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Reviews

Permission Marketing

Seth Godin

Simon & Schuster; 1999; hardback; 254pp; £16.99; ISBN 068 4856360

A time for debunking

This book, and the concept behind it, need to be debunked before they attain cult status. The author, who is introduced on the book's jacket as vice president, direct marketing, Yahoo!, and founder of Yoyodyne, falls into a common trap: having 'leveraged' (his favourite word, not mine) a marketing ploy into a plausible methodology, he feels impelled to fit a theory around his experience. This causes him great difficulties, but these are as nothing compared to the difficulties he causes his readers.

Unoriginal

Permission marketing (PM), the bedrock and title of this book, is nowhere clearly defined except in terms of its opposite: interruption marketing (IM). PM takes place with the consent of the consumer, IM is marketing against the grain. In other words: if your sales message is expected and relevant, you will do better than if it is not. Around this modest and not wholly original insight, Godin has managed to erect a rickety structure of unsupported assertions, invalid conclusions, ambiguities and unrepentant paradoxes. Now and then he cannot help coming up with something useful, but you have to wait until p. 232, 22 pages from the end, before he expresses an original thought.

Permission marketing or opt-in?

The early chapters deal with first principles. Godin models the advertising scene as being one of intolerable clutter, with more and more voices competing more stridently for a diminishing amount of consumer attention. PM cuts through the clutter. Having obtained permission, you outrank the rabble. And how do you get permission? Here comes the first paradox: you have to join the rabble and compete for attention in order to secure permission. In other words, before you can whisper your blandishments into a willing ear, you have to be successfully strident. The author acknowledges this little difficulty as reluctantly as does every other advocate of opt-in marketing. There comes a point when he has to concede that PM and IM are not rival methodologies but sequential ones. Before you can market with permission, you have to seek permission. And if you are a stickler for opting-in, you really ought to ask permission to ask permission. It reminds me of the good old days when the then Data Protection Registrar wanted to foist opting-in on a reluctant industry — not because he cared about data protection but because he disliked 'the interruption' of unsolicited direct mail.

Godin is of that ilk. He is squeamish about junk mail, but selectively so. He quite likes his own, and admits that certain products do not lend themselves to PM but have to rely on IM. In a chapter of unconvincing case histories, he gives the example of Evian which is cheap, comes in uniform bottles, and is frequently bought by amateurs of designer water. I could think of better examples to make the point that a well-known brand has a better chance of standing out amid the clutter, being able to draw on its capital of trust.

Trust — a dubious proposition

Trust — how to earn it, how to maintain it, how to exploit it — is a recurring theme. At one moment, trust is defined as the reward for careful PM, the result of good husbandry. Elsewhere (eg p. 95), Godin claims that trust is a function of the frequency with which customers are approached. This is at best a dubious proposition; perhaps he means that trust develops as the relationship intensifies. Every so often waves of loose language swamp the puny particles of meaning.

The author's woolly thinking is demonstrated by another claim he makes for PM, confusing short- and long-term effects. He asserts more than once that PM is eminently measurable, unlike IM. On the face of it, the opposite is true: IM is instantly measurable — so many 'interruptions' producing so many reactions — whereas PM builds an extended relationship whose benefits ('customer lifetime value') can be assessed only after the event. It is not the measurability of PM that is the greater, but the value of that which is being measured.

That PM is a long-term process, slow and expensive in its build-up, profitable only when one takes the long view, is constantly stressed. And the 'permission' is not a one-time thing, but a progression, 'leveraged' (yes, I am sorry, but he does insist) from, let us say, no more than leave to send a catalogue, all the way to the highest 'intravenous' stage where the supplier has permission to send goods without specific order (eg top-up of heating oil, renewal of insurance, fresh garlic sausages).

PM = IM + CRM

PM turns out to be none other than that recent cure-all, customer relationship management, kick-started by a powerful dose of IM. Godin is not above recommending a sweepstake to get a foot in the door, or, as he would put it, to obtain a low level of permission, soon to be leveraged into more. Quite wittily, he likens the process of leveraging the level of permission to dating. At first it is just a matter of holding hands, but come the third or fourth date, what might she not be holding . . . ? (Another of Godin's endearing quirks is that he uses the personal pronoun 'she' in preference to the more natural 'he', particularly when it jars.) The large number of direct marketers who start the selling process with an ad offering information, and take it from there with a graduated programme of data collection and follow-ups, will wonder how it is that they have been practising PM for all this time without knowing.

The value of inertia

What is the meaning of 'permission'?

Our author turns coy when it comes to providing evidence, figures and tested comparisons between PM and IM. Maybe there has not yet been enough time to evaluate the results of long-term programmes, but he should have faced (and warned his readers of) the certainty that opt-in marketing will produce relatively small numbers of permission granters. More suitable for Ferrari than Ferrero. He implies this instead of being up-front about the incontrovertible truth that if you ask people to opt into anything, inertia — the skilful opt-outer's best friend — becomes one's deadliest enemy. And that without going into what the permission actually permits. Just a cuddle in the back of the car, or more? Sending one catalogue, or one every other month? Sending related offers, or new suggestions as well? Holding the customer's credit card number? His e-mail address? 'Intravenous' marketing? From beginning to end, the permission, which is at the heart of the theory, remains amorphous,

A late justification

meaning whatever author or reader wish it to mean. We are not even told whether it is just an assumption, based on the supplier's interpretation of his customer's behaviour, or given formally, specifying dos and don'ts.

What goes some way towards redeeming this book in the end is its attempt to write a new text for the Web age. The low cost of frequency combined with the ability to customise offers provide some excuse for a new marketing approach. The threat of electronic anarchy is awesome, but who will put spam back into its tin?

Godin warms to this subject about halfway through the book, and makes his first joke on p. 144. He has a few worthwhile things to say about marketing on the Internet, and is pretty tough on some of the operators who are not yet his clients. Somewhere he even attempts to give a notional figure for a cost per Internet contact. And then he goes and undermines any notion of trust, cultivation of relationship, or human dimension to marketing by stating (on p. 166): 'We [Yoyodyne] have successfully removed the need for much personal contact from our [marketing] system.' Come again?

We are left with some eternal marketing verities in new clothes, mainly of the emperor's variety. My recommendation is to go for a quick profit. Do not buy the book; save £16.99, and if you are a higher-rate taxpayer, you will have done as well as if you had put £360 on deposit for a year at 1 per cent over bank rate.

Victor Ross FIDM

World Wide Web Marketing

Jim Sterne

Wiley, 2nd edition; 1999; softback; 392 pp; £21.50 \$29.99; ISBN 047 1315613

Books about the Web always run the risk of being out of date by the time the printer receives copy. Still early in its development as a marketing medium, the growth/learning curve is so steep that a slow-to-market book can be an innately inappropriate medium to cover these advancements.

Jim Sterne's approach is refreshing in this respect. He uses examples of both poor and great practice to illustrate the principles of great online marketing — and in doing so reveals that it is not that different from great traditional marketing. Understanding what your customer wants, and designing products to deliver this in the best way — marketers have for years striven for this, and these principles apply whatever the latest Web gizmo you are being sold by your agency.

One of the biggest challenges that the Web has brought has been to the structures we apply to our companies. Operations, finance, marketing, sales and planning have to work in a substantially more integrated fashion than before. While this book steers clear of these areas, it recognises that all of these functions ultimately impact on the consumer — and the consumers' personal experiences of your site are going to be far more influential on their feelings about your brand than anything you might tell them in advertising.

Principles do not change

One to one or one to few?

So this book is not a pure marketing tome. Sterne looks at the philosophical background to the Web as a medium — the ‘demassification’ as he puts it — and starts to explore the potential for a ‘one-to-one’ future. Talking about Motorola’s 250 variants of pager that can be produced on one production line as ‘one to one’ misses an important distinction, though — the ‘one-to-few’ marketing that this represents is an important development at least for the next few years. The current obsession for ‘one to one’ is causing many to miss short- to medium-term opportunities to service customers profitably. It is here that a weakness of the approach shows. This is very much a book about practicalities — a ‘how to’, not a ‘why’, and in its enthusiasm to find applicable lessons it can tend to gloss over some of the interesting issues raised.

A useful guidebook

But if you skip the philosophy, this book is a genuinely useful guidebook for anyone setting out to market on the Web. Plenty of observation, experience and sound thought have gone into it. Sterne gives many sobering examples of companies who should know better making a mess of aspects of their communication on the Web. Although you are still going to have to hire experts to help you put your company on the Web, this book will help you find which questions to ask, and reassure you when they try to make you feel dumb for asking questions.

In such a young medium, nobody knows the answers. So read this book even if you think you know what you are talking about, and definitely read it if someone is trying to tell you they know the answers.

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Improving Data Warehouse and Business Information Quality

Larry P. English

Wiley; 1999; softback; 518pp; £35.95; ISBN 0-471-25383-9

Compulsory reading

If for a book review I could simply state that Larry English’s text is compulsory reading for any senior manager with responsibility for investment in CRM technology or data warehousing, then this simple sentence would suffice.

However, experience tells me that few top managers really understand or appreciate the vital importance of quality in the information held within their organisation or the impact poor quality has on the profitability of the company. Unfortunately, data are not as yet very high up the strategic agenda of many companies, a fact reflected in the case studies from the more enlightened (or honest) organisations at CRM and data warehousing conferences and seminars.

Passionate about data quality

Anyone who has ever met Larry English or attended an information quality conference where the author is either the chair or keynote speaker will have appreciated that, quite rightly, data quality is a topic that Larry

**Not for the
fainthearted**

feels very passionate about. His mission is to inspire a similar passion within organisations and persuade them of the virtue of taking a TQdM approach to data. As such he has inspired and supported those finding themselves often lone voices within their organisations, trying to preach the gospel of data quality to largely unresponsive colleagues and peers, and helped them continue the battle to change the internal culture from one where data illiteracy is the norm to one where the whole enterprise has embraced the need for change. It is therefore not surprising that in the opening chapter the author describes this book as not for the fainthearted:

‘If you do not want to rock the boat, make waves, or change your own behaviour, please do not buy this book. This book is for people who are discontent [*sic*] with the status quo of their organisation’s practices in information management.’

It is, however:

‘... for people who care about their customers and their information customers . . . This book is for people who seriously want to see shareholder value increase on a long-term basis, not merely from quarterly statement to quarterly statement.’

As this book clearly demonstrates, data quality is not an end in itself. Larry English presents very powerful arguments which illustrate that this is a route to greater efficiency, reduced costs and increased profits. It will underpin improvements in customer service and help employees to ‘get it right first time, every time’.

Logically structured

The book is very logically structured and clearly laid out, with a step-by-step approach to understanding what quality means in the context of information and data management; the main principles for improving information quality; and how to establish a data quality culture within an organisation. Most importantly, the first chapter sets out the high cost and lost opportunities inherent within a low-quality data environment, with powerful real-life examples — a very effective ‘come-on’ to any picking up the book who are not as yet convinced that there is a problem with data quality within their own organisation. Especially if they feel the need to justify spending £35.95 on a book covering this topic.

The book is written from a highly pragmatic and practical perspective, encouraging readers to apply the clearly labelled steps within their company. And, as I can personally testify, this is not just an issue for large corporates — anyone within any size of organisation can benefit from applying the strategies outlined in the book.

**E-commerce
increases the need
for quality data**

As we move towards e-commerce, the need for data quality is becoming ever more important in maintaining a competitive position and building longer-term and cost-effective relationships with customers and business partners. The opportunities to demonstrate the quality of your information to all the stakeholders in your business have never been so openly displayed. Also, the pressures to invest in technology to collect and process data and apply the knowledge gained from the data at the coal face have never been greater. However, without an appreciation of

the vital role played by data quality, this investment will be severely compromised.

If not convinced after reading the first chapter, then turn to the chart on p. 428 and muse on the current level of data quality maturity within your own organisation and the processes necessary to move from one end of the spectrum to the other. This, I can tell you, is a very salutary experience — but only if you are prepared to be truly honest . . . Then go back, read from Chapter 2 onwards and apply what you have learnt. This is *the bible* and route-map for achieving information quality. As such this book should be a must-have for all readers of *Interactive Marketing*.

Peter Mouncey
Research director for the IDM
and independent consultant

A Time for Leadership: Global Perspectives from an Accelerated European Marketplace

John R. Childress

Leadership Press; 2000; hardback; 188pp; £14.99; ISBN 0-9648466-8-3

This is a book by an American consultant, working in London, about business leadership in Europe today and tomorrow. It is based on the author's interviews of some 60 European business leaders, and the margins of each page are decorated with their words of wisdom.

The book's thesis is that the business environment in Europe is changing with great, and increasing, rapidity: the marketplace for each company is no longer national, but pan-European and shortly to become global; this poses new challenges — above all to business leaders.

After a lengthy (in relation to the size of the book) scene-setting in the introduction and first chapter, the author unveils five new principles for leadership in 21st-century Europe. These five principles, which form the headings for the next five chapters, are distributed leadership; culture impacts the balance sheet as well as productivity; brand and culture must match; shadow of the leader; and balance of life.

The print is large, the margins are wide, the pages are relatively few, and much of what the author has to say is repeated several times — often in the same words. This both makes it a quick read in any event and additionally tempts the reader to skim, rather than give the text full attention.

So to act is to do the book less than justice. Whether either the problems or the solutions are 'new' is debatable. No one who has lived a business career in the 1950s, 1960s, 1970s or 1980s will accept that the over-stressed and under-exercised executive who does not see enough of his family is a recent phenomenon, or the consequence of the (allegedly) greater pace of life in the 1990s, or the fault of the Internet, or the European Union, or globalisation. Or that mismatches between the internal culture of a company and the brand values it seeks to project externally are new. But the problems are nonetheless real; they receive

From national to pan-European to global business

Five new principles

The problems may not be new . . .

... as in the UK Post Office ...

much less attention in the literature than the easier-to-solve technological problems, and their solution is arguably more urgent today than it has ever been, given a marketplace that is certainly changing fast.

Take just one example. The British Post Office faced the problem of culture change in the mid-1970s: up to that time it had been an entirely operations-dominated enterprise, without a marketing department, or indeed any concept of what marketing was about. The essential change to a market-led organisation has been in progress for 25 years, and is still far from complete (25 years is a mere blip in the Post Office's 350-year life). The demands of the global marketplace are adding to the pressures for the completion of this transformation, but the problem itself, and the real progress made towards solving it, are certainly not new. At the same time, it is probable that the advent of the Internet, and the lip service being paid everywhere to customer focus, are multiplying the cases for culture change and reducing the timescale within which it has to take place.

... but they are real

If the book's suggested solutions sometimes seem a trifle naïve (have your running shoes with you in your suitcase) or not entirely to the taste of this particular reader (a very American addiction to 'work-outs' at the gym), at least there is plenty of room for reflection over how *you* are dealing, *now*, with the issues raised. They are real issues, as old as business itself, and still with us precisely because they are intractable, soluble only in part and only by each individual in the context of his or her own personality. But a look at how others formulate, and try to deal with these problems can only help.

Robin Fairlie, FIDM