Editorial: Whither database marketing?

No. Wait! Before you turn the page, head for the hills or otherwise look for the nearest exit ... sometimes — just occasionally — it is worth asking the bigger questions. In this case, it is a big question with some very local and very practical roots. Because this is the *Journal of Database Marketing*. And where database marketing goes, it is reasonable to suppose that the Journal ought to follow. One thing that is crystal clear is that the subject is not what it was ten years ago, when Issue 1 first began to circulate.

There has always been something of a tension between the strategic 'database marketing' tendency and the rather more technological 'marketing database' side of the equation. When it came to explaining this difference in the past, or indeed, when it came to writing (and replying to) job adverts, the broad convention was that the former was a way of doing business, an approach to marketing and customer relations in which the customer was placed at the centre of the marketing universe and everything revolved around him (or her); while the second was the 'nuts and bolts' end of things. A marketing database manager would be responsible for building, maintaining and using the local database — basically, a technician with a slightly broader vision of how the technology can help, but still a technician. Therein lies a neat duality and, at the same time, the seeds of inevitable confusion to those on the

outskirts of the new marketing disciplines.

Over time, database marketing seems to have changed. It is still possible to find companies and individuals wedded to it as theory. On the whole, though, it has evolved — first into relationship marketing and more recently into customer relationship management (CRM) or customer management (CM). The latest mutation is paralleled by an interesting, and expensive, incursion into the area — for database marketing is most definitely grounded in the more pragmatic direct marketing.

When it first started to become fashionable, the client services managers of many an agency could be seen rubbing their hands in glee: at last they were on the verge of the mainstream; no more would direct marketing languish in some theoretical half-way house. And with mainstream status and respectability, they reasoned, would come respectable revenue. Alas, direct marketers are not always the most grounded when it comes to the harsh laws of economics. The moment the area ceased to be the exclusive preserve of honest-to-goodness economy-class pragmatists, the consultancies and the theorists and the niche agencies started to arrive. Respectability and big fees were in but DM agencies were in no better position than ever before to take advantage of them.

Meanwhile, the technology was moving on apace. It is absolutely

essential to have a single customer view, for which read database, to do anything other than the most vanilla flavours of CRM. Now, however, the relationship is mediated by a lot more technology — analysis, SMS, Internet, XML, call centres, IVR. These are just a few of the buzz topics marketers have had to cope with over the past decade. The poor marketing database manager just cannot cope. Oddly enough, it seems that neither the traditional agencies nor the new-fangled consultancies are doing much better. All too many agencies seem to be stuck in the past, with an account handling that is an absolute whizz when it comes to briefing creative and strategy and, well, traditional approaches. Unfortunately, they do not brief so well when it comes to the new technology. There is just too much of it: and trying to relate it to strategic objectives, *really* relate it, is beyond their capabilities.

Consultancies and their ilk fare little better when it comes to the big picture. They just do not have the experience to deliver. That is, they can deliver a system but they struggle when it comes to delivering a solution. Which is why, whenever you visit a conference on the subject of CRM, you can look forward to someone trotting out the dread statistic about how 60 per cent or 75 per cent or, according to one piece of research, 95 per cent of CRM projects fail. That is 95 per cent of what is now considered to be a global industry worth somewhere between US\$20bn and \$30bn.

So, back to the original question: whither database marketing. No grand prognostications here, just observation.

The theory has become more developed. It is maturing and, in places, turning into a coherent approach to marketing. It is underpinned by a rapidly expanding world of technology, too much technology for one or two managers to take in. Ironically, if one is to talk sense about database marketing, one now needs to be able to use and to integrate a dozen different technologies.

Has the Journal kept pace with that change? I do not think so. It is uniquely placed to be a force for progress in this area. To do so, it needs to combine theory, technology and pragmatism. The ingredients are already there. At present, like a kaleidoscope caught between patterns, the picture is just that little bit out of focus.

For the future, I believe we need to be raising our game when it comes to theory: to be looking at what has worked and why and how; and we need to be looking at real cases where technology has been implemented and delivered a benefit. We almost do that now.

Over the next couple of years, I expect to be working much more closely with the Journal to help it grow and to find that new direction. Above are my first tentative thoughts as to what that direction could be. In true CRM style, I am interested in feedback. This is where I think the Journal needs to go. What do you think? What do you need from it? Let us know.

JOHN OZIMEK
Editorial Board
July 2002