

# THE CRITO REVIEW

June 2004

## ⚡ The Internet: The New Political Strategy

U.S. presidential candidate Howard Dean may be remembered by many for his rebel yell on the campaign trail.

Yet his net-savvy constituents and rival political strategists remember him instead for his innovative use of the Internet -- to raise donations and develop a grassroots, or netroots, following. Two UCI professors are researching his strategy.

They also are looking at its impact on other politicians, including President George W. Bush, who set up his own blog Website after Dean's took off, according to Professor Bonnie Nardi of the School of Information and Computer Science, who spoke at a recent CRITO Hour lunch. Dean's Net strategy could translate for other groups -- perhaps even some companies -- trying to attract supporters, she said.

The Internet transformed Dean into a realistic hopeful. He started as an unknown candidate and governor of Vermont, a state of just 613,090 people -- smaller than the size of Santa Ana and Anaheim combined.

In January 2003, his campaign had \$157,000 in the bank and 432 known supporters. Thanks to his team's innovative approach, however, in the end he had a highly visible campaign that raised more than \$50 million from over 300,000 individuals. Nearly half of his money was donated online.

Although he lost the Iowa Caucus and later withdrew from the race, Dean raised more money and attracted many more supporters than he would have otherwise, say Professor Nardi and Keri Carpenter, her fourth-year, Ph.D. student, who was her research partner on the project.

The problem with Dean's campaign, according to their analysis, was Dean's reliance on the Net without also using adequate traditional campaigning tactics.

To show what he could have done better, Nardi and Carpenter compare Dean's campaign to that of Jesse Ventura's successful 1998 bid for governor of Minnesota. Ventura raised at least \$50,000 of a total \$124,000 through his Website. But Ventura was also a very charismatic person and did a good job of traditional campaigning.

The Internet became Dean's strongest weapon, at the expense of voters who didn't find him on the Web, Professor Nardi said. But Dean did adopt some innovative tactics to engage voters online. And at the end, there were many of these Internet tools working in his favor.

There was his official Website, DeanforAmerica.com; his official blogs -- or online, interactive journals-- that allowed postings by ordinary voters; there were many other unofficial blogs; and there was his use of meetup.com, which allowed supporters to organize events in their areas.

Through Deanlink.com, people could



Dean uses blog to reach voters.

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# Faculty Profile: Mary Gilly

Professor Mary Gilly looks at ways technology innovations improve personal lives.

Seniors she has studied learn to use computers and the Internet to stay connected with family and friends. One 80-year-old woman who couldn't drive said ordering groceries online helped her live alone at home longer. And the delivery boys were so handsome, she told Gilly.

"These senior people decide 'I don't want to be left behind.' They have such a love of learning," Professor Gilly said. "We need to find ways to make the Internet more accessible for them."

A marketing professor at the Graduate School of Management, Professor Gilly is also a faculty associate of CRITO. She makes her work fun by choosing projects that interest her and put her in contact with people whose lives have been changed by going online. She has published recent articles in *California Management Review*; *Journal of Retailing*; and *Consumers, Markets and Culture*.



Mary Gilly

In addition to her work with seniors, Professor Gilly is studying Internet use by sailors in the U.S. Navy, who today can communicate home instantly when they are deployed, rather than waiting weeks for mail like they used to. A personal fan of NordstromShoes.com, Gilly also has looked at ways to improve online shopping, another project close to her heart.

In addition to changing the lives of people she studies, information technology has made Professor Gilly's research more fun, effective, and innovative, by helping her reach more subjects. Now she can use online surveys and focus groups to get responses from people who live outside of urban metropolises.

Thanks to this wider reach, Professor Gilly heard from a shopper in a remote area who used the Internet because there were so few brick-and-mortar choices nearby. She wanted to know how many people there were like this woman and how they affect companies.

"It's the little things that are kind of 'ah ha!' moments. Is this an idiosyncratic moment or are there other people like this?" she said. "That's what inspires you to do research."

IT probably has contributed more to the lives of marketing researchers than it has to researchers in any other business discipline. Store scanners, of course, have given retailers power to record sale and buyer information for marketing and other purposes. And customer relationship management tools help companies track their best customers and learn how to better reach them. This gives Professor Gilly more information on which to build her results, and this makes her work more rewarding.

But Professor Gilly – who is married to fellow GSM Professor John Graham and has a daughter, 16, and a son, 19 -- still enjoys old fashioned, personal interviews.

"It is interesting to see people open up," she said. "They start by sitting there with their arms crossed, looking skeptical. Then there's a physical opening when you let them know their opinions are important. Their arms uncross and they open up."

The U.S. Navy sailors are often the most hesitant at first. But their lives have been improved so much by instant contact with family. They are some of the most fun to talk to, she said. ■

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We rely on the accuracy of our many sources and report the facts as received.

# Winter IAB Recap

CRITO hosted the 2004 Winter IAB meeting at the Irvine Hyatt Regency on January 29–30, 2004. As one of two such meetings annually, the Winter IAB offered a jam-packed schedule of research updates, presentations, small-group discussion sessions and the ever important networking breaks.

Opening the meeting's proceedings was a thought provoking luncheon presentation by Martin Curley from Intel. Titled "IT Business Value", Curley discussed new ways to measure IT business value through customer satisfaction, profitability and other "core business terms".

Another highlight of the meeting was the presentation by Fran Berman, Director of the San Diego Supercomputer Center at UC San Diego. Berman's engaging talk on "Grid Computing" was extremely interesting and provided an excellent topic for dinner discussion while guests enjoyed the creative and exceptional tasting fare of Bistango Restaurant.

Perhaps most interesting to our IAB members this year was the revamped schedule that put a greater emphasis on a specific theme—namely Innovation.



Martin Curley

Attendees representing, Boeing, IBM, IDC, Intel, and the Department of Defense, engaged in meaningful dialogue on the important topic, and sometimes tenuous relationship, of innovation and business value. The CRITO IAB meetings will continue this new model in hopes of increasing conversation between, and input from, our IAB members.

Mark your calendars for the Summer IAB meeting scheduled for June 17–18, 2004! ■



Winter 2004 IAB Meeting

**CRITO Consortium**  
University of California, Irvine

## Summer 2004 CRITO Industry Advisory Board (IAB) Meeting

June 17–18, 2004  
Hyatt Regency Irvine, CA

For more information about this meeting please visit  
[www.crito.uci.edu/iab](http://www.crito.uci.edu/iab).

This will be an opportunity for all our IAB members to provide critical feedback on proposed research projects. It will also be the time when new CRITO projects are funded.

*Don't miss your chance to  
determine the next big project!*

# Using Technology and Social Skills to Communicate in Business

The latest communication technology or other innovation can't replace social skills in getting a group behind an idea, according to recent research out of UCI.

These critical social skills include the ability to "articulate", or share, knowledge, and connect individuals during the creative process, according to Professor David Obstfeld, who studied the role of computer-automated designs in car designs. He is not allowed to name the major Detroit auto manufacturer he worked with, but he will say that the stakes were high, with professional reputations and large budgets on the line.

"Any time you do a design, there's these different groups with different interests coming together," Professor Obstfeld explained in a recent interview. Some of the professionals focus on the car's aesthetic appearance, others on car noise and vibration and others on the functioning of different parts, for example.

The different interests led to disagreements and difficult, even contentious design meetings. Though everyone on the team Obstfeld studied had the necessary technical skills as engineers or designers, it was the workers with a little more moxie who saw their ideas used in the new-car prototype. These people used a computer as just one of many tools, complementing computer automated design with simple drawings made by hand, for example, and frequent lobbying meetings.

"Computers are not black boxes that solve all problems. They need to be used in an intelligent way," Obstfeld said.

Obstfeld talked about his research during a recent CRITO Hour lunch. He spent over four months with a "crunch team" of designers and engineers focused on the car's manual shifter and a surrounding console. One of its top priorities was solving design problems suggested by a new computer simulation model that indicated that the manual shifter would bump the console during extreme conditions.

His paper on the topic —"Engineering Knowledge: Innovation and Knowledge Creation as Social Movement"—contrasts the unsuccessful and successful efforts of just a few of the team members. The article was

presented at the Academy of Management, the Organization Science Winter Conference, the UC- Davis Conference on Qualitative Research, and the UCI Sociology Department's Social Movement Working Group.

He used first names to tell about some of the team members.

One solution from an engineer named Eric was a soft, foam wall for the console that would bend when hit by the shifter. But the idea never got full consideration because Eric relied almost entirely on computer-assisted design (CAD) images from an independent contractor that inaccurately depicted his concept. He didn't do much lobbying or closely oversee the way technology was used to portray his idea. In contrast, an engineer named Henry in charge of minimizing noise and vibration got his cause heard and his idea included. He not only proposed an innovative double

seal around the manual shifter, he had tests done to show it would make the car much quieter. In addition to traditional computer images, Henry drew simple stick figures by hand—with frowning faces—to make his ideas easy to understand. "The more they understand, the greater the chance that things will go right behind your back," he told Obstfeld.

Finally, two designers, Alex and Joe, successfully got the group to move away from cutting edge 3D images in favor of two-dimensional cross sections of the components. The 3D design was impressive but sometimes bewildering, according to Obstfeld, and the two-dimensional images could be digitally assembled with other parts to see if different components were compatible.

After his research was complete, Obstfeld inadvertently saw the prototype vehicle on the road in the California desert, where new cars are often tested. He was on a vacation but was excited to see the car design he observed finally make it to the streets.

Obstfeld still can't reveal exactly what type of car it was. But he is glad to muse over how it came to be, that employees' strong communication, or knowledge articulation skills, in addition to their social knowledge and ability to connect others are as likely to turn their ideas into innovations as their IT skills. ■



David Obstfeld

# ■ The Internet: The New Political Strategy

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post their profiles and contact other Dean supporters. Staffers also posted Dean-related comments on other political blogs.

These official sites had a tremendous impact. They helped spawn more than 700 unofficial websites and blogs set up to support the campaign, and thousands of Yahoo! Groups and listservs. Supporters even created Web applications that made it easy to make fliers for advertising events. People organized thousands of their own political outreach events: handing out flyers at local supermarkets and hosting Dean-themed game nights and debate-watching parties.

Dean not only had many Websites to his name, he used them effectively, Nardi said. To engage voters, Dean and his team made a point of providing immediate, up-to-date disclosure of his fundraising on his blog. By setting goals and tallying how close his campaign was, ordinary people took ownership of the fundraising and donated. Thanks to the Internet, Dean raised more money leading up to the primary election than any other candidate before him.

Dean even let his Internet supporters dictate his campaign policy when he was considering taking federal campaign matching funds. The money came with restrictions, and about 80 percent of constituents who voted said they didn't want him to take it. He didn't.

Voters also got responses back from high-level staffers when they commented on other campaign-related issues. They became more interested and devoted because they were being heard, Nardi explained.

Today, Dean is a more powerful voice in the Democratic Party, and he continues to encourage voter participation in the democratic process. His blog <http://www.blogforamerica.com> still posts articles that criticize Bush's policies and offers updates on upcoming events and TV programs.

Actors Janeane Garofalo and Sam Seder posted a letter April 2 on Dean's blog. It was written to promote a new radio show they're hosting. But they also comment on how blogs empower average people, which is part of why blogs are so appealing and so effective.

"What was most amazing about the Dean presidential campaign was you, his supporters," the pair of actors and radio hosts wrote on the blogforAmerica Website. "Never in American politics had the average American had such influence in shaping and fueling a presidential campaign. You should feel proud for what you achieved and proud of the fear you caused amongst the fat cats that they might lose their stranglehold on power."

Though commercial use of these Internet tools was not the focus of their study, Professor Nardi said some companies would benefit from trying to harness the power of blogs and other less common Internet tools. Blogs could help create a buzz and following for a product, Nardi said. Companies would have to recognize, however, that you don't control a blog and the comments that are posted.

"The forward looking companies are saying 'hum, this is an interesting tool. How can we use it?'" ■

## ■ Did You Know?

Of the 301 executives polled by the 18th Annual Orange County Executive Survey, 80% said that housing costs in Orange County is an impediment to doing business in the county.

On the plus side, 79% said that they plan to expand their operations in Orange County over the next five years.

## In Brief

Professor **Kevin Zhu**, graduate student **Sean Xu** and Senior Research Fellow **Jason Dedrick** won the **Best Paper Award** at the International Conference on Information Systems (ICIS), held in Seattle Dec. 15–17. "Assessing Drivers of E-Business Value: Results from a Cross-Country Study" was selected out of 600 papers submitted and 90 accepted by ICIS, the largest academic conference in the world in the field of information systems. Last year Kevin Zhu, Sean Xu and CRITO Director **Ken Kraemer** won the Best Paper Award, out of 526 submissions.

In January, Professor **Juan J. Palacios** participated in the Advisory Council meeting for the group Information and Communication Technology Innovation Program for E-business and SME Development. The program is supposed to improve the competitiveness and efficiency of small to medium size businesses in Latin America and the Caribbean. It funds projects to improve processes and expand access to new IT solutions and services and is sponsored by the Inter-American Development Bank and the Multilateral Investment Fund. Professor Palacios has been a member of the Advisory Council since late 2002. He is a country expert in CRITO's Globalization and E-Commerce Project and is a professor at the University of Guadalajara, Mexico.

CRITO Director **Ken Kraemer** and Senior Research Fellow **Jason Dedrick** will head a new Personal Computing Industry Center with help from colleagues at Stanford University and UC Davis. The Center will operate within GSM's new Centers Program as a national and international resource for executives, policymakers and academics. Research will focus on the future of the industry, including technical innovation, competitive dynamics, and changes in industry organization, particularly those associated with globalization. A new Center advisory board will include representatives

from industry leaders such as Dell, Gateway, Hewlett-Packard, IBM, IngramMicro, Intel and Toshiba. The new Center was funded with a \$250,000 grant from the Alfred P. Sloan Foundation and matching funds from the UCI campus.

Professor **Kraemer** also received a \$200,000 award for CRITO from the National Science Foundation for a Conference on Social Informatics, honoring Rob Kling who passed away last year. The conference will be held at UCI in 2005.

Professor **Paul P. Tallon** had an article published in the Fall 2003 edition of CIO Insight entitled "The Alignment Paradox". The article describes the tradeoff for companies between closer alignment of IT and business strategy versus the need for greater IT flexibility. Tallon is professor of information systems at Carroll School of Management, Boston College. The article is available at <http://www.cioinsight.com/article2/0,1397,1375476,00.asp>

Professor **Alfred Kobsa** and Maximilian Teltzrow of the Institute of Information Systems in Germany presented their article, "Communication of Privacy and Personalization in E-Business" at the proceedings of the Workshop WHOLES: A Multiple View of Individual Privacy in a Networked World, in Stockholm, Sweden, in January. The paper is available at <http://www.ics.uci.edu/~kobsa/papers/2004-WHOLES-kobsa.pdf>.

**Mark Bergman** accepted a position of assistant professor in the Information Sciences Department at the Naval Postgraduate School in Monterey, CA. He received his Ph.D. in Information and Computer Science on Sept 10, 2003. The title of his dissertation was "Understanding Ecologies of Large Scale System Requirements using the Authority-Activity Model: In Situ Requirements Analysis of the New Millennium Program."

## ■ In the News



Alladi Venkatesh

Professor **Alladi Venkatesh** of UCI's GSM was quoted in an article about intranet networking among women of the Ladera Ranch subdivision. The article ran Nov. 30 in the Orange County edition of the *Los Angeles Times*. "They seem to be defining what the community functions are, how it functions and what role (the intranet) will play," Venkatesh told The Times.

UCI Informatics Professor **Gloria Mark** was quoted in a Nov. 10 *Wall Street Journal* article on the abundance of technological distractions in today's world. The demands of her own e-mail are "nuts" and organization software needs upgrading, she told the reporter. The article was also picked up by the Houston Chronicle and ran again Nov. 16.



Gloria Mark



Paul Tallon

Professor **Paul Tallon** had an article published in the Nov. 11 edition of *eWeek* called "Strategic IT Alignment May Be Harmful". In it, he explained that 30 percent of strategic alignment programs yield no improvement, or even a decline. The problem, he said, is inflexibility. "IT executives must think about where their business is going and ask whether their current IT spending can get them there without the need for significant retooling," he wrote.

GSM Professor **Vijay Gurbaxani** was quoted March 4 in the *Las Vegas Review Journal* when he advised companies to plan ahead if they want to outsource. "We need to define what we are setting out to achieve and also define what our organizations will look like in the future," Gurbaxani said at the Outsourcing Strategies 2004 conference held at The Venetian Resort Hotel and produced by Centric Events Group LLC.



Vijay Gurbaxani

## ■ Save the Date!

2005 Winter IAB Meeting

February 3-4, 2005  
The Beckman Center,  
UC Irvine

## ■ Want More?

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findings and information about CRITO.

# CMISRC/CRITO Symposium on the Digital Divide

Carlson School of Management  
University of Minnesota  
Minneapolis, August 27–28, 2004



CRITO is co-sponsoring a symposium on the digital divide with The Management Information Systems Research Center in the Carlson School of Management at the University of Minnesota in Minneapolis. Professor **Sanjeev Dewan** is a co-organizer of the Symposium, “The Impact of the Digital Divide on Management and Policy Determinants and Implications of Unequal Access to Information Technology”. Further information is available at [www.misrc.umn.edu/symposia/dd](http://www.misrc.umn.edu/symposia/dd).

## In our next issue:

### *Offshoring and Outsourcing*

The CRITO Review will look at current developments and possible future trends.

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