Abstracts

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

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

Abstracts are not usually included for any article awarded less than seven stars overall.

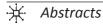### Mad Man of Havas just wants to be Mr Nice Guy

S. Goodley

Havas, CSR, David Jones, transparency

INTERVIEW. *The Guardian* (UK), 2 January 2012, p. 21 (1p)
Records an interview with wunderkind David Jones, a 45-year-old chief executive of Havas, and former adviser to David Cameron, on the occasion of the publication of his book on CSR (Who Cares Wins). Quotes Jones as categorizing the decade from 1990 as 'the age of image', that from 2000 as 'the age of advantage' (when a few companies realized they could gain an edge by delivering on their promises) and that from 2010 as 'the age of damage' (when businesses that are not socially responsible will suffer). Jones holds social media responsible for 'taking CSR from a silo to the profit and loss account' and his key word for the new era in business is 'transparency'. Records one or two recent embarrassments for Jones, then zeroes in on his own emoluments, about which he seems less than wholly transparent. Questions whether Jones, as an ad man, is really an appropriate person to be making the case that 'good business is better business', and notes that this book is a great advertisement for Havas. Quotes Jones as agreeing that there will be cynical reactions; notes the number of people plugging the book (Bob Geldof, Desmond Tutu, Arianna Huffington, David Cameron). Final quote from Jones: 'technology today (for the first time in history) doesn't help world leaders, it undermines them'.

An interesting interview with an interesting man; no doubt we should review the book. And, whatever we think of the author and his motives, we should consider seriously his message.

Research: ----- Practice: *** Originality: * Readability: ****
Ref: 13401

Financial services, banks, social media, Social Mention, Chernoff Faces

Notes that the role of social media as a marketing tool is not widely understood, that methods of shaping social media conversations have not yet been articulated, and that the growth of social media (defined as user-generated content, or online resources that people use to share content) have reduced organizations' control over their brands and reputations. Notes five types of social media sites: egocentric sites (eg Facebook); community sites (eg BlackPlanet; opportunistic sites (eg LinkedIn); passion-centric sites (eg Chatterbirds); and media sharing sites (eg YouTube). As a means of finding out what is being said on social media about a brand — and its competitors — he notes Social Mention — a search and analysis platform that tracks and measures what people are saying about a particular brand (or any other topic). Reveals that Social Mention measures by four metrics: strength (number of mentions in 24 hours divided by total possible mentions); sentiment (ratio of positive to negative mentions); passion (based on likelihood of repeat mentions); and reach (number of mentions by unique authors divided by total number of mentions). Ranks the ten largest banks in the world by this method. Introduces the concept of Chernoff Faces — a methodology that allows a mass of numerical data about a collection of brands to be represented by a corresponding number of faces, which are quicker and easier to relate to.

Introduces two pieces of software worth attention: Social Mention to give a snapshot of what is being said about you on the web, and Chernoff Faces to reduce this mass of data to a simple visual picture.

Research: ***   Value: ***   Originality: ****   Readability: ***
Ref: 13402

Segmentation, demographics, financial services

Notes the great recent rise in competition in financial services, both in online-only services and off-line in high street chains. Claims that, despite this, advertising methodologies of targeting, positioning and segmentation in financial services companies have scarcely changed. Notes arrival of better TV viewing data, yet alleges that precedent targeting strategies remain rooted in demographic analysis. Notes the use of several types of segmentation: geographic, psychographic, behavioural and demographic, but holds that demographic segmentation is the foundation of most marketing. Notes studies

showing that demographic data are at best a proxy for differences in buying habits; fragmentation and disintegration of the mass market has meant demographic segmentation is outmoded. Relates research undertaken with 460 recruits from the internet, which demonstrated that the demographic variables of age, gender, income, occupation and education showed minimal statistical between demographic segments. Concludes that demographic segmentation is no longer of value, and calls for research — in a world where so much data are freely available — to find better methods of segmentation.

A singularly unimpressive experiment to prove what the author was, in the first place, determined to prove. He may be right for all that, although practitioners should look for better evidence before throwing the baby out with the bathwater.

Research: **   Practice: **   Originality: *   Readability: **
Ref: 13403

Editorial

J.F. Ozimek

Database marketing, analysis, empathy

REFLECTIVE. *Journal of Database Marketing & Customer Strategy Management* (UK), Vol. 18, No. 4, p. 221 (4pp)

Reflects upon the changing nature, over past decades, of Database Marketing, both as a journal and as an activity. Recalls the late 1980s as a period when it seemed that direct marketing — as the trailblazer for all marketing — was approaching a nirvana of scientific marketing when it seemed that all activity would be driven by financial analysis of response. Finds that this tide has receded, and that senior marketing personnel are more interested today in creating and managing customer groups empathically and instinctively, with limited attention to hard data. Customer relationship and customer strategy management have become the order of the day. Asks why this change of direction has taken place. Finds that the scientific approach led to a mechanistic and deterministic world view, which was widely unacceptable — but also that wide segments of the UK business world are functionally innumerate, and unable to follow simple mathematical logic. Recognizes that the marketplace too has changed, with the immense fragmentation of media, making it ever more difficult to measure accurately the myriad consequences of a simple action.

So David Ogilvy was both right and wrong: the whole marketing world has been obliged to accept the outward methodology of direct marketing, but much of it has failed to learn its strict lessons of test, analyse, evaluate and test again.

Research: -----   Practice: **   Originality: *****   Readability: *****
Ref: 13404

The agony and the ecstasy of CRM in a smart grid world

P.C. Honbein and R.F. Cammerano

INSTRUCTIVE. *Journal of Database Marketing & Customer Strategy Management* (UK), Vol. 18, No. 4, p. 225 (8pp)

Examines the problems of utility suppliers (in the USA) installing smart meters in customers' homes — both with customers and with regulators. These problems revolve around regulatory bias, issues of consumer confidence and consumer willingness to cooperate in the co-creation of value. Reveals that CRM is a dirty word in regulators' vocabularies, since it is held to mean the collection of customer data and its misuse in cross- or up-selling or to feed the direct marketing machine. Insists, however, that a robust CRM system is essential to obtain win/win scenarios from smart systems. Relates the experience of the CommEd Customer Application Pilot, which supported a sample of 8,500 customers receiving a variety of innovative services and employing CRM technologies integrated with a call centre of 'energy advisers'. Notes the demand for regulated utilities to reduce costs and to encourage customers to adopt more energy-efficient lifestyles. Notes the inevitable privacy backlash, raising questions, with regard to smart meters, of accuracy, security, privacy, health and value. Indicates the problems of persuading customers with smart meters to use these in an intelligent way to reduce usage.

When smart meters become a common feature in the UK, they will be adopted, as in the USA, by a multitude of suppliers, but at least they will have only one regulatory system. Consumer concerns will, however, follow just the same pattern.

Research: *   Practice: **   Originality: ***   Readability: ***
Ref: 13405

The death of personal service: Why retailers make consumers responsible for their own customer experience

M. Stone

PREDICTIVE. *Journal of Database Marketing & Customer Strategy Management* (UK), Vol. 18, No. 4, p. 233 (7pp)

Looks at the tension between efficiency and customer experience management in retailing. Examines the concept of customer experience; notes that many aspects of this are outside the control of retailers — who therefore cannot manage the total experience. Notes that there is little evidence of consumers switching retailers on account of poor service, even though half of them are likely to receive poor service in any given month. Notes that 97 per cent use self-service checkouts (although 66 per cent of these prefer to use tills with staff). Opines that the solution to the service problem of hiring more staff with better training is not the economic way forward: consumers are primarily interested in the core retail offer of availability and price, and treat experience issues as hygiene factors, not affecting choice of retailer except in extreme circumstances. Notes the wide variation in the amount of personal

service required by different types of retail outlet, but finds that many retailers have withdrawn from using staff wherever possible, relying instead on technologies such as in-store internet access, virtual reality, digital signage, radio frequency identification, self-checkouts etc.

A curious mélange. The idea that customers must be kept happy — or indeed delighted — at all times and all costs is no doubt overplayed in the current literature. And it is true that the whole customer experience cannot be 'managed'. But to describe it as a mere hygiene factor (whatever that means) may be going too far.

Research: *   Practice: **   Originality: ***   Readability: ***
Ref: 13406

Corporate blogs as tools for consumer segmentation-using cluster analysis for consumer profiling

V. Ahuja and Y. Medury
TECHNICAL. *Journal of Targeting, Measurement and Analysis for Marketing* (UK), Vol. 19, No. 3/4, p. 173 (10pp)

Blogs, segmentation, profiling, sentiment, Sentiwordnet

Notes the growth in the number of blogs on the internet — especially corporate blogs. Addresses the research opportunities and business implications of extracting consumer-related data for consumer profiling from comments posted by consumers on corporate blogs, in order to gain insight into consumer thought processes, to predict consumer behaviour, and create consumer segments. Claims that such comments can be mined to gauge consumer sentiment, by extracting expressive words and assessing them as either objective, positive or negative in sentiment. Introduces Sentiwordnet, a data mining tool for this purpose. Defines sentiment mining as a computational technique used to identify expressions made about a topic within a span of text. Describes the technique, and illustrates it by taking sentiment scores for 18 consumers, which were then subjected to cluster analysis, resulting in three clusters.

The problem of how to extract usable information from the mass of data available from social media is the number 1 question of the day. The concept of identifying single words as expressing positive or negative sentiments is an interesting one; the description of how this is done is pretty opaque in this article.

Research: **   Practice; ***   Originality: ***   Readability: *
Ref: 13407

Is SCRM really a good social media strategy?

L. Ang
CONTROVERSIAL. *Journal of Database Marketing & Customer Strategy Management* (UK), Vol. 18, No. 3, p. 149 (5pp)

Social media, CRM, SCRM, CoRM

Notes the different approach of two articles, by this author and by Woodcock *et al.*, published in *Database Marketing* 18/1 (and

abstracted in this Journal 13/1) on the benefits, or dis-benefits, of SCRM. Maintains that SCRM is a misnomer, particularly because SM users are not necessarily customers. Suggests instead CoRM, or community relationship management. Notes the claim by Woodcock *et al.* that SM should be 'harnessed' to existing CRM systems, but points out that before doing such a thing one would have to identify SM users, and determine whether or not they were customers. Notes that CRM has a high failure rate. Claims that SM is a many-to-many communication medium, whereas CRM is one-to-one: harnessing SM to CRM would relegate it to another form of direct marketing medium. Points out that many customers do not want a relationship with an organization — leave alone a social one (only 3 per cent of SM users are fans of a brand, company or product). Defines a social media strategy as helping users to interact with other users, and creating advantage for oneself while doing so. Suggests that SM represents a paradigm shift (Ugh — Ed.) as we move into a networked society, making CRM irrelevant.

The author clearly belongs to the body of opinion that has always regarded CRM (at least as widely implemented) as a thoroughly dubious exercise. That apart, it doesn't appear to have much relevance to mastering the use of social media, as this author says.

Research: ----- Practice: *** Originality: **** Readability: ****
Ref: 13408

Corporate blogs and internet marketing — Using consumer knowledge and emotion as strategic variables to develop customer engagement

N. Sinha, V. Ahuja and Y. Medury
EXPERIMENTAL. *Journal of Database Marketing & Customer Strategy Management* (UK), Vol. 18, No. 3, p. 185 (15pp)

Blogs, corporate blogs, consumer brand knowledge, consumer brand emotion

Asserts that buying decisions are made, at least in part, on feelings and emotions about brands. Notes that, with the rise in blogging, a number of corporations have effectively launched corporate blogs, adding to consumer knowledge of brands and shaping consumer perceptions. States that, as the consumer–brand relationship moved from the purely monetary to the emotional, marketers now promote products by targeting consumers' emotions — most consumers being driven more by an emotional than by a rational marketing strategy. Expatiates at length on the nature and evolution of blogs, corporate blogs, external blogs and the structure of a blog. Refers to a previous study that analysed the effect on 30 consumers' brand knowledge (CBK) of exposure to four blogs (for Facebook, Volkswagen, Google and Cadbury), and found a considerable improvement. Describes a further study to assess the effect on consumer brand emotion (CBE) of similar exposure to corporate blogs; finds that the degree of CBE rises with the level of increase in CBK.

The first seven pages of this article (part of them duplicated in an article in the Journal of Targeting Measurement and Analysis) may be of some value to a reader who has no previous knowledge of blogs — but to no one else. The rest shows — perhaps surprisingly — that forced exposure to a specific corporate blog improves consumers' reactions to the brand in question.

Research: ***   Practice: *   Originality: **   Readability: *
Ref: 13409

The possible impact of university corruption on customers' ethical standards

M. Stone and M. Starkey
ACCUSATORY. *Journal of Database Marketing & Customer Strategy Management* (UK), Vol. 18, No. 3, p. 154 (26pp)

Ethics, corruption universities, students

Looks at the problems raised for universities — in the ethical delivery of teaching by staff, and the ethical behaviour of students — by the political demand for ever-increasing numbers of students, the rising levels of student fees and the universities' need to maximize fee income. Claims that universities have become factories for turning out graduates, derived from 40–50 per cent of the population in many countries. Holds that the whole system is driven by economic incentives, with individuals behaving just as behavioural economics would predict. That is to say, university staff, faced with the need to maximize fee income, for their university or their department, bend (sometimes to breaking point) the criteria for admission, or for entry to a postgraduate course; proper standards of teaching are diluted by increasing class sizes, or giving teaching assignments to staff whose only qualification is for research rather than teaching; students, some of whom should not have been admitted, being fearful of failing after incurring heavy fees, and having been cheated by inferior teaching, resort to various forms of cheating themselves — by plagiarism, buying content from outside sources, procuring others to write their assignments and so on. Claims these problems are worldwide. Ends with some advice to students on how to identify if they are getting value for money.

An extraordinary slashing assault on the university system worldwide. As the authors say, if we allow corrupt university staff to turn out corrupt graduates, how can we be surprised at the ethics of Enron, or the amorality of the investment banking world?

Research: ***   Practice: **   Originality: ***   Readability: ****
Ref: 13410