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(3) originality of thinking
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Telephone, voice recognition, automation

Computer telephony and voice recognition come of age
M. Bartholomew
SURVEY. *Journal of Financial Services Marketing* (UK), Vol. 3, No. 3, p. 249 (12pp.)
Describes ancestry and development of voice recognition in computer telephony from the early days of pre-recorded messages and answering machines through interactive voice response (IVR) to the latest stage of large vocabulary voice recognition (LVR). Indicates that the push for automated systems comes from the increasing number of calls fielded by, in particular, financial institutions, and the cost of handling them; recognises that current push-button systems do not always work well; distinguishes between the need for 'soft and unstructured dialogue' conducted by humans and 'limited and pre-determined utterances' now capable of machine handling through LVR systems. Claims that ten applications of LVR are running successfully in North America and Europe, with many more in planning. Instances Charles Schwab, UPS, Toronto Dominion Bank, Lloyds TSB, Amex and BA. Claims customer enthusiasm, and a call-handling cost reduction of 80 per cent. Notes greater resistance to IVR in Europe; suggests new entrants are likely to go direct to LVR; asserts that customer satisfaction can be enhanced by this system; quotes desire of UK government to have 25 per cent of its public interactions automatically handled.

A good article. This technology seems set now to replace much call centre work, but may itself be overtaken (in time) by Web-based activity — or may simply run parallel with it.

Research: ✷✷   Practice: ✷✷✷   Originality: ✷✷   Readability: ✷✷✷
Ref: 1401

Telemarketing, direct marketing, direct mail, privacy

Telemarketing: Still possible in the next millennium?
M. Walrave
SURVEY. *Journal of Database Marketing* (UK), Vol. 7, No. 2, p. 138 (19pp.)
Indicates the growth rates of telemarketing in the USA (50 per cent per annum) and the EU (20–50 per cent in different member states). Contrasts this with the allegation of growing consumer dissatisfaction

and distrust, coupled with a trend towards legislative interference. Distinguishes between inbound and outbound telemarketing, and their functions. In the latter case, mentions teleprospecting, telesupport, teleresearch, telecollections and telesynergy. Relates the results of consumer surveys in Holland, Belgium, the USA and the UK into attitudes to, and experience of, telemarketing, whether as a sales or a prospecting medium. Records high levels of hostility in all cases, and growing between 1995 and 1998. Discusses the consequences of 'sugging' and 'frugging' in the USA. Discusses a survey of European consumer attitudes to privacy versus the opportunities provided by direct marketing: reports a division of the population into 25 per cent 'fundamentalists', 57 per cent 'pragmatics' and 18 per cent 'agnostics'. Reports that 32 per cent of Flemish telephone subscribers leave their answering machines on permanently to filter incoming calls. Discusses calling line identification (CLI), call blocking, line blocking, and block blocking; mentions computer telephony integration (CTI), automatic call distribution (ACD), and automatic dial recorded message players (ADRMPs). Suggests evolution towards 'advertising on demand', consumer choice of media, and 'virtual call centres'. Concludes with a set of ethical guidelines, and a collection of pros and cons for telemarketing.

The first half of this worthy but inordinately wordy article is a child's guide for beginners to telemarketing. The survey results that follow are interesting, but scarcely surprising (except for how few people want to ban outbound telemarketing). The concluding checklists are a useful starting point — but not tablets of the law.

Research: ✸✸ Practice: ✸✸✸   Originality: ✸   Readability: ✸✸
Ref: 1402

Relationship marketing, interpersonal relationships, metaphor

The utility of the relationship metaphor in consumer markets: A critical evaluation
L. O'Malley and C. Tynan
THEORETICAL. *Journal of Marketing Management* (UK), Vol. 15, No. 7, p. 587 (16pp)
Notes that the concept of relationship marketing emerged in high-contact service and interorganisational contexts, and has penetrated mass consumer marketing circles since the mid-1990s, despite early resistance. Emphasises that in this context 'relationship marketing' is a metaphoric transfer of social exchange theory; explores the use of metaphor in general, and questions the utility of this particular metaphor. Indicates that the relationship most commonly referred to is marriage, highlighting cooperation, mutuality and trust between buyer and seller, and downgrading competition, aggression and adversarial stances. Insists that buyer-seller exchanges are not, literally, interpersonal relationships (as much current writing implies) but that the attributes of such relationships may be employed in analysing such exchanges. Accepts that the interpersonal relationship metaphor is beguiling, but asserts that

practitioners appear to have adopted the language without the underlying values. Concludes that the use of a wide range of metaphors may be appropriate in research, but that in a mass market 'there is limited interpersonal interaction, and technology is not, and never can be, a direct substitute for people'. Holds that the interpersonal relationship metaphor in general, and the marriage metaphor in particular, obfuscate meaning, restrict creative possibilities, and do nothing to advance theory.

Deploys a full armoury of academic paraphernalia to point out, very elegantly, that this emperor is, at best, very inadequately clothed. (For a similar viewpoint, see the first review in the Review section of this issue.)

Research: ✱✱ Practice: ✱✱✱ Originality: ✱✱✱✱ Readability: ✱✱✱✱
Ref: 1403

Segmentation, database, direct marketing, direct mail, contact strategy management, customer service

Implementing segmentation in service firms: Contact strategy management, a step forward for the new millennium
A. Nairn and R. Webber
THEORETICAL. *Journal of Database Marketing* (UK), Vol. 7, No. 2, p. 120 (17pp.)
Combines an academic literature review of the implementation of segmentation strategy with a survey of practice among Experian's client base. Contends that customer data have commonly been used by companies' direct marketing departments, but have not been available to customer-facing staff dealing with a variety of other channels; that the design of marketing databases is determined by the needs of bulk outbound mailings while the data systems of front-line staff are not integrated with these databases. Maintains that the literature has been too concerned with a prescriptive search for new variables, or new analysis techniques, with little practical regard for the relevance of either to specific marketing issues, or the availability of the data called for, or the problem of organisation-wide access to segmentation decisions. Proposes a system of 'contact strategy management' which would recognise the willingness of consumers to use different contact channels according to the complexity of their transactions, and would provide front-line staff with appropriate data, and guidance on their use, across all channels. Gives examples of improved customer service made possible in such an environment. Suggests a technology strategy for the process of contact strategy management; insists the process must be cross-functional.

The above is an inescapably inadequate summary of a tightly argued paper. It covers some of the same ground as the second author's article abstracted in our last number, but from a somewhat different angle. The argument is important, and both papers are highly recommended.

Research: ✱✱✱ Practice: ✱✱✱✱ Originality: ✱✱✱ Readability: ✱✱✱✱
Ref: 1404

Geodemographics, cluster analysis, targeting, fuzzy logic

The application of fuzzy classification in geodemographic targeting
Z. Feng
THEORETICAL. *Journal of Targeting, Measurement and Analysis for Marketing* (UK), Vol. 8, No. 1, p. 45 (12pp.)
Asserts that conventional methods of geodemographic classification are an 'all-or-nothing' system, depending on Boolean logic and the law of the excluded middle: any individual, or group, must belong to one classification only; this denies the reality that an individual, or group, may be very close to two or more classifications, making membership of only one unduly arbitrary. Illustrates this principle by reference to a market survey in Luton based on 18 enumeration districts in three ACORN type. Describes fuzzy logic as an alternative to classical, or Boolean, logic, and fuzzy clustering as a generalisation of conventional cluster analysis designed to overcome this problem, and first proposed for use in geodemographic systems almost ten years ago. Works through the Luton example on this basis, and indicates how the methodology could be used to cope with the ambiguities inherent in neighbourhood classification, and to improve the net benefits of geodemographic targeting.

For those to whom 'fuzzy logic' is an imperfectly understood concept, this is a valuable introduction. The actual example will be pretty hard going for non-mathematicians, but can be skimmed: the principles are clear and important. (Those who heard Stan Openshaw's IDM lecture in March 1998, or acquired the audio cassette (reviewed in New Marketing Directions, Vol. 1, No. 3*) will find this an interesting follow-up.)*

Research: ✷✷✷✷ Practice: ✷✷✷   Originality: ✷✷✷   Readability: ✷✷✷
Ref: 1405

Geodemographics, lifestyle

Geodemographics and geolifestyles: A comparative review
R. Harris
THEORETICAL. *Journal of Targeting, Measurement and Analysis for Marketing* (UK), Vol. 8, No. 2, p. 164 (15pp.)
Asserts that while geodemographics is regarded as a proven technology, it has developed no theoretical basis beyond the 'birds of a feather' concept. Points out the 'representational problem' that geodemographic areas in the UK and USA are artificial, not homogeneous community areas, and current systems are based on ten-year-old data. Accepts that addition of TGI data *et al.* has helped. Looks at lifestyle databases, covering 75 per cent of UK households. Refers to the two sole studies (in 1993 and 1999) of the relative performance of geodemographic and geolifestyle systems. Relates that both found the geolifestyle system provided a more meaningful depiction of consumer behaviour than the geodemographic; the degree of association between the two was low, although stronger among lower socioeconomic groups. Recounts details of

a further comparative study, concluding that the geodemographic system studied wrongly represents people as being of the same type on 2–13 per cent of occasions, whereas the geolifestyle system does this 0.3–3 per cent of times. But points out that lifestyle data are collected from a self-selected sample, who may lie, mislead or exaggerate. Concludes that geolifestyle is not necessarily a better way of representing consumers, but may just be different.

An interesting study — a pity that in the end it shies away from its own conclusions. Recent practice has gone further than this piece recognises in marrying together the best of these two methodologies — but it is still worth reading.

Research: ✱✱✱   Practice: ✱✱✱   Originality: ✱✱   Readability: ✱✱
Ref: 1406

Logistic regression, CHAID, modelling, classification

Market segment classification modelling with logistic regression
B. Ratner
THEORETICAL. *Journal of Targeting, Measurement and Analysis for Marketing* (UK), Vol. 8, No. 1, p. 57 (14pp.)
Gives a brief run-down on the (relatively) well-known concept of binary logistic regression (BLR), which is explained as a technique for classifying individuals into one of two pre-defined groups. Goes on to extend this methodology by use of polychotomous logistic regression (PLR), whose purpose is to divide individuals into three, four…*n* predefined groups, based, as with BLR, on maximum likelihoood estimation. Describes the building of a classification model using a cellular phone market segmentation study. Model building was based on a survey of 2,005 cellular phone users, subdivided into four marketing segments; a CHAID analysis was performed to identify four significant variables, and the polychotomous logistic regression model assigned relative values to these variables. Model validation was performed with a sample of 5,000 cellular phone users, showing a 'lift' for each classification between 128 and 385 compared with the expected classification of users without the model.

Definitely for statisticians only: an impressive example of a so far little-used (in direct marketing) classification technique.

Research: ✱✱✱✱ Practice: ✱✱✱   Originality: ✱✱   Readability: ✱
Ref: 1407

Scoring, regression, modelling, ridge regression

Ridge regression and direct marketing scoring models
E. C. Malthouse
THEORETICAL. *Journal of Interactive Marketing* (US), Vol. 13, No. 4, p. 10 (14pp.)
Discusses recent research on scoring models; distinguishes between the usual function of regression scoring models (to secure the best fit between dependent variable and predictor variables) and their function

in direct marketing (to give the best performance, as shown by the 'lift' in a gains chart). Explains the problem of having too many predictor variables; indicates two methods of reducing this number in a linear model — variable subset selection (VSS) and ridge regression (RR). Explains that VSS operates by dropping variables (eg by stepwise regression), while RR reduces the effects of some variables without dropping any. Compares the performance of RR and VSS on data provided by the Direct Marketing Education Foundation in the USA, giving details of the methodology employed. Concludes that RR outperforms VSS by a significant margin; this means that marketers can include more variables in a scoring model without the risk of over-fitting.

The message is important for users of scoring models, particularly where these are used for large mailing programmes; the article itself is highly technical, and the methodologies described will be pretty opaque to non-statisticians.

Research: ✷✷✷✷✷ Practice: ✷✷✷ Originality: ✷✷✷ Readability: ✷
Ref: 1408

Internet, Federal Express, Hewlett Packard

How leading-edge companies are marketing, selling, and fulfilling over the Internet
C. Quinn
CASE STUDIES. *Journal of Interactive Marketing* (US), Vol. 13, No. 4, p. 39 (12pp.)
Likens business to an ecosystem with its different parts in balance: applies this to approaching the Internet — it should be seen as neither a total goal nor a minor adjunct, but as an integrated channel within a properly balanced business. Considers the core parts of a business to be marketing, selling and fulfilment. Looks at the case of Federal Express, which, ten years ago, gave a $4,000 computer to customers to facilitate the shipping and tracking of packages; these computers have now been linked to the Internet, and FedEx has over 250,000 customers transacting online. Derides the 98 per cent of websites that he calls 'dead Webs' because they do not involve visitors in online working. Claims a 10–15 per cent per month Internet traffic growth since 1995, with 800,000 packages tracked each month online, and 170,000 software copies downloaded. Looks more briefly at the online experiences of Hewlett Packard, Staples (with particular reference to their use of extranets), PC Parts and Sun Data.

This relentlessly chatty article was originally a talk to a DMA (US) Net Marketing Conference in 1998. There are nuggets of interesting stuff buried in it.

Research: ✷   Practice: ✷✷✷ Originality: ✷✷ Readability: ✷✷
Ref: 1409

**E-commerce,
virtual commerce,
navigation, Internet**

Getting real about virtual commerce
P. Evans and T. S. Wurster
THEORETICAL. *Harvard Business Review* (US), November/December 1999, p. 85 (10pp.)
Identifies key e-commerce players as branded-goods suppliers, physical retailers, electronic retailers and pure navigators; considers the strategies each can pursue to compete. Holds that navigation is the primary battlefield: Amazon.com is not a bookseller but a navigator. Lists the three critical dimensions of navigational advantage as reach, richness and affiliation. Affirms reach is about numbers of customers *and* products a navigator connects with; e-commerce navigators extend their search domains across conventional industry boundaries to meet consumer requirements. Holds that in e-commerce there is a growing tendency for businesses to tilt their affiliations away from suppliers and towards consumers. Suggests that traditional businesses are hard-pressed to compete with e-commerce on reach or affiliation, but much better off in richness — of both customer and product information. Discusses the effects of rich information channels on brands. Gives summarised advice on how to compete to all four types of player listed above.

An extremely rich article for understanding the dynamics of e-commerce. Tightly packed, with relevant examples to illuminate the theory. Everyone competing in, or against, e-commerce should read this. (See also HBR Forum on www.hbr.org/forum for online discussion.)

Research: ✱✱ Practice: ✱✱✱✱ Originality: ✱✱✱✱ Readability: ✱✱✱✱
Ref: 1410

**Internet,
advertising,
effectiveness,
metrics**

How to measure digital advertising
A. Gerrard
TECHNICAL. *Admap* (UK), November 1999, p. 31 (3pp.)
Indicates that some Internet advertisers measure their own results; others are served by their agencies, networks, or service bureaux. This has resulted in two different models — a site model used by advertisers, and a network model used by agencies etc — giving somewhat different results. Suggests all current systems result in undercounting by anything from 70 to 700 per cent. Refers to experiences of the *Electronic Telegraph* and OgilvyInteractive. Gives definitions of hit, click-through, ad view, page view, impression, ad session. Foresees expansion to measuring use of interactive TV. Ends with plea for standardised, high-quality, industry-agreed metrics, now lacking.

So the measurement-of-advertising-effectiveness circus now moves to the Internet. Perhaps one day advertisers will learn that Internet advertising effectiveness is best measured by Internet sales, thus lessening, if not disposing of, the need for ever more complex credibility-defying metrics.

Research: ✱✱   Practice: ✱✱✱   Originality: ✱✱✱   Readability: ✱✱
Ref: 1411

Mobile telephones, PCs, Internet, e-commerce

The Web unwired

T. Hughes

TECHNICAL. *Computer Business Review* (UK), October 1999, p.16
Predicts a revolution in mobile telephone technology to turn the content, structure and delivery mechanisms of the Web upside down. Claims the arrival of digital convergence, the Internet protocol and mobility will, in three to four years, mean the Internet receives more hits from mobiles than from fixed devices. Alleges hurdles are poor mobile bandwidth, few technical standards, few websites supporting mobile content, and few devices capable of telephony and hand-held content. Discusses moves to overcome these problems. Indicates these developments are driven from Europe and Asia, not the USA, where Microsoft is becoming worried. Looks at e-commerce via mobiles, using smartcards. Discusses the advent, in early 2000, of Bluetooth — a $10 chip in a mobile which will make wireless connection at a ten-metre range with any similarly equipped peripheral devices. Predicts the near-demise of the PC.

So you thought you already lived in exciting times? Well, the best is yet to come. You may reasonably question the time scales, but never doubt the ultimate message: this roller-coaster you are on has only just started to move.

Research: ✱✱✱   Practice: ✱✱   Originality: ✱✱✱   Readability: ✱✱✱
Ref: 1412

E-mail, surveys, market research

Response variation in e-mail surveys

K. B. Sheehan and S. J. McMillan

SURVEY. *Journal of Advertising Research* (US), Vol. 39, No. 4, p. 45 (9pp.)
Surveys previous attempts to measure differences, in response and speed of response, between conventional postal research and e-mail research. These show faster response to e-mail than to post, but not always higher response. Hypothesises that e-mail response will be higher as message salience increases, and that speed of response will increase where a pre-notification is sent. Describes three studies designed to test these hypotheses, and finds the first supported and the second partially supported. Emphasises the advantages of speed, and calls for further body of research into e-mail surveys, which the authors expect to become more common as e-mail users come to mirror the US population.

A slight, but not uninteresting, approach to what must become a growing research technique.

Research: ✱✱✱   Practice: ✱✱   Originality: ✱   Readability: ✱✱✱
Ref: 1413

E-business,
Bain & Co.,
Management
Today

Jewels in the Web
M. Gwyther
JOURNALISTIC. *Management Today* (UK), November 1999, p. 63 (8pp.)
Presents a scored list of the top 25 UK e-business start-ups (ie excluding off-shoots of established companies) compiled by Bain & Co. with *Management Today.* Measures businesses in two dimensions, each containing three criteria, thus the power of the idea — concept, innovation, execution; success to date — traffic, financing, profile. Total scores range from 70.7 per cent (for lastminute.com) to 46.8 per cent (Sportal (pangolin)). Gives examples of how scores are derived for each criterion. Notes that 80 per cent of business-to-business start-ups are valued at less than £50m, against less than half of business-to-consumer; that all but two of the founders of these top 25 are male; that the most obvious geographical cluster is in London's Notting Hill.

A fascinating list of 25 websites worth looking at — although it is the companies rather than the sites that are rated: presumably there is a correlation.

Research: ✳✳✳✳ Practice: ✳✳ Originality: ✳✳✳ Readability: ✳✳✳✳
Ref: 1414

Internet, AOL,
Freeserve, ISP,
telcos

Internet free Europe
R. Tomlinson
JOURNALISTIC. *Fortune* (US), 6 September 1999, p. 61 (5pp.)
Looks at the unexpected failure of US giants (especially AOL) to dominate European Internet service provision. Quotes Freeserve (Dixon's UK offshoot with 1.3 million accounts compared with AOL's 350,000) as Europe's lead contender, being followed by a host of national me-toos offering free Internet access. Claims American failure has nothing to do with cultural differences, but everything to do with pricing — starting with the high cost of local telephone calls in Europe, and the 'arcane' European telecoms regulations which allow ISPs to earn revenue from a free service. But argues that Freeserve (still making a $1.6m loss) can only succeed in the long run by growing its ad and e-commerce revenues and becoming a Yahoo-class portal: ultimately the name of the game is *content.* Therefore holds that 'betting is on the Yanks', whose expertise, control of content, and customer loyalty are greatly superior, but that no single player can dominate across national boundaries. Looks at the position of national telcos; believes that their increasing involvement in online activities is already driving a reduction in access charges, and that a flat-rate system in Europe, as in the USA, is only a matter of time.

A well-constructed piece of journalism which lays out the present complex state of play clearly. The author's willingness to bet on the final outcome may be a little rash.

Research: ✳✳ Practice: ✳✳ Originality: ✳✳ Readability: ✳✳✳
Ref: 1415

**Smartcards,
e-cash,
e-commerce,
Mondex**

The jingle of e-money
S. Fay
JOURNALISTIC. *Management Today* (UK), December 1999, p. 66 (4pp.)
Looks forward to the time when we will be able to dispense with cash, replacing it with e-cash held on a contactless card. Notes that the only applications in the UK so far are Mondex cards at a few universities, and that e-cash has been slower to take off than most pundits forecast, with the banks still dragging their feet over the cost of replacing ATMs (£5bn). Tells how the cost of handling e-cash transactions was reduced by a conceptual breakthrough at NatWest in 1990, so that even the smallest transactions can be made this way. Notes the Mondex experiment in Swindon and Visacash in Leeds. Reveals that HSBC, BT, BSkyB and Matsushita hope to create a virtual shopping mall where goods can be paid for via a Mondex card inserted in the TV set; London Transport has just signed a £1bn contract for a contactless smartcard ticketing system. Records that the Bank of England rates e-cash a technical success, but not (yet) a business success. Concludes with Lincoln Steffens on Stalin's Russia: 'I have seen the future, and it works.'

I hope it works better than Stalin's Russia. The problem seems to be that for e-cash to be a business success, everyone, but everyone, has to jump at once: a smartcard which is just another *piece of plastic is a waste of time. It is still exciting, and it will happen — I hope.*

Research: ✷✷   Practice: ✷✷   Originality: ✷✷✷   Readability: ✷✷✷✷
Ref: 1416

**Mondex, banking,
financial services,
smartcards, e-cash,
electronic purse**

An exploration of the reaction to Mondex within the financial services market
B. Howcroft and R. Hamilton
SURVEY. *Journal of Financial Services Marketing* (UK), Vol. 4, No. 2, p. 125 (14pp.)
Declares that Mondex represents a rare example of primary product innovation in financial services. Expresses concern over the driving force behind its development: is it primarily a technocratic development concerned to reduce costs, rather than a marketing development; to what extent has the consumer dimension been considered? Describes insights derived from eight interviews with senior managers in the card industry, under the headings of product, price, place, promotion, process and physical evidence. Describes the basic facilities of the card as an 'electronic purse'. Discusses who will pay, and how much. (Cash-oriented retailers should save up to 5 per cent of their total costs, but consumers will have to be persuaded of a net benefit.) Looks at the possibility of extending the functions of the card, perhaps engineering each one specifically for a particular customer. Considers the question of capital cost, and the bank savings (possibly 40 per cent) on running costs. Indicates the probability that there will be no audit trail. Concludes that microchip technology could make an unprecedented

impact on financial services, but that its potential may never be realised unless consumer need is given more attention, and cost saving less.

The financial services industry will be the first to be hit by this revolution when (if?) it finally happens, but all of us, as business people and as consumers, will be affected. (See also Chris Potts's article on smartcards in our last issue.)

Research: ✳✳✳   Practice: ✳✳   Originality: ✳✳   Readability: ✳✳✳
Ref: 1417

Banking, customer relations, structural engineering

Bringing banks out of darkness: Eliminating remnants of the cultural malaise of yesteryear
D. J. Shemwell and U. Yavas
THEORETICAL. *Journal of Financial Services Marketing* (UK), Vol. 3, No. 4, p. 334 (10pp.)
Holds that most banks have organisational and management structures that developed in a past era, resulting in behaviour that is reactive, passive, production and transaction oriented. Relates a series of incidents (from US banks) indicative of this, and of poor customer service. Maintains that these problems can only be overcome by significant structural and cultural re-engineering; proceeds to advocate a series of measures, specifically a customer relations council to act as a force for cultural change; a customer relations support department to ensure proper staff training and the flow of information *upwards* in the organisation; an internal and an external technical support team; cross-functional teamworking to eliminate task-specific bottlenecks.

The practical measures proposed are largely, but not wholly, bank-specific. However, the preceding analysis of failures has much wider application — especially the contention that the customer problems at an organisation's sharp end are typically not conveyed adequately to senior management, without which systemic treatment is impossible.

Research: ✳   Practice: ✳✳   Originality: ✳✳   Readability: ✳✳✳
Ref: 1418

Banking, new technology, channels

Consumers' channel adoption and usage in the financial services industry: A review of existing approaches
P. Hewer and B. Howcroft
REVIEW. *Journal of Financial Services Marketing* (UK), Vol. 3, No. 4, p. 344 (15pp.)
Reviews existing studies, from various countries, of consumers' attitudes to the adoption of new technology in banking services. Recognises six stages in consumer adoption of new technology: awareness, comprehension, attitude, legitimation, trial and adoption. Specifies five

product characteristics likely to affect this process: relative advantage, compatibility, complexity, trialability and observability. Looks at the typology of new technology adopters, and considers how this applies to PC and telephone banking. Finally looks at how different available channels score in terms of the above product characteristics, and also in terms of levels of consumer trust.

Very little that is new, but a useful drawing together of experience as related in the literature. The implications can easily be seen to extend well beyond banking.

Research: ✳✳   Practice: ✳✳   Originality: ✳   Readability: ✳✳✳
Ref: 1419

Direct mail, attitudinal survey, privacy

UK attitudes toward direct mail
M. Patterson, M. Evans and L. O'Malley
STATISTICAL. *Journal of Database Marketing* (UK), Vol. 7, No. 2, p. 157 (15pp.)
Posits that attitudes to direct mail influence intention to use the medium for purchase. Creates a series of ten hypotheses regarding links between favourable/unfavourable attitudes and perceived characteristics of direct mail, together with demographic factors. Gives the results of an analysis of a telephone survey of 724 UK consumers, purporting to show the relative importance of different factors in influencing attitude, and hence propensity to purchase through this medium. Finds the main positive factors to be convenience and wide product assortment; the negative factors being perceived risk and physical privacy concerns. Suggests that direct mailers would do well to target 'mail-reactive segments'. Refers to the DMA's education and awareness campaign.

The actual research is interesting, although the link posited between attitude and intention is too simplistic, and some factors (eg perceived product quality) are missing.

Research: ✳✳✳✳ Practice: ✳✳ Originality: ✳✳   Readability: ✳✳
Ref: 1420

Marketing research, database marketing, confidentiality, privacy

MR confidential: A help or hindrance in the new marketing era?
I. Brace, C. Nancarrow and J. McCloskey
THEORETICAL. *Journal of Database Marketing* (UK), Vol .7, No. 2, p. 173 (13pp.)
Examines how marketing research (MR) and database marketing (DBM) complement or compete with each other as sources of consumer information. Indicates that DBM is now used not only for direct selling, but also as a tool of marketing communication; it has grown much faster than MR. Suggests areas in which DBM is superior at collecting data; areas where MR is superior; and 'grey' areas. Looks at questions of scale, coverage and costs. Asks whether MR's

confidentiality rules are a help or a hindrance. Indicates that previous studies suggest assurances of confidentiality achieve little; claims, however, that such studies have not dealt with consumers' perception of the problem of data transmission from one company to another, and that most consumers are unaware of the difference between the two disciplines. Describes a research study among 210 UK consumers to establish willingness to give information to DBM or MR practitioners when the distinction is spelled out. Shows significantly greater willingness to reveal data to MR. Analyses this by different categories of data, by age, and by social status.

The results of the study are much as one might intuit. However, the issues are clearly dealt with and the discussion is interesting.

Research: ✱✱✱   Practice: ✱✱   Originality: ✱   Readability: ✱✱
Ref: 1421

Privacy, database marketing

Opinions about privacy: Does the type of information used for marketing purposes make a difference?
R. A. Hamilton and L. D. Spiller
SURVEY. *International Journal of Nonprofit and Voluntary Sector Marketing* (UK), Vol. 4, No. 3, p. 251 (14pp.)
Opines that privacy has 'suddenly' become a very public issue; gives figures showing growth of concern in America allied to growth in number of databases. Refers to strict legislative regime in Europe, contrasted with preference for voluntary measures and self-regulation in the USA. Mentions the (American) Privacy Act of 1974, the Privacy Protection Study Commission, and the Privacy Rights Clearinghouse. Distinguishes seven types of personal information stored by organisations: demographic, affiliations and activities, employment history, current employment, payroll, medical, financial. Hypothesises that (a) education in direct marketing would reduce individual sensitivity, and that (b) individuals would be less sensitive about some types of information than others. Describes research among 618 undergraduate and postgraduate students to test these hypotheses. Concludes that (a) above is only valid for a very substantial educational input; that (b) above is valid. Suggests privacy attitudes are deep-seated psychological phenomena and slow to change. Indicates 60 per cent of respondents would be prepared to pay a fee to have names removed from mailing lists — 72 per cent in the case of telephone lists. Refers to, and recommends, the (US) DMA's Privacy Promise.

Interesting as another indication of growing American concern with privacy issues, and a continuing inability to produce any answers. Fairly shallow research.

Research: ✱✱   Practice: ✱   Originality: ✱   Readability: ✱✱✱
Ref: 1422

Privacy, gender, online shopping

An investigation of gender differences in online privacy concerns and related behaviours
K. B. Sheehan
THEORETICAL. *Journal of Interactive Marketing* (US), Vol. 13, No. 4, p. 24 (15pp.)

Sets out to assess the strength of any observable gender differences in attitudes to marketing practices involving information gathering. After a lengthy literature review, gives details of a questionnaire study, conducted via e-mail, with 899 Internet users. Questionnaire utilised 15 statements representing three predicted levels of privacy concern; it also queried the frequency of seven types of on-line behaviour by users. Concludes that in a number of areas (five out of 15) women have significantly more concern than men over privacy and the reverse is nowhere the case; also that men adopt a wider range of (frequently confrontational) behaviours to cope with privacy concerns. Suggests that it is essential for Web advertisers to understand women's concerns — especially since women are currently less likely than men to shop online.

Fairly dull going — and the first three-and-a-half pages could be dispensed with altogether. But there is a serious point to attend to. (Readers of New Marketing Directions, Vol. 1, No. 5 *will recall a research project on gender differences in response to direct mail copy, which has some relevance in this context.)*

Research: ✳✳✳ Practice: ✳✳ Originality: ✳✳✳ Readability: ✳✳
Ref: 1423

Ethics, corporate responsibility, brands, stakeholders

Corporate ethics and the new commercial paradigm
J. Hall
THEORETICAL. *Journal of Brand Management* (UK), Vol. 7, No. 1, p. 38 (10pp.)

Questions whether 'corporate ethics' is not by definition an oxymoron. Asserts that consumers are becoming ever more conscious of ethical issues in making purchases; cites as reasons four key drivers — the rise of multinationals, consumer sophistication, pressure group power, brand power and ambition. Shows results of a survey into how responsive to public opinion people felt various UK companies and institutions to be: the list was headed by four *companies*. Considers cause-related marketing, and warns of credibility gap if no synergy exists between core ideology and selected cause. Warns also of brand 'inflation', where exaggerated claims can generate a backlash. Nevertheless instances a number of companies that aim to put ethical considerations ahead of profit, with examples to indicate their attitudes are more than just words. Suggests the underlying question is 'What is a company's reason for being?' and that answers range from Milton Friedman through Peter Drucker to today's stakeholder concepts.

Raises very basic issues, the answers to which will, quite properly, differ widely from company to company. The discussion here is rather superficial, but the alert reader will find in it food for further thought.

Research: ✹✹   Practice: ✹✹   Originality: ✹✹   Readability: ✹✹✹
Ref: 1424