Editorial

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I had a very interesting conversation only yesterday with a seasoned learning expert. We were discussing the role of social media — Twitter, Facebook, LinkedIn *et al.* — as a new method of learning. Having seen the latest research in this area, however, it shows that 90 per cent of learning is passive. While there are many collaborative social groups, the majority of people still like to be *presented* with information to learn from. I believe this is one of the conundrums of social media. While the numbers are impressive, there are a lot of people who do not participate and represent an important silent market.

Having said that, our first opinion piece is *Why Social Currency is Essential to Social Media Marketing*. This is an essay on ‘social currency’, its relevance to brand (with examples) and how the importance of social currency has been lost in the avalanche of chit-chat about social media. The author’s definition of social currency is ‘the value you earn in a social engagement by being interesting and fun to be with’.

This is followed by a paper that examines the profitability of customers acquired through price-comparison sites and the implications for the insurance industry. Today, there is a widespread adoption of online price-comparison sites as a customer acquisition channel by insurance companies. This paper explores their emergence and effectiveness in acquiring and retaining customers. Interestingly, the results indicate that price-comparison sites are profitable sources, although less so than traditional customer acquisition routes, and therefore should be an integral part of the marketing strategy.

Data governance is an increasingly important issue. Our second paper is about how to protect but also unleash the value of your customer data assets. Many organizations are waking up to the fact that customer data are a valuable corporate asset that needs careful protection and its value actively managed or ‘governed’. An increasing number too are discovering the hard way that data can also be a significant liability. Zurich Insurance was recently fined a UK record £2.27m by the FSA for losing details on 46,000 customers.

This paper highlights the need for taking the utmost care with management of your customer data. It also makes the case for investing in, and actively developing its value for the much broader business benefits of increased sales, reduced operational cost, greater profits and long-term growth.

Our third paper again returns to social media and looks at the evolving data architecture of social customer relationship management. It explores the reasons for, and challenges with, integrating Customer Relationship Management with social media marketing. Together they become Social Customer Relationship Management (SCRM). It explores some of the issues around the data architecture of SCRM. This includes the changes in what data are acquired and stored in-house to support SCRM and what data can be left in the Cloud. Brand marketers can start by just listening to digital conversations. They can set up fan pages to engage directly and easily with their consumers. They can choose to manage the most valuable consumers on a database in parallel to social media. If they do this, challenges include the use of multiple identities, privacy and data protection issues.

Next comes a case study incorporating two instances of one agency’s challenging dealings with Coca-Cola, first in creating a single customer view database for the company from a wide variety of legacy systems cleaned, amalgamated and enhanced by the addition of external data, and secondly in launching a new product on the UK market.

This issue includes three legal and regulatory updates. The first piece covers whether the UK would be following the apparent clear thrust of the ‘Citizens’ Rights Directive 2009/136’, which introduces cookie opt-in into UK law with effect from 25 May 2011. It covers the wiggle room around explicit prior consent and the preferred implementation strategy. The second piece gives an important update on the distinction between a game of chance and a game of skill. The third article concerns the release on 1 October 2010, of the long-awaited, revised Ofcom *Standards on Tackling Abandoned Calls*. It covers the changes to the guidelines and its implications for UK business.

I would recommend looking through the *Abstracts*, where Robin spends a great deal of time finding and commenting on really interesting articles you may wish to read in full. And finally, we carry in this issue three book reviews (having had no space for any in our last issue). I would particularly call your attention to Peter Mouncey’s extensive review of *Consumer.ology* by Philip Graves, which I gather is causing a bit of a stir in market research circles.

As this is the first journal issue of 2011, may I take this opportunity on behalf of Robin and the editorial board to wish you a prosperous New Year.

Derek Holder