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Book Reviews

Free Gift Inside

Stephen Brown

Capstone, 2003; 294pp; softback, £16.99; ISBN: 1-84112-546-6

A book in a blue moon

Reviewing books on marketing is a dull job, on the whole. But every now and then a book appears that repays weeks of hard slog by having something interesting/wise/new to say. Rather less often a book arrives that is positively entertaining, even funny. And once in a blue moon comes a book that is entertaining *and* funny *and* has something interesting *and* wise *and* new to say. This is such a book.

The author's target is no less than the whole modern marketing paradigm (forgive me, he does not actually use that awful word once, which must be a near-record in a contemporary book, on marketing or anything else) from Drucker and Kotler in the 1950s to the CRManiacs of today. Customer satisfaction, orientation, centricity, focus, sovereignty, relationships — customers themselves — take a terrible bashing.

The dire consequences of the customer orientation heresy

The first theme of the book is that all this coddling of, and kow-towing to, customers (even though much of it is totally bogus) makes marketing dull, predictable, me-too — and earns the contempt of customers, who are not as stupid as we think, and do not want relationships with marketers ('pests at best and poisonous at worst') anyway.

The familiar argument that businesses in hi-tech or innovations are most likely to be misled by consulting consumers is advanced again, accompanied by a long list of products that received the consumer thumbs-down prior to production and success in the marketplace: the customer is *not* always right, but, in these areas at least, usually wrong.

More controversial is the claim that companies which grovel to consumers simply invite, and set themselves up for, attack: BP's environmentally friendly films are seen, by marketing-savvy consumers, for the PR schmuck they are; Starbucks' green protestations are seen as signs of the blackest guilt; anti-marketing riots (Seattle etc) are a consequence of, not a call for, customer orientation.

How to TEASE your customers

The second, and positive, theme of the book is that *real* marketing is about something quite different. This is summed up in the neologism marketease — with the emphasis on TEASE, an acronym (the only one the book offers, thank goodness), which stands for a multitude of things, but firstly for trickery, exclusivity, amplification, secrecy and excitement.

Each of these components in this new (or old) marketing mix is elaborated on in a chapter of its own. Each is accompanied by rollicking examples. The marketing exploits of P. T. Barnum, Ty Warner (of Beanie Babies) Hermès, Naomi Klein, Donald Trump, Tango, de Beers, Damien Hirst, Benetton, Liberace, Calvin Klein, French Connection UK (which composed its own acronym), Colonel Sanders' KFC, Madonna, Thomas A. Edison, Larry Ellison of Oracle, the Harry Potter mafia and many

others are called in evidence and examined in exquisitely embarrassing detail.

Vulgar heroes?

Some of the things that some of these guys and dolls got up to may shock you, gentle reader. But they are presented, singly and collectively, as heroes, and exemplars of what real marketing is about. Yes, it is loud, and vulgar and tasteless, and disapproved of by all right-minded humourless regulatory nerds — but it works.

It dazzles, but are we convinced?

To do justice to the breadth of the author's knowledge, his quips, his inventive use of language, is beyond the powers of this poor reviewer. But when all the hoopla is over, and we can return to sober reflection, does this piratical, stand-the-thing-on-its-head thesis work? Are we convinced? I confess that as I reached about page 200, battered and bedazzled as I was, I still had some doubts. Look again at the list of heroes above: most of them (though interestingly not all) are flogging a unique product — often themselves — and/or to a niche market, sometimes with the benefit of a monopoly position. Put these things, or some of them, together and you do indeed have a position from which you can 'tantalise' consumers by restricting supply until they are screaming for your product; push up the price to create such 'exclusivity' that only the mega-rich can afford it; 'amplify' your message by the publicity that comes from playing outrageous tricks on your customers; protect yourself from competition by the claim — justified or not — of a 'secret' ingredient; provide 'entertainment' for the masses by your tasteless antics. But perhaps if you are selling a commoditised product in a competitive market, you had best stick to differentiating yourself by the quality of your customer service? Except that if everyone else is doing this too. . .

Does not claim a universal panacea — indeed, denies the possibility of such a thing

Then in his final chapters our author starts to address some of these qualms. No, he is not saying that his 'marketease' recipe is the only valid form of marketing, or that it is a universal panacea, or that customer focus is always wrong. Rather he is saying that what is wrong is the idea that there *is* a universal panacea. Customer centricity, he suggests, is a concept born in the fast-moving consumer goods business; it may well work effectively there, and in a variety of other circumstances, but the idea that it is universally applicable surfaced only in the 1970s, and is a heresy. Just as we no longer believe that one size must fit all customers, so we should never have allowed house-room to the notion that one size might fit all marketing problems. Each marketer, individual or corporate, must deal with a particular set of circumstances, and (s)he must adapt the various available options to reflect those circumstances: that is what (s)he is paid for. Further, 'marketing mediocrities run with the pack'; we all know about differentiating our product, differentiating the service we offer — how about differentiating our whole marketing stance?

Exhilarating common sense

Professor Brown (no mean exponent of his own marketing precepts) bills himself on his back cover as the Antichrist of marketing academia. I am not sure that I would place him so high (or low). By the end of his book it is clear that under all the verbal fireworks he is enunciating a number of common-sense (but much disregarded) principles with which it should be extremely difficult to disagree. But seldom has common sense been presented in such an exhilarating way. P. T. Barnum, Liberace, J. K.

Rowling *et al.* would be proud of his analysis of their marketing prowess, and glad to welcome him as a worthy successor.

Robin Fairlie, *FIDM*

The Customer Loyalty Solution

Arthur Middleton Hughes

McGraw Hill, 2003; 364pp; hardback, £21.99; ISBN: 0-07-136366-1

This book should come with a health warning to all prospective readers — ‘*Read this with an open mind. Do not even open the cover unless you are prepared to change your approach to direct and interactive marketing.*’ *The Customer Loyalty Solution* should be required reading for all those who want to understand how to maximise the value of relationships with customers, and ensure that they undertake marketing activities that are effective in terms of increasing revenue and minimising cost.

**A textbook of
database marketing**

But the title leads to a couple of interesting paradoxes. First, this is more of a textbook on how to do database marketing — in particular, how to do it properly.

Secondly, Chapter 2, ‘The mirage of CRM’, focuses on why CRM is not a cost-effective investment for most organisations, while the remainder of the book appears to describe techniques and solutions that sit at the heart of any worthwhile CRM-based strategy. The reason for this second paradox seems to be the hypothesis used by the author to demonstrate that CRM does not deliver a cost-effective solution. It is primarily based on proving mathematically that the investment in a comprehensive data warehouse will never generate an adequate financial return compared with the returns from a more limited investment in a customer database. To my mind, CRM was never about the size of your database, it is a business strategy that tries to balance the needs of customers with the goals of the organisation, thus creating a mutually beneficial longer-term relationship. And as I have already said, the thrust of the book is really all about achieving that objective! It is therefore all about definition — where to draw the line between database marketing and developing effective relationships with customers. In fact, I see this book as delivering a strongly argued case for organisations to embrace the principles of CRM, rather than the opposite.

**Detailed real-life
case studies**

What makes this book so special is that each chapter is littered with very detailed real-life case studies, satisfying the needs of those working across the spectrum of ‘B2B’ and ‘B2C’. Not only does this provide a detailed description for each situation, the case studies get stuck into the mathematical underpinning necessary to demonstrating how the examples chosen delivered cost-effective solutions for the organisations concerned. Anyone faced with developing a case for a disciplined approach to database marketing in their particular market sector has all the ammunition they could possibly want in building a strong business case.

The author also constantly reminds readers that they need to ensure that

The need for accurate measurement

they can accurately measure the impact of the strategies advocated against current established practice within their organisations — in essence, this is a plea to direct marketers to remember always to include the vital control sample when contemplating change. This provides the most effective way of demonstrating whether the new strategies have worked, and the extent to which this is the case. The data used for the calculations are presented in easy-to-read tables, together with a comprehensive description of how each table was constructed and what it shows.

Engaging style

But this is certainly not a book aimed at the statistician — the style is highly engaging and underlines the key point that marketing increasingly needs to justify its existence, alongside all other potential investment opportunities, through well-presented and well-argued financially based cases. The examples used should excite the interest of the finance director — a valuable ally in gaining support for investment in marketing. The case studies also contain many innovative and imaginative solutions that should have wide appeal to those looking for new ideas that also have a proven track record.

Covers the whole gamut of database marketing

Apart from the blind alley of CRM, the book covers all of the mix that matters within direct and interactive marketing today: the principles of database marketing; effective use of the internet (and reminding us that this is primarily an information tool rather than a sales channel); computing lifetime value and establishing the value of individual customers; creating effective communications; encouraging customers to come to you and managing the relationship; the benefits of segmenting customers; creating a partnership with customers ('letting them come behind the counter'); catalogue marketing; finding the right customers for you; customer profiling. As described above, the points made in each chapter are supported by case studies and the mathematical calculations necessary in developing an effective return.

Some qualifications...

Each chapter also contains useful summaries of the key points on a 'what works', 'what does not work' basis. But the quiz that ends each chapter does not always add to the key messages, becoming rather a distraction and containing messages that are not always helpful — for example, finding out how easy or hard it is to unsubscribe from junk e-mails, when the perceived wisdom is not to do this as it provides the sender with the confirmation that this is a valid e-mail address. In a similar vein, at a couple of places the text sits uncomfortably with EU data privacy legislation — practices involving the use of personal data that are legitimately available to marketers in the USA are not so possible in Europe.

...but a 'must read'

So, this book joins the ranks of the 'must-read' texts for today's marketers and will provide readers with a rich source of practical advice and guidance, in addition to its valuable contribution in developing highly attractive business cases.

Finally, any author who is honest enough to admit we do not know all the answers, gets my vote:

'Ugly one-color offers pull better than beautiful four-color offers.

Why? This is one of the great mysteries of direct mail. Sometimes you don't know the reasons, you just know the results.'

Peter Mouncey, FIDM