For a full list of related titles,
and for other reviews which we
do not have space to print, visit
our website www.theidm.com or
phone the IDM on 020 8614 0270

Reviews

Beyond the familiar

Patrick Barwise and Sean Meehan

Jossey-Bass, 2011; 150pp; Hardback; £11.69 (from Amazon);
ISBN: 9780-470-97631-9

Journal of Direct, Data and Digital Marketing Practice (2011) **13**, 86–92.
doi:10.1057/dddmp.2011.18

How to grow a business

This is a very short (150pp), very good book on how to grow a business, which every CEO and aspiring CEO should read. It starts with a short Preface, in which the organizational structure of the book is laid out. Of course, most business books have an organizational structure – at least to start with. But too often this isn't explicitly spelt out; sometimes, the reader will start looking for it halfway through, or suddenly realize, a hundred or so pages in, what it is meant to be. Not so here: the preface announces five major themes: the customer promise; customer trust; continuous improvement on the promise; innovating beyond the familiar; and the open organization.

Organized structure

The rest of the book has six chapters and a Postscript. Chapter 1 parades the book's five themes in the form of a simple model, and the succeeding five chapters each reproduce this model and discuss one of its five components. Each of these chapters has a 'killer question', and at the end of each chapter, save the first, there is an Idea Check in the form of more self-critical questions.

Case studies

Every chapter has one or more case studies, illustrating its theme. Names are named — pretty illustrious ones at that in many cases — and punches are not pulled. So we are introduced to Motorola vs Nokia vs Apple, to Research Now, to Aggreko, to P&G's Tide, to Virgin Atlantic, to Apple again, to GE and GM.

These case studies lighten the didactic text and make the book easy to read — a process assisted by some welcome touches of humour ('When CEOs try to think about brands, their brains hurt' — attributed to Jeremy Bullmore.) Indeed the book, in a scant half page, talks more sense about the brand concept than any other text that has come to my notice: my brain stopped hurting immediately.

Small quibbles

My copy contains only two large question marks in the margin. (I know, it's scandalous to scribble in books, but a reviewer must have some licence.) The authors say '...when Andersen Consulting became Accenture globally, the core message was that *nothing* had changed except the name'. Those who followed the earlier (mis)fortunes of the Arthur Andersen brand must, however, have hoped that rather a lot else *had* changed. And the statement '...outstanding service recovery... sometimes even leads to *more* loyalty than before...' restates the much quoted, but elusive and possibly illusory, 'recovery paradox'. (See *The*

recovery paradox by M.A. McCullough in the *American Academy of Marketing Studies Journal*, Vol. 13, No. 1, abstracted in a previous number of this Journal, Vol. 11, No. 4; Ref. 11417.)

NPS and all that

But these are minor quibbles. I did think I was going to fall into serious dispute with the authors over their enthusiasm for Frederick Reichheld's Net Promoter Score (NPS), which I have always regarded as one of the most over-hyped confidence tricks ever played on gullible CEOs. (See papers by Keingham *et al.* and by R. Shaw in *Database Marketing*, Vol. 15, Nos. 2 and 3, abstracted in this Journal, Vol. 10, Nos. 2 and 3, together with our Editorial in Vol. 10, No. 2.) However, their enthusiasm is restricted to the use of NPS in helping to reveal potential customer problems (as would any other single-number series measuring customer satisfaction/dissatisfaction) while they accept that it does not have a unique (or any?) ability to predict growth. ('*The one number you need to grow*' F. Reichheld.) To this limited extent, I am, grudgingly, persuaded.

Read, mark, learn and inwardly digest

It would be otiose to attempt to reproduce here the detailed arguments of what is already a short book: even if you are neither a CEO nor an aspiring CEO, you should buy it and read it for yourself. For what it's worth, I found the first three chapters extremely worthwhile, chapters four and five a bit harder going, while chapter six and the Postscript fully repaid earlier perseverance.

Robin Fairlie F IDM

Persuasive advertising: Evidence-based principles

J. Scott Armstrong (with collaboration from Gerry Lukeman and Sandeep Patnaik)

Palgrave Macmillan, 2010; 387pp; Hardback; £47.50 (from Amazon); ISBN: 978-1-4039-1343-2

Evidential sources

First, some statistics. This book represents the culmination of no less than 14 years of research and writing by the author. The evidence presented within the covers is drawn from 640 papers and 50 books; the author draws on 33 meta-analyses covering more than 1,800 studies. In total, 3,000 research sources were used as the foundation for the analysis. Following an extensive review with input from 20 marketing professors, the original list of 566 principles identified by the author were reduced to just ten main categories.

Thus, the sub-title, 'Evidence-based Principles', means exactly what it says — this book represents a unique précis based on research studies covering all key perspectives of what generates 'Persuasive Advertising'. In the extensive list of references (itself a useful resource for readers), you will find references to published research dating back to the early decades of the 20th century, demonstrating the early interest in the 'science' of advertising methods. Comments on advertising that are scattered throughout the book date back much further.

Unique précis

UK readers will find many references to winners of the IPA Effectiveness Awards, published in the 'Advertising Works' series, underlining the international importance of this competition in providing evidence to help identify what leads to successful advertising, especially from a business results perspective. However, conspicuous by its absence, is any reference to the seminal analysis of the IPA dataMINE database, containing over ten years of entries to the IPA awards, by Les Binet and Peter Field ('Marketing in the Era of Accountability, Warc/IPA, 2007). Maybe this omission was simply a timing issue.

No dataMINE?

Readers should note the criteria used by Armstrong in identifying what constituted 'evidence' in building the case for identifying the principles contributing to persuasive advertising. One might have expected this to be relegated to an appendix, but the author devotes the opening chapter to a discussion on 'Types of evidence', including a section covering 'Barriers to the use of evidence-based principles' that identifies the fact that despite the extensive body of knowledge on advertising effectiveness, advertisers remain ignorant of this literature, or tend to ignore it. The author divides the reasons why advertisers ignore this mine of evidence into invalid and valid factors. The former includes evidence based on convenience samples; subjects trying to help researchers confirm their hypotheses; old studies; findings that seem like common sense. These are discussed in more detail in Appendix A, and to some extent refuted as valid objections. Factors that have more validity include: 'relevance', covering access to evidence and the difficulties of easily identifying relevant material; a lack of replication, and, what the author describes as 'bafflegab' — the often incomprehensible content of academic papers that require translation. There are three important points. First, practitioners, unlike academics, do not enjoy free access to all reputable published journals. In addition, literature reviews are extremely time consuming and require a disciplined framework if they are to deliver real insight from a body of knowledge. Secondly, many journals do not welcome replication studies in submissions thus limiting the development of knowledge. However, as the author underlines, wherever possible 'Persuasive Advertising' relies on studies that have been replicated — citing a fall in replication studies by over half in marketing journals in the 1990s, leading to only 1 per cent of findings in this field having been successfully replicated. Maybe we need a 'Journal of Replication Studies in Marketing' to fill this gap? Finally, academics often appear to be more interested in communicating with their peers than ensuring that their findings are digestible by practitioners and help them make better-informed decisions. The author also cautions readers that 'Only a small percentage of relevant studies in advertising look at behaviour'. In their dataMINEanalysis referred to above, Binet & Field advise marketers to take less notice of intermediate measures of effectiveness (eg intention to buy) and rely more on metrics such as market share and cash flow impacts. However, Armstrong uses a meta-analysis study to demonstrate that intentions and behaviour do correlate. The

Why evidence is frequently ignored ...**... valid and invalid reasons****Bafflegab****Falling replication studies**

importance of evidence-based thinking pervades the book, including two appendices containing evidence-based checklists for management-level presentations and written reports (there is even an appendix on briefing an advertising agency).

Ten principles of persuasive advertising

At the heart of the book are the ten principles that the author identified as contributing to persuasive advertising. These cover the role of: Information, Influence, Emotion, Mere exposure, Overcoming resistance, Acceptance, Message, Attention, Still media and Motion media. Each of these principles is then sub-divided. For example, Information contains sections headed Benefits, News, Product, Price, Distribution. The full breakdown is shown as a 'Principles map' at the end of the main text to help readers find their way through the book. In fact, I'm sure that many readers will use this as a 'directory' of advertising principles, dipping into the various sections to help them understand what contributes to effectiveness in a given scenario. You will also find at the end of each main chapter a checklist of factors for each sub-section. Again, taking the first principle, Information, under the sub-section Benefits you will see two factors that lead to persuasiveness — 'Describe specific, meaningful benefits', and, 'Communicate a unique selling proposition (USP)'. But this is far from a dry, cold analysis of the evidence. The chapters are littered with quotes and little tests of the readers' perceptions — for example, within the sub-section headed 'Guilt' within the chapter on Emotion, the author asks readers to think about the type of advertising campaign that would lead people to use seat belts in the back seats of automobiles. Not all the examples demonstrate success — there are several examples of failed campaigns to underline particular points.

Checklists

Principles of direct marketing

The fact that it is based on 'Principles' is important. These are in general channel neutral, although the author refers to channel-based evidence where necessary. However, I'm sure many readers will ask how relevant these principles might be in a digital age. Two years ago, I listened to Drayton Bird giving a keynote address. He demonstrated, with copious examples, how the principles of direct marketing, developed in an age where the main channels were direct mail or off-the-page, were as relevant now in developing digital advertising using the internet as the channel to market as they were when first established. This is a book describing how to engage effectively with humans; how to overcome their prejudices and preconceptions; how to develop compelling messages; where information helps potential customers make a decision and how to present it within an advertisement etc. These are often universal truths, but ignored in practice — often to the detriment of a campaign's potential effectiveness. However, there is no doubt that the current body of knowledge will increasingly include evidence based on experiences from the digital world, together with the results from applying to advertising development the advances in knowledge about human behaviour emerging from neuroscience. I'm also sure that some readers will find gaps in the references, and some may raise an eyebrow about using two collaborative authors that might bring their particular

**Not about evaluation
of ads**

proprietary methods to the fore, and it could be argued that the Ipsos ASI method used for testing TV advertisements, described in Appendix C, is not the only available methodology. However, this has provided the author with access to the Ipsos ASI test database as a key source of evidence for advertising in this medium. In addition, this is not a book for those wishing to read about how to evaluate advertising. This is not what the book is about — Armstrong devotes only a very short chapter to this topic — readers interested in this field need to look elsewhere. However, none of these points detracts from the value of Armstrong's work.

**Excellent value for
money**

In the chapter on 'Resistance', under a sub-heading titled 'Present an offer from a new perspective', Armstrong provides as an example: *'The book you are reading now, for example, contains 194 advertising principles. The price will appear as a bargain if the customer thinks about the price per principle, each of which can yield substantial returns'*. I couldn't resist the temptation to see what this bargain might be. At the time of writing this review, Amazon was offering the book at £50, thus valuing each principle at 25.78p! Bearing in mind the extensive research that underpins the author's findings, and the 14 years spent in compiling the evidence and distilling it into a 387-page book, I believe it provides excellent value for money. Students will find this a very useful introduction to what creates effective advertising, and a comprehensive list of sources for more in-depth information. Advertisers and marketers should read it before developing an advertising brief to ensure that they are clear about the objectives of any proposed campaign, and to test whether any preconceptions they might have are valid; those developing advertising campaigns might find some useful evidence to support the case being made to clients. Finally, anyone simply interested in advertising will, I'm sure, enjoy dipping into the various sections.

Peter Mouncey F IDM

The cloud circle

This interesting body was instituted in December 2009. It is free for anyone to join (see: www.thecloudcircle.com) and it offers a number of facilities to members. On the evening of 23 February, it held its second annual Member Networking Event in the Mall Galleries in London, free to members and sponsored by six companies including Google and Microsoft. A small number of companies able to offer services of various kinds in this field gave brief (10-minute) presentations indicating where, in their perspective, cloud computing had arrived at, and in what direction it was going. This was followed by a short question and answer session for a panel of experts, and then by a social

Supplier handbook

occasion enabling members to network and in particular to talk to service providers. (Very good nosh as well.)

Also provided to all at the meeting was the first annual supplier handbook produced by the Circle. This useful booklet lists four Lead Partners (BT, Google, Logica and Sungard); two co-partners (IMGroup and inTechnology); nine solution providers and six supporting partners. A table shows the facilities that each is able to provide, and there are some short case studies.

Events

As the website indicates, the Circle promotes a number of events throughout the year, including an Executive Breakfast Club, a white paper sponsored by Microsoft and sundry interactive facilities.

Your correspondent is as yet too new both to this subject matter and to this body to be able adequately to assess the Circle's potential — but on the basis of a single experience it seems well worth the expenditure of some time to discover that for yourself.

Robin Fairlie Hon F IDM

DMA data protection conference**New EU directive**

This annual event took place on 16 March at the Wellcome Collection. The obligatory politico's spot was filled by Lord McNally, Minister of State at the Ministry of Justice, who told us that a new EU Directive on data protection was in train, that the UK needed to play a constructive part in developing this directive, that the principle of subject consent to data use was important, as was transparency. Nothing new there then.

Proportionality + balance

Lord McNally was followed by the UK Information Commissioner Christopher Graham (who has promised to write a piece for this Journal to be published in our autumn number). Mr Graham emphasized the importance of the two principles of proportionality and balance: personal data held for commercial purposes, for example, must be proportionate to the legitimate purposes for which it is held, while a balance must be kept between the freedom to collect and use such data for legitimate purposes, and the data subject's right to privacy in private life. He claimed that 80 per cent of the population were concerned about privacy, while 60 per cent felt they had lost control over how their data are collected and used in a 'privatized surveillance society'.

Cookies

Mr Graham spoke about forthcoming changes to the law on cookies. (Changes requiring data users to obtain subjects' consent to the use of cookies have since come into force, through an EU Directive, at 26 May. *Ed.*) He emphasized that these changes must be complied with, and could not just be ignored. What was clear to your reporter was that neither Mr Graham nor the UK government has any idea of how to implement and enforce the requirements of this directive without destroying the whole concept of cookies — which, as he freely admits, can be of real value to consumers, as well as producers. (The guidance

**Rand Corporation
Report**

note issued by the ICO on 9 May — see under www.ico.gov.uk — should be read for light entertainment, but does nothing to alter this perception. *Ed.*)

Bridget Treacy of Hunton & Williams gave a brief review of progress to date on the new EU Directive. She referred to the report commissioned by the previous Information Commissioner from the Rand Corporation on the working of the existing EU Directive (see also under www.ico.gov.uk and follow the links), which identified strengths and weaknesses in the current regime, and recommended action to address the latter. She stressed the importance, in ongoing discussions, of the principle of accountability — the need for *ex post* demonstration when required of compliance to external standards. She expected the Commission's proposals to be published in the summer of 2011.

Robin Fairlie F IDM