Abstracts

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Simple strategies to win and keep customers profitably

N. Woodcock, M. Stone

THEORETICAL: *Journal of Database Marketing & Customer Strategy Management* (2012) Vol. 19, p. 275 (11pp)

Four strategies to support CRM

This paper draws on two decades of experience by the authors in consulting on or enacting customer management strategies; proposes four interlocking strategies: winning customers, keeping customers, developing customers and efficiency in customer management, each with four supporting sub-strategies; provides simple examples for each with outcomes they have delivered; and proposes an assessment of each possible strategy against its impact on the customer, business, likelihood to succeed and compatibility with the organization.

This article suffers from being over-atomized, leaving strategies and their supporting evidence with little more than a few lines to argue their case. While the full basis on which customer management strategies should be assessed would require a book, it might have been better to address one strategy in depth as part of a series. Instead, this article over-simplifies what is involved, leaving the reader unsure how to move forward. Nonetheless, it does hint at a great depth of knowledge and experience, which cannot be denied.

Research: **** Value: ** Originality: *** Readability: ***

Behavioural perspectives of customer engagement: An exploratory study of customer engagement with three Swiss FMCG brands

A. Javornik, A. Mandelli

RESEARCH: *Journal of Database Marketing & Customer Strategy Management* (2012) Vol. 19, p. 300 (11pp)

Consumers happy to engage with FMCG brands, but not to advocate them

This paper examines the theoretical framework for customer engagement, which the authors recognize is underexplored; adopts a behavioural perspective to reflect the new customer-centric marketing and non-purchasing activities in a relationship; outlines a research project carried out to understand levels of loyalty in the FMCG sector for ice cream (Mövenpick), chocolate (Lindt) and coffee (Nespresso) brands; explains the quantitative and qualitative research conducted on a group of university students to explore their willingness to engage with brands; and reveals that while willingness exists, the level of engagement is limited. Positive experience would support repurchase and recommendation, the authors found, but is less motivating for proactive engagement with a high level of resistance to becoming a brand ambassador online. Focus group research revealed a high level of emotional engagement, but a sense that FMCG brands are not naturally talked about in social media. Added value from brands was said to be

lacking as a driver of such activity. This suggests that, without further research and exploration, customer engagement risks are just a fad. *A smart look into an area that many marketers talk about casually without a clear understanding of what is meant. The authors show that superficial engagement can be won by brands, but is hard to convert into active endorsement. Consumers may well give positive word of mouth, but more often at their own speed rather than at the bidding of marketers.*

Research: **** Value: **** Originality: **** Readability: ****

Marketing audits: The forgotten side of management?

Antonio Pimenta da Gama

THEORETICAL: *Journal of Targeting, Measurement and Analysis for Marketing* (2012) Vol. 20, 3/4, p. 212 (11pp)

Marketing needs to report on how well it operates

This paper notes the rapid changes faced by marketers and the pressure to 'justify their existence'; reviews the theoretical background to running audits on marketing that allow it to be measured, from the first suggestion in the 1950s of the need to examine objectives, strategies and activities to determine problem areas and potential solutions, through to more recent evidence that audits can improve performance; and examines the value of checklists as an audit tool and the problem of finding universal tools. The authors conducted a Delphi study on experienced marketers in Portugal to indentify the importance of audits. This study unpacks the results achieved, including the desire among respondents to have marketing recognized beyond traditional metrics, and also the difficulties of translating marketing into recognized managerial terms that allow for auditing; reports on a discussion around the topics that might be appropriate for auditing, such as CRM and marketing capabilities; and concludes that 'the marketing audit should, in theory, be the starting point for most considered courses of managerial action'.

The authors touch on an important gap in marketing abilities — demonstrating how good it is at doing its job, rather than providing proofs as to what that job delivers. The research may only be small scale, but its relevance is large. Marketing is under pressure to report on itself like other functions as never before and this article goes some way to helping understand how to do that, not least with its voluminous references.

Research: *** Value: *** Originality: **** Readability: ****

The strategic analysis of online customers' repeat purchase intentions

Elena B. Pokryshevskaya and Evgeny A. Antipov

ANALYTICAL: *Journal of Targeting, Measurement and Analysis for Marketing* (2012) Vol. 20, 3/4, p. 203 (9pp)

Mining comments for drivers of choice

This paper identifies a need to understand why loyalty to certain online stores is greater than to others, and uses publicly available data on a

range of outlets to explain the attributes with the highest indirect importance; applies an approach — Shapley Value, derived from game theory — to measure indirect attribution importance based on data from Bizrate of grades given by 804 consumers to non-food e-commerce companies; discusses the weaknesses of other measures of importance, before providing a technical explanation of the method used; generates three key clusters of factors and their relative importance to customers and performs a strategic quadrant analysis on those factors, before reporting on their meaning for three online stores; and concludes that economic factors are not an issue for existing customers, but may be important when acquiring new ones.

A technical article, which demands good statistical knowledge to follow the argument, but makes a convincing case for the role of factors, such as on-time delivery over shipping charges for driving loyalty, could prove a useful approach for marketers wanting to mine social media for indications about their performance among customers, where other methods generate little insight.

Research: **   Value: ****   Originality: ****   Readability: **

Internal marketing and employee commitment: Evidence from the Ghanaian banking industry

Bedman Narteh

RESEARCH: *Journal of Financial Services Marketing* (2012) Vol. 17, 4, p. 284 (17pp)

What makes employees loyal to their bank?

This paper examines the role of internal marketing in sustaining human resource assets with reference to a study on 410 employees of banks in Ghana; and aims to identify the elements that influence employee commitment towards their banks, together with a review of literature and a conceptual framework for practitioners. After an overview of the sector in Ghana, the authors consider what is understood by internal marketing and endorses the definition as ‘a process using human resources management and marketing management principles to orient employees towards delivering service quality to satisfy and retain external customers’. Dimensions of commitment are considered, such as effective, normative and continuance, as well as dimensions of internal marketing that drive it, such as empowerment, reward systems, communication, training and development. These provide the hypotheses for the research carried out, which is clearly documented. This dimension explains the major driver to be empowerment, although the other dimensions made important contributions, and offers conclusions for how bank managers should structure their internal marketing activities.

A thoughtful and well-constructed article carefully explores what it is that makes staff of a bank become loyal — and therefore provide better customer service. The link between that and customer satisfaction, and therefore profitability, is well understood by marketers who might be interested to know how the customer experience they

often spend so much time on formulating can be significantly enhanced by its delivery in-store.

Research: ***** Value: *** Originality: *** Readability: ***

Perceived value of a mile

Debraj Basumallick, Burak Ozdaryal and Cristina Madamba-Brown
THEORETICAL: Journal of Revenue and Pricing Management (2013)
 Vol. 12, 1, p. 8 (8pp)

Value is affected by whether the mile is bought or earned

This paper looks at the issue of the value to customers of frequent flyer rewards, taking into account the costs involved in operating these schemes, as well as the potential loss of revenue by giving away a seat that might have been sold to that customer; notes that dilution costs and increases in customer loyalty are hard to quantify by marketers, leading to the concept of perceived value; compares the purchase price of miles with studies into the financial value customers place on miles they earn and expresses the importance of a differentiated reward for leisure and business customers; examines two rewards offered by United Airlines — Standard and Saver; establishes the principles of the upper and lower bounds of value as perceived by customers, and then considers data on actual flights booked and the prices offered compared with whether rewards were used to buy it or cash; identifies important differences in perceived value, depending on the route travelled and the reward used; and models possible choices for customers using perceived value and how this might have an impact on cash dilution. *A neat view of how customers decide whether to pay for a journey in cash or redeem loyalty points, which provides a first step in unpicking the complexities of perceived value and the cost of giving travel away as a loyalty reward, might provide food for thought when having to remake the business case for a frequent flyer programme or similar, but is perhaps a little limited in appeal.*

Research: ** Value: *** Originality: *** Readability: *****