Editorial

A recent study by McKinsey of 40 Chief Marketing Officers around the world observed that ‘an explosion of customer segments, products, media vehicles, and distribution channels has made marketing more complex, more costly, and less effective’.¹ Particular concern was expressed about the first element — the fragmentation of customer segments — and the emergence of ‘hard to reach’ groups of consumers and customers. This carries with it a need better to understand changing consumer preferences. This issue of the *Journal of Targeting, Measurement and Analysis for Marketing* begins with three papers addressing just this topic. Isabel Grant and Graeme Stephen tackle the difficult ‘tweenage girl’ segment. Those parents giving houseroom to such consumers will understand the challenge of analysing the role of branding and purchasing influences on fashion clothing. But this is an attractive segment to marketers, and, as ‘the richest generation in history’, with a huge potential for growth, deserves our attention. In particular, the notion of what is ‘cool’ is an ephemeral and elusive concept. The authors’ qualitative approach teases out many of the patterns and structures of motivations and thought processes.

Grant and Stephen identify the ‘guilt factor’ of working parents and the increasing number of fragmented households, for example following divorce or separation, as one of the drivers leading to more indulgent spending on ‘tweenage’ girls. We are indeed a society defined in terms of our consumption behaviour by life-changing

events, and this is a theme picked up by Anil Mathur and colleagues in their examination of the marketing opportunities generated by such events. The authors develop a life-events-based segmentation model which they argue may be superior to age- or cohort-based approaches, since at such points people tend to ‘re-evaluate their priorities, product needs, brand and store preferences and criteria by which they select products’. Marketers, they argue, can play a role in helping people to accommodate change and ease transitions between life stages.

Data for both these types of segmentation are hard to gather, but some research techniques are providing useful insights on consumer preferences in such circumstances. As I write this Editorial, snow is falling outside and many friends and neighbours are on the ski slopes, engaging in male menopausal feats of derring-do (a life event if ever there was one). And so I read with some interest the paper by Chris Vasiliadis and colleagues on the way in which conjoint analysis has revealed the multi-attribute consumer preferences expressed in Greek ski resorts. For some occupational groups a good lunch, rather than the quality of the piste, appears to be a winning variable in this analysis, which, the authors wryly suggest, ‘reflects the Greek habit to lay emphasis on food in their way of living’.

One of the consequences of the state of affairs outlined by McKinsey is the greater preoccupation with the characteristics and measurement of customer loyalty and retention amongst

marketers, in understanding in particular what criteria lead to higher levels of commitment, trust and loyalty and what kinds of interventions can improve marketing effectiveness. A second set of papers in this issue is focused upon a variety of analyses and mechanisms in this area. Serkan Aydin and Gökhan Özer discuss the characteristics of customer retention and switching costs in the Turkish mobile phones market. They observe that the manipulation of customers' perceptions of switching costs by operators plays a key role. In particular, however, they conclude that customers' learning costs in relation to value-added services and benefits attributed to subscription periods play a larger role than price factors in determining switching, and this leads to useful conclusions on marketing strategies. In a useful contribution to the field, Chiung-Ju Liang and Wen-Hung Wang use structural equation modelling to measure the impact of investing in relationships with customers on commitment, trust and loyalty. Using the example of education services, they

demonstrate that particular relationship bonding tactics shape consumer relationships in particular ways and can act as the basis for effective differentiation in an increasingly competitive market for these services.

Finally, lest we become too preoccupied with the fragmentation of market segments and too many companies chasing too little loyalty, John Dawes' salutary paper provides a gentle reminder of the dangers of over-segmentation. His conclusion, from a study of Australian breakfast food brands, is that some mass market brands are mass market precisely because they penetrate every demographic segment to some extent. As one referee for this paper commented, 'this article could usefully be paraphrased and used for training every young brand manager'.

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Reference

- 1 Court, D. C. (2004) 'A new model for marketing', *The McKinsey Quarterly*, Issue 4.