Editorial

‘Every practice rests on theory, even if the practitioners themselves are unaware of it.’ (Attributed to Peter Drucker.)

We might reasonably doubt whether Peter Drucker, that doyen of management journalists through so many decades, ever said anything so silly, but there it is, forming the epigraph on the title page of a much-used (American) textbook on direct marketing.

So what happens if we turn this curious dictum on its head, thus:

‘Every theory is derived from practice, even if the theorists themselves are unaware of it.’

Any better? Well, not really. Whatever our individual prejudices might be, we doubt whether many people would be prepared to ride enthusiastically into battle with either of these two mottoes emblazoned on their banners. For these are two extreme statements on either side of a long methodological war which has divided Western philosophy — and Western thinking — through two-and-a-half millennia; they divide Platonists from Aristotelians, Cartesians from disciples of Locke, Hegelians from Marxists, idealists from nominalists, deductive from inductive thinkers and theoreticians of direct marketing — if we are not careful — from practitioners of the same.

How does this happen? Consider your own preferred mental processes. You are confronted with a problem. Do you proceed to gather all the ascertainable fundamental facts relevant to this problem; do you try to form them into a consistent pattern, and build from this towards a solution to your problem? This is the process of induction, arguing from the particular to the general. Or are you more inclined to look first for some fundamental unassailable principle, and to argue back from there to the particularity of your problem? Then you are reasoning deductively.

In principle experimental science, which consists in determining from observation of particulars general ‘laws’ (themselves never more than hypotheses awaiting further modification), is an inductive process; theology, which starts from supposed revealed truths, is deductive in method. In practice hardly anybody stands permanently and four-square behind one method or the other. Scientific laws which may be built inductively are tested deductively: if the principle A is true, then it must follow that phenomena x, y and z exist; if y is found not to exist then A is not wholly true. And theologians do — sometimes rather slowly — allow observable facts to modify their systems.

Induction, it would appear, is inadequate because no one can be sure of having *all* the relevant facts before drawing a conclusion; deduction will produce acceptable results only if we can be sure that the fundamental principle from which it starts is unassailable.

So where does this leave us as direct marketers? As practitioners, we are first and foremost inductionists: we are immersed in a sea of individually tiny facts about our customers which we struggle to fit together in a meaningful and useful pattern. And we are impatient of theoreticians who appear with beautiful new concepts spun, as it might appear, out of thin air, and without evident or practicable application to our rough-and-tumble world. Consider for a moment the world of name and address handling. No one ever *theorised* about names and addresses: they are far too messy, and resistant to tidy categorisation. Rather, the whole science of match coding, of merging and purging and deduplication, was built pragmatically from the bottom up by direct marketers struggling with untidy and frequently irresolvable real-life situations.

But it is not always like this. Direct marketing today is a world of analysis — discriminant analysis, regression analysis, decision trees, CHAID, neural nets, data-mining tools and many more. And all these tools are derived from theories — not marketing theories, for the most part, but mathematical or statistical or artificial-intelligence theories, more or less adapted to our marketing world. We use them at our peril, because the precision of the mathematician often sits uncomfortably with the messy world of the marketer — but use them we do, and to good effect. The computer itself — and after 40 years

with computers in direct marketing, life without it is unthinkable — is an adaptation of generations of mathematical and engineering theory to the world of business decision making.

So we do need theorists to help us become better practitioners — but we need theorists who will come out of their ivory towers clutching their shiny new theories and start applying them to real life, telling us where they work and where they do not (or need to be adapted). Thus one-to-one marketing may be a great theoretical construct for a motor-car manufacturer, but it is of no value at all to someone selling baked beans: it is not some grand new universal truth, but a worthwhile concept of limited application.

Our endeavour, then, in editing this journal is to balance the industry's continual need for fresh thinking against the imperative of practical implementation. We have no prejudice over whether our authors start deductively with a concept, or inductively from a collection of facts — so long as the end result is to provide practical guidance for our readers. So it is a pleasure to be able to welcome to this issue authors with a rich mixture of academic qualifications and on-the-ground experience — theory and practice working in harmony.

Gary Robertshaw and Norman Marr, practitioner and academic respectively, come together in a questionnaire-based study of the extent of, and reasons for, falsification and omission of self-submitted data by consumers, with a consideration of the implications of this phenomenon for direct marketers.

Len Tiu Wright and colleagues bring formidable academic qualifications to a discussion of the exporting performance, actual and potential, of SMEs in the UK, at a time when technology has vastly widened the horizons of such companies. The discussion and the recommendations are firmly based upon the analysis of a questionnaire survey conducted among 284 SMEs — practitioner experience informing theory.

Richard Webber needs no introduction to readers of this journal. No practitioner or academic theorist — and he has good claims to be both — has done so much to build and promote the science of geodemographic segmentation. Here he looks to see what use British political parties were making in 2005, and might in future make, of the segmentation tools that are now used throughout our industry.

David Jefferies contributes the third paper in this issue to be based on a survey — of how DM budgets were allocated in 2003 and 2005 between existing customers and new prospects. He notes the rise of a new theory, customer communications management (CCM), on the back of CRM — but makes the comment that 'The majority of UK businesses now have the wheels of CCM in motion — whether they recognise the phrase or not', which nicely echoes and encapsulates, without settling, our original question of the relationship of theory and practice.

Through this mixture of theoretical and practical writing, we aim not just to provide a synthesis of what is best in these two cultures, but also to promote a better understanding by each of what the other has to offer. And we conclude this issue with our usual features: a Case Study from the banking industry; a Legal and Regulatory Update on data security and offshoring; Abstracts; and Book Reviews.

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