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) **12**, 380–396.
doi:10.1057/dddmp.2011.4

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.

Creating shared value (CSV)

M.E. Porter and M.R. Kramer

Visionary. Harvard Business Review (US), Vol. 89, No. 1/2, p. 62 (16pp)

**Capitalism, CSR, CSV,
fair trade**

Claims that trust in business is at a historically low ebb; companies are perceived to be the cause of societal problems. Holds the rise of corporate social responsibility (CSR), which focuses mostly on image and reputation, is of little help and must give way to CSV. Contrasts the fair trade movement, which is concerned with redistribution, rather than with expanding value created, with Nestlé's programme of investment in local coffee farms in Africa: whereas the former has raised poor farmers' incomes by 10–20 per cent, the latter has improved yields, quality, productivity and the environment in addition to raising local incomes by up to 300 per cent. Suggests that fair trade is about redistribution, while CSV is about increasing total available value. Proposes three methods for CSV: re-conceiving products and markets; redefining productivity in the value chain; building supportive industry clusters. Discusses each: (1) emphasizes the demand for products and services that meet societal needs; instances drive for improved nutrition, development of digital devices for economizing on power usage, GE's Ecomagination project, mobile banking and micro-financing in Africa; (2) notes current rethinking on logistics, including energy costs, on resource utilization, procurement and outsourcing, employee productivity linked to health, training and wages; (3) emphasizes the need for a company to belong to a cluster of supporting companies and infrastructure in its key localities. Gives examples throughout (Marks & Spencer, Coca-Cola, Unilever, Johnson & Johnson, Olam International, Yara and others). Considers CSV as the next evolution in capitalism, unlocking the next wave of business innovation and growth, and a way for business to earn the respect of society again. Concludes with a consideration of the proper relationship of CSV and government regulation.

First impressions are that this over-lengthy piece is a vision of the future, which any sceptic or anti-capitalist might mock out of existence. Not so: the vision, however flawed it might seem a generation on, does have solid foundations in a number of current developments. And surely a vision is something we should all have?

Research: ** Practice: *** Originality: *** Readability: ***
Ref: 12401

Critical vision in a challenged world

G. Hastings, R. Sugden and M. Grindle

Crusading. Marketing Intelligence & Planning (UK), Vol. 29, No. 1, p. 30 (9pp)

**Capitalism, ethics,
trust, transparency,
social marketing**

Recalls Michael Thomas's description (in 1999) of corporate capitalism as 'the monster that no one can control'. Claims that 'we in the business academy' either caused present woes by training the MBAs who fashioned the financial instruments of mass destruction, or failed to inculcate in them caution and ethical standards: there is a need for reinvention in our business schools. Aims to explore a new 'social capitalism' founded on trust and transparency, as was being discussed in marketing circles well before the Second World War. Recalls some of the questions then being asked: Are there too many middlemen? Does distribution cost too much? Does advertising raise or lower prices? Of the costs paid by consumers, which are desirable? Indispensable? Should 'nonessential' services, such as credit availability, be eliminated? Calls for a renewal and strengthening of interest in the social impact of marketing. Recommends using the techniques of business to affect social behaviours, and to challenge current business models 'from the depredations of big tobacco to the materialism and vacuity of the bonus culture'. Claims that some progress is being made: instances use of point-of-sale techniques to impact on school pupils' diets, and the considerable success of anti-smoking campaigns. But asserts that such efforts — poaching — are not enough: the tobacco industry kills 6m people a year worldwide, and counting. Adds to tobacco the pandemics of alcohol and obesity. Holds that substantial gamekeeping is also required. Compares the health ravages of marketing-fuelled consumption with the Victorian ravages of TB. Calls for the building of an evidence base on which decisions about the proper functioning of the marketplace can be built, and/or a systematic, rigorous and transparent review of existing secondary research. Recognizes that regulation needs a popular mandate, and commends the Scottish Smoke-free Act — a piece of political courage backed by the Scottish public in the face of English dithering.

Hats off to an author who is prepared to denounce in print the tobacco, food and alcohol industries. This is the second attempt in articles abstracted this quarter to come to terms with the 'unacceptable face of capitalism'. They approach the problem from very different

angles, and both are well worth reading. Are they both just a hiccup before the normal rush to Armageddon is resumed?

Research: ** Practice: *** Originality: ***** Readability: *****
Ref: 12402

Creating value in the age of distributed capitalism

S. Zuboff

Trend-spotting. *McKinsey Quarterly* (US) (2010), No. 4, p. 44 (12pp)
Claims that a mutation is taking place in capitalism, as its focus changes from mass production (itself an earlier mutation in the system) to offerings customized for individuals. Notes the existence of the 'premium puzzle': the existence of products that many desire but few can afford at the price required by the present means of production and distribution — as in the case of motor cars before Henry Ford solved the puzzle for his time. The new mutation is characterized by digitization, and by the move from products and services to tools and relationships powered by interactive technology. Recommends four strategies: create federations of enterprises to meet individual needs; mine hidden, underutilized assets outside your organization structure; emphasize distributed-work systems; focus on individualized metrics. Instances the i-Pod, which — with i-Tunes — expressed a mutation in the music industry, part of the first wave of 'distributed capitalism'. Suggests the new genetic code of such mutations is fivefold: inversion (focus on consumer need not product availability); rescue valuable assets from old structures; bypass institutional structures; recognize the reconfiguration by consumers of their assets; support consumers with digital tools, platforms, relationships. Provides a lengthy case study of a particular health-care system.

A fascinating read: this article provides an intelligent framework for a collection of concurrent contemporary changes that are liable to seem bewilderingly chaotic, and suggests ways to harness these changes.

Research: ** Practice: *** Originality: ***** Readability: *****
Ref: 12403

Thinking beyond the public company

R.E. Wright

Considering. *McKinsey Quarterly* (US) (2010), No. 4, p. 23 (3pp)
Notes the current financial-reform bill in the US, aiming to correct incentive mismatches held to have led to the 2007 crash, and the debates on health-care reform featuring 'greedy' publicly traded health insurers. Recalls the spread, since the 18th century of the joint-stock model across the US business landscape, pointing out that for much of corporate history such structures as mutuals, partnerships and co-operatives played a prominent role. Suggests these models might better and more cheaply limit financial crises than greater regulation.

**Capitalism,
technology, business,
co-creation, networks**

**Joint-stock companies,
mutuals, partnerships,
co-operatives,
financial crises,
regulation**

Produces a chart showing that in 1970, 100 per cent of US investment banks' assets, and 50 per cent of insurance companies and 73 per cent of savings banks were either mutuals, or joint stock-mutual hybrids; by 2010, this applied to no investment banks, 25 per cent of insurance company assets and 12 per cent of savings banks. Notes a similar change in the UK. Gives the pre-1970 reasoning behind these structures — avoidance of insider trading, protection of investors, etc. Acknowledges the positive effects of the changes around 1970, but claims a number of unintended consequences. Sees little appetite for a broad restoration of organizational diversity, but suggests that modest steps in this direction could well be useful.

The main thesis — that the Big Bang was the largest single cause of the Big Crash — can scarcely be disputed. Received wisdom on both sides of the Atlantic appears to favour regulatory rather than structural reform of the financial system; one might well doubt whether this is the right approach.

Research: ** Practice: ----- Originality: *** Readability: ***
Ref: 12404

How the financial sector can rebuild consumer trust

Anon.

Journalistic. *Marketing Week* (UK) (13 January 2011), p. 45 (2pp)
Notes the low level of consumers' trust in financial services (7 per cent in a recent survey of 1,100 consumers). Fifty-five per cent said that they had less trust now than 2 years ago. Among financial services available to consumers, trust in current accounts comes off best (55 per cent) and credit cards worst (31 per cent). Of current account providers, Nationwide and the Co-op come off best — perhaps significantly both are mutuals. Distinguishes between cognitive, or rational trust and affective, or emotional trust: the former remains strong, but the latter has collapsed. Notes a backlash against financial services' terms and conditions — particularly bank charges and payment protection insurance. Shows graphics of the various drivers of trust, in relation to current accounts and, separately to car insurance — in the former case the provision of best advice, and in the latter clarity of charges top the list. Notes that the most trusted credit card provider is Tesco, deriving advantage from the trust felt in it as a retailer spilling over into financial services — perhaps a sign that the name of the game is changing.

Nothing very surprising in all this. Nor is there much indication that lack of consumer trust is actually damaging to the financial services industry, either as a whole or on a selective basis. In fact, the industry as a whole has shown nothing in the last 2 years beyond a determination to return to business as usual as soon as possible — or sooner.

Research: ** Practice: * Originality: * Readability: ***
Ref: 12405

Financial services, trust

**Digital marketing,
media**

Clouds, big data and smart assets: Ten tech-enabled business trends to watch

J. Burghin, M. Chui and J. Manyika

Trend-spotting. *McKinsey Quarterly* (US) (2010), No. 4, p. 26 (18pp)
Claims that technological shifts are upending traditional business models. Identifies and discusses ten of these shifts, and suggests ways in which executives must reimagine how their organizations create and deliver products and services. Notes the spread into the mainstream of distributed co-creation through customer support communities; instances their value in dealing with customer queries. Addresses the use of social networking in this context. Looks forward to collaborative networks involving both customers and suppliers. Notes the Network of Things (ie embedded sensors in products, now usually wired but set to become wireless). Urges a 'test-and-learn' mindset based on data analysis. Emphasises how smart technology can reduce carbon emissions. Recommends transforming products into services (jet engines, cloud computing). Considers the value and possible spread of 'freemiums' (Flickr, Pandora, Skype), where the data gathered from free users can generate revenue. Looks at new business models in developing countries. Considers the possibilities for the public good. Produces relevant quotes from leaders in business/academia. Ends with two pages of bibliography.

A perhaps over-excitabile article — but on exciting subjects. (Advises a 'test-and-learn mindset' as though this were a new idea). More examples are needed, and where these are given they aren't always clear enough (though some are good, and thought-provoking). So a bit of a curate's egg: needs to discuss just one or two themes in greater depth and less breathlessly. Invaluable bibliography.

Research: *** Practice: *** Originality: ** Readability: ***
Ref: 12406

**Digitization,
interactivity, premium
puzzle, mutation**

Digital marketing's new vocabulary

D. Edelman and B. Salsberg

Warning. *McKinsey Quarterly* (US) (2010), No. 4, p. 20 (3pp)
Notes the use by marketers of the terms 'paid, owned, earned' to distinguish different media ways of interacting with customers. Explains 'paid' as the traditional use of paid-for space to promote a product; 'owned' as referring to media (eg catalogues) owned by the advertiser; 'earned' as indicating consumers' use of their own media to promote a company's product, at no cost to the company. Suggests adding another two categories — 'sold and hijacked'. Explains the former as the situation when a medium owned by one marketer is used as a paid medium by another marketer, and the latter as the opposite of earned media — that is where an asset or campaign becomes subjected to negative comments by ill-wishers on a medium owned by them. Maintains that not only marketers should now have a view across all

forms of media: quality standards, investment plans and strategic focus all demand that total senior management should be involved in discussions about the company brand, necessarily involving these new forms of media use. Insists that the consumer's image of a brand derives not only from product experience, but also from a wide range of media exposures: more companies should use the full range of media channels.

A short but clear exposé of the ways in which new media channels can be used — not just by marketers, but in pursuit of overall company objectives.

Research: ----- Practice: *** Originality: ** Readability: ***
Ref: 12407

Problems with partial solutions in contact centres

P. Cochrane

Explanatory. *Journal of Customer & Contact Centre Management* (UK), Vol. 1, No. 1, p. 18 (8pp)

**Contact centres,
artificial intelligence,
HAL 9000**

Notes the poor reputation of contact centres with consumers. Wishes that designers of things (supermarket checkouts, EPOS terminals, buildings) were condemned to live with (or in) the thing they designed for a prolonged period. Notes that problems associated with design of all sorts is the speed at which technology and society is changing. Notes that typically in any enterprise 5 per cent of customers produce a third of the revenue, the next 25 per cent a further third and the last 70 per cent the final third — but that call centre resources are not allocated to ensure that the most valuable customers receive the best service. Envisions a future where 75 per cent of people resources, aided by 5 per cent of available machine resources, service the top 5 per cent of customers, with 5 per cent people plus 75 per cent of machine activity devoted to the bottom 75 per cent of customers. Lays out in detail customer hang-ups, company requirements and technological assistance, present and future. Looks at the problems, actual and theoretical, of artificial intelligence (the 'HAL 9000 problem' of human-computer conversation). Suggests a hybrid solution where a human operator listens to the consumer and clicks a query to a computer, which answers through a voicesynthesizer, handing back to the operator for complex problems. Discusses 'peak-to-mean' solutions, using part-timers and/or homeworkers. Envisions the ultimate demise of the call centre.

Skewing resources towards best customers is dangerous: today's student bank account may belong to tomorrow's chairman of WPP, who will remember the lousy service he received as a student. Overestimates the possibilities of AI even while explaining the problems. But his hybrid solution is interesting and feasible.

Research: * Practice *** Originality: ** Readability: ****
Ref: 12408

**Contact centres,
customer service,
customer satisfaction,
productivity**

**Who is to blame for rushed, routine and robotic conversations?
When customer service suffers, management may be the culprit**

J. Lubahn and E.G. Brown

Best Practice. *Journal of Customer and Contact Centre Management* (UK), Vol. 1, No. 1, p. 69 (8pp)

Contrasts the original purpose of contact centres (to meet customer needs at a reduced cost) to reality (productivity, efficiency and cost-cutting are the priorities) in a rushed, routine, robotic performance leading to a negative reputation with customers. Average staff turnover is 25 per cent, and up to 80 per cent. Nominates four obstacles created by management: (1) a depersonalized, technology-driven service; (2) the emphasis on numbers that measure everything except quality of service; (3) over-scripting interactions with insufficiently paid, trained and motivated staff, leading to high turnover and absenteeism; (4) measuring customer satisfaction purely on the basis of how quickly calls get answered. Claims that productivity and service need not be in conflict, but that a complete change in culture is required, involving talented, well-paid staff, properly motivated and empowered to handle calls in their own way. Suggests that changes are now beginning to happen. Closes with a list of 13 questions for contact centre managers.

I agree with nearly every word — except I suspect that much of the fault lies not with the contact centre manager, but with the bean counters who determine the contact centre's objectives and pass judgment on its performance, using only the narrowest and most simplistic criteria. I hope the author is right about current improvements, because these criticisms have been made too many times in many media — including this one.

Research: * Practice: *** Originality: ** Readability: *****
Ref: 12409

**Contact centres,
customer
relationships,
automation**

The role of contact centres in redefining customer relationships

S. Yuen

Best Practice. *Journal of Customer & Contact Centre Management* (UK), Vol. 1, No. 1, p. 77 (5pp)

Notes that customer relationships have traditionally been treated as part of the 'soft stuff' of business; quotes research showing that only 36 per cent of customers have their expectations met, and 44 per cent will leave after just one bad experience. Advocates a customer experience strategy including empowered customer relationship officers, predictive selling as a service and the tracking of customer lifetime value. Gives example of Telco companies in Singapore, who periodically call customers to check on service standards and inform them of new initiatives and products. In a Hong Kong contact centre, team leaders 'own' some 5,000 customers each, with a brief to do 'whatever it takes' to serve them well. Claims workforce training leads to less attrition, greater productivity and customer loyalty. Holds that the

incorporation of automation (Web, IVR, speech recognition etc) can serve the twin aims of cost reduction and high service: instances experience of Asia/Pacific banks. Advocates integration of all customer channels, and proactive service — informing customers of problems *in advance*.

The author's heart is in the right place. But are customers pleased, or irritated, by calls to ask about their most recent customer experience; do customers want a 'relationship' with a company, or do they just want to have their affairs attended to quickly, efficiently and without fuss? Companies may spend a lot of time thinking about customers — but customers spend very little time, except when something goes wrong, thinking about companies.

Research: * Practice: ** Originality: * Readability: ***
Ref: 12410

The challenge of new marketing issues

M. Stone and J.F. Ozimek

Technology Challenge. *Journal of Database Marketing & Customer Strategy Management* (UK), Vol. 17, No. 3/4, p. 188 (13pp)

Notes the forthcoming change from traditional methods of electricity generation and distribution to a smart grid system, providing users with more information about energy use, and greater control, including remote access by both consumers and suppliers. The foundation for this will be an advanced metering infrastructure (AMI), enabling installation of smart meters allowing two-way supplier/customer interaction. Envisages consumers selling power back to the grid (eg through use of solar panels), creating a new form of relationship. Claims that all necessary technologies for this development are in place. Notes the obsolescence of much current generating infrastructure, and the need to replace it. Quotes estimates that smart grids in the US could save 5–9 per cent of 2005 carbon emissions, and in the EU the equivalent of the residential consumption of Spain and Germany. Costs in the UK for gas and electricity smart systems would be £8.6b for a saving of £14.6b. Notes that leaders in smart investment are China and the US; notes a backlash in parts of the US over security and 'big brother' intrusion, but also well-managed pilot projects in the Netherlands. Holds that for energy companies the change to AMI is less challenging than the change to CRM, to which there are parallels. Advocates close attention to customer concerns over security, control and pricing.

A look at the near future that should interest anyone working for, or as a supplier to, a utility company — or, indeed, to all of us as consumers.

Research: *** Practice: ** Originality: ** Readability: ***
Ref: 12411

**Electricity generation,
smart systems, AMI,
carbon emissions**

**Home shopping,
catalogues, customer
demand, contact
density**

Solving the contact density 'conundrum' for home shoppers

J. Berry

Methodological. *Journal of Database Marketing & Customer Strategy Management* (UK), Vol. 17, No. 3/4, p. 242 (5pp)

Notes that home-shopping sales, including those on the internet, are driven by mail-delivered communications. Considers the problem of how to optimize the volume of catalogues etc to despatch to different groups of customers in order to maximize customer demand within an acceptable ROI. Claims to have developed, through trial and error, a four-stage methodology as follows: (1) Collect empirical evidence of different levels of demand among groups receiving different contact densities; (2) Bear in mind that contact density is not the only driver of demand. Therefore, determine the difference between each customer's predicted demand and actual; take this difference as the result of contact density and categorize customers into groups that respond most differently to different levels of contact density; (3) Given the number of customers in each group, and the overall financial targets of the company, balance, for each group, the required net demand with the minimum ROI required; (4) Allocate a contact density-based budget for the season for each customer group, taking into account response propensity models for each type of communication.

This generalized approach is not easy to read, since considerations of confidentiality forbid the use of actual figures from the individual case studies on which the article is based.

Research: *** Practice: *** Originality: * Readability: **
Ref: 12412

Segmentation, telcos

Customer segmentation in the telecommunications industry

J. Bayer

Experiential. *Journal of Database Marketing & Customer Strategy Management* (UK), Vol. 17, No. 3/4, p. 247 (10pp)

Claims on the basis of work in the telecoms industry, that segmentation is ceasing to be regarded as a monolithic system for a business, and becoming a variety of approaches, each adapted to a specific set of business problems. Notes that telcos require perhaps 10+ different types of segmentation, some enterprise-wide, and others to specific functional areas. Deals with four of the main types of segmentation used by telcos, as follows: (1) Customer value segmentation. The standard approach is to segment by deciles on the basis of individual customer value. Distinguishes between *current* value segmentation and *lifetime* value segmentation, and between an approach using *average* contact and service costs and on applying *fully allocated* costs. Shows a drastic change of decile for individuals depending on which of the latter approaches is used. (2) Customer behaviour segmentation. This recognizes five segments based on different characteristic uses of mobile telephones. (3) Customer life-cycle segmentation. Discriminates four stages in a customer's life with

the company: new customer, growth period, maturity and decline. Advises overlaying one type of segmentation on another, to avoid having huge segments whose members are insufficiently discriminated. (4) Customer migration segmentation. This discriminates customers according to their propensity to improve, or worsen, their position in the value deciles.

This is a sophisticated approach to segmentation, which should give food for thought to all marketers — not just those in telcos.

Research: *** Practice: *** Originality: ** Readability: ****
Ref: 12413

Social media etiquette: A guide and checklist to the benefits and perils of social marketing

M. Ramsay

Advisory. *Journal of Database Marketing & Customer Strategy Management* (UK), Vol. 17, No. 3/4, p. 257 (5pp)

**Social media,
marketing, etiquette**

Notes the increase in business involvement in social networking. Asserts that tone, content and language should all be tailored to fit, variously, customers, prospects, fans or detractors, while still maintaining a brand identity. Notes some familiar failures to follow social media etiquette with disastrous results (Habitat, Dr Pepper, Dell, Dominos Pizzas) and the recovery of the last two. Gives extensive history of the Toyota Prius disaster, which cut US\$34b from the company share valuation — and severely dented its reputation. Warns that unsolicited contacts must be relevant and properly targeted. Gives a general list of Dos and Don'ts, including: put a communication strategy in place; develop a style; don't use social media for corporate communications; strike a balance between conversation and sales; set limits on acceptable criticism/ language; update content. Ends with specific advice on etiquette for Facebook, Twitter, YouTube and LinkedIn.

Most of this is common sense: failure to observe online etiquette suggests that these companies have also been getting their offline communications wrong — probably for years; the penalties online are potentially far greater.

Research: * Practice: *** Originality: * Readability: ***
Ref: 12414

Connecting with older consumers

Dick Stroud

Advisory. *Market Leader* (UK) (2011), No. 1, p. 42 (5pp)

**Apps, Apple, Google,
smartphones, iPad,
Kindle**

Notes the astonishing rise of the app, revolutionizing the smartphone market, with Apple having three times as many apps as Google, even though Google has three times as many European smartphones as Apple. Defines the app as a bundle of functionality and content

accessed by an icon and a touchscreen, with the Apple iPad as the latest host. Lists four major reasons why apps on smartphones are especially well adapted for older customers: Sensory — the trend towards ever smaller devices has been reversed, with larger keys and screens, and adjustable luminosity and character display size, while touchscreens and voice input also help the elderly; Cognitive — the use of a single icon for each app bypasses complex menus and removes the user further from unfamiliar technology; Functional — it is much faster and easier to access a particular service via an app than via a laptop; Philosophical — the iPad is not just about achieving something, but about enjoying it — about experience rather than ‘stuff’, an easily and intuitively usable device for consuming content. Shows a chart of US sales of Kindles, iPhones and iPads by age group. Ends with advice to marketers on harnessing the app revolution.

This article is packed with data on the inexorable rise of this new market. The idea that the latest technology might, for the first time and deliberately or not, be adapted for the older market rather than for the teenage generation is intriguing.

Research: ** Practice: ** Originality: *** Readability: *****
Ref: 12415

The changing face of data insight — And its relationship to brand marketing

T. Hipperson

Advisory. *Journal of Database Marketing & Customer Strategy Management* (UK), Vol. 17, No. 3/4, p. 262 (5pp)

Branding, agencies, insight

Asserts that agencies, overwhelmed by new channels, technology and customer touchpoints, are failing to help brands engage with consumers, who are becoming less brand loyal and more trusting of each other. Claims that agencies must learn to connect with consumer communities, enabling brands to become an integral part of them. Notes a consumer demand for ‘everything now’. Surveys a list of current agency players: creative and media, who are stuck in the mass media world and unable to cope with demands for agility and speed; digital/direct/CRM, who understand interactivity, but don’t have senior client relationships and struggle to lead broad marketing and brand strategy; specialist boutiques in social media, creating yet another agency silo; consultancies who struggle to convert insight into strategy and execution; technology vendors with the same problem as consultants. Calls for an agency that can ‘Listen, Learn, Connect, Innovate and Inspire’ give primacy to real-time data and analytics. Forecasts the end of omnibus surveys, the test-and-learn phase that now precedes roll-out, and account management; the arrival of consumers as media, with selling media fast running out of steam. Predicts a far more collaborative future, less reliant on hard numbers and more on insights.

This author is still committed to the view that branding is everything — albeit needing new methodologies and practitioners. What about the opposite view that if companies would only attend to their audiences and their products, branding, by consumers, would take care of itself?

Research: * Practice: ** Originality: ** Readability: ***
Ref: 12416

Effects of counterfeits on the image of luxury brands: An empirical study from the consumer perspective

S. Hieke

Research. *Journal of Brand Management* (UK), Vol. 18, No. 2, p. 159 (15pp)

**Brands, counterfeiting,
fakes, consumers**

Notes the great rise in counterfeiting and its effect on international trade (5–9 per cent of global trade volume). Finds that most literature on this subject has so far concentrated on the supply-side issue, but that there is evidence of a growing demand for fake products. Decides to look at aspects of this demand — in particular, what effects, if any, the existence of counterfeit goods has on the consumer, leading possibly to a change of attitude to the original brand. Distinguishes between deceptive counterfeiting (where the customer is deceived as to the product's origin) and non-deceptive counterfeiting where the customer knowingly buys a fake: deals only with the latter. Creates three hypotheses: (1) the existence of counterfeits of a given brand reduces this brand's perceived level of luxury; (2) copies of a luxury brand weaken the customer's mental images of the original brand; (3) the overall evaluation of a luxury brand will be lower if the customer is exposed to counterfeits of that brand. Relates an experiment with 223 students and academics divided into a study group and a control group; subdivisions of the first being given fake products from Dior, Gucci or Louis Vuitton. Finds that Hypotheses 1 and 3 were not supported, but 2 was. Spends some time discussing possible flaws in the experiment, which might account for these results.

The question of counterfeits is much wider and more complex than the relatively trivial issues discussed here, and worth deeper study. However, some marks for raising the issue.

Research: *** Practice: * Originality: ** Readability: **
Ref: 12417

An empirical comparison of online advertising in four countries: Cultural characteristics and creative strategies

Chang-Hyun Jin

Research. *Journal of Targeting, Measurement and Analysis for Marketing* (UK), Vol. 18, No. 3/4, p. 253 (9pp)

**Banner ads, China,
Japan, Korea, USA**

Sets out to determine whether there are differences between the banner ads used in China, Japan, South Korea and the USA in terms of

executional factors, information cues and creative strategies and also whether cultural typologies are reliable predictors of observed cross-country differences, and whether there is a difference in conscious- and subliminally-oriented appeals between countries. Indicates the use of content analysis to answer these questions. Describes the selection of 305 banner ads from each country from among the top ten websites in each. Describes the coding instrument used, and the process of coder selection and training. Gives a table of 16 product types noted, and their frequency of occurrence in each country's selected ads. In terms of execution, finds that Chinese and Korean ads use more animation; US ads were more explanatory and larger. For information cues, Chinese ads gave price value, availability and special offers more often than others; Japanese ads focused on quality, performance and new ideas. In creative treatment, information was prominent in Chinese ads, celebrity endorsement and humorous pictures in Japanese, while curiosity featured in Korean ads, and motivation and comparison in American. Cultural characteristics found that Korean ads displayed Confucianist harmony values; Japanese ads reflected collectivism, short-termism and youth; US ads dealt with social status, directness and emotional appeal.

An interesting study for companies involved in international marketing, and with implications well beyond banner ads.

Research: **** Practice: ** Originality: *** Readability: ***
Ref: 12418

Extension to the CAP code — 1 March 2011

S. Doherty and A. Terry

Legal. *Journal of Brand Management* (UK), Vol. 18, No. 3, p. 238 (3pp)

ASA, CAP, online marketing

Notes that an extension of the CAP code (which governs, under the ASA, all print advertising), is due to take effect from 1 March 2011, that is, it is in effect as you read this. Previously, the code applied to online communications only in respect of sales promotions and paid-for messages. Shows that the code will now apply additionally to marketing communications on companies' own websites or in online space under their control (eg on social media). Rehearses the ASA's guidance on what constitutes a 'marketing communication'. Sanctions are the ASA's well-known power to 'name and shame', but also to require search engines to remove offending messages where the company concerned does not comply with the ASA's request. Welcomes this new remit as filling an important gap, but questions whether the ASA will have the resources to handle the extra workload, or to react to such a fast-moving environment. Also relates a recently decided legal case between Hudson Bay Apparel Brands and Umbro UK.

The extension of the CAP code is welcome and important; all marketers involved in online marketing should be aware of it. It is

surely incumbent on the industry to raise funds for support of the ASA from UK online advertisers analogous to the existing levies on direct mail and other print advertisers.

Research: * Practice: *** Originality: * Readability: ***
Ref: 12419

Ditch the discounts

R. Mohammed

Advisory. *Harvard Business Review* (US), Vol. 89, No. 1/2, p. 23 (3pp)

Pricing, price-cutting, discounts

Looks at the issue of pricing during a recession. Notes the practice, adopted by many companies, of trying to maintain sales volume by price-cutting. Instances recent examples in the pizza price wars in 2009. Points out that, even if this produces desired results in the short run, it also makes life difficult when the recovery arrives and customers, having become accustomed to lower prices, are reluctant to accept a return to pre-recession prices. Advocates 'adaptive pricing', and suggests different forms of this method. The simplest of these is 'versioning': the creation of 'good', 'better' and 'best' versions of the same product, as practised by P&G, where brands that had adopted versioning techniques outperformed other company products during the recession. With the apparent end of the US recession, P&G withdrew Tide Basic from the market, without effect on the pricing of its other products. Gives other examples from the fast food industry. As another type of adaptive pricing, refers to Hyundai's guarantee that any customer losing his job could stop payments and return his car. Hyundai's sales rose by 8 per cent in 2009 against a market decline of 20 per cent, and fewer than 50 cars were returned. Mentions also 0 per cent financing deals that, for high-value purchases, can actually incentivize consumers into adding to their purchases to meet the financing limit. Notes that the US recovery is still anaemic, but insists that companies must be ready for improving demand, and should have a range of flexible pricing policies to cope with all situations — not just an 'increase or decrease' strategy. Closes with a further collection of thumb-nail strategies, with examples of pricing in recession and in recovery.

Simple, but extremely sound, advice. A bit more difficult to see its application to services as distinct from products — but food for thought there as well.

Research: ** Practice: ***** Originality: ** Readability: ****
Ref: 12420

Customer journey, CDJ, paid media, owned media, earned media

Branding in the digital age: You're spending your money in all the wrong places

D.C. Edelman

Theoretical, with case study, *Harvard Business Review* (US), Vol. 88, No. 12, p. 62 (8pp)

Rehearses the funnel metaphor used by marketers to describe consumer touchpoints consisting of awareness, consideration and purchase — thus determining paid-media push marketing to exert influence at these points. Suggests that the new consumer decision journey (CDJ) is now Consider, Evaluate, Buy, and Enjoy, Advocate, Bond; in a successful relationship, the last four form an iterative loop. Claims marketers should no longer be focused on allocating spend across media, but should be targeting priority touchpoints on this journey; moreover, they should consider both owned media (including the company website) and earned media (such as customer-created channels), as well as traditional paid media. Rehearses a case study involving a McKinsey client in global consumer electronics, who mounted a pilot study using a CDJ-based approach, in a single market, to launch a major new TV model. Initial research revealed that TV advertising, in-store browsing and word of mouth were useful only at consideration stage; moreover, consumers did not greatly use search engines, but went directly to Amazon, or other retail sites containing consumer and expert ratings. Less than 10 per cent visited manufacturers' sites; display ads were clicked only if offering a discount. A battery of hired research shoppers reported that shoppers engaging with all brands had very fractured experiences, with broken links, inconsistent text and visuals, model numbering and availability statements. Describes the company's consequent action, which resulted in becoming top TV seller on Amazon, and exceeding all company expectations in retail stores. Recommends extended role for marketing, including orchestration of all owned media, including website, packaging, customer service and sales. Marketers should 'own' all published content in all media.

As so often in the HBR the recommendations are driven by researched examples. The disappointing example (unless you are a consultant looking for work) is the extent of continuing confusion in the multimedia environment. Why can more companies not research their own marketplaces and understand and correct the unnecessary pain they cause for consumers?

Research: ** Practice: *** Originality: *** Readability: ****
Ref: 12421

Understanding executive potential: The underappreciated leadership traits of the most successful executives — and why they're important

C. Anterasian, G. Resch-Fingerlos and R. Stark

Educational. *Point of View* (US), Special Issue 2011, p.13 (7pp)

Notes the problem of assessing whether an executive, successful in one role, has the qualities needed for success in top management.

Recognizes that domain expertise, knowledge of the business and strong relationships propel executives in their early careers, but are not

**Leadership, CEOs,
executive intelligence**

necessarily good predictors of success at a top level, when facing more complex issues, making decisions of broader impact with less information and less time. Emphasizes the need at the most senior level to go beyond personal relationships and deal with politicized situations and power dynamics, internally and externally. Looks for a track record in high-performance team-building; for an open and transparent style of leadership, and an ability to listen to others' ideas without feeling threatened. Holds that the best leaders are great at developing the talents of others, and have an ability to initiate and drive change. Concludes with a number of fundamental leadership qualities: exceptional business judgment; ability to recognize interpersonal dynamics and apply them in decision making; highly effective people management and team-building; humility and substance; effective people development skills; ability to drive change. Recognizes that few have all these equally, but that CEOs score higher in the three areas of Executive Intelligence: Business judgment and problem-solving ability; social intelligence; self-evaluation skills.

An interesting indication by a global executive search company (Spencer Stuart) of the qualities they believe should mark out potential CEOs from the common herd.

Research: ----- Practice: ** Originality: ** Readability: ***
Ref: 12422

E-commerce moves closer to mobile payday

D. Reed

Journalistic. *Marketing Week* (UK), 13/1/2011, p. 52 (3pp)

Notes that on 6 December 2010, online spending in the UK was 20 per cent up on the same day in 2009; moreover, that the UK has become the first European country in which one in ten retail purchases happens over the internet. Adds that on the same day in the US eBay sales jumped by 146 per cent year on year. Notes a recent rash of iPhone and Android apps being launched by retailers, and advises caution: integrating these touchpoints with bricks-and-mortar stores isn't easy. Relates an unusual cooperation between two fashion retailers, joining up their online and retail systems to provide a click-and-collect service that allowed a customer to order online and collect (or return) in store. This meant coordinating stores, web, brand, supply chain and operations and becoming fully integrated across all channels. Notes that a pilot of this scheme in 11 London stores saw week-on-week sales jump by 576 per cent. Notes M&S offering ordering of wine, flowers and party food through any channel for delivery or collection in each of 300 stores, and a reserve and collect system for Currys and PC World. Quotes a world first from Ministry of Sound launching a mobile app for ticket purchase and delivery. Suggests that there are limits to mobile marketing: consumers do sometimes react badly to text messages pushed at them by retailers.

**E-commerce, apps,
click-and-collect**

From what is already happening in the marketplace, it seems clear that a major part of retailing in the future is set to be handled through some form of click-and-collect methodology, whether through website or mobile.

Research: **

Practice: ***

Originality: *

Readability: ***

Ref: 12423