Editorial

One of the problems of putting together a journal of this kind is that of maintaining a proper balance between the interests of different readers — a balance of styles between the academic and the pragmatic, and a balance of subject matters between the different media, methodologies and markets with which our readers are differentially involved.

On the cusp of a new millennium, we are living through an explosion of new media and new, or greatly enhanced, technologies, offering between them a wealth of new marketing opportunities which our readers must learn to exploit. We have even given our journal a new title to reflect what we believe will be the crucial defining characteristic of effective marketing in the 21st century. In this maelstrom of change, it would be easy (and mistaken) to concentrate our attention only on the areas of new technology; it would be easy (and mistaken) to suppose, or imply, that interactivity is a new phenomenon, born of the Internet and growing up with digital television; it would be easy (but mistaken) to forget that interactivity is also the fundamental principle behind the familiar concepts of direct mail, direct response advertising, and telemarketing.

So we are glad to welcome this quarter an Opinion Piece from Stuart McKibbin, one of the outstanding wordsmiths of the last 30 years, making the case for the printed word, and for the retention and integration — and further development — of tried and tested techniques to inform and enhance the electronic revolution.

But the revolution itself is not just a matter of electronics: it both feeds off and reinforces, in a continuing iterative process, changes in consumer attitudes towards purchasing. Few people are better placed than Andrew Parsons of McKinsey to talk about these changing attitudes, the reasons for them and what they portend. Those lucky people who heard him present 'Interactivity: A New Marketing Paradigm' at The IDM/Royal Mail Symposium earlier this year will be glad to find that they now have a permanent record of that occasion; those who did not can discover what they missed — and can perhaps resolve not to avoid such an exciting event next year. The spoken and the printed word are complementary, not alternative, communications media, with different opportunities for interaction.

Jim Bauer writes from the background of Chase Manhattan, but despite his chosen title his piece has implications for a much wider audience than the financial institutions which have made much of the early running in Internet marketing. He exhibits the cannibalisation problem facing established traders who set up an Internet channel, and discusses the place of established brands in a virtual world. This leads to the fascinating (and documented) conclusion that multi-channel traders may get much better results from their Internet channel than Internet-only traders — a conclusion that McKibbin and other advocates of media integration will welcome.

If the Internet is still, relatively, a new medium for marketers, how shall we describe digital television, which is now arriving on our horizons? Neal Rimal-Muranyi, writing on interactive broadcasting, notes the offers by broadcasters of *free* set-top boxes, expecting this to unlock the cost barrier to early adoption, and goes on to discuss the concept of digital television and its likely impact on targeting, both through its interactive possibilities, and the availability of anonymised viewing data.

John Groman's piece on value gap marketing is concerned with the methodology of handling information, rather than the implications of technological development. He asks how we can evaluate customer profitability, taking into account future potential as well as past spending patterns. Past spending by a customer on a product category with one supplier is 'a piece of the pie': we can't

predict potential future value unless we know the size of the whole pie. The article concludes with examples of value gap marketing in practice, drawn from the charity, banking and credit card sectors.

Stewart Pearson is the second of our contributors whose article ('Strategic Route Maps for the 21st Century') was originally given orally — also at the 1999 IDM/Royal Mail Symposium. We thought it worthy of the more leisured consideration that the printed word makes possible.

Over and above our refereed papers, we have established one or two semi-regular slots in the journal. In one of these we hope to deal with best practice in this or that sector of our industry. This quarter the slot is filled by Neil Mellor of BT, who writes of the characteristic types of involvement with e-commerce exhibited by traders. He then explains BT's own experience — with the setting up of an intranet, the establishment of an award-winning website, and the involvement of the company's supply chain in the Internet.

Next in line is our Legal and Regulatory Update. Past years have seen our industry locked in prolonged (and expensive) battles in Brussels, first over the Data Protection Directive and then over the Distance Selling Directive. Thanks to the concerted efforts of European DMAs, and their federal body FEDMA, the most destructive provisions of these original directives were excised at the draft stage. However, the real world doesn't stand still waiting for legislators (even in Brussels). So we now have the spectacle of new marketing media being theoretically subject to the provisions of legislation designed without thought for those media. Of course, the industry's self-regulatory regimes will also have to provide for the new environment, but, as the industry has always passionately argued, self-regulation is a much more flexible instrument than legislation. Those who failed in the past to understand this point are about to be faced with its reality. Michael Chissick, in this issue, deals with some of the points arising, and with new emerging legislation on e-commerce. For further developments watch this space.

That's all for original material: the rest of the issue surveys contemporary publications across the whole spectrum of interactive marketing. Our Abstracts section contains abstracts (and brief assessments) of 28 articles from 25 magazines and journals, covering 19 titles from five countries. Readers can order through the IDM complete articles in which they may be interested (see p 197). We would be glad to hear from readers of any titles that we should, but are failing to, cover.

We have reviewed four recent books. The first two of these (*Unleashing the Killer App* and *The New Marketing Era*) are both concerned with aspects of the new technology, and could scarcely be more different in style and approach; both are, nonetheless, highly recommended by their reviewers. Our third title (*Improving Marketing Effectiveness*) is enthusiastically received; our fourth (*Relationship Marketing*) has had a cooler reception in these pages. Readers have had a foretaste of the former in last quarter's article by its author, Bob Shaw.

And we conclude with the feature Marketspace, a round-up of current market statistics, and our regular Diary of forthcoming events of international significance.

We would like to thank those of our readers who have written encouragingly to us, and to remind the many more who have not that this journal is about *interactive* marketing: we really would like to hear from you, to debate, to *interact* with you. Happy reading.

Derek Holder and Robin Fairlie