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Abstracts

The bold items in the margin describe the subject matter and are keywords for text retrieval. The final reference number under each abstract is also used for this purpose (see reprint service on previous page).

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- (1) depth of research
- (2) value in practice
- (3) originality of thinking
- (4) readability for non-specialists.

No abstract is included for any paper awarded less than seven stars overall.

Brands, Internet, integrated brand strategy

Succeeding with brands on the Internet

L. de Chernatony

THEORETICAL. *Journal of Brand Management* (UK), Vol. 8, No. 3, p. 186 (10pp)

Holds that brands, brand values and brand strategy should not be considered as different in an online from an offline environment, but that a new mindset for integrated brands in a digital age is required. Maintains that people read electronic content differently from print, and that frequent failure to complete online transactions comes from frustration at lack of interactive communication facilities. Considers reasons why existing companies have moved into cyberspace: some acted because they felt they had to, but did not change their offline custom of producing mere brochureware whose purpose was to *tell* customers. Others did so to save costs, failing to recognise that only added value will ensure repeat customers. A further group supposed that online customers had time to spare to surf the Internet. Categorises the classical branding model as assuming consumers to be *passive recipients of value*, whereas consumers on the Internet are *active co-producers of value*. Pleads for a looser form of brand control, encouraging and facilitating free customer discussion and even dissent. Gives several instances: in particular contrasts nextweekend.com (relaxed approach) with lastminute.com (tight control). Brand owners should not seek to manage market conversations, but merely to join in.

An easy read, some sensible thoughts, and an interesting look at one or two real-life examples to reinforce both positive and negative messages. Not, however, a source of major new insights.

Research: * Practice: ** Originality: ** Readability: ***
Ref: 3201

Brands, brand management, customer-centric marketing

The camel, the cuckoo and the reinvention of win-win marketing

A. Mitchell

VISIONARY. *Journal of Brand Management* (UK), Vol. 8, Nos 4/5, p. 255 (15pp)

Claims that brands and brand management are a product of the industrial age — a surrogate for human relationships; advertising is a surrogate for

dialogue, and market research for the learning process that results from dialogue. Represents brand management as a seller-centric monopoly, conducted by and for sellers, to or at consumers, and relying on a stimulus-response methodology. Holds that the arrival of the interactive electronic marketing age renders this model obsolete: today's brand manager must negotiate new divisions of marketing labour between buyers and sellers in what has become an increasingly buyer-centric marketplace. Quotes P&G's CEO as looking to 'the reinvention of branding and . . . marketing'. Discounts predictions of the death of branding, but expects a shift from brand messages to branded messengers, who add value by gathering and presenting information to and for the buyer. Claims that this change can end the huge wastage implicit in today's industrial-age marketing and recreate a win-win situation for tomorrow's buyers and sellers.

This paper is another sample of Mitchell's book (see also his paper in this issue) which was reviewed by Victor Ross in our last issue. Love his thesis or loathe it as you like (and at your peril) — but do not miss it.

Research: ** Practice: **** Originality: **** Readability: ****
Ref: 3202

Brands, brand building, Internet

Offline rules, online tools

R. C. Clauser

EDUCATIONAL. *Journal of Brand Management* (UK), Vol. 8, Nos 4/5, p. 270 (18pp)

Opines that as the Internet commoditises products and democratises companies, leaving the brand as the sole determining factor in purchase, branding becomes more, not less, important. Believes that the next generation of online shoppers will be less patient than the early adopters; they will want security, ease, comfort and delivery. Offers five 'rules' of brand building that apply offline, and studies each in turn, together with its online application. Gives positive and negative examples. First, choose a proper, unique brand name — not a category name (Amazon.com, not books.com). Secondly, maintain consistency of image and message across channels. Thirdly, use the enhanced ability of the Internet for data collection and analysis — simpler, more comprehensive and cheaper. Fourthly, build an emotional connection between brand and customers — by effective Web design and through online communities, personalisation and co-creation of content. Fifthly, deliver on promises: order taking, fulfilment and customer service are a much bigger part of the online than the offline experience, and fundamentally important.

The five 'rules' contain nothing very original or surprising: the value of the paper lies in its thoughtful application of well-tried concepts to the new Internet medium, and its carefully chosen examples of dos and don'ts.

Research: * Practice: **** Originality: *** Readability: ****
Ref: 3203

Brands, Internet**Assessing the impact of the Internet on brands***S. Chen*THEORETICAL. *Journal of Brand Management* (UK), Vol. 8, Nos 4/5, p. 288 (15pp)

Believes that the impact of the Internet on brands is neither simple nor clear-cut. Quotes survey evidence for and against the view that traditional brand management is out of date. Focuses on three areas that need to be taken into account in this discussion. First, maintains that brands play a number of different roles, depending in part on the type of product and the type of purchase involved. Claims B2B and B2C brands are differently affected. Distinguishes between considered purchase and impulse buying. Secondly, points to different Internet technologies (browsers and search engines, personalisation technologies and online communities); claims that it is misleading to speak of the Internet as a single phenomenon, and that different Internet technologies will have different impacts on brands. Thirdly, notes some secondary impacts of the Internet: additional supply-chain levels; disintermediation and reintermediation; integration and disintegration of firms' activities. Concludes that while some functions of brands may, to some extent, be replaced by Internet-based technologies, others cannot.

A careful, if unexciting, review of an area in which there is much sloppy thinking, and a dearth of hard evidence. This paper claims rather to point the direction of required research than to give any firm answers.

Research: ** Practice: *** Originality: ** Readability: ***
Ref: 3204

**CRM, call centres,
contact centres,
financial services,
data warehouses****A customer relationship management approach: Integrating the call centre with customer information***M. Meltzer*EXPOSITORY. *Journal of Database Marketing* (UK), Vol. 8, No. 3, p. 232 (12pp)

Looks at the process of migrating from call centres to contact centres, with particular reference to the experience of financial service providers (FSPs). Notes the repositioning of call centres as the front end of CRM solutions, and stresses the necessity of their integration with a data warehouse architecture. Claims that these developments have been faster in the USA than elsewhere. Criticises the inadequacy of IVR and cost-reduction exercises to replace humans by technology; call centres should support integrated marketing and provide quality customer service. Quotes the Henley Centre on 'a wholesale decline in customers' perceptions of service by the telephone', exacerbated by the move to centralised call centres which still only see a fraction of a customer's activity with the organisation. Recommends computer telephonic integration (CTI) with an online data store (ODS) — itself a subset of a scaleable data warehouse (SDW) — to overcome this problem. Gives an example of how this might work — but notes the added difficulty of monitoring callers posed by customer use of mobile telephony. Demands

that a contact centre (logically, but not necessarily physically, centralised) must be able to have a single view of a customer regardless of contact channel. Looks at use of SDWs in understanding customer value, segmentation, and relationship management.

Quite clear, albeit a bit repetitive, on what should be done, but, like most contributions on this subject, pretty reticent on how to do it. Gives only a passing mention to organisational implications.

Research: * Practice: ** Originality: ** Readability: **
Ref: 3205

**CRM, loyalty,
software**

Have we lost our way with CRM?

T. Masters

JOURNALISTIC. *Journal of Customer Relationship Management* (UK), Vol. 3, No. 4, p. 287 (4pp)

Asserts that CRM has become unduly entangled in considerations of software packages and organisational reorientation: this is expensive and may well be unprofitable. Advocates dividing customers into the currently profitable, the potentially profitable, the past profitable, and the others (perhaps 90 per cent). Suggests that a customer-focused strategy to create and enhance loyalty is appropriate for the first three groups, but that a traditional product-based strategy is suitable for the fourth. Claims that a customer relationship is about trust in the product, and resonance between customer values and brand values; nurturing this requires evolution, not revolution. Advocates loyalty research among the most profitable customers, and concentration of service, recognition and communication on them, while using existing infrastructure and product-based systems elsewhere. Recognises the need for a single database for market segmentation, but holds that CRM should be regarded as a selective high-precision tool rather than an indiscriminate product of overdeveloped software.

A modest piece, making a modest claim for a more modest approach to CRM. The critique of much current CRM practice rings true; the suggested remedy needs much deeper consideration if it is to carry equal conviction.

Research: — Practice: ** Originality: ** Readability: ***
Ref: 3206

**CRM, telephony,
contact centres**

Intelligent telephony and customer response management: The lynchpin of effective CRM

J. Burnett

ANALYTICAL. *Journal of Customer Relationship Management* (UK), Vol. 3, No. 4, p. 303 (9pp)

Claims that the essence of CRM is managing customer *response* — getting the points of contact right. Discusses the problems encountered in current contact centres in the context of telephone, e-mail and text-chat.

Commends the use of FAQs and customer self-service; recommends use of Web call-back, Web screen interaction and queue call-back. Deplores dot.coms' failure to integrate Web contact strategies with telephony. Quotes a company study showing customer conversion effectiveness ratio of 36:6:1 for call-me button, telephone and e-mail, respectively — due to customer 'self-qualification'. Claims that intelligent telephony systems can be rented, and installed quickly — either stand-alone, with an ASP, or in an integrated CRM system. Explains how Web call-back and queue call-back work in practice. Speculates on further uses of intelligent telephony — eg in advertising.

This breath of fresh air looks real problems in the eye and suggests real solutions. Every company with a contact centre should read this paper, and every consumer should insist its recommendations be implemented.

Research: *** Practice: **** Originality: *** Readability: ****
Ref: 3207

CRM, retail

Evolving the customer relationship management paradigm in the retail industry

J. Kenyon and M. Vakola

ACADEMIC. *Journal of Customer Relationship Management* (UK), Vol. 3, No. 4, p. 313 (20pp)

Claims a lack of research on CRM in retail, but a recognition of the need to change business management, marketing and management of customers and shareholders. Proposes a definition of CRM that embraces the integration of people (customers, employees and shareholders), process and technology. Holds that this integration requires centralisation of customer data, segmentation, investment in technology, employee training and possibly radical changes to organisational structure and culture. Looks in more depth at each of these requirements. Considers implications and barriers to CRM strategies. Proposes a 15-stage CRM strategy model (with iterations at some stages). Concludes that 'retail dinosaurs' are likely to become extinct, and that a well-designed, integrated CRM strategy is the only answer.

The 15-stage strategy model is worth reading, and using as a check-list at the least. The rest is overburdened with academic references to other academics.

Research: ** Practice: ** Originality: * Readability: **
Ref: 3208

CRM, customer scenarios

Get inside the lives of your customers

P. B. Seybold

CASE STUDIES. *Harvard Business Review* (USA), May 2001, p. 81 (9pp)

Claims that, with increasingly detailed involvement in CRM, most companies have failed to see the big picture — the contexts in which customers buy, and the place of the product/service in customers' lives.

Advocates building 'customer scenarios' as a centrepiece of marketing plans. Illustrates this thesis with three brief case studies. First, National Semiconductor, which set out to examine the needs of engineers designing products which might ultimately use National Semiconductor parts. This led the company to design, and supply free on the Web, a series of tools for design, simulation and prototype creation in a number of bottleneck areas. Secondly, Tesco Direct, the world's largest and most profitable online grocer, whose offering was based on an analysis of what customers want from their shopping experiences. Thirdly, Buzzsaw.com, created to provide a framework for managing customers' end-to-end construction scenarios.

A look at how three very different suppliers have built businesses on an analysis of their customers' motivation and needs.

Research: ** Practice: ** Originality: ** Readability: ***
Ref: 3209

**Insurance, IFAs,
relationship
marketing**

Buyer-seller relationships in the UK insurance market: Is this the key competitive advantage?

H. Sekhon and C. Kennington

THEORETICAL. *Journal of Financial Services Marketing* (UK), Vol. 5, No. 3, p. 207 (8pp)

Looks at B2B buyer-seller relationships in the context of permanent health insurers (sellers) and independent financial advisers (IFAs — buyers). Maintains that, in this context, investment in the traditional marketing mix of the 'four Ps' is unlikely to impact on competitive advantage: firms must focus on service-related variables. Relates a research project in which 100 randomly selected IFAs were interviewed in order to rate their firms' top two suppliers in relation to commercial skills, technical skills, commitment, adaptability and conflict. Indicates that firms' primary suppliers outperformed secondary suppliers in only two areas — commercial and technical skills — and concludes that this indicates competition in this sector focuses on these areas, rather than on adaptability and conflict, which are more closely related to relationship concerns. Deduces that future differentiation — and first-mover advantage — could accrue to sellers changing the focus from a product and transaction basis to a relationship basis. Notes that such a change may involve increased complexity and cost.

A small study in a small market segment, but with lessons outside its designated area.

Research: *** Practice: ** Originality: ** Readability: **
Ref: 3210

**Customer service,
behavioural science**

Want to protect your company's service? Use behavioural science

R. B. Chase and S. Dasu

JOURNALISTIC. *Harvard Business Review* (USA), June 2001, p. 79 (6pp)

Emphasises that in any service encounter, the customer's perception is reality. Offers five operating principles for service providers: first, finish strong — the end-point is by far the most important. Secondly, get necessary 'bad' experiences out of the way early. Thirdly, segment the pleasure, combine the pain. Fourthly, build customer commitment through choice (do you want this injection in your left arm, or your right?) Fifthly, create rituals for your customers, and stick to them. Suggests that service errors come in two kinds — a botched task, or poor treatment. The latter calls merely for a sincere apology, the former for material compensation — not the other way round.

These common-sense rules should not need a 'scientific' label: a little thought about our own reactions as customers should be sufficient to guide how we behave as providers; alas, this rarely happens, hence papers like this.

Research: * Practice: ** Originality: * Readability: ***
Ref: 3211

Customer service, service guarantees, banks

Improving the effectiveness of banks' service guarantees: The role of implementation

D. Sarel and H. Marmorstein

CASE STUDY. *Journal of Financial Services Marketing* (UK), Vol. 5, No. 3, p. 215 (12pp)

Studies the impact on customers of a service guarantee (offering monetary compensation of \$Y for a wait over X minutes) given by a specific US bank. Notes that the guarantee was perceived as valuable by customers — although more as a credible symbol of the bank's commitment to good service than as a monetary device — and that it was successful in reducing customer anger over actual delays. But also notes that 60 per cent of customers were unaware of the guarantee, and that of those who were aware and experienced a long delay, only 25 per cent claimed compensation. Reports a further study of employee attitudes which revealed that employees were not all committed to implementation of the guarantee in the manner intended, or indeed certain of what management's intentions were. Concludes with some recommendations regarding communications with customers to improve both awareness and willingness to claim when entitled, and communications with employees to ensure full understanding of the programme and of the nitty-gritty of its implementation.

The real lesson has nothing to do with banks: it is a demonstration of how managerial intentions about customer service (or anything else) can become distorted in travelling along a one-way chain of communication to the sharp end of the business.

Research: *** Practice: *** Originality: *** Readability: ***
Ref: 3212

**Financial services,
elimination**

Financial service elimination: Objectives and problem situations

P. C. Argouslidis and F. McLean

RESEARCH. *Journal of Financial Services Marketing* (UK), Vol. 5, No. 3, p. 227 (11pp)

Notes that there is little research into how decisions are made about eliminating financial services from an institution's portfolio.

Distinguishes between the objectives that institutions wish to meet by eliminating services, and the specific problems that make an individual service a candidate for elimination, asserting that this distinction is not adequately observed in the existing work on the elimination of physical goods or services. Briefly summarises the research on the elimination of physical goods; notes that the limited work on financial services suggests four broad factors: strategically led, operationally led, salesforce led and customer led. Relates a research project comprising in-depth interviews with 20 financial service companies; notes five objectives which could drive service elimination, and nine problem situations which could give rise to elimination. Expresses surprise that no mention was made in interviews of mergers and acquisitions, and little of technology and e-banking. Suggests the need for further research.

A slight piece which is strong on logical construction of its subject matter but does not have a great deal to say by way of usable conclusions.

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

Ref: 3213

**Data mining,
modelling, analysis**

Data mining or data moaning?

S. Koslowsky

ANALYTICAL. *Journal of Database Marketing* (UK), Vol. 8, No. 3, p. 262 (11pp)

Defines data mining as being characterised by automatic or semi-automatic analysis of huge databases to discern patterns in data beneficial to marketers. Specifies four stages for a data mining operation: definition of objective; data preparation and exploratory analysis; data analysis; and post-data mining (ie interpretation of results). For each of these stages the paper gives one or more brief (anonymised) case histories of disastrous failures to carry out proper procedures. The basic lesson drawn from each case history is that data-mining software cannot, of itself, think through the correct objective for a project, or detect anomalies in data, or compensate for missing data. In each case careful study of the data and of the models built by data mining must be undertaken by a skilled analyst with a thorough knowledge of the market in question. Concludes that unexpected surprises almost always occur, and that such a person is required to question and challenge them.

Reading of others' disasters seems always to be more enlightening (and certainly much more fun) than reading of their successes. This catalogue of disasters is both enlightening and fun.

Research: *** Practice: **** Originality: ** Readability: ****
Ref: 3214

**Segmentation,
modelling, AID,
CHAID, RFM**

Predictive modeling using segmentation

N. Levin and J. Zahavi

STATISTICAL. *Journal of Interactive Marketing* (USA), Vol. 15, No. 2, p. 2 (21pp)

States that segmentation is key to marketing. Gives a brief literature review. Discusses manual, or judgmentally-based, methods of segmentation — ie RFM and FRAC (frequency, recency, amount, category of product), and decision trees (AID and CHAID, with brief reference to CART, ID3, C4.5) — outlining assumptions and methodologies. Relates a study of 60,000 prospects for a solo collectible mailing, split into a calibration (60 per cent) and a validation sample; methods tested were RFM, FRAC, six variants of AID, four of CHAID, four of a new genetic algorithm, and logistic regression. Presents tabular results for RFM, FRAC, one tree method, and logistic regression. Concludes that logistic regression does best, but tree-based methods, which are much easier to use and present more intelligible results, come close, with FRAC not far behind and RFM performing poorly. Ends with three appendices on splitting criteria, tree classifiers and predictor sets.

For anyone with even a modest statistical background, this is a valuable introduction to the use of segmentation techniques in database marketing, with an excellent list of references for further study. The appendices are for more advanced students.

Research: **** Practice: *** Originality: ** Readability: ***
Ref: 3215

**Advertising, banners,
Web**

Banner advertising: Measuring effectiveness and optimizing placement

L. Sherman and J. Deighton

ANALYTICAL CASE STUDY. *Journal of Interactive Marketing* (USA), Vol. 15, No. 2, p. 60 (5pp)

Asserts that Web advertising now amounts to 5 per cent of all US ad spend, but that click-through rates are declining (to 0.3 per cent in November 2000) and scepticism is increasing. Recounts a study undertaken by an ad server (Avenue A) and client (drugstore.com) to discover which of the 3,700 websites regularly used by the former would be better, and which worse, for the latter. Indicates that 800 sites were chosen for the study; describes method of collecting data (by cookies and action tags on advertisers' websites) and model building by CHAID. Notes that 100‡ sites were identified by the model as 38 per cent more likely than the average to drive a visitor to drugstore.com. Recounts a validation exercise in which high-affinity sites performed ten times as well as low-affinity sites, at much improved cost.

A short, impressive account of how to compensate for a widely noted declining trend in ad effectiveness on the Web.

Research: *** Practice: *** Originality: *** Readability: ***
Ref: 3216

Banners, click-through, interstitials, brand building

Banners: What are they doing?

G. Keeble

JOURNALISTIC. *Admap* (UK), June 2001, p. 27 (3pp)

Asks whether the role of banners is to create click-throughs or to build the brand. Contrasts direct response with brand building; above-the-line with below-the-line; salience with sales. Claims existing banners are, creatively, dire, their click-through rates are declining, and they do not measure conversion. Suggests possible 'fixes': use of rich media; greater size; interstitials and superstitials. Holds that banners are designed with quantity rather than quality in mind. Notes the view that banners may, independently of click-through, create impressions — how does one measure this? Concludes that banners may be best used as simple hoardings, or reminders, but that improvement in creativity is required.

Raises some of the questions (click-through versus brand building) to which the next abstracted paper seeks to find answers.

Research: * Practice: ** Originality: * Readability: ***
Ref: 3217

Banners, advertising, click-through, functional/expressive products

Informing and transforming on the Web: An empirical study of response to banner ads for functional and expressive products

M. Dahlén and J. Bergendahl

ACADEMIC. *Journal of Advertising* (UK), Vol. 20, No. 2, p. 189 (17pp)

Suggests that products can be categorised as functional or expressive, depending on consumers' motivations for purchase. Considers the use of banner ads in driving surfers to websites; hypothesises that click-through will be higher for functional than for expressive products; that those exposed to banner ads will show greater change in brand attitudes towards expressive products; that those who click-through for an expressive product will have a more positive attitude and more usage experience than those who do not, but that no such differences exist in relation to functional products. Describes a study designed to test these hypotheses in relation to seven banner ads for four expressive and three functional products. Indicates that the study validated all hypotheses. (Click-through for functional products was 0.5 per cent versus 0.2 per cent for expressive products.) Suggests certain implications: advertisers of functional products should promote informing on the Web through driving surfers to their website; advertisers of expressive products should focus on transformation of attitude — which may be achieved by exposure to banner ads, even in the absence of click-through.

Users of banner ads please note. But perhaps the greatest interest of this

paper lies in the extremely ingenious method used for its market research — well worth studying.

Research: **** Practice: *** Originality: *** Readability: ***
Ref: 3218

Web, ISPs, telecoms, bankruptcy

Unplugged

D. Tonner

JOURNALISTIC. *Information Age* (UK), May 2001, p. 19 (3pp)

Warns of the parlous state of a number of ISPs, and the risks to customers if an ISP is bankrupted. Points to the world's first ISP — PSINet — which has already warned of its 'likely' bankruptcy. Notes that changing ISPs is not that easy, and may take from three weeks in an emergency to several months. Discusses some of the reasons for current problems among ISPs — starting with the sectoral downturn. Notes also the problems that may arise when a telecoms network operator goes bust — as happened with NorthPoint Communications in the USA in March 2001, leaving ten ISPs disconnected and 100,000 consumers and businesses off the air.

Recommends using an ISP owned by one of the telecoms giants, but remarks that some of them too are burdened with enormous debts after the recent auctions of G3 licences. Suggests companies too small to employ multiple ISPs should keep watch for emerging problems at both their ISP and its telecoms partner, and be ready to switch in good time.

Any company deriving serious revenue from the Web should read this paper, take note, and put fail-safe measures in place.

Research: ** Practice: *** Originality: *** Readability: ***
Ref: 3219

Permission marketing, participative marketing

Participation marketing

A. Rosenspan

JOURNALISTIC. *Direct Marketing* (USA), April 2001, p. 54 (3pp)

Looks at the concept of permission marketing, as advanced by Seth Godin, and its principles. Alleges a number of problems with the concept, and the particular issues raised in this context by e-mail. Advocates going beyond permission marketing to participative marketing, and outlines five principles of the latter. Discusses permission and privacy, permission and personalisation. Advocates use of questionnaires as a way of gaining knowledge of individual customers, and obtaining their involvement (or participation) in the marketing process.

A very confused paper, but coping with its confusions may help readers to form their own, better-structured, views on some of the overexposed and underdefined marketing concepts which it raises.

Research: — Practice: ** Originality: ** Readability: ***
Ref: 3220

Marketing, creativity

The clipboard and the copywriter — and why the uncalculable can be of incalculable value

J. Bullmore

JOURNALISTIC. *Market Leader* (UK), Summer 2001, p. 14 (3pp)

Muses on the danger for business people of becoming mesmerised by numbers, and believing that only those things which can be quantified are important. Notes that as citizens or consumers people have no hesitation or difficulty in making judgments, many of which have little or no quantifiable element. Discriminates between functional and emotional values. Considers the implications for the way that consumers choose brands: notes the disparity between what consumers do (frequently based on emotion) and how they explain what they do (usually based on rationality). Quotes Ogilvy on the 'tyranny of reason'. Contrasts the rational appeal based on product characteristics, performance, price and distribution with the emotional appeal generated by message, look, design and voice. Concludes that successful marketing involves an excursion into irrationality.

A light, charmingly written piece (extracted from the WPP Group Report and Accounts) which yet has some thought-provoking messages. Would that all such documents were so readable.

Research: — Practice: ** Originality: ** Readability: ****
Ref: 3221

**Marketing,
induction, deduction**

The age of interaction: Inductive vs deductive marketing

R. Chiocchi

THINK PIECE. *Market Leader* (UK), Summer 2001, p. 19 (6pp)

Contrasts the classic marketing concept — find a need and fill it (deductive marketing) — with the growth of a new inductive concept — invent it, brand it, create a need for it. Illustrates the latter by examples from the new technology. Notes two opposite marketing approaches: top-down (big brand, heavy advertising, PR etc) and bottom-up (eg via websites, chat-rooms, niche markets). Quotes Kotler on the difference between the selling concept and the marketing concept; adds the inductive marketing concept as different again. Gives seven reasons for the rise of inductive marketing: decline in packaged goods and speed of innovation; acceleration of consumer adoption; power brands; power channels; an increase in parity categories; the Internet; and the fear of incompatibility. Gives examples of successes and failures in inductive marketing. Finally asks if inductive marketing is consumer-friendly; concludes only that it is a fact of life.

What the author calls inductive marketing has always been with us. Nevertheless, its increasing dominance is well noted and explored.

Research: ** Practice: ** Originality: ** Readability: ***
Ref: 3222

Privacy, data protection, Internet, EU, USA

Electronic business and data privacy: The role of standardisation

J. Dumortier and C. Goemans

EXPOSITORY. *Journal of Database Marketing* (UK), Vol. 8, No. 3, p. 212 (5pp)

Contrasts the EU approach to privacy issues through data protection legislation with the US philosophy based on a tradition of an open society and minimal state intervention. Suggests that the practical effects of the apparent contrast should not be overestimated. Considers the problem, on both sides of the Atlantic, of implementing a regulatory regime (whether state- or self-imposed) in an Internet context. Mentions the development of trustmarks, but questions the monitoring of compliance. Notes the arrival of anonymity services (use of multiple pseudonyms, strong encryption, network facilities). Makes a case for standardisation of such tools; refers to the Platform for Privacy Preferences — an initiative of the World Wide Web Consortium — and to the EU Commission's mandate to CEN/ISSS to examine the issue.

A brief introduction to a pressing problem; readers might feel that neither legislation nor self-regulation is likely to provide a suitable answer, whereas empowering Web users to regulate their own privacy concerns might. Is this not a logical extension of the principle of permission marketing?

Research: * Practice: ** Originality: ** Readability: ***
Ref: 3223

Privacy, USA, EU, DMA, First Amendment

The song remains the same (Pts I & II)

R. J. Posch Jr.

JOURNALISTIC. *Direct Marketing* (USA), March 2001, p. 25 (4pp) and April 2001, p. 5 (3pp)

Lambasts the 'privacy cottage industry'. Asserts commercial free speech is integral to the First Amendment. Claims that privacy advocates have opposed technological progress (telegraph, camera, high-speed printing press, telephone) again and again over the last 100 years: the Internet is only the latest technological excuse for a new outbreak of privacy mania. Claims society will ignore their agenda again, as in the past. Discusses opt in versus opt out; quotes a 1999 court ruling for the latter, including the statement 'privacy imposes real costs on society'. Examines the question whether there is property value in a name; concludes there is not. Attacks the DMA for abandoning 'a 30-year successful fight to uphold our right to market'. Compares the 'adaptive system' of the USA with Europe's 'legalistic administrative system'. Claims the USA's lead in the information economy is largely due to lack of privacy laws. Claims that technology actually enhances employee privacy and shopping privacy, and will create yet more privacy in the future. Asserts government is the traditional invader of privacy, but that government and the nation-state will in time decline under the assaults of cyberspace.

The stance is uncompromising, the tone shrill to the point of hysteria, and

much of what is alleged about EU practice is nonsense. But he manages to land some shrewd blows in the midst of all the flailing about.

Research: ** Practice: — Originality: ** Readability: ****
Ref: 3224

**Legality, contract,
crime, negligence,
privacy, data
protection,
e-commerce**

The relevance of legal awareness in e-commerce security

D. Williams

LEGAL. *The Journal of Database Marketing* (UK), Vol. 8, No. 3, p. 217 (7pp)

Considers the key legal issues that need to be understood and addressed by practitioners of e-commerce. Begins with contractual issues: when is a contract formed; what are the problems for global traders of jurisdictional differences; what are the rules on exclusion of liability. Looks at the problem of liability for employee misbehaviour, and the question of monitoring employee activity. Mentions the issue of crime prevention; looks at liability for negligence, and at obligations relating to data protection and privacy. Illustrates each area with an example, and with reference to significant legislation from Westminster and Brussels.

Clearly this is no more than an introduction to the issues, many of them familiar to traditional direct marketers, but some with new twists when considered in relation to e-commerce.

Research: * Practice: ** Originality: ** Readability: ****
Ref: 3225

**Insects, ants, swarm
intelligence, self-
organisation**

Swarm intelligence: A whole new way to think about business

E. Bonabeau and C. Meyer

ANALYTICAL. *Harvard Business Review* (USA), May 2001, p. 107 (8pp)

Claims that some insects, that individually have meagre intelligence, achieve astonishing group results by 'swarm intelligence'. Characteristics are self-organisation (no top-down control); flexibility (quick adaptation to environmental change); robustness (the group performs despite individual failure). Gives instances of how ants forage, or bees specialise in different tasks; indicates that the 'rules' followed by individuals to create group results are extremely simple. Gives examples of success in adapting such methodologies to improve on classical optimisation solutions to a number of business problems. Proceeds to ask whether adoption by a workforce of underlying swarm principles (self-organisation, flexibility, robustness) can also improve performance by developing more effective strategies; gives some tentative examples.

The insect analogies are fascinating, but does it amount to any more than saying employees should be cooperating for the alleged common good, not competing or trying to maximise individual comfort? OK for ants, perhaps.

Research: *** Practice: ** Originality: *** Readability: ****
Ref: 3226

Marketing, non-profit, neoclassicism, exchange theory

Nonprofit marketing: The key to marketing's 'mid-life crisis'?

P. Clarke and P. Mount

THEORETICAL. *Journal of Nonprofit and Voluntary Sector Marketing* (UK), Vol. 6, No. 1, p. 78 (14pp)

Claims that marketing is in a mid-life crisis, and that this is due largely to its inexplicit reliance on neoclassical assumptions about human economic behaviour, whose basis is individual utility maximisation through the medium of exchange. Since this leaves out of account social determinants, and the possibility of needs being satisfied by non-exchange, it is clear that these assumptions (and consequently the current marketing model) are particularly inappropriate for nonprofit organisations. Examines the nature of neoclassical consumer theory; notes attempts to broaden it to take account of such phenomena as socially motivated consumption — eg models of impure altruism, or the 'warm glow'. Looks at some fundamental concepts within neoclassical theory: maximisation, utilitarianism, individualism, subjective value theory and exchange. Suggests that marketing theory deals with how individuals choose in markets, given their preferences, but has nothing to say about how these preferences are formed. Claims that exchange is only one way of satisfying felt need, and that nonprofit organisations must lead the way in developing theories that can operate outside this paradigm; calls for a post-Keynsian research programme to develop such theories, to the advantage of mainstream marketing as well.

If you believe that marketing practice follows from, and is dependent on, theory, this is an important paper. Even if you do not believe this, it is a fascinating look at the underlying, unexpressed, assumptions behind the way marketing works.

Research: ** Practice: ** Originality: **** Readability: ****
Ref: 3227