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Abstracts

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Each abstracted article is awarded 0–5 stars for each of the 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.

What price loyalty? A fresh look at loyalty programs in the credit card industry

B.P.S. Murthi, E.M. Steffes and A.A. Rashid

Research. *Journal of Financial Services Marketing* (UK), Vol. 16, No. 1, p. 5 (9pp.)

Credit cards, loyalty, rewards, affinity

Studies the effect on customer retention in the US credit card industry of points-based reward cards and (separately) affinity cards, looking, in each case, at customer profitability, customer lifetime and customer risk. Indicates that the industry in the US carried (January 2010) \$2.46 trillion of consumer debt, covering 54 m households with an average debt of \$16,000, and with each average cardholder having 3.5 cards. Looks at 9,000 credit card accounts over 37 months from June 2000, and differentiates between holders of reward cards (who normally pay an annual fee), affinity cards, and neither. Notes that the industry derives revenue from interest income on outstanding balances, interchange income charged to retailers and sundry fees. Finds that reward cardholders generate higher transaction amounts (and therefore interchange income), but lower fees and profit; affinity cardholders generate less income of all kinds, and lower profit. Risk levels are higher or unchanged for reward cardholders, and lower for affinity cards, while volatility of income is unchanged for the former and lower for the latter. Suggests that the value of affinity cards lies in creating a balanced portfolio of profit/risk. Notes that some of these findings are contrary to received wisdom.

No doubt these findings cannot simply be transferred from the credit card industry to other enterprises, but they do suggest the need for a long hard look at the value of loyalty schemes in general, which may produce some unexpected results.

Research: **** Practice: *** Originality: *** Readability: ***
Ref: 13201

Consumer loyalty on the grocery product market: An empirical application of Dick and Basu's framework

J.M. Jensen

Survey. *Journal of Consumer Marketing* (UK), Vol. 28, No. 5, p. 333 (11pp)

**Loyalty, groceries,
Denmark**

Notes a gradual decline in brand loyalty, particularly within certain product categories, including groceries: price awareness, commoditization, more shopping by men — all play a part. Suggests that men are more likely to try out new products. Disputes the concept of loyalty as merely a question of repeat purchases; claims that loyalty is dependent on relative attitude (as defined by Dick and Basu to describe attitudinal differentiation and attitudinal strength). Suggests four possible levels of loyalty: No loyalty — low relative attitude and few or no repeat purchases; spurious loyalty — frequent repeat purchases but no relative attitude; latent loyalty — high relative attitude but limited repeat purchases; true loyalty — high relative attitude and frequent repeat purchases. Describes a study of 607 Danish consumers and their purchasing habits in relation to five products (coffee, shampoo, toothpaste, washing powder and toilet paper). Finds that coffee has the highest relative attitude, and toilet paper the lowest, indicating high and low levels of differentiation and involvement; a positive relationship exists between a high relative attitude and repeat purchases; women have a higher relative attitude and more true loyalty than men; a higher relative attitude leads to postponement of purchase when the preferred brand is out of stock.

A very restricted survey, based on reasonable principles, but which produced no surprises.

Research: *** Practice: * Originality: * Readability: ***
Ref: 13202

The role of brand experience and affective commitment in determining brand loyalty

O. Iglesias, J.J. Singh and J.M. Batista-Foguet

Research. *Journal of Brand Management* (UK), Vol. 18, No. 8, p. 570 (13pp)

**Brand loyalty, brand
experience, affective
commitment, Spain**

Notes recent recognition of brand experience (a set of sensations, feelings, cognitions and behavioural responses) as the key issue to be managed by marketers. Suggests that brands that can offer a distinctive experience by managing both functional and emotional elements of their offering can build brand loyalty and even evangelism. Notes a distinction between true loyalty and loyalty driven by issues such as price or convenience; true loyalty requires a previous affective attachment. Hypothesizes that higher levels of brand experience will lead to higher brand loyalty, and that this relationship is mostly mediated by affective commitment. Describes a study using 195 MBA students at a business school in Barcelona, drawn from 34 countries and involving their responses to their present use of cars, laptops and sneakers. Each student evaluated their brand experience, on 12 criteria, of each product, their affective commitment (three criteria)

and their brand loyalty (four criteria). Finds that in all three cases brand loyalty is a consequence of brand experience, but that this is completely mediated in all cases by affective commitment. Emphasizes the importance of this finding for communication policies.

Yet another example of the complex mathematical expression of the blindingly obvious. A useful study for those who need to have all knowledge expressed in precise numbers.

Research: *** Practice: ** Originality: * Readability: **
Ref: 13203

Products die but brands can live forever

L. Young

Journalistic. *Market Leader* (UK), 2011, No. 2, p. 24 (5pp)

Brands, Product life cycle

Condemns the modern obsession with newness, and the consequent failure to recognize the pay-off of long-standing brands. Notes that many familiar brands today are in fact over a hundred years old — and in some cases several hundred years. Gives examples, initially from the drinks industry, but includes banking and technology. Produces impressively a long list of international brands launched from 1850 to 1999: claims that 400 were created before 1900 and some have ancestry of around 1,000 years. Notes the belief that marketing was invented in America around the 1950s, but points to the much earlier rise of such brands as Pears, Wedgwood, Heinz, Selfridges, Coca-Cola, built on quality obsession, viral marketing, advertising, PR, endorsements, segmentation and direct marketing. Deplores the ‘myth’ of the product life cycle — which was widely debunked in the 1970s on grounds of lack of empirical data, yet is still taught on all marketing courses. Advocates concentration on creating a brand and investing in brand equity, rather than trying to track a product’s life cycle. Deplores the habit of extracting money from ‘cash cows’ to invest in risky new ventures. Notes the existence of dormant or orphan brands and the success of some entrepreneurs in reviving them.

Nothing but good can come of persuading marketers to question such items of accepted wisdom as the product life cycle. Whatever its merits or demerits, no concept of this kind should ever be taught as an article of faith. Education, in marketing as elsewhere, should be all about questioning and evidence.

Research: * Practice: *** Originality: *** Readability: ****
Ref: 13204

Social media in branding: Fulfilling a need

J. Yan

Explicatory. *Journal of Brand Management* Vol. 18, No. 9, p. 688 (9pp)

Branding, social media, Facebook, Twitter

Notes the recent growth in demand for greater ethics and more transparency in brands, spurred by the internet. Recognizes the use of,

in particular, Facebook and Twitter by celebrities and politicians (Obama, Oprah Winfrey, Stephen Fry). Notes that of these, a number use social media merely as another broadcast medium, making little or no attempt to interact: instances Winfrey and Al Gore. Notes that as new technologies spread and become democratized, they become utilitarian and lose their exclusivity. Instances the world wide web itself, email, damaged by spam, and, increasingly, the blogosphere, subject to fake entries. As examples of genuinely interacting brands, quotes Linux, and Dell and Ikea, both of whose founders personally participate, often for 40 per cent of their time, in interaction. Notes reports of stagnating growth in Twitter, and of desertions in Facebook over frequent privacy changes. Notes that smaller organizations are best placed to gain from use of social media, since their interactions are genuinely and transparently personal (as Obama's never was). Insists that for brands to benefit from social media — at least in present circumstances — they must interact with their users on a genuine one-to-one basis and not 'top-down'; the identity of the person behind the blog or Facebook account should be known; they should communicate the same messages internally and externally.

The author's admonitions on how social media can be used to best present effect are sensible. He clearly has some doubts about the longer-term utility of these media.

Research: * Practice: *** Originality: ** Readability: ***
Ref: 13205

Achieving critical mass in social networks

C. Geddes

Analytical. *Journal of Database Marketing & Customer Strategy Management* (UK), Vol. 18, No. 2, p. 123 (6 pp)

Notes 'Dunbar's number' showing that the maximum number of persons in a community where all relationships are actively maintained is c.150, average 130; gives examples. Adds that in online social networks the average Facebook user with 130 relationships will only leave some six comments per day — that is, not all relationships are in fact friendships. Finds that new technology adoption, and growth of social networks follow a similar path: once a critical mass is reached (around 15 per cent of the target population), the adoption rate accelerates rapidly until saturation is reached. Considers the problem of reaching critical mass in a social network: content must be good, so there must be frequent visits to create good content. Discusses the nature of perceived user value (the quality that induces repeat visits). Recommends ways of ensuring the reaching of critical mass: leverage *existing* networks and relationships; restrict the topics of conversation; demonstrate the value; shrink the size of the target market. Gives example of Facebook starting in one university and reaching saturation there before expanding to a second (and third etc) campus without ever expanding the market enough to dilute membership below 15 per cent.

**Social networks,
relationships, critical
mass**

Gives a city-by-city example of Groupon. Ends with table of eight key factors and required strategy in relation to each.

Begs the question raised in the last article (Ref 13207) of the value of social networks to business, but gives an interesting account of how to grow one.

Research: ** Practice: *** Originality: *** Readability: ***
Ref: 13206

What's your social media strategy?

H.J. Wilson, P.J. Guinan, S. Parise and B.D. Weinberg

Indicative. *Harvard Business Review* (US), Vol. 89, No. 7/8, p. 23 (3pp)

**Social media, Clorox,
Ford, EMC, Cisco**

Indicates the dilemma of a bank executive discovering that a customer allotted the most basic level of service, has 100,000 Twitter followers. Suggests, on the basis of research across 1,100 companies, the existence of four separate types of approach to social media. First, the 'creative practitioner' approach, which limits usage to a specific area. Instances use by Clorox of social media for brainstorming with customers and suppliers on R&D issues. Secondly, the 'creative experimenter'. Instances IT services giant EMC, whose test platform enabled its 40,000 global employees to network with each other in an effort to reduce the use of outside contractors: estimates savings of \$40m. Thirdly, the 'social media champion', creating large initiatives across multiple functions, and involving outside parties. Instances Ford's campaign to reintroduce the Fiesta in the US: the company lent 100 Fiestas for 6 months to carefully selected drivers who undertook to produce content on themed missions and to post experiences online. Cost \$5m; resulted in awareness, test drives and sales leads worth tens of millions of dollars. Fourthly, 'social media transformers', enabling large-scale interactions with external stakeholders. Instances Cisco's platform, similar to a Facebook 'wall', facilitating internal and external collaboration and decentralizing decision making. Indicates possibility of migration upwards through these categories.

Not the clearest of expositions, and the four categories are indicative only, not watertight compartments. But a useful plea for having a clear objective and strategy for social media use, and not just letting it all hang out in a free-for-all.

Research: ** Practice: *** Originality: * Readability: **
Ref: 13207

Editorial

J.F. Ozimek

Editorial. *Journal of Database Marketing & Customer Strategy Management* (UK), Vol. 18, No. 2, p. 69 (4pp)

Internet, SCRM, PR

Refers to the amount of online 'froth' besetting many businesses. Looks again at the growth of SCRM (see previous quarter's editorial, abstracted in our Vol. 13, No. 1, Ref 13113), embodying 'trendy

optimism'. Notes that the internet originally seemed to promise infinite benefit at low cost: this is no longer the case as website design, online forums, blogs, chat boards, etc become ever-more expensive. Refers to the online marketing function as a 'large virtual cuckoo': SCRM (the latest form of PR) is no longer focussed on customers, or even prospects, but on creating a feel-good environment with little measurable benefit. Notes that chat groups etc require a considerable resource expenditure on monitoring, and the PR problems liable to arise. Distinguishes between large corporations with a public face, which feel the need of corporate PR, and others now employing SCRM as a business tactic. Suggests that companies need to ask what their online presence is for, who the target audience is and what is added to brand or reputation to offset both cost and the opportunities extended to critics.

A useful counter to the burgeoning over-enthusiasm for all things online, and a reminder that even a virtual lunch is far from free.

Research: ----- Practice: *** Originality: *** Readability: ****
Ref: 13208

Influence of perceptual metrics on customer profitability: The mediating effect of behavioural metrics

T. Frischmann and S. Gensler

Research. *Journal of Financial Services Marketing* (UK), Vol. 16, No. 1, p. 14 (13pp)

Notes the plethora of marketing metrics recently produced to measure marketing effectiveness. Indicates the need to select among these, and also to study — as has been little done hitherto — their interdependencies. Aims to study the influence of perceptual metrics (customer satisfaction, recommendation intentions, affective commitment and firm's competitive advantage) on financial metrics (customer profitability) when behavioural metrics (cross-selling ratio and share of wallet) are taken into account. Notes that such perceptual metrics are relatively easy, but expensive, to collect (via surveys); cross-selling is visible from companies' own records; share of wallet is both difficult and expensive to obtain. Describes a 2007 survey of 644 customers of a large European financial services provider, having a median size of wallet of 10,000EUR, a median relationship of 7.8 years, a median net household income of 2,500–3,000EUR and a median age of 43 years. Finds that cross-selling ratio reflects perceptual metrics better than share of wallet does; behavioural metrics influence profitability more than perceptual metrics; affective commitment is the most powerful influence on profitability of the four perceptual metrics. Notes that the first and last of these findings run counter to pre-existing beliefs.

A rather complex study, the applicability of whose results is not immediately obvious. However, it has the advantage of providing

**Marketing metrics,
perceptual metrics,
behavioural metrics,
profitability**

further evidence against the egregious Net Promoter Score. (For references, see p. 87 of our previous number.)

Research: **** Practice: ** Originality: ** Readability: **
Ref: 13209

The contextual relevance effect on financial advertising

A. Wang

Research. *Journal of Financial Services Marketing* (UK), Vol. 16, No. 1, p. 50 (15pp)

Advertising, contextual relevance, finance

Notes the problems created for advertisers by advertising clutter. Examines how this problem can be overcome by placing online advertisements in a relevant surrounding context, adjacent to editorial contents expected to be visited by target consumers. Describes an experiment in which 301 online investors aged 18–45 years were asked to review a financial article accompanied (for 1 min) first by a relevant Bank of America ad and secondly by an irrelevant WeightWatchers ad. Records that 53 per cent correctly recalled the BoA ad, and only 11 per cent the WeightWatchers ad, confirming that contextual relevance is important for advertisement recall. Indicates how additionally perceived contextual relevance and message involvement were measured, and finds that contextual relevance enhanced message involvement and attitude to advertisement; the effect of perceived contextual relevance on attitude to advertisement was mediated by message involvement. Argues that the habit among financial marketers of targeting based on demographics may be inefficient. Extends the same argument towards financial advertising in traditional print media, as well as online.

A very large sledgehammer being used to crack an intuitively obvious nut. Nevertheless, those that like to have their presuppositions confirmed by precise figures may be impressed. At all events, the findings are unlikely to apply to financial services advertising alone.

Research: *** Practice: *** Originality: * Readability: **
Ref: 13210

How web 2.0 pays off: The growth dividend enjoyed by networked enterprises

J. Bughin and M. Chui

Survey. *McKinsey Quarterly* (US), 2011, No. 2, p. 16 (5pp)

Web 2.0, networking, Best Buy

Notes a survey of 3,249 executives, of whom 2,174 reported using web 2.0 in their businesses. Subdivides this latter group into those that are fully networked, internally and externally (76 or 3 per cent), those that are externally networked only (100 or 5 per cent), those that are internally networked only (287 or 13 per cent) and those that are less networked (1,711 or 79 per cent). Shows a graph to illustrate the levels of improvement of each sub-group among employees, with customers and with partners, indicating that benefits of two to six times have been achieved. Insists that not only technology is involved, but also changes

in employees' interaction, collaboration and structure. Shows a further graph to illustrate the percentage of respondents in each sub-group experiencing organizational impact in terms of: information sharing; less hierarchical information flows; collaboration across organizational silos; tasks tackled in project-based ways; decisions made lower down hierarchy; work performed by a mix of internal and external people. Quotes the CTO of Best Buy on networking methodology.

The mini-case study from Best Buy indicates the sort of way that very many businesses will be going to utilize web 2.0 in speeding up, and humanizing, their processes.

Research: ** Practice: *** Originality: * Readability: ***
Ref: 13211

Seven steps to better brainstorming

K.P. Coyne and S.T. Coyne

Methodological. *McKinsey Quarterly* (US), 2011, No. 2, p. 66 (8pp)
Characterizes traditional brainstorming sessions as 'fast, furious and ultimately shallow'. Recommends a different approach (christened 'brainsteering') requiring more preparation, but proving more worthwhile. Suggests seven rules to be followed: (1) Know your organization's decision-making criteria — don't waste time coming up with ideas that can only meet absolute restrictions; (2) construct a series of questions in advance — each question should force participants to take a new perspective, and will limit the conceptual space to be explored; (3) choose the right people — on the basis of front-line knowledge rather than seniority; (4) divide and conquer — divide participants into sub-groups of 3–5 (which will ensure participation by all), and isolate all 'idea crushers' (bosses, big-mouths, experts) in their own sub-group; (5) divide your questions between the sub-groups, and insist that each sub-group discusses one question at a time for 30 minutes; (6) finally make each sub-group narrow down the ideas it has produced to the top few, and have the full group discuss these — without picking a winner; (7) follow up quickly — for example, dividing ideas into four buckets, viz. immediate implementation planning, implement at the next available opportunity, assign a group to investigate further, reject — and communicate the decisions quickly to participants, with reasons.

The critique of unplanned brainstorming is valid; the process described seems likely to produce much better results, but means some hard preparatory work, and discipline on the day.

Research: ** Practice: *** Originality: ** Readability: ****
Ref: 13212

The varying influence of spokesperson's accent in communication effectiveness: A comparative study in two different regions of Mexico

O.W. DeShields Jr and A. Kara

Brainstorming, brainsteering

Accent, gender, Mexico

Research. *Journal of Targeting, Measurement & Analysis for Marketing* (UK), Vol. 19, No. 1, p. 55 (11pp)

Sets out to discover the impact of a spokesperson's accent on Mexican consumers' purchase intentions in different parts of Mexico. Describes a factorial experimental design (2x3x2x2) to test two types of spokespersons' accents (American Spanish versus Mexican Spanish) heard by male/female consumers in three different Mexican cities (inland, coastal and adjoining US border). States study was completed with 1,058 bilingual Mexican students viewing tapes in their classrooms in the cities involved, and related to automobile insurance. Finds that the results broadly support Tajfel's theory that spokespersons perceived as belonging to the mainstream will have a more positive impact than others. That is, an American-Spanish accent works better in a US border city or a coastal city; a Mexican-Spanish accent in an inland city. Produces a graph to illustrate the extent of this impact on the three cities concerned. Also notes that the gender of the spokesperson impacted on purchase intentions when dealing with audiences of the same gender.

These results clearly have little direct relevance for most readers. But they raise interesting questions: how does an Oxbridge, Birmingham, Liverpool, Glasgow, Edinburgh or Southend accent impact on purchase intention for this, that or the other product/service category?

Research: *** Practice: ** Originality: ** Readability: ***
Ref: 13213

Analytics, databases, data warehouses, data marts, new memory technology**In-memory analytics — Strategies for real-time CRM**

O. Acker, F. Gröne, A. Blockus and C. Bange

Technical. *Journal of Database Marketing & Customer Strategy Management* (UK), Vol. 18, No. 2, p. 129 (8pp)

Rehearses the problems of current analytical methods: the need to maintain two separate databases — one operational data warehouse with full transaction data, and one analytical, drawing data periodically from the data warehouse, resulting in analyses never being conducted on fully up-to-date data, and in a specially designed data mart having to be built for almost every analysis request. Typically, users could only generate pre-defined standard analytical reports. Hails the coming arrival of in-memory technology, which will offer: performance improvements in response time and calculation performance; customer value creation; lower costs; improved decision making; richer insight; increased efficiency; self-service BI; what-if analyses; interactive filtering; pattern discovery. Claims this will be made possible by multi-core processors with higher clock speeds and 64-bit technology, allowing data to be processed entirely in memory, rather than from disk-based systems. Indicates the extent of improvement in response times and mips possible with in-memory databases. Emphasizes the continuing exponential growth of data, exacerbated by regulations for the retention and tracking of data. Notes the requirement for heavy

up-front investment in hardware and software. Points out the need for CIOs to sell this to management.

Most businesses maintain, for each product silo, not two but three databases: one transactional database, one marketing data warehouse and one analytical data mart. The waste is appalling; the (distant?) prospect of amalgamating the latter two is appealing, but nothing is said here about the first two. Time for a total rethink, with or without new hardware.

Research: *** Practice: ** Originality: ** Readability: ***
Ref: 13214

Role of demographics, social connectedness and prior internet experience in adoption of online shopping: Applications for direct marketing

M.B. Naseri and G. Elliott

Research. *Journal of Targeting, Measurement and Analysis for Marketing* (UK), Vol. 19, No. 2, p. 69 (16pp)

**Online shopping,
demographics, Australia**

Claims that past studies have generally constructed demographics as either moderators or control factors in describing consumer behaviour. Sets out to explore the impact of nine demographic variables on actual online shopping habits, in general and in relation to 14 specific goods/services; also the effect of social connectedness, expressed by six variables, and prior online experience (five variables). Indicates that data for this study were obtained from a survey by the Australian Bureau of Statistics in 2002 relating to 15,510 respondents. Finds that demographics on their own explain 22.6 per cent of the variance in online shopping usage, rising to 45.4 per cent on the addition of social connectedness and prior experience variables; further that the models developed are product specific; also, of the demographic variables only gender showed a different direction of effect by product; also that web experience had a positive effect on online shopping, as did the level of social connectedness. Claims that five core demographics (age, gender, income, education and occupation) are sufficient to develop a reasonable predictive model, although different models may well be required for different products. Suggests that demographics are of more value than more 'sophisticated' constructs, as well as being easier and cheaper to develop.

Puts some numbers to concepts that are intuitively fairly obvious. Also, the predictive effect of such variables will diminish over time as internet usage and online shopping spreads ever wider.

Research: *** Practice: ** Originality: ** Readability: ***
Ref: 13215

Competing against free

D. Bryce, J. Dyer and N.W. Hatch

Instructional. *Harvard Business Review* (US), Vol. 89, No. 6, p. 104 (8pp)

**Online, free products,
Craiglist**

Notes the growth of free business models in the digital world, now spreading to the physical world as well. Claims to have studied 34 companies across 26 product markets that are facing competition from free products or services; of the 24 where judgement can be passed, two-thirds (16) have made the wrong choice by responding too slowly, too quickly or not at all. Advises that the threat of a new free entrant is serious when: (a) the free user base is growing at 40 per cent per annum or more, or (b) when the incumbent's defection rate is 5 per cent per annum or more. When both happen, advocates immediate response with a free offering, and a change of business model. Instances newspapers faced with offerings of free classified advertising, and gives example of Deseret Media in Salt Lake City as the only newspaper outlet in the US to deal successfully with Craiglist's free classified model. Suggests that when (a) above applies, but (b) does not, this is a delayed threat, giving the incumbent more time to plan a response. When (b) applies but not (a), early response is indicated. If neither applies, the threat is minor. Notes Yahoo's struggle with Google over free email. Notes two major obstacles preventing companies from making adequate response: the belief that every product must generate revenue, and the profit-centre accounting system. Insists that an organization must be able to consider revenues and costs separately (at a low level of responsibility) and the effects on P&L only at a senior, or CEO level. Gives negative example from pharmaceutical industry.

An account of an internet-inspired revolution, which still has far to go. A sophisticated argument for marginal costing — which remains, however, a risky, as well as a counter-intuitive, business model. Arguments, as always with HBR, supported by illuminating examples.

Research: ** Practice: **** Originality: **** Readability: ****
Ref: 13216

Segmenting the online consumer market

M. Aljukhadar and S. Senecal

Research. *Market Intelligence & Planning* (UK), Vol. 29, No. 4, p. 421 (15pp)

Internet, segmentation

Sets out to determine how the online consumer market can be segmented by reference to type of internet use. Describes an experiment with a random sample of 407 consumers from a panel of 170,000 Canadians assembled by a market research company, who were asked to fill in a questionnaire about their major internet uses (emailing, browsing, shopping, blogging, chatting, video streaming, downloading music and other applications). Finds that internet use was, respectively, 39.8 per cent, 29.9 per cent, 9.1 per cent, 2.3 per cent, 6.3 per cent, 5.2 per cent and 8.2 per cent, while average time spent on each activity was, respectively, 5.5 h, 4.8 h, 1.4 h, 1.2 h, 1.5 h, 0.9 h, 0.5 h. Indicates that consumers were then assigned each to a homogeneous group, and that a two-step cluster analysis was then performed under SPSS, resulting in three clusters, or segments, labelled

basic communicators (160, mostly highly educated females, with slow — ie dial-up — connections, whose internet use is mostly devoted to emailing); lurking shoppers (159, highly educated older and richer consumers), and social thrivers (88, less educated, younger and less rich heavy users of interactive features). Gives some tabular demographic breakdowns. Indicates that some internet uses enforce others (eg blogging and chatting), while some cannibalize other uses (eg emailing). Suggests some uses to which these findings might be put by marketers.

Marketing uses are inevitably indirect, since one would not normally know to which of these segments individual consumers belonged. It must also be presumed that the percentage belonging to each segment is liable to dramatic change as internet use develops.

Research: *** Practice: ** Originality: ** Readability: ***
Ref: 13217

Waiting for 'Vodot': Why video on demand won't happen

P. Barwise

Analytical. *Market Leader* (UK), 2011, No. 2, p. 30 (4pp)

Notes the widespread current assumption that TV viewing is about to change from 'linear' to 'non-linear' (ie video on demand) watching. Cites proponents of this idea. Accepts that VOD is here to stay (it accounts today for 1 per cent of viewing time) and expects it to absorb the video retail (DVD) and rental market. Moreover, suppliers like Apple, Virgin, BT etc may include VOD in product offerings, but the revolutionary changes predicted in TV viewing will not happen. In contrast to the vague descriptions of linear and non-linear TV, distinguishes four types of TV watching: live viewing of regular schedules; time-shifted viewing via PVR; catch-up (eg via BBC iPlayer); VOD — which alone breaks away from scheduled TV. Claims that viewers who have lots of channels plus a PVR and VOD, watch live TV 80 per cent of the time, content from their PVR 10 per cent, followed by catch-up TV: VOD (which comes at a cost) is a distant fourth choice. Claims that the internet is still a low-quality, unreliable, expensive distribution channel. Notes that TV viewing habits have changed very little since the 1960s, and it's better value for money than telecoms or the internet. Expects that VOD will not generate enough value to consumers, or therefore enough revenue, to cover its costs on a large scale.

An interesting, and persuasive, attack on a widely held view of the future for TV.

Research: * Practice: ** Originality: *** Readability: *****
Ref: 13218

Effects of social and temporal distance on consumers' responses to peer recommendations

Min Zhao and Jinhong Xie

Research. *Journal of Marketing Research*

TV, VOD, PVR, iPlayer

Recommendations

Notes the growth, through the internet, in consumer access to others' opinions and recommendations in relation to purchases. Sets out to explore the effects of recommendations from close versus distant others and in relation to near versus distant purchases. Relates three studies. In the first study, 184 students in a US university were divided into four groups and asked to choose a camera for a task to be undertaken in the near/distant future and in the presence/absence of a recommendation. Reveals that the recommendation had a very slight effect for the near future case, and a much greater one for the distant future. In the second study, 159 students were divided into six groups and had to choose a software package to complete a particular task in the near/distant future and where there was no recommendation versus a recommendation for the easier-to-use and lower quality of two options versus a recommendation for the harder-to-use but better quality. Reveals that in the near-future scenario preferences were little changed; for the distant future, people's preferences were changed by the recommendation. In the third study, 139 students were divided in six groups to choose a camera for near/distant use with no recommendation versus a recommendation from a near versus a distant person. Reveals that a near recommendation has more effect for the near future, and a distant person for the distant future. Discusses marketing implications.

A complicated series of studies, interesting in themselves, but still only scratching the surface (as the authors admit) of the effects of product recommendation in different situations.

Research: *** Practice: ** Originality: ** Readability: **
Ref: 13219

Crack the code to open up new communication lines

L. Cooper

Journalistic. *Marketing Week* (UK), Vol. 34, No. 8, p. 20 (2pp)

Smart phones, mobile tagging, 2D barcodes, QR codes, Waitrose, Hodder & Stoughton

Notes that use of smart phones is growing at 70 per cent per annum. Claims that consequently mobile tagging has reached a tipping point into the mainstream: Waitrose placed 2D barcodes on its TV and Press ads in December, giving access to recipes, and seasonal products and offers; Hodder & Stoughton are using 20 such codes for a forthcoming book publication, all pointing to the same web page, but differentiating the source of the responder. Claims that too many businesses direct smart phone responders to a standard website — although these don't often work well on mobile handsets: the format needs to be tailor-made, and the content should be suited to the needs and situation of a mobile user — that is, not long-form. Suggests that 2D bar codes (such as the QR code used by Eurosport at the Australian Open Tennis) are cost-effective: one square inch in an existing advertisement for example. Criticizes the frequency with which codes are put out without any explanation as to their use, or how people could access content (eg where it is necessary to download an app to read the bar

code). Quotes one critic who regards the technology as flawed: there is no reader that can scan all types of tag. Suggests that contactless technology will eventually supersede QR codes with the technology being part of the phone software. Meanwhile, use the facility, but instruct consumers, and give them content they will appreciate.

No doubt you will have noticed the QR code adorning our front cover and repeated inside below the Table of Contents. We note the arrival of QR codes on American tombstones, giving mourners access to the deceased's valedictory messages.

Research: ----- Practice: *** Originality: ** Readability: ***
Ref: 13220

Life skills take career path on upward curve

M. Hosea

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Coaching

Introduces the concept of individual coaching for decision makers in business at all levels. Quotes from the experiences of a variety of participants. Points out that coaching doesn't just help the individual, but also enables him or her to better help subordinates. Notes a coaching method that seeks to identify four things about an individual: The open self (things known to him/herself and to others); the hidden self (things others don't know); the blind self (things the individual doesn't know but others do); the unknown self. Individuals and their peers each choose adjectives to describe the individual, and these are mapped on a grid to determine what parts of a personality the individual may need to tap into. Emphasizes four key issues: What you say isn't necessarily what people hear; The power of active listening; Increased self-awareness of the effect you have on others; Plan for yourself, as well as for the job in hand.

It is interesting that individual coaching has become available in the marketplace. The problem is that those in greatest need of it, and the most to gain from it, are often the last to take it up.

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