Editorial

Two broad themes occupy us in this issue: targeting issues in relation to online consumers and techniques relating to the segmentation and partitioning of markets. Given the lengthy nature of the research and peer review process, the floodgates have opened relatively recently on research into behaviour associated with online activity commissioned during and shortly after the height of the dot.com boom. Much like the process of identifying potentially profitable companies from the boom itself, it has sometimes proved hard to distinguish the wheat from the chaff in the sheer amount of academic material appearing that seeks to address targeting and related topics in the online world. We are fortunate to have two strong papers in this issue.

Paul McDevitt's paper is both readable and challenging as it seeks to understand the criteria for customer satisfaction in online purchasing. He asks whether there are intrinsic differences in expectations, satisfaction and repurchase intent between online and traditional buyers that argue for targeting either segment differentially. He concludes that, while targeting online buyers may provide cost savings, there may in fact be no intrinsic revenue-side advantages. 'Taken together,' writes McDevitt, 'the findings provide no plausible basis for targeting online buyers or, for that matter, either particular buyer group.' Tang and Gan's paper provides a further contribution to the debate on multichannel price levels and the extent of downward price

convergence that may be expected as a result of the growth of electronic channels to market. They argue that 'if conventional retailers can successfully translate their market power and branding to online markets, it can rationally be expected that conventional retailers will charge higher prices than online-only retailers when they go into online markets'. Most previous studies of this kind, however, have been limited to homogeneous kinds of goods (books, CDs and DVDs, for example), where pricing strategies may be more straightforward. Tang and Gan's study of pricing in the more heterogeneous toy industry, using relatively recent data, demonstrates that convergence is occurring even in this more complex setting, where service and non-price factors may be considered to be more important.

Our second theme is that of segmentation. One of the most difficult aspects of segmentation is represented by a combination of young people and dynamic high-technology markets. Market opportunities of this kind are, of course, growing rapidly and because of their natural aptitude towards technology, the influence of young people in determining product purchase in this area can be just as important as their more direct impact on spending. Hartman, Gehrt and Watchravesringkan challenge existing methods of measuring innovativeness from which segments may be derived among adolescents. Just examining a young consumer's past

willingness to adopt particular innovative products is, they argue, insufficient to capture the full complexity of potential future purchase decisions. The adoptive innovative individual must be seen alongside consumers who are 'vicarious' innovative individuals (that is, who build up information about new products) or those who enjoy discovering new uses for existing products.

The generation of market partitions, using a hierarchy of attributes, is the subject of Carter and Silverman's paper. They propose an evolutionary algorithm to arrive at a hierarchy of consumer choice attributes, using diary panel data tracking cigarette purchase. Their approach, which does not require initial hypotheses to be developed, also allows a much wider range of attributes to be considered than is the norm, including image dimensions. Contrary to prior discussion with industry analysts, the authors have been able to demonstrate as a result that a hierarchical ordering of decision criteria does exist for the cigarette market. Indeed, they observe

that 'scene and lifestyle dimensions were found to exert significant constraint on post-brand name choice and in fact appeared higher in the behavioural structure than the three objective dimensions; pack type, length and taste level'.

By way of conclusion, readers will recall that the *Journal of Targeting* has as one of its aims the need 'to educate new users about established techniques'. With this in mind, our final paper in this issue is in the form of a practice update, in this case dealing in an introductory way with the latest developments in information systems based on geodemographic data. The publication of systems based on the UK 2001 Census has brought with it new opportunities for the use and application of such data. Peter Sleight, a leading authority in this area for over 15 years, provides an accessible commentary.

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Editor

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