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The Evolving IT – Marketing Strategy Relationship: Will Business Schools Meet the Need?

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Abstract*

As eCommerce grows in importance, the use of information technologies, such as web sites and corporate extranets is increasingly customer facing. As a result, an increased integration between IT and business-marketing strategic functions is necessary in businesses. An important consequence of this integration is that students, employees, and managers must be trained to operate in this cross-disciplinary business world. We review the historical role of technology in businesses, arguing that the role of technology in organizations has evolved from a paradigm in which technology served primarily as a support function to being a critical business function that cannot be properly executed without an understanding of consumer behavior and marketing strategy. We suggest that business schools need to redefine disciplinary boundaries, allow cross-disciplinary student "majors," and rethink their missions. New research streams and courses must be developed, and time-to-publication windows need to be shorter for research findings to be relevant to the "New Economy."

Introduction

Largely because of Internet technologies, change in the business world is rapid and success requires flexibility and adaptability (Grove 1995). This does not mean, however, that every aspect of business must change completely, or for instance that fundamentals such as "relationship marketing" or "customer service" no longer matter. To the contrary, strategic fundamentals matter more than ever. However, as the use of these technologies in business become more pervasive and customer directed, an increased integration between IT and business-marketing strategic functions must occur and students, employees, and managers must be trained to operate in this cross-disciplinary business world.

The purpose of this paper is twofold: (1) to assess how business is evolving and changing relative to technology and strategic business-marketing functions, and (2) to ask to what extent will university business schools meet the demands of this change?

*A fuller version of this paper is available upon request from the authors.

The Traditional Model: Tech-Support/ Business Strategy

Historically, businesses and business schools have generally maintained the same organizational structure concerning technology and strategic business areas. Initially, technology essentially played a support role to the organization and employees. Functional areas and tech support remained essentially separate functions. Correspondingly, business school IS departments trained students to manage and operate these functions. One functional area -- IS -- provided and maintained the infrastructure, while others "used" it to conduct business. Technology, per se, operated behind the scenes and was largely invisible and non interactive with consumers (see Modahl 2000; Rayport and Sviokla 1999). As such, "technicians" did not focus nor were inclined to focus on business and marketing "content," while functional area employees and managers often learned only as much about "technology" as they needed to operate their particular platforms.

First, Separation Between IT and Functional Areas

In the 1990s, a number of change or inflection points occurred that affected the existing traditional IT/strategy model described above. The first was the increasing *transparency* or understandability of technology during the 1990s, especially as it related to the Internet. The second inflection point resulted from increasing online web based competition that necessitates a more synergistic incorporation of technology and marketing strategy fundamentals to gain *strategic advantage*.

Transparency: In the mid-1990s there was a gradual increase in business-layperson technical knowledge that at least for the leading edge employees, neared a critical mass of general technical literacy. The personal computer had progressed from MS-DOS to graphic user interfaces (GUIs) that resulted in non-specialists being able to explore and do more with computer technologies. Secondly, HTML editors, such as Adobe Page Mill or MS FrontPage, became available for relatively easy web page creation. As a result, new software allowed technically proficient *but not expert* individuals to act independently in WEB page development. In short, technology was no longer the sole domain of technology personnel; more importantly it was customer facing and offered a direct

two-way link to consumers. Nowhere was this confluence more embraced than in the marketing function where web design provided an immediate and intuitively appealing ability and means to communicate directly and continually with customers, consumers, and potential customers (Modahl 2000).

As an increasing number of businesses recognized the need for a web presence, web development became an important mission of all functional areas *including* the IT department. In fact, the need for more technically complex web pages to perform business transactional functions, such as buying, selling, and information acquisition, required technical knowledge and specific script code writing skills which were beyond marketing (cf. Modahl 2000). Thus, the technology branch refocused on web development as a serious enterprise.

Strategic Advantage: As more players entered the market, however, increasing competition, clutter, and rising customer expectations pressured businesses to understand consumers better. Two major questions became paramount: How do we get customers to our website and how do we "monetize" web site traffic?

As a result, the second change point to emerge that would affect the traditional IT/strategy model was the realization that fundamental consumer behavior and marketing research questions (cf. Bellman, Lohse, and Johnson 1999) had to be asked and addressed in order to develop strategically viable WEB sites.

Then, Convergence Between IT and Functional Areas

In the corporate world, what are presently needed are technically proficient strategists from functional areas. This "New Technical Executive" is someone who possesses not only a background and skill to understand technology deeply, but as well develops a broad understanding of the business (Modahl 2000). Additionally, this New Executive should understand the integration of business strategy and technology (Earl and Feeny 2000).

New market dynamics also increasingly require individuals with programming skills who *also* have knowledge in functional areas in which they are working (e.g., marketing, consumer behavior). As a result, disciplinary boundaries are being blurred and career paths are not as clearly defined as they once were, but course work requirements and academic programs tend to adjust to this reality slowly.

The Role of Business Schools

Considering the tech-exec prototype-ideal, and in light of the current marketplace for such talent, the question is where these individuals will come from once the small

pool of self-taught crossover managers is tapped. Clearly, a role for B-schools exists for producing "renaissance" students. However, business-schools must act now to restructure their missions or risk becoming irrelevant. This will require more than the creation of separate "e-comm" tracks or *special areas of concentration*. The creation of new areas is problematic as it splits resources and creates artificial barriers between and among professors and students.

Creating Fluid "Majors": While clearly we advocate integrating eCommerce with the general curriculum (*internationalization*), we recognize that this will take time and enormous political capital. Thus, measures must be taken in the interim to adapt and produce the renaissance product needed by business in specific, and society in general. Disciplinary boundaries must be examined and changed. At first, this might be a function of creating less rigid degree or "major" requirements. Initially, this "new degree" format might be accomplished by permitting students to accumulate courses from each or multiple departments. Eventually however, true cross-disciplinary integration will necessitate the emergence of professors who reflect to an extent the new tech/business-marketing strategy model described above where the professor is knowledgeable in both areas and *understands and can teach* their cross functional integration.

Removing Disciplinary Boundaries: In what department would such faculty members be housed? The answer might be in none. Business schools might be better served without the categorization of professors into orderly groupings such as accountants and managers, but rather by the intermixing of professors, allowing their categorization to be the fluid result of the *counseled* choice of students who are advised by faculty associated with more abstract areas such as entrepreneurship, knowledge management, and so on. This would overcome the present B-school structure, which impairs cross-disciplinary creativity and stifles the flow of knowledge information because of disciplinary separation (Tapscott 1998; Tsichritzis 1999). Also, in the short run (along with allowing more flexible cross-functional degrees and majors), critical new courses such as i-marketing, eCommerce, knowledge management, data mining and database management, and eTrading need not only to be created, but to be integrated (Dhamija, Heller and Hoffman 1999), preferably from scratch because of the deep thought required, rather than kluged together from existing fare which often results in more smoke than flame.

Confronting Bureaucracy and Inertia

Both the corporate world and academia must overcome resistance to change. Nowhere is there greater

entrenchment than in the academy. As a model, university processes are antithetical to the fast changing, risk-taking, and flexible, technology companies for which they train students. Where the corporate world is motivated to change by competition, fear of obsolescence, lost revenue and lost jobs, in the academy, professors' jobs and incomes (especially those in decisions making positions) are tenure-protected and not affected or threatened at all which motivates little sense of urgency or more importantly, empathy with business dynamics. Time cycles for adoption are increasingly faster than the academy's bureaucratic pace. Moreover, new knowledge created by professors takes years to be published and then trickle down to textbooks (Lee 1999). As a result, we not only need to rethink the substance and integration of our courses, but also the creation and delivery of knowledge which is the centerpiece of educational enterprises.

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