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Alternative marketing philosophies

Theoretical-real-world bridges

A textbook, plus

Book Reviews

New Marketing Strategies

Ian Chaston

SAGE Publications; 1999; ISBN 0761962026; Imp covers; 256pp; £25.00

The status and role of marketing have been a hot topic in recent years. Some pundits would have us believe that marketing has become too important to the organisation to simply leave to the professional marketers. Others argue that process management holds the key to future success in securing customer loyalty. If a common thread can be detected running through much of this debate, it is perhaps an implicit warning to marketers that to compete successfully in today's highly competitive and dynamic globally driven marketplaces, a wider perspective and more flexible approach is needed than that contained within the rigid frameworks of traditional marketing models.

Ian Chaston's objective is to provide an additional framework — the benefits gained by a greater understanding of how market structure, corporate culture and business orientations can influence marketing processes and strategy. The author argues that adopting a more flexible approach to matching marketing processes to market circumstances provides a more effective route to business success. Set out in the first chapter are four alternative marketing philosophies built up around different styles that firms can adopt in their approach to marketing, and how these can be related to innovation and customer centricity. These four are then used at various points throughout the text to provide an additional dimension for discussing appropriate strategies within the various elements of the marketing mix.

The book covers all core factors which are key to developing effective marketing strategies — starting with a brief overview of how the theory or philosophy of marketing has developed. The other chapters follow a logical sequence, from a review of internal competencies necessary for success through to the impact of today's globalised markets. There are also specific chapters dealing with such areas as business-to-business and service marketing.

The text is packed with extracts from, or references to, other published work by leading exponents of marketing theory, reports, surveys and examples from case studies. As such, the author creates the bridges between the theoretical constructs and real-world experiences to underline the overall message that flexibility and pragmatism are critical to success.

This is essentially a textbook for students of marketing and business studies or for those involved in teaching and training. However, if more experienced marketers pass over the summaries of basic theory presented at various points in the chapters, they will find some interesting and useful perspectives to gaining a more lateral approach to planning. From the student's point of view, the book also provides a rich source of summarised constructs together with the source references for further reading and research.

The book covers a lot of ground in its 199 pages. While as a reviewer my task was to read it straight through, this is a text which

benefits from a careful and considered approach by the reader on a chapter-by-chapter basis to gain the maximum value from the often complex models and analyses the book contains.

Overall, this is a useful text for those engaged in marketing education, but it should be set alongside other specific texts covering marketing planning and processes. As always when looking at references, personal preferences are looked for and in this case there are some omissions in terms of other academic texts in these areas. A valuable addition to the chapters would have been a summary of the overall arguments and implications together with a look into the future. There are also a small number of irritating typos which should have been spotted at the proofing stage.

Not the last word

Peter Mouncey M IDM

General Manager, Group Marketing, Automobile Association.

Marketing de bases de données (Trans: Database Marketing)

Andrea Micheaux

Les Editions d'Organisation; second edition; 1997;

ISBN 2708120786; limp covers; 282pp; FF198

This is a primer for those who need to know about the role of the database in direct marketing — if the definition of a primer is that it takes you from zero knowledge to the point where you can contribute to a discussion about whether your business ought to have one. The author states that the book is written for aspiring and working marketing managers and directors — not for systems people or statisticians. Being written in French, what can it do for a monoglot Brit?

A database primer

MBDD (as the author herself abbreviates the clumsy title) is quite simply the best introduction to the subject I have read. But then I have not read many. Graeme McCorkell's magisterial *Direct and Database Marketing* is the obvious benchmark against which to measure any work in this field, but his book is MBDD's mirror image: the marketing guide that takes the reader on a tour of the database, while Micheaux doesn't even tour direct marketing and is content to establish how a database links up with marketing functions without enlarging on the latter.

The strengths of her book are manifold. They reside first of all in the clarity of language and thought. There is a complete absence of jargon; the prose is limpid and makes you think that your French is better than it is.

The subject is developed in a logical fashion. The first two chapters are devoted to the construction of databases: what goes into them, how to maintain and enhance them. Every so often, when things get a bit pedestrian, Micheaux startles with a sudden insight akin to wit, as in her *aperçus* about acceptable risk and uncertainty. At every stage she offers illustrations drawn from a wealth of experience and provides hints and warnings — as simple as recommending the use of virgin rather than overwritten tape for certain processes; as sophisticated as arguing about the merits of visual inspection as part of the validation process.

Clarity & logic

Segmentation

Chapter 3 deals with some of the segmentation and selection techniques which a properly constructed database can support: more succinct descriptions of regression, AID, CHAID, cluster analysis *et al.* will be hard to find, particularly combined with such an intelligent commentary on the capture and weighting of qualitative data.

Product v. customer

Chapter 4 is the most marketing-orientated section, in which the author makes an interesting distinction between product-based life cycle marketing (her example is Pampers) and customer-based life cycling, and examines such concepts as cross-selling and lifetime values, with sidelong glances at neural networks and data mining. It is here that the work shows its age: three years is a long time in marketing: one to one hardly rates a mention, nor does the Internet and its wonders. Worse, an example drawn from the world of fulfilment talks about three weeks between order and delivery. Maybe she did her research in the UK.

Investment & ROI

All is forgiven when we come to Chapter 5, where the difficult questions of how much to invest in building a database and how to calculate the return on that investment are tackled head on. I haven't seen it done before in a book. Micheaux even sticks her neck out and suggests what sort of staff might be needed to get started. She is bold, and probably too optimistic.

So who will benefit? In the USA and UK very few people, unless they can read French and are prepared to make the effort. I believe an enterprising publisher could benefit by publishing the book in English, which would make it accessible to so many more readers. Even an old sweat such as myself has learnt something, be it only that the official French for cohabitation is the more evocative '*concubinage*', and that the translation of 'confidence level' is '*taux de fiabilité*'. (I have never yet found it in a dictionary.) This is, of course, what MBDD is (among many other things): a wonderful phrasebook of databasic French.

Victor Ross, F IDM

Victor Ross is an international consultant in direct marketing, and a past chairman of The Reader's Digest Association Ltd

Marketing Pocket Book 2000

NTC Publications; 1999; limp covers; ISBN 1 84116 036 9; 176pp; pocket size £24 (plus £1.70 UK p&p)

The Marketing Pocket Book, published annually by NTC for the Advertising Association, has been around for quite a few years now, and it ought to be assumed that every marketing director has one at his/her elbow, while every account manager carries one in her/his pocket on each client visit. But this booklet is much more than just a media marketing tool. It's packed with fascinating statistics on incomes, consumer expenditure, demographics, time use, leisure activities, topics of conversation between family and friends (depressingly, TV programmes easily come top), grocery shopping habits, etc — as well as all the media expenditure data you would expect from the AA.

Statistics**When is advertising expenditure 'total?'****Direct mail growth**

I have had one major quarrel with this booklet for years past: it prints tables of what it describes as 'total advertising expenditure' which fail to include, or make any reference to, direct mail or door-to-door advertising although they include such relatively trivial items as outdoor, transport, cinema and radio advertising. (Is this the last bastion of above-the-line snobbery, or just a stubborn reluctance to change bad old habits?) Direct Mail and door-to-door (advertising media by any standards) have their own figures later in the booklet; telemarketing (whose advertising component it would admittedly be hard to separate out) is on yet another page, but without any expenditure data. (The DMA Census contains estimates.) Figures for direct mail expenditure are given from 1987, which serve to show that in the subsequent 11 years for which figures are available, direct mail expenditure has grown by 224 per cent (compared with 108 per cent for above the line) to some £1.6bn.

The Pocket Book concept doesn't stop there: we have now a European Marketing Pocket Book, a Geodemographic, a Lifestyle, a Regional Marketing, a Financial Marketing and a London Pocket Book, each with a different sponsor. These are all beautifully and imaginatively produced, and well indexed. Of course, some of the data are duplicated between different books, but personally I am proud to possess the whole small library: you won't have enough pockets to carry them all at once, but any one of them will enable you to finish a boring Tube journey much better educated than when you started, day after day.

Robin Fairlie F IDM

Best Practices in Customer Service

Ron Zemke and John A Woods (eds)

Amacom; second edition; 1999; A4; limp covers; 414 pp; ISBN 0814470289; £27.99; US\$39.95

This book has been designed to be used by a wide range of people within the customer service environment. It consists of 35 articles split into eight separate sections — a mix of case studies, theory and practical customer service tools.

The articles have been put together by customer service consultants and experts and cover a wide range of issues, from reasons why customer service is so important, through strategies and techniques to improve service within an organisation, to how the Internet can help as a customer service tool.

Mix of theory and practice

At the end of the book is a series of graphs documenting findings from the 1996 ICSA Benchmarking Study, a directory of customer service magazines, journals and newsletters, and a list of customer-service-related websites on the Internet.

This is a hefty tome. Its A4 size is imposing, and with 414 pages and relatively small print it is a long and sometimes tedious read. The articles are a mix of case studies and theory, but because there are so many within a given section it can be confusing — which one should I use? Which solution/theory is the most effective?

**Navigational
problems**

Most managers would be put off by the size alone. To try to overcome this problem the book includes a section on 'How to Use Best Practices in Customer Service' intended to help readers find what they are looking for based on questions they may ask. This is certainly some help but has two drawbacks:

- it only succeeds if the examples referred to in the guide match what the reader wants to know — where do you look if your particular concern is not covered?
- it can be ambiguous in its suggested reading material. For example, under the question 'How do I help my reps improve their ability to deal with customers?' it directs the reader to four articles, two of which are for improving telephone skills, but it does not mention article 15, 'Six Tools for Improving How You Deliver Service to Customers' by Rebecca L. Morgan, which is an excellent chapter and gives some of the best examples in the book.

The book's eight sections cover topics such as customer retention, practical models and methods for managing customer service, customer problems and problem customers, customer service on the front line, customer service and the Internet and customer service and the rest of the organisation.

**Eight sections,
each with
numerous articles**

Section one is an excellent introduction to 'What is Customer Service ...?' and why this concept is so fundamental to the success of a business. It also explains how an individual can affect/improve the organisation's way of operating, and tries to quantify the impact of customer service on the bottom line.

Section two — 'Practical Models for Managing Customer Service' contains some very long articles — some of them hard to grasp. There is repetition within the articles, as throughout the book: after one has read three or four articles in a particular section they start to mingle with one another and sound the same. The basic principles behind articles within a section quite simply *are* the same. Within section two there is a useful article about the Ishikawa diagram and the effective use of this tool. It refers to some excellent examples which illustrate how this tool can be utilised. Unfortunately, there is no mention of the Ishikawa tool within the table of contents!

Section four — 'Customer Service on the Front Line' — is a good example of how frustrating the book can be, while still providing some excellent reference material. Within its five articles, at least 50 per cent of the material is in some way repeated and only 10–20 per cent is at all new.

**Much
repetition ...**

Sections three and five were again similar, with some heavy-going articles and much repetition. Section six is a delight to read — only two articles, both much more original within the context of this book, and the HEAT approach is easy to adopt and sell. Section seven, on the Internet, is also inspiring.

**... but some
good material**

The final section again contained some more original theories — although selling the 'trapeze buddy' metaphor to improve internal cooperation between departments and deliver higher levels of service might prove difficult!

Positive points...

There are some very positive points to make about the book:

- there are some excellent articles
- most articles have practical guidelines on how to implement newly learned practices in the workplace
- there are some original ideas (for me) — eg section three, article 13, ‘The Power of Customer Care’ which explains the tripod of relationships among other things
- there are some excellent examples used throughout the book which illustrate very effectively how destructive poor customer service can be
- the articles are mainly lively and humorous
- there are some ‘off the wall’ ideas which some companies might well want to introduce — eg section four, article 16, ‘Maintaining Superior Customer Service During Periods of Peak Demand’, suggests a quote for telephone staff to use to help them cope in times of peak workload; ‘Congratulations — you got through at our highest-demand time. The customer service angels must really like you.’
- the appendices are interesting and useful.

... & negative comments

There are also some negative comments to make;

- the book is definitely not user-friendly; this is the biggest stumbling block to it becoming a really effective management tool
- too large — not a practical reference book
- too many articles which merge into similar messages
- structure prevents the reader from being selective
- difficult to know where to look for answers — fear that the best articles are somehow lost in the current layout
- not original material in lots of cases.

Philip Easterman and Helen Tomes
Philip Easterman is operations director of The Reader's Digest
in the UK, and Helen Tomes its customer relations manager

How to Measure Customer Satisfaction

Nigel Hill, John Brierley and Rob MacDougall

Gower (UK); 1999; ISBN 0566081938; £25.00; US\$43.95

This book is of the practitioner's how-to-do-it variety, and according to the cover is a ‘highly practical guide to developing and running an effective customer satisfaction management (CSM) programme’. All three authors are consultants with The Leadership Factor Ltd, and claim extensive hands-on experience working with clients in CSM.

The book leaps straight into the how-to of measurement. Beginning with exploratory research, it moves into sampling, survey options, maximising response rates, questionnaire design, rating scales, introducing the survey, analysing the results, benchmarking your performance, the internal survey and feedback. Then right at the end is a chapter on ‘satisfaction, delight and loyalty’.

A how-to book

The book is one of many on the subject and is in the middle of the pack. Taken collectively, there are two types of text — consumer behaviour books and market research books. This is very much one of the latter type. No time for philosophy, don't question the brief, just get out in the field and measure something.

Middle of the pack

On the positive side, there is good coverage of most aspects of research technique. Choice of rating scales is covered, and methods of getting a good volume of results. For a middle manager who has been told by the boss to get on with the job of measuring satisfaction, this book will undoubtedly get lots of data and help analyse them. It's a solid market research text.

Solid market research text...

However, satisfaction as a concept is coming in for serious re-evaluation. In the USA the debate has been raging for several years, and in Europe the larger market research firms are developing second-generation satisfaction surveys that reflect the new thinking.

Where has the new thinking come from? Mostly from consumer behaviour experts, and it is to that literature that you must turn to understand what is happening. The most prominent such text is simply entitled *Satisfaction*, by Richard Oliver (Prentice Hall, 1997). But simple it isn't, and many questions remain part-answered over the links between satisfaction, delight and loyalty.

...but...

So it's disappointing that it's only in the last chapter on 'satisfaction, delight and loyalty' that Hill, Brierley and MacDougall raise this fundamental issue. 'A question we are sometimes asked by managers is "Customer satisfaction is all very well, but does it make a difference ... does it make any difference to your behaviour as a customer whether you are satisfied or not?"'

is satisfaction enough?

The answers to these questions from research in the USA suggest that behaviour is not directly affected by satisfaction, and so leading-edge research should seek out the factors that do have a direct effect. Top market research firms, such as Research International, now base their methods on these modern approaches.

Does not address the modern agenda

Sadly, our authors do not address the modern agenda, and they show little sign of even having read the relevant literature. Instead they are dismissive of modern approaches, saying 'Intuitively, based simply on one's own customer behaviour, we all know that there is a link between customer satisfaction and loyalty.' The authors put trust in their own instincts rather than the vast amounts of consumer behaviour research that suggest the link between satisfaction and loyalty is indirect at most, and often simply absent.

Ten-year old model

Today a model over ten years old dominates the techniques and technologies of consumer satisfaction. If you want to join the ranks of those using this model, this is a good place to start. On the other hand, if you want to get the leading edge, skip this title, prepare for a long hard read of Richard Oliver (it's well worth the effort), and talk to a few of the leading research firms about how to link customer behaviour and satisfaction.

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