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Primary Research Area

Recent dialogue in both academic and industry journals has drawn attention to weaknesses in our understanding of cross-functional integration. Although research on the interaction of marketing with other units, particularly R&D, is present in the literature, a curious gap is the relationship between the marketing and information services unit. This research project addresses a managerial issue facing many industries today: how can organizations make effective use information technology (IT) to support the marketing function. This research draws from both the integration and the IT alignment literature to present a model of cross-functional integration based on three sets of constructs: functional interdependence, organizational interface and a sociological component.

The question of cross-functional integration has become important in environments such as retail banking that face intense pressure from globalization, cost reduction, service improvement, risk management, and market volatility. This research will examine the cross-functional integration of marketing and information services in retail banking -- an information-intensive industry that historically has been slow to adapt to major changes in its competitive environment and that only recently recognized the importance of both information services and marketing to strategy.

Industry publications from 1970 onward provide little evidence of banks having information systems capable of supporting the needs of marketing. The failure of most banks to successfully integrate marketing and information services suggests that bank managers are using an inaccurate model of factors that affect integration. An important question that has not yet been adequately addressed is, "How can marketing be effectively integrated with information services?" In response to this question, this study will focus on the following research questions:

1. What is the status of IT use in the marketing function in U.S. retail banks?

2. What are the key indicators of marketing and information services integration and its outcomes?

Research Framework

A conceptual framework was developed for this study through exploratory interviews, and reviews of both industry and academic literature. A set of *integration constructs* are used to evaluate the degree of integration among the information services and marketing

functions at a given point of time. The first two constructs, IT direction and marketing information system status, attempt to measure functional interdependence. The next two constructs, participation, and communication, assess the organizational interface. The final two constructs, domain similarity and interaction difficulty, consider the sociological dimension of cross-functional integration. Indicators of these integration constructs are compared against outcomes of integration selected from previous studies on integration, and include goal achievement, relationship effectiveness, and perceived integration.

Research Products

This research will yield two key products:

- A descriptive model in U.S. retail banking that identifies variables that affect marketing and information services integration and selected outcomes of integration; and

- A relative ordering of the indicators in the model based on a study of their relationship to the selected outcomes of integration.

The descriptive model is useful because (a) it provides a "helicopter's view" of the factors affecting cross-functional integration between information services and marketing; (b) it links previous pieces of information management and organizational research into a simple, unified framework; and (c) it calls attention to the study of information services and marketing integration as a unique and important area for further research. Together these two products will provide insights on how U.S. retail banks are integrating marketing and information services in their attempt to adjust to major environmental changes; and, why some banks have adapted faster and more effectively than others.

References available upon request from author.