

## Chapter 4.19

# Business IT Systems Implementation

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### INTRODUCTION

The traditional channels of marketing are gradually being transformed by, or assimilated into, the global network represented by the Internet and modern information technology (IT) applications. Unfortunately, in most cases, the current IT systems are not fluid and dynamic enough to cope with ubiquitous customers who can contact the firm through a multitude of communication channels, such as mobile phones, Internet, or fax. The effective implementation of modern marketing strategies depends on the effective use of IT systems and procedures.

Internet-based technology can facilitate information dissemination, file transformation, data mining, and processing (Roberts, Raymond, &

Hazard, 2005), which creates opportunities for the development and implementation of efficient *customer relationship management systems*. On the other hand, the new information technologies can also be used to increase the employees' satisfaction and productivity (Dorgan, 2003; Eichorn, 2004). Thus, the implementation and use of an efficient IT system for business and marketing activities becomes a fundamental task, which should be managed jointly by business specialists and IT professionals (Wierenga & Van Bruggen, 2000).

Unfortunately, these opportunities are hindered by many challenges at organisational or managerial levels, such as defining and restructuring the internal and the external sources of information, centralising the marketing database, and integrating the IT and marketing procedures at operational level.

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Considering all these issues this paper attempts, on the basis of secondary data, to provide an overview of the main issues related with the implementation of IT systems in business organisations and the challenges related with the integration between information technology and marketing systems.

After a brief presentation of the previous research on this topic, the paper presents the stages of a gradual integration of IT systems in a business organisation and proposes a theoretical model

## **BACKGROUND**

Considered a functional perspective, the main benefits of using modern IT systems for marketing operations are developed during three major phases: (1) automation, (2) information, and (3) transformation (Dedrick, Gurbaxani, & Kraemer, 2003).

1. **The First Stage:** IT systems are primarily used for automating manual systems of data recording and retrieving (Scott, Rosenbaum, & Jackson, 2003; Speier & Venkatesh, 2002). This level is particularly useful for improving the efficiency of routines, or simple tactical activities (Eli, Sundaram, & Chin, 2002).
2. **The Second Stage—Information:** The useful data are transformed through processing into relevant information for marketing operations and procedures (Ranchhod & Gurău, 2004). The information stage integrates the automated procedures developed in the previous phase, the data collected in the automation phase being scrutinised, selected, processed, and converted into business intelligence (information).
3. **The Third Stage—Transformation:** The company starts to adapt and use knowledge in order to enhance its strategic positioning. In this stage, the company will transform itself

into a market-oriented, proactive organisation that uses IT systems in an integrated way to increase the effectiveness of every marketing operation (Roberts et al., 2005).

Many authors have emphasised the importance of IT systems for developing efficient *customer relationship management strategies* (Agrawal, 2004; Goldsmith 2004; Gurău, 2003; O'Malley & Mitussis, 2002; Plakoyiannaki & Tzokas, 2002; Roberts et al., 2005), and for employees' satisfaction (Dorgan, 2003; Eichorn, 2004). The level of IT integration in the organisational business structures and strategies is directly related with company's performance and profitability (Dedrick et al., 2003; Eichorn, 2004).

Unfortunately, in many organisations, the implementation of modern IT systems is a major source of tensions and problems, as many recent studies clearly demonstrate:

- The main reason for most B2B project failures is the incapacity of partners to implement a well-integrated technology infrastructure to support business processes (Meehan, 2002).
- A study of New Zealand corporations showed major difficulties in achieving the integration of business and IT, both in the public and private sector (Navigate and Systems Planning Associates, 2002).
- A survey published by CFO Publishing Group indicated that 44% of chief financial officers indicate a weak alignment between IT and business strategies (Hoffman, 2003).
- An online survey showed that 91% of IT managers are aware of the necessity to integrate IT and business strategy, and 77% indicate that a poor understanding of business needs and objectives is a top barrier in the effective use of IT (Mejias, 2002).

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