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**Advertising,
accountability**

Marketing, paradox

Abstracts

Journal of Direct, Data and Digital Marketing Practice (2008) **9**, 397–405.
doi:10.1057/dddmp.2008.4

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- (1) depth of research
- (2) value in practice
- (3) originality of thinking
- (4) Readability for non-specialists.

No abstract is included for any article awarded less than seven stars overall.

Confronting proliferation: A conversation with four senior marketers

D. Court, T.D. French and T.R. Knudsen

JOURNALISTIC. *McKinsey Quarterly*, 2007/3, p. 19 (9pp)

Claims that current great changes in marketing stem from proliferation — of media, segments and channels. Notes that in 2006 the 50 biggest US advertisers increased overall ad spending, particularly in newer media, while decreasing spending in television, newspapers, radio and internet display ads. Documents a conversation with four senior marketers, from Yahoo!, Wal-Mart, Carlsberg and Nokia, in which it is claimed that CEOs and CFOs are demanding greater accountability from marketing; that intellectual curiosity regarding new tools and techniques is critical, as is diversity of employee experience. Suggests growing polarisation between the top and bottom of the market. Notes the need for brands to learn how to interact with Web 2.0 sites and blogs. Notes Wal-Mart's conversion from viewing the internet as a commerce channel to seeing it as a marketing channel, with ten times as many products online as in the average off-line store. Discloses market research through digital salons, and the combination of transactional and attitudinal data.

A slight piece, which still gives a flavour of the issues that are on the agendas of some big marketing players.

Research: ----- Practice: ** Originality:** Readability: ***
Ref: 9401

A marketing paradox

M.E. Hill, J. McGinnis and J. Cromartie

OPINION PIECE. *Marketing Intelligence & Planning* (UK), Vol. 25, No. 7, p. 652 (10pp)

Traces the development of marketing as a discipline from the early 20th century to the present. Characterises this development as a search for general truths, or laws; expresses concern at the age of many of the key

marketing concepts that are still regarded as conventional wisdom. Claims that marketing is in a mid-life crisis; that, by creating a framework for strategic action (eg through segmentation and positioning) it has come to treat that framework as a body of laws, which it is committed to continuously validating. Suggests that this process is counter-productive, and refers to it as the Contributing-Hindering paradox: that by adding to existing knowledge we serve to entrench it, and to hinder the development of new thinking. Notes the recognition in modern science that each new piece of knowledge creates new ignorance: finding answers to problems continuously generates new problems; marketing should be regarded in the same way. Defines marketing as a way of thinking, with the emphasis shifted from thinking about what is, to thinking about what may be, with knowledge as a means, not an end. Deplores the academic–practitioner gap; suggests starting by asking practitioners (who are unlikely to consider they have time to read academic journals) or consumers how they think and what questions they ask. Aims to shift the focus from observation and verification to participation in the creation of applicable knowledge.

A rare outburst of sanity in an academic journal, which suggests, however, that the author is not properly acquainted with attempts from the practitioner side to close the gap of which he properly complains. Entertaining and thought-provoking; could perhaps use some more concrete instances.

Research: ** Practice: **** Originality: **** Readability: ****
Ref: 9402

The evolving role of the CMO

D. Court

ADVISORY. *The McKinsey Quarterly* (US), 2007/2, p. 28 (12pp)

Notes that many CMOs' roles are confined to advertising, brand management and market research; holds that this will have to change with growth in sales and service touch-points, and customer fragmentation. Recommends CMO should be the corporate voice of the customer. Notes high turnover rates for CMOs, and difficulty in filling such posts. Advocates that the CMO should be a strategic activist, leading corporate change efforts, actively shaping the company's public profile and building new capabilities company-wide. Notes consumer changes — particularly rapid growth at high and low ends of the market with stagnation in the middle; also the increased number and role of third parties, with an emphasis on social networking — a nightmare in the short term. Notes ways in which changes in consumer behaviour force changes in companies' business models, and the consequent need for high-quality local sources of customer information. Instances Nokia in India, and P&G's toothpaste in China. Claims that corporate-image strategy has to be based on classic marketing techniques, such as segmentation and consumer research. Notes a growing need in marketing for specialised skills, and

Marketing, CMOs

advocates creation of centres of excellence, and possibly outsourcing. Notes that one-third of marketers devote less than 10 per cent of budget to non-traditional media, and over half less than 20 per cent.

A challenge for marketing to take over the world. Not a bad idea — but if CMOs are hard to find now, what will it be like when the role requires the qualities of a Napoleon?

Research: ** Practice: ** Originality: * Readability: **
Ref: 9403

How to improve strategic planning

R. Dye and O. Sibony

ADVISORY. *The McKinsey Quarterly* (US), 2007/2, p. 41 (10pp)

Notes wide levels of dissatisfaction among executives with the strategic planning process. Nonetheless maintains that strategic planning lays the necessary foundation for a budget, for resource allocation, financial and operating targets, and for alignment on strategic priorities. Suggests five ideas for the improvement of the strategic planning process. First, start each planning cycle by identifying and focussing on the main strategic issues. Discusses the listing of a small number of key strategic issues, or of a series of strategic questions addressed to business units. Considers the advantages of a bottom-up process. Secondly, ensure the participation of the right people: those who carry out strategy should also develop it. Thirdly, adapt planning cycles to the needs of the business: it is not necessarily essential that strategic planning should form an annual part of every annual budgeting cycle. Fourthly, implement a strategic performance-management system, including metrics other than the meeting of purely financial targets. Fifthly, integrate HR systems into the strategic plan through evaluation and compensation models for managers. Suggests deferred-compensation models, and longer-term performance targets.

A sensible look at the opportunities and pitfalls of strategic planning.

Research: ** Practice: ** Originality: ** Readability: ***
Ref: 9404

Lessons learned: A case study using data mining in the newspaper industry

C.L. Gunnarsson, M.M. Walker, V. Walatka and K. Swann

CASE STUDY. *Journal of Database Marketing and Customer Strategy Management* (UK), Vol. 14, No. 4, p. 271 (10pp)

Begins with a disquisition on the nature of data mining, defined as a process of knowledge discovery — an iterative process, part of an overall strategy for business intelligence and problem solving by applying statistical modelling to large quantities of transformed transactional and historic data. Notes the continuing increase in privacy concerns. Offers five main steps to be followed in the process of data mining: definition of

Strategy, planning,
budgeting

Data mining,
newspapers, decision
trees, privacy

business objectives — mainly concerned with predicting, or seeking an explanation of behaviour; creation of a data warehouse (which, with data preparation, consumes some 85 per cent of data mining effort); data preparation, involving fusing of data from numerous, frequently incompatible sources within the organisation; modelling, using decision trees, regression analysis or neural networks; data-driven decision making. Relates, in relation to each of these steps, a case study of a newspaper publisher whose aims were to: address problems of churn; maximise upgrade and cross-selling opportunities; and develop new prospects. Describes the problems that arose, and the lessons that were learned in progressing through each of the five stages earlier outlined. Gives a table of raw variables used, and others derived, and shows a decision tree, the chosen modelling method for developing new prospects.

This is a fairly easy introduction to the nature and purposes of data mining, without giving any depth of detail: each of the five steps outlined here is worth one or more even longer articles. But a good start nonetheless.

Research: *** Practice: *** Originality: ** Readability: ***
Ref: 9405

Implementation study: Using decision tree induction to discover profitable locations to sell pet insurance for a startup company

R. D'Souza, N. Krasnodebski and A. Abrams

CASE STUDY. *Journal of Database Marketing & Customer Strategy Management* (UK), Vol. 14, No. 4, p. 281 (8pp)

Data mining, decision trees, pet insurance

Describes the case of a start-up company selling pet insurance in the US, and wishing to use data mining techniques to optimise its marketing efforts. Describes the data gathering process to collect census data and data on location of veterinary services. This was followed by data preparation. Then a data mining software package (Decision Tree Builder Program) was run against two test sets of 2,000 households each. Two separate decision tree algorithms were used (SBP and C4.5). Gives the induction rules produced by this process for each algorithm, and the general inferences following from these rules. Shows how each set of rules was then applied to a further three test data sets to produce profit figures. Applies the average profit figures for each algorithm to produce gains charts, indicating that in both cases the highest marginal response rate, and the maximum marginal profit, can be made by mailing the best three deciles only. Concludes that C4.5 was somewhat superior to SBP in this case, but that the two could be combined to make further improvements, by the use of Genetic Algorithms. Describes ways in which these findings can be of use also in selecting television channels, or print media, for advertising.

Not very enlightening on the nitty-gritty of decision trees, but the examples of gains charts are characteristic of what can be achieved by modelling of this kind.

Research: *** Practice: ** Originality: ----- Readability: ***
Ref: 9406

Merits of interactive decision tree building: Part 1

B. van den Berg and T. Breur

TECHNICAL. *Journal of Targeting, Measurement and Analysis for Marketing* (UK), Vol. 15, No. 3, p. 137 (9pp)

**Data mining, CRM,
automatic modelling,
interactive modelling,
decision trees**

Notes the continuing growth of data mining solutions to marketing problems, particularly within CRM systems — evoking the illusion that machines can take over the task of predictive modelling. Considers the process of automatic model-building, and finds that it has a number of drawbacks: the lack of opportunity to add domain knowledge, or to secure knowledge as a spin-off from the process; loss of some predictive accuracy; no human check on potential errors in the data set; model-building not geared to the specific situation. States a preference for interactive model building, where the data miner actively engages in the process, by overriding statistical parameters as they appear in the modelling process. Asserts that this interaction gives rise to valuable insights; that a better fit occurs between model and business problem; that higher lift typically occurs. Believes that these advantages outweigh the saving of time and effort offered by automated model building. Promises in Part 2 to show how interactive modelling can be made to work.

The case for interactive, rather than automatic model building is convincingly made. The coming description of how to do it promises to be interesting.

Research: *** Practice: ** Originality: ** Readability: **
Ref: 9407

Second life, second identity?

H. Wandt

OPINION PIECE. *Journal of Targeting, Measurement and Analysis for Marketing* (UK), Vol. 15, No. 3, p. 195 (3pp)

**Second Life,
Netherlands,
electronic patient file,
identity theft, data
protection**

Notes the accepted importance of data security, particularly of personal data, in the real world; questions what our attitudes are to virtual personal data stored in community networks — with special reference to Second Life. Reveals the postponement of an electronic patient file (EPF) in the Netherlands after discovery that it was not secure, and the parallel plan to create a national database of babies, to be linked eventually to the EPF via the equivalent of the UK's national insurance number. Notes the fears that this scheme raises of identity theft, despite which the Dutch government is proceeding with the digitalisation and linking of personal data via a system called DigiD. Notes that Second Life (whose nature is outlined here, and in the editorial of this number of JTMAM) is potentially a very interesting source of personal data, not least because those who populate this virtual world operate in it with virtual money which is convertible into real dollars. Raises the question

about personal data in online communities in general, how closely it relates to real-world data, and what are the risks of identity theft in the virtual as well as the real world, causing financial losses in both.

Some fascinating speculations ensue: given — which we now know — that neither commercial banks nor government departments can be trusted with real data, how far can (should) (do) consumers simply lie about the data they provide, whether in the real or the virtual world, and how far can such behaviour protect them?

Research: * Practice: * Originality: *** Readability: ***
Ref: 9408

Making ends meet: How will the elderly manage their finances and post-retirement expenses?

J.N. Burkhalter

SURVEY. *Journal of Financial Services Marketing* (UK), Vol. 12, No. 3, p. 235 (7pp)

Retirement, elderly, gerontographics, financial advice, asset management

Notes that almost 60 million Americans are aged over 55, and that by 2040 there will be more over 65 than under 21. American men now work for only 38 of their expected 76 years, compared with 50 out of 68 in 1960. Describes a questionnaire-based study sent to 20,000 people; some 18 per cent responded, of whom just under 3,000 were aged 55+. Describes a 'gerontographic' model for four-way segmentation of this older consumer group, which was found to predict consumer habits better than simple age-based criteria. Describes the questionnaire, which was designed to determine preferences in sourcing financial advice, and in use of various types of asset to pay for a variety of post-retirement expenses. Shows results in tabular form. Demonstrates that commercial banks are the most widely chosen medium, among all segments for advice on asset management and financial planning services; also that use of home equity for payment of post-retirement expenses was a choice of quite small numbers — except in the case of paying for home improvements, when this route was chosen by over a fifth of respondents. Illustrates interesting detailed differences between segments.

The detailed findings are not directly applicable to UK conditions, but the gerontographic segmentation may be worth looking at. It is also quite surprising how many people would choose to rely on a commercial bank (an interested party after all) for financial advice.

Research: *** Practice: ** Originality: *** Readability: ***
Ref: 9409

The stages of financial services product elimination

T. Harness and D.R. Harness

SURVEY. *Journal of Financial Services Marketing* (UK), Vol. 12, No. 3, p. 197 (11pp)

Financial services, product elimination

Notes that most work done on product elimination has focussed on physical products. Denotes four stages in the elimination of a product from the market: product review; evaluation of alternatives; selection of a removal strategy; implementation. Deals with each of these phases in turn. Considers first the drivers of product elimination, which include government legislation, intensity of competition, volume of turnover, changing technology. Considers how far these criteria for physical product elimination might apply to financial products. Discriminates two methods: partial and full product elimination. The first withdraws the product from sale, but maintains it for existing customers, perhaps withdrawing some features. The second closes down the product entirely, perhaps by non-renewal or by selling to a competitor. Describes a survey conducted with financial managers in the UK, which found four key stages: identification of need; decision on strategy; implementation; evaluation. Shows a diagrammatic model of this process, and discusses each step in detail.

This is not rocket science, but the article contains some common-sense criteria for determining whether and how to withdraw a product offering from the market.

Research: ** Practice: ** Originality: * Readability: ***
Ref: 9410

Manage your energy, not your time

T. Schwartz

ADVISORY. *Harvard Business Review* (US), October 2007, p. 63 (9pp)

Energy levels

Claims that responding to pressure of work by putting in longer hours is an inadequate answer, with its own problems: time is a finite resource, but energy, or capacity, is not. Describes a programme conducted at a US bank, where 106 employees at 12 regional banks were put through a series of specific strategies for improving energy levels, and their performance improvement (compared with the previous year) was compared with that of a control group, showing big gains. Claims that there are four centres of energy: the body, the emotions, the mind and the spirit. Describes a preliminary audit given to each participant in the programme, designed to measure existing energy levels in each of these centres. Describes the way in which the programme then addresses each of these centres in turn. For bodily energy, concentrates on diet, exercise and sleep patterns, together with a pattern of brief regular breaks during work. For emotional energy, concentrates on breathing and on showing appreciation to subordinates. For mental energy, condemns multi-tasking and recommends concentrating on one issue at a time without interruptions. For spiritual energy suggests being more introspective, to clarify priorities and allocate time and energy accordingly.

There are no revolutionary answers here — just common-sense recommendations which no one could disagree with, laid out in a

structured thought-through manner. Running a programme for managers along these lines would be a more useful activity for an HR team than some of the things they get up to.

Research: ** Practice: *** Originality: * Readability: ***
Ref: 9411

**Waste, recycling,
consumption, lifestyles**

Beyond recycling: 'Commons-friendly' waste reduction at new consumption communities

C. Bekin, M. Carrigan and I. Szmigin

SURVEY. *Journal of Consumer Behaviour* (UK), Vol. 6, No. 5, p. 271 (16pp)
Looks at the problem of consumer waste and its disposal, with emphasis on the diverse waste-reduction strategies adopted by environmentally conscious consumer communities in the UK. Notes the current emphasis nationally on recycling (now 23 per cent of UK waste, compared with 70 per cent in the Netherlands). Notes the existence of other strategies, such as composting, repairing, re-using (cf. growth of consumer purchase for reuse, as in charity shops, which in UK is worth £1.4bn), and simplification of lifestyles — giving rise to a debate between waste disposal and waste reduction. Illustrates with reference to six New Consumption Communities (Woodland Community, Fallowfields, Sunny Valley, Stone Hall, Spiritual Community, Green Tech) which each adopt slightly different attitudes to the question whether one should concentrate on making better use of resources, or simply use less. Discusses a variety of strategies, and their use by these communities; notes that some of them are more easily adopted by individuals than others, which may require community facilities (as, eg recycling already does).

Regrettably the article does not, as its abstract promises, discuss the marketing and policy implications of this discussion. However, as both the problem and the potential range of partial answers grow, these implications exist: give them some thought.

Research: ** Practice * Originality: ** Readability: ***
Ref: 9412

Why are you telling me this? An examination into negative consumer reviews on the web

S. Sen and D. Lerman

RESEARCH. *Journal of Interactive Marketing* (US), Vol. 21, No. 4, p. 76 (21pp)

Sets out to examine the effect of word of mouth on the web (e-WOM). Notes that reviews posted on the web can be categorised under four headings — as positive or negative, and as relating to utilitarian or hedonic products. Describes a series of three experiments to determine whether consumers of either utilitarian or hedonic products find positive or negative reviews either more, or less, helpful in relation

**Internet, WOM,
e-WOM**

to a hypothetical purchase decision; how far readers judge that reviews of either product type were influenced by objective (product-related) or subjective considerations; how far readers' attributions of motive to reviewers affected their assessment of the usefulness of the review; how far readers found reviews (positive and negative) of utilitarian versus hedonic products to be useful in purchase decision-making. Finds that, for utilitarian products, both negative and positive reviews are regarded as more helpful than unhelpful; for hedonic products negative reviews are considered more unhelpful, and positive reviews as helpful. Readers are more likely to ascribe objective motives to reviewers of utilitarian than hedonic products, and their assessment of 'helpful' or 'unhelpful' is mediated by this consideration, and reviews of utilitarian products are regarded as more helpful than those of hedonic products.

As an early exploration of the effects of e-WOM this article is worth reading, even though the general direction of the results is entirely in line with one's intuition. Perhaps the important issue is the way in which the questions have been categorised, rather than the specific answers arising.

Research: ***** Practice: ** Originality: ** Readability: ***
Ref: 9413

The future of search engine optimisation (SEO)

J. Spiller

ADVISORY. *Admap* (UK), February 2007, p. 49 (1p)

Notes the speed at which the internet itself, and hence search engine optimisation methodology, is changing. Claims that Google's dominance of searching will shortly be challenged by Microsoft's Vista, since the latter will appear on the desktop of all future buyers of PCs. Predicts that all search engines will be prioritising search results according to the searcher's locality, and also intelligently profiling users by their search habits in order to tailor their rankings. Predicts that new networking sites will be used by business to promote websites and improve search engine rankings. Notes the growth in popularity of pay-per-click — and also of click fraud (by evil persons clicking repeatedly on a link to load the costs of the advertiser). Asserts that this has resulted in growth for pay-per-action. Advocates the use of an SEO expert to keep you up to date with new and ethical techniques for obtaining better listings.

A tiny article, but one that lists, more succinctly and more reliably than most, a number of coming trends.

Research: ** Practice: *** Originality: ** Readability: ***
Ref: 9414

**Search engines,
SEO, Google, Vista,
rankings, pay-per-click**