Book reviews

Marketing Payback: Is Your Marketing Profitable?

Robert Shaw and David Merrick

FT Prentice Hall, Harlow, 2005; ISBN: 0 273 68884 7; 511pp; £24.99

COMMENT

Concerns about the profitability of marketing are not new: academics and practitioners have become increasingly concerned about the whole question of marketing's contribution. Marketing functions are under increasing pressure to justify levels of marketing spend. The Marketing Science Institute has prioritised research which explores marketing productivity, and this theme has been widely pursued by many leading academic journals. *Marketing Payback* is a fascinating read which comes at a time when worries about marketing effectiveness have come to the fore. As the authors rightly imply, these concerns have a strong basis: 'Good marketing decisions yield substantial profits but bad ones can destroy substantial value' (p. 2). This book takes readers on a journey through the challenges which modern marketers face, providing in-depth insights into the issues surrounding marketing value and making wide-range practical recommendations. In the following review, Lyndon Simkin explores the scope and usefulness of the book, pinpointing those who would benefit from reading it.

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REVIEW

US guru Philip Kotler states on the jacket of *Marketing Payback*, 'a landmark

book, providing marketing practitioners with the tools to professionalize their marketing decision-making'. Make no mistake, this insightful and highly thought-provoking book is a highly worthwhile addition to many marketers' bookshelves and, more importantly, to their practical toolkit.

The text claims to focus on assisting the assessment of marketing payback and the justification of marketing's endeavours to perhaps sceptical colleagues in other functions and to senior leadership teams in corporates questioning the worth of their marketing spend. Themes addressed include expenditure allocation, brand identity changes, brand portfolio planning, valuing brands, integrated marketing communications, how pricing works, how promotions work, customer equity optimisation and getting better value from marketing information, along with useful suggestions for improving marketing planning, budgeting, book-keeping and accounting.

The book is based on Robert Shaw's experiences with a host of companies, including Barclays, BP, BT, Diageo, HSBC, IBM, Orange and Unilever and his role as visiting chair at Cass (City) Business School in London. David Merrick is a mathematician turned management consultant, who has helped BP, WPP, Interbrew, Barclays, Accenture, the World Bank and the Government of the Russian Federation. They have harnessed their combined experiences to

very competently discuss the day-to-day issues addressed by marketing functions and to offer their opinions as to where the stress points really lie and how marketers should go about ensuring their practices result in rigorously assessed payback for their employers.

It is important that the authors' CVs do not put off the more academically inclined reader. *Marketing Payback* is extensively referenced and cites a 'who's who' list of concepts, from Aaker, Ambler, Blattberg, Corstjens, Curhan, Davidson, Doyle, Ehrenberg, Lodish, McDonald, Walters, Ward, among others, supported by the concepts and processes put forward by leading consultancies such as Booz Allen and Hamilton and Coopers. Key concepts from all of these sources are presented with clarity, but more importantly they are woven into the overall structure and story of this provocative challenge to marketers to now deploy some of these ideas in order to systemise their outputs and more readily identify the rewards accruing from their activities.

There is some rehashing of familiar themes, such as marketing's so-called midlife crisis, but once the reader has traversed the first section of *Marketing Payback*, the new thinking keeps on coming in waves. The chapter sub-heads point very effectively to the issues and challenges to be addressed better by marketing professionals if they are to convince those around them of their true worth and contribution. The boxes dotted liberally throughout the book, presenting overviews of jargon and suggesting the emerging dominant themes to be addressed, demonstrate the authors' wealth of experience and also the breadth of their reading. Although there are some vignettes distributed in the text, in places I would have like to see more detailed illustrative examples to help convey the

essence of the authors' otherwise compelling message.

Some omissions that surprised me a little, given the practical circumstances faced frequently by marketers striving to implement a marketing strategy or marketing plan, are channel selection and the optimisation of a mix of channels to market; supply chain harmonisation and orientation around a revised target market strategy; sales force alignment and control; the selection and control of agencies; and, the optimisation of the marketing function itself in terms of staff selection, recruitment, retention and, crucially, their orientation towards the agreed marketing plan. Arguably this last area is one where most senior marketers really would benefit from astute guidance on the application of some performance metrics: the optimisation of the marketing function within the organisation and the assessment of its value or contribution as a team of hard-working professionals. Given the wealth of experience evidently at the disposal of these well respected authors, both leading consultants to a host of blue-chip organisations, the assessment of the marketing function *per se* — in the context of marketing payback — may be worth considering for the future.

The conclusion is that *Marketing Payback* is clever and very interesting, aiming to help the function of marketing address some of its acknowledged weaknesses, notably in the areas of performance monitoring and the adoption of more rigorous processes capable of benchmarking. There is potentially a wide target audience for *Marketing Payback*:

- *Marketing academics*: Most, though not all, will be aware of these issues and possible solutions, particularly those actively involved with executive MBA programmes and acting as consultants.

- *Management consultants*: Senior practitioners will have an awareness of these issues, but most marketing and strategy consultants will be receptive readers for some of the suggested solutions offered here.
- *Brand managers and line marketers*: Arguably, these are the people who would benefit the most from the messages in *Marketing Payback*, although it is difficult to judge whether this time-pressured audience will find this challenging text to be an accessible read.
- *CEOs and senior leadership teams*: The marketing discipline would benefit

from their interest in this book. Hopefully this audience's desire for 'quick answers' will not put them off this lengthy text.

Overall, readers of similar ability and standing to Robert Shaw and David Merrick will be the most receptive and perhaps easily convinced, whereas the field of marketing needs brand and marketing managers to tune into the issues raised so compellingly in *Marketing Payback*.

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Beyond Branding: How the New Values of Transparency and Integrity are Changing the World of Brands

Nicholas Ind (ed.)

Kogan Page, London, 2003; ISBN 0-7494-4115-1; 256pp; \$39.95 (£23)

Brands represent concepts in buyers' minds and are bought to meet functional and emotional needs. Buyers trust brands to enhance their sense of wellbeing and freedom of choice and as a result are willing to pay extra for added value. Yet, brands can sometimes manipulate buyers and limit their freedom of choice. Such brands operate exclusively for the benefit of shareholders and do not promote long-term value or trust. Trust is important to a company's long-term success and is driven by transparency in relationships between sellers and buyers. Transparency, trust and integrity in relationships is the theme of this book, which broadens the meaning of brands to include 'depth'.

Written by international brand consultants, writers and thinkers for the practitioner audience, this book represents a manifesto which urges companies to re-think their brands. Companies should develop a social perspective in managing their brands and foster transparency and trust in their relationships with buyers. Emphasis should be given to allow buyers to make informed decisions about brands, which allow them to define their individuality. 'Beyond Branding' comprises 12 chapters, edited by Nicholas Ind, an internationally acclaimed brand consultant and writer who has worked in the area of branding for many years. The

individual contributions are guided by the central belief that branding has had a narrow view of the world as it focuses on short-termism, and is shareholder focused, narcissistic and communications led. Based on the latest research, and using international case studies, the authors explore the problems faced by various brands and offer solutions to improve their performance. Although there are overlapping ideas, each contribution aims to be considered as an individual piece.

The book provides an initial chapter by Nicholas Ind, which focuses on the meaning of brands, their expedient management, as well as on a set of solutions of how branding can contribute to progress. Two of the problems branding faces are the lack of authenticity, discussed by John Moore and challenged by Chris Macrae, which may be reflected in the narcissistic practices of organisations described by Alan Mitchell. Chapter 6, by Chris Macrae, discusses brand and organisational transparency and offers a governance system to restore them. Brand evolution and the role of symmetry, transparency and authenticity is the focus of Chapter 10, by Julie Anixter, who posits that organisations should trust individuals to co-create brands. Ian Ryder, who presents a 'pyramid' of trust, discusses the social

construction of brands in Chapter 9. The chapters by Simon Anholt and Sicco van Gelder, and Tim Kitchin, deal with socio-economic issues and brand sustainability, respectively, while Thomas Gad discusses the changing nature of leadership in branding while addressing brand dimensionality and the role of communication. Finally, Jack Yan describes the view of Generation Y members and John Caswell argues for a system-wide perspective in managing brands.

According to the authors, 'Beyond

Branding' represents the beginning of a 'movement' to promote a new perspective of branding, one which attempts to persuade managers to rethink their branding practices. It is a remarkable attempt to promote the 'social spirit' of brands, which challenges businesses to adapt to a world of transparency by operating with openness and integrity.

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