The bold items in the margin describe the subject matter and are keywords for text retrieval. The final reference number under each abstract is also used for this purpose.

**Normality, risk,
government,
regulation**

**Budgeting, KPIs,
incentives**

Abstracts

Journal of Direct, Data and Digital Marketing Practice (2009) **11**, 156–171.
doi:10.1057/dddmp.2009.28

Each abstracted article is awarded 0-5 stars for each of four qualities:

- (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.

The new normal

I. Davis

FORECAST. *McKinsey Quarterly* (US), 2009, No. 3, p. 26 (3pp)

Asks what, when the current crisis is over, ‘normal’ conditions will look like — since they will certainly be different from the normality of recent years. Suggests that the first change will be a system with significantly less financial leverage, and higher prices for risk. Second, foresees an expanded role for government, with tighter regulation in areas such as debt insurance, and new levels of transparency and disclosure. Notes the risk of an era of financial protectionism. Notes that US income growth — a global factor since 1985 — has now petered out; future growth in incomes and consumption will come from Asia.

Nothing startling here, but a useful reminder of the need, even in the current crisis, to look ahead to what is sure to be a changed world economy.

Research: ----- Practice: *** Originality: ** Readability: ****
Ref: 11201

Just-in-time budgeting for a volatile economy

M. Akten, M. Giordano and M.A. Scheiffele

ADVISORY. *McKinsey Quarterly* (US), 2009, No. 3, p. 115 (7pp)

Suggests that a volatile economy (as now) makes traditional budgeting processes obsolete. Suggests four possible approaches, to be used singly or in combination, and discusses each in turn, with examples. First, scenario planning: whereas in stable times budgeting is an exercise in consensus-building about the future, in volatile times one can build alternative scenarios of forthcoming events, and develop a strategy for each, identifying a handful of trigger points that would indicate the need to shift from the primary strategy to an alternative.

Secondly, zero-based budgeting, to replace the common process of budgeting by reference to the past year, with incremental changes to reflect inflation, etc. Thirdly, rolling forecasts: of the most important financial variables, enabling the Chief Financial Officer to identify when actual performance is starting to diverge from forecast, and adapt accordingly. Fourthly, quarterly budgeting: a tactical process for periods of extreme uncertainty, involving the abandonment of annual budgeting altogether. Emphasises the need to review metrics, including Key Point Indicator (KPI), and to reduce the length of the budgeting process. Notes the problem of incentives tied to budgets, and recommends using more relative targets (market share, cost metrics for example) instead.

The ideas are not exactly new, but, taken together, constitute a highly practical discussion of a vital process that, like so much else, requires much more nimbleness in difficult times.

Research: ** Practice: **** Originality: * Readability: ****
Ref: 11202

Potential moderators of the link between rate plan suitability and customer tenure: A case in the Canadian mobile telecommunications industry

K. Kwong-Kay Wong

RESEARCH. *Journal of Database Marketing & Customer Strategy Management* (UK), Vol. 16, No. 2, p. 64 (12pp)

**Wireless,
telecommunications,
rate plans, customer
retention, Canada**

Notes the strong desire among wireless telecoms operators to increase customer retention in face of high churn rates and acquisition costs. Finds that many customers (46 per cent in this study) do not have an optimal rate plan. Describes a research study of 1,249 Canadian customers of a national wireless carrier, designed to confirm previous findings that 'rate plan suitability' has a positive effect on customer retention, and to investigate the existence of a moderating effect on this linkage in respect of frequency of handset change, frequency of rate plan change, customer age, and contract status. Finds that the link between rate plan suitability and customer tenure is confirmed; frequency of rate plan change, and of handset change, has a positive effect on length of tenure for both optimal and non-optimal categories, and contract customers stay longer than non-contract customers. Makes several suggestions: that wireless carriers should actively seek to match their customers to optimal rate plans; that they should remove barriers (such as admin fees and restrictions on sales channels) to rate plan changes; that they should remove handset swapping fees and incentivise mobile upgrades; that they should focus on up-selling to older customers and on retention efforts with younger customers.

This article is a good deal more readable than its appalling title would suggest; while its findings are scarcely surprising, it would seem that they come as news to wireless carriers — and perhaps to others who

need convincing that genuine attention to customer needs may actually be profitable.

Research: **** Practice: *** Originality: *** Readability: ***
Ref: 11203

Seven myths of financial planning and baby boomer retirement

J. F. Coughlin and L. A. D'Ambrosio

ADVISORY. *Journal of Financial Services Marketing* (UK), Vol. 14, No. 1, p. 83 (9pp)

**Financial planning,
baby boomers, myths**

Identifies the prevalence in business practice of 'myths' — or understood, and largely unexamined, business truths. Notes how different the baby boomer generation is from its predecessors: more educated, more working and independent women, etc. Identifies a series of seven myths surrounding retirement planning, which grew up historically but may not apply to this generation. Discusses each in turn, and how changing circumstances might be handled. (1) Finance is a man's world: points out that boomer women (in the US) are better educated than their men, and are primary decision-makers across a wide range; they are likely to have a wider focus on retirement questions. (2) Facts and fear motivate action: suggests that negative messages about the disadvantages of not planning may work for younger prospects, but that positive messages are more likely to work for boomers. (3) People want to plan: suggests lack of time is critical: boomers require plans that are 'easy' and 'automatic'. (4) Boomers will turn to trusted brands: in fact boomers have little brand loyalty and are very self-confident. (5) Boomers need more information: in fact they are swamped with information. (6) 'The' customer is the focus: planning today needs to be for the whole family. (7) The consumer wants to know 'the number': boomers are concerned about solutions for longevity.

This article is oriented to US conditions. However, not dissimilar changes in retirement planning issues are evident elsewhere — added to which some consideration of the part played by 'received wisdom', whether in the recent banking crisis or elsewhere, will not come amiss.

Research: ----- Practice: ** Originality: ** Readability: ***
Ref: 11204

The effects of perceived salesperson listening effectiveness in the financial industry

J. Bergeron and M. Laroche

RESEARCH. *Journal of Financial Services Marketing* (UK), Vol. 14, No. 1, p. 6 (24pp)

**Sales, financial
services, listening**

Claims that the average salesperson has poor listening skills, but that little is known about the impact of listening behaviour on buyer-seller relations. Defines the concept of listening as 'the selective act of physically sensing, mentally processing, and responding to verbal and/or nonverbal messages'. Discusses each of these three dimensions of listening: physical sensing,

mental processing, and responding. Offers a series of nine hypotheses: that there is a positive association between customers' perceptions of salesperson listening effectiveness and trust, perception of service quality, satisfaction, purchase intentions, quantitative sales performance, customer evaluation of sales performance, salespersons' evaluation of sales performance, and customers' word-of-mouth communication — and a negative association with perceptions of risk. Discusses each hypothesis in turn. Describes a research project conducted with 418 financial advisors and 778 of their customers: each customer, and each advisor, was asked to fill in a questionnaire. Describes the analysis of these, which confirmed all nine hypotheses in relation to both advisors and customers. Indicates that in over 100 empirical studies researchers have failed to explain differences in salesperson performance. Discusses the limitations of this research.

A cynic might remark that this article uses a research sledgehammer to crack open a blindingly obvious kernel of knowledge. But it remains true that salespersons typically don't listen; perhaps a clear demonstration of the effects may help improve sales training. Skip through this lengthy article judiciously unless you are a statistics nerd.

Research: **** Practice: *** Originality: ** Readability: ***
Ref: 11205

Staying customer-focused and trusted: Web 2.0 and customer 2.0 in financial services

M. Stone

SURVEY. *Journal of Database Marketing & Customer Strategy Management* (UK), Vol. 16, No. 2, p. 101 (32pp)

Examines how far (financial services) companies are using strategies in which customers, and/or agents, and/or staff provide input about their requirements. Notes a collapse of trust in financial services, and a major shift in the savings market since the financial crisis. Notes the success of Amazon and eBay, followed by holiday firms and retailers in creating customer dialogue. Accepts that some financial services customers want only arms-length transactional dealings with suppliers, involving minimal exchange of data; others may be prepared for a close relationship in which they specify the type of communication they require. Claims that most financial services companies are still locked in the customer relationship management (CRM) scenarios made possible by Web 1.0 — 'trigger-marketing' based on customers' past behaviour rather than future intentions. Discusses the relationship between product suppliers and aggregators, or agents, which are still locked in CRM 1.0, encouraging lack of transparency both for the end-consumer and for the agent. Gives details of a questionnaire filled in by three aggregators, two banks, five insurers, and one provider of services to financial advisers. Gives eleven short case studies based on the replies to this questionnaire. Concludes that aggregators have taken the lead in the move towards CRM 2.0, followed by banks and a few insurers, while rather little progress has been made in involving staff in such techniques.

**Web 2.0, CRM,
financial services**

This author is not best known for concision, and this huge article rambles in all sorts of directions. But it is, mostly, easy to read — and well worth the effort overall, giving much food for thought, and not just regarding financial services.

Research: ** Practice: **** Originality: *** Readability: ***
Ref: 11206

The four pillars: Developing a ‘bonded’ business-to-business customer experience

M. Hollyoake

EXPLANATORY. *Journal of Database Marketing & Customer Strategy Management* (UK), Vol. 16, No. 2, p. 132 (27pp)

B2B, CRM, EODB

Claims that within the business-to-business (B2B) relationship, the customer experience is an integral part of customer management: compared with business-to-customer (B2C), contact typically has more frequency across more touchpoints involving more people. Notes that across many sectors the customer base is consolidating, and both customer relationship management and product commoditisation are becoming the norm, making differentiation harder, and rendering customer experience a key factor. Holds that in B2B customer relationships are fewer, but much more complex, than in B2C; account managers should therefore constantly monitor all experience touchpoints, and should ‘bond’ with their customers. Recommends working with customers right through the supply chain to the ultimate consumer. Relates a series of structured interviews covering supply chain, segmentation, technology, joint working, contact framework, customer needs, and strategy. Identifies four pillars of customer management: trust, integrity, interdependence, and communication. Emphasises ease of doing business (EODB) as a measure of the supplier–buyer relationship, and describes the use of 372 responses on this subject. Gives core determinants of EODB as informational and material services; financial contract services; and personal contact services, expanding each to include further elements. Emphasises the importance of meeting customer expectations.

An overly long discursive paper (even without seven pages of Appendices). However, the dearth of material on B2B marketing gives its fairly sensible recommendations a certain cachet.

Research: ** Practice: *** Originality: ** Readability: ***
Ref: 11207

The role of customer gratitude in relationship marketing

R. W. Palmatier, C. B. Jarvis, J. R. Beckhoff and F. R. Kardes

THEORETICAL. *Journal of Marketing* (US), Vol. 73, No. 5, p. 1 (18pp)

**Relationship
marketing, gratitude,
trust, commitment**

Notes that most research into relationship marketing (RM) has relied on a model of investment in RM, giving rise to an increase in customer

commitment and trust. Notes also that a meta-study of 38,000 relationships suggested that RM investment actually had a greater effect than could be accounted for by trust and commitment, suggesting that the model misses one or more mediating elements. Proposes that an important element is gratitude, both as an affective and a behavioural attribute. Proposes a series of hypotheses: that RM investments positively affect feelings of gratitude and reciprocal behaviours; that such feelings positively affect purchase intentions; that reciprocal behaviours positively affect sellers' performance; that gratitude-based feelings and behaviours positively affect customer trust; that gratitude increases with the customer's raised perception of the seller's free-will, the seller's benevolent motives, the seller's risk, and his own need of the benefit received. Relates two studies: the first being a laboratory study in a B2C environment involving 155 business students, and the second being a B2B field study involving reps from 31 sales firms and 487 of their customers. Finds that all the above hypotheses are accepted, except one: there is no evidence that perception of a seller's risk in an RM investment has any effect on gratitude. Extends the B2B survey to look at sales to a group of the same customers a year later, and finds that gratitude promotes the development of relationships by initiating cycles of reciprocation with possible long-term effects on customer behaviours.

The hypotheses advanced here seem, intuitively, entirely sensible, so it is no great surprise that they are found to be valid. The findings do add something to the conventional model of how relationship marketing works — even though the B2C study related here is wildly unconvincing in its structure.

Research: ** Practice: * Originality: *** Readability: ***
Ref: 11208

The consumer decision journey

D. Court, D. Elzinga, S. Mulder, and O. J. Vetvik

ANALYTICAL. *McKinsey Quarterly* (US), 2009, No. 3, p. 97 (11pp)

Considers the traditional marketing 'funnel' of consumer touchpoints — gradually narrowing product choice from awareness through familiarity to consideration, purchase, and loyalty. Contends that this is today too simplistic: offers instead a 'consumer decision journey', based on a survey of 20,000 consumers across five industries (cards, PCs, skin care, telcos, and car insurance) and three continents (Germany, Japan, and the USA). Accepts that initial brand awareness matters, but indicates that in the subsequent evaluation phase (typified by Internet-based research) the number of brands under consideration may actually increase from the initial number. Gives examples from the five industries researched. Claims that consumer reach to marketers is now more important than marketers' reach to consumers: almost two-thirds of consumer touchpoints are now consumer-driven. Claims that companies that concentrate on sales incentives (GM and

**Consumers, sales
incentives, touch
points**

Chrysler) are fighting the wrong battles; the critical points are initial consideration and post-purchase (Toyota and Honda). Advocates prioritising spending on specific touchpoints; tailoring messages (eg on the internet); winning the in-store battles; and integrating all customer-facing activities.

The simplicity of the writing belies the importance of the message: successful marketing today is radically different from what it was 10 years ago, and many famous companies still don't get it. Perhaps they are fated not to be famous much longer.

Research: *** Practice: ***** Originality: *** Readability: *****
Ref: 11209

Consumer preferences of store brands: Role of prior experiences and value consciousness

A. Kara, J. I. Rojas-Méndez, O. Kucukemiroglu and T. Harcar
RESEARCH. *Journal of Targeting, Measurement & Analysis for Marketing* (UK), Vol. 17, No. 2, p. 127 (11pp)

Brands, store brands, consumers, value consciousness, US, grocery shopping

Notes increasing penetration of supermarket sales by store brands (20 per cent of unit sales in the USA and 55 per cent of packaged goods sales in the UK). Considers earlier studies of this phenomenon, but finds their results inconclusive. Sets out to demonstrate that consumers' value consciousness, plus their positive experience with store brands, are the major constructs in explaining store brand purchase. Creates four hypotheses: that value consciousness and previous experience will have a positive effect on store brand perceptions; that value consciousness will have a positive relationship with previous experience; that higher store brand perceptions will lead to higher store brand purchase. Describes a survey conducted by self-administered questionnaire with 442 female and 357 male shoppers in Pennsylvania. Finds that store brand buyers are older, mostly female, on lower incomes, frequent grocery shoppers, and spend more per month than non-store brand buyers. Describes the conceptualised model used to test the above hypotheses, and gives the results, verifying all four hypotheses: finds that store brand purchase is explained as to 70 per cent by antecedent store brand perceptions, and that value consciousness and previous experience account for 89 per cent of store brand perceptions. Ends with recommendations for store managers regarding their handling of store brands.

None of the findings is at variance with what intuition would lead one to expect, although it may be of some small value to have numbers put to one's intuitive understanding.

Research: *** Practice: ** Originality: ** Readability: **
Ref: 11210

**Brands, cause
marketing, charities****The influence of cause-marketing associations on product and cause brand value***W. Wymer and S. Samu*RESEARCH: *International Journal of Nonprofit and Voluntary Sector Marketing* (UK), Vol. 14, No. 1, p. 1 (20pp)

Notes the rapid growth of cause marketing (relationships between a business and a charitable cause and their promotional campaigns) in the US and Europe. Notes previous research suggesting that such relationships assist in achieving the marketing objectives of the businesses concerned. Relates a study in which 563 individuals, divided into two groups, were presented online with ads for six products, three of them paired with causes, and three not. (The paired and unpaired products were switched between the two groups.) Finds that paired brands did not elicit more favourable attitudes than unpaired brands, or produce higher estimates of value; that attitudes to causes were more positive after exposure to product marketing ads; that women did not have more positive attitudes than men towards cause-marketing ads; that high self-monitors are not more responsive than low self-monitors to cause-marketing messages. Accepts that, in general, this study violates conventional wisdom on the added value to a brand of pairing with a cause in print ads. Looks at possible explanations for this state of affairs; questions whether lack of transparency on level of support offered for the cause may be a reason; whether the existence or otherwise of a visible 'fit' between brand and cause may be a factor. Suggests that there may be positive effects that are too small to be significant in the short term, but may be cumulative in the long-term. Considers also why causes do appear to benefit from a link with brands.

Refreshing to be able to read for once a study that produces counter-intuitive results rather than just restating the bleeding obvious. Good news for charities that do manage to secure sponsorship, or other pairings with brands; less good news for those who may not find it so easy to persuade businesses into such relationships in the future.

Research: *** Practice: *** Originality: *** Readability: ***

Ref: 11211

**Sales data, grocery
sales, shoppers,
planning****Connecting the dots: Joined-up insight finally becomes possible***M. Hayward*NEW INSIGHTS. *International Journal of Market Research* (UK), Vol. 51, No. 2, p. 269 (3pp)

Notes past difficulties in obtaining insights into either the behaviour or the thought processes of consumers, either in a sufficiently timely manner (in the 1980s it took 3 months to get an accurate read on grocery sales) or with sufficient granularity. Indicates that the author's company can now provide hourly sales data on 13 million UK shoppers within days. Notes, however, that even this may not be enough to keep pace with changes in the marketplace: marketers

need to know what consumers are thinking as well as what they have actually done. Indicates that the same company has now introduced a new online panel of 65,000 UK shoppers called Shopper Thoughts, which integrates attitudinal and behavioural data, tracking consumer attitudes, expectations and media behaviours. Asserts that this panel can also be used for *ad hoc* surveys. Claims that what now remains is to act on this wealth of data with the same speed as that at which it can be delivered. Comments that many companies' planning processes, and their ability to execute plans, have not kept pace with the speed of data availability: marketing success depends on listening and responding to fast-changing customer needs.

A short but telling piece. How can a process that, in a typical company, takes six months to produce a budget plan to be executed over the following twelve months hope to react flexibly to changes in the marketplace that we are now, for the first time, able to see and to measure?

Research: * Practice: *** Originality: ** Readability: ***
Ref: 11212

Effects of word-of-mouth versus traditional marketing: Findings from an internet social networking site

M. Trusov, R. E. Bucklin and K. Pauwels

RESEARCH. *Journal of Marketing* (US), Vol. 73, No. 5, p. 90 (13pp)

Referrals, WOM, social networking

Notes recent growing interest in word-of-mouth (WOM) as a marketing strategy. Aims to develop a model that captures the dynamic relationships among new member acquisition, WOM referrals, and traditional marketing activities. Proceeds by using data from an (anonymous) online social networking site comprising WOM referrals together with advertising activity, marketing events, and media appearances. Gives details of a model-building exercise using these data. Finds that the effect of WOM in respect of sign-ups is substantially longer-lasting than the average for advertising (as reported in the literature); that it is twenty times longer than for marketing events, and thirty times longer than for media appearances. Notes that many social networking sites use pre-formatted referral forms, giving them the opportunity to target different messages based on their knowledge of the referrer. Considers the difference between 'organic' WOM (as studied here) and 'fertilised' WOM, stimulated by the firm — for example by offering incentives to the referrer. Suggests that the value of referrals may be less in the latter case. Nevertheless estimates, on the basis of this model, that each 'organic' referral can be worth up to 75 cents of incremental advertising revenue: that is, incentives costing more than this sum are unlikely to be viable.

The model-building described in this text is complex in the extreme. However, the attempt to glean some hard data on such an elusive thing as WOM is interesting, and the lessons drawn from the whole

exercise are worth pondering, whether or not one places any faith in the generalised findings of the model itself.

Research: *** Practice: ** Originality: *** Readability: *

Ref: 11213

The planning and implementation of integrated marketing communications

B. Caemmerer

CASE STUDY. *Marketing Intelligence & Planning* (UK), Vol. 27, No. 4, p. 524 (15pp)

**Renault, Germany,
country-of-origin,
integrated marketing**

Notes the importance of country-of-origin associations in consumers' decision-making, including the ethnocentric bias towards domestic rather than foreign products. Instances the problems of Renault in Germany when seeking to expand their market share. Shows that primary research indicated that for German consumers choosing a new car, one of the most important criteria was safety; further that Renault was lowly regarded in this respect, and well behind the market leaders Mercedes, Audi, and BMW. Relates that primary research (through focus groups and guided discussions) confirmed both these findings; management decided to reposition Renault in this context in German perceptions, with a specific target of 30–49-year-old male potential new car buyers. Indicates that eight Renault models had won five stars in the European New Car Assessment Programme — making the marque officially the safest in Europe. Shows how, given target and message, the company decided on the marketing mix, creative execution, and metrics for evaluation. Describes the creative execution, and shows how, over an 18-month period, the media of cinema, viral Internet, TV, website, and print were co-ordinated. Indicates that a market research institute was employed throughout the campaign to track changes in customer attitudes, and shows the improvement recorded, buttressed by an independent magazine survey for late 2006 showing that Renault, alone among its main competitors, had improved its safety reputation (although still well behind market leaders).

Quite a gentle, far from sensational, account of a marketing campaign designed to alter consumer perceptions of a product. We are, sadly, not given any indication of what effect, if any, this minor success had on sales or profits — something no professional direct marketer would have permitted him/herself to omit.

Research: *** Practice: ** Originality: * Readability: ****

Ref: 11214

Never tickle a sleeping bookworm: How readers devour Harry Potter

T. Patterson and S. Brown

IRONIC. *Marketing Intelligence & Planning* (UK), Vol. 27, No. 6

Harry Potter, reading, literacy

Considers recent suggestions in the media that the internet in general, or Google in particular, is altering the way we read, reducing attention span, and generally destroying literacy. Suggests this is at best an over-generalisation: people, and readers among them, differ from one to another. Notes that the death of literature has been predicted as the result of everything from the invention of the bicycle to the discovery of pre-marital sex. Notes Stone's famous identification of four department store shopping types: personalising, price-oriented, ethical, and apathetic. Suggests that there may similarly be types of readers. Quotes Eagleton's dictum that the history of literary criticism has three phases: that concentrating on the author (19th century); on the text (early 20th century); on the reader (1960s on). Notes the view that style of reading is highly individualised, and even different for the same reader and text from one occasion to another. Nevertheless claims that it is possible to distinguish different types of reader (or perhaps of reading), and sets out to demonstrate this from an analysis of readers of Harry Potter books. Suggests that Harry Potter readers fall into four groups, corresponding in characteristics to the four houses in Harry's school, Hogwarts. Typecasts Gryffindors (enthusiastic, gung-ho, infatuated, greedy readers); Hufflepuffs (ruminators, absorbed in detail, slow re-readers); Ravenclaws (wry, irreverent, subversive, readers 'against the grain'); Slytherins (manipulative, short-cut seekers). Speculates on the future of the Harry Potter brand, whose place as a favourite children's book has already slipped below older classics.

This one is strictly for amusement, although it is not without some insights into life, the universe, and everything.

Research: ** Practice: ----- Originality: *** Readability: *****
Ref: 11215

Young consumers' motives for using SMS and perceptions towards SMS advertising

I. Phau and M. Teah

EXPLORATORY. *Direct Marketing: An International Journal* (UK), Vol. 3, No. 2, p. 97 (12pp)

Mobile phones, SMS, mobile advertising, Australia

Notes the growth of mobile phone usage to 3.3 billion worldwide, the growing use of SMS by mobile phone users, and the consequent opening of another advertising medium. Claims that despite some studies in the US, Asia, and Europe, the receptiveness of the youth market, particularly in Australia, has so far been under-researched. Sets out to answer two questions: What are the motives for using SMS? and How do these motives influence SMS usage frequency? Describes the use of a self-administered questionnaire to 211 students at a large university in Western Australia. Ninety-one per cent of respondents had received SMS ads; 43.6 per cent had read them; 21.3 per cent claimed to have responded. Seven factors emerged from the questionnaire as reasons for using SMS: convenience, social

involvement, enjoyment, escape, personal communication, economical reasons, public expression. Finds that convenience positively influences frequency of SMS usage, while economical reasons have a negative influence; social involvement has a positive influence on attitudes to SMS advertising; there is no relationship between SMS usage frequency and attitudes to SMS advertising. Notes the use of SMS advertising in voting campaigns for reality shows, response to radio and TV promotions, and charitable donations: holds that these are all well accepted as mainstream life activities, but suggests this is still a new market, and probably not considered as an advertising medium yet by users.

The size of the SMS advertising market (and not just in Australia) is still unproven. Giving people the chance to vote in a TV programme or radio show is a very different proposition from hard-sell advertising, and will surely be differently perceived by recipients. Much more work on the acceptability of various forms of this activity is required.

Research: ** Practice: ** Originality: * Readability: **
Ref: 11216

The ten trends you have to watch

E. Beinhocker, I Davis and L. Mendonca

FORECASTING. *Harvard Business Review* (US), Vol. 87, No. 7/8, p. 55 (6pp)

Trends, Asia

Considers ten critical areas of concern as the world starts to emerge from its current crisis. (1) Points to the growing global shortage of resources, particularly water: plan for resource price increases, volatility, and shortages. (2) Considers whether past globalisation trends will continue, or be overtaken by protectionism — altering the viability of, for example, offshore production. (3) Claims that trust in business has declined; business should abandon the view that shareholder value is everything, and broaden the list of stakeholders to be considered. (4) Notes increasing government involvement in business; firms should be prepared to help shape new regulatory regimes. (5) Holds that use of automated decision tools, such as faulty financial models, contributed to the crisis; all decision-makers should understand the functioning, assumptions, and limitations of their own black boxes. (6) Predicts slower growth in consumption, and a shift to Asia, with a growing focus on older consumers. (7) Predicts continued economic growth in Asia. (8) Predicts a widening of the gap between strong and weak performers in all industry sectors, creating opportunities for M&A. (9) Foresees continuing innovation; remarks on the need to maintain counter-cyclical investment in R&D. (10) Considers there is a risk of serious price instability, with deflation being a present risk, but inflation threatening as and when governments have to destroy the money they have created during the present crisis. Recommends caution on long-term commitments for buying and selling and the creation of links between input costs and sales prices.

None of the trends discussed here will be unfamiliar to regular readers of the business pages in the daily press. But they are neatly packaged here, together with sensible advice on how best to react to them.

Research: ** Practice: *** Originality: * Readability: *****
Ref: 11217

How Gen Y and Boomers will reshape your agenda

S. A. Hewlett, L. Sherbin and K. Sumberg

SOCIOLOGICAL. *Harvard Business Review* (US), Vol. 87, No. 7/8, p. 71 (6pp)

Boomers, Gen Y, USA

Notes that both the Boomer generation (born 1946–1964) and Generation Y (1979–1994) are, at 70 million, twice the size of Generation X (1965–1978); refers to these as the book-end generations. Claims that these two generations share significant values, being different from Generation X. Suggests that as the economy recovers, and employers start searching again for talent, they will find that the rules of engagement have changed. Reveals that both Boomers (remaining in employment longer than their predecessors) and Generation Y are looking for a ‘remixed’ set of rewards from work: flexible working and the opportunity to contribute to society are more important than the size of the pay packet. Gives examples of some employers’ reactions: UBS giving new recruits a partially funded gap year (during a recession when recruitment is less important than trimming payroll costs); a national American pharmacy chain offering experienced staff the chance to relocate seasonally (helping to balance their staff requirements by region and season); Time Warner launching a Digital Reverse Mentoring scheme in which college students mentor senior executives on emerging digital trends. Looks at the things that motivate both Generation Y and Boomers: sabbatical leaves; flexible hours; remote working (but only for some of the working week); intergenerational mentoring. Notes that Generation Y are largely the children of Boomers, to whom they relate well; their motto seems to be ‘Trust those over 50’. Speculates on whether the difference between these groups and Generation X is simply a matter of life-stage, or more fundamental.

This fascinating piece is, of course, based on US research and census data. A similar study in the UK, and/or in Continental Europe, would be fascinating.

Research: ** Practice: ** Originality: *** Readability: *****
Ref: 11218

Research 2.0: Engage or give up the ghost?

M. Oxley and B. Light

EXPLORATORY. *International Journal of Market Research* (UK), Vol. 51, No. 2, p. 153 (9pp)

Market research, web 2.0

Claims that the reaction of the market research industry to the web has been simply to do more of the same thing faster and more cheaply. Compares this with genuinely new departures such as financial trading on the web, Amazon, or YouTube. Holds that market research companies complain about lack of co-operation, but do little about it. Holds that the relationship between effort and payback is better than linear. Suggests that the industry needs a new approach to reach an understanding of what consumers think and feel: current approaches, both quantitative and qualitative, are based on words and numbers, and elicit only rational responses — whereas we know that brand choices are irrational and non-verbal. Suggests the use of visual metaphors. Gives as an example the so-called eCollage tool, which invites consumers to respond to questions not merely in words but by using collage-making on the web, using familiar drag-and-drop techniques. Gives two examples of the use of this technique against a control group; in each case the text-based word count accompanying the collage greatly exceeded the word-count of the non-collage group, and provided a much richer emotional response. Concludes that the industry must look beyond current practices, and start building tools that reflect the new reality of web 2.0.

That market research has been slow to take to the web has been in part due to the early unrepresentative nature of web users. With this becoming daily less of a problem, the author's critique of current methods does seem to have some validity; his particular prescription for a way forward will, however, bear some careful thought.

Research: ** Practice: ** Originality: *** Readability: ***
Ref: 11219

Shareholder value defended

M. McDonald

POLEMICAL. *Market Leader* (UK), 2009, Quarter 3, p. 10 (1/2pp) Takes issue with comments by Hugh Davidson about 'the black hole of shareholder value'. Maintains that shareholder value added (SVA) is the only real test of success in business; admits that SVA can be recklessly increased by cost-cutting etc, but maintains that the market is only interested in *sustainable* SVA. Suggests that managers, not the market, are the short-termers. Instances ICI, claiming that it ruined itself by an obsession with stakeholders, resulting in a destruction of whole communities and great harm to the British economy: unless SVA is paramount, all stakeholders suffer.

This one will run and run, implicitly and explicitly, through every company budget and in a thousand journal articles for as long as our present capitalist society exists. It will do so precisely because there are valid arguments on both sides; nevertheless, my sympathies are with the present distinguished author: creating sustainable shareholder value in a democratic society necessarily involves

Shareholder value, stakeholders

paying attention to other stakeholder interests — but not seeking to put them first.

Research: ----- Practice: *** Originality: * Readability: *****
Ref: 11220

The demographic threat to Detroit's automakers

W. McManus, R. Senter, R. Curtin and M. S. Garver

ANALYSIS. *Journal of Targeting, Measurement and Analysis for Marketing* (UK), Vol. 17, No. 2, p. 81 (12pp)

**Detroit, cars, cohorts,
Chrysler, GM**

Notes that from 1976 to 2008 US carmakers' share of the US market for cars and light trucks shrank from 85 to 47 per cent; Chrysler and GM are close to bankruptcy. Disputes their claims that the end of the recession will turn things around, suggesting that shifting demographics are against them. Describes a study of 12 cohorts of US heads of household, where members of each cohort were born within 5 years, centring on 1925, 1930, 1935, etc to 1980. Examines car purchases of each cohort for each year between 1980 and 2003. Demonstrates that most cohorts show, over time, a reducing proportion of domestic vehicle ownership, and that domestic-only households are more frequent in older cohorts, who also own fewer cars per household. Shows also that the median age of US cars has risen from 4.9 years in 1970 to 8.9 years in 2004, while in 1980 42 per cent of US households held only vehicles purchased new, declining to 28 per cent in 2003, and the percentage of households having only used vehicles rose from 35 to 44. Questions US carmakers' model which holds that: (a) 1st time purchasers of small foreign cars would later trade-up to US models; (b) purchasers of US models would stay loyal to the brand. Finds US carmakers less nimble and flexible in face of market changes than foreign competitors.

The cohort method (when basic data are available) is an excellent way of keeping track of market changes — and not only in the auto industry. It should be more widely practised, but on a day-to-day basis, not just in retrospect.

Research: ***** Practice: *** Originality: *** Readability: *****
Ref: 11221

Narratives of 'green' consumers — The antihero, the environmental hero, and the anarchist

M. Autio, E. Heiskanen and V. Heinonen

SPECULATIVE. *Journal of Consumer Behaviour* (UK), Vol. 8, No. 1, p. 49 (16pp)

**Environment, 'green'
consumers, Finland**

Looks at the issues of 'green', or environmentally conscious, consumption through the eyes of three Finnish late teenagers' school essays written in 2001/2002. The three essays chosen for study represent three possible approaches to green issues: the first is written by a person who disclaims all interest in environmental issues and

disclaims all responsibility for any form of social action that does not conform to immediate personal self-interest. The second essay is by a person committed to such things as recycling waste products, and the purchase of organic foods (although anticipating that this will be a problem when having to pay for these personally). The third essay is by an individual who regards all forms of commercial production as environmentally unfriendly, and multinational companies as villainous. The author comments on the level of awareness of the issues, and the arguments surrounding them, shown by these essays, and relates this to current political discourse, which looks to individual consumers to solve environmental problems. Claims there is a danger that the fragmented and individualistic notion of green consumerism is disempowering: the problem requires acknowledgment of the social nature of environmental concerns and consumer behaviour, and the adoption of collective action.

A thought-provoking article, despite the absurdly trendy quasi-academic style of writing, and despite also the lack of any indication of what proportion of the student essays examined might be said to fall into each of the three categories established. (Also ignores the possibility that the first of these three essays is deliberately ironic.)

Research: *Practice: *Originality: ***Readability: **
Ref: 11222

The company behind a domestic cure-all asks: What else would you like us to do?

A. Frean

JOURNALISTIC. *The Times* (UK), 31/8/09, p. 39 (1pp)

Relates how WD-40 (a company originally named after its sole product, launched over 50 years ago after 40 attempts to find a water displacement formula) is now asking its customers for ideas for new products and offering a cash prize for winners plus a percentage of sales for 20 years. Emphasises that this is just one of a number of similar moves by companies to enlist the help of members of the public. Instances in particular Apple.

An engaging story about the ultimate cult product. But the real story will be the success, for this or another company, of an idea coming out of left field in such a way.

Research: ----Practice: ***Originality: *Readability: ****
Ref: 11223

**WD-40, customers,
new product ideas**