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Book Reviews

Testing Testing, 1, 2, 3: Raise More Money with Direct Mail Tests

Mal Warwick

Wiley, 2003; paperback/digital download; 272pp; £17.06

ISBN: 0787967122

The Testing Nerd

I once invented a character called the Testing Nerd, a bespectacled boffin who seemed to lurk in the bowels of every marketing department I ever served. The Testing Nerd could never be satisfied with simple success or failure. Raw response and simple profitability were mere stepping-stones on the way to greater, if more ethereal, wisdom. 'I know it looks good,' he would say, 'but if we had included the second lift letter, plus a sample of pre-2002 lapses and increased the cell test in Glamorgan, we'd have achieved an 0.23 per cent uplift overall.'

He will gibber when he gets his hands on this new book by Mal Warwick. For its 240-odd pages are devoted to testing in true nerdish detail. Indeed, whole sequences of pages are devoted to response data — a fairly shameless degree of padding, it seems to this curmudgeon. But I am still commending this book, if only because most of its lessons seem to have gone relatively unrecorded in the rush towards a more intellectual theory of direct marketing in the last decade. This is tradecraft, late-1980s style, and younger managers may find it surprisingly informative.

One word of warning and several of commendation. Mal Warwick is a fundraiser and just about every example in his book comes from the world of appeals and good causes. So the language is of 'the ask' and 'donor acquisition' and 'resolicitation'. But, with some knowledge of both camps, I'd insist that the lessons learned in fundraising direct mail are very often applicable to the world of Mammon — charities, after all, sit closer to the till than most direct marketers.

But hundreds of tests are reported here in utter detail. And even the chapter headings are worth capturing as a checklist of what can be tested — inserts (enclosures to us), postage, outer envelopes, outer envelope messages, BREs, letter length, gift amounts, credit card options and the like. And there is a wide-eyed honesty about the presentation of all this. The author acknowledges that 'this book presents relatively little material on the subject of list testing — and, as you'll soon learn, the audience is the *most* important thing to test'. Well, yes, Mal.

Wide-eyed is actually not a bad epithet for this volume. It has the almost messianic self-belief of the true American direct marketer and is naturally immune to irony. The report on the environmental organisation whose response *fell* when it used the 'recycled paper' legend in the mailing causes the author to ruminate out loud about how little we

Recommended as tradecraft

Examples from fundraising

**Mathematically
educative**

understand our audience. Brits would just find it a funny story and get another drink in.

But this book deserves better than a sneer. As I say, it contains chunks of expertise, experience and tradecraft that I suspect will not have been reported recently to the latest generation of direct marketers — certainly not on this comprehensive scale. And the chapter on ‘Understanding Confidence Levels’ contributed by Dan Suzio offers some accessible maths to explain just what is meant by ‘statistically significant’ — I’ve never read anything quite so simply educative on this subject.

George Smith F IDM

Market Intelligence

Martin Callingham

Kogan Page/Market Research Society, 2004; paperback; 192pp; £18.99
ISBN: 0749442018

This title is one in a series published by Kogan Page in association with the Market Research Society, entitled Market Research in Practice and covering the key facets of the market research process and applications.

Market Intelligence has the subtitle ‘How and Why Organizations Use Market Research’, and is based on the author’s experience as group market research director at Whitbread, with responsibilities covering the market research, direct marketing and spatial analysis departments. Therefore, here is an author writing on market research that should also have particular relevance to readers of *Interactive Marketing*. But despite the wider connotations that might be inferred from the title, this is essentially a book about how to become successful as a client-side market research manager — managing the development of a research project, commissioning and managing external research suppliers, getting the maximum value from the investment made in research projects and managing the internal client for the research. This also means that it should have something to say to anyone interested in understanding how to achieve these goals, especially the end user. But this is not a simple ‘how to do it’ textbook — the author has drawn heavily on his own personal, and sometimes eclectic, view of the ‘bear-traps’ lurking within organisations that can ensnare the unwary research manager and lead to project failure. As such, it also raises the lid for research suppliers on the often mysterious and perplexing world of the client. Consider the following quotation from the Introduction:

‘Perhaps the single most important difference between working in the using side and the supplying side is that in the using side there is a constant need to be vigilant for “dark forces” coming into play.’

So, if you are looking for a straightforward description of the research buyer process and the associated technical aspects of research methodologies supported by illustrative case studies, then this is definitely not the book for you. But if you want to learn about either how to be

**How to succeed as a
client-side market
research manager**

The influence of politics, personality and culture

effective (and survive!) as a research manager, or how to get the most out of your investment in market research within the real world where understanding how the politics, personalities and culture influence attitudes and decision making is the difference between success and failure, then *Market Intelligence* provides an excellent source of sound advice and wisdom.

The book is built around exploring three key themes.

- The impact of the status accorded to market research within an organisation — identifying and dealing with the ‘dark forces’.
- Why there is often a sterile quest for the ‘objective truth’ within organisations that leads to an imbalance between the perceived value of qualitative and quantitative research.
- Exploring the factors that inhibit the commissioning of research that is right for the organisation, rather than meeting the needs of an individual or single team — the notion of ‘research stakeholders’. Investigating the factors that can lead to ‘shooting the messenger’, rather than dealing with unwelcome and uncomfortable messages.

Market research in a corporate context

To address these themes, the author takes a broad view in order to place market research within the corporate context, covering within the initial chapters types of organisation, knowledge as a company asset and decision making — and the impact these factors have on the role of market research — before focusing on the market research client-side process and the issues that arise within that process. So, for example, it covers the differences between ‘profit’-based and ‘not-for-profit’-based organisations and the impact of brand positioning on the role of research.

Reasons for failure to use market research effectively

Callingham examines why organisations fail to use market research effectively, using, for example, the analogy of research as the oil that facilitates the smooth running of the organisation: ‘no amount of oil will make a poorly designed engine anything else, while the absence of oil will mean even the best engine has only a short life’.

But the extent to which this ‘oil’ can work its magic depends on many factors, such as who controls the flow — that is, where the market research department is located within the organisation — and the level of trust in the mechanic specifying the brand of oil to be used — the extent to which the market research team is viewed as a source of knowledge and inspiration.

Consumer insight

Unsurprisingly, the author covers the topic of consumer insight (CI). Callingham sees the CI role as similar to that played by agency planners, synthesising data, or information, from a number of sources in order to paint the bigger picture and create ‘wisdom’. Here the researcher may simply be seen as a data provider, and one who instead of providing clarity introduces ambiguity and uncertainty: ‘go on and on about the caveats’, the on-the-one-hand. . . but on-the-other-hand research presentation. The issue is how to gain the widest, deepest insights without compromising quality and best practice within the research input. But the author’s comment that, despite the increasing use of the CI term, there is still no clear definition of what this really is rings true.

Research-buying

The book also looks in detail at the whole research-buying process. Is the function simply a procurement department, or there to add value and create real benefits for the organisation? In Callingham's view the former can lead to real damage where the research team act as a filter or roadblock between the external specialists and the internal client. This is an example of the author's focus on the power politics within organisations and the psychological factors that underpin decision making and relationships.

But as the author points out, if suppliers are unable to provide a real perception of added value in their proposals that creates differentiation, then even the most enlightened internal researcher will be tempted to select agencies purely on price!

Qualitative research

Interestingly, the author sees the selection of qualitative research(ers) as needing more care and attention than that necessary for quantitative projects, and therefore devotes disproportionately more space in the book to this type of project. The very nature of qualitative research means that there is a heightened degree of trust vested in the messenger — especially as most clients live in a world dominated by hard numbers (eg sales volumes, margins, budgets etc). Often the analysis can appear subjective, and the process rather mystical. As Callingham points out, the personal chemistry between the supplier (often one individual), the commissioner and the final audience is of more importance if the findings are to be believed where there are no hard numbers to fall back on. But the author's perspective here seems to be focused on the qualitative as 'sole trader' and the quantitative as pure 'field and tab', whereas there are several larger-scale qualitative agencies that deliver excellent value, and many quantitative suppliers that are highly valued for their interpretative skills and consultancy-level input. Overall, commissioning any form of market research needs a certain level of skill if the organisation is to reap the full benefits.

Description vs explanation

As the author describes, the old 'quant. v qual.' comparative debate in terms of absolute validity is no longer the real issue. Organisations increasingly want to develop a holistic view of the consumer, and qualitative research can often best provide this more complete picture. Qualitative also brings the consumer alive — it can provide a rich source of pen-portraits and illustrative anecdotes, telling a warm human story rather than simply presenting cold facts. The challenge is, as mentioned above, getting managers weaned on hard facts to recognise that quantitative data cannot easily provide the level of insight necessary to delivering competitive advantage and real benefits to the consumer. Quantitative research describes, rather than explains; the very lack of definiteness in qualitative research is full of creative possibilities and therefore more likely to foster change. The dilemma is, as Callingham identifies, that business cases remain based on numbers and increasingly managers are able to play with the numbers through the medium of simple spreadsheet packages. . .

The author also quite rightly points the finger at the end client and their role in the success or otherwise of a project. The poorly articulated brief, delays in producing stimulus material — getting some discipline within

the overall process. He also focuses on the reasons why research projects are perceived to have delivered poor, or no, value. This may be due to the quality of the project, but is more likely to be due to the world having moved on during the duration of the project — changing personnel, new priorities etc.

Finally, Callingham in his conclusions presents the concept of ‘new quantitative research’ where data from a number of sources, including survey findings, are brought together and enable the creation of a new generation of mathematical models to aid the marketers. This integration is already becoming something of a reality in some organisations. But the author believes that despite the creation of customer insight teams within some organisations, this opportunity still remains ‘up for grabs’ in most. Is this the real future for the client-side researcher?

Some debatable issues

There are a few areas where the author’s views might be open to debate. For example, Callingham argues that owners of ‘est’ brands (fastest, cheapest etc) have little need for market research. But even these organisations surely need to know if their ‘est’ positioning meets the needs of the market, and the profile of their target segment(s); how to promote their ‘est’ message effectively, and whether their claims are believed. In other words, does being ‘est’ deliver any real competitive advantage? Secondly, the description of ‘not for profits’ and their research needs seems to ignore the point that organisations such as building societies commission similar projects to their plc competitors — sometimes buying the same research products. Also, in an era where the ‘C’ in CRM equally means ‘citizen’ or ‘customer’, the research needs of the public and commercial sector appear to be rapidly converging. Finally, my personal preference is to have the key points of a chapter at the end, rather than at the beginning.

Useful to whole research community and to IDM Diploma students

So is this a book for you? Well, it is obviously aimed at the research community — especially those on the client side or suppliers wanting to understand the market they serve better. But there are also some serious messages within the text for those who commission the researchers. In particular, it seeks to ensure that they know how to play an effective role throughout the research process, think carefully about what the purpose of a project is and whether research will in fact provide useful answers and try to ensure that the maximum value is gained from the findings. Also, they should respect the integrity and expertise of the in-house research team and their suppliers. Finally, it will be especially useful to students taking the IDM Diploma — who need to learn about the effective management of research projects as they deliver essential knowledge about consumer behaviour and attitudes, and how these can be linked to other data sources to create a holistic picture.

Peter Mouncey F IDM