Editorial

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Old thinking. Tired thinking. Rehashed thinking. Is this a sign of a jaded marketer? Or perhaps a more realistic view of where the marketing and CRM businesses have arrived at lately.

A number of strands have crossed my desk in the last couple of months. First up was the tale of a company whose business focussed largely on the public sector. Following the election in the United Kingdom in May, there was some concern that the new Coalition government might cut back on spending on public sector CRM and associated consultancy. ‘It will never happen’ was the conventional view expressed by one senior figure in said company.

A couple of months on, it has happened with a vengeance, and that company’s order books are looking seriously slim. Similar tales are being reported from across the area: businesses that relied on government for repeat business have found the landscape changing drastically and almost overnight. Those that were not prepared for such change – the ones that continued to believe in a never-ending stream of state largesse are now in trouble.

Of course, the new government has taken a lot of people by surprise. There have been many announcements already: but it is in the fine print that change seems likely to be motoring most quickly. In opposition, this government stated its dislike of the previous government’s obsession with quangos (short for ‘quasi-autonomous non-governmental organisation’, for those not intimate with the details of how Britain manages its bureaucracies): it also declared itself unimpressed with a range of bodies whose main task appeared to be to enforce

‘standards’ of one sort or another such as Teaching standards, Computer standards, Standards of conduct for local government officers and so on.

These, it would appear, are slated for summary removal, unlikely to last the year. The National Identity Register is gone. On ice is the Independent Safeguarding Authority: and hanging on by its fingernails is the ContactPoint database. All three of those are projects, which I have previously argued, were at risk from an incoming Conservative government: any organisation that continued to build its business on the assumption of no change is pretty much deserving of all that it is now suffering.

There are some areas where the government has not followed through on promises made in opposition. One of these is in respect of the Summary Care Record – a project intended to pull together individual medical details into one place within the NHS database. It might have been expected that that would go under the new administration, but it looks as though that project will survive.

Nonetheless, cuts to major database projects already announced will slash billions from public expenditure – and remove corresponding billions from the coffers of organisations and consultancies that relied on that particular income stream.

I am impressed. Not with the detail: for the Journal is and must remain strictly agnostic in terms of political allegiance. Rather, this is a government that has given all and sundry fair warning of what it intended to do – and gone ahead and done it. In the process, it has wrong-footed all those who believed, complacently, that

‘government’ and ‘action’ were concepts alien to one another – and that the true hallmark of government was never actually to do anything radical or massively different from what went before.

It might yet end in tears. Opposition to this government is busy wringing its hands and claiming that too much is being cut too quickly. They might be right. I repeat: the journal remains agnostic on the fine detail of policy.

Another area where government is just moving on, confounding critics as it does, is in the reform of various public services. In part, this is forced by the depth and extent of spending cuts it now finds itself obliged to impose. If you are cutting government spending by 2 per cent, you can reasonably expect the resulting organisation to look much like the one you started with, only slimmed down slightly. Cut by 20 per cent, 30 per cent – even 40 per cent, as some services are being warned to expect – and business as usual really ceases to be an option.

Again, this is in sharp contrast to the establishment wisdom, in this case represented by Martin Ferguson, the Head of Policy at SOCITM, the society for ICT and related managers in the public and third sector. His view, expressed in a recent online seminar, hosted by Adobe, was that the future of frontline public service delivery in the United Kingdom was all about incremental change. Softly, softly: let’s stick with the old and change a little at a time.

The public sector, according to Ferguson, had now to focus on bringing together and exploiting existing services and infrastructure: ‘There is no appetite or budget for ripping out and replacing legacy systems’. It seems likely that the government is no longer listening to such cautious voices: this week alone there have been announcements of radical change to the delivery of health, policing and education.

Working backwards, opponents have calculated that some of these plans have

taken little more than 2 months to develop and bring forward. They are shocked: aghast.

If one feature of the new government is the unaccustomed speed and ferocity with which it has acted, a small exchange in parliament last week suggests another feature to its approach likely to upset traditionalists. The last government, ever mindful of the need to support minority groups, put in place some complex and fairly bureaucratic mechanisms that would enable individuals to change details held on personal documentation. One such detail was gender.

Abolition of the National Identity Register and accompanying Identity card would undercut these measures. The Labour Party, previously in government, now floundering haplessly in opposition, proposed amendments to the abolition. These amendments would have saved the minority support, preserved the status quo and, tellingly, required the continuance and extension of a particularly bureaucratic system.

In which case, the government responded, instead of a cumbersome system for getting the right gender details on documents – why not just remove such details from any and all documentation on which it is not absolutely necessary? Again, we are not – perish the thought – to be drawn on the rights and wrongs of the substantive argument. We will however pause to admire the boldness with which this government is slicing through issues that have kept previous administrations bogged down in detail for months.

If they have got it wrong – and as they are human, it is inevitable that they will make mistakes at some point – they will be wrong on a grand scale. Where they are right, however, it seems likely that they will deliver far more than many a comparable government has delivered.

So to the second strand, I visited the Data Marketing Show late last month. It is billed as all that is new and challenging in the area of marketing and data use. It

wasn't. As I wandered the floor at Kensington Olympia, I was struck by a massive sense of *déjà vu*.

Certainly there were new products and services on display. I took some time at the Experian stand to bring myself up to date with their current range of products – and was pleased to see a range of new profiling systems in place. The technical presentations were slicker. The volume of data that organisations boasted they could capture, store and analyse had increased by yet another order of magnitude.

Databases of a size unthinkable when I first entered this industry were being touted with nonchalant abandon. And yet...

...so little has changed. There is a growing concern with web analytics – and an ever-decreasing circle of return on technologies designed to elicit what makes online marketing work. Single Customer View was a topic that exercised the presenters of more than one keynote seminar, as was the age-old question of what the 'perfect customer' looked like.

It is all new, up to the minute and very 2010: but in terms of intellectual content, it could as easily have been 2000 – or even some point in the decade preceding.

The impression I got was of an industry founded on allegedly empirical principles: driven to implement what worked, to the exclusion of marketing manager pet projects and preconceptions; rightly sceptical of the high-end claims made by the brand managers, who talk a good story – yet really can't, with any degree of precision, point to what works, what does not.

From such inspiring beginnings, brilliant things were expected: yet now, three decades out from the golden days of direct marketing, the wheel has turned, the circle closed, and marketing is once more in the hands of the creatives – at every level. That is, after a brief spell in the wilderness, those who market on the basis of gut feel and instinct and customer insight have returned with a vengeance.

CRM, which truly does require inspiration and empathic thought, is in the hands of the IT consultancies: marketing is once more an art. Is such a result inevitable?

Perhaps this is where my two strands come together. For better or ill, UK plc had reached a crossroads. It could carry on with tried and not altogether successful steady-as-she-goes recipes for governance: or it could strike out in an altogether new direction. Desperate times provided the stimulus for different measures, and we are all, now, afloat on a wholly new approach to state management. It may succeed. It may not. What seems clear is that it is radical in ways that the political and economic analysts have only just begun to notice.

So to marketing and business and data and IT. In the last 12 months, the UK economy shrank – along with several other economies in the developed world. In the Far East, China is growing at a rate of 10 per cent per year. Growth is not an impossibility.

The present mindset of much of UK industry appears to be one of self-deceiving cheeriness. Nothing much has changed. Or even if it has, we have only to put on a bright new façade, continue as we always have, and all will be well.

The trouble is that times do change: the world does move on; and businesses that insist on tying themselves to decades-old thinking will suffer. Over the years, it has been to the private sector that we have tended to look for innovation, all the time berating government for failing to listen.

The lesson this year seems to be that those roles have dramatically reversed: finally, it is government that is prepared to think radically, changing, adapting and cutting where what it has provided in the past appears no longer needed. The boot is well and truly on the other foot.

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