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Abstracts

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

Call centres

Call of the very wild

T. Phillips

JOURNALISTIC. *The Guardian* (UK) Online, p. 10, 19 August 1999 (1p.)

Relates the frustration and rage of consumers faced with call centre systems designed to minimise company costs rather than to assist customers, and with e-mail numbers that don't reply. Asserts technology is being exploited at customer expense. Suggests human contact may be necessary even when selling over the Internet — hence 'phone me' button on some websites. Reveals advent of software which 'guesses' at the meaning of e-mails, and replies automatically. Lists six examples of 'the good, the bad, and the ugly', from First Direct (good) to Amex (ugly).

Says some of the things that, as consumers, we all know too well, and that, as business people, we prefer to ignore — especially in relation to our own companies.

Research: * Practice: **** Originality: *** Readability: ****
(Full text available free of charge at www.guardianunlimited.co.uk)
Ref: 1301

Computer networks, Internet, hacking, data communications, telecoms

Networking's e-volution

V. Jayne

JOURNALISTIC. *NZ Business* (New Zealand), Vol. 13, No. 4, p. 48 (3pp.)

Notes the growing use of networking and the Internet in New Zealand — especially in business-to-business e-commerce — helped by the simplification of the technology from the user's point of view. Looks at security issues; mentions an Australian survey revealing that over a third of respondees had suffered costly intrusions from hackers. Considers software available for protection. Looks at the possibility of a merging of voice and data communications, and considers the advantages and disadvantages of such a development.

Nothing new for techno-freaks, but a gentle introduction to what networking is about for the still-ignorant. And the voice/data conundrum is interesting.

Research: * Practice: *** Originality: * Readability: ***
Ref: 1302

**Internet, Microsoft,
telephone pricing**

The race is on to spread the Net as it comes of age

A. Kaletsky

JOURNALISTIC. *The Times* (UK), Business Section, 21 September 1999, p. 31 (1p.)

Notes the UK Cabinet Office's 'down-to-earth' report on e-commerce, and Sun Microsystems's announcement of a free clone for Word, Excel and Access, as signalling the Internet's coming of age. Holds that as the marginal cost of producing and distributing software approaches zero, prices should fall towards zero; this has been prevented by monopolistic 'churning' practices by guess who. Opines that this game may now be up. Suggests that Microsoft, Cisco, Intel *et al.* will find profit margins (now up to 40 per cent) dwindling as technology stabilises and competition bites. Urges that UK should raise telephone connection and maintenance costs and abolish call charges.

A short but typically clear-eyed article by this outstanding economic journalist.

Research: ** Practice* Originality: ** Readability: ****
(Full text available free of charge at www.the-times.co.uk)
Ref: 1303

**Internet, business-
to-business,
purchasing, e-mail**

Responses to general enquiries via the Internet: Targeting the organisational decision makers

F. Frost, B. Mathews and M. Evans

EXPERIMENTAL. *Journal of Targeting, Measurement and Analysis for Marketing* (UK), Vol. 7, No. 4, p. 374 (12pp.)

Relates the results of a business-to-business query sent (in December 1997) by e-mail (or by online form, directly through the website) to 58 companies advertising on the Internet. One-third of enquiries were ignored. Responses to the others came via a variety of media — e-mail, post, fax, telephone. E-mail replies tended to be short and fairly quick (average 2.6 days), and sometimes followed up by post ('despite the fact it would be cheaper and quicker to send the same information electronically'). Telephone responses averaged eight days, and post 12 days. Considers the implications for marketers — such as the need to have the capacity to deal with the volume of traffic generated by a website. Looks at the question of access to e-mail and the Web within an organisation as this affects the buying process.

A small sample looked at (in Web terms) a long time ago. Has anything changed?

Research: *** Practice: ** Originality: ** Readability: ***
Ref: 1304

**Internet, retailing,
buying, agents**

Smart commerce: The future of intelligent agents in cyberspace

P. Maes

THEORETICAL. *Journal of Interactive Marketing* (US), Vol. 13, No. 3, p. 66 (11pp.)

Analyses the buying process in terms of need identification, product brokering, merchant brokering, negotiation, purchase and delivery, and

product evaluation and service. Shows how agents (in the form of software) can automate the first four. Deals with agents specific to a seller, agents available to any user, and the implications of each. Discusses the benefits and disbenefits, for retailers and consumers, of automated comparison shopping. Emphasises problems of trust and privacy. Looks ahead to integration of agent technology with mobile computers, and at issues of standards and interoperability. Opines that e-markets will soon be ubiquitous, with agents automating much of the buying process.

A funny mixture of the trivial (do you really need a piece of software to tell you what books you want to read?) and the mind-blowing (cartels of customers' automated agents negotiating a bulk discount on car purchase). Some of it doesn't matter much, and some won't happen — but quite a lot does and will. Retailers, be warned and beware.

Research: ** Practice: *** Originality: *** Readability: ***
Ref: 1305

Internet, e-commerce

The Internet shopper

N. Donthu and A. Garcia

SURVEY. *Journal of Advertising Research* (US), Vol. 39, No. 3, p. 52 (7pp.)
Recounts a survey of 122 US Internet shoppers and 668 Internet users but non-shoppers. Recalls that, as shown by other surveys, Internet users are typically young, white, male, well-educated and well-off; 40 per cent of users report shopping as a primary use of the Web; and Internet shoppers now number 20 million. However, survey finds that Internet shoppers are in some important respects different from non-shoppers: in particular they are older — nearer 40 than the mean of 35 for all Internet users, or 32 for non-shoppers. They are also more convenience-seeking, impulsive and innovative, less risk-averse and less brand and price conscious. They have a more positive attitude to advertising and direct marketing.

A small and perhaps scarcely conclusive study — but its results, if confirmed, are interesting, important, and not at all obvious.

Research: *** Practice: *** Originality: *** Readability: ***
Ref: 1306

E-commerce, consultancy, Internet

My, what big Internet numbers you have! The better to hook you with my dear

D. Roth

JOURNALISTIC. *Fortune* (US, published in Switzerland), Vol. 139, No. 5, p. 48 (5pp.)

A somewhat cynical look at the world of new media research in the USA. Focuses on two leading players — Forrester Research and Jupiter Communications — and concludes that they issue forecasts about e-commerce as a means of creating fear of being left behind, thus drumming up consultancy business for themselves. Looks at the research methodologies behind the hyped-up press releases, and

concludes that they are thoroughly subjective, consisting mostly of guesswork expressed in numerical terms. Lists ten leading Internet consultants, each employing between nine and 800 analysts; quotes 'recent scary pronouncements' by each.

A classic instance of the obsession of American business with the pseudo-accuracy of numbers, however derived. Which doesn't mean the 'scary predictions' are wrong in principle, while certainly inaccurate in detail. But beware of consultants.

Research: ** Practice: ** Originality: ** Readability: ***
Ref: 1307

Amazon, Barnes and Noble, bookselling, retail, Internet

Title fight

N. Munk

JOURNALISTIC. *Fortune* (US, published in Switzerland), Vol. 139, No. 12, p. 58 (7pp.)

Describes the continuing battle between Barnes and Noble and Amazon — from the viewpoint of the former. Relates how Amazon, with sales of \$600 million (given as 2 per cent of the US book market) and 8.4 million registered customers at end-1998 was 'worth' seven times more than Barnes and Noble, with sales of \$3 billion (given as 15 per cent) but only 1.7 million registered customers. Amazon sells 75 per cent of all books ordered online, Barnes and Noble 15 per cent. Describes the history of Barnes and Noble and its founder, Leonard Riggio, and how he is fighting back in a market which appears to be static.

This is the classic Internet assault on an established conventional business: it might be a signal for the death of retail as we know it — or it might not. Even on this particular fight, the jury is still out.

Research: ** Practice: ** Originality: — Readability: ***
Ref: 1308

Banking, Internet, ethics, Co-op

The future of commercial banking — the Internet, stakeholders and ethics: A case study of The Co-operative Bank

P. Thompson

CASE STUDY. *Journal of Financial Services Marketing* (UK), Vol. 3, No. 4, p. 316 (18pp.)

Contends that new technology, and particularly e-commerce, threatens the existence of commercial banks in their present form. Holds that there is also a public revolt against lack of ethical soundness in banking. Looks at the efforts of The Co-operative Bank to re-invent itself in the 1990s by adopting an ethical policy statement in 1992, and the classic niche marketing effort that accompanied it, followed by its ecological mission statement in 1996. States that The Co-operative was the first bank to offer Internet banking, and now has an interactive home banking service via Sky. Relates the bank's partnership approach to stakeholders from 1997. Indicates measures of success for these policies and asks whether the attitudes involved may become a blueprint for commercial banks — and other enterprises — across the world in the 21st century.

The Co-op Bank may not itself set the world on fire — but there is a real possibility that it is blazing a trail that others will follow.

Research: ** Practice: ** Originality: ** Readability: ***
Ref: 1309

Advertising, Internet

Survey of Internet users' attitudes toward Internet advertising

A.E. Schlosser, S Shavitt and A. Kanfer

SURVEY. *Journal of Interactive Marketing* (US), Vol. 13, No. 3, p. 34 (21pp.)

Recounts a survey of some 400 US Internet users regarding their attitudes to Internet advertising (IA). Respondents tended to be male, young, white, well-educated and affluent. A further sample with similar demographics was asked the same questions about their attitudes to general advertising (GA). Records the 17 attitudinal questions used, designed to indicate perceptions of utility, indignity, trustworthiness, effects on pricing, and need for regulation. Fewer people like IA than GA overall; however, on most detailed issues IA scored significantly better. Speculates that much of the difference is due to the interactive 'pull' nature of IA versus the 'push' of GA.

The conclusions about the difference in attitudes to Internet and other advertising are interesting and not obvious, but could equally well have been given in a quarter of the space used.

Research: *** Practice: ** Originality: ** Readability: **
Ref: 1310

Advertising, measurement, loyalty, commitment

Advertising, brands and loyalty: Making and monitoring the link

J. Mundell

THEORETICAL. *Journal of Targeting, Measurement and Analysis for Marketing* (UK), Vol. 7, No. 4, p. 349 (10pp.)

Asserts that traditional attempts to measure advertising effectiveness are vitiated by an inability to credibly link advertising exposure to consumer behaviour. Measurements of loyalty based on past purchases (which tell little about the future) or stated future intentions (which are unreliable) or consideration sets (which are a blunt instrument) are considered and rejected. A model of consumer-brand relationships is introduced (Hofmeyr's conversion model) which seeks to differentiate between loyalty (which looks backward) and commitment (which looks forward). Claims commitment is based on four factors: satisfaction, involvement, attraction of alternatives, and extent of ambivalence. Divides all users of a brand into segments (entrenched, average, shallow and convertible) according to strength of commitment. Non-user segments are described as available, ambivalent, weakly unavailable and strongly unavailable. Asserts that a given advertisement may have quite different effects on each of these different segments, and that an ad which is an apparent failure in traditional awareness terms may still succeed with an important segment. Illustrates from a particular

example. Suggests this methodology is an adjunct to, rather than replacement for, traditional methods.

A suggestive article clearly written. The one example given is not exactly compelling, but the ideas are worth thinking about.

Research: ** Practice: *** Originality: ** Readability: ***
Ref: 1311

CRM, ERP, Internet

Software review: Customer relationship management systems — an idea whose time has come?

N. Hewson

REVIEW. *Journal of Targeting, Measurement and Analysis for Marketing* (UK), Vol. 7, No. 4, p. 408 (6pp.)

Asserts that in Europe only 2–3 per cent of companies have fully integrated customer relationship management (CRM) across all channels; in the US the proportion is higher but still in single figures. Compares the growth of CRM systems with that of enterprise resource planning (ERP). Suggests that systems-based customer management is inevitable, with the Internet being a further driving force in this direction. Holds that in most companies no underlying infrastructure supports Internet activity; while companies can now ‘get away’ with this, the arrival of the ‘analytical buyer’ who does not wish to be sold to, but to initiate his/her own buying process, will change this. For most companies customer management has happened within ‘functional chimneys’, whereas CRM demands a strategic viewpoint devoid of turf issues and short-term business demands.

A brief, readable glance at probable developments that are achingly slow to arrive in the real world.

Research: — Practice: ** Originality: ** Readability: ****
Ref: 1312

Customer relationship management

Profiting from customer management

P. Hawkes

THEORETICAL. *Journal of Database Marketing* (UK), Vol. 7, No. 1, p. 46 (7pp.)

Asserts that there are six key building blocks of customer management: the current and potential profitability of a customer; customer understanding; the design of benefits; the process of managing customer interactions; management of data; and creating a suitable company infrastructure. Product profitability plus customer behaviour equals customer profitability; customer understanding is dependent on considerations of customer perception of value, and on timing; building benefits should be done in cooperation with customers; interactions are of different types — customer-initiated, statutory, regular, and *ad hoc*; data, properly handled, becomes first information and then actionable knowledge; a proper infrastructure demands a change of mind-set from maximising product sales to delivering customer value — which requires cross-functional cooperation. Concludes that planned company

transformation is essential, but that doing everything at once should be avoided: to transform while still managing the current business is tough.

A low-key and not very exciting exposition runs the risk of not forcing home its message, which contains much common sense and is in danger of becoming the new orthodoxy.

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

Ref: 1313

**Customer
relationship
management,
loyalty, smart cards,
retail**

Relationship marketing and customer loyalty in retailing

M. Stone and C. Field

SURVEY. *Journal of Database Marketing* (UK), Vol. 7, No. 1, p. 60 (21pp.)

Asserts that the 'epidemic' of loyalty schemes attempt to manage rewards within mass-market norms while delivering some benefits of personal treatment. Looks at customer relationship marketing via loyalty cards in UK retailing — Sainsbury, Homebase, Tesco, M&S, Safeway. Suggests that the stronger the underlying service and the greater the loyalty, the less the need for a card — instancing M&S, whose card carries very few benefits. Stresses that loyalty cards are very public: 'every home should have one'. Looks at new developments in Boots (smart card) and WH Smith (first online loyalty card, and 'the most sophisticated in Europe'). Examines Shell's SMART — a multi-company exercise. Glances at continental schemes, in Holland (Albert Heijn), Belgium (Delhaize), France (Galeries Lafayette), Sweden (ICA Handlarnas), Finland (K Group) and Switzerland (Loeb). Concludes that overall 'the jury is still out' on loyalty schemes. Many suffer from the 50 per cent rule: 25 per cent inactive and 25 per cent rarely active. Holds that they need improvement in helplines and good staff to make them work. Expects most retail loyalty schemes to be smart card based in two to three years.

A very thorough (if slightly wordy) survey, from which nearly everyone will learn something new, of UK loyalty schemes, with some continental comparisons. Omits to mention that the UK is the world leader in smart card development.

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

Ref: 1314

**Marketing
communications,
integration,
relationship
marketing,
taxonomy**

Integrated marketing communications requires a new way of thinking

B. Hartley and D. Pickton

THEORETICAL. *Journal of Marketing Communications* (UK), Vol. 5, No. 2, p. 97 (10pp.)

Claims that there is a generally accepted need for integration of marketing communications: 'an old idea which has rarely, if ever, been realised'. Notes increasing levels of agency specialisation, in communications strategy, PR, corporate identity, branding, packaging, direct mail, sales promotion, DRTV, telemarketing, and sponsorship. Suggests recent

emphasis on integration is largely rhetorical. Examines practical problems in the way of integration: the taxonomy and language of marketing; its practitioners' mind-set; organisational structure; limited view of what integration involves. Concentrates on the first of these, holding that language conditions mind-set: these must be corrected before the other issues can be tackled. Suggests a primary division between personal and non-personal communications, and then a three-way division between corporate communications management, marketing communications management and customer contact management.

If you are nervous of academic articles that talk about taxonomy, take heart. This is a modest article with sensible things to say, clearly said: specifically that if we can't get our language right, both our thought processes and our organisational structures will suffer. Its deceptively simple solution is worth thinking about.

Research: * Practice: *** Originality: **. Readability: ****
Ref: 1315

Relationship marketing, business to business, food industry, Denmark

Implementing, monitoring and measuring a programme of relationship marketing

A. Lindgreen and I. Crawford

CASE STUDY. *Marketing Intelligence and Planning* (UK), Vol. 17, No. 5, p. 231 (9pp.)

Claims to be the first in a series of case studies designed to understand how to implement relationship marketing, monitor its outputs, and measure its returns. Looks at a fast-growing Danish business-to-business food company which, in the early 1990s, was losing 20 per cent of its customers per annum. Recounts a process consisting of a design phase (holding focus groups with 140 customers out of 4,000, and sending a questionnaire to all customers), an implementation phase (setting up project teams, training staff, building customer communications and customer trust), and an assessment phase (measuring customer loyalty, customer retention, customer share and employee satisfaction). Reports a decrease of customer losses from 20 per cent per annum to 6 per cent. Claims (a little inaccurately) that this increases average customer lifetime from five to 20 years. Looks forward to extension of relationship approach to suppliers as well as customers.

Skip quickly through the first two-and-a-half pages of academic flimflam; the case study itself is interesting, as is the idea of generalising from the findings of a series of case studies.

Research: *** Practice: *** Originality: ** Readability: **
Ref: 1316

Marketing mix, personalisation, relationship marketing

The personalised marketplace: Beyond the 4Ps

R. E. Goldsmith

THEORETICAL. *Marketing Intelligence and Planning* (UK), Vol. 17, No. 4, p. 178 (8pp.)

Claims that many advanced economies have moved gradually away from manufacturing towards service provision; this entails a change in

marketing attitudes. Holds that the concept of the 4Ps (product, promotion, price and place) derives from a manufacturing-based vision; the theory needs now to be updated to take account of services marketing. States that services marketers now take account of 7Ps — the original four, plus personnel, physical assets and processes. Expresses the view that to these should be added an eighth P — personalisation — which envisages producing products, or promotions, or prices, or distribution methods (or any combination) tailored to the individual customer. Suggests that the Web is ‘the prototype of personalisation’, but admits that personalisation will not be applicable to all product categories.

For anyone whose marketing thought is still circumscribed by the 4Ps (and who enjoys thinking in simplistic categories of this kind) this is a modestly interesting pedagogical interpretation of what one-to-one marketing is all about.

Research: — Practice: ** Originality: ** Readability: ***
Ref: 1317

One to one, globalisation

Godzilla meets Antz

R. White

JOURNALISTIC. *Admap* (UK), March 1999 p. 44 (3pp.)

Looks at early post-war predictions of corporate growth, multinationals and globalisation, now apparently being fulfilled, and asks how the mega-corporation can cope with the world of fragmenting media, fragmenting markets, and the sophisticated and empowered consumer. Argues that marketing ‘push’ must give way to advertiser/consumer/advertiser feedback. Claims that one to one is not enough: profiling, clustering, segmenting and grouping of customers (and still more of potential customers) is still essential. But suggests that those corporations which have not understood new consumer power, and the consequences for consumer marketing, are doomed — the more so for their very gigantism.

A short, racy, readable, but still intelligent look at the colliding worlds of mass-market corporations and individualised consumers.

Research: — Practice: ** Originality: ** Readability: ***
Ref: 1318

Segmentation, direct mail, direct marketing, communication channels, one to one

Adapting DM analysis and segmentation practice to the challenge of one-to-one marketing and multi-channel communications

R. Webber

THEORETICAL. *Journal of Targeting, Measurement and Analysis for Marketing* (UK), Vol. 8, No. 1, p. 21 (13pp.)

Notes that expertise in the practice of targeting and segmentation for marketing was originally the preserve of direct mail practitioners. Holds that direct mail is now increasingly subsumed within the wider scope of one-to-one relationship marketing, which in turn is increasingly practised by companies with multiple customer contact channels. Considers the

problems that arise when direct mail and retail are treated as totally separate channels which do not intercommunicate. Argues that customer/prospect segmentation should be available on all incoming channels (shops, call centres etc) as well as all outgoing; suggests a methodology whereby the assistant/operator is presented on-screen for any given customer with a contact strategy derived (by a set of computer-coded rules) from a full set of known customer data (including data about contacts made, channels used, complaints). Touches on problems of communication between transactional and promotional databases, updating frequency, name and address matching, and analysis of the consequences of a given customer management strategy.

This article is an important, and at times original, statement of what integrated marketing ought to mean — all communication channels working from common data to deliver the most individualised contact strategies possible. Implementation will be less easy than the lucidity of this presentation might possibly suggest.

Research: * Practice: **** Originality: **** Readability: ****
Ref: 1319

One to one, customisation

Is your company ready for one-to-one marketing?

D. Peppers, M. Rogers and B. Dorf

EVALUATION. *Harvard Business Review* (US), January–February 1999, p. 151 (10p.)

Recognises that not every company is equally capable of successfully making a full commitment to all aspects of one-to-one marketing. Maintains that even small incremental changes in this direction can be highly beneficial. Defines four steps in one-to-one marketing: identifying customers; differentiating between customers in terms of value and needs; interacting with customers; customising the enterprise's behaviour towards customers so as to meet individually expressed needs. Indicates that each of these steps is progressively more difficult/expensive than the last; suggests possible strategies for getting started on each step. Recommends analysing where the reader's organisation stands in relation to each step, by administering a questionnaire to different groups of employees and to customers.

A fairly anodyne, easy-to-read piece for anyone still unfamiliar with the authors' thesis. This article won't teach you anything specific, but may set newcomers to relationship marketing thinking. Not quite what one expects from this prestigious journal.

Research: — Practice: ** Originality: ** Readability: ***
Ref: 1320

**Database marketing,
lifetime value****Reducing your risk: What's happening in retail database
marketing***S. Koslowsky*THEORETICAL. *Direct Marketing* (US), January 1999, p. 40 (4pp.)

Looks at a variety of strategic techniques available to the retail marketer, including concentration on customer potential, share of wallet, attrition rates, cross-selling, and lifetime value. Provides constructed examples of how each of these concepts can be used in practice to achieve improved results.

The techniques examined apply equally to all forms of database marketing. The discussion of lifetime value is particularly useful because this concept is still so little used.

Research: * Practice: *** Originality: * Readability: ***
Ref: 1321

**Database marketing,
retailing, pricing,
segmentation****Leveraging customer databases for strategic marketing advantage
in the retail industry***A. P. Joseph, C. Lackman, A. G. Peace and G. Tatar*STRATEGIC. *Journal of Database Marketing* (UK), Vol. 7, No 1, p. 53 (7pp.)

Advocates the use of database marketing as a strategic tool for retailers looking to improve market penetration, market development, product development and diversification. Advocates the use of differential pricing according to the value of the individual customer, via proprietary shopping cards linked to a database. Also looks at 'straddle pricing' — where the shelf price is higher than the competition, but the price to the cardholder is lower. Distinguishes, in relation to the customer database, between data and information; expatiates on the need for (and the difficulty of) creating synergy between IT and marketing; notes the difference between transaction (or shopping goods) buyers and relationship buyers, and the use of segmentation in making this vital distinction.

Almost everything in this article could have been written 30 years ago — but retailers were not listening then: it is to be hoped they are now. Sadly, those that most need to hear the message are unlikely to be reading the medium in which it appears.

Research: * Practice: *** Originality: — Readability: ***
Ref: 1322

**OLAP, database
marketing****Benefits and pitfalls of using OLAP tools in direct marketing***C. Connor and A. Deseure*SURVEY. *Journal of Targeting, Measurement and Analysis in Marketing* (UK), Vol. 8, No. 1, p. 34 (10pp.)

States that OLAP (online analytical processing) tools are about providing for non-technical, non-statistician users the fast and timely transformation of data into information by supplying, on a point-and-click basis, multi-dimensional reports. Explains that data for OLAP processing are held in a 'cube'; gives

an example of a six-dimensional cube capable of answering such questions as who has sold how many of what to whom and when. Explains that an OLAP cube could hold, in one simple example, 900,000 combinations of data, from which the user can call up any one quickly. Cautions that although OLAP tools are easy to use, expert help is required in setting them up. Explains how OLAP tools relate to spreadsheets, statistical packages, and data-mining tools. Describes the use of OLAP in assessing campaign effectiveness. Considers how to choose a proprietary tool; lists 15 suppliers.

A clear and sensible discussion of a facility that sounds much more user-friendly than its ghastly acronym might suggest. Marketers suffering from data overload and information scarcity should be interested.

Research: ** Practice: **** Originality: * Readability: ****
Ref: 1323

**Data mining,
CHAID,
discriminant analysis**

Direct marketing, data mining and decision trees: Comparing the effectiveness of analytical methods

D. G. Clarke, W. R. Swinyard, E. Ashman and M. R. Oveson
THEORETICAL. *Journal of Targeting, Measurement and Analysis for Marketing* (UK), Vol. 7, No. 4, p. 387 (21pp.)

Looks at the wide variety of methodologies available for database segmentation. Notes a classification of 12 different tool 'types', each containing many examples. Proposes a simplified environment in which to compare three of these: CHAID, discriminant analysis, and XCT (extensive cross-tabs) — this last to represent more recent and esoteric data-mining tools. Uses an analysis sample of 100,000 US households with response data to a calling programme, and a field sample of 600,000 households as the basis for comparison. Concludes that the advantages found for XCT lie largely in the identification of small-size high-response cells whose actual performance in the field is variable. Allowing for this, the performance of the different tools surveyed is very similar, although XCT still has a slight edge. However, notes also that sophisticated data-mining tools are expensive to buy or create, and may result in segmentations that are complex to manage, while the segmentation outputs that they produce are neither intuitively intelligible nor managerially informative.

The argument is probably best left to statisticians; the conclusions are good news for those who prefer to keep things (relatively) simple.

Research: **** Practice: *** Originality: ** Readability: **
Ref: 1324

**Digital
communications,
interactive TV, home
shopping, retail**

The impact of digital television: Will it change our shopping habits?

N. Wade and S. A. McKechnie
SURVEY. *Journal of Marketing Communications* (UK), Vol. 5, No. 2, p.71 (14pp.)

Looks at the present extent of home shopping in the UK (£8bn in 1997) and considers what the likely impact of digital TV may be in making possible interactive home shopping via television. Holds, with Schwartz,

that people watch TV primarily for entertainment. Notes that existing viewers with access to multiple channels do not make extensive use of them. Indicates complications of additional hardware and either incompatible systems or the adoption of UK standards which might be even more restrictive in the long term. Suggests that trials of interactive TV so far have been less than dazzling, and that consumer demand is not overwhelmingly apparent. Describes a postal survey of 27 UK retailers, a face-to-face questionnaire delivered to 100 consumers, and in-depth interviews with ten of these, as well as an interview with the MD of QVC. Concludes that digital TV is unlikely to make great inroads on retail sales in the near future but may hit traditional mail order, and thus affect some sectors more than others.

A sober, unhyped piece, sensibly if unexcitingly written. But the research samples are tiny, and consumers' views on what they might do in unfamiliar hypothetical circumstances are notoriously unreliable. The authors' views are worth considering, but may very well be wrong.

Research: *** Practice: ** Originality: ** Readability: ***
Ref: 1325

EU, directives, cross-border, e-commerce

Cross-border direct marketing and e-commerce in Europe: Some regulatory hints

A. Caparros

SURVEY. *International Journal of Customer Relationship Management* (UK), Vol. 2, No. 1, p. 73 (7pp.)

A run-down on the current state of play in Brussels by the director of EU affairs for FEDMA. Points out that EU directives in direct marketing seek either to facilitate cross-border traffic, or protect consumers/privacy, or both. Looks at the 1995 Data Protection Directive, the 1997 Distance Selling Directive, the proposal for a Financial Services Directive, the 1997 Broadcasting Directive, the 1997 Telecoms Directive, and the principle of country of origin control within the proposed Directive on E-commerce (on which there is some good news, and some not so good).

Not a thrill a minute to read — but a valuable update on where we're at and where we may be going in regulatory terms.

Research: ** Practice: ** Originality: * Readability: ***
Ref: 1326

Brands, brand reality, value chains

Out of the shadows

A. Mitchell

THEORETICAL. *Journal of Marketing Management* (UK), Vol. 15, Nos 1–3, p. 25 (18pp.)

Holds that companies, to apply the concept of brand reality, must first unlearn some deep-rooted assumptions about brands and branding. Compares traditional attitudes to branding with the shadow experience of the prisoners in Plato's cave. Deplores the identification of brand with product, with packaging, with advertising, with facade management,

with the emotional selling point. Proposes instead four principles: a vision of brand reality in which the brand is represented by the whole organisation, which 'walks the talk' and 'lives the brand'; a move from managing a facade to managing the customer interface at every point of contact; the end of the idea that the sale is everything in favour of a 'contract-plus' approach to customers and staff alike; a recognition that brand perceptions are created not only by organisations but by entire value chains, incorporating all stakeholders.

This article is a must for all marketers — brilliantly written, bringing together, from the perspective of branding, a great deal of current thinking on the proper place and function of marketing. (See also Chris Macrae's editorial in the same journal, abstracted in our last issue.)

Research: * Practice: **** Originality: **** Readability: ****
Ref: 1327

**Brands, high-tech,
value chains**

What high-tech managers need to know about brands

S. Ward, L. Light and J. Goldstine

THEORETICAL. *Harvard Business Review* (US), July–August 1999, p. 85 (11pp.)

Asserts that brands are not just names slapped on products, nor relevant only to 'irrational' or 'emotional' consumer purchases, nor a logo, trademark, slogan or ad campaign devised by the marketing or sales department — but a relevant, credible and enduring promise of value made by the whole organisation, and supported by the whole value chain, to the end user. Asserts that failure to understand the purpose and value of branding is prevalent in high-tech companies; gives contrary examples such as Apple, IBM, Gateway. Recognises that high-tech companies tend to come and go quickly; building a promise that will be seen as credible and trustworthy requires persistence and consistency over time. Introduces the 'brand pyramid' of questions managers need to answer in order to develop a strong high-tech brand. Urges the move from a product-centric to a brand-centric business model.

Preaches many of the same lessons as the previous article by Alan Mitchell, but without the same revolutionary fervour or sense of a turning point. Worth reading nonetheless.

Research: * Practice: *** Originality: ** Readability: ****
Ref: 1328

**Charity, donations,
appeals, France**

Asking for less to obtain more

P. Desmet

CASE STUDY. *Journal of Interactive Marketing* (US), Vol. 13, No. 3, p. 55 (11pp.)

Looks at the effect, in a French charity, of varying the appeal scale (the alternative solicited donation amounts) in a direct mail appeal on response rates and overall funds raised. Recounts the use of a five-point scale against five alternative five-point scales addressed to five groups

of donors differentiated by frequency and monetary value of previous donations. Records mixed results with modest effects, positive and negative, on response rates and average donations. Concludes that the largest factor in donation size is previous donation size; also that regular donors are less affected by scales than irregular donors.

A disappointing, but important, result. Could a more radical test have produced different results? Are five-point scales too complex?

Research: *** Practice: *** Originality: ** Readability: ***
Ref: 1329

Charities, charity trading

Selling goods and services by charities: A clearer view of an emerging picture

P. Palmer, D. Wise and D Penney

SURVEY. *International Journal of Non-profit and Voluntary Sector Marketing* (UK), May 1999, p.121 (14pp.)

Looks at the total income of the voluntary sector, and the proportion of this that comes from sales and earned income. Describes a survey of 301 charities with income over £100,000; one-third on average from trading. Claims that, partly by trading, charities have increased their incomes despite the National Lottery. Looks at the prevalence of trading by subsidiary (to avoid tax), and at margins earned. Comments, however, that financial management and performance evaluation are unsophisticated. Records the hostility of the Federation of Small Businesses towards the perceived unfair competition of some aspects of charity trading. Rehearses some of the findings of the Commission on the Future of the Voluntary Sector (1996).

A good summary of the main issues surrounding charity trading.

Research: *** Practice: ** Originality: ** Readability: ***
Ref: 1330