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.

Abstracts

Journal of Direct, Data and Digital Marketing Practice (2011) **13**, 72–85.
doi:10.1057/dddmp.2011.19

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 make-buy decision in marketing financial services for poverty alleviation

C.M. Sashi

EXPLANATORY. *Journal of Financial Services Marketing* (UK), Vol. 15, No. 4, p. 296 (13pp)

Poverty, financial services, Grameen Bank

Defines poverty as the inability to buy basic life necessities. Sets out to show how some segments of the poor can be lifted from poverty by enabling them to make products for others. Suggests that poverty alleviation should enable the poor to function in society, by focusing not on their own consumption needs, but on the needs of others — on buyer needs, not seller needs. Accepts that facilities the poor lack (including the money needed to make products) will have to be bought in, as will advice services on picking markets, choosing products etc. Notes that the poor are typically regarded as a high-risk unattractive market, especially for providers of finance, and that this failure of markets to serve the poor led to the emergence of social welfare non-profit organizations, which were mainly designed to meet the consumption needs of the poor. Accepts that, for the very poorest, consumption needs must be met first before other means of poverty alleviation can begin, but holds that these types of amelioration are not sufficient for the long term. Quotes examples such as the BRANDAID Project in Haiti, and Honey Care Africa (peasant bee-keeping in Kenya). Looks at financial services for poor entrepreneur groups, especially Grameen Bank in Bangladesh, and several of its imitators round the world. Discusses the methodologies used by such enterprises, and the type of organizations required to supply the production needs of the poor.

The worst thing about poverty from a capitalist viewpoint is that it wastes resources and shuts down markets. This is an interesting insight

into the means of utilizing unused resources that will, in turn, create new markets.

Research: ** Practice: ** Originality: ** Readability: ***
Ref: 13101

Banking the poor: The role of mobiles

R.E. Hinson

THEORETICAL. *Journal of Financial Services Marketing* (UK), Vol. 15, No. 4, p. 320 (14pp)

**Poverty, banking, risk,
collateral, Ghana**

Notes that approximately 90 per cent of people living in developing countries have no access to financial services. This is in part a function of poverty: in 22 countries, one-third of people live below the international poverty line. Notes the lack of studies on poverty and finance in West Africa, but suggests a number of impediments faced by the poor in accessing financial services: geographical remoteness; bureaucratic banking procedures; higher unit costs involved in processing small loans; lack of collateral leading to increase in banks' perception of risk; banks' misperception that absence of collateral equates to the inability to repay loans. Points out that the poor do engage in commercial enterprise, but need capital to do so more effectively. Discusses the spread of mobile phone usage in Africa — reaching 63 per cent in Ghana in 2009. Claims that mobile telephony has had a positive impact on growth — perhaps twice as much in developing as in developed countries. Discusses the development of lending to groups rather than single individuals. Mentions a variety of models for configuring mobile platforms to deliver financial services. Of these, proposes an open federated brick and click model and illustrates the working of this diagrammatically. Proposes to test this model empirically. Suggests ways in which banks could assist in building a culture of mobile banking among the poor.

An enlightened article on a worthy topic, which is unfortunately let down by repetitiveness, lack of structure and some confusion of data. But the use of mobiles to develop a wider market economy in Africa is an exciting prospect.

Research: * Practice: * Originality: *** Readability: **
Ref: 13102

Building blocks of better performance

D. Reed

REFLECTIVE. *dataIQ* (UK), Spring, 2011, p. 8 (3pp)

Data, IDM, DMA

Asks the question: what are the essential qualifications for a job in data management. Notes that such positions are frequently filled by IT specialists, who may not be well versed in either the uses or the value of data. Notes the part played by the digital revolution in increasing the importance of data, which at present is a driver of marketing. Quotes an estimate by CapGemini that they had lost \$46bn in missed profits

by failing to properly use data at their disposal. Notes that data management at present involves an understanding of data capture across all channels, through to storage, modelling, use, privacy and security. Claims that the use of data in both marketing communication and commercial decision making is poorly understood by most business managers. Welcomes the new arrival of the IDM Award in Data Management, supported and part-sponsored by the DMA. Now nearly 50 years after the creation, in the UK, of the world's first marketing database, business is at last recognizing the centrality of data in both marketing and decision making — and the world's first qualification in the field is now available.

Research: * Practice: ** Originality: * Readability: ***
Ref: 13103

Recovering from information overload

D. Dean and C. Webb

INSTRUCTIVE. *McKinsey Quarterly* (US), 2011, No. 1, p. 80 (9pp)

Multitasking, overload, delegation

Addresses the 'dark side' of the IT revolution in communications. Harks back to Peter Drucker's reflections on executive pressures in 1967, leading to lack of time for reflection and reckons things are much more fraught now. Sees the rise of multitasking as a way of coping with the overload of information, and condemns it as not heroic, but counter-productive — leading to lower creativity, lower productivity and reduced ability to make good decisions. Claims that there is a need for three things: focus, filtering out and forgetting. Notes that this cannot be achieved by a single individual: what is required in a company is the resetting of the culture. Elaborates on the perils of multitasking, adding that it increases stress levels and is addictive. Discusses the three strategies of focusing (on one thing at a time), filtering of information (by delegating) and forgetting (ie switching off). Emphasizes the need to recognize that leaders don't have to be involved in every decision in their patch, but should address only those areas where their input is essential.

I am sceptical of constantly recurring claims that pressures on business leaders are getting worse. My own impression is that the more senior the leader, the easier it is — and always has been — to deal with pressure. The current obsession with incessant communication is as silly in a business context as it is in private life and on social networks.

Research: ** Practice: ** Originality: * Readability: ***
Ref: 13104

Rethinking knowledge work: A strategic approach

T.H. Davenport

INSTRUCTIVE. *McKinsey Quarterly* (US), p. 88 (11pp)

Knowledge work, free access, structured provisioning

Notes the growth, over 50 years, in the number of knowledge workers, and in the spending on technology designed to boost their productivity.

Suggests that the process of increasing technology has now reached a point of diminishing returns. Claims that there are two divergent paths for dealing with the information access that is critical to knowledge work: either free access or structured provisioning. Notes the advantages of free access: the sense of autonomy that this provides; the allowance it gives to creativity in situations of uncertainty and ambiguity; the ease of implementation. Notes also the disadvantages: abuse of internet facilities by some staff; incomplete understanding of search and analysis methods; lack of productivity metrics. Considers the merits of the structured model: improved productivity (up to 50 per cent); ability to route tasks globally as occasion demands; greater management control. Disadvantages include: staff objections to loss of autonomy; need for extensive system and process design — and redesign when the work changes. Discusses the use of hybrid systems to get the best of both methods. Accepts that different approaches are required for different kinds of knowledge workers.

The points made are all valid, but this is a debate that can only be conducted on a case-by-case basis. As a generalization, the aim must surely be to increase self-motivation and intelligent working, not to build strait jackets for workers.

Research: ** Practice: *** Originality: ** Readability: ***
Ref: 13105

The mediating effects of first call resolution on call centers' performance

A.O. Abdullateef, S.S.M. Mokhtar and R.Z. Yusoff

RESEARCH. *Journal of Database Marketing & Customer Relationship Management* (UK), Vol. 18, No. 1, p. 16 (15pp)

Call centres, CRM, FCR, Malaysia

Claims that contact centres are now the preferred channel for many companies to conduct dealings with customers; the Fortune 500 companies have on average 30 call centres each; 3 per cent of US workers are employed in call centres. Yet holds that many call centres are failing to achieve their goals of customer satisfaction. Creates five hypotheses: that there is a positive relationship between knowledge management and first-time resolution of queries (FCR); also between knowledge management and caller satisfaction; also between technology-based CRM and FCR; also between technology-based CRM and caller satisfaction; also between FCR and caller satisfaction. Relates a study conducted with 168 call centre managers in Malaysia involving ten attributes of knowledge management, and ten attributes of technology-based CRM. Finds, on analysis of these, that only the first and last of these hypotheses is supported: that is, there is a positive relationship between knowledge management and FCR, and between FCR and caller satisfaction. That is, customer knowledge learning and the implementation of CRM technology assist in resolving customer queries on first call, and lead to greater customer satisfaction.

A fairly obvious conclusion reached after lengthy obfuscatory pages of statistical analysis. It is a pity that neither the editor nor the publisher has dealt appropriately with the linguistic imperfections in the text.

Research: *** Practice: * Originality: ** Readability: *
Ref: 13106

Social CRM as a business strategy

N. Woodcock, A. Green and M. Starkey

EXHORTATORY. *Journal of Database Marketing & Customer Strategy Management* (UK), Vol. 18, No. 1, p. 50 (15pp)

CRM, SCRM, social media

Notes the brand impact of conversations on social media, regardless of whether companies are involved, and the shifting of control in brand–consumer relationships. Notes that brands are now doing more than just listening to social chat. Quotes research showing a US social audience of 127 million, of whom 90 per cent are viewers, 9 per cent commenters/editors and 1 per cent originators. Suggests a marriage of social interaction with traditional CRM to create SCRM — that is, the connection of social data with consumer databases to provide new forms of insight. Notes the difficulty of accountability and understanding effects. Shows a diagram of the Ogilvy Loyalty index, ascribing different values to customers depending on their levels of commitment. Notes 15 different platforms for monitoring social media, by name. Gives reasons to be cautious. In particular, notes the over-hype that originally surrounded CRM and the consequent writing off, not always fair, of many projects as failures. Claims this was often because they were run as IT projects, without sufficient thought given to human change. Emphasizes the need to recognize from the beginning Critical Success Factors by which the operation will be judged.

An interesting article, which rambles a bit, and would benefit from a clearer focus. But worth reading.

Research: ** Practice: *** Originality: ** Readability: ***
Ref: 13107

Community relationship management and social media

L. Ang

CRITICAL. *Journal of Database Marketing & Customer Strategy Management* (UK), Vol. 18, No. 1, p. 31 (8pp)

Social media, SM, CRM, CoRM

Claims that managerial hesitation over social media (SM) arises from uncertainty on how to monetize it. Claims that there is a confusion between managing customers (CRM) and managing SM users; deprecates the use of the term ‘social CRM’ as a misnomer that blurs the distinction between community users and customers. Proposes instead the term ‘community relationship management’ (CoRM). Points out that the aim of CRM is to maximize the CLV of customers, using a variety of tools and data, which, if applied to SM users, are inapplicable: first

SM users join groups that have something, essentially non-commercial, in common; secondly, CRM relies on knowing customers in great detail, such as is not (so far) available to organizations for SM users; thirdly, CRM excludes customer-to-customer conversations, which are the lifeblood of SM. Holds that CoRM requires a quite different mindset (younger and more online savvy) than CRM. Discusses four aspects of CoRM: Connectivity (creating a platform — eg Facebook — and using its ‘friending’ facility to create a network); Conversations (by email, or News Feed); Content Creation (or user-generated content; only 5–10 per cent of online users contribute); Collaboration (cooperative contributions to a project through a ‘wiki’ — eg Wikipedia). Recounts a number of applications in marketing research, nurturing advocates, placing ads, new product development, lowering cost to serve and building brand loyalty.

Amazing that it should need saying that social media users and customers are not the same thing (not even when, rarely, they are the same people) but it did, and this article says it very well.

Research: * Practice: *** Originality: *** Readability: ****
Ref: 13108

When every customer is a new customer

K. Cool and P. Paraniakas

STRATEGIC. *Harvard Business Review* (US), Vol. 89, No. 5, p. 29 (3pp)
Advocates, for any product market, determining the net annual turnover rate (NTR) of customers: thus, cigarette smokers have a very low NTR and smoking cessation aids, video games, funeral services, pregnancy tests, cars, refrigerators, diapers, estate agencies and removers a very high one. Quotes three factors driving high customer turnover: infrequency of use by each individual; durability; narrow age range of users. Notes different NTRs of different groups of customers within a market: users of acute (as distinct from chronic) condition medication have a high NTR, whereas medical practitioners have a much lower one for the same products. Suggests some strategies for breaking into high NTR markets: cut trial costs; offer a connection to the existing competition; bundle extended product range (iPod, iPhone, iPad); associate with low-NTR companies (estate agents with banks). Suggests strategies for maintaining position in high NTR markets: provide a migration path (Lego); increase platform value (reward points); create alumni networks. Instances how Gerber (baby food) manages turnover with a range from infant milk formula to full meals and snacks.

The ideal article: short, simple, obvious when thought about, but rarely discussed in such depth. Reveals the repetitive generalized discussions of ‘loyalty’ (as though it was a single phenomenon across all markets) as wholly inadequate. An essential, and easy, read.

Research: ** Practice: **** Originality: **** Readability: *****
Ref: 13109

**CSR, brand value, MVA,
Interbrand, Milton
Friedman**

CSR, MVA, Interbrand, shareholder value, stakeholders

Effects of corporate social responsibility on brand value

T. Melo and J.I. Galan

RESEARCH. *Journal of Brand Management* (UK), Vol. 18, No. 6, p. 423 (15pp)

Looks at a variety of views on CSR, from Milton Friedman's hardline thesis that companies are responsible, within the law and the rules of free competition, solely to shareholders, and that CSR detracts from this and from company performance; to the social contract argument that companies have a moral and ethical obligation to society that goes beyond legal regulation. Between these views is the concept of stakeholder theory, in which CSR is seen as critical to a firm's success and a matter of enlightened self-interest. Notes that in many cases CSR is not part of firms' embedded strategy, but merely cosmetic and/or a sop to stakeholder pressure; this perception weakens its value. Sets out to study the effect of CSR on company performance (using brand value as a proxy for the latter) based on a study of 48 of the 100 most valuable brands from Interbrand in 2001–2003. Evaluates the part played by CSR in brand value, compared with the effects of market value added (MVA: market valuation minus capital invested), and size, based on total assets. Uses alternatively a 1-year and 2-year lag on brand value. Concludes that brand value is more sensitive to CSR than MVA is; that CSR impacts positively on brand value, although less than MVA or company size; that CSR pays off.

The non-statistical reader must take the statistical methodology on trust, but the findings are such as should be intuitively obvious to all but committed followers of Milton Friedman; however, they are encouraging ammunition to use against any doubters of the value of CSR.

Research: ***** Practice: *** Originality: *** Readability: *****
Ref: 13110

Brands, globalization

New world order of global brands

S. Silvester

ADVISORY. *Market Leader* (UK), Quarter 2, 2011, p. 18 (5pp)

Notes the spread of Western brands across the world — despite the fact that they were designed originally for Western audiences. Claims that emerging markets, which have just enjoyed their best 20 years ever, will need new brands that talk to their very different circumstances: individual consumers in these markets will continue to be poorer than their counterparts in the West for the foreseeable future. Points to a number of different characteristics in these new markets — China, Russia, India, Brazil and others: Optimism; age — the average age in India is 26 years, in Africa under 20 years, compared with 40-odd years in the West; reliance on visual, not verbal clues; huge cultural generation gaps; importance of status symbols; limited

domestic space; reliance on video; superiority in service brands; worship of ambition and achievement; frugality and cost-cutting (mobiles for peasants and fishermen, cars at \$2,200); price consciousness; mobiles for marketing; social explosion (30 million Indonesians on Facebook); constant innovation.

O.K. — but there is an apparent contradiction in noting the global spread of Western brands developed for Westerners, while maintaining that emerging markets demand brands developed specifically to meet their different requirements. No doubt both phenomena exist side by side.

Research: * Practice: ** Originality: ** Readability: ***
Ref: 13111

Does internal brand management really drive brand commitment in shared-service call centers?

C. Burmann and V. König

RESEARCH. *Journal of Brand Management* (UK), Vol. 18, No. 6, p. 374 (20pp)

**Call centres, brand
commitment,
outsourcing, Germany**

Notes the bad reputation suffered by call centres, and especially shared-service call centres, owing to inadequate job training, frustration, burnout and high turnover. Sets out to discuss methods of internal brand management in call centres, leading to brand citizenship behaviour (BCB) and brand commitment (BC), by constructing a model for levers to build BC among shared-service call centre agents working for a client's brand. Claims that there are four critical factors: job design, creating communities, involvement and recognition. Discusses each of these in detail. Identifies a number of direct levers to be operated by the client: external communication; training; design of call centre rooms; incentives and giveaways; internal event management; BCB by client management. Adds indirect levers to be operated by the call centre: brand awards; coaching in differentiation; career development; empowerment; project start; performance feedback; monetary incentives; autonomy and flexibility; variety of processes. Notes also the importance of strategic brand management. Describes a survey of 657 questionnaires of call centre staff of 11 shared-service call centres across Germany, and one in-house call centre. Reveals the relative importance of each lever in achieving BC, with especial reference to the importance of creating the feeling of being a brand insider.

A sensible discussion of the importance of brand commitment in call centre staff, and ways of achieving it. But one is moved to wonder whether, in the case of outsourced call centres, the cost, uncertainty and incompleteness of the process does not call in question the whole decision to outsource in the first place.

Research: *** Practice: *** Originality: ** Readability: ***
Ref: 13112

**Outsourcing, formality,
contracts, databases,
Facebook**

Editorial

J.F. Ozimek

EDITORIAL. *Journal of Database Marketing & Customer Strategy Management* (UK), Vol. 18, No. 1, p. 1 (4pp)

Comments on Government loss of personal data — 2,000 cases in 1 year, and much, much worse than ever got publicly reported. Looks at some of the unexamined problems of outsourcing: when things go (badly) wrong, who is responsible for what? Notes the increasing tendency for business to move from a culture of formal contracts to more informal arrangements, as the whole world of work and communications becomes less formal. Considers first the problems behind the hosting of databases — in the cloud or elsewhere; goes on to consider the situation of a company dependent on external suppliers not just to host, but to manage and analyse data. Looks, as an aspect of growing informality, at business involvement in social networks, leading to the development of social CRM. Claims that sites such as Facebook are acting as hosts for many other businesses. Gives an instance of alleged crass and dictatorial behaviour by Facebook in relation to breastfeeding; suggests that the problems faced here by Facebook stand to be replicated for any company seeking to use social networking to cement customer relationships.

Editorials by Ms Ozimek are nearly always worth reading, and this is no exception. No answers; just some very pointed questions for you, and all of us to consider.

Research: * Practice: *** Originality: *** Readability: *****
Ref: 13113

Capitalism for the long term

D. Barton

ADMONITORY. *Harvard Business Review* (US), Vol. 89, No. 3, p. 84 (8pp)

**Capitalism, short-
termism, shareholder
value, quarterly returns**

Considers with dismay the prevalent desire in business to get back to 'business as usual'. Notes that only 45 per cent of the US and UK citizens expressed trust in business (China 61 per cent, India 70 per cent, Brazil 81 per cent). Lays the blame for this — and for the current crisis — on short-termist 'quarterly-capitalism' in the West. Notes that 70 per cent of US equities are traded by hyper-speed traders, some of whom hold stocks for only a few seconds; average CEO tenure has dropped from 10 to 6 years since 1995; average holding period of US equities has fallen from 7 years to 7 months since the 1970s. Notes firms with long-term perspectives: Toyota and Hyundai; Intel and Apple — but claims that in the east this is normal, whereas in the West these are exceptions. Traces the problem to the investment policies of pension funds etc and their methods of assessing performance of their own staff. Deplores the concentration on shareholder value as though this were in competition with stakeholder value (quotes Adam Smith). Argues that value maximization should concentrate on the long term

(7–10 years) and not on quarterly returns. Demands more effective boards, to act as owners, with, in particular, more committed and better-educated non-executives. Advocates more sensible CEO pay, more closely linked to longer-term performance, and with penalties for failure. Advocates redefining shareholder voting rights in favour of longer shareholdings.

An eloquent expression of both the causes and the consequences of much of our present ills. Whether the system can in fact correct itself is the six trillion dollar question. Don't bet the house on it.

Research: ** Practice: ** Originality: * Readability: ****
Ref: 13114

A step-by-step guide to smart business experiments

E.T. Anderson and D. Simester

EDUCATIVE. *Harvard Business Review* (US), Vol. 89, No. 3, p. 98 (8pp)

**Analytics, experiments,
testing, intuition**

Notes the power of analytics to extract information from huge quantities of historical data. Claims that most firms do not have the skills to implement full-scale analytics programmes. Recommends using simple experiments — instead of managing by intuition. Notes that some companies (eg in direct mail) conduct experiments, using test and control groups, regularly; in other channels (eg TV advertising), assessing results by experimentation is virtually impossible. Between these extremes, two things are essential: a control group and a feedback mechanism — the latter being either behaviour (eg sales) or perceptions. Gives seven experimental rules: focus on individuals and short term; keep it simple; start with proof-of-concept; slice the resulting feedback data (eg between male and female response); think out of the box; measure *all* relevant effects; look for natural experiments (eg changing tax rates). Warns of legal obstacles (eg in price testing) and internal obstacles (persons accustomed to exercising intuition). Closes with a couple of examples.

For those who have not had the advantage of a direct mail education, this could be a useful child's guide to the concept of testing — leaving out all the complicated but essential bits about sampling, significance, confidence levels etc, without which experimentation is not a very significant advance on intuition. Probably better to acquire the missing skills in analytics.

Research: * Practice: ** Originality: * Readability: ***
Ref: 13115

2030: A loyalty odyssey

K Hlavinka

FUTURISTIC. *Journal of Consumer Marketing* (UK), Vol. 28, No. 3, p. 234 (5pp)

**2030, localism,
demography**

Considers the factors that will impact on the market place in the next 20 years: an ageing global population (30 per cent over 60 years in most of the developed world plus Russia and China, 44 per cent in

Japan); a tripling of the middle class to 1.2 billion; increasing gap between the poor and others; more boom-and-bust cycles, with growing economic turbulence; increasing pace of technological change and growing consumer expectation of control over media. Suggests some major trends that will shape tomorrow's world: a new localism, not only in messaging, but in products and prices, and involving multi-generational households and a decrease in commuting; an 'I-Network' in which customers will dictate the terms on which suppliers do business with them; an environment in which all communication will be to individual citizens through some such device as a nano-chip in each person's wrist. Suggests shifting from the idea of 'value proposition' to your brand's 'compelling cause'. Contends that the requirements of 'opt-in' today are a pale indication of the problems that will exist tomorrow in obtaining permission to speak to consumers. Recommends starting immediately to think in terms of short and entertaining messages that consumers will want to connect to.

The only thing one knows about forecasts of the future is that they are wrong. But we can't ignore them either, and some preparations for developments — in demography for example — that are fairly certain, do need to be made.

Research: * Practice: * Originality: *** Readability: ***
Ref: 13116

The grey awakening: A South African perspective

J. Beneke, N. Frey, R. Chapman, N. Mashaba and T. Howie
EXPLORATORY STUDY. *Journal of Consumer Marketing* (UK), Vol. 28, No. 2, p. 114 (11pp)

Grey market, mature market, South Africa

Aims to focus on aspects of the market of 55–75 year olds living in metropolitan areas of South Africa with middle to upper incomes: their media consumption; perception of portrayal in the media; adoption of technology; outlook on life. Opens with a lengthy discussion of past dismissive attitudes towards the older market. Emphasizes the growing size of the older market worldwide; holds that it is still the least understood demographic market, and subject to erroneous stereotyping; emphasizes the heterogeneity of this market. Discusses problems of communicating effectively with the mature market, and the desirability — in some product categories — of age-neutral communication. Considers media consumption by the mature market, with particular reference to digital media. Describes a study undertaken by face-to-face questionnaire with 117 persons from this market. Shows, in tabular and bar-chart form, the aggregated responses to the questionnaire. Finds that the most trusted medium is word of mouth; there is a negative attitude towards advertising, which is felt not to cater to this market's lifestyles, and to portray it unfavourably; mobile technology was used widely for text messaging and phone calls. Detects, by using K-means clustering with four pre-defined variables, three clusters within the sample, labelled Old Optimists, Younger Opinionists and Young Up-Beats.

The survey is methodologically unconvincing; nor is it likely that its specific findings could have much resonance outside South Africa. But the problems discussed are universal, and overdue for addressing — including its suggestion that young advertising executives are not well placed to understand mature markets.

Research: ** Practice: ** Originality: ** Readability: ***
Ref: 13117

Advertising bans and the substitutability of online and offline advertising

A. Goldfarb and C. Tucker

RESEARCH. *Journal of Marketing Research* (US), Vol. 48, No. 2, p. 207 (21pp)

Advertising, alcohol

Sets out to examine whether the growth of the internet has reduced the effectiveness of government attempts to regulate off-line advertising. Describes an experiment that involved 61,580 US web users who were exposed either to an advertisement for alcohol or a 'placebo' advertisement. The alcoholic products covered 275 campaigns for different products on different websites between 2001 and 2008. Reports that in the 17 US states where out-of-home alcohol advertising is banned, those members of this experiment, who were not exposed to an alcohol advertisement, were 8 per cent less likely to buy the alcohol product than those in the 33 states with no ban; among those who did see the online alcohol advertisement, only 3 per cent were less likely to buy if residing in a state with a ban rather than in one without. Further notes similar effects in four states where advertising effectiveness was observed both before and after changes in out-of-home alcohol advertising regulations. Finds, moreover, that the effect of online advertising is more marked for new alcoholic products, or products with low awareness, in states that have bans. Concludes from this that online advertising can reduce the effectiveness of attempts to regulate off-line advertising. Suggests that online advertising substitutes for off-line advertising.

The real interest, in the UK, of this complex study lies not so much in the anarchic potential of the internet as in what it suggests about the relationship between online and off-line advertising. Worth struggling with.

Research: ***** Practice: *** Originality: ***** Readability: **
Ref: 13118

Answering the unasked question: Response substitution in consumer surveys

D. Gal and D.D. Rucker

RESEARCH. *Journal of Marketing Research* (US), Vol. 48, No. 1, p. 185 (11pp)

Market research, response substitution

Hypothesizes that consumers, in responding to market research survey questions, may frequently give answers that reflect attitudes that they wish to convey, but which they have not been asked about and to which the question does not explicitly relate. Refers to this supposed phenomenon

as response substitution. Describes a series of three experiments designed to test the validity of this hypothesis, the first being conducted using pen and paper with 137 US undergraduates, the second being conducted online with a pool of 623 US participants and the third being conducted with a similarly recruited group of 158 participants. Finds that in all three experiments the initial hypothesis appears to be confirmed: that is to say that, when presented with one of two imagined scenarios, and asked a question about it, respondents' answers tended to vary according what they were set up to feel about the scenario itself but had not been asked to express; moreover, this tendency was greatly reduced among respondents who were told that they would have an opportunity to express further views beyond those explicitly asked for in the question. Concludes first that people need to express their opinions; secondly, that this may lead to response substitution unless corrective measures are taken.

This is an important consideration in looking critically at the true meaning of public opinion research. The experiments related here are fairly crude, but, in combination compelling.

Research: *** Practice: *** Originality: *** Readability: **
Ref: 13119

Yahoo! The comeback kid?

M. Costa

JOURNALISTIC. *Marketing Week* (UK), p. 18 (5pp)

Yahoo!, Microsoft

Notes the decline of Yahoo! from its early great days as a leader of the internet revolution. Notes the arrival of a new chief marketing officer (Elisa Steele). Suggests that many people are unaware of what Yahoo! stands for. Notes the company's use of the phrase 'content is king' as the company aims to become a content provider. Notes unrest among shareholders at its deal with Microsoft to move its search engine technology to Microsoft, and its tie-up with Bing. Notes that Yahoo! has shed 700 jobs — or 1 per cent of its workforce, and dropped 4 per cent in revenue while doubling profits in its latest fourth quarter. Notes the company's recent deal with Starbucks (essentially a non-player in the internet) to power a portal for the latter's customers in the UK. Quotes company's claims that its strength lies in a particular combination of 'scale, art, and science', which sets them apart. Records some brief Q&As with senior executives.

Quite an interesting chatty piece about where this once-giant company goes from here in its attempt to re-scale the heights.

Research: ** Practice: ----- Originality: ** Readability: ***
Ref: 13120

Back to basics

V. Sehgal, K. Dehoff and G. Paneer

JOURNALISTIC. *Market Leader* (UK), Quarter 1, 2011, p. 33 (5pp)

**Frugal engineering,
India**

Sets out to describe the concept of frugal engineering. Insists that this is not just about cost-cutting, nor just a matter of removing features so

as to sell a product more cheaply, but rather involves a process of total re-engineering from the bottom up. Instances the Model T, and notes how succeeding generations added features, leading to over-engineering — vide the disappearance of manual windows in modern cars. Instances Tata's Nano car built to a pre-planned sale budget of \$2,200. Emphasizes the need, in developing markets, to assess the different needs of a less affluent market — which still demands quality. Finds that products engineered in this way for, typically, Indian markets are now finding their way back to the West: instance low-cost tractors now selling in the US. Instances the Nokia 1100 as the best-selling cell phone ever at \$15–\$20, engineered to meet the very specific needs of Indian peasant farmers. Notes three areas in which organizational agility pays off: use of cross-functional teams; finding a non-traditional supply chain; top-down support within the organization.

Anyone who has ever regretted the cost of a computer or a cell phone, 90 per cent of whose capacity or features they will never use, would welcome this approach.

Research: ** Practice: *** Originality: ** Readability: ***
Ref: 13121

The web's €100 billion surplus

J. Bughin

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Notes the value derived by consumers from free services on the web. Estimates that total web use is worth some €150bn per year; of this, customers *do* pay some €30bn — for example, for music subs or gaming, plus €20bn being the sum they would be willing to pay to avoid ad clutter and privacy worries. This leaves €100bn and growing, which web companies do not access. Whereas in the off-line world users pay for content, online the cost of content distribution is extremely low. Notes that four services (email, search, social networks and instant messaging) account for 52 per cent of this consumer surplus; of this, 44 per cent is accounted for by communications, 38 per cent by services and 18 per cent by entertainment. Explores three ways in which web players might seek to change these economics: by increasing service costs (only 20 per cent of users pay for some services, but expanding fees would decrease usage); increasing advertising; creating 'walled gardens'. Notes that the present market is far from equilibrium; foresees future consolidation (the top 100 providers accounted for 45 per cent of web traffic in 2010 compared with 20 per cent in 2007). Notes the move from display ads to branded content promotions.

An interesting look at how an uncertain future might develop from an unstable present.

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Web, surplus value