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The bold items in the margin describe the subject matter and are keywords for text retrieval. The final reference number under each abstract is also used for this purpose

**British Gas, pricing, loyalty**

**TV, social media, Facebook**

## Abstracts

*Journal of Direct, Data and Digital Marketing Practice* (2010) **11**, 349–362.  
doi:10.1057/dddmp.2010.1

**Each abstracted article is awarded 0–5 stars for each of four qualities:**

- (1) depth of research
- (2) value in practice
- (3) originality of thinking
- (4) readability for non-specialists.

*No abstract is included for any article awarded less than seven stars overall.*

### **Buyer beware or be fleeced**

*P. Hoskings*

JOURNALISTIC. *The Times* (UK), 2nd January 2010, p. 45 (1pp)  
Recounts experiences of British Gas contractual customers (for gas and electricity) being faced with contract renewal notices that failed to reveal price increases varying from 42 to 435 per cent: in two cases these increases were rescinded when discovered and protested against. Complains that companies no longer reward loyal customers, but punish them with higher prices while offering tempting deals to attract new business: the 21st century is not about shopping, but about shopping around; customer loyalty and trust are exploited; the bigger the company, the more unscrupulous the culture. Asserts that regulators are no help: they judge their success by the number of customers switching suppliers — which should be a last resort. Recognizes, dispiritedly, that differential pricing (and unscrupulous behaviour) can pay.

*The practice of offering new customers special deals not available to established customers is far from new, though perhaps more widespread now, and is not hard to justify. The practice of concealing the quantum of a price increase on renewal notices is as standard as it is deplorable: buyers on British Gas contracts should beware indeed.*

Research: \*      Practice: \*\*      Originality: \*      Readability: \*\*\*\*  
Ref: 11401

### **Can social media save TV?**

*J. Cole*

REPORTAGE. *Figaro Digital* (UK), Issue 2, p. 22 (1p)

Notes that TV revenues are down 14 per cent year on year, and press ads are even worse. Suggests this not due merely to recession: online overall is up, with social media leading the way. Points to the rise of Facebook in particular, with 200 million active users, and to the use of social apps as the major reason. Notes how even when a TV show goes viral online, TV companies often fail to reap financial benefits.

Instances the phenomenon of Susan Boyle from *Britain's Got Talent*, whose video clip clocked up 100 million views — with no revenue for the content creator. Advocates building and seeding in advance apps for the social networks, which can then be filled with content to catch a viral wave. Notes that the apps industry is now worth over \$500m.

*A very short piece (as are most of the articles in this new magazine) but with some interesting insights into likely developments in the advertising market.*

Research: \*      Practice: \*\*      Originality: \*\*      Readability: \*\*\*  
Ref: 11402

### **In your Facebook. Boss's daughter takes online revenge**

*A. Frea*

JOURNALISTIC. *The Times* (UK), 3rd December 2009, p. 9 (1p)

**GM, Facebook,  
Coca-Cola**

Relates the story of the daughter of the sacked CEO of GM who posted her unfavourable (and unprintable) views of the company on its own Facebook page — views immediately copied by a car industry blog onto its site. Notes the dangers to companies of exposing themselves in this way, the need for site moderation, and the risk that this may refute the concept of openness with which the idea started. Notes the creation of a Coca-Cola site by fans, and the dangers both of letting it run and of forcing its closure.

*A real problem, particularly for high-profile companies, illustrated by a relatively trivial incident.*

Research: \*      Practice: \*\*      Originality: \*      Readability: \*\*\*\*  
Ref: 11403

### **Business intelligence**

*Various authors*

JOURNALISTIC. *The Times* (UK), Supplement by Raconteur Media, 1st December 2009 (15pp)

**BI, QlikTech, Dynistics**

This supplement starts with a general article (by Richard Northedge) on Business Intelligence (BI), claiming its ability to boost business will be a key message in 2010, for users from the boardroom to the shop floor. Reports Gartner's claim that BI usage will double in five years. Notes acquisitions in the field by Oracle, IBM, Microsoft and SAP, with Oracle and SAP supplying a vertical service from hardware to software and data warehousing. Contrasts this with the flexibility of pure-play BI software suppliers like QlikTech and Dynistics. Subsequent articles deal with 'Pervasive BI' (empowering 60–80 per cent of employees for better decision-making, rather than the 20 per cent now possessing BI tools), 'Collaborative BI' (a convergence of social networks with business), BI and 'managed self-service', BI and carbon footprint reduction — etc.

*A mixed bag of articles, with some genuine insights and some company puffery. There is a valid general message — that BI, originally viewed as a system to turn data into information on the CEO's desk, is now gearing up to offer a real enhancement to decision-making processes at many organizational levels.*

Research: \*\* Practice: \*\* Originality: \* Readability: \*\*\*  
Ref: 11404

### **Valuing social responsibility programmes**

*S. Bonini, T.M. Koller & P.H. Mirvis*

EXHORTATION WITH EXAMPLES. *McKinsey Quarterly* (US), 2009, No. 4, p. 65 (10pp)

**Social responsibility,  
valuation, legitimacy**

Notes that companies, to create long-term shareholder value, need legitimacy in the societies in which they operate; to obtain such legitimacy they must respond to the social, environmental and governance concerns of politicians, regulators, lawyers and consumers. Notes that many executives and investors believe that much of the impact of programmes to address such concerns is long term, indirect and nearly impossible to measure. Challenges this belief, highlighting examples, derived from McKinsey's own survey, of companies that have created win/win situations by implementing such programmes with measurable benefit to their bottom lines. Instances, among others, IBM's provision of free web-based resources on business management to SMEs in developing economies, thus building future customers; Telefónica's collaboration with associations of older people to overcome the 'knowledge barrier' — creating a new market; Coca-Cola supplying retailers with 'greener' cooling cabinets in return for prime space in their outlets; IBM's pro bono Corporate Service Corps, which has brought new knowledge and skills to the company's workforce.

*Conflates two messages, which may both be valid: socially responsible activity is today an essential attribute for long-term success; such activity can produce profitable and measurable results in the short term as well.*

Research: \*\*\* Practice: \*\* Originality: \* Readability: \*\*\*  
Ref: 11405

### **Deterministic and stochastic Customer Lifetime Value models. Evaluating the impact of ignored heterogeneity in non-contractual contexts**

*M. Calciu*

THEORETICAL, WITH EXAMPLES. *Journal of Targeting, Measurement and Analysis for Marketing* (UK), Vol. 17, No. 4, p. 257 (15pp)

**CLV, NPV, CE,  
deterministic models,  
stochastic models,  
heterogeneity**

Defines the terms Customer Lifetime Value (CLV), Net Present Value (NPV) and Customer Equity (CE). Distinguishes between contractual and non-contractual customer relationships, each of which can involve

either discrete or continuous sales activities. Examines the case for deterministic versus stochastic models in calculating CLV. Claims deterministic models, which are easier to use and understand, are suitable only for calculating CLV at an individual customer level, but are liable to introduce errors when used at a cohort or customer base level. Explains that this is because such models (which assume constant 'buy and die' probabilities) ignore the heterogeneity of individual customer behaviour: thus, in a cohort where not all customers are homogeneous, some will drop out early; those that remain will now have different characteristics from the original total cohort and will perform better — and so on at each drop-out point, causing the model to under-predict performance. Uses the observed buying behaviour of a group of 6,000 cruise ship customers over five years, and a catalogue sales set of 36,882 customers over seven seasons, to illustrate the differing predictions of deterministic and stochastic modelling. Concludes that the former should not be used on cohorts unless they are known to be homogeneous, but notes that stochastic models are difficult and not yet well developed in this area; sees the possibility of evaluating the precision gap noted in the deterministic method.

*The theme is important, but the treatment is definitely for statisticians. Much of the difficulty described here arises from trying to generalize all cases of CLV calculation: particular cases will often permit much simpler methods.*

Research: \*\*\*\*\* Practice: \*\*\* Originality: \*\* Readability: \*  
Ref: 11406

### **Enhanced customer targeting with multi-stage models: Predicting customer sales and profit in the retail industry**

*M. McCrary*

STATISTICAL. *Journal of Targeting, Measurement and Analysis for Marketing* (UK), Vol. 17, No. 4, p. 273 (23pp)

Notes that the models used for the purpose of customer targeting in many direct mail campaigns are solely response models. Points out that the highest response to a campaign does not necessarily lead to the highest sales in value, or to the highest profit. Notes that the financial services industry has been ahead of others (particularly the retail industry) in recognizing this, and have produced advanced models to predict customer spend as well as response. Sets out to build and describe a series of models applicable to the retail industry that will predict response; response and sales; response, sales and profits. (Describes profits, for this purpose, as revenue less cost of product(s) purchased.) Discusses questions as to the consequences and determinants of sales and profit. Describes the methodology by which samples were selected from the database of a US Fortune 500 retailer selling three product lines. Describes the data used for response-spend models, and for the extension to profit models. Relates that models

**Targeting, modelling,  
response models,  
sales, profit, retail**

were built using CART/CHAID variants, neural nets and logistic/OLS techniques; notes that the latter were the best-performing. Details the results of applying these models; finds that response-sales-profit models produce lowest response but highest profit, at least for the top 3–4 deciles.

*A wordy, but worthy, contribution. The mismatch of response and sales applies only where there is a multiple choice of goods on offer; profit is another matter, since response models typically do not allow, at an individual level, for product returns and/or bad debts.*

Research: \*\*\*\* Practice: \*\*\* Originality: \*\*\* Readability: \*\*  
Ref: 11407

### **Developing BTB relationships through direct marketing: customers' perceptions**

*R. Reis, C. Oates, M. McGuinness and D. Elliott*

RESEARCH. *Direct Marketing: An International Journal* (UK), Vol. 3, No. 3, p. 203 (19pp)

**B2B, DM, RM, direct mail, Portugal**

Notes the link between direct marketing (DM) and relationship marketing (RM), and the relevance of the former in establishing the latter. Expresses surprise at the lack of evidence for activities underpinning this process. Notes that, although RM is considered more relevant to business markets, research on the DM/RM link has been almost entirely in consumer markets. Sets out to examine the role of DM, from the customer perspective, in the development of relationships between customers and BTB suppliers in the training sector in Portugal. Establishes two research questions: How do customers perceive the role of DM in developing effective relationships with training companies; Is there a role for DM in establishing, and maintaining, an effective relationship with training customers. Describes the use of these questions in 30 semi-structured qualitative interviews with training customers of one training company, who received frequent direct mail and email from various training companies. Relates the main findings of the research: in establishing a relationship DM must be relevant to the customer's training needs, and come from a credible source; it should arrive by the customer's preferred channel and on his/her preferred day; it should be personalized and short, concise and simple. It may act as a trigger for realization of a diagnosed, or undiagnosed, need, or may create a perceived need. DM can also maintain a relationship, provided past training performance is satisfactory, and if follow-up and diagnosis after a training experience are conducted.

*DM, in this paper, refers exclusively to direct mail and email. The treatment here is simplistic, reflecting the extent to which use of DM in BTB has fallen behind that in BTC — which is ironic insofar as BTB is the original source of both DM and RM.*

Research: \*\* Practice: \*\* Originality: \* Readability: \*\*\*  
Ref: 11408

**Pricing, price promotion, EDLP, SDD**

**Ending a price promotion: Retracting it in one step or phasing it out gradually**

*M. Tsiros and D.M. Hardesty*

RESEARCH. *Journal of Marketing* (US), Vol. 74, No. 1, p. 49 (16pp)

Notes the existence of two popular price promotion tactics: hi-lo pricing, where the regular (hi) price is discounted (lo) for a period and the original price is then resumed; and every day low pricing (EDLP) with little or infrequent and small discounts. Suggests the alternative tactic of steadily decreasing discount (SDD) where the original price is discounted as in hi-lo, but the return to the original price is made in a series of steps rather than just one jump. Suggests that the drivers of consumer behaviour in a discounted environment are future expectation of prices and anticipated inaction regret. Relates a series of four studies — two lab experiments and one field study using undergraduate volunteers, plus one examination of a retailer's historical sales — and a series of different retail products. Finds that in all cases studied the SDD tactic produced higher sales volumes, revenue and profit than either hi-lo or EDLP, and that the drivers were, as hypothesized, expectation of future price and anticipated regret. Finds also that the use of SDD did not negatively impact either the brand image of the product involved or the image of the participating store. Concludes that SDD leads to higher future price expectations and higher anticipated inaction regret, and to a greater likelihood to buy.

*An intriguing series of studies, which appears to lead to an inescapable conclusion on the subject of price discounting tactics.*

Research: \*\*\*\* Practice: \*\*\* Originality: \*\*\* Readability: \*\*\*  
Ref: 11409

**Rethinking marketing**

*R.T. Rust, C. Moorman and G. Bhalla*

EXHORTATORY. *Harvard Business Review* (US), Vol. 88, No. 1, p. 94 (8pp)

**Marketing, CMO, CCO, CLV, customer equity**

Calls for the transformation of marketing departments into customer departments, each headed by a Chief Customer Officer (CCO). Excoriates companies that are still set up to market products, rather than to cultivate customers. Claims B2B companies are more inclined to focus on meeting customer needs. Cites IBM, Tesco, American Express. Notes that some 300 companies now have CCOs — but suggests that it's often a poorly defined role. The CCO must promote a customer-centric culture and remove obstacles to the flow of customer information: instances Tesco and USAA. He should control the CRM activity — typically run today by IT — market research, R&D and customer service, which should be run in-house and not outsourced. Notes Delta Airline's abandonment of customer service offshoring, estimating that the cost in customer relationships more than outweighed the financial savings. Demands a different focus on



customer metrics: customer profitability should replace product profitability; CLV should replace current sales; customer equity should replace brand equity and customer equity share should replace market share. Welcomes the movement towards requiring companies to report intangible assets in financial statements. Holds that customer equity (the sum of the CLVs of all customers) is a good proxy for the value of a firm. Claims the key metric at customer level is CLV; at segment level the lifetime value of the segment, and at aggregate market level customer equity.

*Much of this is not new; most of it has been said, in bits and pieces, many times in different places. But this is the first (to my knowledge) hard-hitting, logically coherent, authoritative exposition of some home truths that CEOs and CMOs must learn lest they, and their companies, perish. Read it.*

Research: \*      Practice: \*\*\*\*\*      Originality: \*\*      Readability: \*\*\*\*\*  
Ref: 11410

### **Customer development strategies for exceeding expectations — An exploratory study**

*L. Ang and F. Buttle*

SURVEY. *Journal of Database Marketing and Customer Strategy Management* (UK), Vol. 16, No. 4, p. 267 (9pp)

**Customer development, cross-selling, up-selling, cost reduction, Australia**

Refers to the conceptual notion of a customer journey, and aims to concentrate on the subject of customer development (ie growing the value of retained customers) within this concept. Notes that there are two possible approaches to this goal: increasing revenue, primarily by cross- and up-selling; reducing cost-to-serve. Notes that cross-selling increases multiple product ownership, and thereby switching costs, but that there is some resistance to it from employees. Describes a survey by questionnaire completed by 170 Australian companies covering both B2C and B2B, responding to six questions. Finds that only 49 per cent had a documented customer development plan. Of that 49 per cent, 88 per cent had a nominated person in charge of it, 84 per cent had a budget for the process, and 75 per cent aimed primarily to improve revenues rather than to reduce costs. Finds that those companies that exceeded their own expectations of customer development tended to have a documented plan, and also to concentrate on increasing revenue. Reports no relationship between exceeding expectations and having a nominated person in charge of the process.

*A slight study. That only 25 per cent of those with an explicit plan aimed to concentrate on cost reduction (which usually means reduced quality of service) is, if these self-reported answers are true, good news. Mind you, how anyone can equate customer development with cost reduction is a mystery to me.*

Research: \*\*      Practice: \*\*      Originality: \*      Readability: \*\*\*  
Ref: 11411

**Contact optimization,  
PVC, multi-channel,  
customer care**

**How should goals for ‘contact optimization’ be set, and how should contact optimization be managed in a multi-channel inbound and outbound environment?**

*J. Berry*

DISCUSSION. *Journal of Database Marketing & Customer Strategy Management* (UK), Vol. 16, No. 4, p. 241 (5pp)

Lists a series of five questions about contact optimization that were put to five experts in the field. The responses to these questions confirmed that the most common criterion now used is PVC (defined as propensity for favourable response × long-term value of response — cost of communication), modified by considerations of customer recruitment, satisfaction and retention. Pros and cons of using PVC were discussed, and interviewees were challenged to suggest alternatives. Given that contact optimization was originally developed as a strategy for batch outbound activities such as mail, interviewees were asked how it could be adapted to a multi-channel world of inbound and outbound communications. Differentiates between customer care contacts and sales contacts. Describes some of the responses of interviewees, and abstracts from them some suggestions for the future. Concludes that while PVC has served well in this area for a decade, multi-channel and customer-generated contacts demand a radical change of approach.

*Surely the correct criterion is simply the long-term net value (including, but not exclusively, revenue) derived from a communication, minus its cost. Leaving unanswered the question of how to calculate the net value (ie benefits less disbenefits) of a communication. Any ideas anyone?*

Research: \*      Practice: \*\*      Originality: \*\*      Readability: \*\*\*  
Ref: 11412

**Closing the customer feedback loop**

*R. Markey, F. Reichheld, A. Dullweber*

EXHORTATORY. *Harvard Business Review* (US), Vol. 87, No. 12, p. 43 (5pp)

**Customers, feedback,  
NPS**

Emphasizes the need to obtain customer feedback on performance, using example from Charles Schwab. Considers such methods as sending managers into the field to service customers; bringing customers to the firm to talk to staff; using ‘mystery shoppers’. Recommends a form of feedback that goes directly from customer to front-line employee and can be expressed in a single common metric that can be permanently used to measure the performance of an individual, team or office. Introduces in this context Reichheld’s Net Promoter Score, where customers are asked the question ‘How likely would you be (on a scale of 0–10) to recommend this product/service to a friend or colleague?’ Those answering 9–10 are classed promoters; 0–6 detractors, 7–8 passive. Describes the use of this metric by Allianz, which was able to pinpoint an area of failure (slow reimbursement of insurance claims) by investigating reasons for low NPS results from



customers, to correct matters, and to see improved NPS metrics as a result. Notes the problems faced by companies that sell to the end-user via distributors, and describes how Grohe dealt with these; also how they used NPS to optimize the frequency of calls on customers by sales reps.

*Along with some other writers in the UK, I have a profound distrust for the way in which NPS is marketed as the ultimate answer to God, the Universe and Everything. However, its more modest use as described here is interesting and worth some reflection.*

Research: \*\* Practice: \*\*\* Originality: \*\* Readability: \*\*\*\*  
Ref: 11413

### **The five traps of performance measurement**

*A. Likierman*

ADVISORY. *Harvard Business Review* (US), October 2009, p. 97 (6pp)

**Performance  
measurement,  
quantification, NPS,  
ROI**

Notes that the task of designing performance measurement criteria is regarded by many as boring and difficult, or even threatening, and is left to nerdy colleagues who produce a mass of indigestible numbers. Claims there are five common traps in measuring performance, and discusses each of these in turn: (1) Using budget as a yardstick. Suggests using one's customers and their repeat purchase intentions as an external measure, or going to external professional assessors. (2) Looking backward — for example comparing this year's figures with last year's. Recommends measures that look forward, and suggests measuring the success not just of what one has done, but of what one has deliberately not done. (3) Putting faith in numbers, resulting in reams of low-quality data and use of popular, not necessarily relevant, measures. Instances the common use of Net Promoter Score, which is more relevant to some company situations than others, the use of financial metrics for non-financial activities, and the description of return on investment as the holy grail of measurement (implying that it can never be found). (4) Gaming your metrics. Asserts that using a number as a performance measurement is an invitation to staff to manipulate it. (5) Sticking to your numbers too long. Advocates being clear about what a number truly represents as a way of seeing whether it is fit for purpose. Instances the (mis)use of AAA financial ratings.

*It is significant that this is a British author writing in an American journal: blind misuse of dubious numbers is a characteristic failing of US management. The obverse British error is a strong reluctance to quantify anything, but bad American habits can also intrude: vide the scandalous manipulation of targets in the National Health Service over the past decade. The problem is not setting targets, but setting simplistic targets and naïvely failing to anticipate their manipulation.*

Research: \* Practice: \*\*\* Originality: \*\*\* Readability: \*\*\*\*  
Ref: 11414

**Consumers, multiple channels, cross-channel, OOPS**

**Multi-channel and cross-channel shopping behavior: Role of consumer shopping orientations**

*P. Chatterjee*

RESEARCH. *Marketing Intelligence & Planning* (UK), Vol. 28, No. 1, p. 9 (16pp)

Notes the volume of research into multi-channel retailing, which allows customers to seek information in one channel and purchase in another. Notes that there is now growth in cross-channel retailing, which permits a customer to order online, pay either online or in-store, and pick up in store (OOPS), but that this is still a little researched area. Sets out to examine the strategic implications of this for such things as retailer costs, customer satisfaction and channel conflict. Describes a study of consumers in two US physical bookstores 50 miles apart belonging to the same retailing chain, which shared a website, but only one of which offered OOPS facilities. Finds that OOPS attracts online customers with high waiting-time costs; eliminates delivery costs for close-to-store online customers, and offers greater confidence and control in product search to store customers; OOPS enhances retailer satisfaction, irrespective of channel used; thrift-seeking customers are less likely to conduct competitive search online or offline, but are more likely to return goods to an OOPS retailer; overall OOPS offers greater profitability than a simple multi-channel strategy. Notes, however, that these findings apply to retailers selling standardized products: OOPS retailers are obliged to maintain a single price across channels, losing the ability to respond to competitive pressure in specific localities.

*A fascinating article, which clearly spells out the potential pros and cons (for consumer and retailer) of a cross-channel strategy. The actual experiment conducted is interesting and indicative, but partial and not wholly convincing. More study needed.*

Research: \*\*\* Practice: \*\*\*\* Originality: \*\*\* Readability: \*\*\*\*  
Ref: 11415

**A customer focus in tough times**

*L.A. Crosby*

REPORTAGE. *Marketing Management* (US), Vol. 18, No. 5, p. 8 (2pp)

**Customer-focus, leadership**

Reports on discussions at a board meeting of the Center for Services Leadership at Arizona State University. Claims that among all the stakeholders in a company, customers are the ultimate and primary group. Recommends the adoption of customer-focused leadership to enhance the total customer experience, despite the current emphasis on cost-cutting, and without demanding that every improvement must result in an immediate sales lift. Gives some examples of product/service innovations that revise the customer value proposition — and create a win/win situation for company and customer, for example computer firms' decision to continue the rollout of netbooks; banks' adoption of new ATMs that accept cheque and cash deposits with only a bank card and no deposit slip, which provide a facsimile of the

deposited cheque. Recommends that any cuts in customer service should be made ‘with a scalpel, not an axe’ — for example by removing enhancements that nobody values. Gives negative example of a US airline that tried to charge for soft drinks but had to back down. Emphasizes the role of top-down leadership in maintaining this customer focus.

*A short but heartfelt plea for prioritizing, especially in hard times, the enhancement of the customer experience.*

Research: \*      Practice: \*\*      Originality: \*      Readability: \*\*\*  
Ref: 11416

### **The recovery paradox: The effect of recovery performance and service failure severity on post-recovery customer satisfaction**

*M.A. McCollough*

RESEARCH. *Academy of Marketing Studies Journal* (US), Vol. 13, No. 1, p. 89 (16pp)

#### **Customer service, recovery paradox**

Notes research suggesting the existence of a recovery paradox — the idea that a service failure, followed by recovery action, can result in equal, or greater, customer satisfaction than if the failure had not occurred. Addresses the question of whether this supposed paradox is moderated by the degree of harm caused by the failure and/or the level of the recovery action. Details a study in which some 140 passengers on 50 flights with nine carriers over two weeks were given a questionnaire just before take-off asking them to respond to a scenario that postulated one of three high, medium, or low service failures (flight delay of 3 hours or 30 mins, or transfer to an alternative same-time flight) and one of two recoveries (10 per cent future discount, or no reward). Finds that post-recovery satisfaction is indeed affected both by level of recovery performance and level of harm caused. (Notes, however, that apparent objective harm is no proxy for the individual’s perceived level of harm; notes the problem of applying standard procedures to meet individually different cases.) Finds that although service recovery does mitigate the dissatisfaction caused by service failure, the paradox of satisfaction being increased to levels greater than if no failure had occurred is possible only in cases of very low harm (objective and subjective) and superior recovery; it is likely to be a rare phenomenon. Improving service is more important than superior recovery.

*This article asks some interesting questions about a much-discussed phenomenon, but the methodology employed to answer them is flaky. Thus, delay in a flight is generally not the fault of the airline, nor is the fact that such a delay affects scores of people at one place and time (demanding a standardized response), typical of most service failures.*

Research: \*\*      Practice: \*\*      Originality: \*\*      Readability: \*\*  
Ref: 11417

**Shopping, bargains,  
coupons**

**Attitudes toward coupon use and bargain hunting: An examination of differences by gender**

*C.J. Hill and S.K. Harmon*

RESEARCH. *Academy of Marketing Services Journal* (US), Vol. 13, No. 1, p. 67 (12pp)

Notes previous studies showing men responsible for 54 per cent of household shopping, being not understood and largely under-served. Sets out to discover whether attitudes towards coupon use and bargain hunting are gender based and/or age based, and what attitudinal factors explain differences. Describes a 25-statement questionnaire administered to 535 adults from designated gender and age quotas (under/over 40). Large majorities of men and women believe in bargain-hunting, with women being somewhat more price-sensitive and flexible. More men than women believe coupon use is a hassle, and more younger people, but use by all is hampered by time and effort required, and the coupon habit is not well established in any segment. Finds that older women are the most likely group to use coupons, and that traditional methods of distributing and redeeming coupons are likely to show diminishing returns. Notes also the huge waste factor in unredeemed coupons. Notes the storing of purchase data on loyalty cards, potentially leading to the targeting of coupons to specific shoppers, or the application of promotion codes to purchases beyond the Internet.

*In general these findings are not unexpected or counterintuitive — although the number of men involved in shopping and the relative smallness of the male/female differences may be.*

Research: \*\*\* Practice: \*\* Originality: \*\* Readability: \*\*\*  
Ref: 11418

**Survey research: Two types of knowledge**

*P. Smith*

OPINION PIECE. *International Journal of Market Research* (UK), Vol. 51, No. 6, p. 719 (3pp)

**Research surveys,  
academia,  
practitioners**

Complains of the major divide between the types of knowledge held by survey experts in research agencies and by academics: the former know how to conduct a survey quickly and efficiently; the latter understand the theory and have a rigorous framework for assessing survey error; each lacks the virtues of the other. Admits to (over?)-dramatizing this divide, but claims there is a serious point to answer. Criticizes the complacency of pragmatism among practitioners. Claims there are only two criteria for judging accuracy of survey data: *a priori* criteria based on statistical theory and logic, or *a posteriori* criteria relating to similar past surveys that align to trusted external data; to apply these criteria practitioners require academic guidance, without which they make needless mistakes, and their work is not given academic attention — attention that itself can be unrealistic. Recommends cross-fertilization by secondments and formal links. Ends on a pessimistic note regarding the chances of such an outcome.

*Three cheers (and five stars) for the most elegantly written piece I have read in some years. Can we not have some lengthier contribution from one who can write like this? (Though the author probably realizes the virtue of brevity.) His pessimism is justified: the academic/practitioner divide runs through the whole of marketing, and it will only be eliminated by the appointment of a Marketing Commissar who can bang heads together (or remove them). Roll on the Revolution.*

Research: ----- Practice: \*\*\*\*\* Originality: \*\* Readability: \*\*\*\*\*  
Ref: 11419

### **Promotional messages in multi-channel banking: Attractive or annoying?**

*A. Sunnika and J. Bragge*

RESEARCH. *Journal of Financial Services Marketing* (UK), Vol. 14, No. 3, p. 245 (9pp)

Notes that in Finland internet usage is 83 per cent, of which 72 per cent is online banking. Looks at previous multi-channel research, and concludes that it is anecdotal and contradictory. Sets out to discover whether promotional messages are acceptable in the context of online banking, and how personalization affects this. Distinguishes two kinds of personalization: preference-matching (PMC), where the message is merely tailored to the known interests of the customer; self-referent (SRI) where it refers to personal data or known experience of the customer. Describes the structure of four computer-mediated focus-group interviews, each of 2.5 hours, involving 53 customers of a Finnish bank. Interviewees were presented with a scenario in which the bank sent them a message, delivered through different channels (direct mail, telephone, email, bank-embedded email) promoting an investment; the message was personalized by PMC or SRI. Participants were asked to choose the most and least suitable media for delivering such a message using either form of personalization. Reveals high scores for direct mail and bank-embedded email using SRI and low scores for telephone. Gives samples of participants' free-form comments.

*An important article with resonance far beyond online banking. The methodology of computer-mediated focus groups is worth studying; the approval rating of direct mail on a variety of counts is fascinating.*

Research: \*\*\*\*\* Practice: \*\*\*\*\* Originality: \*\*\* Readability: \*\*\*\*\*  
Ref: 11420

### **Employer branding and market segmentation**

*L. Moroko and M.D. Uncles*

THEORETICAL. *The Journal of Brand Management* (UK), Vol. 17, No. 3, p. 181 (16pp)

Notes that in recent years many firms have begun branding themselves in their capacity as employers. Denotes five generic types of market segmentation: by product feature; consumer interaction; choice barrier;

**Multi-channel,  
promotion,  
personalisation,  
banking, direct  
mail, Finland**

**Branding, employers,  
employees,  
segmentation**

bargaining power; profitability. Indicates how these might apply to product-consumer relationships in four different industries (pharmaceuticals, financial services, semi-government utility and transportation). Proceeds to consider these generic types of segmentation in relation to employer-employee relationships, and to examine how far they are used by four specific firms in the above industries. Describes the collection of interview data from 58 employer branding process managers and 41 employees. Finds that companies offer product features (eg remuneration packages, share/bonus schemes, education, training) aimed at particular market segments: particularly in the pharmaceuticals firm with offers of part-time working, child care, etc. Notes that potential employees rely on advice (consumer interaction) from their peer and family groups, making branding to these, as well as to actual job-seekers, vital. Notes that firms use choice barriers to both entering and leaving employment — for example by requiring specific academic qualifications, deferred bonuses, etc. On the other hand, prospective employees can exert bargaining power through the possession of rare skills or experience — and these may be key to the company's profitability.

*Not an easy read: try taking each paragraph twice and it gradually becomes clearer. The concept of a company packaging its attitude to staff recruitment/retention (at various levels) into an explicit brand is interesting.*

Research: \*\* Practice: \*\*\* Originality: \*\*\* Readability: \*\*  
Ref: 11421

### **Rethinking the chain: Leaner, faster and better marketing**

*R. Shaw and P. Kotler*

ADMONITORY. *Market Leader* (UK), January 2010, p. 50 (4pp)

I2D

Looks at the Ideas-to-Demand (I2D) chain. Complains that in most companies it is overly complex and under-controlled. Identifies four links in the chain: Ideation, Production, Distribution and Demand. Elaborates on the need to audit each of these links. Advances a number of suggestions for improvement: rethink the way money and resources are allocated — to maximize profitable incremental demand, not simply to replicate, on a larger or smaller scale, what was done last year; manage ideas as a portfolio (as Unilever does); share ideas and encourage collaboration (as Motorola does); outlaw wasteful production; reduce and simplify production checks and controls; reallocate work to where it is done most effectively (eg using production specialists instead of general agencies); monitor and control media selection and buying; enhance demand forecasting; attribute demand patterns scientifically; make changes stick — by not using junior staff to implement change.

*A short run through the series of problem areas that afflict, at one level or another, most marketing departments.*

Research: \* Practice: \*\* Originality: \* Readability: \*\*\*  
Ref: 11422