personnel are content to accept the low levels of IT supplied by the IT department and the external syndicated systems. They are content to accept the centralised information system and are quite supportive of the system, despite its obvious problems. The lack of open access or manipulation ability is not seen as a barrier. There is no demand for new marketing specific ITs. For example the marketing manager has a very antiquated PC but is content, *"that it satisfies my needs, what would I need a better one for?"*. There are also technical issues with the IT infrastructure.

> *"Well, it hinders in terms of having the best there is, the greatest gizmos, the best, and the most responsive systems. And also, from a support point of view they don't have an adequate PC. It would frustrate users and so on."*
> (Business Development Director)

This relates to the automational focus of the IT infrastructure and IT department which as discussed in the proposition two and three is a major barriers to developments.

Summary of All Propositions

The marketing department are low users of IT and the dominant focus is on traditional marketing practices and though the relationship with their customer (doctors) is pivotal, the marketing department focus is on market share and product sales, rather than relationship marketing operations, which are controlled by the sales force. The marketing department has little knowledge of this relationship and is very transactionally focused.

The stage of IT development in this company is automational. There is a lack of vision and use of IT for other than minor internal process changes. The marketing manager is not IT progressive and has an internal focus. IT is seen and used as a productivity tool and there is no evidence of demand for decentralised control of IT and the use of major IT applications in the marketing department. There is a lack of interaction between the

IT department and the marketing department and the marketing department is perfectly content with the level of IT available and in use for their needs.

The major barriers are the marketing manager's lack of an IT vision and the automational level of IT. Ultimately if the marketing department could show a need and a use for IT then the investment would be available.

<center>Case C</center>

Case Description

This company has a unique perspective, as it is part of a rehabilitation programme for disabled people, but also ranks in the top 500 companies in Ireland. They have a two-fold objective, to achieve profitability and to provide employment for disabled people. The research is centred in one division of the group, which operates in many different and diverse markets. It is an independently owned company but receives funding from the government. Their largest turnover comes from recycling. They have two main customer groups the local authorities and retailers. The ethos of the company to employ people with disabilities drives the company rather than the different products.

There are seven companies in the group and the five people in marketing are responsible for marketing and sales for all of these companies with a similar set up for IT. Each group has their own sales representatives. Their products are distributed through distributors/retailers predominantly to the Irish market but they also export around the world and particularly to America.

This division manufactures and distributes clothing and food products for the retail sector. Their brands are well known and established and they would be considered major players in the marketplace.

Competitive Situation: They are encountering increased competition and must work within the demands of their major buyers, the retailers, who are the dominant partner in the relationship.

Dominant Marketing Issues: The main development in marketing is an internet site for the American market.

Dominant IT Issues: There are no dominant issues in IT and they concentrate on the maintenance and support of the current IT applications.

Personnel Interviewed: The main informants for this study are listed in the table C1

<p align="center"><u>Table C1   Main Informants</u></p>

Title	Responsibility
Head of Marketing	Total responsibility for one division
Sales and Marketing Co-ordinator	Divided responsibility between marketing and sales.
IT Manager	Responsibility for all seven divisions

The management structure of the organisation related to the focal area of study, appears in the table C2. The main informants are highlighted in bold in the shadowed area.

<p align="center"><u>Table C2   Organisation Structure – Marketing and IT</u></p>

Chief Executive	
⬇	
Head of Marketing	Deputy Chief Executive (Company Secretary)
⬇	⬇
	IT Manager
Sales and Marketing Co-ordinator	

Support for the Propositions and Structure of the Summary

As an introduction to this case and a summation of the main findings table C3 highlights the level of support for the propositions.

Table C3   Support for the Propositions

Propositions		Level of Support
Proposition 1	There is a major relationship marketing perspective to contemporary marketing practices	Lack of support for this proposition
Proposition 2	There is a major IT component in contemporary marketing practice and that assimilation is at the informational stage of development.	Lack of support for this proposition
Proposition 3	There is a dominant IT dimension to relationship marketing which will be evidenced through database and IT based interactions in marketing	Lack of support for this proposition
Proposition 4	There are barriers to IT assimilation by marketers	Support for this proposition

The structure of this summary is that the data is analysed by proposition. Due to the interrelated nature of the propositions they link to form a picture of the case. Therefore all the information for each proposition does not necessarily appear under that proposition but the total summary is designed to build an overview of marketing's assimilation of IT. The major issues are highlighted for each proposition and are developed throughout this brief analysis. The tables are designed to show the patterns for each proposition, though all the issues included in the tables are not discussed in these brief summaries.

Proposition One: There is a major relationship marketing perspective to contemporary marketing practices.

This case is an example of a very traditional sales orientated company.

"There is a lack of willingness to spend money on instant costs, that's why

there isn't a cost put into marketing because people say well let's give it to

sales and then we'll decide the marketing spend." (Head of Marketing)

They are in general very slow to change and with little evidence of any radical or dynamic changes to marketing practices. *"It's quite an old organisation here, it wouldn't be one of your newer modern companies, it's not a software company"* (Head of Marketing). They do have an interesting development, which is a new internet site aimed

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at their distributors and consumers in the American market which will be discussed in proposition three.

Transactional Focus: The marketing practices centre on the promotional aspects of their products with some level of sales support, though they have from time to time taken the control of the relationship with the intermediary from sales. There is no concept of marketing as a company wide initiative. Marketing operates in isolation from other departments, but they do have some level of control over the sales department and are aware of the sales operations. Their consumer marketing centres on elements of the marketing mix particularly the promotional aspects and they are continuing with practices which they have been using for the last number of years.

Relationship with the Consumer: They have a dominant transactional focus to their marketing practices (see table C4 and C5).

Table C4   Relational Exchange Dimensions of Transaction Marketing

Focus	Economic-transaction
Parties Involved	A firm and buyer in the general market
Communication Patterns	Firm to market
Type of Contact	Arms-length, impersonal
Duration	Discrete
Formality	Formal
Balance of Power	Active Seller – Passive buyer

Source: Adapted from Coviello et al., 1997

Table C5   Managerial Dimension of Transaction Marketing

Managerial Intent	Consumer attraction (to satisfy the customer at a profit)
Decision Focus	Product or a brand
Managerial Investment	Internal marketing assets (focusing on product - service, price, distribution, promotion capabilities)
Managerial Level	Functional marketers (e.g. sales manager, product development manager)
Time Frame	Short term

Source: Adapted from Coviello et al., 1997

Lack of Relationship Marketing Focus: There is still a dominant transactional focus to their marketing practices at the customer interface. There is no evidence of any substantive practices that could be classed as relationship marketing practices (see table C6).

They are very relationship focused with their distributors but the sales force controls these relationships. There are some links between the marketing and sales department. For example the marketing department are now re-establishing a role within the sales force rerouting all sales calls to marketing. This is because there have been major problems with sales and the head of marketing considers that the sales team is incompetent!

Table C6   Evidence for the Lack of Relationship Marketing Focus

Evidence for the Lack of Relationship Marketing Focus
Lack of understanding of relationship marketing concept
Transactional focus
Lack of developments of databases or IT based interactions (see propositions two and three)
Lack of marketing orientation in the company

Proposition Two: There is a major IT component in contemporary marketing practice and the assimilation of IT in marketing is at the informational stage

There is a very low level of impact from IT. IT applications are relatively new to the company, which has struggled with their introduction. There are no marketing specific ITs and though they have various databases only one of them is used by marketing and it is not marketing specific. They are not heavy users of even standard Microsoft packages, they have minimal use of a database and they are just starting to use the internet. Much of the discussion was aspirational, as in the potential changes due to EPOS and so on.

Evidence of Automational Focus to IT

This case is at the development stage of automational impact (table C7). This is clearly evidenced by the fact that they have no decentralised IT usage and their concentration is on utilising IT to improve their internal efficiencies, mainly for the finance and production departments. As the IT manager commented *"If it's doing anything at all it's simply trying to make the manual methods a little bit more automatic. That's the level of it."* (IT Manager)

Table C7   Evidence for the Automational Stage of IT Assimilation in Marketing

Evidence Automational Stage of Development
Centralised system – control in the IT department
Finance orientation of the IT systems
Standardised system company-wide
Technology focus rather than informational focus
Lack of development of a range of decentralised ITs outside the control of the IT department
Lack of demand for decentralised access to systems
Acceptance of automational focus by marketing personnel
Lack of IT skills, vision or IT orientation of marketing personnel
Lack of general company-wide access to email (see proposition three)
Lack of open access to the internet (see proposition three)

The head of marketing has low IT skills relying on the IT skills of others. Her own computer is antiquated and yet she has not requested any new IT from the IT department.

> *"Its grand, my software is very old, I've a new computer and old software,*
> *often if I get an e-mail with an attachment I can't read it, it's a real pain, so*
> *I'll probably have to get it upgraded next year, I'll have to sort that out ... I*
> *haven't pushed that hard to be fair, because we got Dermot's and Mary's*
> *upgraded I felt that was sufficient because they'd be more in continuous use*
> *of it, but its beginning to get me down now so I'll have to sort it out, I need*
> *to go and spend some time with IT and sort it out and I haven't done that."*
> *(Head of Marketing)*

There was an appreciation of the benefits of IT for finance but a lack of comprehension related to its use for marketing. *"They did for accounts, you'd find that in a lot of areas that accounts people are, it's a must, but for sales and marketing they'd say well is it absolutely necessary?"* (Head of Marketing)

There is a lack of support for this proposition. There is minimal usage of IT in the marketing department though there is a marketing specific database and developments of an internet site (see propositions three and four).

Proposition Three: There is a dominant IT dimension to relationships marketing, which will be evidenced through database and IT based interactions in marketing

There is a minimal focus on relationship marketing within the marketing department. There do not have a dominant IT dimension to their relationship marketing practices, but the marketing department is developing an internet site for use with their intermediaries in America. There is a very basic marketing database. They have only recently introduced email.

Database Developments: As discussed in proposition two they have a centralised information system. The general IT systems in operation in this case are not suitable for marketing use.

"You put in systems that might be generic enough to cover everything but we're losing out on the marketing edge because we haven't got it. We haven't taken that little risk to go a bit further to back up marketing" (IT Manager).

Marketing uses this system to simply manually track and to make orders. Except for this information they hold all other customer information in their heads.

They previously developed an Access order system with one of their major customers which was designed and developed by a super user. The customer changed the ordering method and the Access system is now redundant and not used. This is an example of a retrograde move in IT development due to a customer dictate. The customer has moved to centralised distribution, so it is one faxed order for all the stores.

"Well, that's just because we just don't need it anymore, and that's the way the system works. The database access is now dropped because Declan Quinn is gone and anyway xxxx[1] changed the system and they send the order on. So now there is no database of shops just the centralised order" (Sales and Marketing Co-ordinator).

They also have a basic database which marketing use for mailshots but marketing has only minimal knowledge or access to the database, which is controlled by an administrator (table C8).

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Table C8   Evolution Stage of Databases

Evolutionary Stage	Issues for the Case
Database concept	Company wide system
Database structure	Designed by and for finance
Degree of integration	With sales
Degree of integration between levels	None
Database strategy	None from marketing
Decision maker for database content	Finance
Personnel with direct database access	An administrator of the database

IT Based Interactions

Though EDI exists between their distributors and the supermarkets they have no plans to introduce EDI, despite awareness of the potential benefits. They prefer to wait for the distributor to drive that.

> *"It's always getting mixed up with stock, whereas if we were all on EDI and we were able to know what stock they had of our product. I suppose we'd be able to say look you're low on this we'll send some to you but no it hasn't come up ... It will be driven by our distributor ... but I'm not quite sure how developed their own systems are" (Head of Marketing).*

With one main distributor who prefers phone contact they do not even use email.

> *"With xxxx it is difficult, you need to talk to them to build up the trust. If you send an email they won't trust it unless they know the name. And you don't want to send documents and not know whom you are sending them to. There are so many people in there that you could talk to so you need to know the person. Xxx[1] have never asked for email." (Sales and Marketing Co-ordinator).*

Internet Developments: They have a very basic web site for the head company and a new site in development for one of their products. They view this new site as an information source, which will improve their relationship with their distributors.

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[1] A major retailer in Ireland

"Its important to back up our customers, how many sales we'll get from it
we don't know, it's a marketing tool we've decided we're going to use it as,
it will be an information tool for all our customers abroad. Even shops in the
States that sell our products, they'll be able to say to their customers well
you know (Case C) is on line or they can order through their agent on line
and all this kind of stuff" (Head of Marketing)

They are worried about actually selling over the internet, as they have traditionally always used distributors.

"Well we might get some on it but I don't know how much we would want to
sell over the net, because with certain headwear, we're concerned that when
people get the stuff that they are going to send it back" (Head of Marketing).

There is no evidence of either intranet or extranet developments.

There is some evidence of relationship marketing practices in marketing with their distributors and their IT developments centre in this area, though this is not a dominant feature of marketing practice, which is focused on transactional marketing practices.

Proposition Four: There are barriers to the assimilation of IT in marketing

The main barriers are the lack of an IT orientation, lack of time to learn and the lack of strategic support from the IT department. The corporate culture is also very conservative.

It's the culture, the slow change and it's an organisation that really needs to
watch the bottom line ... it was always uncertain so there is a great deal of
uncertainty across the board so maybe people are hedging their bets a little
bit and being very conservative and cautious"(IT Manager).

For example the company were also very loath to invest in the internet site. *"To have*
driven to get a new web site up here was huge driving because people weren't prepared
to spend the money on it and that is an issue, are people prepared to spend to
gain?"(Head of Marketing)

They contend that they are at the same stage as their industry partners and market base and would focus on competitive parity for their investment choices. They are aware that they are not at the cutting edge of IT developments but contend that they are in tune with their consumer and their distributors.

> "Our customers they are the old style and don't feel there is a need or a demand at the moment. They are happy the way things are ... It is one to one, face to face and they are happy to stay with same"(Sales and Marketing Co-ordinator).

Marketing personnel cite cost barriers but yet the IT manager contends that there is plenty of finance available. Both versions have some truth in them and are more indicative of the lack of a marketing focus for IT acquisitions and the control the IT department have over what is purchased. The IT manager contends that all IT purchases go through them and marketing contends that their IT purchases come from their budget. So when the marketing department want to purchase an IT they have to find the funding from their own budget or battle for increased funding, as in the case of the internet development.

The Automational Stage of IT Assimilation

There is a dominant automational focus to the IT infrastructure and department.

Support Role of the IT Department: Marketing views the IT department's role as a support function. "*I think that their role is to make sure that all out computers and systems work. If they break down they have to fix them. They have no other input*" (Head of Marketing). The IT department are anxious to change this to a dual role of support and strategic input.

> "We are a service; the danger is that we're becoming a Compustore. That we will simply ship PCs and software and install them and that is not what the IT department is all about"(IT Manager).

However the reality of the situation is that the IT department is mainly a support function and there is no planned change to this. "*There is an ethos in here that's that the way it is*

and the way it was set up and we are not going to change. They assist in difficulties and design some packages and that is that" (Sales and Marketing Co-ordinator).

Low Assimilation of IT in Marketing: The marketing department is the department with the least IT of any department particularly in comparison to finance.

> *"We are the people who need the least IT assistance because we just have Microsoft, the Internet and email and no other accounts packages. In accounts they have the Sun accounts systems and more systems than that and they really need a lot of assistance. We have very very low interactions because I don't have problems but that being said they are not giving me any new information. I don't see them because I don't have to see them." (Sales and Marketing Co-ordinator).*

According to the IT manager marketing's use of IT is *'very low level, very low'* and he adds that there are no potential investments as such.

> *"No one approaches me about ideas or concepts or what they want to achieve, there is no set structure at the moment within the organisation ... I mean the guys at the coalface are very happy and very pleased with what they have around them but they're not driving it. Really I think we're losing a bit of value in our investments in terms of marketing (IT Manager)*

There is awareness that the IT department lacks a marketing orientation.

> *Education, education of the marketing people. Understanding and education in both quarters. We have to obviously understand what they want to achieve but they have to understand the technology that's available to get it and we can research it for them ... it's a constant learning curve so it's education across the board, IT, marketing, chief executive the lot". (IT Manager)*

The Head of Marketing contends that the IT department should be driving developments. *"For them to be told that they are a service for each department and let us know what is out there and help us to improve out business though IT"* (Head of Marketing).

The IT department have difficulties in dealing with marketing requests particularly noting the lack of consultation and the level of urgency to marketing requests.

> *"Herein lies the problems with IT because what happens then is that a decision is made to do something x y z that is totally critical in IT solutions and we are not given enough notice to even decide to do it internally or outsource ... If we do get any feedback at all it's eleventh hour and it's fire fighting and it's incredible." (IT Manager)*

Conflict Situation: The development of the web site created much of the tension between the two departments. It was originally in IT's remit and they developed a basic site without marketing input. The IT manager suggested that marketing take over the site and that they would ensure that the technology worked. The IT manager is now annoyed that he was only casually informed of the development of the second web site and the IT department were not asked for their input and were only invited to one meeting with the web company.

> *"Well I don't mind that they did it. I do mind the way in which it was done. I've been saying all along that the interaction when it happens is very good and I mean it was just a passing remark from Greta herself. It was more courtesy to me oh by the way we're designing a web site and I said fine. Which really highlights the perception of the IT department and what it's used for (IT Manager).*

From the marketing department's perspective there is a complete lack of understanding of the importance or the urgency of IT (Web) from an IT perspective.

> *"We had asked them about developing the net site and we just found we weren't getting anywhere so we had to go ahead and do it ourselves. Now that's probably because there probably was a lack of understanding in IT from the point of view of how important it was to marketing. So that maybe is an issue, how IT views the importance of getting things sorted out on time. It just took for ages "(Head of Marketing)*

It is marketing's view that they have to look after their own IT developments. *"Yeah, we're paying for it, we drive it, it's what we need."* (Head of Marketing) Despite the fact that she admits to a very low level of IT knowledge and the lack of time to pursue IT knowledge, she has taken responsibility for the web site development though they have outsourced this.

The major divide between the marketing and IT department was noticeable for the following reasons.

- The IT manager was unaware of many of the IT applications that marketing had;
- Was of the opinion that marketing is unsuitable for IT applications;
- Cannot envisage a role for IT in marketing;

    "I mean, you know short of putting web pages on the Internet I can't see how IT would really be beneficial there." (IT Manager)

There is very little interaction between the two departments and the Head of Marketing leaves it to the two juniors to discuss the Internet requirement.

Summary of Support for All Propositions

This case is an example of a company that is relationship focused with their retailers and transactionally focused with the final consumer. Though there are links between the marketing and sales department and the marketing department does have some input into the relationships with the retailers from time to time, there is a lack of relationship marketing perspective to their marketing practices. The major focus of the marketing departments is on brand management and promotional issues. There is a lack of IT usage in marketing and the level of IT assimilation in this case is at the automational stage of development. The marketing department are in the process of developing a web site but there is no focus on databases or database use is very low.

There are barriers to IT assimilation in marketing, which from a marketing perspective centre on lack of finance, lack of support from IT and lack of knowledge of IT. From the

IT departments perspective the barriers are the lack of involvement in marketing operations but the IT department has a very automational control orientation. Another barrier is the conservative orientation of the company.

Case D

Case Description

This company was founded in the early 1900 and is a major food products supplier to the Irish market. They are one of the largest food manufacturing companies in Ireland, manufacturing over 400 products, many of which are well-known brand names. Due to a recent take over they are now the Irish division of a large American owned multinational. Many of their brands have a very traditional image in the marketplace. They have brands across most age groups and though many of their products are targeted at the main middle-income general market, they have many products targeted at niche markets. Most of their products are in the mature stage of the product life cycle.

The company has a large manufacturing outlet based beside their office premises and an office staff of 30. Their head office is in the UK though they are now part of a world wide organisation. There is a very conservative, though professional atmosphere, in the company.

Competitive Situation: Irish food manufacturers are very dependent on and must operate within the strict demands of the buyers, in particular the multiples, who hold the power in the relationship. They compete with the other major food manufactures in their sectors. There is intense competition for shelf space and market share. In most of the sectors where they operate they are the market leaders. They are particularly strong outside of the Dublin market.

Dominant Marketing Issues: Due to the recent appointment of a new marketing manager the emphasis is on improvements in marketing.

Dominant IT Issues: The main focus of the IT department is on the review of the company-wide operating systems, which is a world-wide initiative. There is also a new production process IT in the implementation stage.
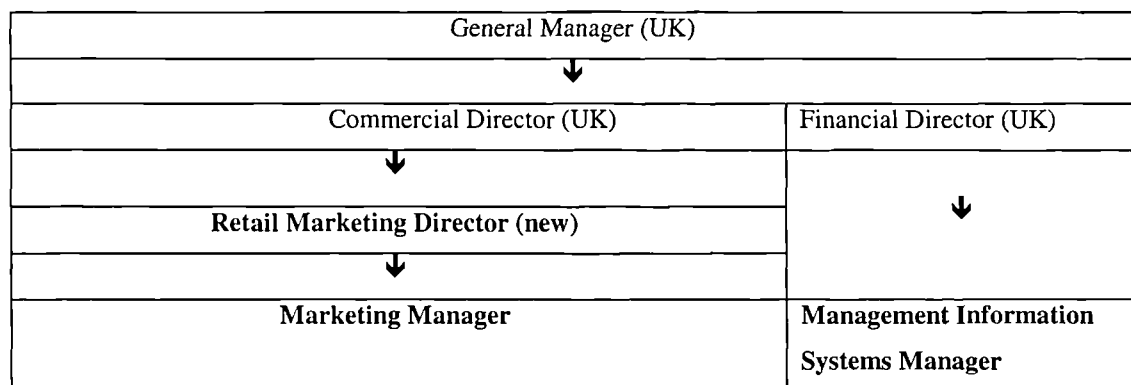
Personnel Interviewed

This research was carried out in the retail area of the business. The main informants for this study are listed in the table D1

Table D1 Main Informants

Title	Main Area of Responsibility
Retail Marketing Director	Marketing department only
Marketing Manager	Marketing, including the internet and database
Management Information Systems Manager	IT requirements of the Irish operation, though he must operate within global standards dictated from the head office.

The management structure of the organisation related to the focal area of study, appear in the table D2. The main informants are highlighted in bold in the shadowed area.

Table D2 Organisation Structure

General Manager (UK)	
⬇	
Commercial Director (UK)	Financial Director (UK)
⬇	⬇
Retail Marketing Director (new)	
⬇	
Marketing Manager	Management Information Systems Manager

Support for the Propositions and Structure of the Summary

As an introduction to this case and a summation of the main findings table D3 highlights the level of support for the propositions.

Table D3   Support for the Propositions

Proposition		Level of Support
Proposition 1	There is a major relationship marketing perspective to contemporary marketing practices	Lack of support for this proposition
Proposition 2	There is a major IT component in contemporary marketing practice and that assimilation is at the informational stage of development.	Lack of support for this proposition
Proposition 3	There is a dominant IT dimension to relationship marketing which will be evidenced through database and IT based interactions in marketing	Lack of support for this proposition
Proposition 4	There are barriers to IT assimilation by marketers	Support for this proposition

The structure of this summary is that the data is analysed by proposition. Due to the interrelated nature of the propositions they link to form a picture of the case. Therefore all the information for each proposition does not necessarily appear under that proposition but the total summary is designed to build an overview of marketing's assimilation of IT. The major issues are highlighted for each proposition and are developed throughout this brief analysis. The tables are designed to show the patterns for each proposition, though all the issues included in the tables are not discussed in these brief summaries.

Proposition One: There is a major relationship marketing perspective to contemporary marketing practices.

There was no evidence of major changes to the marketing operations. They are aware that there are new consumer demands and new marketing requirements, but they concentrate on traditional transactional marketing practices, which they consider are still working very well for them. Their main focus is on the increased variety of promotional methods available to them. *"Now the opportunities are there to talk to ... different types of target markets via different types of media."* (Marketing Manager).

The marketing department is a functional operation with responsibility for marketing to the final consumer. Their main focus is on transactional marketing and the utilisation of

3

the elements of the marketing mix or the marketing management model, with a particular focus on advertising and product research.

> *"You know I think it's people who traditionally grew up with the four Ps and you know sort of advertising on TV and all that kind of stuff. It's changing but it's a rigid structure so, a lot of other changes will have to happen" (Marketing Manager).*

Relationship with the Consumer: These cases have a dominant transactional focus to their marketing practices (see table D4 and D5).

Table D4   Relational Exchange Dimensions of Transaction Marketing

Focus	Economic-transaction
Parties Involved	A firm and buyer in the general market
Communication Patterns	Firm to market
Type of Contact	Arms-length, impersonal
Duration	Discrete
Formality	Formal
Balance of Power	Active Seller – Passive buyer

Source: Adapted from Coviello et al., 1997

Table D5   Managerial Dimension of Transaction Marketing

Managerial Intent	Consumer attraction and retention (to satisfy the customer at a profit)
Decision Focus	Product or a brand
Managerial Investment	Internal marketing assets (focusing on product - service, price, distribution, promotion capabilities)
Managerial Level	Functional marketers (e.g. sales manager, product development manager)
Time Frame	Short term

Source: Adapted from Coviello et al., 1997

Relationship Marketing Focus: There was a lack of evidence of relationship marketing practices (see table D6).

Table D6   Evidence for the Lack of Relationship Marketing Focus

Evidence for the Lack of Relationship Marketing Focus
Lack of understanding of relationship marketing concept
Transactional Focus
Sales force control of relationships
Lack of contact between the sales force and the marketing department
Lack of developments of databases or IT based interactions (see propositions two and three)
Lack of marketing orientation in the company

The marketing department is focused on promotional and branding issues. They were unable to identify activities where marketing had a role, which could be evidence of substantive practice of relationship marketing. There was no evidence of plans for further development of consumer relationships. They view their consumers as a board segment, rather than having a detailed understanding of the consumer and their requirements.

Relationships exist between the sales force and the retailers, at the interactions stage, but these relationships are outside the domain of marketing and are the responsibility of the sales department. The marketing department have very little contact with the sales department, which controls the relationship between the company and the multiples. (see proposition 3). All exchanges of information to the intermediaries is through the sales department and they protect this situation. *"We are not allowed to talk to the retailers – those guys won't let us"* (Case D, Retail Marketing Manager).

Proposition Two: There is a major IT component in contemporary marketing practice and the assimilation of IT in marketing is at the informational stage

For marketing, IT is not a priority. There has been a basic IT impact through the word packages and email, which has increased their world-wide internal communications. There is no evidence of IT at the consumer interface and where IT linkages exist they

are outside of the domain of marketing and marketing has little or no input into them (see proposition three).

There are two very recent initiatives supplied to them by their advertising agency which are decentralised marketing specific ITs. One is a financial package for direct marketing expenditure control package and the second is a software package for estimating advertising spend. They have recently developed a basic web site and were leaders within the world wide organisation with this initiative. Despite these there is no evidence that IT is a central component of their marketing practice but there are trends, which could indicate the movement towards more informational use (but see also propositions three and four).

Table D7   Evidence for the Automational Stage of IT Assimilation in Marketing

Evidence Automational Stage of Development
Centralised system – control in the IT department
Finance orientation of the IT systems
Standardised system company-wide
Technology focus rather than informational focus
Lack of development of a range of decentralised ITs outside the control of the IT departments
Lack of demand for decentralised access to systems
Acceptance of automational focus by marketing personnel
Lack of IT skills, vision or IT orientation of marketing personnel
Lack of general company-wide access to email (see proposition three)
Lack of open access to the internet (see proposition three)

This case is only at the early stages of automational IT development noted by the slow development of basic IT applications and their Internet activity. They do not demand new systems or training and work with what they have and what they know. IT is simply used to augment traditional practices and they lack basic on line information like production figures or sales information.

There are few ITs at the development stage for this company (see table D8).

Table D8- Current Systems and Process in Development

IT in Development or Implementation stage	Planned Usage for each system
Integration of company-wide systems into a centralised system	They are upgrading the automation of the generation of all the monthly reports. This has a finance and production focus, with little input from marketing.
Intranet	The worldwide operation has recently introduced a global intranet
Internet	Basic development of a site managed by an external agency

They are slow to introduce new ITs. For example their Irish Internet site is only two months old. They have outsourced their web development to their database company. They are talking about ebusiness but no developments have materialised as yet. They have no view of IT as a major component of marketing and no view of the learning process or the need to up skill in IT.

Marketing is the department with the least IT, as both finance and sales are very IT friendly.

> *"What we don't have is marketing software, so therefore there is no need, if its not there people don't think about using it. Whereas the sales guys are very proficient with the sales information system and they make a lot of use of it. We've got a whole heap of financial software and if you walk about, we're even installing some personnel software, so marketing has always been the poor relation in this respect, so I think we're starting from behind"* (Retail Marketing Director).

The marketing department have no direct access and do not utilise the company-wide sales/finance orientated IT system, which is an antiquated system and has product focused information. The IT department also controls access to the Internet and staff must justify why they need it. The marketing department have only two access points to the internet.

> *"I suppose the first thing is that we all want the internet connected and it's not just for having the fun of the internet I think it's more to do with access to information. So I mean that is a company policy thing, where people aren't allowed have access." (Marketing Manager)*

This decision is now being passed to the steering group (see proposition four).

Some of their IT systems were revolutionary when they were introduced. Their company wide information system was revolutionary in its day and a major IT innovation. As observed in other cases there is great loyalty to this system. *"We have a sales information system here, which has been here for years, but which I believe is just second to none"*(Management Information Systems Manager).

There is a lack of IT skills, vision or IT orientation within marketing. The marketing manager is new and he appears to be quite IT friendly, so this situation may change. Marketing is suffering from the legacy of the previous marketing manager who was not IT friendly. For example they are not involved in the Brio project, which is the integration of all the internal process controls in the company. This is a predominantly automational standardised system. They are at the stage of learning about IT. *'From our point of view I'd say we are dabbling with the internet rather than active* (Retail Marketing Manager).

Proposition Three: There is a dominant IT dimension to relationship marketing, which will be evidenced through database and IT based interactions in marketing.

This section discusses the IT assimilation under the headings of database and IT based interactions developments.

Database Developments: Their marketing specific database is a basic system. From a consumer perspective they have a standard database of 30,000 consumers, used for product testing and research. There is no detailed analysis of the information contained in the database and it is managed by an outside agency. To become a member of the database the consumer must apply by collecting coupons and registering and then they receive free products for their participation in product testing.

There is also a trade database, which is not used by marketing. The marketing department have designed a new trade database, which the sales force have refused to use. The marketing trade database is of little use to marketing as the sales force, who have the information they require for the system, are not inputting the information into the system. Marketing is of the opinion that the sales force are deliberately blocking the development of this database, as this is an area they contend that they should control and not marketing. The sales force use a sales force automation package which marketing was aware of but have no access to.

There are various IT linkages from a relationship perspective but marketing's knowledge of these was incorrect. For example the sales force have on line access to Nielsen figures, planagram software and EDI, none of which were discussed by marketing. When asked about EDI the marketing manager said, *"That's a sales thing."* (Marketing Manager).

The sales force have an IT focus, but many of their systems are not shared with marketing and there is tension between the two departments. The marketing department has only recently received their own on line access to the sales based information.

> *"Just generated a report recently where we would have access to display information, where they've built displays of our products. In the past we were relying on the sales guys to come with a report and that, we can now tap into it and take a look at it"(Retail Marketing Director).*

Table D9   Evolution Stage of Databases

Evolutionary Stage	Consumer Database	Trade Database
Database concept	Product testing database of consumers	Standard details of the trade customers
Database structure	Name, address and telephone number	Name, address and telephone number
Degree of integration	No integration with any other system	No integration with other systems and not integrated with the sales force automation system
Degree of integration between levels	None	None
Database strategy	None – continuation of maintenance of this database	To develop this database separate from the current systems used by the sales force
Decision maker for database content	Marketing manager alone	Marketing manager
Personnel with direct data-base access	Marketing personnel only	Marketing and sales personnel

IT based Interactions

Their main interactions are with their buyers, predominantly the multiples, who account for 50% of their sales but again these interactions are outside the domain of marketing. An interesting situation between them and one of the multiples highlights the power of the multiples and how the company must reacts to their IT demands and what suits them. Due to the power of the buyer, the IT department had to develop an IT link despite the inconvenience and amount of work it entailed and they observed that ultimately the system did not suit them, but suited the multiple. *"I feel that our customers drag us by the nose basically. I think that as a company we allowed them to drag us by the nose"* (Management Information Systems Manager). Conflicts arose during the installation of this IT system and the multiples hired a separate company to liase with the two IT departments to ensure installation.

"My main problem is that xxxx[1] want to put in their commercial representative into that, [Case D] wanted to put their technical representative to that and the language doesn't necessarily sit very well. So now yyyy are the technical representatives of the customers ... so its the yyyy[2] people ringing and saying xxxx wants to go with orders" (Management Information Systems Manager).

Internet Developments: From the consumer perspective they have an internet site, though interacting with the consumer is not an emphasis of their marketing practices. This internet site was developed in the last two months and competitive parity was the dominant reason for its introduction. There is limited internet access in this case (see proposition two).

Table D10   Internet – Stage of Development

Evolutionary Stage	Stage of Development for Case D
Evolutionary stage	Early implement – only 2 months in operation
Internet concept	Early development for competitive parity
Internet structure	Basic static site
Degree of integration	None
Degree of integration between levels	None
Internet strategy	Some suggestion that at a later date this could be pivotal to marketing operations
Decision maker for internet content	Marketing manager
Personnel with direct internet access	Only one point of access to the internet in marketing

They have recently introduced a world wide intranet, but the Irish operation has yet to contribute to it and marketing are not sure who is responsible for the Irish content for this site. As there is minimal access to the internet in the marketing department, it was assumed that it is not the marketing department's responsibility.

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[1] Irish based retailer
[2] IT consultants to a major retailer

"Since I am the only one in marketing allowed access to the internet and that is through the secretaries internet access. I can't see how it would be our responsibility. But now that you mention it I'm not sure who should look after that"(Marketing Manager).

There is no vision of the intranet as a facility for the automation of marketing practices or as a major source of information and there are no plans for an extranet.

Proposition Four: There are barriers to the assimilation of IT in marketing

There are a range of barriers to IT assimilation mainly centred on the lack of an IT orientation in the marketing department and the automational focus of IT.

A major barrier is the lack of IT skills in marketing. The new marketing director is very IT friendly but the marketing manager is very negative to IT and does not use it. The marketing department is slow to develop IT links unlike sales and finance. In general there is a very poor image of IT in the company which has been slow to introduce and use IT, but that this is all changing just now with new IT friendly staff.

"Yes, because I think people coming into the company have more, are more computer literate and I mean prior to that there was no point in making any noises because you know, that was it but the fact that we're all linked and networked you know, it's, plus we're now linked with all our sales reps whereas up until about two months ago we weren't. It means now we can communicate with the sales reps." (Marketing Manager)

The Automational Stage of IT Assimilation

This section analyses the automational focus of the IT infrastructure and also reviews the relationship between the IT department and the marketing department.

There is a lack of an informational IT orientation. This is exemplified by their policy of treating access to IT systems as a luxury item, as evidenced by the policy of limited access to the internet (see proposition three). This has also impacted on their ability to

share information through the IT. For example they would like design sharing capabilities with their advertising agency but the lack of internet access prohibits this. *"It is just so annoying, they send us the package, the design and we can't download it. There is a problem with our email and then we have to use couriers"* (Marketing Manager). The marketing department were also promised new PCs to replace their very old systems and they still have not received them.

Support Orientation of the IT Department: The relationship between marketing and IT departments is based on support issues. The IT department have major resources and staff problems due to a high turnover of staff.

> *"I think a lot of it is trouble shooting and its very hard to gauge the real relationship at the moment and you've got a lot of new people in the business in IT ... but our IT department is, its just all over the place in terms of people, they just come and go, so that's part of the problem" (Retail Marketing Director).*

Marketing Requests not a Priority for IT: The marketing department is aware that the IT department is very busy on other projects and that the finance driven projects have priority.

The IT department have marketing specific difficulties due to the forward looking aspect of marketing whereas most of the current IT systems are more historical by nature, focused on the finance and production department. Due to the low levels of usage by the marketing practitioners of the generic centralised IT system the Management Information Systems Manager is reticent to provide new systems.

> *"I would say there are, some of the people who don't use what's available to them now at all and you know therefore, when they would ask, if they would ask for something, I would probably act even more slowly to those people because I would say well you know if we develop this when will we ever use*

*it? They don't use what's there now so." (Management Information Systems
Manager)*

This non-use has created tensions on a personal level between the departments

Conflict Situation – Development of the Internet: There was no communication
between the two departments in relation to the internet site development. This angered
both sides. The marketing personnel felt that the IT department did not provide the
support and the direction that they needed and the IT department felt that marketing just
went behind their backs and introduced the system.

> *"What can I tell you about it, I don't really know a hell of a lot about it, I
> mean the first I knew about it we had it, ok why did it come around like that,
> I think various elements of so called web activity were going on in a number
> of different countries and I think Ireland just got on the band wagon and
> decided to set up their own and it will be very useful and I couldn't tell you
> what it looks like at this point and time." (Management Information Systems
> Manager)*

There is a power play between the IT and marketing department and the IT department
does not like being dictated to either internally by marketing or externally by one of the
major multiples.

Solutions to the Automational Stage of IT Assimilation

There are limited solutions to the above situation.

Outsourcing of IT Requirements: One solution to this situation is to outsource their
IT requirements like database and internet issues.

> *"Yeah I mean any time we had questions about transferring emails to
> somebody else it was more hassle than it was worth so that's why we tended
> to keep it separate from the IT. I don't think the IT department would have
> regarded themselves as being a support on that end of the marketing
> anyway... It's more a financial focus."* (Marketing Manager)

Steering Committee: They have recently introduced an IT steering committee. As the IT department is very much a fire fighting operation the emphasis of the new steering committee is placing IT developments onto a cross-functional platform with senior management input and support. This steering committee has an internal automation systems focus. The importance of this venture can be seen in the fact that 5 of the 6 directors sit on this committee. This type of support from top management and this type of committee is very unusual for the company.

Interestingly the steering committee was designed and championed by IT. A steering committee is usually evidence of a move from automation to information but there is a very automational focus to the steering committee.

Summary for all Propositions

This case supports for the propositions appears in table D3. There was a lack of support for proposition one as they are transactionally focused.

There is only minimal use of IT in marketing and it is not considered a major component of their marketing practice. Despite the existence of two marketing related IT (provided by external suppliers) the IT developments are of an automational nature and marketing is not driving the developments forward.

The dominant marketing focus is on the transactional aspects of marketing practice. They do have a database, which is a minor part of their marketing operations and it is used solely for product testing. There are IT developments with the intermediaries but these developments are outside of the domain of marketing.

There are a range of barriers to IT use in marketing particularly the automational nature of the IT infrastructure and the conflict situation between the IT and marketing departments.

Case E

Case Description

This company is the Irish division of one of the world's largest pharmaceutical companies. A feature of this industry is the ongoing process of amalgamations and consolidations, in which this company plays a major role. They have recently amalgamated with another very large company, though the impact of this issue was minimal for the Irish operation. Amalgamations can be very disruptive and can result in major changes in product range, markets and internal processes. They are a publicly quoted company and so their major focus is on their stock valuation.

Marketing controls over 30 brands, many of which are global brands and household names, distributed through a variety of channels. Some of the products are in the soft drinks area for the children, adult and mature marketsa and others are based in the over the counter pharmaceutical area. The majority of their products are at the mature stage of the product life cycle.

Suppliers to the retail trade in Ireland are very dependent on and must operate within the strict demands of the buyer, in particular the multiples, who hold the power in the relationship (see proposition two and three)

Competitive Situation: They compete with major competitors in most of their markets. Their competitors are well defined and fairly predictable in their behaviour. The major competitive action at the moment is the competition from generic suppliers of products, which they manufacture under brand names. They are the market leaders in many of their sectors.

Dominant Marketing Issues: There are no dominant issues in marketing, though the conflict with IT in regard to IT systems is very central.

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Dominant IT Issues: The main focus of the IT department is the standardisation of all their IT world-wide. They have implemented two new software packages recently – a forecasting package and a sales tracking package. Both of these systems have caused problems, disruptions and the deterioration of the relationship between the marketing and the IT department. There is also a rush to install an EDI for one of their major customers.

Personnel Interviewed: The main informants for this study are listed in the table E1.

Table E1   Main Informants

Title	Main Area of Responsibility
Group Product Manager	Marketing for a range of consumer products
Product Manager	Responsible for one of their leading drinks brands
IT Manager	Responsible for the new forecasting and sales tracking system.

The management structure of the organisation related to the focal area of study, appears in the table E2. The main informants are highlighted in bold in the shadowed area.

Table E2   Organisation Structure – Marketing and IT

General Manager (Ireland)	
⬇	
Marketing Director	IR Director
⬇	⬇
Group Product Manager	Information Resources Manager
⬇	⬇
Product Manager	**IT Manager**

Support for the Propositions and Structure of the Summary

As an introduction to this case and a summation of the main findings table E3 highlights the level of support for the propositions.

Table E3   Support for the Propositions

Proposition		Level of Support
Proposition 1	There is a major relationship marketing perspective to contemporary marketing practices	Lack of support for this proposition
Proposition 2	There is a major IT component in contemporary marketing practice and that assimilation is at the informational stage of development.	Lack of support for this proposition
Proposition 3	There is a dominant IT dimension to relationship marketing which will be evidenced through database and IT based interactions in marketing	Lack of support for this proposition
Proposition 4	There are barriers to IT assimilation by marketers	Support for this proposition

Proposition One: There is a major relationship marketing perspective to contemporary marketing practices.

Marketing has a traditional transactional marketing focus, concentrating on brand management and the myriad of promotional campaigns for their wide range of products, even though most of their promotions are globally inspired. They concentrate on sales volumes and branding and are experts at creating and maintaining brand image in the market place. The main changes centre on the increasing power of the intermediaries, a more discerning customer and expanded distribution channels, but most of the effects of these are outside the domain of marketing.

The major change in practice centres on the increased levels of promotional opportunities available to them.

> "There has been more innovation in promotions, types of promotions, type of advertising, type of media used ... Direct marketing is something that's become more popular over the last few years, building databases, loyalty, programs, that type of thing, advertising is still very important, TV, people are looking for different media" (Product Manager).

There has also been an increased emphasis on new distribution channels for their products.

> "Stuff like garage forecourts are becoming more important, convenience stores ...because of the way people work, late hours and that, they're shopping a lot in shops like that so getting your products in there from a marketing point of view is very important" (Product Manager).

Relationship with the Consumer: The marketing department is transactionally focused (see table E4 and E5).

Table E4   Relational Exchange Dimensions of Transaction Marketing

Focus	Economic-transaction
Parties Involved	A firm and buyer in the general market
Communication Patterns	Firm to market
Type of Contact	Arms-length, impersonal
Duration	Discrete
Formality	Formal
Balance of Power	Active Seller – Passive buyer

Source: Adapted from Coviello et al., 1997

Table E5   Managerial Dimension of Transaction Marketing

Managerial Intent	Consumer attraction (to satisfy the customer at a profit)
Decision Focus	Product or a brand
Managerial Investment	Internal marketing assets (focusing on product - service, price, distribution, promotion capabilities)
Managerial Level	Functional marketers (e.g. sales manager, product development manager)
Time Frame	Short term

Source: Adapted from Coviello et al., 1997

Relationship Marketing Practices: There was a lack of evidence of relationship marketing practices (see table E6).

Table E6 Evidence for the Lack of Relationship Marketing Focus

Evidence for the Lack of Relationship Marketing Focus
Lack of understanding of relationship marketing concept
Transactional Focus
Sales force control of relationships
Lack of contact between the sales force and the marketing department
Lack of developments of databases or IT based interactions (see proposition two and three)
Lack of marketing orientation in the company

Neither of the marketing personnel considered that they practised relationship marketing.

> *"We're involved in all sorts of different types of marketing, the only kind of relationship marketing that I can think of is one that Mandy has been doing with the Irish Permanent and getting accounts for people ... where we create a data base of those people and we can track them around, we also create data base's of pharmacy assistants and stuff" (Product Manager).*

The group product manager focuses on the brand and the relationship that the consumer has with it. *"I believe it's some sort of relationship marketing if the objective is to bring closer the relationship between the group and the brand."*

The relationship between the sales force and the marketing department is not close. Marketing's knowledge of the relationship with the retailers is minimal and their level of knowledge of the IT arrangements with the retailer is very limited, as this is seen as the role of the salesforce.

There was a lack of direct contact with any intermediaries or the final consumer, other than through information. There was also lack of contact between marketing and sales and the information flows between the two departments were minimal. Marketing did

supply sales with product information and they operated their promotional initiatives but there was a lack of information from the sales team to marketing.

There was a lack of evidence of relationship marketing practices. They are transactional focus in the marketing department and though there is a pluralism of approach this does not extend to the marketing department, which has a narrow focus on the promotional and brand management issues of marketing practice.

Proposition Two: There is a major IT component in contemporary marketing practice and the assimilation of IT in marketing is at the informational stage
Though there have been major IT introductions into this company including a forecasting package, a sales tracking package and a spend tracking package intended to automate various processes, there is a lack of a major IT component in marketing practice. These IT developments are all centralised systems developed from a financial perspective, but designed to be used by all departments. They are poorly designed systems and there are major implementation issues with all these applications (see proposition four).

> *"If we were picking the software, there's no way that that piece of software would be picked today, if it was being chosen, but the joys of working in a multinational"* (IT Manager).

For example the forecasting system is a very difficult system to use and even the IT personnel will admit that at the user interface it is unfriendly. *"Forecasting is poor, a nightmare, spend one is medium, Cogness is medium ... its not the easiest system to use, you need to spend hours and people don't have time"* (Product Manager).

There are minimal advantages for marketing from the systems. For example the sales tracking system automates a previous manual task in marketing.

"I think we've all been able to see the advantages of it, we have a system up here called Cognoss where it can look at yesterdays sales in a branch of xxx[1] if I wanted to, previously you have this big green folder at the end of the month and you had to leaf through ...we've all seen that information can be accessed faster, better" (Group Product Manager).

However, as yet IT has not fundamentally changed their practices though it has aided decision making skills and increased the ability to plan and analyse.

"Basically IT systems are used in your day to day job but I can't say they make a whole difference to the whole way of operating, kind of tools rather than a fundamental part of the department (Product Manager)

The dominant impact of IT in marketing has been high levels of frustration and annoyance with the software and the IT department, (see proposition four). The negative IT implementation experience has clouded their perception of IT.

Evidence of Automational Focus of IT Developments: There is evidence of the automational focus of much of the IT assimilation in marketing (table E7).

Table E7   Evidence for the Automational Stage of IT Assimilation in Marketing

Evidence Automational Stage of Development
Centralised system – control in the IT department
Finance orientation of the IT systems
Standardised system company-wide
Technology focus rather than informational focus
Lack of development of a range of decentralised ITs outside the control of the IT department
Lack of demand for decentralised access to systems
Acceptance of automational focus by marketing personnel
Lack of IT skills, vision or IT orientation of marketing personnel
Lack of general company-wide access to email (see proposition three)
Lack of open access to the internet (see proposition three)

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[1] A major Irish owned retailer

There is some movement towards developing a decentralised marketing specific database (see proposition three) but there is a predominant automational centralised control focus to IT developments, which is hindering the move to an informational focus (see proposition four).

They have a strong emphasis on the automation of processes through various sophisticated planning and analysis packages, but little focus on automating communication or designing systems which allow for increased decentralisation of systems and so they are an example of a case at the automation stage of development (see table E7). Their IT applications are all linked to the financial orientation of the company.

Marketing has been slower than other departments and particularly the finance department to embrace IT. According to the IT Manager.

> *"I would say the finance users are better, are faster because again they're more used to handling data and analysing data on a computer screen. Because marketing in fairness to them hasn't been given a huge amount of IT by us".*

The three new systems introduced in the last year are all analysis and forecasting applications suggested by the head office and very finance orientated (see proposition four).

The dominant IT focus is on their internal IT developments and specifically on sophisticated analysis packages rather than on internal or external communications. For example voice mail is new, as is the external email and the Internet is only available to certain staff. The slow development of these links and the obvious difficulties that they are encountering with the internal email portrays a company that is not at ease with IT or driving IT developments forward.

The centralised information system is very finance orientated evidenced by the very structured and financial nature of their in-house software packages. The corporate culture is quite control orientated with a traditional management style and they would not be IT pioneers or transformational users of IT.

Referring to the forecasting application the IT Manager (IT) considers that it is an improvement on what marketing had before. *"It was really just a glorified spread sheet, they would play with the numbers."* Marketing have a completely different view of this and felt that the other system was better and that they had decentralised control. Now the control has returned to the IT department.

> *"We used to have a nice little system on excel where we forecasted where you just key in the numbers, and we all preferred that one but this is a company wide mandated, it's a very high tech good system and that it can forecast sales for 2 years and it is supposed to tie in with financial forecasting and everything buts its just caused problems since it was introduced" (Product Manager).*

Though there is evidence of new systems these are all centralised finance orientated systems and there have been major implementation difficulties with these systems (see proposition four). IT is not a major component of marketing practice (see proposition three) and they have a very automational rather than informational focus to their IT usage, which is due to the dominant control of IT by the IT department (see proposition four).

Proposition Three: There is a dominant IT dimension to relationships marketing, which will be evidenced through database and IT based interactions in marketing.

Database Developments: Marketing have a standard trade database for their intermediaries and they utilise syndicated product information as their main source of information, augmented by the information from the sales tracking report discussed in

the previous proposition. They have also developed a mini promotional database connected to a recent sales promotion (see table E8).

Table E8   Evolution Stage of Databases

Evolutionary Stage	Trade Database	Marketing Specific
Database concept	Trade database	Promotional database
Database structure	Contact details	Basic contact details
Degree of integration	None	None
Degree of integration between levels	None	None
Database strategy	None	Promotional usage
Decision maker for database content	Marketing Managers	Marketing
Personnel with direct database access	Marketing and Sales	Marketing

Internet Developments: They have no plans for IT at the consumer interface and there was very little discussion of the Internet, which is seen as an information source. The Internet is managed by marketing though there is a clear lack of a focus on this and they have major technological difficulties with it. *"It's a pain in the neck to use because of the time involved...I think it's just generally slow, painfully slow"* (Product Manager). There were no extranets or intranets developments in marketing. They are using an email shot for their next promotion. This is quite innovative and they consider that they are the first company to do this. This was their advertising agency's suggestion and is linked to their promotional focus rather than as an IT development.

IT based Interactions: The marketing department has low levels of IT with their consumer. Where IT linkages exist, they are outside of the domain of marketing and marketing has little or no input into them. They have only recently introduced email to a selected group of staff members including the sales force. There are high levels of abuse of the email, which has created serious friction in the company and a decline in personal

contact. They have encountered difficulties with the external demands due to the IT department's refusal to allow certain IT systems onto their network. They have only recently introduced emailing to suppliers. Though they have EDI with their suppliers, indicative of the financial focus of the company and again this development is outside the domain of marketing.

IT developments have changed their relationship with a major retailer who insisted on an IT link (see proposition four).

> *"Hugely with our customer because we're linked up with, our biggest customer ... so we have an EDI link with them ... they're very pioneering in the way they want to develop their relationships and we have somebody who worked with their customer manager and we have all sorts of visible and invisible links with them and we're trying to develop that with the other companies" (Product Manager).*

They consider that they are ready and prepared to have greater IT links but will not initiate these, as they will wait for their intermediaries to decide what systems they require. The explanations for the slow development of IT links with the other two main players in the market, was that one is very cost conscious and change adverse and the second player has major internal changes ongoing at the moment.

They could have been EDI pioneers, because the IT department initiated an EDI project about 2 years ago but due to lack of a commitment from sales, other priorities in IT and the fact that the IT Manager would have had to champion the project herself, this project collapsed. The project was being reinitiated due to customer demand.

> *"Because the customers are screaming for it... So what happens is the customer is putting the pressure on the sales department, the sales now say we really have to do something now and as a result, sales is the department in this company"* (IT Manager).

They are very aware of the power of the retailer and the damage to the personal relationship that the IT link is having on the relationship.

> *"You just have to try and develop a relationship with them, which is difficult. It just makes things harder, that you can't go in and say I'm doing X promotion at X time, you've to tailor it to suit them, and the impact of the sales rep is going down, they've less and less influence, at store level everything is done from head office (Product Manager).*

There was a lack of support for this proposition due to the lack of a relationship marketing focus to marketing practice. They have developed ITs in marketing but from a transactional perspective. They have IT based links with their intermediaries but these are outside of the domain of marketing.

Proposition Four: There are barriers to IT assimilation in marketing

The major barriers to IT assimilation in this case are the IT systems and their implementation process related to the automational focus of the IT infrastructure. This case has had major difficulties with technological aspects of the software applications, which has created a negative image of IT applications and tensions between the IT department and other departments.

> *"Oh there's chaos, it broke down recently for a few days, we couldn't get any forecasts and when they got it up and running again all our reports were lost, we'd to build them all again, oh it causes absolute chaos". (Product Manager)*

This issue relates to the antiquated nature of their systems. *"Our old archaic systems are one of the barriers."* (Group Product Manager). The organisation is not IT friendly. The barriers centre on technical issues and the control by the IT department of all the systems and also the lack of a technological orientation within the company. The corporate culture is quite conservative.

> *"As a company the culture is take it easy, be careful before you introduce anything new especially on a technology side, so we're not first to jump in,*

we're the followers rather than the leaders and that's the corporate culture world wide really in terms of technology." (IT Manager)

The Automational Stage of IT Assimilation

This section analyses the automational focus of the IT infrastructure and also reviews the relationship between the IT department and the marketing department.

Support Orientation of IT Department: The group product manager is very critical of the service provided by the IT department from a developmental perspective, that they are not forward looking and progressive and that marketing and sales have had to drive through the IT initiatives themselves. They provide centralised IT systems which they then support.

Open Conflict: For support issues there is open conflict between marketing and the IT department. *"On a personal level, they're not the most customer service oriented people, they would probably benefit a bit more if they were a bit more customer, a bit friendlier, a bit more human"* (Product Manager). Most contact between the two departments centres around complaints. *"Every interaction is an irritation and what is it this time, the log book of what they call complaints, so I think they see all of their interactions with people as complaints."* (Group Product Manager)

The IT department is critical of the lack of ability of marketing to sort out simple IT problems themselves and view marketing as very poor users of IT compared to other departments.

> *"We do find that the marketing department, it takes them longer to go through the learning curve ... So it's just probably different types of minds...they are extremely lazy when it comes to the software... the finance people would probably be better with the Cogness and the Softwareanswers because they're numerate type applications." (IT Manager)*

There is a very poor working relationship between the marketing and the IT department. Recently consultants recommended that the IT department should attend the marketing meeting but they do not work together. The IT department is involved in the implementation of the IT aspects of the plan but not the planning.

This conflict centres on the introduction of the new forecasting system, which was designed four years ago and is now the standardised worldwide system. It is a dreadful system according to the users, it crashes constantly and returns the control to the IT department and does not allow for decentralised use by users. They have had major IT problems with new systems and this has clouded the company wide perception of IT.

> *"Yeah it does, but you'd have to understand how bad things were, constant crashing of systems, people having to come into work over weekends because the whole network had crashed on Friday and people had to have reports sent to the UK on Monday!" (Group Product Manager).*

There has been open conflict, with departments refusing to use the system and returning to their basic excel package. The IT personnel have been blamed for this situation and though the IT department admit that the system is difficult to use, they are insisting on its use and that staff must be taught to accept the system. *"They try to optimise what we have rather than optimise what we could have."* (Group Product Manager).

Marketing Specific Difficulties: The IT department dislikes the fact that they have to customise software to suit marketing's requirements and consider that marketing should work within the limitations of the software. That rather than request different reports form the IT department they need to accept what is supplied to them and work within the system.

Sabotaging of Systems: There is some indication (though no proof) of sabotaging of figures. The IT manager accused the marketing personnel of deliberately falsifying the figures so the system won't work.

*"They're putting in numbers but they're not very clever numbers and me as
a non marketing person can tell that the sales of that product are not going
to be like that." (IT Manager)*

The marketing personnel did not agree but there could be some truth in IT's belief
because the marketing department is refusing to put in the figures and when they do
*"they just slap them in. that stupid systems doesn't work anyway so why bother."
(Product Manager)*

Solutions to the Automational Stage of IT Assimilation

This section analyses the minimal developments they have initiated to try to overcome
this automational focus and lack of support from the IT department.

SuperUser Concept: The superuser in this case is in the finance department and he is
friendly with the marketing people and helps with the systems and trains people on
various packages. There is systematic use of this superuser as a substitute for training
staff or for asking the IT department. This hinders marketing familiarity with the system
and stops them from developing their own expertise and comfort levels with it.

Steering Committee: There is a small steering group, which decides on the priorities
for IT. *"In general they may not tell us not to work on that one, they may tell us that this
other project which is bigger or whatever is the priority." (IT Manager)* This group
reprioritised EDI with one of their suppliers as a major operation this year.

There is serious and obvious conflict between the IT and the marketing departments.
This situation is a company wide issue and there are high levels of discontent in relation
to the IT department. There are various aspects to this situation both from the marketing
perspective and from the IT perspective, but it is a very good example of the difficulties
of IT implementation. The IT department are very busy, lack resources and also have
staffing difficulties.

Summary of Support for all Propositions

This case is an example of a transaction orientated marketing department which has experienced only minor changes to marketing practices over the last five years. Though IT has impacted on these relationships, this is outside of the domain of marketing.

Their stage of IT development is automational and they will find it very difficult to move to the informational stage of IT development as the IT department has central control of the IT and operates from an automational perspective.

Their database and internet developments are very minimal and they are not dynamic progressive users of IT. There have been major difficulties with IT implementations within this company and this has clouded their perception of IT and it benefits.

There is overt conflict between the IT and the marketing department over the non use of the new centralised forecasting system which is difficult to use and does not provide marketing with the information they require. The marketing department's solution is to revert back to their previous system.

The main barriers to developments are the technology itself and the lack of a dominant IT culture in the company. The two issues are highly related. As there has been so much disruption due to the introduction of non-user friendly ITs there is a general negative attitude towards IT. This is an example of a transactions orientated marketing department with an automational stage of IT development.

<u>Case G</u>

Case Description

This company is a non-commercial state owned service with a worldwide operation and global markets. Their head office is in Dublin, but they operate service offices all over the world, marketing Ireland as a tourist destination. They offer a variety of services to people travelling to Ireland and they are the main source of information on Ireland, for the tourism sector. They also have a major auditing role for a wide range of services related to the tourist industry in Ireland, including the grading of all accommodation and attractions.

They are perceived as one of the state agencies, which has changed with the times and offers a professional service. They were considered pioneers and leading users of the internet in Ireland. They introduced one of the world's first touch screen information booths, the 'xxx'[1] system, back in the late 1980s. This is a booth which offers a multimedia automated information services which was integrated with a booking system and the ability to purchase tourist related services. Though this technology was fraught with technical problems, its development highlights a company that was to the forefront of new technologies and which is very IT focused.

Competitive Situation: They operated in a competitive marketplace as they compete with other holiday locations in the world. They do have a somewhat unique image in the marketplace, but they also have to cope with unforeseen events, which can damage the image of Ireland abroad.

Dominant Marketing Issues: Their main concentration is on the Internet and its continuing development as the major portal for the provision of their service and a new business model for the company.

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[1] This was a major IT innovative system which cannot be named for confidentiality reasons.

Dominant IT Issues: There are no major IT developments in the IT department which is very focused on their centralised automation information system.

Personnel Interviewed: This research was carried out in the head office in Dublin. The main informants for this study are listed in the table G1.

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Table G1   Main Informants

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Title	Main Area of Responsibility
Marketing Manager	Responsible for direct marketing, print and distribution
Marketing Operation Manager (International Markets)	Responsible for the international network of offices. She is involved in corporate strategy and is on the implementation team for new business processes and the IT steering committee
Information Technology Information Manager	Supply and support for all the IT in the company

The management structure of the organisation related to the focal area of study, appear in the table G2. The main informants are highlighted in bold in the shadowed area.

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Table G2   Organisation Structure – Marketing and IT

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Chief Executive		
⬇		
Divisional Manager	General Manager - International	Company Secretary
⬇	⬇	⬇
Marketing Manager	**Marketing Operations Manager – International Markets**	**Information Technology Information Manager**

Support for the Propositions and Structure of the Summary

As an introduction to this case and a summation of the main findings table G3 highlights the level of support for the propositions.

Table G3   Support for the Propositions

Proposition		Level of Support
Proposition 1	There is a major relationship marketing perspective to contemporary marketing practices	Support for this proposition
Proposition 2	There is a major IT component in contemporary marketing practice and that assimilation is at the informational stage of development.	Support for this proposition
Proposition 3	There is a dominant IT dimension to relationship marketing which will be evidenced through database and IT based interactions in marketing	Support for this proposition
Proposition 4	There are barriers to IT assimilation by marketers	Support for this proposition

The structure of this summary is that the data is analysed by proposition. Due to the interrelated nature of the propositions they link to form a picture of the case. Therefore all the information for each proposition does not necessarily appear under that proposition but the total summary is designed to build an overview of marketing's assimilation of IT. In the interest of brevity certain issues are highlighted and discussed in greater detail while some issues are only alluded to. The tables are designed to show the patterns for each proposition, though all the issues included in the tables are not discussed in this brief summary.

Proposition One: There is a major relationship marketing perspective to contemporary marketing practices.

There is strong evidence that relationship marketing is a major change for this case and that they are moving from a transactional focus to a relationship focus.

The main responsibilities of the marketing department are centred on the management of the relationship between the head office and the office network worldwide with a dominant focus on promotional operations. They are also the controllers of the internet site and a lot of their time is spent on managing and developing this site, which has a strong relationship marketing focus.

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Relationship Marketing Focus: There is now a strong relationship focus, to their operations. *"Snappy and much more responsive to the consumer there is a much faster turnaround ... Using IT which is cheap and effective to target people ... you can do more on relationship marketing"* (Marketing Operations Manager). The following quote highlights their move from a transactional focus on a once off visitor and the move to a relationship focus and the dominant role of IT in this development.

> *"I suppose to give you an example, prior to technology we would have treated every customer coming to Ireland as a first time visitor even if they'd been here 20 times in the last year because our messages were the same, we never knew that you were here 20 times, so we're still pumping out the same message over the TV or the radio. Now if you've been here 20 times we should really know that and we should be able to say we really know this is what you like and here's an offer from us (Marketing Manager).*

Utilising the frameworks in table G4 and G5, their dominant focus is on database marketing with their major customers.

Table G4   Relational Exchange Dimensions of Interaction Marketing

Focus	Predominantly an information based relationship
Parties Involved	They have specific target markets worldwide
Communication Patterns	Firm to individual
Type of Contact	Personalised
Duration	Discrete over time
Formality	Formal (personalised through IT)
Balance of Power	Active seller less passive buyer

Source: Adapted from Coviello et al., 1997

Table G5 Managerial Dimension of Interaction Marketing

Managerial Intent	Customer retention (to satisfy the customer, and obtain other objectives such as increased loyalty, decreased customer risk, and increase word of mouth sales
Decision Focus	Service - brand and customers
Managerial Investment	External market assets (emphasising communication, information, and technology capabilities)
Managerial Level	Specialist marketers (e.g. customer service manager)
Time Frame	Short and long term

Source: Adapted from Coviello et al., 1997

There is evidence of a pluralism of approach as they have interaction level relationships with tour groups, hotel organisations, tourist attractions and various national and international organisations.

Evidence of Relationship Marketing Practices: Some changes have been inputted to move towards a more relationship focus as evidenced in table G6.

Table G6 Evidence of Relationship Marketing Practice in the Marketing Department

Evidence of Relationship Marketing Practices
Development of a centralised database (see proposition three)
Increased focus on marketing and increased company-wide marketing operations
Segmentation of their customer base
Cooperation with the sales force
Collection of market information (see proposition two)
IT enabled relationship marketing practices (see proposition two and three)

There main change is this area is on the increased focus on marketing within the company and the level of IT that they are utilising at the customer interface and for relationship marketing activities.

This case has experienced changes to their marketing practices with the move to a dominant marketing focus. *"We are now very centre stage here, marketing is the most important department, we are the interface with the customer"* (Marketing Manager). As

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the IT Information Manager explained, *"Marketing are THE department in this company"*.

They believe that even for the once off user of the service they need to build a relationship. What they are aiming for is the word of mouth recommendations. They understand the importance of their relationship with the customer and the use of IT to aid in this development.

> *"But the IT in itself can not be the interface, in other words you've got to decide the message, its an enabler to make you communicate and to store information about the customer and to build a better relationship as a result of the information you've stored in front of you ...Our interaction capability with our customers is much more sophisticated now than it was because we've used technology to enable us to be more efficient with our customers ... The more we know the more we can tailor."(Marketing Manager)*

They have a clear vision of the impact of IT on their relationships but that they are aware that they are still at the development stages of many of the more radical innovations, though they have innovative use of the web, with personalised newsletter and database customer information. This change to a relationship orientation has a very dominant IT focus. They view their role as

> *"Broadcasters of their brand attributes in an electronic marketplace ... Electronic marketing capabilities, electronic control of information ... email and file attachments, document sharing, network information sharing, increased communication in general" (Marketing Manager).*

They have a dominant internet strategy and have developed their internet usage, utilising banner advertising, hits analysis, questionnaires, customer tracking and personalisation of their site.

Proposition Two: There is a major IT component in contemporary marketing practice and that assimilation is at the informational stage

IT has impacted on their marketing practises. They use IT to increase the speed of their operations, to facilitate their work, for dissemination of information and more recently for relationship building. They have a strong IT orientation in marketing and are leading and driving many IT developments.

They utilise a wide range of IT's in marketing including extensive use of their internet site, call centres, automation of processes, ecommerce and email. The have plans for many new IT initiatives including further internet innovations, increased use of the intranet, a relational databases, memory and bandwidth development for increased capacity and functionality. These are all considered as normal IT developments. *"We just have the standard run of the mill marketing tools, powerpoint the internet just like what everyone has"* (Marketing Manager). Marketing is very proactive in their use of IT and IT is a central feature of their marketing operations and it has and will continue to assist their marketing operations.

> *"I think its really a business process and it will facilitate us in almost radically overhauling how we do our marketing and who we market to, or how we market to, not who, for we will still be marketing to the same profile, but how we do it might be a very different". (Marketing Manager)*

Evidence of Informational Stage of IT Assimilation in Marketing

There was a range of evidence to show that they are at the informational assimilation of IT in marketing (see table G7).

Table G7   Evidence of an Informational Stage of IT Assimilation in Marketing

Evidence of Informational Stage
Lack of use of centralised information system with a focus on new marketing specific developments
Decentralisation of control of marketing related IT's
Open access to systems
Information focus rather than technology focus
Internal and external focus of IT developments
Appreciation of the learning curve of IT assimilation
IT orientation and knowledge in marketing
Marketing Specific ITs and evidence of marketing driving IT developments

The marketing department have a very strong IT focus. They have a good mixture of marketing personnel with strong IT skills. The managers are supervisionaries and are very familiar with IT and have a good overview of where the IT can lead them and what they are trying to achieve with IT.

The marketing department is the main driver of IT developments and would like the company to have more of an IT vision and focus. They are leading the drive towards more information sharing, aware that the fragmented nature of information in the company is a problem. They are also driving many new IT initiatives and are virtually self sufficient in relation to their IT requirements relying heavily on outsourcing their IT developments and requirements, rather that using the internal IT department. This is possible due to their large budget which means that they do not have to rely on the internal IT department which is overworked, does not have a marketing focus and concentrates on the automational centralised finance orientated IT system.

The IT department still maintain a technology focus while marketing have moved to an informational IT in use focus. As the marketing manager comment *"I don't want to know how it works I just want to get from A to B (with it)."* There is now a focus on the informational use of IT, rather than the technology. *"From a more marketing relationship point of view rather than an IT perspective"* (Marketing Manager).

This case is at the informational stage of IT assimilation with plans and strategies to continue to develop towards transformational use. There have reached the informational stage of IT developments for certain aspects of the marketing operations (see proposition three) but they are only at the early stage of developments. A dominant feature of their IT developments is to augment their traditional practices.

Centralised to Decentralised Control: The legacy IS system is heavily criticised and viewed as inefficient for the information requirements of the marketing department.

> *"Problem with the budget system. It is designed for finance people but all the offices and all of head office have to use it so there is a bit of a problem. But it is not an IT thing. It is a financial management and it is because the tool is not very good. (Marketing Operations Manager)*

Their corporate server system has technical problems and it is very difficult to access information from it. It is currently being replaced by an intranet.

The marketing manager captures the essence of the move away from centralised control and a technology focus with the following quote.

> *"Empowering people more and more with the use of technology instead of setting up controls to say we need to know how many hours a day you're spending on the internet and what site you're looking at, empower people to go off and build a site, be creative with the marketing, think outside the box" (Marketing Manager).*

There is increased effectiveness at the customer interface and throughout their worldwide operation, due to their IT applications having both an internal and external focus.

> *"IT is basically providing a service it is automating and informing that is the main service internally ... IT is just a tool to get what you want to make things easy to keep yourself informed and to keep your colleagues informed and then IT externally to your customers" (Marketing Manager).*

They are a good example of a company's movement through the stages. They have automated of lot of process for example their fulfilment and booking systems. There are still more processes that they are automating particularly noted is their marketing planning process and their internal communications. There is a high level of urgency related to their IT developments in marketing. The marketing personnel consistently used the term '*soon*' in discussions of new IT's.

Table G8 highlights the IT orientation in the marketing department and they are racing ahead with IT developments, many of which they have outsourced due to difficulties with the IT department.

Table G8   ITs in the Development Stage

IT in Development or Implementation stage
Centralised database
Further Intranet developments
On line real time tracking of visitors to their internet site
Intranet development
Extranet development
Marketing planning software
In house publicity tracking software
Management schedule package

Proposition Three: There is a dominant IT dimension to relationship marketing which will be evidenced through database and IT based interactions

IT developments are central to their ability to practice their relationship marketing activities and they have a highly developed internet strategy for interactions with their customers. They have a very relational focus to their IT developments augmenting rather than replacing their customer service.

> "Selling is a visual thing you do need visuals, you do need publicity, journalists, you do need word of mouth, it is not going to transform, you could say okay everything is going to be IT ... a competitor has pulled out of

their world offices, but you still need a voice at the end of the phone"
(Marketing Operations Manager).

Database Developments: They are very aware of the limitations of the current legacy centralised information systems they currently use.

They are concentrating on building a centralised marketing database as a priority with a dominant relationship marketing focus.

> *"The ability to almost build a customer relationship on a one to one basis so the whole personalisation of an internet site, customer support, building knowledge about the customer, keeping that data warehouse, very important"*
> *(Marketing Manager).*

They operate a number of separate databases, which they are planning to centralise to have one point of contact with the consumer.

> *"An Integrated database. This is in all the plans that we're working on, its to get to know more about the customers, get to be in a position to deliver more to them and to get them to feel good about, kind of a lifetime value, that's kind of the in vogue phrase"* *(Marketing Manager).*

They are struggling with the development of centralised databases. This development has already been 12 to 18 months in the design and development stage and their requirements are a major challenge for the company.

> *"In other words there's a lot of activity going on but in order to bring into one unified 360 degree view of what's going on its going to have to take a lot of integration and an awful lot of people. Don't forget in a lot of big organisations and institutions people specifically look after their customers they don't necessarily see the big picture so that's where we've got to take a corporate view as distinct from an individual servicing view"* *(Marketing Manager).*

There are experiencing major difficulties in amalgamating the information from their separate contact channels. They are currently aware that the information from the internet

is not provided in the format that suits them and it is part of their database developments to track and coordinate this information better.

Internet Developments: From an IT perspective their internet site is now the central focus of their business. They have invested heavily in the internet and related IT developments, for the marketing department. The marketing department is driving new internet initiatives and testing them for their worldwide network.

> *"Its all internet, internet, internet, in terms of the new deliverables, everything is a logical extension of the internet, even CD ROM is now old hat, you'd use CD ROM or maybe DVD for one to one kind of marketing or as a door opener but in terms of mass marketing you be talking very much over the internet and more precise marketing" (Marketing Operations Manager).*

The focus of this development is on the ability to enhance their relationships and to provide them with information on the customer.

> *"It has certainly changed our ability to have a relationship in the way we can have a relationship in that the IT gives us the capacity to store information, that we don't have to ask the same questions every time we talk to the customers. In other words over a period you would build up a knowledge of the customer without even the customer knowing that you were effectively building that level of information"(Marketing Manager).*

Though their major focus is on their internet with their final consumer they also have intranet and extranet developments for a variety of their operations. These are developing at a slower pace as their focus is on the centralised database of customer information.

Proposition Four: There are barriers to IT assimilation in marketing

The major barriers are the automational focus of the legacy systems, which are delaying their more innovative developments and the conflict between the marketing and the IT department related to the automational stage of IT assimilation. They do have a strong organisational focus on IT and top management involvement in driving the IT forward.

They have technical barriers from their in-house system and in getting the IT structure right. There are issues with their technical infrastructure.

> *"I find the internet frustrating because I am not a surfer techie type who knows how to do things with it. Because we only have two lines going out these iMacs crash a lot. I go into our web site a lot to check little things and it crashes ..."There were complaints about that they have simply undertaken an entire IT review, iMac crashing and slow links." (Marketing Operations Manager)*

Marketing is cognisant of the limitations of the legacy of previous systems and that a lack of compatibility between systems is hindering the assimilation of IT. They are very aware of the cost burden of changes in IT and the difficulties in recouping IT outlay, where there is no corresponding increase in revenues. Yet marketing are moving ahead with IT developments many of which the IT department appear to be completely unaware of.

As they have a worldwide network they are very aware of the different levels of IT diffusion. *"Some markets are more advanced than others. To some it is threatening – Nordics embrace it, and other are frightened or it – very personality focused"(Marketing Manager).*

There is awareness that marketing cannot just race ahead with IT initiatives but must bring their partners with them. *"There is the dominos effect we have to watch our move towards IT. If we go in the ecommerce direction what will be the impact on our markets, our partners how will the others react?"*(Marketing Operations Manager).

The Automational Stage of IT Assimilation
Marketing is driving the IT developments in this company, demanding, challenging and directing the IT developments. There is a conflict situation between the IT and the marketing departments, which has developed over time, leading to strong emotions on both sides of this divide. Marketing has outsourced their IT requirements and raced ahead

of the IT department with their developments, upskilling their marketing people in IT to cope with their IT focus.

The full discourse of the conflict between IT and marketing highlights serious tensions, open conflict and a complete breakdown in communication between the two departments. As the marketing managers reveals *"it was almost like a bottle of wills, who was more determined to win this one"* (Marketing Manager).

At the technological discontinuity stage it is expected that the lose of control from the IT departments perspective would be noticeable and that this would lead to tension. This has occurred in the case. IT view marketing's as creative and that marketing will not operate or accept IT based restrictions and have a low opinion of IT.

> *"I think it's also that, there's a tendency by I suppose marketing people to I suppose look down on IT you know. They see marketing as being a creative skill rather than mechanical because it's not so much that they don't like IT. There's, if you're not part of marketing, it's like they don't like rules and postings by finance and controlling the budgets and things like that ...They probably, I'm not too sure how much you can actually be creative. How you can use technology to be creative. I think that's a key word. I think you can just help them there. I'd say they're not as automated as finance"* (IT Manager).

He rationalised the marketing/IT conflict by offering the observation that marketing do not like any controls, either financial or from the IT department.

The IT department has a major support function. According to the marketing manager *"IT for me is just the help desk... 99% support."* The IT manager explains the difficulty. *"To say we're seriously stretched is putting it as an understatement. So our role has been purely fire fighting rather than being pro active, it's been all reactive"* (IT Manager).

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The fact that marketing's requests are of an immediate nature is very annoying for the IT department. *"I don't believe you have to react within days to marketing. I don't believe you do, not within our kind of business. You sit down and you plan for the year."* (IT Manager). Marketing contend that the IT department were delaying development and are very critical of the IT input.

> *"No I think we're just more customer focused, we can't afford to hang around, we had to get things done and I suppose in some respects, I really don't want to go public on some of this but I mean we had to divorce ourselves from our own internal IT in order to make some progress on certain things, but in the perfect organisation that would be a link into a lot of the stuff we're doing" (Marketing Manager).*

The IT department's view is that they lack the time or the resources to offer more than the help desk or to respond to marketing's constant requests. The IT department was very aware that the internet is the major marketing development but they have no role in its development and they do not have the skills in this area.

> *"Well our role should be supporting it. There's no way we could actually be involved in the development of it. We just, it would require a lot of expertise, it would require multi skills which we just don't have and that's not going to change rapidly you know (IT Manager).*

The serious time pressures and the levels of demand for IT support means marketing to some extent has opted out of the IT network and pursue their IT needs in their own way.

> *"Those whom we can't deliver, because we're delivering someone else. There's a tendency for them to try and go off and do it themselves. Now, okay well try to do it or else they would resent that they weren't allowed do it you know. Because there is no mechanism within the board to decide the priorities" (IT Manager).*

The IT department have a focus on automating internal operations and are more comfortable in this area. The IT department have a control focus for their IT developments. The contrast between the finance department who agree to and abide by

the rules and the marketing department who want the freedom to leverage the IT in their own way is evidence of the move from centralised IT control to decentralised control.

Solutions to Overcome the Automational Stage of IT Assimilation

A variety of solutions have been utilised to overcome the dominance of the IT department and their automational perspective.

Outsourcing of IT Requirements: Marketing' solution is to outsource all their IT requirements and not to rely on the IT department. The IT department's view of this is that marketing cannot live within the restrictions imposed by IT and wants to operate in their own way and by their own rules. IT personnel contends that the marketing department should be brought into line and should be restricted in what they can do. This is a very automational focus. There is a large amount of resentment towards marketing and much pent up annoyance that marketing has thrived at the expense of the IT department. They have outsourced most of their IT requirement and have 7 outsource companies which they work with. They outsourced their internet development and control it from marketing.

> *"And that in itself is essential, but that doesn't necessarily have to be always provided internally, someone like myself would have advocated it many years ago that things like that should be out sourced, because technology is changing at such a rapid pace that people who are on long term pensionable contracts won't necessarily be able to keep in touch with the pace of change". (Marketing Operations Manager)*

The reality of the situation is that the IT department is not up to date and they outsource much of their own requirements and manage these relationships.

Large Budget in Marketing: Marketing has control of a large budget and can spend it how they like. The IT department are annoyed that marketing is a cash rich department and can afford to spend their money on outsourcing their IT requirements and on

circumventing the IT department. IT would like control of the budgets so that individual departments (cash rich) cannot purchase IT outhouse.

IT Skills of the Marketing Personnel: The marketing department considers that they should be technology literate and in control of IT rather than the IT department. They have upskilled their marketing staff in IT and they are almost self-supporting.

> *"I don't believe you're a manager today if you don't have an appreciation of what IT can do for you, you're not a serious manager in business. I think any manager who's not using IT should get the sack' ... what happens in a lot of organisations is that IT people get involved in the marketing function and it loses its way a bit, you find that the marketers don't get involved because they don't want to get their hands dirty with technology."* (Marketing Manager).

Marketing is the superuser department of the organisation. Within marketing one of their superusers has left, but they have ensured that all marketing people have an IT background.

Supervisionary Concept: The supervisionary concept exists in this case. The marketing director is driving the IT developments forward and has a vision of the future direction of marketing and IT, where it is now and where it should go in the future. There is a need for the marketing's use of IT to be central to the mindset or culture of the organisation.. When original systems that they developed didn't succeed they just kept on trying. They are pioneers in IT development and use and continue to focus on IT developments.

Steering Committee: They have an internal corporate strategy team focusing on a review of their IT processes and how they are organising their communications both internally and externally. *"We are doing an IT review at the moment. Are there any problems – we want to see what are the IT problems that need addressing to see does IT meet our needs and our customers needs"*(Marketing Operations Manager). This was initiated due to technical and informational difficulties encountered throughout the organisation particularly related to the fact that many of their legacy systems cannot communicate with each other.

Summary for All Proposition

This case has a relationship marketing focus and is developing many relationship marketing initiatives at the consumer interface. IT developments are central to their marketing practices and they have a dominant focus on current and future IT applications. Though the IT department has an automational focus to their IT developments the marketing department has an informational focus and have developed and use various strategies to overcome the barriers and to pursue the IT initiatives that they require.

This case supports the proposition that there is a dominant relationship focus to contemporary marketing practice though they are encountering difficulties in this relatively new development.

There is evidence that this case has moved from the automational to the informational stage of IT usage in marketing. There have been major challenges to this move from the IT department but as the marketing personnel are IT competent they have driven the developments independent of the IT department.

They have an IT strategy for their relationship marketing developments. They have a very highly developed web site with links. They are currently developing an intranet and extranet and a centralised database and they are increasing their internet usage.

The major finding is that the marketing department has not allowed the automational focus of IT to restrict their movement to informational use of IT and they are very IT orientated and focused on IT developments.

Case H

Case Description

This large accountancy and management consultancy firm has grown through numerous amalgamations and is now a division of one of the largest accountancy/consultancy firms in the world. The company operates in the highly competitive Irish marketplace, and they are one of what is referred to as the big six, in Ireland. They are by nature a conservative professional organisation.

In common with other companies in this market the nature of their business has moved from solely accountancy to increased levels of management consultancy. This has changed the relationship they have with their clients, from long term relationships to more once off contracts. As a business to business service organisation, relationships are the central focus of this company, individually managed by the partners and consultants.

Competitive Situation: This case operates in a very competitive marketplace with competition from players in the Irish and the international market. Their customer has become a more demanding and knowledgeable customer, looking for increased levels of transparency and results.

Dominant Issues in Marketing: The dominant marketing issue is the development of the internet site and the increased use of IT in marketing.

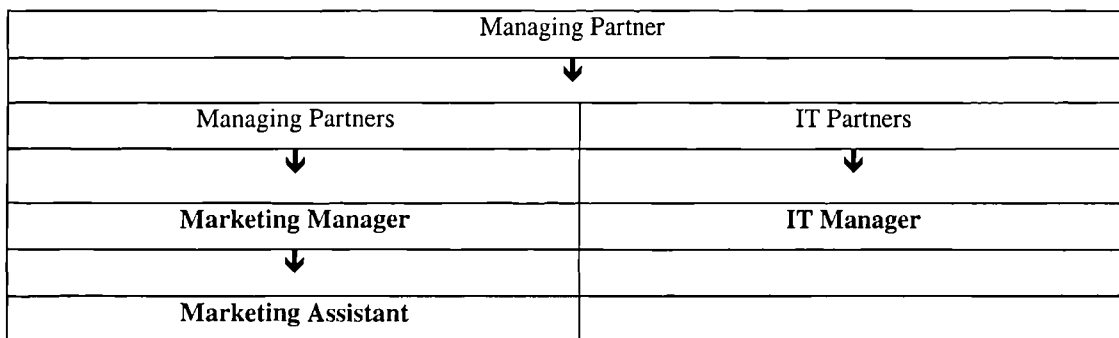**Dominant Issues in IT:** There is no dominant issue in IT.

Personnel Interviewed: The main informants for this study are listed in the table H1.

Table H1   Main Informants

Title	Main Responsibility
Marketing Manager	Full responsibility for the marketing operations
Marketing Assistant	Reports to the marketing manager
IT Manager	Full responsibility for the IT operations

The management structure of the organisation related to the focal area of study, appear in the table H2. The main informants are highlighted in bold in the shadowed area.

Table H2   Organisation Structure – Marketing and IT

Managing Partner	
⬇	
Managing Partners	IT Partners
⬇	⬇
Marketing Manager	**IT Manager**
⬇	
Marketing Assistant	

Support for the Propositions and Structure of the Summary

As an introduction to this case and a summation of the main findings table H3 highlights the level of support for the propositions.

Table H3   Support for the Propositions

Proposition		Level of Support
Proposition 1	There is a major relationship marketing perspective to contemporary marketing practices	Support for this proposition
Proposition 2	There is a major IT component in contemporary marketing practice and that assimilation is at the informational stage of development	Support for this proposition
Proposition 3	There is a dominant IT dimension to relationship marketing which will be evidenced through database and IT based interactions in marketing	Support for this proposition
Proposition 4	There are barriers to IT assimilation in marketing	Support for this proposition

The structure of this summary is that the data is analysed by proposition. Due to the interrelated nature of the propositions they link to form a picture of the case. Therefore all the information for each proposition does not necessarily appear under that proposition but the total summary is designed to build an overview of marketing's assimilation of IT. In the interest of brevity certain issues are highlighted and discussed in greater detail while some issues are only alluded to. The tables are designed to show the patterns for each proposition, though all the issues included in the tables are not discussed in this brief summary.

Proposition One: There is a Major Relationship Marketing Perspective to Contemporary Marketing Practices

In the last few years there has been a major change in attitude towards marketing and its role within the company. *"I'd say, it's only really recently I'd say, maybe in the last three or four years that this company has actually realised that marketing is important"* (Marketing Assistant). The marketing department now has a central role in the company and are a very busy department.

> *"Probably an increased amount of marketing and expenditure on marketing, probably kind of gone tenfold to what it was ten years ago so just the sheer amount of it that we have to do"* (Marketing Manager).

This is due to the increasingly competitive environment they are operating in and the move to a more relationship focus and company-wide effort to satisfy customers. There was evidence of a variety of changes to marketing practices, many IT related, with a particular emphasis on internet based changes.

Their main responsibilities centre on promoting the company through PR, advertising and sponsorship, managing corporate events and supporting the partners and consultants with new business proposals and sales.

3

Relationship Marketing Focus: There has been a major development away from a transaction to a relationship focus company wide. The individual partners traditionally controlled the client company relationship and the major difference is the company view of the relationship as pivotal.

> *"We were very much word of mouth and I think that was part of the industry and the professional type approach. People [were] passing on clients and contacts, no real proactive selling or marketing. Moving into kind of PR type generic promotion of the brand name and the firm and then into more specific targeted events and particular groups of clients or targeted clients and more recently I suppose getting down into, kind of going full circle in a way but trying to get more into one to one relationships in terms of marketing." (Marketing Manager)*

This case has developed long term relationships with a majority of their clients due to market condition but now due to competitive pressures and customer demands they are becoming more relationship focused with them. *"And certainly more emphasis on surveying existing clients and expanding existing clients and serving them better"* (Marketing Manager).

Utilising the Coviello et al., (1997) framework tables H4 and H5 shows that their dominant focus is on interaction marketing with their major customer, though there is evidence of a pluralism of approach.

Table H4   Relational Exchange Dimensions of Interaction Marketing

Focus	The partners and the client have personal ongoing relationships
Parties Involved	Company to company contact
Communication Patterns	The partners deal individually with each customer
Type of Contact	These relationships are very interpersonal
Duration	Continuous (annual contracts though they also have once off consultancy projects)
Formality	Formal and informal – the relationships are formal and informal and quite personal
Balance of Power	Seller and buyer mutually active and adaptive

Source: Adapted from Coviello et al., (1997)

Table H5   Managerial Dimension of Interaction Marketing

Managerial Intent	Interactions (to establish, develop, and facilitate a co-operative relationship for mutual benefit)
Decision Focus	Relationships between individuals
Managerial Investment	External market assets (focusing on establishing and developing a relationship with another individual)
Managerial Level	Managers from across functions and levels
Time Frame	Short or long term

Source: Adapted from Coviello et al., (1997)

Their dominant focus is on long term relationships though they have strategic alliances with a small percentage of their clients and with another sector of their business they are moving to more one off contacts than ongoing relationships.

Evidence of Relationship Marketing Practices: Some changes have been inputted to move towards a more relationship focus in marketing as evidenced in table H6.

Table H6   Evidence of Relationship Marketing Practice in the Marketing Department

Evidence of Relationship Marketing Practices
Development of a centralised database (see also proposition three)
Increased focus on marketing and increased company-wide marketing operations
Segmentation of their customer base
Cooperation with the sales force
Collection of market information (see proposition two)
IT enabled relationship marketing practices (see propositions two and three)

They are endeavouring to develop a centralised view of the customer and to take the power and information control away from the sales force and to move it to marketing. *"To sell as a group rather than as a one to one individual"*(Marketing Manager). There is further development of this dimension to their relationship marketing practices in proposition two and three.

Marketing and sales work together to provide customer services. This is a relatively new development and they are experiencing some difficulties in this area. *"The challenge of us and sales actually working together as opposed to being opposite ends of the stick"* (Marketing Assistant).

The marketing department has a central and controlling role in the management of the business. The marketing operations permeate throughout this company and the total focus is on customer satisfaction and maintaining and developing relationships.

This case supports the proposition that there is a dominant relationship focus to contemporary marketing practice though they are encountering difficulties in this relatively new development.

Proposition Two: There is a Major IT Component in Contemporary Marketing Practice and That Assimilation is at the Informational Stage

There has been a major impact on marketing practices through the introduction and use of IT. The marketing staff are technology orientated and have a vision and plan for increased IT use in marketing. The marketing department has a clear focus for IT developments and view IT as an integral part of their operations. There is ample evidence of the informational stage of IT developments in marketing (see table H7).

Table H7   Evidence of an Informational Stage of IT Assimilation in Marketing

Evidence of Informational Stage
Lack of use of centralised information system with a focus on new marketing specific developments
Decentralisation of control of marketing related IT's
Open access to systems
Information focus rather than technology focus
Internal and external focus of IT developments
Appreciation of the learning curve of IT assimilation
Increased IT skills in marketing
Marketing specific ITs and evidence of marketing driving IT developments

This case is at the informational stage of IT assimilation and the main benefits of IT in marketing are increased efficiency and effectiveness. They have ITs at the implementation and development stage which highlights their dominant IT focus. These developments are internet based or/and database developments (see table H8).

Table H8 - Current ITs in Development

IT at Development or Implementation Stage
Intranet developments
Extranet links
Development of marketing specific database

This case is at the informational stage of IT developments. The main IT related changes in marketing and the informational stage of IT developments will be discussed in greater detail in propositions three and four.

Proposition Three: There is a Dominant IT Dimension to Relationship Marketing Which will be Evidenced Through Database and IT Based Interactions

The IT impact on marketing practice, relates to the relationship enabling and augmentation aspects of IT developments.

> *"In the sense that I think that the basic principle involved in looking after customers and understanding their needs etc. will be the same but technology can be an enabler of doing that"*(Marketing Manager).

They have a strong IT dimension and IT-based interactions. The main benefits of IT are increased and improved communication ability with their clients.

> *"Well it's speeded it up and made it much easier to do, particularly when people aren't physically able to get together in the same room at the same time or even to get on the phone at the same time. I suppose the technology is enabling people to communicate" (Marketing Manager).*

They use a range of ITs for relationship marketing practices.

> *"Database and mailing, list type of things, direct mailing. Kind of, I'm trying to think of the phrase but not quite client relationship management but definitely managing clients and liasing with them and just straight forward communication" (Marketing Manager).*

Database Developments: Internally they have a range of databases, which they are endeavouring to reduce in number and to standardise. They have a separate marketing database, which is a Lotus Notes based system, predominantly for client contact information. They download the information to excel for manipulation purposes. There is a lack of marketing specific information on this system which is used mainly for mail shots. The marketing database was designed and developed for marketing by a non-IT

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member of staff, though IT now supports the software. Marketing initiate and organise the development of their IT based marketing applications.

They are developing a new centralised customer information database. The benefit they foresee is in the ability to provide IT support to their relationship marketing practices. *"More efficient, the ability to capture and share information for clients or potential clients"* (Marketing Manager).

They have difficulties in database information compilation. They have a plan to ensure completion of the information through training courses on the importance of the database. They are very aware of the damage incomplete or misinformation presents for marketing. When asked if the information in the marketing database was complete, up to date and accurate the marketing assistant replied:

> *"No way, no ... that would be a major job, a major, major job ... it continuously needs to be updated and it's probably not, it's being updated by some people and not being updated by other people so, and then because people feel it's not up to date, they don't use it. So it's kind of like a vicious circle"*(Marketing Assistant).

They are currently operating a dual IT based and manual system. There is currently the option to opt out of database compilation by the partners but they plan to ensure compulsory inputting in the next few months, an initiative that marketing are aware must be strongly supported by the senior management team.

> *"There is a reticence to divulge information. Sure, yeah and even also these databases out here are another example of people kind of protecting, client information if you want to call it that"(Marketing Manager).*

Their solution is to promote the benefits of information sharing and a centralised database.

IT Based Interactions

They are highly networked internally and moving towards greater IT external links particularly with major customers.

Internet Developments: Many of the marketing and IT changes are being driven by the internet which is forcing a move from an internal focus to an external focus.

> *"I think it's actually predominantly technology driven in the sense of internet enabling technology, I mean that we are looking at that area and it's forcing people to realise that IT is outward focused rather than just purely looking at internal operations and day to day management and so on"* (Marketing Manager).

In-house consultants and the IT partner initially developed the internet. About two years ago and following a world-wide dictate the internet site was passed to the marketing department and a standardised global design was introduced. There have been complaints that the standardised site is not creative and innovative enough. They are currently reviewing their internet site in order to be more interactive and to initiate increased levels of ecommerce activity.

> *"The marketing department worldwide are kind of bashing against the top level of the firm internationally and saying we're not doing enough and you're falling behind competitors and we need to be as good as or if not better than our major competitors" (Marketing Manager).*

This company is about to launch an intranet, which is an IT initiative linked to the global intranet site. The intranet is being developed from a working group of an IT committee. The IT department are very protective of this development and the marketing department is not represented on this team.

They have data interchange and dedicated IT links with two major clients. They also allow direct access to certain databases and information sources for their major

customers, similar to an extranet. There is prepaid access to certain sites and reports for their major customers. For their company audit service there are high levels of IT interactions. For example companies provide them with access to their financial information on line so that they can work on the information off site.

Proposition Four: There are Barriers to IT Assimilation in Marketing

There are a range of barriers and the main ones are the automational focus of the IT infrastructure, the lack of support from the IT department. and the lack of time to concentrate on IT development in a challenging market place. The marketing department have overcome these difficulties in a variety of ways. The most important aspect of these solutions is their increased IT knowledge, which has resulted in the ability to champion IT developments, without the aid of the IT department.

The Automational Stage of IT Assimilation

The IT department has an automational internal focus and concentrates on departments like finance, audits and the consultants, rather than marketing.

The relationship between IT and various departments including marketing are tense.

> *"I mean the situation was that there was a poor perception of IT out there but needless to say that was the only perception that people could have because we didn't have enough staff to service the whole office ... it got to the stage where, at the higher level, partners were moaning and complaining about IT but yet there was no defence line there ... There's no necessity for anybody to be complaining. Now if there are issues then they raise them with me and not the people that are sitting around them and that they want to moan forever more and they raise them with me and I action the repair of whatever it is in our department and that's the way it goes."* (IT Manager).

Support Rather Than Strategic Developments: The IT department have a support role, and though they would rather have a more strategic role, due to staffing issues they

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are experiencing major difficulties in efficiently providing the support role. They have not participated in the development of either the marketing database or the internet developments due to a lack of time.

The IT department are a powerful department and they have a very automational control focus to their operations. They have a very strict structure for dealing with IT requests and do not encourage spontaneous or urgent requests. The IT manager discussed two examples of IT purchases, which they halted because they did not match their guidelines for systems.

Internal Focus of IT Department: The IT department's responsibility centres on the internal functions and they are *'not client based whatsoever"* (IT Manager). The effect of this is that the marketing department drives the external IT developments. *"Not that major, only if there are problems, or with the marketing database. Or the other things like global interface but they are really only interested in the internal workings. If your computer goes wrong or any internal database we use"* (Marketing Assistant).

Marketing Requests are not a Priority: Marketing, from the IT department's perspective is a very small department and compared to other departments are low users of IT. As such the IT department concentrate on requests from other departments and is more proactive and more involved with other departments.

> *"Because the marketing department is so small, I mean if it was a lot bigger ... They don't have any department specific applications which other departments do. But that's not to say I mean they use technology every day you know. They would be stronger users of Powerpoint. They would use word, maybe not so much access but word and excel"* (IT Manager).

Solutions to Overcome the Automational Stage of IT Assimilation

The marketing's department's solutions to the automational focus of the IT department have been to outsource their internet requirements, to improve their IT knowledge and to utilise non-IT department IT expertise in the company.

Insourcing of IT Expertise: Marketing does not rely solely on the IT department for assistance with their IT initiatives. They access a cross functional group of different experts (superusers). This is possible because there are extensive in-house IT skills, which are not centred in the IT department. This was clearly noted in their database development as discussed below.

> *"The reality tends to be that where there's somebody who develops an expertise in using a particular package within an environment, you take the Lotus Notes marketing database for example. It was actually developed by a tax manager rather than an IT person but there was a lot of IT input and a lot of marketing input and then input from other people around the firm to try and define what other users needs were. So it tended to develop if you like pockets of expertise. So, it's kind of a combination really is what I'm trying to say." (Marketing Manager)*

Marketing Budget for IT Developments: The marketing department has a large budget for marketing purposes and all the developments of the internet have been sourced from the marketing budget.

Steering Committee: An IT Steering Group has been in existence for about two years. Though marketing is not a member, they are called in sporadically to give advice and direction. This committee vets all IT applications and there are six partners on the committee. Beneath this committee there is a technical research and management group (TRMG). Within this committee there are separate workgroups for different company wide IT initiatives and applications. Marketing is not involved in any of these groups which are IT controlled and have a cross functional, though internal focus.

Supervisionary: The marketing manager is very technology orientated and is completing an MBA in technology management. He has a vision and direction for IT developments within marketing. The marketing department and marketing practices are very IT orientated. The marketing department's IT developments are designed within a spirit of co-operation with other departments.

> *"Yeah it's more part of the culture, the overall thing. Like there's small bits of checking going on all the time by email and voicemail and talking to each other and saying we're thinking of doing this, is this reasonable or does that fit in with the overall plan for what you guys are doing you know?"*(Marketing Manager)

IT Staff Member Based in the Marketing Department: A new development has been the inclusion of an IT co-ordinator in every department, used as a *"bouncing board."*

Senior Management Support for IT Developments: IT is very much a part of the culture and they are taking a long-term view of IT and IT developments.

Control of the Internet: There was a major power play between the marketing and IT departments (with the IT consultants) to gain control of the internet site. The marketing department are the controllers of the internet and all related developments, as the IT department was too busy to get involved in this development. *"I was so bogged down in my own department when I would have liked to be involved I just couldn't."* (IT Manager)

Support for the Propositions

The marketing department is relationship focused and they have a dominant IT dimension to their marketing practices. They have and are developing innovative ITs to automate various internal manual marketing practices and at the customer interface and for specific relationship marketing practices.

This case supports the proposition that there is an IT dimension to relationship marketing practices and that databases and IT based interactions are being developed in marketing to aid in relationship marketing tactics. Their main focus is on the creation of a centralised database and extranet developments as their internet is controlled from head office and the IT department controls the intranet.

There are barriers to IT assimilation in marketing, mainly the automational focus of the current IT infrastructure and the IT department but various solutions have been initiated to overcome these barriers and to forge ahead with IT developments.

Case I

Case Description

This case is one of the largest accountancy and management consultancy firms in the industry or one of what is known as the Big Six. They are the Irish division of a worldwide organisation. This is a people based organisation and the company is very democratically structured. Their partners are viewed as the sales force of the organisation. They are predominantly a management consultancy company though the core of their business was traditionally in accountancy services offering audits and merger and acquisition advice. The staff profile is dominated by young and enthusiastic staff who are the experts in their fields. Their relationships with their business customers are central to their success. They are a very high profile organisation in the Irish marketplace and sponsor many corporate events.

Competitive Situation: The marketplace, which was traditionally a closed market, is now very competitive. There is a greater level of transparency to their operations and they openly compete for business with the other Big Six operators.

Dominant Marketing Issues: The dominant focus in on the development of an intranet and the focus on a range of new and innovative IT based applications.

Dominant IT Issues: The marketing development of the intranet is the priority at the moment. From a technological perspective they are IT innovators and they have a strategic alignment with Microsoft to fast track them in terms of IT developments and how the organisation is using IT. They view IT as an integral part of their operations, as part of normal operations.

Personnel Interviewed: The main informants for this study are listed in the table I1.

Table I1 - Main Informants

Title	Main Area of Responsibility
Head of Marketing and Business Development	*Full responsibility for marketing operations*
Marketing Manager	Responsible for the marketing operations
IT Manager	Responsible for the IT operations

The management structure of the organisation related to the focal area of study, appears in the table I2. The main informants are highlighted in bold and the shadowed area.

Table I2 - Organisation Structure – Marketing and IT

Managing Partner		
⬇		
Partners	Professional Standard Partners	Partners
⬇	⬇	⬇
Head of Marketing and Business Development	Director of Marketing	Director of IT
	⬇	
	Marketing Manager	**IT Manager**

Support for the Propositions and Structure of the Summary

As an introduction to this case and a summation of the main findings table I3 highlights the level of support for the propositions.

Table I3   Support for the Propositions

Proposition		Level of Support
Proposition 1	There is a major relationship marketing perspective to contemporary marketing practices	Support for this proposition
Proposition 2	There is a major IT component in contemporary marketing practice and that assimilation is at the informational stage of development.	Support for this proposition
Proposition 3	There is a dominant IT dimension to relationship marketing which will be evidenced through database and IT based interactions in marketing	Support for this proposition
Proposition 4	There are barriers to IT assimilation by marketers	Support for this proposition

The structure of this summary is that the data is analysed by proposition. Due to the interrelated nature of the propositions they link to form a picture of the case. Therefore all the information for each proposition does not necessarily appear under that proposition but the total summary is designed to build an overview of marketing's assimilation of IT. In the interest of brevity certain issues are highlighted and discussed in greater detail while some issues are only alluded to. The tables are designed to show the patterns for each proposition, though all the issues included in the tables are not discussed in this brief summary.

Proposition One: There is a Major Relationship Marketing Perspective to Contemporary Marketing Practices

There is a major orientation towards marketing in this case, due to a more competitive marketplace.

> "The word 'marketing' coming in more, because it's more in business, so our people hear it, and say 'we should be doing marketing ...We're a very successful organisation. We are doing a hell of a lot right ... within this firm; marketing has come much more to the centre. It's been a long uphill battle, in that marketing is new to the profession of accountancy firm's world-wide (Head of Marketing and Business Development).

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Relationship Marketing Focus: Over the last number of years they have changed to a dominant focus on the relationships they have with their clients. For the first time in the history of the company there have been competitive threats and customers have started to rethink their relationship with the company. This was a radical and very challenging development for the company, which had traditionally relied on repeat business as the stable core of their operations. The following quote amply portrays this situation.

> *"Companies out there are changing. It is, literally, responding to changes in clients. Years ago, whoever was your auditor, they were your auditor, and they stayed your auditor forever. We are auditors to yyy₁. We were appointed to them in 1927. The first time it was questioned, that somebody else might become their auditor, was in 1996"* (Head of Marketing and Business Development).

There is a progression away from *"personal loyalties"* and tendering for contracts is now becoming the norm. Personal relationships are not playing such a major role and elements of service and price are coming to the fore.

> *"So, it's more the business is becoming more objective, than the old cronyism type of thing. I'm not saying cronyism in a negative way, but it is more competitive, it's more objective. Personal loyalties matter less. It is who is going to deliver the best service at the best price. So, it's in response to all of that, that you'd be getting the change"* (Marketing Manager).

It is now a more competitive business environment. Their customers are now reviewing the service provided and demanding more service and support. *"Relationship marketing would be much more predominant because of the services side of marketing has become much more predominant"*(Marketing Manager)

This case has taken these changes on board and they are very much focused on relationship marketing.

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[1] A leading Irish company

"Everything we do is relationship management, in here. We were doing relationship management before the term was invented ...The relationship would be stronger with some than with others, but, yes, we do practise it with all our customers. There would be a very strong ethos of relationships and relationship management within the firm, because that's what it was built on"(Head of Marketing and Business Development).

Utilising the Coviello et al., (1997) framework table I4 and I5 shows that their dominant focus is on interaction marketing with their major customer, though there is evidence of a pluralism of approach.

Table I4   Relational Exchange Dimensions of Interaction Marketing

Focus	The partners and the client have personal ongoing relationships
Parties Involved	Company to company contact
Communication Patterns	The partners deal individually with each customer
Type of Contact	These relationships are very interpersonal
Duration	Continuous (annual contracts though they also have once off consultancy projects)
Formality	Formal and informal – the relationships are formal and informal and quite personal
Balance of Power	Seller and buyer mutually active and adaptive

Source: Adapted from Coviello et al., 1997

Table I5   Managerial Dimension of Interaction Marketing

Managerial Intent	Interactions (to establish, develop, and facilitate a co-operative relationship for mutual benefit)
Decision Focus	Relationships between individuals
Managerial Investment	External market assets (focusing on establishing and developing a relationship with another individual)
Managerial Level	Managers from across functions and levels in the offer
Time Frame	Short or long term but predominantly long term

Source: Adapted from Coviello et al., 1997

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Their dominant focus is on long term relationships with their customers, though they have relations at the database stage with minimal evidence of network or transaction based relationships. They have strategic alliances with a small percentage of their clients and with another sector of their business they are moving to more one off contacts than ongoing relationships. As they operate at the high end of their market the primacy of ongoing relationship would be expected.

Relationship Marketing Practices: Some changes have been inputted to move towards a more relationship focus in marketing as evidence in table I6 and the major three are discussed below, though they will be developed throughout this analysis.

Table I6 Evidence of Relationship Marketing Practice in the Marketing Department

Evidence of Relationship Marketing Practices
Development of a centralised database (see also proposition three)
Increased focus on marketing and increased company-wide marketing operations
Segmentation of their customer base
Cooperation with the sales force
Collection of Market Information (see proposition two)
IT enabled relationship marketing practices (see proposition two and three)

There is an increased importance of marketing and increased visibility of the marketing department with an increased focus on relationship marketing from the company's rather than the partner's perspective

Developments Towards a Centralised View of the Customer: They traditionally relied on each partner managing their own customer base, now due to the competitive marketplace there has been a move away from close personal relationships to tendering for contracts and this has increased the focus of this company on the relationship and who owns it and how it should be managed.

"The partner had all the knowledge on the customer, the company realised that this was a dangerous situation that though the relationship was important to the partner there had to be management of that relationship from the company's perspective. We in marketing are now more and more involved" (Marketing Manager).

The marketing department's main responsibility centres on sales support for the partners. The partners are in constant contact with their customers and utilise the marketing department to aid in the development and maintenance of the relationship.

Proposition Two: There is a Major IT Component in Contemporary Marketing Practice and That Assimilation is at the Informational Stage

IT is a major component of their marketing practice. The main ITs used in marketing are the standard Microsoft packages, the internet, the intranet, a marketing specific database and they have an desktop design facilities for brochures and publications. The main impact is in increased efficiency and effectiveness through internet and intranet use. IT is considered a normal part of their business operations.

They have developed a range of ITs for marketing use and have automated much of the marketing operations. *"We have a lot of template driven material for reports, for documents, for memos, for everything"* (Marketing Manager). This level of automation has allowed marketing the time to concentrate on strategic marketing and planning.

"It freed us up to do the strategic marketing planning, because, we're so busy doing the day to day stuff, that we don't have time to step back and look at the bigger picture, with the planners, with the guys who are designing the business plans. We work with them and say "okay, we did this, now what can we do better? Doing things like getting a database up on-line, for everybody to us...again, giving us time to do the marketing, as opposed to doing stuff" *(Marketing Manager).*

Informational Stage of IT Assimilation in Marketing: There is ample evidence of an informational stage of IT development in this case (see table I7).

Table I7   Evidence of an Informational Stage of IT Assimilation in Marketing

Evidence of Informational Stage
Lack of use of centralised information system with a focus on new marketing specific developments
Decentralisation of control of marketing related IT's
Open access to systems
Information focus rather than technology focus
Appreciation of the learning curve of IT assimilation
Increased IT skills in marketing
Marketing Specific ITs and evidence of marketing driving IT developments

The marketing department is driving major IT initiatives in this case (see table I8).

Table I8 - Current Systems and Process in Development

ITs at the Development or Implementation stage
Developing a customised centralised database
Marketing section on intranet
Planning stages of an Extranet
Reviewing customer relationship management software- Pivotal

They have wrestled control of many of the ITs from the centralised control of the IT department (see proposition four) and they are racing ahead with IT developments (see proposition three).

They have high levels of IT skills in marketing and a range of innovative systems. There is a definite move towards major decentralised applications. They are concentrating on the automation of many of their internal processes for efficiency and effectiveness. They are focused on continuous IT developments and have an informational rather than a technology focus to their IT applications.

Proposition Three: There is a Dominant IT Dimension to Relationship Marketing Which will be Evidenced Through Database and IT Based Interactions

Marketing Specific Database Developments: Their main database is a finance based centralised system which is not suitable for marketing use.

> "This is a very tricky one for us. We have a database that controls all the money. In other words, all the fees that are issued. But it's not very good at information. It's superb at counting the money, and accounting for all the work that we do. It doesn't necessarily ... it would not give you a list of our top 100 customers. Don't ask why. It seems so obvious that it would, but it's just a historical thing, and it's also to do with the nature of how this business runs"
> (Head of Marketing and Business Development).

Marketing has a contacts database of names, addresses and telephone numbers with the capability to manipulate the data. They are endeavouring to develop their database capacity but they have major difficulties with the accuracy of the information in the system and the lack of compilation of database information.

They operate a completely manual system for database information collection, utilising external and internal sources to decide who their customers are and for segmentation and targeting purposes. *"We would send around a collection of names to what we call the PDM group - Partners, Directors and Managers - ask them to review it, and come back with any additions, deletions or comments on it, so it was very manual really"*(Marketing Manager). This database system is not used, as the information in the fields is not current or accurate or relevant for marketing needs.

> "The existing database is built out of FoxPro. So it is there. There is the capability to display, and to filter and to sort the existing names. It's just that the other end isn't reliable, so in other words, the information sorting isn't necessarily the right information ... I can't really reference the database,

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because it didn't help, because it wasn't maintained, but the idea is that that's
where it will help" (Marketing Manager).

Information of critical importance to marketing does exist but they have difficulties in getting that information from the partners. *"For example, somebody might have two/three hundred names in their personal Outlook folder ... with e-mail and addresses and all the information that we would love to have centrally"*(Marketing Manager). The partners guard their own customer's information and there is no central access to it. *"The people who are managing those clients know exactly what they're doing, so there's a lot of stuff sits in people's heads"* (Marketing Manager). The Head of marketing and Business Development discusses the conflict between the personal relationship and control of information and the need for the company to have this database information.

> *"It's to do with the historical development of the firm, back to this thing of individuals ... the partner owns his client and manages everything within the client, versus the firm who owns the client, and there's a huge tension going on about that internationally, just in terms of how to resolve that, because there's obviously a huge amount of benefit in that personal one-to-one relationship a client has with their partner, but then there is also this requirement about, who are our clients, what do we sell them, what else could we be selling them? So it's a battle ... Oh, the database will (win)"(Head of Marketing and Business Development).*

Centralised Marketing Database: They are currently custom building a new centralised database with the aid of outside consultants. They developed a centralised database previously but due to the limitation of the legacy of this in-house development and the fact that the IT person who developed it left they have to develop another one. *"The idea was (that) it would be a central system ... that everybody would have one source. Which is why we're developing a new one, because the system was unreliable, and therefore the users stopped using it and started creating their own"* (Marketing Manager).

The new database will have open access and be desktop accessible and have advanced datamining facilities. The new centralised database will access the same information as the financial database and so there will be online information sharing for each database. It is anxiously awaited within the company.

> *"Absolutely not. Everybody's looking for it. So that's why we want to get it up and running, but it's just... Again, given the baggage and the background to...and the fact that it's never worked in the past. These are all the things that are wrong with it" (Marketing Assistant).*

Internet Developments: There was a global initiative to provide a web site and a web author controls this. There are strict global standards for the format and content of the web page. There is a frequently asked question section and an email service for replies to queries. Their internet is controlled from the head office though marketing is responsibility for the internet site. As the head office provides strict guidelines they have limited input into its development.

They have a highly developed intranet site. *"We use our intranet system for practically everything"* (Marketing Manager). This intranet system, automates many previously human based operations in marketing. For example all sales promotional gift allocations are made through the intranet. Marketing are in the process of introducing a major intranet development, which will automate requests for standard marketing information through their intranet site.

> *"It's in the process at the moment, and that marketing site will allow them to automate a lot of the requests that come through marketing as it stands. So for example, for basic requests, such as...they need to create an audit report, and they'd like us to make it look pretty... They can request on-line from the image bank we created originally from our designers...and click on that and get..."I want that as my cover. This is the text I want on it. I want this many copies ... And it comes through to us. And then we send that down to the printers. They*

collect it from the print room, and it's off...and they can do it that way. So that's

all automated...saving us time, and our designers time"(Marketing Manager).

Their intranet also provides them with information and gives them a *"network access to knowledge repositories."* There is also a high usage of the intranet for communication purposes. The marketing department initiated, developed and control the intranet site.

> *"It's for people within the firm to access all sorts of information about the firm*
>
> *...as we highlight particular internet sites that would be of use to them, and*
>
> *benefit to them, and direct them towards them. It can go from the simplest*
>
> *thing, ... like a Christmas party with all the details etc, on the intranet. You can*
>
> *access all the firm's publications, there's a directory of firm services on it.*
>
> *There's sections where different divisions of the firm can post... it's a mini*
>
> *internet"(Marketing Manager).*

Despite this development and due to internal incompatibility issues they have to parallel their information distribution, so faxed copies of published material has to be manually circulated.

They are also currently working on a project to develop a world wide Intranet. The Head of Marketing and Business Development envisaged that this would be transformational change and improve client services. *"Our proposition is that if xxxx people can access all the information within the firm world-wide, then the service that they can provide to their client has to be so much better"* (Head of Marketing and Business Development).

They are also developing extranet access for major customers to their intranet site. Their view is that this will give them a competitive advantage and something new to offer their clients. *"In a way, it adds loyalty ... it probably does strengthen links"* (Head of Marketing and Business Development). The development time for this application is two years.

They currently send their marketing literature to clients via IT – CDRoms and internet though the marketing manager contends that the face-to-face relationship will always exist but augmented by IT.

> *"I don't think in relationship marketing, you can't really...well, you can't go*
> *away from the face to face at the end of the day. Em...so I think it will definitely*
> *go a long way towards transforming it, but...without overtaking it. It's a bit of*
> *big brotherish stuff there as well. You still need to have that...lunch with the*
> *client, the round of golf with the client, or whatever it is...em... You can't do*
> *that with the computer, so you need to have that final interface, to still*
> *maintain"(Head of Marketing and Business Development).*

Proposition Four: There are Barriers to IT Assimilation in Marketing

There are a range of barriers, but the major barrier centres on the challenges of the automational focus of the IT infrastructure. They are also experiencing a lack of time for IT developments, knowledge accrual and for acclimatising to the multitude of new IT developments. They are also frustrated by the slow speed of IT developments.

> *"Yeah. I mean, getting a brief together...what people want from a system...and*
> *if it's a firm-wide system... You're going to have to get consensus of opinion. So*
> *therefore you're going to have to reach a certain number of people. You have to*
> *meet those people. They've all got other meetings, so you have to keep trying to*
> *meet and get a consensus and... That all takes time, so the biggest constraint is*
> *organisational...and because of the size of the organisation...physically"*
> *(Marketing Manager)*

A dominant difficulty is changing people's attitude to IT usage.

> *"Take what Joan is doing, with automating the functions within marketing, will*
> *that stop people ringing up? Probably not. Until they get used to it. So they ring*
> *us up and we tell them to go to the internet site, and they say,'I'm too busy ...We*
> *genuinely have a lot of change management issues. It's transformational, in*

your terms. How to bring over 1,000 people to the new system, all at the same time? People, people, people!" (Head of Marketing and Business Development)

The lack of a centralised database is also critical for them as discussed in the previous propositions. *"Basic raw material such as a contacts database ... if that was in place, there would be a starting point to go forward with"* (Marketing Manager). They also encounter difficulties due to the lack of uniform IT diffusion across markets.

> *It's because our client base is so diverse. It's very hard to generalise like that, but I think the demand from customers, or from the clients, to be more IT driven, will be met with (the intranet), because they will have access to a certain level of information from that platform ... But then, there'd be other guys who, you know, wouldn't even have an e-mail address yet, so you're dealing with the two ends of the scale. The xxx of this world, versus Joe Bloggs ... who's just set up a new company type thing. So it's a bit of both" (Marketing Manager)*

The Automational Stage of IT

The marketing and the IT departments have overcome many of the difficulties that previously existed. The IT department had a very negative image in the company in general and there have been numerous developments to try and overcome the problems.

> *"Em, I think that they brought that in because historically IT have been perceived as very negative, within the firm, and the management at the time wanted to improve the perception, and they want to improve the quality of service that IT provide to the firm, so there's been a big push in the last twelve months to actually focus on servicing our clients needs, which are the internal customers" (IT Manager).*

The marketing and IT departments work well together which is evidenced throughout the case. *"Historically I know the IT department here, and the marketing department have*

actually worked very closely together, and I would envisage that that would continue" (Marketing Manager). The major issue is that the IT department is a very busy department and they lack the time and resources to aid with all the IT developments that the marketing department are developing.

> *"To be honest, they are so busy, they have so many requests from everybody around the house, that... Again, if they had the time to sit back and say... They would, but they don't. They're too busy just dealing with the requests coming in at the moment." (Marketing Manager)*

The IT department is currently internally focused.

> *"No, that's been done with a view to the market, but we can't do the view to the market until the internal is right, so if you take what we're trying to do as a global organisation, it's in all 150-plus countries, they've got different IT systems, well then we have to have one global system going internationally to face the market. The emphasis at the moment is to get all the IT the same, so we can all run the same systems, so that we can all service our clients better"(Head of Marketing and Business Development).*

There are issues with their legacy systems which are unsuitable for marketing needs. Though they have major problems with this system they blame the system rather than the IT personnel. *"So, if I was rating Praxis, I wouldn't rate it very highly, but if I was rating IT, I'd rate them higher. So that's where my problem is."*(Marketing Manager)

Solutions to Overcome Automational Stage of IT
Though there is evidence that the IT department and the marketing department work quite well together this is due to the variety of reasons and solutions that were initiated to ensure the successful implementation of a variety of IT projects.

SuperUser Concept: Marketing staff are superusers of IT and offer support to other departments. *"We'd be better, because of what we use it for. We are the ultimate people in presentations and communications. So we are the best people at using IT for those two purposes"* (Head of Marketing and Business Development). This is formalised in the company with the IT department channelling requests to the marketing department due to marketing's IT expertise. This tendency to use a superuser rather than the help desk is due to the fact that the IT is understaffed and is an incredibly busy department and they lack knowledge of certain marketing specific ITs.

Steering Committee: There is an IT user group where IT issues are discussed. This group is representative of the company and the chief knowledge and client care manager are part of this group. *"Well there is an IT user group, and they will be a kind of pilot group for issues ...New processes would come from the policy committee"* (Marketing Manager). They also have a Business Solution Group, a new development that is designed to identify different departments IT requirements and to work closely with various departments on the implementation of IT projects.

Managing the Relationship with the IT department: For individual projects like their internet and intranet initiative there is a strong IT alignment between IT and marketing and collective involvement in the development and design.

> *"In the sense of the ongoing daily marketing work of the departments, not a lot, because the only contact is if the machines don't work ... In terms of this global internet site, we would have worked very closely with them because they would have worked on the techy end of it, all the firewalls and how you set the whole thing up. In the development of our intranet, it was a joint project between IT and marketing"* (Head of Marketing and Business Development).

IT Staff Member Based in the Marketing Department: For each IT project a cross function team is set up with the commitment of one IT person, located in the marketing

department. The IT department have introduced monthly meeting with all business sections, including marketing to get to know their IT requirements.

Support for Propositions

This case offered support for all of the propositions. This case supports the proposition that there is a dominant relationship focus to contemporary marketing practice though they are encountering difficulties with this relatively new development.

IT is a major component of their marketing operations. The marketing personnel are proficient users of a variety of IT applications and there is decentralisation of IT control and a range of marketing specific ITs, in use and at the development stage. Further support for this proposition is provided in propositions three and four.

There is major support for the proposition that IT is a major component of their relationship marketing strategy. It is used to augment rather than replace their personal relationships. They have a range of IT applications in operation and in the development stages.

The marketing department and the IT department work closely together to develop various marketing specific ITs but marketing personnel have had to champion many of the IT developments. The main barrier to IT assimilation in marketing is the number and variety of IT applications at the development and implementation stage.

<u>Case J</u>

Case Description

This case is a very successful world-wide business to business company in the refrigeration equipment business. They have been the subject of a recent takeover by a large multinational resulting in many changes. They serve the European, Middle East and South American (EAME) markets from the Irish base. They supply a wide range of refrigeration equipment to a variety of markets including the restaurant and hotel industry, the food sector and manufacturing companies. They also provide a repair and maintenance service, with a high level of off-site diagnostics and an inventory of over 30,000 spare parts, which can be shipped all over the world.

They are focused on their continued dominance of the market by introducing new product developments and building stronger relationships. The company uses an exclusive worldwide dealership to market their product to their final customer. They have eighty-five dealers in their market area and they have a very close relationship with them.

This company was the most professional of all the companies interviewed.

Competitive Situation: They are the market leaders in many of their markets, but competition is very intensive and they have to battle for market share and continued dominance.

Dominant Marketing Issue: The need for increased levels of information on the final customer and the continuous search for new and innovative marketing techniques.

Dominant IT Issues: The introduction of an intranet in the dealer network.

Personnel Interviewed: The main informants for this study are listed in the table J1.

Table J1   Main Informants

Title	Main Area of Responsibility
Director of Customer Services	Marketing for the European, Middle East and South American markets
Marketing Communications Manager	Marketing and communications - predominantly focused on the dealer network
IT Project Manager	All marketing related IT projects.

The management structure of the organisation related to the focal area of study, appears in the table J2. The main informants are highlighted in bold in the shadowed area.

Table J2   Organisation Structure – Marketing and IT

VP and Managing Director (EAME)	
⬇	⬇
Director of Customer Service	IT Manager
⬇	⬇
Marketing Communications Manager	IT Project Manager

Support for the Propositions and Structure of the Summary

As an introduction to this case and a summation of the main findings table J3 highlights the level of support for the propositions. This case was the most innovative and creative of all the cases and had the highest level of IT assimilation in marketing.

Table J3   Support for the Propositions

Propositions		Level of Support
Proposition 1	That contemporary marketing practices has a dominant relationship marketing perspective	Support for this proposition
Proposition 2	There is a major IT component in contemporary marketing practice and that assimilation is at the informational stage of development.	Support for this proposition
Proposition 3	There is a dominant IT dimension to relationship marketing which will be evidenced through database and IT based interactions.	Support for this proposition
Proposition 4	There are barriers to IT assimilation by marketers	Support for this proposition

Structure of the Summary

The structure of this summary is that the data is analysed by proposition. Due to the interrelated nature of the propositions they link to form a picture of the case. Therefore all the information for each proposition does not necessarily appear under that proposition but the total summary is designed to build an overview of marketing and their assimilation of IT. In the interest of brevity certain issues are highlighted and discussed in greater detail while some issues are only alluded to. The tables are designed to show the patterns for each proposition, though all the issues included in the tables are not discussed in this brief summary.

Proposition One: There is a Major Relationship Marketing Perspective To Contemporary Marketing Practices

There is an increased marketing orientation, driven, in part, by the arrival of two new senior managers, who are marketing focused. There was a realisation that the marketing department were not as aware of customer needs as they should be and that marketing had become myopic. This is a relatively recent occurrence with a new focus on customers and their product range.

The marketing department is a support function for their dealers and their major source of product information. They also have responsibility for the marketing mix variables particularly focused on promotional issues. They have full responsibility for the development of the Intranet between the company and the dealer network. The marketing department is a central and pivotal department with a major leadership role.

Relationship Marketing Focus: Their relationships are of central importance to them in an increasingly competitive market place. "*So now where is the discerning difference, get out and know your customer and it has to be that*" (Marketing Communications Manager).

Utilising the Coviello et al., (1997) framework table J4 and J5 shows that their dominant focus is on interaction marketing with their major customer, though there is evidence of a pluralism of approach.

Table J4   Relational Exchange Dimensions of Interaction Marketing

Focus	The dealers and the client have personal ongoing relationships
Parties Involved	Company to company contact
Communication Patterns	The dealers deal individually with each customer
Type of Contact	These relationships are very interpersonal
Duration	Continuous (annual contracts and ongoing suppliers of spares and technical support
Formality	The relationships are formal and informal and quite personal
Balance of Power	Seller and buyer mutually active and adaptive

Source: Adapted from Coviello et al., 1997

Table J5   Managerial Dimension of Interaction Marketing

Managerial Intent	Focusing on interaction to establish, develop, and facilitate a co-operative relationship for mutual benefit through a dealer network
Decision Focus	Relationships between individuals – dealers and then the customers
Managerial Investment	External market assets (focusing on establishing and developing a relationship with another individual)
Managerial Level	Managers from across functions and levels – work in multifunctional teams
Time Frame	Mainly long term relationships

Source: Adapted from Coviello et al., 1997

Their dominant focus is on long term relationships with their customers, though they have relations at the database stage with minimal evidence of network or transaction based relationships. As they operate at the high investment end of this market the primacy of ongoing relationship would be expected.

Evidence of Relationship Marketing Practices: There was evidence of the implementation of a more relational focus to marketing (see table J6).

Table J6   Evidence of Relationship Marketing Practice in the Marketing Department

Evidence of Relationship Marketing Practices
Development of a centralised database (see also proposition three)
Increased focus on marketing and increased company-wide marketing operations
Segmentation and targeting of customer base
Cooperation with the sales force
Collection of marketing information (see proposition two)
IT enabled relationship marketing practices (see propositions two and three)

A major relationship marketing initiative is the development of a centralised database of customers. The system is designed to bring them closer to their customers and their actual needs. *"We'll be able to dice and slice, find out what the hot points are for some of the customers, how we go to the market, can we sell this message?"* (Director of Customer

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Services). They had abdicated control of the customers to the dealers and lacked basic information on their markets and customers. This meant that they had limited capacity to segment their market or plan campaigns. There is now an intense focus on collecting quantitative and qualitative information.

> *"We are looking in to some quite exciting programmes ... which we are just putting into place right now. We're doing a major survey in Europe of customer's perceptions etc. We are starting a competitor intelligence programme next week; we are using an outside consultancy to help us develop that. That is being kicked off on Tuesday next"* (Director of Customer Service).

Proposition Two: There is a Major IT Component in Contemporary Marketing Practice and That Assimilation is at the Informational Stage

Marketing is very IT focused and drive many of the new IT developments. There is an increased use of IT for promotion and communication and the automation of previously manual systems. This is the only case where IT is really integrated into the marketing department, utilising CDs; the Internet; an intranet; PC based surveys and so on. An example of real innovation in promotion and of their pioneering attitude towards IT, can be seen in their web link on a refrigeration magazine's internet site.

There is a range of evidence for the informational stage of IT developments including decentralisation of control to marketing, open access to systems, an information rather than a technology focus, internal and external focus of IT developments. They have a range of ITs at the development stage including the centralised database mentioned above, a new competitor database, a lotus notes and an extranet with their dealers (see proposition three).

IT skills in marketing are considered essential and they consciously hire marketing staff with IT skills. Marketing is very technology focused and are involved in the company

wide move to an enterprise system. The marketing staff have increased their IT proficient because the IT department is too busy to deal with all IT issues (see proposition four).

> *"We rely either on what we read ourselves, what we bench mark from other companies, what our interests are ... unless you have that insourcing of ideas, vision whatever you want to call it, your really relying on the computer people and they're so busy" (Marketing Communications Manager).*

They see IT related projects as drivers of change in marketing and a central part of marketing operations. They are continuously developing their IT systems and expect continued and major changes. *"I think we're at informational but if you came back in 6 months time we'll be at transformational because of the database and all that stuff"* (Director of Customer Services).

This case has a general IT focus and has automated their production and finance departments. They have some innovative internal and external systems. For example they have an IT system, which tracks and controls their internal production processes and which provides real time, online information. The IT department developed all IT systems in house and this allows for centralised control of the systems. There is a move to decentralisation of the IT through the use of an open access Oracle system and the Intranet. A variety of marketing tasks have been automated and they are automating the ordering process between themselves and the dealers. This automation is designed to relieve highly skilled staff from mundane tasks to focus on actual marketing tasks.

> *"I would like to use them more in the management of the dealers, like their inventory levels, the type of business they're doing, adjunct to the sales guys if you know what I mean, rather then a key punching facility speaking 4 or 5 languages" (Director of Customer Services).*

Their plan is to have real time online information for their own use and also to be shared with the dealers.

Much of the control of marketing specific ITs have moved from the IT department to the marketing department. For example the extranet dealer project was transferred to the marketing department.

Proposition Three: There is a Dominant IT Dimension to Relationship Marketing Which will be Evidenced Through Database and IT Based Interactions

They are very progressive in using IT at the customer interface and with their dealer network. Though these developments will benefit marketing they are having a destabilising influence on their dealer network. Throughout this section some of the challenges are highlighted and these will be elaborated on in proposition four.

Marketing Specific Database Developments: Due to the inadequacies of their current database, which they perceived to be constraining marketing development, they are developing a centralised customer database with very sophisticated applications. *"The problem with our database right now is it doesn't dice and slice as much as we'd like it to, but we're getting there"* (Director of Customer Services).

The importance of this database information is that they will be able to use it to control and monitor the dealers and ultimately the final customer. They are very aware that there are gaps in their sales and relationship marketing strategy, due to the lack of customer information. For example, they contend that the dealers are not customer focused and have evidence that they are only selling the products they want to sell.

The process of database development is a joint, though not necessarily mutually beneficial project between the marketing department and the dealers. The marketing department has sent information requests to all the dealers.

> *"What we're currently doing is we're working with our field guys. We've got an access package that we're developing with them and they're going to have to input into it. We gave a CD ROM just last month to our dealers, of what we've got in the database, and they're auditing that and sending that*

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back to us so that we can build up the database" (Director of Customer Services).

There are negative connotations to this project for the dealers who feel threatened by this development. The dealers are loath to supply the customer information requested, as this is their major asset.

"I mean there is plenty of distrust at the moment with us trying to establish a customer database. We are battling tooth and nail with them to get them on our side, in that respect ... Em, knowledge is power and if they'd give us their bit of knowledge, if they give us their customer listings they feel that we could turn around in six months and say we don't really need a dealer in Holland any more because we know who all the customers are. Thank you very much. So we could sell direct" (Director of Customer Services).

They utilise various strategies to ensure compliance including the use of threats and also special promotions. If the information is not completed to marketing's satisfaction they will consider refusing to supply the product to the dealer. *"No information, no sale"* (Director of Customer Services).

Internet Developments: Their current internet site is a static site, containing general information on the company and its products and services and financial information that is of relevance to the stock market and analyst. Further internet developments are only at the early stage. They are thinking about developing an interactive site with ecommerce and personalisation ability.

Again the dealer network is threatened by these plans, worried that it could be used for direct sales. Their actual plan is to use the internet to channel calls to the dealers, rather than for direct selling.

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They have extensive intranet use. The intranet was developed at head office and the overriding objective is to save on costs. It has decreased their paper costs and automates many of the more time consuming processes.

They are currently implementing an extensive extranet with their dealers, as discussed previously. They are charging the dealers £1,000 for access to the extranet and are forcing them to use the system. The benefits of these on-line systems to the company are immense. *"The more they can do on the software that we give them, the less bodies we need in here, because they're ordering units, they're ordering service parts, out of a range of 30,000 parts"* (IT Project Manager). The extranet development has a clear strategy to automate parts of the relationship between the company and its dealer network. They are very aware of the dangers to the relationship of these developments. The marketing communications manager is adamant that the human element of the relationship must be managed and not overlooked.

> *"In fact there is a negative there. It is one thing that I find myself hauling myself, and others up over from time to time. Like pick up the phone and talk to this guy, stop sending him emails ... talk to him, or go out and meet him, go back to the more human forms of communication, find out what is bugging him, you know... Yes there is a danger that it will become a substitute for communication. I am quite concerned about it to be honest"(Director of Customer Services).*

Proposition Four: There are Barriers to IT Assimilation in Marketing

They are experiencing a range of barriers, including technical, human and market barriers. The main barrier is the automational focus of the IT infrastructure and this section discuss this barrier and the solutions utilised to overcome the barrier.

They have issues with their technical infrastructure. *"I have had many terminal crashes ... since I have had windows 98 put on. I had to unload and reload everything. This is a*

16-hour procedure" (Marketing Communications Manager). They also have a diverse range of IT systems many of which are not suitable for marketing requirements.

"So they're tied to the past and we have come to them and said look we're

pulling reports from this system, a debunk service parts system. We've got a

PL1 system, we've got a data system, we've got a manual system, we've got

someone who's got an excel spread sheet, we've got someone who's using a

spread sheet package that was on our mainframe that's been obsolete for 5

years, we have it all (IT Project Manager).

Due to the relative newness of IT development they are finding their lack of knowledge of its implications a barrier and are cognisant of their lack of experience of IT issues and applications.

"Education, in the correct use of IT, the effective use of IT. It's just that, it is

such a critical tool, but it's just been presented, it just arrived on the scene

without an introduction ... 5 years ago 10 years ago it hardly existed now

it's there, its everywhere, but, and everyone is kind of yes yes I must be on

the web, but I must do this, em without a lot of thought planning. How is this

going to affect our business? Can we do this? Will it be effective, and do we

have the skills necessary to take advantage of this facility? You know sort of

taking for granted, jumping under moving train" *(Marketing*

Communications Manager).

There is a realisation that changes are needed in the corporate culture to really capitalise on the IT developments emanating from marketing as they are introducing radical processes and practices into the company.

From a market perspective IT diffusion is not uniform across all sectors. As discussed in proposition three they are insisting on dealer compliance with their new systems but are cognisant of the lack of IT orientation in some of their markets and the need to move slower in these areas.

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"With a lot of the other suppliers I would be saying could you send me those pictures by email. They would say oh I don't know, I'd have to talk to someone technical about that. It is a long way to go in some cases ... that is because they are on more of a learning curve – we have to drag along some of the suppliers into IT ... Our dealers in some cases are way, way, way ahead of us and we go to our dealers and learn form them because its their hobby basically ... Some of our dealers have only recently acquired PCs. And I know that some of them don't even have CD drives in their PCs. They're very slow to get on to it, so we're not forcing them" (Marketing Communications Manager).

The Automational Stage of the IT

The dominant barrier is the automational focus of their IT systems and a major focus of their past and current efforts are to move to the informational stage of IT assimilation. The focus is to change many of the barriers discussed in this section and there is evidence of this occurring.

Major difficulties exist between the marketing department and the IT department and relate to the automational focus of systems and staff.

"I am not anti IT, don't get me wrong. It's frustration. It's the frustration with unreliable software, sometimes the rigidity of the system, sometimes and the lack of staff down there, just to get things done. You know? (Marketing Communications Manager).

There is a lack of close alignment between the two departments and therefore a lack of coordination of marketing and IT operations. For example the extranet system was passed to the marketing department for management because the IT staff were annoying the dealers over implementation issues. Marketing were not aware of this issue until the dealers started to complain.

The IT department is very much a support department with an internal focus. *"Fixing problems ...That is where all the energy is dispensed, to be quite honest with you"* (Director of Customer Services). They are trying to separate these roles and develop a system where the help desk handles all the support issues and the creative IT people are used in an advisory capacity. Staffing problems in the IT department compounds the issues in this area. The IT department is also overworked. *"But it is tough ... there are probably about 100 laptops in this part of the organisation, that they are responsible for"* (Marketing Communications Manager).

The IT department have specific difficulties dealing with the marketing department. They are not used to marketing requests having predominantly focused on the finance and production departments, with whom they have a good working relationship. They find the speed of requests difficult to handle.

> *"They're not the most difficult, they're the most demanding, because they need most things right now, because we've always been using IT in manufacturing, in accounting, in treasury because we can't do it without I ... but marketing was always a very touchy feely type of science, it wasn't even a science, it was sort of a way of life, it was an art, we're making it a science ... we're quantifying more in marketing than we ever have before."*
>
> *(IT Project Manager)*

Relating to the automational focus of IT personnel, the IT manager is very critical of marketing people, a personality type that she feels cannot grasp the concept of IT, and cannot understand IT restrictions. They also contend that marketing personnel are constantly changing their mind.

> *"Because when it comes down to us we have dead lines to meet and we lose face if it is not done, it's IT that didn't do it but in the marketing area we would spend a lot of money and a lot of time reworking reports, refining specifications that already have been signed off ... I'm saying that because of the dynamic environment they can't make up their minds ... We'll scope off a project, it just takes arms and legs on it when you've turned your back.*

You do not find that in production, you do not find that in accounts, not as much, you don't find it in treasure, materials ... Their requirements are constantly changing ... there's a huge fluidness in their requirements ... It's the intangibleness of the marketing function"." (IT Project Manager)

There are negative personality types which each ascribe to the other. IT people view marketers as 'touchy feely types' and marketers view IT personnel as rigid and restrictive.

There are major prioritising issues in the IT department, which are adequately portrayed, in the following quote.

"So here we are working on 7 different systems down in IT, It's important that [Director of Customer Services] gets his tuppence in and says, well actually I really need a system for my marketing people that will allow them communicate freer with my dealers. I really need to track my customers, I have no dat base to track my customers, so he has in mind roughly what he needs and then he comes to us and he says, please put my project in the hat and let it be one of the ones that's pulled out". (IT Project Manger)

Solutions to Overcome the Automational Stage of IT

They have initiated a range of solutions to counteract the control of the IT staff and the dominant automational focus of their IT infrastructure.

Circumventing the IT Department: One solutions is to circumventing the IT department. An interesting power play developed over the introduction of acrobat software. The IT department restricts software acquisition to preapproved ones for companywide use. When the Marketing Communications Manager wanted to introduce a marketing specific design software package, the IT department refused their request. The Marketing Communications Managers circumvented the IT department and installed the software secretly, and a number of staff now use this program without the knowledge of the IT department.

"Well this is unofficial, I did this around the back of the IT department because it is not an approved package for the company. If it's an approved package everybody has it, if it is not there is no backup from IT. So I bought this and basically sent boxes off to people and said please use this ... Literally. I put them in a bag and sent them off and said away you go now, this is what we are using" (Marketing Communications Manager).

This is apparently a common occurrence. *"People are pretty em used to that approach and they would adapt to the new stuff coming out"* (Marketing Communications Manager).

IT Steering Committee: A second solution is to introduce a cross-functional IT steering committee for IT developments particularly to aid in the prioritising issues.

"They are not as connected as they should be, we identified this as being a problem and we started a group where the marketing people, the operations people and the IS people have a steering committee function, so that only started this year, but we've identified it as being a problem." (Director of Customer Services)

IT Staff Member Based in the Marketing Department: Another solution centres on the assigning of an IT staff member to the marketing department as an advisor. However the benefits of such a placement are not universally acclaimed. The IT department is unhappy with this solution. They want the control and developments to be centralised and standardised and are critical of the ability of an individual department to develop individualised IT applications. This is indicative of the automational focus of the IT department.

"To have an IT person in marketing means that you've lack of standardisation. There's little ad hock reports potting up anywhere. There's a shortage of verification, there's a shortage of tie back ... We have one in the North American division who has caused an extraordinary stir, she actually belongs to customer service" (IT Project Manager).

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Outsourcing Marketing's IT Requirements: Rather than utilise an already overloaded IT department, the marketing department outsource a lot of their IT requirements. This has the advantage of the consultants becoming familiar with the company and making ongoing and knowledgeable suggestions about the latest IT developments in the marketing area.

> *"What we've started to do in the last year is we're off loading our IT resources to consultancy companies, software houses etc, and we're bringing them on board as partners to work on projects with us. And the more projects they work on, the more familiar they become with our systems, so they're actually making suggestions." (Director of Customer Services)*

Large Marketing Budget: The resolution of the conflict issues centres on the marketing budget and their ability to use it to circumvent the obstacles presented by the automational focus of the IT department.

> *"I am in the fortunate position of having a large budget and I can afford these things. When it becomes an issue of money various obstacles would be raised in your path. This is to stop the average punter going out and saying I want this, you know, £2,000 worth of a piece of software. Somebody would find a way of stopping them" (Director of Customer Services).*

Support for Propositions

This case is an example of a marketing department which is at the informational stage of IT assimilation. They are very relationship marketing focused and they see a critical role for IT in their relationship marketing practices both internally and externally. Though there are barriers to the development and implementation of a range of their IT applications, the marketing department is focused on overcoming the difficulties and pursuing their IT requirements through a variety of means.

This case supports the proposition that there is a dominant relationship focus to contemporary marketing practice, though they are encountering difficulties with this relatively new development.

They are at the informational stage of development and are continuously driving IT developments and challenging both the IT systems and the suppliers of information for the IT systems.

There is major support for the proposition that IT is a dominant feature of their relationship marketing activities. They are focused on developing a centralised customer database and the automation of the dealer/company interface so that they can practise relationship marketing more successfully.

The major barrier to IT assimilation in marketing is the automational focus of the marketing department. There have been a range of solutions developed by the marketing department to enable them to develop marketing specific IT applications.

APPENDIX D

.

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October 1st, 1999

Dear Mr Coughlan,

Thank you very much for participating in the first stage of this ongoing research. I am now writing to invite you to participate in the second stage. The research centres on the impact of Information Technology on Marketing and is part of doctoral research I am completing with **the University of Strathclyde** (Prof. Mike Saren and Dr Nikolaos Tzokas) and the **Dublin Institute of Technology** supported by the **Marketing Institute of Ireland.** No knowledge of IT is necessary to help with this research. The aim of the research is to further our understanding of the influence of IT on marketing. The findings will help practitioners and academics to maximise the potential of IT in marketing.

Twelve companies (of which your company is one) have been chosen from the initial research as suitable companies for the second stage and therefore I am hoping that all twelve companies will agree to participate in the research. The format of the research is that I will interview you and if possible another marketing person and the IT/IS manager. I would also like the opportunity to view some of the IT in operation.

The success of this research is dependent on your generosity and ability to give some of your time. The benefit to you and your company is the opportunity to be involved in a research project, which will contribute to marketing's development and you will also have an interesting interview, as the areas for discussion are at the cutting edge of business practice today. As with all doctoral research the company will remain completly anonymous and the findings will be stated in general terms, as were the other findings.

I have enclosed a review of the main findings of the research published in the **Marketing News, 1998** and also a copy of the research paper presented at the **European Academy of Marketing – May 1999.** I will phone you in the next few days to discuss this further. Thanking you in advance.

Yours Sincerely,

Mairead Brady

Mairead Brady
Doctoral Researcher
Dublin Institute of Technology and University of Strathclyde

The Marketing Institute

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27 September, 1999

Dear George,

Our marketing discipline is experiencing many profound changes due to the introduction of Information Technology (IT). The need to research this area by academics has never been greater, as a new world of business is being created. To this end we at **The Marketing Institute of Ireland** are delighted to support the ongoing research project carried out by Mairead Brady a Doctoral Student with the **Dublin Institute of Technology and the University of Strathclyde (Glasgow)**.

The first stage of the research produced very interesting findings reported in **Marketing News**, December 1998, **European Academy of Marketing** - May 1999, the **Academy of Marketing (UK)** - July 1999 and the **Irish Academy of Management** - September 1999. This publicity promotes Ireland as an IT aware country and contributes to research in this growing field world-wide. Your assistance with this ongoing research is very important and greatly appreciated, as it will aid in the development of new marketing theories to help marketing to capitalise on IT in this electronic world. Mairead has enclosed a letter explaining the research and also a copy of the findings from the first stage, which should be of interest to you.

For the second stage of the research, Mairead requires access to twelve companies. She needs to interview a range of staff (marketing and IT) and observe the IT in operation Your company is one of the twelve companies that meet the criteria for the research. As only twelve companies are suitable for this study it is very important that you agree to participate in this research project. The anonymity of your company will be protected and no individual companies will be cited.

Mairead, as a professional academic researcher, will carry out this research in a format agreed with you and with the minimum of disruption to you and your company Actually participating in the research will be a very interesting IT and marketing exercise. We urge you to give this research project your full support and thank you in advance for your assistance.

Yours Sincerely

[signature]

John Casey
Chief Executive
The Marketing Institute