Editorial

Market targeting: Closing the gap

In the 11 years since the Journal was first published, much appears to have changed in market analysis. We have a more complex marketing reality in which marketers are being asked to become more accountable for the effectiveness of their strategies and expenditures than ever before; where markets are characterised by increasing fragmentation and at the same time by an increasingly global reach; and with marketing practised by a growing variety of organisations and sectors, in terms of size, location and character. More accessible and more abundant market data and more sophisticated and affordable technical tools both aid and hinder such activity. The easy accessibility of analytical tools makes insight into hitherto complex and intractable marketing situations more possible; but untutored or ill-informed usage of such techniques may make matters worse. And so, 11 years on, we may say that market analysts risk being at an increasing psychological, organisational, technical and geographical distance from the customers they seek to understand.

But have the requirements for rigorous analysis within marketing really changed very much? Writing in the Journal's first editorial in 1992, its founding editor, John Ozimek, made some similar observations in explaining the proliferation of marketing analysts at the time. 'The targeting industry is growing up,' he suggested, although he bemoaned the carrying out of analysis for analysis' sake. As the industry moves from gawky teenager to more

self-assured adult, some of this Journal's objectives remain the same while others must evolve. It seems to me that Ozimek's original aims for the Journal are still valid:

- to provide a forum in which individuals from all sides of the targeting industry can share knowledge;
- to educate new users about established techniques;
- to inform about new techniques; and
- to spark discussion of topical issues (and occasionally controversy!).

But there is more to be done, particularly in relation to the respective contributions of academics and practitioners. One of the noticeable trends in the past decade is the size and nature of the gap that appears to be opening up between academics and practitioners in marketing analysis. It seems to me that academics may be in danger of increasing intellectual introspection and of making their contributions narrower and less accessible to practice, while in the rush for decision making, practitioners are at risk of abandoning a critical stance towards, and contextual understanding of, analytical marketing techniques and approaches in favour of heady and seductive rhetoric.

One role that this Journal may usefully play is in helping to close that gap: making critical academic insights more readable and accessible, while contextualising and communicating best practice to academics who can use such

experience to help them develop more effective and more relevant research agendas.

In many ways, some of the changes that have occurred in marketing over the last decade and some of the contemporary challenges to market analysts are reflected in some of the contributions to this issue of the Journal. For example, we have suggested that marketing has taken on a broader and more complex remit than might have been possible ten years ago. Kim and Morris's paper seeks to analyse the role advertising increasingly and fashionably seeks to play in influencing not just customers, but other stakeholders such as investors. Their examination of the effects of Super Bowl advertising upon market sentiment suggests that, from an equity position, such advertising could in fact be seen as an overly expensive investment, rather than an efficient one. Contemporary analysis for more complex situations also often requires more sophisticated tools. Martin Natter and Andreas Mild demonstrate the use of a new integrated segmentation, mapping and positioning tool, DELI. The 'single hit' visualisation approach advocated by this tool is designed to cater for situations where a product's features shape the way that the market is segmented and a positioning strategy is developed, but where that very process can determine which mix of features the product needs to incorporate: an increasingly common 'chicken and egg' situation. However, more sophisticated tools should not yield results that are unnecessarily difficult to understand. Margarida Cardoso and Luíz Moutinho demonstrate the need for clarity in their paper reviewing the application of logical type discriminant models to better the profiling of segment structure in the tourism market.

The quality and accessibility of

information available to marketing analysts has improved markedly over the past decade. In the first issue of this Journal, John Whitehead provided an important critique of the direction taken by proprietary geodemographic systems in the UK which, at the time, could only be developed by those with deep pockets who could afford to acquire both expensive computing resources and prohibitively priced census data. In this issue, Barry Leventhal, in a commendably clear and succinct contribution, reviews the ways in which the now freely-available 2001 UK census can be leveraged by marketing analysts — including the possibility of developing a range of bespoke discriminators. This combination of free data and sophisticated computing resources will prove exciting if properly harnessed.

Papers in this issue also seek to challenge emerging rhetoric. First, in a pithily-argued contribution, Beth Rogers reports the repeated claims that CRM has been mostly a failure: 'In practice, CRM has become inextricably linked with the installation of software packages and has been discredited because of over-reliance on technology.' Because CRM implementations have been poorly measured, if at all, Rogers proposes re-launching CRM step-by-step with a balanced metrics framework. Secondly, Chatura Ranaweera and Jaideep Prabhu challenge the accepted wisdom of the positive link between a satisfying service recovery process and maintenance or enhancement of trust. Their evidence suggests that 'satisfactory' service recovery may not be the panacea that many organisations assume for all service failures — in other words, customers may forgive, but they do not necessarily forget.

Investigating another aspect of this debate, Fabrice Clerfeuille and Yannick Poubanne seek better to understand the contribution of different elements to

customer satisfaction, commitment and share of purchase. In an examination of the provision of veterinary services using Llosa's tetraclass model, they conclude that, while satisfaction variables in medical services may be very different from non-medical service situations, there is nevertheless a distinctive association between certain elements linked to satisfaction and share of purchase.

Given the richness and variety of the work now being undertaken in the area of targeting and market analysis, I am therefore especially delighted to be asked to take on the editorship of the Journal with effect from this issue, although my impact on style and content, given the nature and lead-times of academic journal publishing, are likely to be evolutionary, rather than revolutionary.

Thanks are due to the several members of the Editorial Board who have provided 'guest' editorials over the past year. This changeover marks the beginning of a period of renewal and re-engagement by the Journal with both academics and practitioners in the industry of market analysis. With revised objectives and forthcoming special issues planned on such topics as loyalty marketing and location analysis, we hope that we can position the Journal in such a way that it continues to benefit all the communities who are actively engaged in this field.

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Editor
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