The Dominant Influence of Marketing in the 21st Century

The Marketing Leviathan

Edited by Philip J. Kitchen

The Dominant Influence of Marketing in the 21st Century

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To many fine teachers who, at various times in my life, have inspired me to greater efforts by their encouragement and counsel

Thank you

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Contents

List of Figures and Tables viii

Acknowledgements ix

Notes on Contributors xi

1 Introduction 1
Philip J. Kitchen

2 The Recasting, Questionability and Applicability of Hobbes' *Leviathan* 7
Philip J. Kitchen

3 Who Is Like unto the Beast? Tall Tales of Fail Whales 28
Stephen Brown

4 Seven Simple Rules to Better Customer Service 48
Charles R. Taylor

5 Ninety Trillion Spams and Counting: Rethinking the Marketing Social Contract in a Web 2.0 World 66
Fred K. Beard

6 Cloud as a New IMC Tool: How to Make Our Marketing More Ubiquitous 95
Shintaro Okazaki

7 The Age of Organisationalism 113
Philip J. Kitchen

Index 132

Figures and Tables

Figures

5.1 A model of online marketing communications disciplines and media 72
6.1 Classification of mobile advertising 108

Tables

2.1 The United Kingdom and six major national expenditure categories 20
3.1 Fail tales of the marketplace 34

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1 Introduction

Philip J. Kitchen

In the last decades of the 20th century, "marketing" was a dynamic force in all economies. It was also a driving force for change in many (not all) businesses throughout the century as companies attempted to transition from a production, product and sales orientation to an orientation, at least from a practical if not a theoretical perspective, towards customers and their needs. As we move into the 21st century, marketing seems to be entrenched in every facet of human life. There are few corners on the earth where marketing has not made inroads and where its presence and accompanying influence cannot be felt.

While marketing has been around since humans first walked the earth and engaged in transactions, in its modern sense, marketing is a product of the 20th century. It is perceived everywhere as a suitable topic for scholarly (academic) address and has been legitimised and justified by business practices in every country in the world. It is difficult to identify any public or private sector company or organisation where marketing in any of its guises or manifestations has not been considered, and/or implemented or trumpeted as leading hopefully to more profitable or appropriate outcomes than was previously the case.

In the latter part of the 20th century, the peoples of the collapsed economies of the failed communist regime (the USSR or ex-Comecon countries) turned rapidly not just to embrace democracy wholeheartedly but also to embrace market economies, and with these, the discipline and practice of marketing. Within a fairly short time period, "Red" China has turned to marketing as a modus operandi of liberalisation for its people and its business institutions, while retaining overarching central political autonomy and control. China's associated disjunctions have yet to arise, but so far have been avoided.

Yet, despite the perceived legitimacy of marketing, even in 2013, there is no generally acceptable extant theory of marketing. There is, however, some agreement that such a theory would rest on at least three pillars:

1. A thorough understanding of consumer needs and behaviour,
2. Critical analysis of opportunities for competitive advantage,
3. Inside a marketplace or space that is global in form, structure and ubiquity.

Inevitably, underlying these pillars is the notion of a market transaction or exchange of money for some product or service that appears at least at face value to satisfy some perceived need. A transaction can also be an exchange of values.

Marketing is sufficiently important that its definition needs to be periodically reviewed. And, the world's largest marketing group – the American Marketing Association (AMA) (2012) – does this every five years. The definition in 2007 was

> Marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large.

The previous definition (est. in 2004) was

> Marketing is an organizational function and a set of processes for creating, communicating, and delivering value to customers and for managing customer relationships in ways that benefit the organization and its stakeholders.

The new definition takes into account input from a broad cross-section of the Association membership. Marketing is regarded as an "activity" instead of a "function" and this positions marketing as a broader activity in a company/organisation, and not just a department. The new definition positioned marketing as providing long-term value rather than, narrowly, as an exchange of money (short term) for the benefit of the shareholder/organisation.

The committee began the review process by establishing three critical goals for the review and potential revision of AMA's definition of marketing: transparency, broad participation and continuity.

The process was furthered by publicizing the review and encouraging people to provide input via feedback through the *Marketing News* and e-mail surveys to members. While the committee had the option to affirm the current definition or produce a revised one, they chose to revise the definition based on member input.

The new definition was the subject of two surveys sent to members, and 80% of them held a favourable opinion of the definition. Lastly, the AMA Board of Directors voted to approve it at the October 2007 meeting. The next revised definition is due in December 2012 and will no doubt take into consideration the world's first recession since 1929 (the Great Depression) and the current stagnant state of many national economies.

Leaving aside AMA's needs to market its own organisation, several questions arise from the 2007 definition:

- What is "value"? How is it manifested, made, communicated, marketed, sold or assessed?
- Are customers the ultimate arbiter of what constitutes value? Or, is value – from their perspective – simply the offering of or payment of money for goods and services received?
- Does the creation and communication of value by marketing also create problems and difficulties for others? Or, does creation of what is perceived to be valuable by customers and consumers simultaneously create noise or nuisance for others who may be uninterested in the constant repetition of banal messages?
- Does marketing possess a societal value? How can this be assessed?

Asking these questions to those other than marketers will result in a surprising diversity of responses, some (not all) intensely antithetical towards marketing.

We are reassured from various sources that marketing is firmly entrenched in many societies and that it runs contemporaneously and roughly in line with economic and social development. Despite some misgivings, it is relevant to literally millions of businesses and 7.1 billion potential customers.

Indeed, marketing is a global phenomenon. It affects global, multinational, international and national firms and the media and market research agencies that service their needs. It affects every man, woman and child on the planet. It is ubiquitous and omnipresent, and of relevance in developing world nations and, of course, in the advanced economies of the 21st century as well.

Marketing has become the dominant connecting mode of expression between business and non-business organisations of all types and sizes, and customers and consumers are continually informed that marketing is *in their interest* and seeks to *fulfil their* needs, and changes are invariably presented in a way that are *supposedly beneficial to target audiences.*

Yet, there are misgivings in the marketing domain in the 21st century. For, it is patently obvious that many organisations (business or otherwise) do not adopt a customer or consumer orientation. This is evidenced in many ways – difficulties faced by consumers in contacting organisations save by labyrinthine methods, a disinterest and disclination by businesses to treat consumers with respect, products that do not deliver proclaimed benefits and perhaps are incapable of so doing, services that do not match expectations and products that while they satisfy needs also damage consumers and the environment. And, despite the advent of customer services in many organisations, these are often designed to keep customers away from influencing marketing in any way. There are many consumer watchdog programmes that all too often reveal companies (often large, well-branded, proclaimed consumer-oriented businesses) who only respond to complaints when they come under the all-seeing eye of the media.

Marketing may create exchanges, but does the process of marketing, and indeed exchange, deliver the desired satisfaction? And, to what extent does satisfaction of, say, a consumer's needs simultaneously create dissatisfaction and annoyance for other people, for the nation at large, and/or damage the environment in some way? Plainly, marketing – although global in scope and scale – does not have any overall monitoring authority. Many marketers now speak of corporate social responsibility, which is integrally related to marketing. Yet, in some sectors where businesses go to great lengths to proclaim their adoptive virtues of corporate social responsibility, it is now evident that corporate social *irresponsibility* is more the norm. The recent corporate example of failed banks and financial institutions, together with the government monitoring bodies that also failed in their fiduciary duties, and then went unpunished, is remarkable. In the end, governments have bailed out these institutions that have been free to continue "business as usual". Meanwhile, those paying the price – the electorate – have been seriously punished by retributive measures that are ongoing. Looking at this from a marketing perspective, it would seem that marketing is an organisational activity founded more on rhetoric than on anything else.

In this book, we consider the dominant role of marketing in the 21st century. Each of the authors has their own perspective on the topic. I have not attempted to proscribe their inputs into a particular form. The outcomes would appear to be these:

Yes, marketing is a powerful and dynamic force.
Yes, it has some weaknesses and problems that are increasingly visible from organisational and consumer perspectives.
Yes, marketing can be a nuisance; it can even be seen in the communication domain as a form of leviathan.
Yes, there are many examples of failure.

However, there is no substitute for marketing at this time. Other alternatives have been tried, tested and failed. If we accept the need for democracy, then, to some degree, we accept the notion of markets. Marketers must have some degree of freedom in which to market goods and services. The notion of a marketing orientation 'that seeks to satisfy customers and their needs profitably' is not a very robust approach to marketing per se. Most marketing is today organisationally and competitively focused. That marketing is being done for "us", for and on behalf of customers and consumers, is more a form of rhetoric than some deep underlying business concept. As we shall see in the following chapters, the warts of marketing are plainly visible. Perhaps over time, these can be eradicated, removed or ameliorated? For now, marketing would appear to be the best approach underpinning transactions.

Thomas Hobbes' book *Leviathan* was seen as a powerful metaphor of a gigantic human form where otherwise war-like citizens needed to be controlled by two dominant factors – Church and State. Today, of course, both these forces are well nigh obsolete. However, one form of control may be via marketing, which has reached such a state of intensity and ubiquitousness as to either be a modern leviathan or be capable of influencing the attitudes or behaviour of a leviathan-like society or market. While a marketing leviathan today may well be cast in human form (or stated as such by the concept and philosophy of marketing), it seems to be more and more *organisationally centred and not necessarily consumer or customer centred*. This will be at the heart of the critical chapters in this book.

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2

The Recasting, Questionability and Applicability of Hobbes' *Leviathan*

Philip J. Kitchen

Introduction

One may enquire as to the relevance of Hobbes' *Leviathan* in a modern-day context. To explore this, it is necessary to explain some – I hasten to add – not all, of Hobbes' book.

First, many modern ideas and practices are traceable to ancient origins. For example:

- Alexander the Great (356–323 BCE) proposed the ideal of one world, one ruler (himself) and one people united under (his) common rule. From there can be traced cultural and economic commonalities and, of course, "free trade", which nowadays would be couched as "globalisation", with its impressive storyline proclaimed by the World Bank and a corresponding cacophonous barking of national governments. Today, these ideas are being gradually worked out, albeit couched in democratic guise in the form of the European Union (EU) and Association of South East Asian countries (ASEAN), to name but two of many economic and quasi-political forms.
- Isaac Newton (1643–1727) was once described as the greatest scientist who ever lived. He made many relevant contributions to modern societies in classical mechanics, physics, astronomy, natural philosophy and theology.
- At the country level, Greek democracy (developed around 510 BCE) led to many aspects of Western modern civilisation, in

terms of not only more inclusive democratic ideals, but also Greco-Roman styles of architecture and mathematics. Alexander the Great was apparently tutored by Aristotle, who in turn was tutored by Plato. Once again, societies turn to Greece for early developments in psychology, politics, social sciences, religion and teaching. It is interesting to note that much of the ongoing European crisis again has Greece as a central issue or bone of contention.
- Ancient Rome is responsible for the development of the Roman legal system, mass entertainment, the alphabet, the Julian calendar and the Latin language, which underpins many European languages, not to mention derivatives elsewhere in the world.

Time and time again, history offers the basis and antecedent of current practice, or even actual practice, in many fields of endeavour.

Thomas Hobbes (1588–1979) published *Leviathan* in 1651 (all references to his book here are traceable to the edition published in 1894). An early article comparing *Leviathan* to the current promotional practice context was published by Kitchen (1994), and some of those early ideas and concepts are reiterated here.

Hobbes' work was concerned with "the matter, form and power of the commonwealth", where "leviathan" implied "anything of a colossal size". In that early article, I referred to Hobbes' work as an interesting prophecy capable of current interpretation. His thought was ruthlessly, radically, materialistic: "the universe is corporeal; all that is real is material, and what is not material is not real". He argued that our (human) cognisance of the world is really of the pressures exerted on us by external "motions", or, as would be seen today, "signals from the environment". Likewise, not only our cognitions but also our "passions" are influenced by material motions. To Hobbes, men were, at best, complicated automata, influenced by internal material perceptions of an external material world. While his whole thesis is not entirely reflected in the modern world, it seems evident that we do live in a material world, and moreover a world that supports the (marketing) perspective that people are complicated semi-automata – and are indeed influenced by external motions. Otherwise, the tremendous efforts made to persuade of the very minor benefits of some brand or other would be entirely devoid of purpose or meaning. The entire world, through a myriad of media forms, is constantly ablaze with an ever-shifting yet repetitive aurora borealis of marketing messages.

In this chapter, I will discuss Hobbes' thesis in greater detail than in the preceding paper (Kitchen 1994). In so doing, consideration will be extended to the meaning of "leviathan", then and now, and by means of reference to Hobbes' thesis and current marketing practices, attempting to form connective links across 350 or more years and to build an analogy suitable for today's world.

What is (or was) Leviathan?

I start with a lengthy quotation whose inclusion is absolutely necessary as explained later:

> Nature, the art whereby God hath made and governs the world, is by the "art" of man, as in many other things, so in this also imitated that it can make an artificial animal. For seeing life is but a motion of limbs; why may we not say, that all "automata" (engines that move themselves by springs or wheels as doth a watch) have an artificial life? For what is the "heart" but a "spring", and the "nerves" but so many "strings"; and the "joints" but so many "wheels", giving motion to the whole body, such as was intended by the artificer? "Art" goes yet further, imitating that rational and most excellent work of nature, "man". For by art is created that great "Leviathan" called a "Commonwealth" or "State", in Latin *Civitas*, which is but an artificial man; though of greater stature or strength than the natural, for whose protection and defence it was intended; and in which the "sovereignty" is an artificial "soul", as giving life and motion to the whole body; the "magistrates" and other "officers" of judication and execution, artificial "joints"; "reward" and "punishment", by which fastened to the seat of the sovereignty every joint and member is moved to perform his duty, are the "nerves" that do the same in the body natural; the "wealth" and "riches" of all the particular members, are the "strength"; *salus populi*, the "peoples safety", its "business", "counsellors", by whom all things needful for it to know are suggested unto it, are the "memory", "equity", and "laws", and artificial "reason" and "will", "concord", "health", "sedition", "sickness" and "civil war", "death".

This will suffice for a beginning. The leviathan is described as a corporate governmental body, in 1651 personified in the body of a Man (a commonwealth or government who appoint kings), who not only gives life and motion to the entire body, but also rules through various instrumentalities listed above. Notably, the strength of the people is described as its wealth or riches. Undoubtedly, the body's health or strength is described as "concord", and sickness and civil war are described as "death". The state is likened to a man in more powerful modality, and exerts control and influence over all its denizens or citizens. Later in Hobbes' thesis, we learn of two powerful overarching forces that were expected to influence men's thinking and behaviour. These two forces are the State – personified in the government who proscribes the role and rule of kings – and leaders in the Church, personified in Hobbes' day by the Church of England, itself led by the King as Supreme Governor. In the following section, these influential forces are explored.

The power and influence of the Church and the State

In Hobbes' thesis, men needed to be influenced positively in terms of thinking and behaviour. This seems straightforward now, but perhaps was not so in 1651:

> there is no conception in a man's mind, which hath not at first, totally or by parts, been begotten by the organs of sense. The rest are derived from that original.
>
> (op cit, 15)

This is saying – more or less – that man's thinking and behaviour are influenced by forces in the environment, including those associated with marketing per se. However, Hobbes describes powers necessary to keep men in awe in his society. I would reinterpret his "awe" as powers that effectively persuade men to avoid sedition and civil war which would bring about (if persisted in) the destruction of society in which citizens reside. Hobbes then argues that an assembly of men (citizens) could perhaps offer a generalised statement as follows:

> I authorise and give up my right of governing myself, to this man, or assembly of men, on this condition, that thou give up thy right

> to him, and authorise all his actions in like manner. This done, the multitude, so united in one person is called a "commonwealth". This is the generation of that great "leviathan".

This begs the question of who that one person might be to whom these powers are extended?

> He that carrieth this person is called "sovereign" and said to have "sovereign power"; and every one besides, his "subject".
>
> (ibid. p. 84)

Further, with Hobbes, this handing over of power voluntarily by subjects was a gross simplification even in 1651, as few men would hand over power of self-governance to another or corporate Man and even more so in 2012. He also warns of the dangers of masterless men, not subject to laws, and then suggests that if all lived under their own individual law, the result would be anarchy, civil war, dissolution of society and death (i.e., demise of the commonwealth) (ibid. pp. 84–89). There are many reminders in his book of the dangers of war and the evil consequences that flow from the same, a situation with which Hobbes was entirely familiar and from which he drew many analogies. The period between 1642 and 1651 in England witnessed not one, but two civil wars, characterised by ongoing armed conflicts and political difficulties. These led directly to monarchical executions, then the Commonwealth and the Protectorate under Oliver Cromwell's rule from 1653 to 1659, and finally to constitutional change that monarchical rule had to be authorised and also proscribed by Parliament.

These civil wars and disturbances were closely connected with religious changes between Catholicism and Protestantism, embodied subsequently in the Church of England. By 1688, the position of Catholicism in England was severely restricted. For over a hundred years, Catholics were denied the vote, and were not allowed to sit in Parliament or to take commissions in the army. The monarch was forbidden to be Catholic or to marry a Catholic, a situation that persists even in 2012 (paraphrased from Great Revolution 2012). Thus, the Supreme Governor of the Church of England, albeit with limited controls, is the reigning monarch. The monarch appoints high-ranking members of the said Church, following the advice of the Prime Minister, who is advised by Church leaders. This situation is admirably summarised by Hobbes:

> the king *whose power is limited*, is not superior to him or them that have the power to limit it; and he that is not superior is not supreme, that is to say, not sovereign. The sovereignty therefore was always in that assembly which had the right to limit him; and by consequence, *the government*, not monarchy, but either democracy or aristocracy; as old time in Sparta, where the kings had the privilege to lead their armies, but the sovereignty was in the Ephori (or body politic).
>
> (ibid. p. 93; italics added)

This argument is sufficient to indicate that power or influence rested in the body politic or commonwealth or leviathan. Kings and priests were subject to the body politic and the whole, whether monarchical, political or ecclesiastical had the necessity thrust upon it, or rather – abrogating the reins – to mold or seek to mold; or, in modern parlance, to manage the minds and behaviour of citizen members.

In order to avoid the dangers of disobedience or civil war, all institutions in a society, here described as Government, Monarch and Church, must work together in order to influence citizens to do their duty as members of the Commonwealth or leviathan. At least that was fairly straightforward in 1651 and beyond, as each of the elements was subject to severe and radical strains and change and from which more modern ways to govern emerged. This underpinned many subsequent developments and prefaced and preceded the age of industrialisation from which England was to emerge as the first industrial nation a century or so later.

However, the forces that shaped society *then* have lost much of their force and rationale *now*. Monarchicalism is either obsolete or has been replaced by republicanism in many countries. Churches everywhere have lost power, authority and influence, and more so as their corporate individual and collective malfeasance become visible. Governments everywhere are characterised by difficulties and problems, not least of which is the perceived loss of confidence in politics, politicians, and democracy and the democratic process. Nonetheless, states and governments – whether national or international (the European Union comes to mind, and each of its national governments) – still exert, of necessity, a powerful and ongoing influence over the minds and behaviour of their citizens. In that sense, a commonwealth or leviathan is still evident and will continue in the future, barring unforeseen cataclysm or catastrophe.

We can glean from this process several important indicators which are transferable to the current times:

1. The leviathan metaphor, especially relating to governments, their officials, the process of societal development and the seeking of influence over people's minds, hearts and behaviour is more pronounced now than in 1651.
2. The power of some elements of the leviathan, that is, monarchy and state religion, have fallen into decay and disarray, and have been replaced arguably by a type of hierarchical class-like structure in which wealth, importance and celebrity are admired, but perhaps are not worthy of emulation. Newsworthy, certainly. In 2012, few religions and even fewer monarchs exert much influence over their members' and/or subjects' minds. Nonetheless, it does not stop the organisations seeking to exert such influence.
3. The perception of men as "complicated automata" – influenced by external motions – is not too far-fetched in its application in modern societies and will be taken up more fully below.
4. Societies do need to be managed (I hesitate to use the word "control" as this may slip solipsistically into some type of dictatorship of either left or right), and its peoples encouraged to be decent, law-abiding, economy-building and participating citizens (see 1 above).
5. Socialisation is part and parcel of being born into a specific location – languages, gestures, tears, signs and symbols are all part of an understood culture in which citizens participate. These are, of course, arrogated by marketing and by brands so that attitudes towards corporations and brands and societal practice (such as marketing) all need to be designed and delivered to markets and current or prospective customers by appropriate communication mechanisms.
6. Citizens do give up rights – perhaps unknowingly – to others and organisations to govern in a form of collective self. Thus, the leviathan proposed by Hobbes is still alive and well and, like its namesake, has some hydra-like characteristics.

7. Naturally, sedition, civic disturbance, and civil war are to be policed, frowned upon, discouraged, and restrained by law to prevent such happening. Nonetheless, some governments are more lax than others with regard to this issue. For example, strikes and labour disputes, which arise in all advanced nations, are monitored very closely in some countries – often by a visible police presence in riot gear in or near what may be a fairly innocuous walk of support by union members.

From the above, we can glean that monarchy does not exist in many countries, or may be an anachronism or may linger on with diminished or little recognised powers as is the case in the United Kingdom, Australia and Canada, to give a few modern examples of constitutional monarchy led by Queen Elizabeth II. In these examples, the countries are liberal democracies which, in fact, prescribe the powers (however enfeebled) of monarchical influence. To all intents and purposes, however, monarchy has few powers nowadays to influence the minds, hearts or behaviour of citizens.

We also glean that organised state religions, whether a Catholic or a Protestant variant, also have nominal influence over national citizens though they may possess some influence over Church members who may take their religious affiliation (now a matter of choice) seriously. In other countries, civic disturbances, unrest, revolutions and uprisings have characterised recent years, particularly in Middle Eastern countries such as Egypt, Libya, Yemen and Tunisia. Particularly, Muslim nations face similar problems to those encountered in English history, and may yet take decades if not centuries to work out. In each country, however, where religion is state sanctioned and many areas of government ally with religious bodies, the result tends to be stifling of economic initiative, inequality of educational opportunity and social status and an accompanying failure of the country to take full advantage of opportunities for economic development.

As said, there remains, however, one vital leviathan force and that is the government. It does have the power to influence the lives and behaviour of citizen members. Governments, whether retrospective or progressive, do influence economic opportunities of their peoples. For example, if one uses the crude measure of GDP per capita in 2011, the economic potential of citizens born in Luxembourg

(US$113,533) or Laos (US$1,204), Switzerland (US$81,161) or Sierra Leon (US$366) is massively different. This economic outlook is mirrored by citizen potential to fully or even partially participate in the globalised markets of the 21st century (source: IMF 2012). I would go further and state that governments – at least in advanced Western nations – are there to determine the policy of the state, to make and enforce laws, to take advantage of opportunities for economic growth and seek to ensure in liberal democracies – as far as is possible and practicable – the safety, well-being and opportunities for education and advancement of citizens. I am deliberately leaving aside other governmental variants such as kratocracy (ruled by those strong enough to seize power through physical force or political cunning) or timocracy (ruled by honourable citizens and property owners). It is seemingly pointless to reify one political system, as even in liberal democracies such as Greece and the United Kingdom, the policies of some governments have veered more towards idiocracy and incompetence, hence bringing about a severe lack of confidence in their electorates. At the same time, certain economic sectors and their executives have been protected (i.e., banks and senior managers), while citizens have encountered diminishing returns on savings and investments, and rampant though disguised inflation, along with a loss of value in currencies compared with other nations. Thus, from a marketing perspective, few governments are really that interested in the welfare of their citizens even though politically such a policy cannot be ignored in terms of communication. Thus, citizens will often be reassured before an election that all is being done for their benefit, while following the election, the bitter medicine of corrective policy from the previous government must be endured stoically, preferably without any radicalised complaint or murmuring.

In a general sense, therefore, it is argued that government as a leviathan-like force is still extant and likely to continue to exert influence, power and, to some extent, control over the lives of citizens for many years to come, as the variables of history, economy, religion and culture continue to unfold. There is, however, a potentially emergent "leviathan" that also seeks to influence consumer thoughts and behaviour and thus becomes of benefit to specific companies and brands. Particularly here, the influence of marketing in the 21st century is considered.

The role of marketing in the 21st century

The role of marketing in the modern world can hardly be underestimated. Marketing is a product of the 20th century, though antecedents long predate its emergence as a practical management and scholarly discipline. Jagdish Sheth and colleagues (1988) argued that marketing would rest on the dual pillars of thorough understanding of consumer needs and behaviour, and critical analysis of opportunities for competitive advantage. A quarter century later, these pillars are supplemented by seeking for opportunities in a global and globalising market-place or -space in which marketing transactions can take place. Transactions or exchanges lie at the core of the marketing process. Marketing is well integrated in all advanced societies and perceived to be societally acceptable, particularly since governments, financial institutions, and public and private bodies all seem to widely acclaim, welcome and practice marketing activities, albeit couched in a form that is communicated as being done for the benefit of – and in the name of – citizens, voters, customers, consumers and prospects.

Yet, there are still vestiges of and connections with selling from which marketing emerged and with which it is often confused, as seen a half century ago in Levitt's milestone paper on "marketing myopia" (Levitt 1960). Decisions made by corporations to persuade customers to buy and keep on buying are more likely to be successful if based on the foundation of thorough understanding of the dynamics of served markets and carefully planned marketing management. With these comes a necessary accompanying qualification clause that such consumer orientation stands alongside the profit imperative. In the 21st century, business must not only be successful, that is, satisfy needs profitably, but it must also be seen to contribute in some way to societal well-being – in other words, a three-pronged balancing act of corporate profitability, satisfaction of consumer needs and public interest. The mechanisms for delivery of profitable satisfactions in the form of products and services were the four Ps of marketing popularised by James McCarthy (1981) – Product, Price, Promotion and Place. Few can argue as to the efficacy or effectiveness of marketing. The world is awash with appropriately priced products, made available everywhere by means of modern distribution systems, and incessant communication drums out the need to Buy, Buy, Buy or Spend, Spend, Spend.

Moreover, few could object to the availability of well-priced products everywhere. Recently, I asked Philip Kotler, one of the great professors of marketing, to offer his views on the value of marketing today. Used here with permission are some of his words (Kotler 2012). First, he rightly indicated that like any science or art "Marketing can be praised for good things and needs to take responsibility for bad things. Marketing has had its critics and I have been one of them. But let me take this opportunity to say the good things about marketing." He then went on to say:

- Marketing has raised the standard of living in the U.S. and many parts of the world. People don't naturally buy new things. Innovations diffuse slowly first among a few innovators and early adopters. Marketing is the force that convinces people to buy a better automobile, refrigerator, improve their homes, travel, and engage in a higher life style.
- Marketing in the form of *social marketing* has helped improved the lives of many people. Social marketers are professionals who create campaigns against harmful practices (cigarette smoking, alcoholism, hard drug use, environmental degradation, obesity, littering) and campaigns for good practices (regular exercise, healthy foods).
- Marketing in the form of *place marketing* has helped many cities, regions and countries improve their attractiveness to those living there as well as to tourists and visitors and businesses.
- Marketing in the form of *cultural marketing* has motivated people to attend and support museums and performing arts.
- Marketing has given us the concept of *branding* which represents what a company or organization is promising with the result that people can make their product and service choices with more confidence.
- Marketing has given us the concept of market segmentation which recognizes different groups in a market and requires companies to define their target audiences and tailor a specific plan for serving and satisfying each target audience.

- The advent of the Internet and social media has empowered consumers to know who the good guys are and the bad guys. I would predict that peer-to-peer messaging and blogging will result in a world of only honorable companies. Those companies that do not deliver on their promises will be quickly exposed. Profits will go to those companies who everyone *praises*.

Generally, I would agree with each of these statements as, by and large, marketing has been a positive influence in societies. Social, place and cultural marketing have all brought specific benefits. I am not entirely convinced about "the virtues" of branding, though I am convinced of its necessity. Much of branding is based on ownership and popularisation of essentially trivial marketing differentiation. And while consumer empowerment is growing, corporations continue to act with impunity. For example, in the ongoing financial tsunamis and scandals in the banking sectors of several countries and economic regions, profit rather than probity has been the driving force of corporate behaviour. And like the flotsam and jetsam caused by receding tsunami waves, bedraggled and poorer consumers have turned for help unsuccessfully to cold-hearted, unfeeling leviathan governments who have often aided, abetted and participated in the banking sector, and continue to do so, while the organisations designed to monitor the sector, who have failed in a judiciary and fiduciary sense, continue to act in the same capacities as before, apparently unscathed by previous failure to do the job properly.

But, as said, *in general*, I see marketing as a positive force for good in creating new products, new services and exchanges that bring benefit to all parties. Alternative approaches have been more concerned with the provision of poor-quality goods and services to generally economically, educationally and politically restrained societies.

Is marketing a form of leviathan in the 21st century? I do not believe it is. It does not seek to control behaviour but to offer benefits. There is no force backed by governments, churches or legislation that implies little or no choice in relation to innumerable products, services or brands. Depending on free choice, customers are free to decide whether or not to extend patronage via purchase. They are also free to pay more for goods and services that seem to offer greater perceived value or benefits to them in relation to needs. So, marketing in the form of products or service offering, pricing strategies or distribution does not seem to imply any leviathan-like qualities. Admittedly, there is a staid global uniformity of product offerings, a homogeneity of retail malls, scenes and stores which tend to chill the spine of well-travelled consumers. Eventually, the same brands, priced in the same ways, in very similar stores and locales will be homogenised everywhere. In that sense, it doesn't particularly matter where one lives or shops in the Western world.

There is an area of marketing, however, which is becoming increasingly strident and evident, and from which there is little potential to avoid or escape. I refer, of course, to promotion or communication, and feel this has the potential to become a form of leviathan which is growing in scale and scope.

The power of promotion

Marketing communication or promotion takes the majority share of all business expenditure. In the United Kingdom alone, and despite the recent and ongoing recession, spending on all types of communication activity was around US$60 billion in 2011 (see Kitchen 2010).

Nielsen Wire (2011) reported that global advertising spend in the five major media forms rose to US$498 billion in 2011 (see http://blog.nielsen.com/nielsenwire/consumer/2011) and rose 10% following a similar 10% increase between 2009 and 2010. The five major media forms are Television (+10%); Magazines (+2.1%); Newspapers (+1.1%); Radio (9.7%) and the Internet; and Outdoor and Cinema (+24%).

However, such promotion or communication activity does not begin and end with advertising. Other activities to persuade consumers include a never-ending barrage of direct mail, direct marketing, marketing public relations, sales promotion, sales support, new product development, corporate and strategic communications, and point of sale, and ambulatory or mobile marketing is likely to be well in excess of US$1 trillion in 2012.

This is a huge sum and apparently vitally important to businesses in reaching, persuading and building one-sided relationships with markets. While cost and value loom large to business, the sheer immensity of these communications through every available type of media surrounds customers almost from the cradle to the grave. In recent papers published in a variety of academic and practitioner forms, primary-age children in most advanced nations are well aware of many global brands, information absorbed from the media-saturated modern world.

The purpose of such communication is to inform, persuade and remind customers and consumers of essentially trivial marketing or brand differentiation and create awareness and facilitate purchase. Persuasion is a huge business. It is the essence of marketing, and it is spearheaded by promotion or communication.

Moreover, there has been a massive movement away from advertising. Fifty years ago, promotion was dominated by above-the-line advertising. Today, only 40% of marketing communications budgets are spent on advertising; 60% are spent on a wide mix of other forms, with the biggest share to sales promotion, as the table analysing expenditure by seven countries shows. These seven countries alone account for about 70% of global marketing spend. It is very difficult to obtain these figures, and the data in Table 2.1, has been forecasted based on the MET report (2003).

The promotional mix is more diverse than ever before. What is more, a company's marketing communications can be led or dominated by any of the established methods, including advertising. Indeed, given the massive expansion of television channels in many countries, more and more businesses are turning to television advertising to communicate their wares. In the United Kingdom, many

Table 2.1 The United Kingdom and six major national expenditure categories

Category	United Kingdom (%)	Seven nations[a] (%)
Media advertising	38.0	39.0
Sales promotion	5.0	13.0
Brand PR/sponsorship	19.0	17.0
Direct mail	14.0	12.0
Interactive marketing	14.0	19.0

[a]Brazil, China, France, Germany, Japan, United States, United Kingdom.
Source: Forecast from the London Business School, Marketing Expenditure trends 2003 (www.london.edu/marketing /met).

channels are now – in effect – shopping channels, selling jewellery, clothing, do-it-yourself (DIY) materials, gardening products, plants, and so on – all accompanied by a frenzied pace and turgid style which creates the illusion of low prices for goods, alas accompanied by high postal charges, and equally high premium-line call fees.

Marketing public relations or MPR is making significant inroads into what used to be advertising territory. PR people are considering the contribution that PR makes or could make in achieving marketing objectives. Moreover, these days they are considering to what extent PR can become the prime driving force in marketing communications plans compared with marketing tools such as advertising, sales promotion or direct mail.

Expansion, diversity and conflict

Marketing communications has developed significantly in the last 50 years. It is now developing at an even faster rate characterised by enormous expansion in the diversity of methods and by the growth of the practice and discipline of marketing.

There are ten major causes for this growth:

1. A fundamental cause is the far greater interest by all kinds and sizes of business in researching consumer wants, needs, desires and brand loyalties.
2. The presence of a sharper focus on an outside-in approach to communications, rather than inside-out. By that, I mean companies' communications are driven by what consumers want to see and hear through media and messages relevant to them.
3. At the same time, a single company cannot provide all these skills in-house. Hence the need for agency services to fill the analytical, communication and measurement gaps.
4. Increased global competition is a further cause which leads to a thirst by business for market share. Market share follows a simple continuum: greater share leads to more production, which leads to lower unit cost leading to higher profitability.
5. Conflict and disruption attend many businesses at home and abroad.
6. Environment, for example, and global warming pose greater financial risk for companies.

7. Increased sensitivity by business to marketing strategies and tactics aimed at consumers.
8. The decline in the effectiveness of advertising as a mass communications tool.
9. The fragmentation of media and the rise of the Internet and techniques such as viral marketing and blogging.
10. The sum of all these phenomena, which spurs the move towards integrated approaches to marketing communications by global businesses.

Undoubtedly, all elements of marketing communications are under scrutiny and many are under increased pressure to perform. For example:

- *Advertising* – maintaining its share of promotional budgets, clients are demanding more accurate measurement and tighter linkage of expenditure to results;
- *Personal selling* – large sales forces calling on customers with a highly personalised sales message are almost a thing of the past; replaced with telesales and the Internet;
- *Sales promotion* – the range of added-value tactical marketing techniques to achieve sales or marketing objectives can take many forms; increasingly, price-related sales promotion is supplanted by sales promotion designed to augment or underpin brand value;
- *Public relations and sponsorship* – a continually growing sector, but still undervalued, that has the capacity to stand alone, augment or lead campaign strategy;
- *Direct marketing and direct mail* – increased dramatically because of its capacity to generate immediate response and measurable results;
- *Point of sale* – may be poised to enter a new era as electronic communications and measurement, for example, new carousel design and ambient shelf promotions, are superseding old media;
- *Internet communication* – a massive area, and significant because consumers control access time, exposure and choice of information;
- *Viral marketing and blogging* – its supporters point to the considerable virtues of cost-effectiveness, accuracy in reaching niche groups, and power of personal recommendation, but applications may be limited.

In short, the marketing communication universe is in flux and is driven by several factors:

- The rapid development, and almost simultaneous availability, of on- and offline technologies for communications purposes.
- The splintering and fragmenting of older communications technologies and their usage for shopping purposes. For example, the rapid expansion of television channels in the Western world has meant their increasing usage as shopping channels. The channels that are available for consumer programme content are awash with more time for advertisements, and so-called programme sponsorships are simply another name for advertisements.
- The linking or connecting of old and new technologies and media vehicle means that no stone is left unturned in the ongoing avalanche of communications sweeping over and through markets.
- This technological connectivity is associated with integration of marketing communications (IMC) and integration of corporate communications (ICC) (see Kitchen and Schultz 2001; Schultz and Kitchen 2000; Kitchen 2010; Schultz et al. 2011).
- Most businesses are focussed upon their brands. The idea of value is associated with the brand, and not with received consumer value. For example, many UK chocolate brands are incessantly promoted; price rises have occurred and may well continue. However, a close analysis of the content of chocolate bars reveals these to be almost identical. The same is true of the breakfast cereal market, the toothpaste market, cola, and cell phones, and these markets can be multiplied ad nauseam.

The role of marketing communications from an organisational perspective

Consumers and others agree that marketing communications or promotion is

– a mix of marketing techniques,
– a method of targeting consumers,
– managing a reputation and raising awareness,
– a means to raise sales.

And it is becoming more, not less, important as the 21st century unfolds, hence the rapid increase in budgets.

All these equate to marketing communication becoming the expression of a threefold alliance:

- At the level of individual brands, all communications (including advertising and public relations) must be customer driven and customer focused.
- At the corporate level, the focus is returns, or return on investment, and there must be alignment between communications objectives and hard corporate goals.
- At the strategic level, communications is no longer purely about tactics, but is strategic in nature. Put another way, all organisations need to develop a strategy of integrated communications driven by customer and stakeholder need.

Thus, the 21st century represents a world of almost unlimited opportunities for businesses and organisations of all types – not least, the communications agencies and advisers who service their needs – but only up to a point. For every opportunity, there is a threat.

The future

In the meantime, markets of all types and sizes are splintering, fragmenting, and de-massifying. Yet as a result of legislation by governments and the European Union, among others, our markets are more open than ever. This provides an opportunity for voracious rivals to compete while locating production in low-cost areas of the world.

At the same time, media has proliferated to such an extent, and the family or social unit has changed so radically in many parts of the Western world, that traditional ideas about consumers and families are outdated. The UK consumer, we are assured, is more street savvy and sophisticated than ever before and can spot and avoid marketing activity from a distance.

So from an organisational perspective and given this scenario of fragmented markets, multiplying media, fierce brand rivalry and clever consumers, marketing departments have got their work cut out.

Are consumers pawns on a marketing chessboard?

As witnessed in the preceding pages, the leviathan in the form of the State is still alive and well, and desirous and capable of influencing the thinking and behaviour of citizens to become articulate, confident, well educated, hard working, participators in the electorate, and contributing members of society. There may well be some criticisms of an interfering granny state, but, by and large, if governments work towards these goals, then the result will be a relatively good country in which to live and work. Despite evident weaknesses, democracy is much to be preferred over other alternatives. Thomas Hobbes would no doubt be able to see in the current leviathan governments of the Western world, a literal fulfilment of his earlier prognostications on the topic.

Moreover, marketing has become the dominant mode of business activity – and in many cases, organisational activity too. The modalities of analysing, planning, implementing and controlling marketing activities (not consumers) are endemic in many countries. Has marketing itself become a form of leviathan? The short and simple answer is no! The fact that one can obtain the same products, priced similarly and available in remarkably similar outlets is not in itself a form of influence or control. One can choose which product category to buy, which brand, which price to pay, and which on- or offline outlet to purchase at.

Moreover, in a communication sense, consumers and customers are not passive pawns on some marketer's chessboard. They may well be inundated with marketing messages via television, cell phones, computer screens, billboards, points of sale, direct mail, direct marketing and so forth. But, reaching (i.e., exposure to) the sense organs of those who perhaps are in the target market does not mean communication has taken place. In the United Kingdom, we are exposed, on average, to about 3,000 commercial messages every day. Yet, most are forgotten immediately. It is not enough to be exposed to a message, or incoming stimuli. We must pay attention to the message, understand its meaning, accept its significance or be persuaded by it and retain it in our long-term memories, and then when circumstances or needs arise, draw upon that message and perhaps buy or purchase the communicated brand. Most consumers have neither the time, energy nor motivation to allocate attention to marketing. If no or little attention is paid, we cannot process its significance, or be persuaded, or retain. Yet, when we examine our own mind, we find it is full of information of brands we do not buy, or use, and may never be in a position to buy or use. All of this rubbish stored in our brains for future use, and perhaps reinforced by small bytes of marketing, is irrelevant to our lives. Yet, it has been placed there.

There is a concern that the sheer depth, intensity, repetitiveness and multiple modalities available to marketing communications in the second decade of the 21st century, *if it continues at this pace*, have the capacity to become a form of leviathan that will make of all people, consumers – and, if not consumers, harassed people who are forever receiving messages which, even if ignored, are ever-present and pressure to conform and to buy. That is the concern – that alongside what appears to be the necessity of state structures (Hobbes' leviathan), there is also an increasingly annoying secondary marketing communication leviathan. Unwanted? Perhaps. Unneeded? Perhaps. Annoying? For many. Necessary? I'll leave that one open. But, it cannot be left to the marketers . . . .

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3

Who Is Like unto the Beast? Tall Tales of Fail Whales

Stephen Brown

Bible story

I've lived with leviathan for as long as I can remember. Not the leviathan of Hobbes' *Leviathan*, which I perused for the first time prior to penning this chapter, but the leviathan that shaped Hobbes' *Leviathan*, the leviathan of the Holy Bible. More specifically, since there are several leviathans in the Good Book – Jonah's whale being perhaps the best known – I'm referring to the leviathan of the Apocalypse. This is the leviathan that appears in *Revelation* (12: 3) during the final countdown to Armageddon, "when no man might buy or sell, save he that had the mark, or the name of the beast, or the number of his name" (Rev 13: 17).

I was brought up in a very religious household. Fundamentalist, in fact. Most of my childhood was spent traipsing from mission hall to mission hall, listening to firebrand preachers, watching people speaking in tongues and attending to personal testimonials of the I-was-lost-but-now-I'm-found variety. It was a world of miracle cures, a cappella hymn singing, random shouts of "Praise the Lord" or "Hallelujah" from enraptured congregations and, not least, the constant fear that I'd be numbered among the goats rather than the sheep on the imminent Day of Judgment. It was always imminent back then. The end was never less than nigh. The Leviathan was perpetually lurking round the corner of our inner-city street – fangs dripping, great maw agape – waiting to pounce on wretched backsliders like me. What it was doing wandering around the godforsaken slums of west Belfast remains a doctrinal mystery to this day.

You'd think it'd have better places to loiter with intent. Sodom and Gomorrah, for instance.

Be that as it may, after 15 years or so of sitting on hard wooden benches, doing time in draughty tents and tabernacles, taking part in putative revivals and short-lived great awakenings – while praying that the power of prayer would help me make the miraculous transition from sinner to saved – I'd pretty much had my fill of old-time religion or indeed anytime religion. And, unlike Lot's petrified wife, I never looked back.

As I get older, however, nostalgia's golden glow has tempered my memories of those anxious, oppressive, heavenly father-fearing times. My heart lifts when I hear the rousing chorus of, say, "Fishers of Men", "Bringing in the Sheaves", "If You're Happy and You Know It", "Jesus Wants Me for a Sunbeam", "When the Roll Is Called Up Yonder", "Away, Far Beyond Jordan", or indeed the unforgettable, actions-accompanied "Deep and Wide". I recognise, furthermore, that my theological training (if I can call it that) helped me excel at school, where I won the RE prize with monotonous regularity. This gave me the confidence to consider going to university, which was a rarity back then for working-class kids like me.

Nor am I unique in that respect. As Twitchell (1996, 2004) shows, religion and marketing are the Samson and Delilah of Western capitalism (Cain and Abel, near enough). Many pioneers of the advertising/marketing profession – F.W. Ayer, Bruce Barton, Marion Harper, Claude C. Hopkins, Helen Lansdowne, Theodore MacManus, Rosser Reeves, Dorothy L. Sayers, to name but a few – were children of the manse or raised in evangelical circumstances.[1] Numerous scholarly commentators, moreover, have noted strong parallels between selling soap and saving souls (Rinallo et al. 2011). The apocalyptic linguistic construction "you're doomed, unless" is a constant refrain in marketing and advertising, where the "unless" is followed by "you buy our cure for . . . halitosis . . . heartburn . . . baldness . . . bloating . . . trapped wind . . . bingo wings . . . or whatever the latest marketer-invented, socially-incapacitating condition happens to be":

> It is no happenstance that the advertising executives, or "attention engineers", who helped bring about the rise of consumer culture were steeped in the Christian tradition. They understood

> both the nature of yearning and how to franchise it. They knew the language of sincerity. They knew the power of promise, large promise. They knew how to make the sale and close the deal. Advertising was a white, upper-middle class *Christian* endeavour, in part because most of the educated population was Protestant and in part because the procedure for selling manufactured resolution to life's problems was so similar to what religion had developed to sell future redemption.
>
> (Twitchell 1996, p. 33)

Lest you think that I'm making marketing mock – as if! – I should acknowledge that I myself have employed equally vatic tactics throughout my academic career, such as it is. I've co-edited a book called *Marketing Apocalypse*; I've organised conferences on devotional themes; I've written several scholarly essays that employ religious motifs or use the Bible as their point of departure; I've spent much of the past 15 years yelling "ye must be born again" to unimpressed audiences of my academic peers. I guess I'm the marketing equivalent of that sad old git with a sandwich board and megaphone, who wanders round the town centre on Saturday afternoons shouting "Repent. Repent. Repent". I know exactly what crying in the wilderness feels like, oh ye of little faith.

Actually, now that I come to think about it, I can see that my "literary" take on marketing understanding ultimately derives from countless close readings of the Bible, which I studied incessantly as a child along with copious catechisms, tracts, psalters, hymnals, prayer books, apocalyptic Apocrypha and allegedly inspirational literature such as *Little Christian's Pilgrimage*, a kind of *Pilgrim's Progress* for pre-pubescents. The latter, inevitably, further put the fear of god into me.[2]

These days, *Journal of Marketing Research* performs an equivalent function, as indeed does reading Kotler, Keller, Kapferer, Kozinets and the rest of marketing's K-crew. Get hence behind me, Kitchen!

New look leviathan?

The basic premise of this book is that marketing is a 21st-century leviathan, a contemporary lingua franca, an omnipotent and omnipresent force, nothing less than the principal mode of expression between business and non-business organisations of all types and sizes, something that affects the day-to-day lives of every man and woman on the planet. There is much truth in this contention. Marketing is a massively influential ideology-cum-belief system (Hackley 2009). It is a powerful form of cultural expression, what the dearly departed cult novelist David Foster Wallace (2004, p. 25) calls the "great grinding marketing machine". It is, if not quite all-pervasive, situated somewhere between preponderant and predominant.

There is also much truth in the assertion that marketing is, or has become, dysfunctional to some degree. Kitchen correctly draws attention to the curse of customer disconnect, consumers' inability to contact organisations except through frustratingly labyrinthine means (to say nothing of discourteous responses when they finally reach someone). Other academic authorities refer to marketing's culpability in relation to all sorts of societal ills: obesity, bulimia, binge drinking, drug addiction, egregious overconsumption, planet-polluting waste and so forth (see Sheth and Sisodia 2006). Many concerned commentators further concede that marketing, far from being the jewel in the crown of organisational capability, is a tawdry gewgaw made of false gemstones and cheap promises. As Johansson (2006, p. 37) puts it in no uncertain terms:

> American marketing is morally bankrupt. American marketing practices have helped turn the American way of life into its lowest common denominator. I don't mean in terms of material welfare, but in terms of quality of life. The watchwords to describe the American way of life are not those of the seven virtues, but rather the seven vices. We marketers encourage unlimited spending, outrageous behaviour, and the unmitigated pursuance of individual gratification. And we do this because we have the marketing tools to do it, the companies have the financial muscle to do it, and the competition gives us a justification for doing it. As former President Bill Clinton said in a weak defense of his own sexual pursuits: "I did it because I could". American marketers use the same excuse implicitly and sometimes explicitly – and it is equally immoral.

Marketing, in short, is a trespasser, a transgressor, an impenitent temptation-monger who's going to burn in hell for eternity (unless it plea bargains, pronto). But is it the Leviathan, the apocalyptic Leviathan of legend? Not in my book it isn't. There's something much more menacing out there. Marketing, it seems to me, is closer to a fallen angel than the fearsome beast that emerges from the boiling briny with Armageddon in mind. For all its faults and latter-day iniquities, marketing has its heart in the right place. It aims to do good. It represents an attempt to improve the lot of hard-pressed managers and poorly served customers. It strives, in someone or other's famous words, to "deliver a standard of living". Its foundational credo of customer orientation can't really be faulted, provided its enacted not simply espoused.

In practice, of course, modern marketing hasn't delivered on its ambitious promises. Customers' continuing discomfiture, rightly highlighted by Kitchen, is living proof of that unfortunate fact. It seems to me, however, that marketing's shortcomings are not caused by inadequate implementation, as many of its apologists aver. They're a consequence of the opposite problem: namely that marketing has been *too successful*. It is a victim of its own success (Brown 2003). Fifty years ago, marketing orientation was comparatively rare and therefore it conferred competitive advantage. That is no longer the case. These days, every organisation claims to be customer centric. Every marketing student has read Kotler from cover to cover (or looked at the pictures, at least). Every MBA-bedecked middle-manager has served time in countless CRM seminars, guerrilla marketing boot-camps and cuddle-the-customer love-ins. So ubiquitous is marketing at present that not-marketing is the most effective marketing strategy. The rules are so routinised nowadays that breaking the rules is the best way to stand out from the clamouring marketing crowd. Hence, the paradoxical situation where iconic companies such as Apple Computers, arguably the acme of marketing best practice, are openly disdainful of the canons of consumer research and customer focus, as are Google and Facebook, superbrands both.

Marketing, in other words, has become commodified, the very thing it's supposed to combat (Brownlie and Saren 1995). It's generic, near enough. Everyone speaks its P-inflected dialect. It doesn't provide the competitive edge it once did. Marketing-orientated organisations are functionally indistinguishable from A.N. Other organisations, as they too are marketing orientated. But this unwelcome state of affairs doesn't mean that marketing is the Leviathan of our worst nightmares. At most, it's leviathan lite. True, you could argue that marketing's emphasis on ever more consumption has led inexorably to the environmental despoliation and the moral degradation of Western society. However, this is not only a classic case of 20/20 hindsight but it overlooks the fact that excessive consumption, greed, degeneracy, waste and so on were well-established human traits long before modern marketing burst upon the scene. Marketers didn't invent the seven deadly sins, though they've undoubtedly taken advantage of them.

The fail whale

If marketing, as an institution, has got fat and lazy – or, to put it in Biblical terms, has strayed from the straight and narrow – who or what is the real Leviathan here? The answer, I believe, was touched upon by that Old Testament prophet Ted Levitt when he proclaimed that the business of business is to stay in business. The purpose of marketing is to contribute to this end. It helps businesses remain in business. Companies keep going, all other things being equal, because they are more customer focussed than their rivals. They strive to satisfy customer needs and, as customers are the lifeblood of business, marketing keeps the wolf from the door. And the name of that big bad wolf is failure. The real Leviathan is failure . . . defeat . . . extinction . . . bankruptcy . . . obliteration.

Identifying the leviathan is one thing, understanding it is another. Failure, let's be frank, isn't often discussed in the marketing literature, though this neglect is unsurprising since marketing exists to forestall failure, defer failure and prevent failure from disturbing the perfect, paradisiacal world that marketers and advertisers attempt to create. As a rule, we prefer to look away, to cross to the other side, to renounce failure thrice before daybreak, so to speak. A moment's reflection, nevertheless, reveals that in the midst of life we are in death. The brute reality of business life is that disaster is never far away. Catastrophe goes with the territory (Ormerod 2005). The sad fact of the matter is that most companies collapse, most start-ups stop, most mergers misfire, most innovations implode, most R&D founders, most forecasts flub, most new products flatline, most brand extensions crater, most advertising campaigns are ineffective and most killer apps die an agonising death, as Table 3.1 illustrates.

Table 3.1 Fail tales of the marketplace

Hewlett Packard (HP) launches an iPad killer called TouchPad. Consumers refuse to touch it with a bargepole. Seven weeks after its razzle dazzle release, HP announces that TouchPad is history and tells retailers to get rid of the remaining stock. At US$99 a touch, TouchPad takes off. Queues form outside stores. E-retailers can't keep up with the demand. HP relents and starts manufacturing once more, even though it's losing US$300 on every tablet sold. Some say it's a triumph of madness over common sense. Others wonder what tablets HP is taking.
Gap updates its logo, after 20 years of thinking inside the blue box. Betrayed customers complain bitterly, both online and in-person. The new look is described as cheap, nasty, tacky and tawdry. Some say it's a hoax. The designers are mocked for working "in Microsoft Word". Taken aback by the hostility, the populist apparel retailer backs down, rubbing its crowd-sourced brand bruises. The old logo is reinstated. Gap's back in the box.
Tropicana refreshes its packaging, abandoning the drinking straw-impaled orange that embodies its brand promise. The insipid update doesn't go down well with orange juice aficionados, who depart in their thousands. The new package is withdrawn, with much grovelling and contrition. The signature straw is restored to its rightful place on Tropicana's iconic carton, while parent company PepsiCo glows with mortified embarrassment.
Much-loved British tea makers since 1706, Twinings decides to reformulate its signature brand. The lessons of New Coke are ignored as Earl Grey is given a new taste sensation, after extensive consumer research. Tea drinkers react negatively to Twinings' treatment of their 180-year-old favourite, posting all sorts of forthright comments on the company's website. Horrid. Vile. Foul. An affront. Twinings stands firm. For now.
Abercrombie & Fitch, the peppy brand of preppy apparel, is partial to publicity stunts. After much deliberation, it comes up with a gem. Inverting product placement practices, it offers to pay MTV to remove A&F products from popular TV show Jersey Shore, where a plebeian character insists on wearing its patrician outfits. Cynics smell a public relations stunt. Sages say be careful what you wish for. Realists reckon A&F will live to regret its brand braggoccio.
Apple's antennae prove problematic for eager iPhone 4 users, cutting them off in full flow or mid text. The "God Device", it appears, is not only wrathful but merciless and vindictive. Cowering consumers are told to hold their kit properly, in accordance with Apple's tablets of phone. Telephonic tribulation sweeps the nation until seraphic Steve recants and issues rubber bumpers to cover his beatific brand's blushes. True believers breathe easy once more. iPhew!

Who among us, for instance, remains ignorant of the New Coke fiasco, or the Ford Edsel imbroglio, or the Spruce Goose vamoose, or the Betamax brouhaha, or the demented DeLorean debacle? Who among us can forget the Sunny Delight disaster, or Dasani spring water's calamitous launch, or Toyota's errant accelerator pedals, or e-Bay's abortive acquisition of Skype, or Apple's abject Newton hand-held, or indeed Google's long list of experimental extensions that went seriously awry?[3] Who among us isn't familiar with the telling tale of Premier, R.J. Reynolds's tasteless smokeless cigarettes, or the Arch Deluxe, McDonald's lamentable luxury burger, or Dr Pepper's famously foolhardy offer of free drinks for everyone when Guns N' Roses finally released their long-awaited new album, *Chinese Democracy*, which turned out to be a turkey as big as the Ritz?

Who among us, let's be honest, can even remember Hagar the Horrible Cola, Okeechobee Orange Pokem, Kickapoo Joy Juice and Yabba Dabba Dew, all of which fought and fell on the killing fields of carbonated beverages? What about *Cutthroat Island*, *Heaven's Gate*, *Hudson Hawk* and *Ishtar* – box office bombs one and all – which are testaments to William Goldman's truism that "nobody knows anything" in Hollywood. Whatever happened, by the way, to Webvan, Petscom, Priceline, eToys, CDNow and countless other vapourware vendors who flourished during the heady days of the late 1990s dot-com boom? Passed over to iParadise, presumably, where they perch on a cloud beside Boo.com.

Few of my students fail to smile when I recount the Boo.com story. Fewer still fail to wonder what Harley-Davidson was thinking of when it released an eau de cologne or, for that matter, fail to wonder what the stuff smelt like (a fetid fusion of engine oil and exhaust fumes, perhaps, with a top note or two of odoriferous Hell's Angel?). The really funny thing about failure, though, is that it serves a feel-good function. Fireside fail tales, such as the foregoing, not only elicit a sigh of executive-suite relief – there but for the grace of God go I – but they remind us that nothing is guaranteed in business life, least of all continuing success. They are an indispensable antidote to the smartest-guy-in-the-room syndrome, which was all-too evident in recent years. They are a source of comfort to those who struggle valiantly against the odds, trying desperately to move the merchandise, meet their targets and make ends meet. They are more necessary now than ever, since we live in a what-just-happened world where

Western capitalism is still reeling from its glimpse into the financial abyss, where the invisible hand of the market has been exposed as larcenously light fingered, where the random walk down Wall Street turned out to be an inebriated stagger, where much-vaunted *homo economicus* is none other than Dilbert in disguise and where chastened and contrite economists plan to hand back their Nobel Prizes as a token symbol of intellectual reparation.

Okay, I made the last one up. The real prisoner's dilemma, surely, is whether we lock economists up or electrocute them en masse. The efficient markets hypothesis demands nothing less, as does our moral equilibrium.

Wishful thinking aside, the key point here is that the Leviathan of failure is larger than ever. Business is increasingly facing up to the big bad wolf (e.g., Cassidy 2009; Harford 2011). The F-word is not the great unmentionable it once was. A whole new lexicon of quantitative easing, double dips, fail whales, black swans and vampire squids is being added to the next levels, learning curves, purple cows, dancing elephants, 800-lb gorillas and win–win situations of management speak. It's high time we marketers sit down and try to make sense of the gigantic beast that stands before us. We can't keep pretending it doesn't exist.

Anatomy of Cataclysm

I've been studying failure for a long, long time. Perhaps this is attributable to my biblical upbringing, with its permanent sense of being an irredeemable sinner on the slippery slope to the fiery furnace. Perhaps it's been perpetuated by having so many academic articles rejected for being unforgivably flippant or insufficiently scholarly or, heaven forfend, blasphemously irreverent. But from my doctoral dissertation on the death rates of retail stores to my contention that there is a "tripping point" in business life, a horrid mirror image of Malcolm Gladwell's (2000) trajectory of triumph, I've been surrounded by failure. I have gathered data on botches, written papers about blunders and analysed numerous tall tales of great men and women with blemished track records. So I know whereof I speak. When it comes to dismembering the Leviathan, I'm the man with the machete. My fail whale credentials, if not entirely impeccable, are right up there with Captain Ahab's.

Of all my adventures in adversity, the most comprehensive comprises a biographical investigation of 120 high-profile personalities who stumbled repeatedly on the path to success or were consistently dismissed as idiots, as eccentrics, as no-hopers, as losers, as failures in waiting. It ranges throughout history, across geographical boundaries and involves an eclectic mix of characters – criminals, clerics, courtesans, consultants, creative artists, celebrity CEOs – everyone from Coco Chanel, Al Capone, André Citroën and Dale Carnegie to Rupert Murdoch, Michael O'Leary, Vijay Mallya and Madonna.

When the biographies of these brilliant blunderers are considered in detail, two things are immediately apparent.[4] First, that success and failure are closely intertwined. The former can precipitate the latter, as when pride comes before a fall, and the latter can trigger the former, not least among many high achievers who underperformed at school or were mocked for their stupidity or poverty or appearance or analogous alleged inadequacies. Indeed, it seems to me that Kipling's "twin imposters" of triumph and disaster are neither fraternal nor identical: they're conjoined.

Second, the stories we routinely tell about stunning victories and resounding defeats are remarkably similar in a structural sense. The individual details differ considerably, since temporal, cultural and sectoral contexts make each biography unique, but the same basic plots appear time and again. Indeed, *a propos* my literary inclinations alluded to earlier, they accord with the four primal narrative formulae identified by the celebrated Canadian critic, Northrop Frye (1957). According to his magnum opus, *Anatomy of Criticism*, these archetypal storylines are *romance*, *comedy*, *tragedy* and *irony*.

Romance

On hearing the word "romance", we are inclined to think of cupid's arrow, star-crossed lovers and the educated fleas who also do what birds and bees do best. In a literary sense, though, romances traditionally include heroic adventures, gruelling quests, terrifying ordeals and rags to riches yarns of the *Cinderella*, *Pretty Woman*, Horatio Alger kidney. My biographical data set reveals that this is by far the most common narrative template applied to the stories of successful failures, those who stumbled, fumbled, tumbled and bumbled until they succeeded through astonishing willpower, stupendous determination and more than a modicum of pluck.

For example, Colonel Harland Saunders of KFC fame failed at just about every occupation imaginable – soldier, lawyer, train driver, mule wrangler, tyre salesman, ferryboat operator, freelance gynaecologist – before he hit upon a method of franchising fried chicken in the 1950s. He was 62 at the time. Akio Morita, the marketing genius behind Sony, failed with his very first business venture, an electric rice cooker, and was laughed out of town when he toured the States selling tiny transistor radios. They didn't laugh at the Walkman. Clarence Birdseye discovered the secret of flash-freezing fish during a trip to the Arctic in 1912, where he observed Inuits' hunting and gathering habits, though he endured 20 years of rejection and heartache before finally breaking through the pack ice of consumer resistance to frozen food. Madame C.J. Walker was an African-American entrepreneur who not only overcame poverty, parental abandonment, physical abuse and racial discrimination but succeeded in inventing a superlative cosmetics selling system that predated Avon and Mary Kay by decades. Milton Hershey, the uncrowned king of candy, failed in Philadelphia, failed in Denver, failed in Chicago, failed in New Orleans, failed in New York and failed in just about every zip code east of the Pecos, before he returned to his home town and built an empire on milk chocolate. Ruth Handler's breakthrough idea for a busty doll called Barbie was considered downright pornographic and many retail stores refused to handle her creation. But within three months, Mattel was selling 20,000 Barbies a week and fiftysomething years later, the star of *Toy Story 3* is still going strong.

Such stories could be repeated almost indefinitely. They are nothing less than the raw material of the American Dream, which has inspired millions around the world. They are the stories of, among others, Thomas Edison (let there be light), Abraham Lincoln (let there be freedom), Walt Disney (let there be Mickey), Henry Ford (let there be Tin Lizzie), Tom Monaghan (let there be Domino's Pizza), Earl Tupper (let there be Tupperware), Andy Grove (let there be Intel), Jeff Bezos (let there be Kindle), Sumner Redstone (let there be Viacom), Berry Gordy (let there be Motown), Estee Lauder (let there be Youth Dew), Ralph Lauren (let there be Polo) and the ever-businesslike Al Capone (let there be booze, bribes and bullets). It is surely no accident that Gordon Selfridge – the marketing-minded department store magnate who was himself a paradigm of the rags to riches (and back again) template – once published a self-glorifying book about the retail trade that epitomised this fabulous, fairy-tale trajectory. The *Romance of Commerce*, he called it.

Comedy

Although romance is the default form for fail tales, there is no shortage of comedy. Failure, of course, isn't funny at the time – quite the opposite – but humour is never far from the surface. As a rule, the comedy resides in people's uncomprehending reactions to the revolutionary idea or innovative approach, or unique talent or ludicrous contraption, which were disparaged at the time but went on to immortality. Consider the myopic store manager who told Sam Walton that he wasn't cut out for retailing, or the perceptive Kodak employee who spurned Polaroid's instant-photography technology, or the sagacious literary agent who informed J.K. Rowling that she'd never make money from wizards, or the savvy A&R man at Decca Records who passed on an up-and-coming band called The Beatles, or the bureaucratic board-game buyer at Parker Brothers who refused Charles Darrow's offer of *Monopoly*, or the bright spark at Big Blue who wasn't interested in Chester "Xerox" Carlson's plain paper copier, or the prescient Yale economist who awarded Fred Smith a C in the term paper that featured the "unfeasible" idea that became Fedex, or the astute TV executives who felt that Jim Henson's Muppets weren't right for prime time, or any other time for that matter. Perhaps they were the same executives who sacked Oprah Winfrey from her first job as a newsreader and helpfully informed her she'd no future in television.

Just-so stories like these, with their wonderful moments of head shaking amazement – what were they thinking of? – are both amusing and uplifting, even though they rely on readers' hindsight, which is unfailingly infallible. There's more to comedy, however, than the happy resolution of understandable misunderstandings. Comedies usually involve some kind of transformation or reorganisation of the existing social order. In business, this is epitomised by larger-than-life figures who go against the grain and, having done so, radically rearrange the commercial landscape. This is the world of Joseph Duveen, the irrepressible inter-war art dealer whose nouveau riche customers were brought to heel by the simple expedient of refusing to sell, while insinuating that they weren't worthy of the masterpieces in question.

This is the world of McKinsey's Marvin Bower, who famously told clients the unvarnished truth rather than cover them in management consultancy-grade syrup. This is the world of Rupert Murdoch, Melbourne's very own Ming the Merciless, whose management style isn't so much fashionably touchy-feely as unfashionably kicky-assy. This is the world of Michael O'Leary, Ryanair's brilliantly successful CEO, whose hatred of tree huggers, travel agents, management gurus and merchant bankers – to say nothing of airport operators, aviation authorities, air traffic controllers and rival airlines – is surpassed only by his apparent hatred of customers. Apart from his infamous reluctance to issue refunds or compensate passengers inconvenienced by delays or cancellations, he variously threatens to charge extra for well-fed XXLs, make passengers pay for using on-board toilets and replace the standard seating arrangements with hold-tight ceiling straps or, when aviation regulations permit, razor-sharp spikes and shackles.[5]

Tragedy

If comedy moves from chaos through confusion to harmony then happiness, tragedy represents the opposite side of the coin. Giants stumble, empires fall, heroes become zeros and the prideful are appropriately punished. BP's vainglorious boast of being "Beyond Petroleum", Luciano Benetton's ill-considered advertising campaign, "Sentenced to Die", and Conrad Black's unbounded extravagance at Hollinger shareholders' expense, all fit into this category, as do the Enron crew, the Bear Stearns brigade and the brainstrust behind Long-Term Capital Management. The rise and fall of Carly Fiorina, Martha Stewart, Bernie Madoff and Jón Ásgeir Jóhannesson, the superstar CEO of Iceland's Baugur Group, are exemplars of this hubris-nemesis dialectic and, while few would argue that Carly, Martha, Bernie and Jón are on a par with Hamlet, King Lear or Citizen Kane, let alone Willy Loman, the pattern is apparent for all to see. It is a perennial pattern, what is more, as exemplified by the dramatic falls from grace of General George S. Patton, Ivar Kreuger, Sweden's much-maligned Match King, Eddie Gilbert, the one-time "Boy Wonder" of Wall Street, who ended up on the lam in Brazil, and Cees van der Hoeven, the hyper-ambitious CEO of Ahold, whose seemingly insatiable acquisition spree transformed a reliably stolid Dutch retailer into an off-its-trolley basket case (see Vermeulen 2010).

Such falls from grace, it should be noted, are precipitated by all sorts of circumstances. In some cases, they happen when the hard-driving founder takes a back seat or gets temporarily distracted by outside interests. Michael Dell, Howard Schultz, Leslie Wexner, Anita Roddick, André Citroën, Calvin Klein, Gordon Selfridge, Yves St Laurent and the peerless Sir Thomas Lipton of tea, bacon, butter and America's Cup fame, spring immediately to mind. In other cases, they involves a gradual loss of touch with reality, as in the unedifying instances of Charlie Sheen, Howard Hughes and General Douglas MacArthur, whose dazzling military career came to an ignominious end in Korea, when his persistent insubordination proved intolerable. In yet other cases, they are moments of foot-in-mouth madness, most famously the ill-judged remarks of British jewellery retailer Gerald Ratner, who foolishly described his products as "complete crap", only to discover that his hitherto stellar career was also heading panwards.

Most times, though, the cropper is caused by a lethal combination of complacency, conceit and contempt for lesser mortals. Coco Chanel was a couturier of the highest calibre and a marketing genius to boot. Her glorious sartorial achievements, from the Little Black Dress to the one and only Number 5, are unsurpassed in the annals of fashion. Yet she treated her employees with breathtaking disdain, used the Vichy government's anti-Semitic legislation to disenfranchise her partners in perfume and, as if that weren't enough, purportedly spied for Nazi Germany during the Second World War (Vaughan 2011). Little wonder she was run out of France during the post-war *épuration*. *Plus ça change, plus c'est la même chose*.

Irony

When setting out the secret of his success, J. Paul Getty famously wrote "Rise early, work hard, strike oil". Although there is much truth in the great philanthropist's statement, it contains a tiny tincture of irony. Irony, understandably, isn't common in the biographies of those who stumbled to success. Noteworthy exceptions, nevertheless, include Dale Carnegie, who was as inarticulate and stand-offish in real life as he was eloquent and engaging in his win-friends workshops; Ron Popeil, who never seemed to be taking things too seriously as he sold Ronco's kitschy kitchen accoutrements with a twinkle in his eye; and the imperishable P.T. Barnum, who not only tricked his way to fame and fortune – with the aid of woolly horses, bearded ladies, Fejee mermaids and Cardiff giants – but was utterly unapologetic about his trick-pulling intentions. Barnum was so brazen about his bamboozling that the bamboozled couldn't help but admire the bamboozler's brazenness.

That said, there is another significant aspect to Getty's "strike oil" suggestion. It draws attention to the importance of dumb luck. Comparatively few management titans openly acknowledge that good fortune played a big part in their meticulously planned progress, except insofar as it accords with the much-parroted adage "the harder I work, the luckier I get" (Brown 2005). Yet serendipity, ironically, is the foundation for more than a few management triumphs, whether it be the familiar tales of Teflon, Kevlar, Viagra, Post-Its, Band Aids, Corn Flakes, CNN, Dom Pérignon, Southwest Airlines and Nike's waffle sole, or the stirring saga of Procter & Gamble, which is peppered with providential moments of new product development (NPD) inspiration – Pantene, Pringles, Pampers, Crest, Crisco, Charmin and many more in addition.

The arts, by contrast, is an arena where good fortune is foregrounded. The "big break" is a standard narrative convention. It features in nearly every biography, though few are more ironic than Tom Clancy's. Rejected by the US military on account of his bad eyesight, the disappointed young man tried his hand at insurance. He was a natural salesman and built his firm into a state-wide powerhouse. Yet despite his abilities, he was unable to sell his debut novel, *The Hunt for Red October*. No publisher wanted to know. It was rejected again and again and eventually found a tiny publishing house, the Naval Institute Press, which specialised in military handbooks. But the CIA got wind of Clancy's novel and, because they reckoned that national secrets had been leaked to its author, a copy was passed up to the commander-in-chief, President Ronald Reagan. One day, by chance, a journalist asked the president what he was reading on vacation. "*The Hunt for Red October*", Reagan replied, and added that it was "a great yarn". Clancy's techno-thriller took off like an ICBM and shot to the top of the best-sellers list, as has each of its sequels, prequels and descendants.

It is, of course, somewhat ironic when a superlative salesman owes so little to his natural gifts and so much to a stroke of good fortune. But then business life is unerringly ironic.[6] The recent economic recession, sad to say, has been a boon for repo men, loan sharks, pound shops, lottery operators, insolvency practitioners, cash-for-gold dealers, scrumptious comfort food purveyors, home entertainment systems sellers, business school enrolments officers (economics and finance specialisms, especially), motor car manufacturers (thanks to scrappage schemes and bottomless bailouts), the makers of movies with bankers and businessmen as black-hatted bad guys (*Avatar*, *Up in the Air*, *Wall Street 2*, *Inside Job*) and, of late, the authors of best-selling books about business failures, which if not exactly the flavour of the moment are right up there with Yabba Dabba Dew.[7]

Bible belter

Although all four of Frye's archetypes are discernible in the biographies of those who stumbled repeatedly on the road to success – and although elements of all four are apparent in most individual narratives – it's fair to say that the romantic template predominates. Not only does it underpin the vaunted monomyth of Joseph Campbell (1968), which has shaped countless Hollywood movies from *Star Wars* to *Shrek*, but it was the focus of Frye's research for years after *Anatomy of Criticism*. He considered it the archetype of archetypes, a narrative that attained its apogee in stories of rebirth and resurrection. This too is the case in business, where the most impactful biographies are those that combine romance and tragedy in a rise and fall and rise again storyline. Coco Chanel came back from the brink of oblivion, as did Madonna and Barnum and Thomas Watson Sr., a staggeringly brilliant salesman who was sentenced to jail for "flagrant commercial piracy", unceremoniously sacked by National Cash Register and then turned the ramshackle Computing-Tabulating-Recording Company into the mean, lean selling machine that was IBM in its pomp.

Steve Jobs, similarly, is the apotheosis of Frye's formula.[8] His glorious ascent, catastrophic fall and astounding comeback – complete with youthful impetuosity, temporary setbacks, strategic missteps, ethical dilemmas, corporate skulduggery, interpersonal anguish, necessary ruthlessness, superhuman power struggles and the whole nine yards of hubris, nemesis, hamartia and what have you – is nothing less than a postmodern rewrite of *The Pilgrim's Progress*.

An inspirational retelling for ambitious adolescents, *Little Steven's Pilgrimage*, is presumably in the i-pipeline.

This biblical allusion is not accidental. The Good Book is the ultimate romance. It promulgates a message of brotherly love, mutual understanding and everlasting life. It tells numerous tales of rise and fall, hope and despair, transgression and forgiveness, death and resurrection. It is a narrative of redemption. Marketing is cut from the same cloth. It too promises miracles. It too prophesies redemption. It too preaches undying love (of the customer). It too is promoted with evangelical fervour. It too contends that if you truly believe then salvation is highly likely (if not completely guaranteed). It maintains that sinful, production-orientated organisations must be born again as marketing orientated. It says, basically, that if you find out what customers want, give them that in an expeditious and value-for-money manner, continue to do so despite the best efforts of devilish competitors, and at all times remain humble, thankful and focussed on the betterment of others, then your brand will remain among consumers' chosen few (a.k.a., the "evoked set"):

> The powerful allure of religion and branding is the same: we will be rescued. This act of rescue, whether it be effected by the Man from Glad or the Man from Galilee, transports us to the promised land of resolution. We will find the peace that passeth understanding. We will find the garbage bag certified by the American Association of Sanitary Engineers. The stigmata will be removed. Ring around the collar will disappear. Ditto halitosis.
>
> (Twitchell 2004, p. 69)

Biblical it may be, but marketing is not the Leviathan of legend. Marketing, albeit far from a saint, is on the side of the angels. Granted, marketing can be considered a leviathan of sorts, akin to the enormously powerful automaton of Hobbes' landmark imaginings (Kitchen 1994). Alternatively, it can be regarded as a henchperson of the Leviathan, since marketing orientation can have deleterious organisational effects due to its growing inability to deliver differential advantage. Marketing's manifold lapses, nevertheless, do not negate its notable achievements or, indeed, its commendable desire to do the right thing.

For all that, the lumbering leviathan of failure is never far away. No matter how much we analyse this leviathan in "literary" terms (Frye's framework is only one among many), or draw attention to the upside of being down and out (what doesn't kill you makes you stronger, and so on), or treat it in a frivolous, tongue-in-cheek fashion (as a kind of comfort blanket for anxious executives), there's no getting away from the fact that the leviathan of business failure is always lurking nearby. With a bit of luck and pluck, marketing can help stave off that fateful day of judgement. But it can't prevent the inevitable. Everything fails in the end.

Wages of sin

In endeavouring to conclude these admittedly offbeat reflections on Kitchen's leviathan, I'm tempted to sum up with a biblical parable. I could compare marketing to the prodigal son, who squandered his talents on time-wasting trivialities and eventually came a cropper. Conversely, I could riff on Jonah's encounter with the great whale, arguing that marketing has been swallowed by the baleful beast of "scientism" and is patiently awaiting regurgitation as a "literary" subject. What, after all, is Kotler's *Marketing Management* but our equivalent of the holy writ?

Instead, I'd rather return to our point of departure, by recalling that a second leviathan loomed over my Belfast childhood. This leviathan was very different from the one in *Revelation*, but it was a leviathan for all that. I'm referring to *Titanic*, the doomed luxury liner that went to its watery grave in the north Atlantic, with the loss of 1,517 lives, on the night of 15 April, 1912. The largest ship in the world at the time of its ill-fated maiden voyage, the *RMS Titanic* was – and is – routinely referred to as a leviathan. It was in our house, that's for sure, and we knew more about it than most. My great-grandfather helped build the *Titanic*. A cabinet maker in Belfast's Harland & Woolf shipyard, he fitted out the first-class cabins and, according to family legend, worked on the grand staircase that was immaculately reproduced in James Cameron's mega-successful 1998 movie. My father, likewise, worked in Belfast's shipyard – a welder, he helped build the *Canberra*, among others – and his obsession with *Titanic* is such that he went to see the Cameron movie four times just to marvel at his grandfather's workmanship. No doubt I would have ended up as a shipyard man too, if it weren't for that other leviathan, the apocalyptic leviathan, that was responsible for getting me to university and, ultimately, writing chapters like this.

Marketing, in my humble opinion, is the *Titanic* of thought. Think about it.

Notes

1. As a mutant child of the mission hall, I'm not for a moment claiming that I'm in the same league as Barton, Reeves, Sayers, and so on. The principle is similar, though.
2. Thank heaven, I never got as far as Dante's *Inferno*!
3. These include Google Answers, Google Video, SearchMash, Google Health, Google Lively and Google Wave. The Dasani water catastrophe, by the way, was confined to the United Kingdom. It's still a big brand in the United States and elsewhere.
4. I'm not citing the individual biographies on this occasion. My list of references would be enormous. They're easy enough to track down, however. Enjoy!
5. This is also the world, inevitably, of comedic business biographies, such as those of Aleksandr Orlov, the meerkat mascot for a popular price comparison website; Mr Tayto, the celebrity spokesspud for Ireland's leading brand of potato crisps; and Roger Sterling, the founder of Sterling Cooper Draper Pryce, the fictional advertising agency that features in the hit television series, *Mad Men*.
6. Another somewhat ironic aspect of economic recession is that the brands bold enough to go for broke can reap enormous rewards. At the height of the Great Depression, for example, Coca-Cola bet the farm on the biggest marketing campaign in its history, which featured Haddon Sundblom's iconic images of Santa Claus in the company's red and white livery. Christmas hasn't been the same ever since. And Coke's still the biggest brand on the planet.
7. Consider, in this regard, the April 2011 of *Harvard Business Review* – one of the few management journals that businesspeople actually read – which was entirely devoted to failure. A special *HBR* issue on such a taboo topic would be simply unthinkable in times past.
8. Note, the prevalence of perennial plot patterns does not mean that the biographies of business leaders are misleading or erroneous, much less works of fictionalised non-fiction. They indicate, rather, than humankind is inclined to arrange historical events in familiar, formulaic, predetermined ways. According to evolutionary psychologists, these preferred plots go back to the dawn of time and perform an important evolutionary function, insofar as they facilitate the transmission of knowledge and thereby increase the likelihood of survival in hostile and challenging environments (Boyd 2009).

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4

Seven Simple Rules to Better Customer Service

Charles R. Taylor

Many leading marketing textbooks discuss how the "marketing era" evolved in the 1950s and beyond when companies began to emphasise a customer focus and the marketing concept. While the idea that there was ever a "production era", where consumers merely accepted what companies could produce, has been largely debunked by Ronald Fullerton (see Fullerton 1998) and others,[1] I wonder whether marketing practice in 2000 and beyond has really evolved in the way that marketing scholars would have hoped. According to the textbooks, we are currently in the "marketing era" where the customer is better served. Certainly, much good academic work has been done on market orientation, starting with key conceptualisations of what it takes for a firm to be market oriented (e.g., Kohli and Jaworski 1990; Narver and Slater 1990). Additionally, there is ample evidence that market orientation has a positive long-run impact on firm profitability and performance (e.g., Day 1994; Hunt and Morgan 1995; Javalgi et al. 2005).

In spite of these theoretical advances, it seems that today too many companies are focusing on short-term measures such as average revenue per customer (ARPC) as opposed to long-term customer satisfaction. While the state of affairs is somewhat complex, in that there are many consumers who are very price oriented and perhaps don't put the premium on customer service that companies might hope for, I am nonetheless concerned that many companies are dropping adherence to the notion that marketing's role should involve the satisfaction of consumer wants and needs. I do not mean to paint this as being black and white as there clearly are some companies out there doing a good job of serving the customer. However, my own experiences as a consumer suggest that all too many firms are not doing enough to ensure long-term satisfaction and are instead far too short-term oriented. In particular, it seems that all too often consumers are confronted with situations that do not respect the fact that many people lead very busy lifestyles and either (1) take an excessive amount of time to resolve a customer service-related problem, or (2) require an unreasonable amount of time and effort on the part of the consumer who needs to become an "expert" on rules and conditions to receive good service or benefits in a rewards programme.

It seems that when truly excellent customer service is delivered today, it jumps out at the consumer. I recall in close proximity to last Christmas, when I got my wife to "sign off" on giving my son his first iPad, being concerned that it would either (1) be difficult to buy one due to brisk sales of the item, and/or (2) require a wait in a long line and being subject to a clerk who could not communicate effectively with someone like me who was not an expert on the product. The fact that I was somewhat pensive about going to the store to purchase my son his first iPad is somewhat analogous to giving a child their first bicycle years ago. I was pleasantly surprised when I went to an Apple retail store just a few days before Christmas and found ample staff waiting to help customers. Moreover, after virtually no wait, the staff person was fully attentive to my questions and more than willing help determine the best purchase for my son. Even better, Apple was offering a free orientation to purchasers of the iPad so I was able to bring my son back on another occasion, after he got his gift, to learn how to use it.

Another positive experience I had recently was when I needed to purchase a pair of running shoes. Upon the occasion of turning 50 years old I had decided that it was time to go to a gym and get serious about fitness in a way I had not been for about 20 years. Having had some past experience running I knew I would want to try out the treadmills at the gym I joined. After using the treadmill for about a week and a half I found that my feet and toes were taking quite a beating, including having a few "black toenails". Obviously, this issue was not life threatening or anything of that sort. However, after reading about the ailment online, which involves the rather gruesome treatment of heating a needle and puncturing the nail through to the skin, I was sufficiently motivated to discern whether I was wearing an appropriate set of shoes on the treadmill.

Since I knew many standard retailers such as sporting goods stores or department stores would likely not have the level of knowledge I needed, I did an Internet search using keywords such as "buying running shoes" and "running shoe experts" and was led to a store in my area named Bryn Mawr Running. When I went there I was very pleased with the level of interest shown by the staff in my specific circumstance. Indeed, the salesperson was an accomplished runner herself. She pointed out that I had been using cross-training shoes and that these were not appropriate for long periods on the treadmill. Moreover, she went to great lengths to make sure that the shoes I tried on were of appropriate width and length. As my feet are somewhat between two sizes, and one foot is apparently just slightly longer that the other, they even offered to sell me a second pair of the second size at cost if I found that one of the shoes did not fit as well as the other. Fortunately, the size 11s (larger than what I wear in a dress shoe or casual shoe, and something I would not have known without going to this store) fit both feet sufficiently and has led to better workouts and less injured feet. A few weeks later I was more than happy to buy my 11-year-old son his first pair of high-end running shoes from the same store and I seriously doubt I'll ever buy another pair of running shoes from anywhere other than Bryn Mawr Running.

What is important about the above stories from my point of view is that such service experiences today *really stand out*, and like many other consumers, for every positive experience a customer has, one hears about three or four negative experiences. This concerns me in that I fully buy into the notion that firms that relentlessly focus on customer satisfaction are those who will thrive in the long run while those who don't, in the absence of a favourable regulatory environment (e.g., public utilities), will flounder. As a result, I believe it is important to examine mistakes that companies commonly make today in order to develop a set of rule that companies can follow in order to improve customer service and, ultimately, customer satisfaction.

Based on my reading of academic articles, the popular business press, and my own experience as a consumer, I'd like to elaborate seven basic rules that I believe would help companies a great deal in better serving customers and building loyalty. I will elaborate on these individually, but would like to formally state these rules first[2]:

1. When responding to customer service calls and inquiries remember that you should satisfy the immediate need of the consumer first. While it may be okay to discuss additional purchases of services afterwards, the immediate issue at hand should be addressed first.
2. While customer satisfaction is important, be careful to not go too far in oiling "squeaky wheels" as this rewards complainers at the ultimate expense of non-complainers.
3. When dealing with a customer of proven loyalty always make sure that someone who fully understands the value of a lifetime customer is available to deal with that customer if needed.
4. Also, when dealing with customer service inquiries over the phone or online, make sure the customer can talk to someone who is knowledgeable about their situation and has the authority to take corrective action if a customer service error has occurred.
5. When offering rewards programmes or loyalty programmes, make the reward transparent and automatic. Do not put the onus on consumers to have to devote significant amounts of time to figuring out the system, and do not offer "rewards" that carry no real benefit to most consumers.
6. Offer products/services that cater to the needs of all of the firm's target markets. Do not leave "holes" that will alienate consumers whose needs are not met.
7. Keep pricing transparent and when offers are made don't include a lot of fine print.

The remainder of this chapter will discuss each individual rule.

Rule 1: When responding to customer service calls and inquiries remember that you should satisfy the immediate need of the consumer first. While it may be okay to discuss additional purchases of services afterwards, the immediate issue at hand should be fully addressed first.

Recently, there were disturbing news reports in outlets that included Yahoo's top stories about the death of a service representative for a major telecommunications/cable TV company from a heart attack. The news reports indicated that, because of company policy, the woman's co-workers were not allowed to perform cardiopulmonary resuscitation on her but instead were instructed to continue doing their job while other procedures were followed. As I was not at the site when the event occurred, I have no effective way of assessing the veracity of the news reports, or have any real knowledge of what the company policy was. However, I was disturbed when a woman stated in the "comments" on the article that she used to work with the person who died and was saddened by the death but not surprised because the company policy was to keep the workers focused on selling more services to consumers. Again, not being there, I hope the truth is more complicated than this. However, I do believe that some firms are simply putting too much effort into squeezing every possible dollar out of customers and too little time on achieving true customer satisfaction which should, both in theory and reality, help maximise long-term profitability.

My own experience with my single provider of Internet service, telephone landline, cable television and mobile phone seems consistent with an excessive focus on ARPC. If I call with a billing question, I am invariably asked if they can analyse the account, which in my experience means that they will try to sell me additional services. It's not so much this practice that bothers me as much as the feeling that the customer service staff is incentivised by selling me more products rather than answering the initial question or solving the problem at hand. Including mobile service and everything else in the bundle, my bill is up over US$300 now and yet the effort to have me add additional services seems to be incessant.

It is my belief that, in the long run, excessive hard selling for the purpose of building ARPC will backfire. While there are several things I like about my telecommunication provider, I am left to feel like a revenue source to be maximised rather than a customer to be satisfied. If I want to cancel a service, I should not have to fight with a customer service agent or take up valuable time turning down other "opportunities". Also, if I have a problem I expect it to be fixed promptly given the amount which I am paying each month. In the end, if another company comes along and offers a "better deal" pricewise, which in the long-term strikes me as entirely possible, I won't feel any real loyalty to this provider who seems to be making it clear from their point of view that the relationship is mostly about money. Of course, I am prepared for them to fight like hell once another offer comes along and propose to match or even better the other deal. However, this will only make me feel like they were not offering good value in the first place.

The real bottom line here is putting the customer's immediate need first during any customer service interaction. Ideally, this attitude will lead to more satisfied customers who will then be more receptive to listening to additional offers that may, in fact, meet their needs and generate additional purchases.

Rule 2: While customer satisfaction is important, be careful to not go too far in oiling "squeaky wheels" as this rewards complainers at the ultimate expense of non-complainers.

While some people clearly are able to benefit from complaining to businesses, it is likely that excessive catering to demands will have deleterious impacts in the long run. Recently, in part as a result of being fed up with my telecommunication provider's seemingly incessant attempts to boost my contribution to their ARPC, I inquired about dropping one of the services. In response, the provider offered a better package than I had been getting. Because of this, I ended up not dropping the service.

In the end, however, I was left wondering why I had been paying the higher price to begin with? While I understand the logic of offering "deals" for customer retention, I felt alienated in that I had to complain in order to get a better value. It is as though there is a game that needs to be played that both consumes time and benefits those who complain a lot, or even at all. Surely, this can't be the best way to do business and satisfy consumers in the long run. In the short term, switching costs and the lack of an unambiguously better alternative coming along have prevented me from transitioning to another provider. However, as time goes by and technology changes, I will be more attentive to other offers from rival providers than I would be if I was fully satisfied with my current agreement.

I also cringed recently when I read an article online about strategies for getting free upgrades at hotels and how many people have high success rates at doing so even without being a member of a loyalty programme. While on one hand some consumers do benefit from this practice to the extent it is happening, on the other, consumers who pay full price and don't complain ultimately receive less "bang for the buck".

It is interesting to consider the idea that pricing strategies can sometimes successfully address the issue of the more discriminating consumer in terms of value. What McDonald's and some other fast food chains have done recently in offering "Dollar Menus" is pretty effective in providing a good option for the price-sensitive consumer. As it turns out, it can actually a better value at least in terms of calories per dollar than the "Extra Value Meals" that include signature menu items such as the Quarter Pounder with cheese. Here, a lower cost option that is substantively different is offered to the more price sensitive consumer, while those less price sensitive or who simply prefer the specific menu items in extra value meals are not alienated because they have both options available to them as well.

Imagine for a minute McDonald's lowering the price of the extra value meal for a consumer who complained about the price. While this may seem preposterous, it is worth pondering how much different this is than offering free room upgrades to the aggressive consumer in a hotel or lowering the price of a cable TV package for someone who threatens to drop a service. In general, marketers should be very careful in going too far to address requests or complaints that are not fair in the context of how the company's overall consumer base is treated.

Rule 3: When dealing with a customer of proven loyalty always make sure that someone who fully understands the value of a lifetime customer is available to deal with that customer if needed.

Just as all of us as individuals make mistakes from time to time, it should be expected that the same thing will happen in businesses. What is important when a mistake is made is that a recovery takes place, preferably by someone in management who has a deep understanding of the lifetime value of a customer (or potential lifetime value of a customer). Too many businesses offer very poor follow-up with irate and annoyed customers, let alone those with relatively simple questions. To make this point, I want to cite an example from my own experience that reflects the worst experience of my life as a customer of any business.

I had been a customer of a major satellite television provider for more than ten years. In fact, I was among the early adopters of satellite television and an early customer of this particular company. In the beginning, I could not have been happier with the service they provided. They seemed to add channels at a reasonable cost and were good at keeping consumers informed about new developments. However, as the subscriber base increased over time, it became difficult to reach a customer service representative quickly and even more difficult to find one who seemed to have the authority to resolve a problem.

Ironically, what triggered the worst consumer experience of my life was adding an additional television to my satellite subscription. The fee for this upgrade was a standard amount per extra television. However, when the installers hooked the new television up to the satellite dish and box, they apparently "called in the order" wrong and rather than being charged a few additional dollars per set, I was charged double for all the programming I received. Not only was I being billed for double the base price, I was double billed for all additional services, such as renting an on-demand movie.

This was a very obvious error on the company's part. However, as I taught a class abroad shortly after the installation and the bill was set up on automatic payment, it took me a few months to notice the error. The first time I called, I had a difficult time getting a hold of a customer representative as wait times were long. Once I did talk to a representative they saw what the problem was and assured me that it would be fixed.

Unfortunately, what they meant by "fixed" was not what I expected. When I opened the next bill, the double billing had continued unabated and I called again. This time, after a long wait to speak to a representative, I was told there was a note in my file that the problem should have been fixed and they did not know why it had not been. I was assured that this would not recur again. When the next bill came, the double billing had stopped but I noticed there was no credit for the previous five months during which they had essentially collected twice as much as they were entitled. So I made my third call to customer service, during which I was told by the representative that they could not credit my account. They could not tell me why this was the case. I asked to speak to a manager and, astonishingly, was told that the managers were busy and that it would require a long wait. I said that I would wait but when it was getting close to 75 minutes that I was on hold I gave up and realised that the entire call had been a waste of time.

I called again the next day and was again told by the agent that there was nothing that could be done about the situation and that, indeed some type of mark had been put on my account so the representative could not do anything to it. I asked again for a manager and was discouraged. After a long wait, I finally talked to a manager and got no satisfaction whatsoever. They would not tell my why they would not refund the money and were not going to do anything about it regardless of how many times I told them what happened. Clearly, no one involved particularly cared that I had been a long-time good customer of the firm and would have remained their customer had they resolved this issue. Neither the regular customer service staff nor the manager I spoke to had any clue of how much this incident would ultimately cost the company from my lost business.

After this experience, I promptly called the firm back to cancel my service. I also immediately made a call to the State Attorney General's office asking for help in getting the charges reversed. The State Attorney General's office wrote a letter to the company and this resulted in a quick refund but, oddly enough, no apology. I suppose I could have pursued things further, but the company surely has access to a very large and expensive legal team and I am just a single individual. Moreover, the Attorney General's office seemed more interested in solving the short-term issue than addressing whatever systematic issues underlined this problem. In the end I simply signed up with another provider. Oddly enough I began to get "we want you back" calls very quickly from sales staff that had no idea that I had been double billed.

What really is most shocking to me about this incident is that what the company had done to me was not much different than stealing. Granted, they did not intentionally start the double billing as if you recall, the order was called in wrong by a subcontractor. However, they were ultimately charging for services not provided and did not seem to care. To this day, I can't believe that the average employee at this company would not be bothered by this, and would refuse to do something about it if they could. However, their customer service staff was clearly not empowered to deal with the issue at hand and, at least in my case, apparently not motivated to do anything about it at all. Another surprising aspect was how much of my time the company was willing to waste without apology or concern.

I am concerned that this type of behaviour and unwillingness to deal coherently with what was initially a relatively straightforward matter not only alienates loyal customers and drives them away, but is in fact fairly common. It is, in effect, a form of de-marketing. Repeated ad nauseam, this – in today's world of escalating price sensitivities – seems little short of corporate madness.

Rule 4: Also, when dealing with customer service inquiries over the phone or online, make sure the customer can talk to someone who is knowledgeable about their situation and has the authority to take corrective action if a customer service error has occurred.

Another bad experience occurred with my former mobile phone provider. This company supplied both my landline and long-distance service for many years. In response to an invitation from them, I signed up for their mobile phone service. After the first contract expired it came to my attention that bundling services with telecommunications providers had become a way to save money and also to cut down on the number of different bills I received per month. However, when I contacted the company about renewing my contract, they connected me to staff member who either (1) clearly did not know the correct answers to my questions, and/or (2) did not have the authority to deal with the problem.

After looking into the plans offered by the company online, I was able to get a representative to chat with me. I informed this person that I was willing to renew the contract if my mobile service bill could be combined with my landline/long-distance bill. I was assured that this was available and would be easy to execute. The representative gave me the 800 number to call to get it set up. In a move that would prove to be wise, I did not commit prior to having complete assurance that the combined billing would be executed.

When I called the 800 number, unbelievably, I was transferred such that I talked to four different people. When I finally talked to the person who seemed to be knowledgeable (but not friendly) about the issue at hand, the phone call got cut off after I had spent more than a solid hour talking without getting the issue resolved. Amazingly, in spite of being a mobile phone company that surely must have had my number at hand, they never called me back. As it was getting later on a weeknight I decided that rather than burn more time that night I would wait until the weekend. This proved to be a mistake as well in that when I called on the weekend the call was routed to a call centre in India. The young man who was the customer service representative was very polite, pleasant and eager to help. Unfortunately, however, he had no way to sign me up for combined billing or even any way to immediately find out whether it was available to me. So, with apologies, he referred me back to the original 800 number and told me that I would need to call during the week.

When I did call back and finally talk to the appropriate person, after being switched again to other representatives a few times, I was told that combined billing was not yet available in my state, but that it would be soon. I asked to speak to a manager for details on when it would be available, but the manager said they could not be sure. The only inkling of any explanation I could get is that the company's mobile phone group had just gone through a merger with the landline/long-distance company and that it was taking considerable time to merge the operations. While I do understand the complexity of such mergers, this was enough for me. After the frustration of all of these calls and no results, I knew it was time to look for another provider. This was done with some level of sadness as I had done business with the parent company for a long time, but there seemed to be ample evidence that the merger was making customer service worse and not better. Having time wasted on the phone for questions that should be easily answered does not sit well with today's busy consumer who simply should not be expected to go through an arduous process to resolve problems.

On a related point, my wife recently went through a bad experience with an online retailer. She placed an order for four books but when the package came only three of them were inside, in spite of all four being shown on the packing list. An initial email seemed to straighten this out. However, when she received the replacement book, the invoice indicated that our credit card had been charged.

While this likely had nothing to do with the degree of authority the customer service representative had, it is a bad error in that it again costs the consumer valuable time when it is the seller who made a mistake in the first place. Having to write an additional email or make an additional call is very frustrating to many consumers and firms either (1) need to keep this in mind when training their representatives, or (2) be prepared to lose customers.

Rule 5: When offering rewards programmes or loyalty programmes, make the rewards transparent and automatic. Do not put the onus on consumers to have to devote significant amounts of time to figuring out the system and do not offer "rewards" that carry no real benefit to most consumers.

One of the recurring themes in these customer service rules is that customers should not be made to spend considerable time and effort to realise the benefits of doing business with the company. Excessive wait times when calling customer service and complex rules and/or warranties that require unreasonable effort to understand get in the way of providing good customer service. Many of today's frequent flyer mile programmes are examples of an overly complex system of rules ultimately detracting from what should be a real "perk" of doing business with a company.

While the primary frequent flyer programme I belong to offers very real benefits the complexity of the system is sometimes very frustrating. I should note at the outset that the carrier I am loyal to has done several things right (e.g., several perks associated with elite status are nice, including policies that allow pre-boarding, separate phone lines that offer faster service, an elite line at the airport, upgrades on most domestic flights, as well as general issues such as thanking me for my business, good service on flights more often than not and good policies on food and snacks) and I would describe myself as at least "moderately satisfied" with them. However, it would not take that much more to make me fully satisfied with them and become loyal at a level where I would never even consider making a switch. I suspect it would be worthwhile for them to strive for this level of satisfaction with a customer like me; I do fly a lot (I frequently get invited to give speeches in a variety of places in addition to consulting travel and a few academic conferences every year) and am clearly in the category of being a profitable customer.

The single biggest issue/complexity for me relates to the biggest perk of all of being in a frequent flyer programme, the opportunity to upgrade to business class on international flights. Cramped seating in economy coach class seems to be an industry standard and for someone of my size (about six feet tall and 180 pounds; I can only imagine the situation for people taller and/or bigger than I) a very long flight in economy is not exactly restful. Moreover, in my case, I have had some disc problems related to my upper neck/back that can flare up when I don't have free movement in a tight space for several hours.

These days, many airlines, including the one I am loyal to, offer nice business class sections with significant amenities, even including flat bed seats on some flights. In general, it is much more possible to get some sleep in business class which, in the context of a busy schedule, makes things more enjoyable. So, rather than attempt to save up miles for free domestic trips, it was instead my goal to be able to upgrade for the international flights. At one time I remember this was relatively simple and could be done if one had saved a sufficient number of miles. However, today, it as though one has to be a "frequent flyer mile scientist" to figure out how to best use miles to upgrade if one can do it at all.

Several complexities come into play in the process. A first complexity in using frequent flyer miles to upgrade on an international flight with the carrier I use (and I have heard some other airlines have similar systems) is that they restrict the ability to do so to only certain fare classes. Apparently, one needs to become an expert on the alphabet to know which fares can be upgraded, but it is pretty clear that most of the low ones generally (or at least usually) cannot. So one needs to know, for example, whether an "M" or "N" class fare, for example, from a whole array of what seem to be "alphabet soup" fares are upgradable. When they are available, they generally cost somewhere in the neighbourhood of two to three times the lowest coach fare available even though one uses a considerable number of miles to get the upgrade.

A second, and related complexity, is that as a gift for reaching a certain level of elite status, the airline offers, from among other options, "systemwide upgrades" that in theory allow one to upgrade flights in advance rather than standing by for them. Again, however, on international flights, you have to use them in conjunction with the alphabet letters that correspond to higher fares and, of course, they are not often available. While the airline has helped me in some instances, in others they have been relatively useless as they could not guarantee the upgrade even if I was willing to use the "systemwide upgrade" certificate. In these instances, they do offer to put you on the waitlist for seats, but this is especially unappealing as it becomes a "gamble" in which you may pay twice as much money, or worse, and not get upgraded at all.

A third complication I have run into a few times lately is that when trying to use the "systemwide upgrade" certificate during off-peak months (e.g., early December or January) the phone agent indicates that a "special business class fare" is available that is actually lower than the fare would be while using the certificates. In this situation, I am left to wonder whether I made the right choice at all in selecting the "systemwide upgrades" as a gift. If they are really a gift, it seems to me that they should be useable. In my experience, it does not make a lot of difference if you try to book way in advance as the capacity is tightly controlled and at other times tickets cost more than the regular price. Granted, if you can use one of these upgrade certificates even once, it is a very good deal as the regular business class fares are extremely high, sometimes well over five times a good economy class fare. However, it is important that if a benefit is offered it is straightforward and does not lead to more consumer frustration than pleasantness.

Airlines are not alone in terms of offering complex rewards. Hotel programmes can be complicated as well as can some (but certainly not all) credit card loyalty programmes. The real key is that benefits should be transparent, accessible and relatively simple to understand. Some programmes are like this, but others are not. In many respects, I think supermarket loyalty programmes have improved in this regard in recent years. There was a time when at least one chain's loyalty programme looked to me to be at least in part a way to be able to engage in legal price discrimination (i.e., charge two buyers a different price for the same item). In this way, deal prone customers who buy a lot would be happy and those disinterested in joining could become higher margin customers without a complaint. However, over time this chain made it very easy to use the card, even allowing members to punch in their phone number at check out as opposed to having to physically bring the card. This really makes such programmes more difficult to criticise as they are easy to sign up, most benefits are automatic (e.g., price discounts and automatic coupons) and in the end don't unnecessarily burden consumers.

Rule 6: Offer products/services that cater to the needs of all of the firm's target markets. Do not leave "holes" that will alienate consumers whose needs are not met.

In principle, at least, today's telecommunications providers appeal to a mass target audience. In examining the mobile phone market, the vast majority of Americans own a mobile phone or smartphone and have some type of calling plan. However, it strikes me as somewhat remarkable how ineffective the plans are for those who use mobile phones less often.

Just over two years ago I checked into the offerings of the major mobile providers, whose base plans essentially started at US$59.99 per month, and considerably more than that once taxes and other services such as texting were added. While the number of minutes allotted was fairly generous with any of the plans, it struck me that none of them met the needs of many older consumers. In my own case, due to my wife and I having a landline and living close to where I work (making business-related calls easy to execute) we were not anywhere near reaching the monthly limit. However, we surely did not want to take the chance of the ridiculously high cost of overruns on any plan. Pricing that penalises consumers for going over a limit should only be used if the consumer is clearly informed they are going over the limit. Otherwise, the marketer is again requiring the consumer to spend time "keeping track" of minutes and/or data usage in a way that should not be expected.

While I ended up "biting the bullet" and getting the basic plan plus an additional US$10 per month for my wife's line and ten cents per each text sent, I never felt that I was getting good value for the money given my usage patterns. With a son who will soon be a teenager, I did know this would change soon and we'd likely have to go with a more "unlimited plan" with another line in the not too distant future.

However, it did not leave me feeling good about the company and its service orientation. My contract is up for renewal now and I will have to give it some considerable thought. On one hand, we are due to get a line for my son and the plans that offer unlimited text and domestic calling are clearly a better overall value, so as my usage patterns change some of the plans will be more suited to my needs. This does not, however, detract from what appears to be a situation in which many consumers' needs are not being met by the large players in this market. While from time to time I hear about smaller players coming out with better plans, none seems to have been able to carve out a strong niche yet. I do suspect something will give before too long as the profit margin for these companies on this product is significant and it should open the incentive for either increased competition among the large companies or an opening for an innovative new entrant.

Rule 7: Keep pricing transparent and when offers are made don't include a lot of fine print.

Building on the above example, the telecommunications companies and public utilities providers often advertise a price that turns out to be significantly lower than what the customer actually pays after the battery of additional taxes and charges are added on. While it could be argued that these are government-regulated industries and the companies have limited control, it is nonetheless a good idea to clearly disclose to customers the actual price they will be paying before they get a bill and are surprised. Indeed, this is much like "fine print" that leads to surprises. For example, I've never really understood the advertising of "storewide" sales at department stores when the fine print points to all kinds of exclusions. If there are exclusions, why call it "storewide?"

Again, much of my objection to not having prices or sales be transparent is that the consumer is required to do extra work to receive goods or services that they should receive without doing extra work. Recently, I was very unpleasantly surprised after my bank merged with another, larger bank, and I was suddenly slapped with fees for incoming wire transfers. A big part of the reason I had set up the account in the first place was because it did not include these fees, so I was surprised that it was even legal for them to do this. When

I inquired, the bank did, to its credit, sit down and meet with me and steered me to another type of account where I would not have to incur these types of fees. However, my main point is that I should not have had to spot this issue on my own or take extra time dealing with a "problem" created by the changeover. Incidentally, the interest rate on the account also went down significantly during the changeover. I guess I missed some fine print on that one. Again, after effort on my part, the bank did straighten things out. However, it is hard to forget the time it took to get back to where I think I should have been in the first place.

Conclusion

While the above "evidence" of customer service problems is drawn from personal experience, it is clear that I am not alone in this experience and that most consumers experience such issues regularly. All too often, customers end up wasting time in call systems, working online and speaking with representatives who simply do not understand or cannot solve problems or answer questions coherently. This, in effect, annoys and alienates even previously loyal customers and causes them to consider alternative suppliers of the same products or services, or to leap unceremoniously into the arms of a competitor. Perhaps this leads to one major outcome – that too many of today's "marketing" oriented companies are more concerned with selling and much less concerned with retention or real relationships. Unfortunately, even if companies are doing several other things correctly (e.g., developing good product offerings, advertising and distributing them effectively), this does not sound like behaviour that should exist in the so-called "marketing era".

How does this relate to the dominant role of marketing in the 21st century? Is it, in fact, the obverse image of consumers as a type of leviathan?

To be truly market oriented, today's companies need to recognise that consumers are people with busy lives whose needs often can be served by simple straightforward policies. Too often, consumers are subject to long waits to receive service, highly complex rules involving the product or service, having to complain to receive better service and complexity and/or difficultly in receiving benefits in loyalty programmes. While there are many firms that are market oriented, all firms would be well advised to follow the above rules to the extent that they are applicable. While they may seem like "little things", they are important to many of today's consumers and should be viewed as a way to gain brand loyalty and build brand equity.

Notes

1. One of my mentors, Stanley Hollander, one of the foremost scholars in both retailing and marketing history was completely puzzled at how the discussion of the "eras" leading up to the marketing era ever got into what he believed to be otherwise excellent textbooks. For Stan, who studies marketing practices dating back to ancient times marketing has always been about meeting customer needs and numerous studies have documented examples dating back well before the 1950s.
2. As it is not the goal of this chapter to spotlight failures of specific companies, examples in the article, while real, will not identify the company involved.

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5

Ninety Trillion Spams and Counting: Rethinking the Marketing Social Contract in a Web 2.0 World

Fred K. Beard

As I contemplated the best way to begin this chapter, a thought occurred to me: "I wonder how much spam there is, really?" A search of the Web produced a fairly quick and credible answer. According to website Pingdom.com, the number of e-mails sent worldwide in 2010 was 107 trillion and about 90% of them were spam, which works out to the 90 trillion spams I mention in my title. It also works out to some 292 billion spams a day or about 100 for each of 2010's 2.9 billion e-mail account holders. Let us pause for a moment and offer a prayer of gratitude for the inventor of the spam filter.

Now, the argument can certainly be made that the "marketers" responsible for all those spams were hardly members of a mainstream cadre of legitimate marketing professionals. On the other hand, there seem to be a fair number of prominent brand names that manage to sneak their way past my provider's spam filters nearly every morning. For a global population of Web 2.0 users, these 90 trillion spams are the most obvious, and probably most annoying, consequence of the marketing discipline's relentless mission to exploit the growing consumer content creating, information sharing and socialising taking place on the second generation of the World Wide Web.

This, of course, is nothing new. Marketers began attempting to hijack the media for their own ends long before the first advertising agent emerged from the primordial ooze. Many early magazine publishers actually hoped to keep their pages free from the stain of commercial communications, and those that did accept advertising subjected its creators to strict rules regarding layout and type. Early newspaper publishers regularly did the same. In fact, advertising during the late 19th century and early 20th century was often so dishonest and offensive that some newspaper and magazine publishers in both the United Kingdom and the United States actually carried out their own campaigns to try and clean it up (Miracle and Nevett 1993). Such altruistic efforts eventually ceased, though, as publishers realised that the real butter for their bread was to be found in selling their readers to marketers anxious to turn them into an audience for their rapidly expanding advertising programmes.

On the other hand, although very briefly, many marketers originally believed they were morally obliged to avoid the over-commercialisation of radio because of its intrusiveness and intimate place in listeners' homes and family circles (Marchand 1985). Many actually viewed programme sponsorship as a public service and philanthropic contribution to society's cultural "uplift". Following a pattern that would occur again in the 1990s, however, marketers' concerns about clutter in the existing media and competition for the consumer's attention soon led to experimentation with the new medium. Although some radio listeners in the United States bought the claim that they were receiving "free" programming in exchange for accepting advertising into their homes, by far the majority were vocally outraged by it. By 1932, more than one-sixth of the average commercial radio programme was devoted to sales pitches, and it was obvious that educators and non-profit groups had lost their battle with those committed to turning radio into a purely commercial medium (Stole 2006).

Television in the United States, on the other hand, pretty much arrived complete with children's shows, sponsors and 60-second spots. In 1949, when there were still only 98 TV stations in the United States, the Department of Commerce forecast the future of the medium, when the agency observed: "Television's combination of moving pictures, sound and immediacy produces an impact that extends television as an advertising medium into the realm of personal sales solicitation" (as cited in High-Tech Productions 2011).

Since then, of course, advertising and other forms of sponsored, commercial communication have emerged as a massive enterprise. ZenithOptimedia, a media planning and buying firm, projected global advertising expenditures would reach more than US$466 billion in 2011, up 2.2% from the previous year despite most of the world's continuing economic free fall. Consumers in the United States, who constitute the world's largest national advertising audience, were likely subjected to more than US$155 billion in advertising in 2011 (ZenithOptimedia, as cited in Szalai 2011). These estimates, of course, represent only advertising expenditures, and don't include the billions spent on other forms of promotional communications.

And consumers are noticing. Linking his report to the "cacophony of advertising that surrounds – and increasingly annoys – consumers", journalist Stuart Elliot (Elliot 2004, p. 8) summarised the findings of a study conducted by Yankelovich Partners for the American Association of Advertising Agencies (AAAA). Among the findings are these: 65% of respondents thought they were "constantly bombarded with too much advertising", 61% believed that advertising and marketing levels were "out of control", 60% held a more negative opinion of advertising "than they had a few years ago", 45% said the amount of advertising and marketing they were exposed to "detracts from the experience of everyday life" and 33% actually agreed they would be "willing to accept a slightly lower standard of living to live in a society without marketing and advertising".

Recognising the danger of causing widespread consumer dissatisfaction and rejection of their ads and promotions, marketers have responded decisively – with even more ads and promotions and increasingly invasive types of them. Researchers had estimated the average consumer in the United States sees somewhere between 500 (Bovée and Arens 1995) and 3,000 (Lasn 1999) ads a day. The number today may actually be closer to 5,000 (Creamer 2007). Brand and product placements undoubtedly have a lot to do with it. Thanks to the proliferation of digital video recorders and non-ad-supported means for television viewing, many marketers believe promotional messages today have to be embedded in editorial or entertainment content or, in some cases, disguised as it. Nielsen Co. estimated that during the first quarter of 2008 the top ten broadcast network programmes in the United States that carried more than 15,400 placements (though they weren't all necessarily paid placements), compared to 8,893 in the year-earlier period (as cited in Steinberg and Teinowitz 2008). Not content with mere product placements, the US television network NBC experimented with "behavior placements" in 2010. The basic idea is that viewers would adopt the behaviours they saw modelled in their favourite shows. As absurd as it may sound, the tactic is not new and is credited with the rapid and widespread adoption of the "designated driver" in the United States some 20 years ago (Newman 2010a).

But nowhere has the effort to find and exploit new strategies and tactics for reaching consumers with promotional messages been more relentless than in the online media that constitute Web 2.0. Many marketers are reallocating traditional media budgets to e-mail, search advertising, smartphone apps, advergames, social media networks and other digital media. Expenditures on digital and online media are growing rapidly. Forrester Research predicts that online advertising will reach US$77 billion per year by 2016, exceeding television's share of total US advertising expenditures (as cited in Hof 2011). Worth about €14.9 billion in 2009, Internet advertising represented nearly 20% of total advertising expenditures in Europe (Interactive Advertising Bureau Europe 2010). Forrester Research also recently predicted that social media promotional expenditures will grow on average 34% annually from 2009 to 2014 – faster than any other online medium (as cited in Patel 2010). Advertising on Facebook alone reached nearly US$2 billion in 2010 (eMarketer, as cited in Slutsky 2011), with expenditures on Twitter expected to exceed US$150 million in 2011 (eMarketer, as cited in Learmonth 2011). More than 80% of companies with 100 or more employees confirmed their plans to use social media for marketing in 2010 (eMarketer, as cited in Williamson 2011).

Nearly 30 years ago, Thomas Donaldson (1982) expanded on Thomas Hobbes's original notion of the social contract between government and its citizens to argue that businesses have a similar contract that requires them to benefit society as well as themselves. This is, obviously, a direct connection to the overall theme of the book you are holding. As Kitchen observes, marketers promise consumers that "marketing is *in their interest*, it seeks to *fulfill their* needs, and changes are invariably presented in ways that are *supposedly beneficial to target audiences*". Yet, he further argues, "in the 21st century, it is patently obvious that many organisations (business or otherwise) do not adopt a consumer orientation".

This chapter's core theme focuses on the overwhelming influence of marketing in the online media from a social contracts perspective. Consumer dissatisfaction and threats of increased regulations here in the United States and recent regulations in the European Union (EU) regarding such tactics as behavioural advertising, blogging, social network advertising (SNA) and increasingly invasive and covert data collection practices suggest that many marketers have a shaky grasp of how the marketing social contract applies in a Web 2.0 world. If, indeed, marketing is a 21st-century leviathan – or at least the sovereign head of a leviathan-like global society or market – its primary means for achieving this status has a lot to do with an overwhelming proliferation of media and promotional messages. Somewhat prophetically, Kitchen referred to this proliferation as a "communications leviathan" back in 1994, about the same time all the technological pieces that would become the World Wide Web were falling into place.

Yet it's important to recognise that "ad bashing" has always been popular sport, especially among fans of high versus pop culture. Even our editor suggested some time ago that "the leviathan of marketing communications may result in a form of pollution" (Kitchen 1994, p. 22). But ad bashing is not our goal here. As I review the current and emerging scope of online marketing communications and apply a social contacts framework to assess it, it will become clear that marketers can successfully avoid violating the social contract and take advantage of significant opportunities in our Web 2.0 world.

The scope of online marketing communications

Michael Valos and his colleagues (2010, p. 361) recently offered a helpful starting point for my overview of online marketing communications: "As varied forms of online marketing are increasingly being used by organisations (with varying degrees of success), the ability to choose the most effective mix of online and offline marketing channels has become a critical issue for marketers. Moreover, the integration of online marketing within overall marketing strategy is complicated by diversity in current and emerging online applications."

One useful way to deal with this diversity of online media and tools is to consider their use to be conceptually and strategically separate from the traditional Integrated Marketing Communications (IMC) disciplines – advertising, PR and publicity, direct marketing, sales promotion and personal selling. There are at least a couple of good reasons why this is a good idea. The most obvious has to do with the fundamental differences in the types of communication the online media facilitate. Traditional media are useful for mainly one type of communication, "Transmission". Most online media, on the other hand, also enable and encourage two-way one-to-one, one-to-many and many-to-many types of communication, referred to as "Consultation", "Registration" and, most important, "Conversation" (Jensen and Jepsen 2008). The second reason is suggested by the emergence of marketing services firms specialising in digital marketing and online media. Clearly, many marketers must question whether traditional agencies possess the skills and mindset to lead in a Web 2.0 world. As advertising industry observer Bob Garfield (2007) proposed not long ago: "In terms of culture, organization, expertise and compensation structures, a global ad agency can no more easily transition from a gross-ratings-points mentality to a world of aggregation, information, optimization and customer-relationship management than Young & Rubicam can transition from English to French."

Moreover, since there are so many Integrated Marketing Communications (IMC) media and tools, and new ones arrive on a near-daily basis, it's neither very insightful nor practical to consider IMC as a single discipline. Consequently, I begin the model in Figure 5.1 with three IMC disciplines: Online Sales Promotion/Direct Response, Online Advertising and Online Corporate Public Relations (CPR)/Marketing Public Relations (MPR)/Publicity. For the most part, the three OMC disciplines are used to achieve the same objectives as their offline counterparts. Consequently, I place them vertically along a continuum consisting of Online Sales Promotion/Direct Response strategies mainly intended to achieve the behavioural objectives associated with the "Behavioural Paradigm" (e.g., product purchase, trial or similar behaviour) to Online Advertising and Online CPR/MPR/Publicity strategies focusing on cognitive and attitudinal objectives and responses (e.g., awareness, brand liking) and relationship management, conceptualised as the "Branding Paradigm".

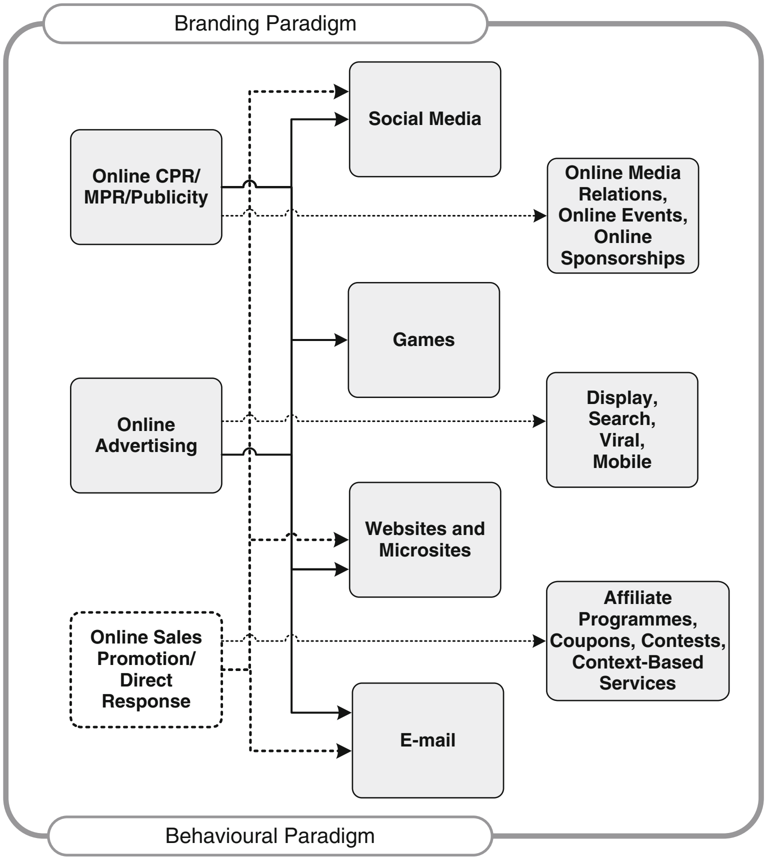

Figure 5.1 A model of online marketing communications disciplines and media

Cross-disciplinary online media and tools

As you can see in Figure 5.1, I match the three OMC disciplines with 16 online media and tactical tools. This approach accommodates emergent technologies, such as mobile, with the argument that any device, such as a smartphone, functions much like a computer when it's used to access the Internet and/or Web. The Pew Research Center, in fact, recently estimated that by 2020 more people will access the Internet via a mobile device than with a computer (as cited in Kaplan and Haenlein 2010), and a Mary Meeker/Morgan Stanley study predicted the same outcome would occur by 2015 (as cited in Fischer 2011).

As the model shows, cross-disciplinary media and tools of social media, games, websites/microsites and e-mail are used predominantly to achieve the communication-, branding- and relationship-oriented objectives of the Online Advertising and Online CPR/MPR/Publicity disciplines. Online Sales Promotions/ Direct Response objectives are most often achieved with social media, websites/microsites and e-mail.

Marketers use e-mail to solicit sales directly, deliver coupons, confirm orders and inform consumers about sales in their bricks-and-mortar shops. Not-for-profits likewise use e-mail to solicit contributions and grow their memberships. When compared with traditional direct mail (US$500–US$700 per thousand), e-mail is much more cost efficient (US$5–US$7 per thousand). E-mail also produces faster responses from target audiences and publics and can include hyperlinks, coupons and promotional incentives. According to a survey conducted by DoubleClick (2002), 64% of the respondents said that they had relied on e-mail to learn about new promotions and products.

Websites, of course, have been used to achieve all types of marketing and communications objectives ever since the ubiquitous "visit us on the Web" began appearing in the mid-1990s. Microsites (or "landing pages") are a single Web page or site functioning as a supplement to a main site. Marketers also have the option of sponsoring websites, and this tactic is seeing tremendous growth. For instance, top-tier marketers such as Coca-Cola, MillerCoors, Dell and Aflac recently agreed to pay US$300,000 a year to sponsor their own exclusive channels on Mother Nature Network, an environmental website targeted at mainstream consumers (Newman 2010b).

The once-humble videogame has also evolved into a truly cross-disciplinary digital medium, offering strategic communication, branding and relationship-building opportunities. Games can serve as an advertising medium, with ads and brands embedded in and around a game. Marketers can also sponsor games or even develop their own advergames. Although some argue that one of the main goals of advergaming is to build brand awareness, they also propose that the ultimate objective is just as often to develop relationships with customers that can lead to sales (Kalliny and Gentry 2010). Nestlé USA, for instance, not only succeeded in building a relationship with young consumers using an advergame but simultaneously netted a sales increase of 20%. The US Army's advergame "America's Army", as another example, may be its most effective recruiting tool ever. More than seven million players registered, with an average cost of 10 cents per hour of engagement versus US$5 to US$10 for a TV spot (Verklin and Kanner 2007).

"Social media" is an umbrella term that includes blogs, content communities (e.g., YouTube, Flickr), social networking sites (e.g., FaceBook), virtual game worlds (e.g., World of Warcraft) and virtual social worlds (e.g., SecondLife). Marketers use social media to deliver "engagement ads", publish product and brand profiles, deliver promotional "tweets" and launch contests, among other tactics. The huge growth in SNA is based on the fact that both the amount of time users are spending on social network sites (SNSs), at 5.5 hours per week in the United States, and the number of Facebook accounts, at 149 million, continue to rise (Carmichael 2011a). Recognition of the significant potential of social media hasn't escaped PR practitioners, either. Not long ago in the United States, for example, Ford Motor Co. brought together teams from CPR and marketing to successfully utilise social media to distinguish the company from competitors GM and Chrysler (Patel 2010).

Many marketers have also found ways to use social media to build relationships and enhance customer service. Airline Virgin America, for instance, monitors its Twitter stream and builds relationships and loyalty by occasionally sending cash credits to customers whose flights are delayed (Bush 2011). Electronics marketer Best Buy has made this relationship-building tactic famous with "Twelpforce", its customer service handle on Twitter. The retailer's employees sign up to field customer tweets and respond to service questions or requests for recommendations (Patel 2010).

Discipline-specific media and tools

Affiliate programmes, online coupons, contests and context-based services are mainly employed to achieve objectives of generating sales directly or encouraging other behaviours (see Figure 5.1). Affiliate programmes, a decade-old tactic, involve in-text hyperlinks that link audiences to a marketer's website. Online coupons can be delivered via e-mail, third-party vendor (e.g., CrazyCoupon.com) or website (e.g., Pizza Hut). Contests, such as the Regus "Show Us Your Office" contest (www.showusyouroffice.com), have also successfully migrated to the Web.

Context-based promotional services utilise content and time contexts or geographic locations to deliver targeted promotions or ads. These media and tools should probably be considered the frontline in exploiting Web 2.0 for marketing. Foursquare, which started out as a location-sharing social media application, began offering promotional partnerships in 2011. Marketers can deliver promotional incentives, coupons or free sample offers to consumers who "check in" at designated locations. The SNS Facebook recently began going beyond its previous targeting, based on consumer preferences revealed through "likes" or user profiles, and started mining real-time conversations (Slutsky 2011). The mere mention of a consumer-related activity or product purchase can trigger a targeted ad or promotional offer. A similar venture for Twitter, called LocalResponse, also exists. The service's algorithm will track social media – including Twitter, Foursquare and Flickr – for contextual cues, enabling marketers to target messages to their own or competitors' customers based on where consumers are or what they say they're thinking or doing (Patel 2011).

Online advertising, like its offline counterpart, is used to achieve the objectives typically assigned to the advertising "hierarchy of effects" models (e.g., Lavidge and Steiner 1961) – attention, awareness, comprehension and attitude change. In addition to the cross-disciplinary media and tools of social media, games, websites/microsites and e-mail, other online advertising options include display ads (both embedded and pop-ups), search-engine optimisation (organic and paid), and viral and mobile advertising. Display advertising on the Web has clearly come a long way since Web magazine HotWired ran the first banner in 1994.

Search engines such as Google appeared in the late 1990s. By 2009, the search-based advertising market had grown to more than US$25 billion in global expenditures and had become the most prolific type of online advertising (Penetration 2009). Even in the middle of a near-global recession, search-based advertising continued to grow. In the second quarter of 2009, search advertising accounted for 47% of online advertising expenditure (Klaassen 2009). And the fact that technology years are like dog years is the best explanation for why it seems like only yesterday (2005, to be exact) that YouTube arrived on the scene to truly make it possible for videos to go "viral" and the concept of "earned media" was born. As of 2010, several viral ads, such as Evian's "Live Young" rolling-skating babies, had achieved and surpassed a significant milestone: 100 million views (Learmonth 2010).

Few would have predicted that mobile phones would turn out to be an important advertising medium, but they obviously have. As of 2011, there were more than 230 million cell phone users in the United States and 30 million of them were using the devices to watch video (Nielsen Co., as cited in Pavia 2011). Some predict smartphone penetration in the United States will soar to 90% by 2012 (Fischer 2011). Also, in the United States, 40% of two- to four-year-olds and half of kids under eight have access to a mobile media device, such as a smartphone or iPad, and they use the devices for an average of 43 minutes per day (Carmichael 2011b). Mobile has rapidly evolved to encompass a wide variety of marketing and consumer communications functions and will probably reach the status of a multidisciplinary medium in the very near future. Consumers are using their cell phones to access websites, read product reviews, link to social media, download coupons and other promotions and play advergames.

Online media relations, events and sponsorships are the primary strategic tools for achieving CPR, MPR and publicity objectives. Online media relations refers to the practice of maximising positive coverage of an organisation and its products, services or mission by communicating with the creators of websites, social media, weblogs, link exchanges and chat rooms (Alfonso and Valbuena 2006). Online sponsorships are an extension of the traditional sponsorship tool. Companies and not-for-profits can sponsor online events, websites, or parts of websites. Although the goal is often to build brand equity, sponsorships can also be used to build corporate or brand awareness (Fitzgerald 2000). Online events also help build corporate image and can include new product launches, fashion shows, presentation of financial statements and news conferences (Jensen and Jepsen 2008). As an example, Mitsubishi Motors North America hosted an online test drive in 2010 to promote its image as a technologically innovative brand (Rooney 2010).

What's the problem?

World domination has often proven to be tricky business, and the mission to dominate the World Wide Web has not always gone as smoothly as marketers might have hoped. Recently, even the decades-old, non-digital tactic of hiring actors and sending them out to lure unsuspecting tourists and bar patrons into sampling new products has led to regulatory challenges. And for much the same reason, as we'll soon see, many of the online media and tools included in the model shown in Figure 5.1 have contributed to consumer angst as well as regulatory threats. Prompted by a complaint from Commercial Alert, a non-profit organisation on a mission to protect people from commercialism, the US Federal Trade Commission (FTC) issued a staff opinion letter a few years ago concluding that using people to pitch products without disclosing the fact that they are being paid is a violation of its "Guidelines for Endorsements and Testimonials". Even the Word of Mouth Marketing Association (WOMMA) strongly condemned the tactic.

Product and brand placements have also recently attracted the attention of regulatory agencies in both Europe and the United States. In response to the growing use of sponsored placements in US television programmes, and concerns that networks are employing increasingly subtle and sophisticated tactics for including them, the US Federal Communications Commission (FCC) recently questioned whether the agency's sponsorship rules were adequately alerting consumers to what was going on. On the other hand, in the EU, the ten-year-old "Television Without Frontiers" directive was updated in 2007 to allow product placements in a limited range of programmes (European Parliament 2011). And despite protests from the Church of England, regulators in the United Kingdom chose to lift their ban on product placements in early 2011. Still, the rules are very restrictive, especially compared to those in the United States.

Over the past few years, several of the online media, tools and related tactics have raised regulatory, as well as ethical, challenges, among them viral advertising, advertorials (online ads masquerading as content), "pay-for-play" deals (in which website or search engine recommendations are based on pay-offs or fees) and affiliate programmes (when a product review includes a link or button to a retailer selling the item). Few, however, have drawn more criticism than fake blogs (called "flogs") and what has been called "blogger payola" here in the United States (Learmonth 2009). Exposed floggers include such marketing giants as McDonald's and WalMart. In 2009, the US FTC updated its rules governing endorsements and testimonials to require bloggers to disclose "material connections" between themselves and marketers, such as payments, gifts or product samples. In addition to bloggers, the new rules cover paid endorsements by celebrities in social media as well. The agency showed its determination to employ the new rules not long ago when it won a settlement against MPR firm Reverb Communications. The agency's staffers had posted game reviews without disclosing that the game's developers had paid the agency to do it (Parekh 2011).

High on anyone's list of online marketing concerns is the targeting of children for ads and promotions. Many websites targeting children offer games, contests and social networking opportunities, often with the goal of obtaining names, ages, e-mail addresses, postal addresses, phone numbers and family member demographics, as well as other personal information (Miyazaki et al. 2009). In the United States, regulators have responded to concerns about websites targeting children – as well as the arrival of SNSs, such as "Skid-e-Kids" – with regulations and legislation such as the Children's Online Privacy Projection Act of 1998 (COPPA) and the Deleting Online Predators Act of 2006. In early 2001, the US advertising industry's Children's Advertising Review Unit (CARU) self-regulatory arm established an FTC-approved "Safe Harbor" initiative under COPPA. Still, more than ten years after the establishment of the COPPA regulations, a recent study found that many popular children's websites still lacked compliance with FTC guidelines, leading the researchers to conclude that industry self-regulation was ineffective (Miyazaki et al. 2009). And in 2011, the FTC went after "Skid-e-Kids", following its discovery that the SNS had collected personal information from some 6,500 kids without parental consent, in direct violation of COPPA (Delo 2011b).

In addition to the targeting of children in online media, the issue of consumer privacy has emerged as probably the most serious problem for marketers and the online media anxious to cater to their wants. As early as 1998, the US FTC, after reviewing nine industry association guidelines for online privacy, had advanced its own guidelines: notice/awareness, choice/consent, access/participation, integrity/security and enforcement/redress (FTC 2011a). Unfortunately, when the guidelines were used in a study of Internet practices by the FTC, they found that of the nearly 90% of websites posting privacy policies, only about 20% actually met the agency's standards (as cited in Buchholz and Rosenthal 2002). Nearly ten years later, the situation has not only seen little improvement, it's arguably worse.

In 2011, two US congressmen asked the FTC to investigate Facebook's practice of tracking users even after they had logged out, and without their permission (Mills 2011). And in what is probably the most important and far-reaching regulatory episode, the FTC reached a settlement in late 2011 with Facebook, after alleging the site misled users regarding what information they were sharing and with whom (Pachal 2011). Also in 2011, the FTC issued an administrative complaint against video advertising network ScanScout for using unblockable Flash cookies after telling users they could block them with their browser settings. The agency similarly went after Google in March 2011 for misleading consumers about how easily they could opt out of joining its recently defunct social networking, microblogging and messaging tool "Buzz" (FTC 2011b). Bob Garfield's (Garfield 2011) criticism of Facebook captures what seems to be a state of denial on the part of many online media and their managers: "Facebook, ever sensitive to the larger societal concerns springing from its features and applications, has countered that the creeped out can always opt out. One wonders how that sort of arrogance and indifference will play with Sen. Al Franken, D-Minnesota, and Rep. Ed Markey, D-Massachusetts."

Marketers, marketing services firms and the media haven't completely ignored the kinds of problems I describe above. WOMMA (2011), for instance, has drafted an ethics code calling for "honesty of relationship, opinion, and identity". Perhaps the most far-reaching initiative – and taking advantage of the fact that in the United States, the FTC initially delegated anti-tracking initiatives to industry self-regulation – is the Digital Advertising Alliance's AboutAds.Info programme. The programme, representing nearly all the major US marketing associations and their nearly 5,000 members, offers consumers an option to opt out of some or all of targeted promotions from its members as well as a place to file complaints about marketers not meeting the Digital Advertising Alliance's Self-Regulatory Principles for Online Behavioral Advertising.

Unfortunately, as consumers, privacy advocates and politicians continue to complain about OMC practices, it's become obvious that self-regulation efforts aren't satisfying anybody but the self-regulators. The United Kingdom updated its do-not-track laws to correspond with the EU Electronic Communications Framework early in 2011. In the United States, calls for a more uniform regulatory framework – and, in particular, legislation in the form of a broad do-not-track mechanism – have grown increasingly frequent and insistent. As Susan Grant of the Consumer Federation of America said in a statement regarding industry self-regulation, "We've tried that, and it's clearly inadequate. We need a privacy law that sets the rules of the road" (as cited in Lee 2010). Among the politicians calling for increased online privacy regulations in the United States are President Obama and former presidential contenders and senators John McCain and John Kerry. By the end of 2011, it was looking increasingly likely that a new privacy law would soon take shape in the United States.

The social contract framework: attributes and evolving norms

One of the first works to address marketing communications from a social contracts perspective was Milne and Gordon's (1993) study of direct mail advertising. Its suitability as a starting point is obvious from the very first sentence of their introduction, written nearly 20 years ago: "Individual privacy continues to be eroded as a result of technological innovations . . . " (p. 206). Somewhat ironically, 1993 was the same year the National Center for Supercomputing Applications at the University of Illinois released version 1.0 of the Mosaic Web browser, and public interest in the previously academic/technical Internet began to surge. Others have also extended Donaldson's (1982) work. Gordon and De Lima-Turner (1997) applied it to Internet advertising and Taylor et al. (2011) applied it to SNA.

Starting with the proposition that exchange theory is the core concept of the marketing discipline, Milne and Gordon (1993) developed a social contractual framework to examine the exchange of economic and other benefits between direct mail marketers and consumers. They array contracts along a continuum ranging from discrete, which involve single transactions between unrelated parties, to relational contracts. Applying this theoretical perspective, the relationship between both online marketers and consumers consists of an implied, relational, non-commercial social contract because it consists of terms or attributes that are predominantly implied (rather than explicitly stipulated or known), the contract includes multiple transactions, and many of the exchanges are non-monetary (e.g., the acceptance of often-intrusive and irrelevant promotional messages in exchange for personal information). Rapp et al. (2009) refer to such secondary, non-monetary and frequently implied exchanges between consumers and online marketers as a "shadow" marketplace, where marketers often make decisions without significant communication with consumers. Indeed, the transactional and "conversational" features of the digital media and tools the OMC disciplines employ strongly suggest that a social contracts perspective could hardly be more applicable as an interpretive framework.

Key to applying the social contracts perspective to OMC is understanding the norms that are perceived to govern the contract. Norms relate to the expectations the contract's parties have for themselves and each other. When consumers choose to enter a social contractual relationship with a marketer or online medium, they do so because they perceive that the benefits will outweigh the costs. Their perceptions are substantially influenced by their expectations regarding norms. For example, as we've already seen, a key norm governing online social contracts has to do with shared expectations regarding consumers' private information and how the information will be used. Some norms governing the social contract between consumers and online marketers are established by regulatory agencies. Other norms, as we've also seen, are shaped by industry associations and even the practices of individual marketers and media. If expectations about norms differ between consumers and marketers, then consumers are likely to conclude the contract has been violated and terminate it. The situation is complicated by at least one major problem – both the salience of norms and the norms themselves can be expected to evolve over time.

From the marketer's perspective

For our purposes here, the consumer's perspective of the online marketing social contract is most important. Obviously, marketing's goal for the near-total commercialisation of Web 2.0 shows that most marketers positively evaluate the attributes of the contract. Returning briefly to the model shown in Figure 5.1, marketers expect that they will be able to use online media and tools to deliver promotions and brand-building messages and create and maintain positive relationships with consumers and other publics.

But it's still worthwhile to consider the issue of norms. Spence et al. (2004) helpfully identify the core commonalities among several of the English-speaking world's major advertising codes. The existence of such codes establish beyond question that many marketers recognise at least some of the norms that govern their social contract with consumers in regard to ads and promotions. As Spence et al. point out, the core commonalities among the Australian Advertiser Code of Ethics, the British Codes of Advertising and Sales Promotion, the US Better Business Bureau Code of Advertising and the Canadian Code of Advertising Standards include the following: (1) a sense of responsibility to consumers, community concerns and society; (2) decency, honesty and truth; and (3) the protection and promotion of the reputation of the advertising industry.

From the consumer's perspective

With traditional media, the most obvious attribute of the implied social contract is that consumers have historically believed they were receiving free programming in exchange for viewing advertising. "The Suspension of Discontent" argument (Spence et al. 2004) proposes people are, in fact, quite willing to waive their rights to not have to watch, listen or read ads in the ad-supported media in exchange for information, entertainment or access. Other attributes of the traditional media social contract include consumer expectations that ads and promotions produce lower prices for products and services, offer information that helps them make better purchase decisions or occasionally simply entertain them. In fact, and not long ago, Wang and Sun (2010) found that the belief advertising has a positive impact on the economy was the strongest predictor of favourable attitudes towards online advertising.

On the other hand, some have argued that the culture of the Internet has evolved in such a way that consumers do not perceive the attributes of the contract the same way (Taylor et al. 2011). There are several likely reasons for this. One is that the early Internet was not commercialised to any great extent. Another is that much online activity was also originally informational and goal directed. Research confirms that the heaviest Internet users and those that actively contribute content are also those who view online ads the most negatively (Schlosser et al. 1999; Yang 2003).

Milne and Gordon (1993) originally proposed that four attributes are critical to understanding the direct mail social contract and the decisions consumers make to accept it or not. These attributes include the volume of mail, the extent to which it was targeted towards an individual's interests, whether firms had to obtain the consumer's permission to gather and use personal information and whether compensation was required as part of the exchange. Also taking the perspective that advertising on the Internet should be viewed as a social contract, Gordon and De Lima-Turner (1997) argued that the attributes comprising this contract are access to advertisements, placement of advertisements, characteristics of the message and influence on fee and information collection. In the following sections, I examine each of these attributes and attempt to construct a more comprehensive social contract that accommodates the full range of transactional online media and tactical tools shown in Figure 5.1. I also highlight the status of the norms that govern expectations regarding these attributes. Three things soon become obvious. First, some of the attributes and norms are closely interrelated. Second, norms and consumer perceptions of their salience are evolving. Third, one norm, the expectation of "transparency", appears to be at the heart of understanding both the marketing problems and opportunities represented by Web 2.0.

Targeting

Marketers promise and consumers almost overwhelmingly agree that OMC messages and promotions should be targeted so that what they receive is of value and interest to them. Milne and Gordon (1993) found that targeting was the second most important determinant of satisfaction with a direct mail scenario. Wang and Sun (2010) confirm that both perceived informativeness and entertainment value of online advertising were significant predictors of attitudes towards online advertising among US, Chinese and Romanian consumers. However, things are changing. Gordon and De Lima-Turner (1997) found that their sample of Internet users preferred entertaining advertising to informational advertising, and Taylor et al.'s (2011) study of attitudes towards SNA revealed that "entertainment" accounted for almost four times more influence on favourable attitudes than "informative" did. Thus, consumers appear to accept the targeting attribute with the expectation that the messages and promotions they receive will be at least either entertaining or informative.

Information collection/permission

The second attribute, closely related to the first, has to do with what we've already come to understand as perhaps the key one – both marketers and consumers recognise that online marketing and media use will involve the collection of consumer information because that enables the targeting. At the simplest level, permission has to do with whether consumers should have any say in deciding whether information will be collected about them at all. Following that, the norms involve whether they have a say in what kind of information is collected, who it belongs to once it's collected, and what can be done with it afterwards (e.g., used for other purposes or sold to other marketers). In a direct mail context, Milne and Gordon (1993) found that permission was the fourth most important determinant of satisfaction, and Gordon and De Lima-Turner (1997) concluded their respondents were relatively unconcerned about their online privacy. Here again (see the section "What's the problem?"), things have changed. Taylor et al. (2011) found that users' privacy concerns were a significant predictor of attitudes towards SNA, and media firm Dynamic Logic found that some 13% of SNS users had abandoned an SNS because of privacy concerns (Dynamic Logic 2009). As a recent study on the topic of consumer privacy tellingly revealed, "in a tally of potential global bogeymen, erosion of personal privacy ranks second only to fear of the financial crisis deepening..." (cited in Delo 2011a).

Consumer expectations regarding the norms governing this attribute are not only rapidly evolving, they're becoming increasingly specific. Rapp et al. (2009) confirmed not long ago that online media users expect that (1) they will be informed when data about them are being collected (i.e., practices will be transparent), (2) the information will be protected from intruders and (3) remedies exist if data are improperly used or contain errors. Other evolving norms are even more specific. Although many Web 2.0 users are aware they often can opt out of data collection, consumer privacy advocates actually prefer giving consumers the alternative opt-in choice (Gillin 2001). So it's clear that many consumers accept the information collection/permission attribute, but they do so with the expectation that information collection methods will be transparent, the information will be kept secure and that if they are not expressly given the option to opt in, they will be able to easily opt out.

Message

Milne and Gordon (1993) didn't address any other attributes strictly associated with the message beyond the volume of direct mail. Gordon and De Lima-Turner (1997), however, addressed the attribute of message from two perspectives. First, their "access" attribute takes into account whether it will be the marketer or consumer who decides when the latter receives a message or promotion. Second, their "placement" attribute similarly addresses whether an ad does or doesn't appear at the same time as content, how distracting it is and whether it has to be clicked away before content can be viewed. Somewhat surprisingly, Gordon and De Lima-Turner found that a large majority of Internet users preferred to have marketers and the media control access to online advertising, rather than making the decisions for themselves. On the other hand – and either because 14 years have passed since Gordon and De Lima-Turner's study or the inherent differences that exist between Web surfing and social media use – Taylor et al. (2011) found that the perceived invasiveness of SNA was a significant barrier to acceptance of it.

As we saw earlier, the norm of transparency when it comes to both the message and its sponsor has attracted a great deal of attention. Gordon and De Lima-Turner (1997, p. 371) put it succinctly: "As expected, consumers prefer advertising to be separate from editorial content, but if it is not, they want it identified." Indeed, almost all definitions of traditional advertising include the criterion that the sponsor of the message is obvious. The revelations of David Balter, CEO of word-of-mouth marketing firm BzzAgent and co-founder of WOMMA, quite effectively capture the rapid state of change regarding the norm of message and sponsor transparency. During just a three-year period, his philosophy evolved from "be anonymous" to "be discreet" to "you must tell people" (as cited in Frost 2005, p. 43).

Volume

Thanks to the survey sponsored by the AAAA that I mentioned in the introduction, we know that consumer dissatisfaction with the volume of advertising messages and promotions they're exposed to has reached an extraordinary level. Milne and Gordon (1993) found that volume was the third most important attribute when it came to predicting satisfaction with a direct mail scenario, following compensation and targeting. There's also considerable evidence that in an online context, the salience regarding a norm-governing volume is evolving. Some suggest SNS MySpace's loss of nearly 20 million US members was partly attributable to its excessive commercialisation, and one study reported that 8% of respondents had abandoned an SNS because of an excessive amount of advertising (Dynamic Logic 2009). On the other hand, the news regarding this norm isn't all bad. A recent survey found that some 41% of the respondents said they wanted to receive communications from marketers on Facebook – more than double any other digital platform (*Ad Age*/*Ipsos Observer*, as cited in Carmichael 2011a).

Compensation

Milne and Gordon (1993) found that "compensation" was the most important determinant of satisfaction with direct mail advertising. But at that time, compensation only referred to whether consumers had to pay a fee to be included on a mailing list. Since then, the concept of compensation has become much broader. Gordon and De Lima-Turner (1997) called this attribute "influence on fee", and used it to refer to the traditional media social contract attribute of free or subsidised access to content. In addition to "free" information and entertainment, however, it's become obvious that consumers are receiving much more than that as part of the online media social contract. A recent survey of digital-media habits found that consumers expect discounts, coupons, games and even better customer service. In fact, the survey found that among those who had joined location-based check-in services such as Foursquare, Gowalla, Facebook Places and others, nearly half said coupons were the main reason (Carmichael 2011a).

The attribute of "compensation" has recently become linked even more explicitly with the information collection/permission attribute and suggests a new norm regarding both. As the Global IQ director for McCann Worldgroup noted not long ago, “People are getting more savvy about the fact that there is value associated with their data” (as cited in Delo 2011a). One consequence of this evolving norm is that consumers in the future will be expecting something of explicit or tangible value in exchange for personal information. In fact, and based on what they call an “online dating model”, a 2012 start-up company called Personal plans to offer consumers the opportunity to enter their personal information – such as banking preferences, liquor-cabinet contents and even babysitter instructions – into what the company calls “data buckets”. As described by president-CEO Shane Green, “Consumers will assume the role of women, who are typically the choosier sex on dating sites, and the marketplace will employ a ranking methodology to show which deals a user is most compatible with” (as cited in Delo 2011a). Thus, the norm governing the attribute of compensation has evolved to the point that consumers likely expect that compensation and rewards in the future will be increasingly both frequent and tangible.

Some opportunities . . . and a final thought

As I was wrapping up this piece, my daily e-mail from industry trade journal *Advertising Age* showed up in my mailbox. Included was an announcement that, as of January 2012, Facebook will start placing “Sponsored Story” ads in users’ news feeds, a move that “will greatly increase the presence of marketers in Facebook . . . ” (Delo 2011b). Apparently, one of the biggest advantages of the new placement is that it will substantially increase the “visibility” (read that as an industry euphemism for “invasiveness”) of Facebook ads, especially for *mobile* users. This event is related to the overall theme of the chapter you are reading in at least three ways: it shows that (1) the mission to extend “ad creep” into every corner of the Web 2.0 world continues, (2) social media managers remain remarkably oblivious to the consequences of over-commercialising their medium and (3) those of us who haven’t yet upgraded to a smartphone know exactly what we’re doing.

Still, the OMC disciplines and digital media highlighted in my model and my overview of their various strategic and tactical uses confirm that there are opportunities for those who get it right. So I’ll begin my list of opportunities with two questions: how difficult is it going to be for marketers to ensure they are meeting the terms of the online social contract with consumers? Is it possible to meet the terms of the social contract and take advantage of opportunities at the same time? As I suggest in the paragraphs below, the answers to these questions are (1) it shouldn't be that hard, and (2) yes.

First, information collection and the targeting it enables remain the golden opportunity marketers first recognised with the advent of "database marketing". Something we've learned here is that consumers are generally agreeable to this term of the contract. Even a US FTC commissioner warned that a comprehensive do-not-track mechanism would likely cause consumers to sacrifice being served relevant advertising, benefiting from tracking intended to prevent fraud, receiving other free content and possibly lead to even more invasive ads and a decline in innovation across the entire Internet economy (Rosch 2011). But the evolving norm of transparency is key to both avoiding the violation of the online media social contract and exploiting the opportunity. Marketers should take the lead when it comes to transparency in data collection practices. The many recent regulatory challenges, episodes and regulatory threats I described earlier show that many of the online media are not getting the message. One recent study confirmed that when consumers are simply aware they have options to control the flow of information about themselves, they experience much less anxiety over their loss of privacy (Dolnicar and Jordaan 2007). The consequences of failing to meet consumer expectations regarding this norm are captured quite effectively in this warning from Bob Garfield in late 2011: "And, finally, when Congress returns from recess, internet publishers, advertisers and agencies will face the wrath of the United States Senate. Broken industry promises about safeguarding consumer privacy will yield demands for legislative and regulatory remedies, putting at grave risk the fragile business models undergirding the digital economy."

Second, consumers are clearly interested in – and, in some cases, enthusiastic about – receiving relevant, targeted online ads and promotions. Moreover, as we've also learned, the more entertaining and informative they are, the more willing consumers are to receive them. In fact, Milne and Gordon (1993) concluded years ago that properly targeted direct mail was less likely to be seen as intrusive. But once again, the norm of transparency regarding this term of the contract is critical. Not only is it essential that the sponsors of ads and promotions be identified, consumers also want to know how and why they received a targeted ad or promotion. As Taylor et al. (2011) suggest, there is a thin line between "relevant" and "invasive". They found that the favourable attitudes of SNS users towards targeted ads turned negative when they felt their privacy had been violated. Both traditional consumer research and online data collection offer extraordinary opportunities to create personally relevant ads and promotions. But to truly capitalise on this opportunity, both the sponsorship of the message and the data collection practices that produced it need to be transparent.

Third, the online media offer unprecedented opportunities to market products to children. Parents seem to be at least somewhat agreeable, and, in the United States, anyway, public policy remains fairly accommodating to marketers and acknowledges that children have a right to be informed about products. Here again, though, marketers need to take the lead because many of the online media don't appear to even be adhering to regulatory requirements, much less aware of evolving norms. We should take a few hints from the extensive body of research and writing on traditional marketing and advertising to kids. Parents tolerate it, but they don't like it. Online promotions and, especially, data collection involving kids that does not involve parents in some way will inevitably lead to increased consumer distrust and regulation.

Fourth, consumers don't mind hearing from marketers they are already doing business with or with whom they have already established some type of offline relationship. They're also likely to be more willing to disclose personal information. Enhanced customer service also represents a huge opportunity. One of the hallowed foundations of customer relationship management is that it's far cheaper to retain existing customers than to search for new ones, and the online media represent a terrific opportunity to achieve that end. But there's at least one big caveat here and it has to do with the attribute of message volume. As I was writing up this section, I paused to unsubscribe from a marketer's e-mail list. Somehow, they managed to convince themselves that because I bought something from them two years ago, I want to hear from them weekly for the rest of my life and daily for the entire month leading up to Christmas. And they aren't alone. Although such messages technically aren't among the

90 trillion spams a year we started with, the obviously self-serving e-mails I receive on a daily basis from my credit card issuers (two from one of them on the same day!), mutual funds and various retailers might as well be. Consumers are interested in having a relationship with marketers they know and trust, but that doesn't alter the need for ads and promotions that are perceived as relevant, entertaining and/or informative.

And the final thought. Those who know little about the history of sponsored communications probably don't know that advertisers and their institution were actually held in high esteem during the first few decades of the previous century. But it was during the desperate years of the Great Depression that many marketers abandoned positive, rational appeals and turned, instead, to advertising that exploited consumer emotions such as guilt, fear, shame and blame. As historian Frank Rowsome (1970) tells us, advertising's reputation consequently sank extraordinarily low. Advertising never fully recovered from this fall from grace, and today, in the United States, anyway, its practitioners continue to be considered among the lowest of the low when it comes to occupational honesty and ethical standards (Jones 2010). A social contracts perspective suggests that viewing the online media as merely additional opportunities to intrude on consumers' lives is a mistake. What they actually represent is a significant opportunity to create exchange relationships that truly do, as Kitchen advocates, cater to consumers' interests and fulfil their needs and, perhaps, simultaneously raise the institutional and professional status of the marketing communications leviathan in a Web 2.0 world.

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6

Cloud as a New IMC Tool: How to Make Our Marketing More Ubiquitous

Shintaro Okazaki

Introduction

A rapid penetration of smartphone and tablet PC has opened a new era for marketers and advertisers. Computing devices are increasingly portable, with immediate and seamless access to a diverse range of apps. Such ubiquitous communication devices literally changed our marketing. Customers can now check coupons and discount information within an outlet, using near field communication (NFC) or Quick Response (QR) code. NFC has been employed in Google Wallet, an Android app that makes our mobile phone a payment tool. Furthermore, even a physical store can become ubiquitous.

All of these are only a few examples of so-called mobile marketing – marketing through the use of wireless, portable communication devices. Needless to say, mobile marketing should not and cannot be viewed from a traditional perspective. In this light, this chapter challenges us to view mobile marketing in terms of an emerging concept in our online business context: cloud computing.

Broadly defined, cloud computing is the creation of Internet-related value, irrespective of the use of downloadable applications or Web-based services (Kobayashi 2010). It serves as a main idea guiding the transition from PC-based information processing to Web-based information processing. Cloud computing has changed the way online marketers and advertisers solve the most cumbersome problem in 21st-century marketing – increasingly diversified multimedia computing devices. We are continuously exposed to advanced computing technology, such as tablet, laptop, netbook, e-book and smartphone, among others. But how should marketers and advertisers effectively coordinate marketing using these devices? Should they tailor their marketing strategies for each device, taking into account its connectivity and content execution?

Probably, the most practical solution through cloud computing would be online integrated marketing communications (IMC) in which firms manage to integrate online contents in, let's say, PC, tablet and smartphone. How? Cloud-based IMC provides a response to this intriguing question. In what follows, we will look at this concept in more detail.

Conceptual framework of cloud-based marketing

Defining cloud computing

Opinions vary regarding the definition of cloud computing, but experts unanimously acknowledge the importance of this concept in the forthcoming era. Yet, specific application of cloud computing to contemporary marketing is still limited. This chapter pretends to be an initial stepping stone in a cloud-based marketing approach.

Cloud computing allows us to convert our computing infrastructure into a virtual space where firms and users can access applications from anywhere in the world, on demand.

In this concept, our individual computers are no longer the focus of attention. Instead, our business can be operated with data stored in a cloud, which is reachable across the Internet without reference to the underlying hosting infrastructure. This idea is a drastic departure from locally installed programs to an invisible platform where all information is stored and accessible on demand. For example, when we use our Gmail account, all incoming and outgoing messages are stored in Gmail servers, not in an individual application installed in a computer terminal. The data can be accessed from elsewhere by logging in with your account name and password. Similarly, when we create a document with the Google Docs service, major components of the software reside on unseen computers, whereabouts unknown, possibly scattered across continents. In a similar vein, Apple introduced a synchronisation system called iCloud, which remembers and updates our devices' configurations, preference settings, apps, home screen layouts and messages – everything we use in our iPhone, iPod or iPad. The key point is that, regardless of the device we use, the information is stored and available. This is really a revolutionary idea that deserves much attention from online marketers and advertisers.

From a marketing point of view, we could translate the cloud computing concept as multi-device marketing in which consumers can access the same information through a diverse range of terminals, including PC, smartphone, tablet or e-book. Husson (2011), a principal analyst with Forrester Research serving consumer product strategy professionals, argues that a new era has opened when marketers and advertisers need a new cross-platform approach to loyalty. In his view, mobile device will be just one of many customer *touch-points*. Firms can expand their products and services to a diverse range of devices that are interconnected and synchronisable. Here, a "touch-point" means a computing device or terminal for content delivery – including mobile device, e-book readers, interactive TV, laptop and desktop PC or tablet PC. No matter what type of technology is used, customers can expect a seamless, cross-channel user experience.

Cloud-based IMC

The cloud computing concept can be useful in updating a new online era of IMC. It is a strategic turning point for online marketers and advertisers because the type of individual terminals is not a focal point of debate any more. Instead, our attention shifts to the execution and effectiveness of online marketing. This is precisely what cloud-based marketing is meant to be. It is a combination of traditional marketing and the cloud computing concept that enables us to migrate all marketing tools and contents to a customised, virtual space metaphorically termed as "cloud".

The cloud-based IMC fulfils a long-neglected issue in the IMC literature. While IMC researchers have been energetic in terms of its definition, conceptualisation and execution in traditional media, the role of IMC in an online context has seldom been discussed. In fact, our literature review finds that research on online IMC has been extremely scarce, leaving important questions unanswered – how can we achieve a more coherent and consistent e-mail marketing via different computing devices? What synergic effects can we expect from location-based services and search engine marketing? Should we customise the PC advergaming campaign to mobile devices? The responses to these questions may be found in our cloud-based IMC approach.

Under cloud-based IMC, our efforts would shift from "how to deliver the message" to "how to give our customers access". The only objective we need to achieve is to create holistic or coherent contents that can be executed and accessed by a diverse range of computing devices. In this way, firms no longer customise a marketing communication program for one device, for example, smartphone. Instead, we can develop, store and control our marketing communication programs in a cloud, from which users can access a broad array of Web-based resources from distinct terminals. For example, search engines, consumer online reviews and social networking sites can be consistently programmed and controlled on the cloud, which could be accessed from any Internet terminal. GPS-based programs can be configured on the cloud so that all geographic information can be stored and retrieved later from any other media. In a way, cloud computing makes marketers and advertisers truly centralise, integrate and coordinate all necessary marketing programs, without reference to the type of endpoints.

According to a new Forrester report called "Sizing the Cloud", the global cloud computing market is expected to reach US$241 billion in 2020, compared to US$40.7 billion in 2010. The report provides market forecasts on 12 different market segments for the next decade, forecasting shifts in the usage patterns of cloud infrastructure, business applications for the cloud and cloud platforms that are becoming increasingly widespread. According to the Sizing the Cloud report, software-as-a-service (SaaS) offers more growth opportunity than any other segment in the still vaguely defined market for cloud computing services. The report also predicts that SaaS will retain its position as a leading segment in cloud computing, with the SaaS market growing threefold to US$92.8 billion by 2016. In contrast, infrastructure-as-a-service (IaaS) will witness rapid growth in the next few years, but Forrester expects dynamic infrastructure services to perform better than IaaS in the long term (Cloud Tweaks 2011).

Potential drawbacks

Nonetheless, despite the enormous benefits of cloud computing, it seems necessary to recognise its potential drawbacks in order to make our discussion more objective. Despite its cost effectiveness, consumers need to assume an immense social cost, threatening the privacy and freedom of people who are too willing to trade it away for perceived convenience. Furthermore, an over-reliance on cloud computing can blind us to the danger related to server unavailability and account lockout in "the cloud we rely on" caused by a cloud service provider – this is more likely to cause a service disruption than a hacker hacking the clouds (Lifehacker 2009).

For example, in September 2009, Google's Gmail system crashed worldwide due to a traffic jam on its servers, leaving many users without access to their e-mail for nearly two hours (Paul 2009). This incident cast doubt on such over-dependence on cloud computing, especially for those users who had no e-mail backups in their hard disks. According to two separate studies in 2007 (Carnegie Mellon University and Google), anywhere from 2% to 13% of all hard drives will fail in a given year. However, such a hard drive failure would affect a much smaller number of users, in comparison with a cloud outage that could affect millions of people all over the world. Still, many people still believe in Google's reliability and trust that their data will always be there (Paul 2009).

Hence, much caution is necessary to ensure control mechanism for the information stored in the cloud, because otherwise, over-dependence on cloud computing could be threatening. Security issues and misuse of personal data have always been, and will always be, an important impediment for any effective online marketing techniques. In this light, unless firms establish a comprehensive security system or firewall against damaging, dangerous, potentially threatening intruders, customers may not be willing to be exposed to cloud information.

From cloud-based IMC to cloud-based mobile marketing

We could further cloud-based IMC to cloud-based marketing, and ultimately to mobile marketing programs. Within the cloud, firms could configure the contents for marketing mix, applications and clients' database (personal data). The cloud-based marketing model enables marketers and advertisers to increase capacity or add a diverse range of capabilities without investing in new infrastructure, training new personnel or licensing new software. Cloud computing encompasses any subscription-based or pay-per-use service that, in real time over the Internet, extends IT's existing capabilities. In this way, marketing mix variables can be delivered through Web-based applications via the browser to thousands of customers using a multi-device strategy. However, in this model, the services may not necessarily be outsourced using existing or commercially available services such as Google Apps or iCloud.

We believe that mobile devices will play an increasingly important role in cloud-based marketing for two reasons. First, among the various options of Internet access, the mobile device is especially suited to personalising any marketing actions with flexibility in terms of time and location. Ubiquitous control capability is the very unique characteristic of this channel, since no other media could capture moving targets as efficiently as a mobile device, irrespective of time and space. This ubiquitous nature has often been overemphasised as a special capability that enables marketers and advertisers to offer "tailor-made" services. This is true, but it seems that more important is the capability of accessing the same database as other access terminals, such as tablet PC, e-book readers or even gaming machines, based on cloud computing concepts. Second, although mobile marketing has its historical roots in direct marketing, it is moving towards a more complex concept. Mobile marketing should be understood as an alternative channel for delivering the same content and applications as the other terminals can, but in a ubiquitous way. For example, the same advertising content can be sent and viewed regardless of PC or smartphone. Mobile couponing and payment are feasible with either PC or mobile, so that retailers can be more competitive by offering alternative payment methods and reduced prices, depending on the location. In terms of product, mobile site could foster familiarity and awareness of brand in a different format (i.e., size and layout), but the delivered information should be the same.

Our cloud-based marketing model combines three principal axes: (1) cloud-based 4Ps (marketing mix); (2) consumer decision process (hereafter CD process), which is typically implied in consumer behaviour (Blackwell et al. 2006); and (3) degree of ubiquity. With regard to cloud-based 4Ps, marketing mix variables are planned and programmed in the cloud. Marketers and advertisers attempt to motivate consumers to access the cloud through a diverse range of access points, including social networking sites. The contents will be more standardised and reachable, regardless of the type of hardware. A mobile device will be just an access option, but could influence consumers' decision-making process in a manner that is more flexible in terms of time and location, compared with other mediums. The extent to which mobile marketing drives consumer choice would depend primarily on the configuration of the marketing mix stimuli or 4Ps – namely product, price, promotion and price plus retailing. However, we propose to replace promotion with IMC, since the latter is more appropriate, given the fact that a single campaign seldom works effectively without being combined with other components of the marketing communication mix.

As for CD process, our model uses a five-step approach that is simpler than the original seven-step model. In the first phase, customers recognise their need, and then start an external information search. In the second phase, consumers are exposed to market stimuli, such as information and persuasive communication, leading to pre-purchase evaluation in the third phase. In the fourth phase, consumers choose one retailer over another and then make in-store purchase decisions. In the fifth phase, after the purchase is made, consumers take possession of the product and experience a sense of either satisfaction or dissatisfaction. We believe that consumer behaviour orientation is preferable to strategic/tactical marketing orientation because the former enables us to better understand what kind of stimuli consumers might need to receive from a mobile device during their purchase decision, not what firms should do with mobile devices. This is consistent with the basic definition of marketing – satisfaction of consumer needs.

Finally, the degree of ubiquity or time and spatial flexibility is a unique and essential element in mobile marketing, which divides hand-held devices and PC or wireless and wired Internet. This size-based typology, however, is becoming more and more unclear since the introduction of intermediate devices such as the palm-top PC, tablet PC and e-book, among others. Still, the portable and personal nature of the mobile device is an important resource from a marketing perspective. Newer versions of smartphone are equipped with a diverse range of applications yet allow instant or immediate access. Such immediacy allows consumers to manage several tasks simultaneously. We define all these unique elements – portability, immediacy, simultaneity, speed and personalisation – as ubiquity, which is conceptualised to vary, depending on the type of stimuli that consumers seek from mobile marketers and advertisers.

External search

The search for information could be internal or external. While internal search refers to knowledge retrieval from memory, external search means information collection from peers, family and the marketplace. External search occurs when consumers seek relevant information from their surroundings to solve a problem once it is recognised, and when the resolution cannot be reached through internal search. However, external search also occurs without problem recognition, as in the case of acquiring information for possible later use. When consumers attempt to solve a particular problem that requires a timely and quick solution, the mobile device is the most suitable medium. Enhanced touch-screen quality enables consumers to easily browse the Internet with a mobile device, and even check some details or specs. Although there is a common social belief that consumers prefer desktop or laptop PCs over mobiles due to the larger-size screen, a wide variety of apps are available for external search. When a PC is unavailable in close proximity, consumers may use these apps or browse mobile websites to search for information.

Based on Hoyer and MacInnis (2001), mobile-based external information sources can be classified into five major groups:

1. Retailer search: Virtual visits, voice calls, or e-mails to stores or dealers by smartphone users, which may be to examine package information or pamphlets about brands;
2. Media search: Information from push/pull as banners, brand websites and other types of marketer-produced communications;
3. Interpersonal search: Advice from friends, relatives, neighbours and/or other consumers who are connected to social networking site, blogs, messengers, chats or any other online communities;
4. Independent search: Contact with independent sources of information through search engines or GPS maps;
5. Experiential search: The use of product-based apps or product/service trials, or the experience of using the product online.

Some of these apps are not limited to external search and could be extended to other phases of the CD process, as we will see in subsequent sections.

Exposure

Exposure is the process by which the consumer comes into physical or virtual contact with marketing stimuli. Marketing stimuli are based on information communicated by either the marketer (e.g., brand symbols, packages, signs, prices) or non-marketing sources (e.g., media, word-of-mouth). The role of mobile marketing in the exposure phase has increased considerably in recent years. Advances in augmented reality (AR) have resulted in breakthroughs in the way consumers are exposed to products or brands. AR is a direct or indirect view of a real-world environment whose elements are augmented by computer-generated sensory inputs such as sound, video, graphics or GPS data. Because the crucial part of exposure is building up attention, AR could be a very useful tool to enhance consumers' attention to marketing stimuli.

McDonald's is increasing "Happy Meal" sales by using mobile marketing to engage consumers of all ages via a worldwide Smurfs (a group of small, blue, imaginary creatures) campaign that includes AR and mobile check-ins. The company is running the Smurfs promotion in North America, Latin America and Europe. The promotion is part of a new global Happy Meal programme tied to a health-related and eco-friendly theme: it encourages kids and families to be friends of the planet and focuses on the great taste of fruits and vegetables. Mobile activations and in-restaurant avatar items will unlock additional fun with Smurfs for customers. Mobile is just one of the ways that consumers can unlock additional features, as they can also access it via the Web. For example, in North America, Latin America, Brazil, Europe and Britain, a Smurfs drawing competition invites children to receive their own mini Smurf flower garden and the chance to win a Smurfs gardening kit. Happy Meals will feature up to ten specially designed Smurf toys that capture their unique personalities (Mobile Commerce Daily 2011).

One of the most popular AR applications, Google Goggles, uses image recognition technology that enables consumers to snap a photograph of an object and automatically search for results based on images and text within the photo. This application is capable of recognising brands, famous landmarks, storefronts and artwork, among other items. For example, if you were walking down the street and saw a new car you liked, taking a snapshot of the trim level or logo could return the results. Furthermore, Google Goggles allows consumers to see location- and direction-specific Google Maps results by pointing a camera in any direction. Goggles uses data from the phone's GPS and compass to deliver live, AR results. The app places a button with the business name at the bottom of the screen. Tap the button, and Goggles loads information about the business from a Web search (PCWorld 2009).

Virtual exposure to products or brands is a reality. Airwalk used AR to create an invisible pop-up store. To access the stores, customers downloaded the application to their smartphone and then (physically) visited Venice Beach in Los Angeles and Washington Square Park in New York City. Upon arrival, they were able to capture the virtual shoes that were linked via GPS to each location on their phone. They were then taken to the Airwalk e-commerce site and given a pass code link to complete their purchase.

Pre-purchase on-site evaluation

In the next stage of the CD process, consumers evaluate alternative options identified during the previous phases. Consumers use new or pre-existing evaluations stored in memory to select products, services, brands and shopping sites that would lead to their satisfaction with the purchase. The standards and specifications used to compare different alternatives vary according to the individual and his or her environment. Such criteria tend to reflect an individual's needs, values, lifestyles and so forth (Blackwell et al. 2006).

Mobile devices could provide significant support for this stage, since they allow consumers to make comparisons and evaluations, irrespective of time and location. That is, evaluative criteria can be renewed or updated in a timely fashion, wherever they evaluate their choices. Pre-purchase, on-site evaluation can be carried out when shoppers are physically visiting stores and shops. Several apps are available for smartphone that enable consumers to scan bar codes or use location-based services to find out what options (e.g., price, model, format, outlet) are available for a particular product or brand in which they are interested. Many of these apps use a product review or assessment platform, along with some social networking functions in which shoppers publish their post-purchase opinions. The reviews can be either positive or negative, but usually require user log-in or identification. Many reviewers provide a numeric rating of the product as part of the process. Such reviews can serve as a significant information source for pre-purchase evaluation. Consumers are faced with a range of information that can potentially influence search or purchase decisions (Sparks and Browning 2011), and they then tend to make referrals to other site users.

Purchase

After deciding whether or not to purchase, consumers choose a distribution channel and then take possession of the product or brand. A mobile device could offer an alternative channel for online sales by providing compelling reasons to shop, such as location-free operation, no waiting hour, coupons, promotional discounts and ease of payment (e.g., "Best Buy"). In terms of payment, mobile marketing offers several options, including premium SMS-based transactional payments, direct mobile billing, mobile Web payments and contactless NFC. Recently, Cimbal, or DigiMo, adopted a combination of both NFC and bar code to be used for mobile payment at the point of sale. This seems very practical, since many mobile devices do not yet support NFC.

Cimbal delivers a two-dimensional bar code for every transaction. Users can start a transaction with a mobile phone by scanning the QR code through the Cimbal application. QR codes can be scanned on the Internet, in stores, on other mobile devices and even on print format such as invoices. For transactions, a Cimbal user creates a payment request on his or her phone or on the Web. Cimbal's system then produces a single-use, two-dimensional bar code token. The payer launches Cimbal on his mobile phone, enters a PIN and scans the two-dimensional bar code. Cimbal then authenticates both parties and prompts them to confirm each other's identity. The system authorises available funds and clears the transaction in seconds. Both parties receive confirmation receipts on their device and in their Cimbal account history. No confidential information is ever sent over the unencrypted channels or stored on a user's mobile device. Additionally, the system does not require NFC readers or extra hardware embedded in mobile phones. According to Cimbal, person-to-person and person-to-merchant transactions are free for consumers. Merchants pay a small transaction fee, but it is lower than credit or debit card interchange rates, according to the company (NFC News 2010).

Post-purchase evaluation

The apps introduced in pre-purchase evaluation can serve again in this category. In particular, those apps with rating and networking functions are becoming increasingly important as information sources for shoppers. These channels of communication empower individuals with the ability to distribute information. Other examples come from the travel industry. Popular online consumer review sites, such as TripAdvisor, Foursquare, Gowalla, tripwolf, VirtualTourist and IgoUgo, include not only comprehensive travel-specific information, but also the capability of quick circulation of their feedback or opinions through electronic word-of-mouth (eWOM). Prior research defines eWOM as any positive or negative statement digitally disseminated and circulated by potential, actual or former customers about a product or company (Hennig-Thurau et al. 2004). Because travel and tourism services are intangible and cannot be evaluated before consumption, the recommendations of individuals who have experienced the service become a pivotal part of the decision-making process (Litvin et al. 2008). With these online information sources, consumers are able to access not only opinions from close friends, family members and co-workers, but also the views of strangers from all over the world who may have used a particular product or service (Pan et al. 2007).

According to PhoCusWright (2010), one in ten travellers posts their comments and recommendations on traveller review websites on tourism services (e.g., hotels, restaurants and destinations). In some cases, these review sites are linked with the capability of geolocalisation, where consumers can seek recommendations for nearby travel spots or restaurants while they are vacationing. Consequently, from a business perspective, tourism marketers cannot ignore the role of these sites in distributing travel-related information (Xiang and Gretzel 2010; Sparks and Browning 2011).

Towards more ubiquitous advertising

Current state of mobile advertising

In the IMC, within a framework of our cloud-based mobile marketing paradigm, mobile advertising has been one of the most debated areas. Gartner (2011) predicts mobile ad revenue will reach US$3.3 billion in 2011 and jump to US$20.6 billion by 2015, more than doubling each year. While SMS advertising continues as “king”, search ads, location ads (tied in to maps and AR applications) and video ads will show the fastest growth through 2015. Brand spending on mobile advertising will grow from 0.5% of the total advertising budget in 2010 to over 4% in 2015.

Mobile advertising is most typically classified into push versus pull mode. Push mobile advertising can be defined as messages sent to consumers, usually via an alert or SMS text message, whereas pull mobile advertising means placing information on browsed wireless content, usually promoting free content. Especially for pull advertising, prior research stresses the role of mobile portals or platforms with the capacity for browsing content for successful targeting. For example, if users are exposed to an advertising platform that offers pull-down menus, click-through or call-through response mechanisms and other interactive displays of advertiser messages, it can be classified as pull advertising. While this definition departs from a traditional definition of pull (i.e., communications initiated entirely by the consumer without a prior stimulus from the marketer), it has become a standard in mobile advertising research.

However, while the push-versus-pull dyad still serves as an important axis, this dyad seems too simplistic to be useful in an increasingly sophisticated smartphone context. One possible extension is to include some kind of effectiveness measure. Enormous investments have been (and will be) made in mobile marketing planning and execution; thus online marketers and advertisers are all compelled to defend their actions and the outcomes achieved. Thus it seems both reasonable and necessary to include the possible consumer responses to mobile advertising and, if possible, to seek a connection between these responses and their actual buying behaviour.

Figure 6.1 summarises our new mobile advertising classification grid in the light of two criteria: (1) push-versus-pull mode of access,

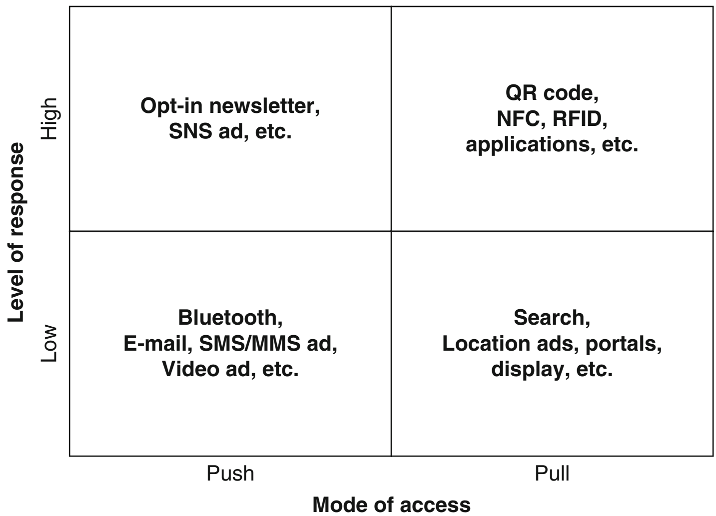

Figure 6.1 Classification of mobile advertising
Source: Own elaboration.

and (2) the level of consumer response. On this basis, the following sections describe categories and prior mobile advertising research.

In this classification, there are four quadrants according to the 2×2 landscape. Both push and pull advertising can be grouped into high- and low-response ads. In practice, high-versus-low response can be considered as a continuum, not a dichotomous concept. Depending on the method and content of creative ad executions, the response rate varies. In addition, the exposure level and prior experience and knowledge of the advertised product or brand would affect such results. In general, pull mobile advertising is considered to attract greater responses, since consumers would initiate the action. By contrast, many consumers view unsolicited push mobile advertising as irritating or intrusive.

Future directions

SMS is still the most accepted channel for mobile non-voice communication. Portio Research (2011) reported that 6.9 trillion SMS messages were sent in 2010; this number is expected to exceed 8 trillion in 2011. It has long been believed that the simplicity of

SMS makes it ideal for targeted advertising campaigns that reach a broad range of consumers. However, the response rate of push advertising has been reported to be in decline due to wearout, spam and smishing, which raise issues of privacy, security, time wasting and, in some cases, cost to the consumer (Okazaki et al. 2009). Unless used for specific types of notifications (such as account balances or credit card transaction alerts), the SMS ads' response rate was less than 5% in 2008. Future growth (or survival) of push mobile advertising will largely depend on the industry's ability to overcome growing concerns over issues of personal data protection, virus infection, and malicious or fraudulent behaviours.

Nonetheless, an industry survey indicates that 33% of mobile users saw SMS or MMS ads, and 33% remembered the brands being promoted (ZDNet 2008). Furthermore, besides regular SMS advertising, application to person (A2P) SMS has become increasingly popular. This includes automated alerts from banks, offers from retailers and m-tickets. Juniper Research (2011) suggests that by 2016 A2P messaging will overtake person-to-person messaging (texting), and will be worth more than US$70 billion. A2P SMS advertising, along with any cross-media SMSs, may still be a powerful tool for branding, especially in terms of recall and awareness building.

In this regard, the future of mobile advertising should be directed towards less intrusive, high-response type of messages. For example, QR code and NFC can be practical tools to bridge between offline and online information. This multi-channel information crossover has been one of the hottest topics among both industry practitioners and marketing scholars. The QR code is an inexpensive way to encode a diverse range of information, including URL, e-mail address, text and image, and can be reproduced in any printable surface. Smartphones are increasingly deployed as readers for bar codes, in particular via the three most popular App Stores: iPhone App Store, Android Market and BlackBerry App World. The applications, such as RedLaser on iPhone and ShopSavvy on Android, allow one to scan a bar code on a product or object and get more information about it.

NFC can be most effectively used as an alternative technology for mobile payment, as NFC allows for a transaction between two devices (a phone and an NFC chip) in close proximity. This is a major difference. Therefore, when marketers do not have any transactional motives, QR code is more practical, less expensive and less intrusive.

NFC is undoubtedly a promising technology, but it cannot be printed by an ink jet printer; neither can it be posted on a billboard, broadcasted on TV or displayed on a website. Thus, QR codes are much less expensive to distribute than NFC or RFID. In addition, marketers can easily track how many times the QR codes have been scanned and how many of those consumers subsequently visited the target website. This is a breakthrough in technology when compared to the days when marketers had to print a URL on "cross-media" ads.

In any case, the direction seems clear – mobile advertising will be growing in importance, especially in relation to new technologies such as QR code and NFC. The focal point in mobile promotion will be cross-media or multi-channel communication capability. Marketers and advertisers will seek an increasingly fast, easy, ubiquitous response format for advertising, sales promotions and ultimate branding purposes. After all, mobile advertising should be increasingly considered from the perspective of holistic marketing – in particular, IMC – not as an independent marketing tool. Mobile advertising, specifically A2P, QR code and NFC ads, will be more and more integrated as a cross-media or multi-channel marketing strategy. Such strategy will be part of our big picture – cloud-based online marketing. In the near future, an increasing number of consumers will access the information through a wide range of devices.

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7
The Age of Organisationalism

Philip J. Kitchen

A significant journey has been undertaken in this critical commentary on some of the problems associated with marketing in the 21st century. The 20th century – *in retrospect* – is seen as the "age of marketing" and a gradual move in the direction of customer focus and satisfaction. Speaking of "ages", I recall as a young history undergraduate grappling with some of Eric Hobsbawm's (1917–2012) series of wieldy texts such as *The Age of Capital* (1975) and *The Age of Empire* (1987). These books were both erudite and interesting and promised an apparently bright future for empire, with the necessary preceding phases associated with the accumulation of capital, the emergence of labour as a political force and the gradual coming of age of a more enlightened humanity. However, the reality has been somewhat different with the almost complete success of capitalism and democracy, and the (more gradual) acceptance of their role by the workers of the world as relatively quiescent consumers. These books did offer promise for the future, albeit of a somewhat proscribed Marxian nature. Returning to marketing – which is the dominant theme of this edited book – this has come a long way in just over a century. Like most journeys though, perhaps the current location is not necessarily the end point.

In the early days of the 20th century, marketing had already moved from being what American women did when undertaking shopping for the purchase of food and other household goods to where it become an essential philosophy and practice for businesses to succeed in the medium to long term. Marketing, as seen in Chapters 1 and 2, was perceived to be essential in underpinning and creating market exchanges, and had progressed through various stages or orientations – production, product, sales, marketing, societal, relationship and social/mobile marketing orientations (not defined here, but see Kotler and Keller 2009). Gradually, practitioners and readers in marketing developed the idea of a process wherein businesses become more and more customer oriented, and customers engage willingly (and I daresay *happily*) in the processes of marketing to satisfy their needs for products, services and brands. Bartels (1976) summarised the history of marketing thought in the 20th century into different decades using a managerial perspective:

- 1900s: discovery of basic concepts and their exploration;
- 1910s: conceptualisation, classification and definition of terms;
- 1920s: integration on the basis of principles;
- 1930s: development of specialisation and variation in theory;
- 1940s: reappraisal in the light of new demands and a more scientific approach;
- 1950s: re-conceptualisation in the light of *managerialism*, social development and quantitative approaches;
- 1960s: differentiation on bases such as managerialism, holism, environmentalism, systems and internationalism;
- 1970s: socialisation – the adaptation of marketing to social change.

These decades, with their respective dates, coincide with the stages recounted in all major marketing textbooks, and most authors record this stepwise progressive process in their writings. Many marketers could profit significantly by reading Bartels' works. In this book, this stepwise process can be seen in each of the chapters.

Chapter 1 recorded the gradual entrenchment of marketing in almost every facet of consumer life. It applies not just to products and services, but almost to every conceivable form of transaction. For example, just a few days after Hurricane Sandy, commentators were seeking to work out the implications for the 2012 presidential elections, with both sides at pains not to be seen to making political or marketing capital out of this natural disaster (see Bledsoe 2012). In a wider sense, American and other marketing associations are keen to maintain the currency of the discipline and to ensure its centrality and relevance to constituencies. Yet, many questions about marketing remain unvoiced and are not openly tackled, and thus few answers are sought. Yet, in 2012, there seems little substitute for marketing, and at the same time little credence has been attached to the idea that marketing itself may not be particularly oriented towards customers and consumers. Certainly, the idea of "customer as king" has been irrevocably overturned nowadays with perhaps – at best – customers as relational partners in the transaction process.

Chapter 2 utilised an important political metaphor from the 17th century – "leviathan" – and sought to apply this to the circumstances in the 21st century. Hobbes' leviathan of government or state is still evident in the 21st century and is a powerful and necessary requirement in shaping and governing the lives of citizens. The powerful 17th-century role of the Church, as part of the early leviathan, has been reduced to parlousness in terms of its influence on those who choose to be influenced by their membership and association. Chapter 2 also recounted marketing's influence on the thoughts and behaviour of consumers, and while it is taken for granted that consumers are not passive pawns waiting to be moved by a powerful brand hand on some marketing chessboard, they are nonetheless affected, and inescapably so. Yet, marketing itself does not seem to be a leviathan and only one facet of its activities seems to offer the potential for such status, and that is in terms of communications. For, the voice of marketing – via a myriad of media instrumentalities – forms a constant and ineluctable cacophony in every nation and every economy around the world. It has been said, for example, that societal marketing or orientation is "marketing that preserves or enhances the consumer's and the society's well being" (Kotler 1991). Yet, the constant buzz, electronic beeping or background noise of marketing communications forms a never-ending cacophony that attracts every eye, penetrates every ear, interrupts every programme and underpins the refrain to buy, buy, buy. Yet, most communications form a continuum from needed messages to unwarranted noise to a source of mind pollution. Here, the conclusion was that the communications element of marketing not only forms an unauthorised intrusion into consumer minds, but also offers the potential for a negative leviathan status. That theme was picked up and commented upon in Chapter 3.

Chapter 3, by Stephen Brown, amplified the themes of the first two chapters, though in a far more erudite and sophisticated manner. He indicated how marketing men and women learnt their trade and the language of desire. He cited Hackley's (2009) view that marketing is "a massive ideology cum belief system", and indicated not only its functional immorality, but also its moral bankruptcy. And yet, there is no substitute for marketing as the exchange process that built America, and continues to build other economies around the world. Yet, if the world is to be recast into the mold of American consumerism, where is the escape from such a condition to other alternate locations? There is a concern that the sacred shrines of religious worship of yesteryear (examples of previous organisational orientations) have been supplanted by or replaced by marketing visits to sacred shrines dedicated to consumerism. I recall, for example, a recent visit to the Trafford Mall near Greater Manchester, UK. Here all the major brands and stores are found. Yet, one cannot journey inside the mall for any distance before becoming aware of the sense of entering a new (perhaps familiar) but disconcerting reality. A reality where brands, medias, retail and mall design have all the makings of a visit to Disneyland (whether in France, the United States or elsewhere) with its emphasis on cartoon characters, exciting rides and equally expensive food and drink expenditure (again focused on *loved* global brands). It is interesting to observe the faces of other consumers in such a place. There is a fixity of purpose, of gaze, and it is not about fun or enjoyment. It is related to consumption or the desire for consumption by consumers of something, almost anything, that may add value to one's existence. In some, this fixed countenance seems to carry with it the driving force of desperation, as all one cannot buy is paraded before the eyes, while what one can buy does not quite match the promise of actually being there. The true reality, of course, is met when one sees oneself in the mirrors of the mall and perceives the same fixity of purpose (idea adapted from Lewis 2001). Maybe it is just the ambience or the lighting? Maybe? However, when one leaves the mall (or marketing shrine), there is a profound sense of relief and escape. Returning to Steven Brown, he concludes that "marketing is the *Titanic* of thought". While I am not entirely sure what is meant by this, one way of looking at it is simply to surrender one's thoughts or critical faculties and become a good loyal consumer (or passenger), offering no comment or critique, even as the good ship sails towards its destiny.

Though expressed differently, a similar argument is proposed in Chapter 4 by Ray Taylor, who offers "seven simple rules to better customer service". Of relevance to the thesis advanced here is his perception that companies and managers are dropping the notion that marketing's role should be focused on satisfying consumer wants and needs. This is particularly evident in the domain of customer service where, if a store or supplier gives excellent service, this is now seen as unusual. The obverse is usually more correct; for when consumers have paid for or acquired a product, service or brand, they then have to live with the consequences of that decision with relatively little access to information beyond that available to all in some public domain, that is, the Internet or website to which one is guided with alarming regularity (notice *not* to a telephone number, helpline or persons with sufficient knowledge to *rapidly* ameliorate the situation). Each of Ray's simple rules is indeed *simple*. Yet, companies often do not observe these fully or partially. Moreover, businesses presumably succeed because they initially focus on need satisfaction. Why then, in a later stage of development, should the same companies display – if not disdain – at least some disregard for the plights of those consumers who have genuine issues to address relative to their chosen purchases? It is also interesting that once one has become a customer or subscriber with some degree of loyalty, the tendency of a company is to leave him or her well alone. That is, to allow the customer the right to keep on paying in as undisturbed a way as possible and, even when new better alternatives are put forward, in many cases not to notify existing customers who seem to be fairly complacent. Better, after all, to let sleeping dogs lie! Recently, I had a similar experience with my bank, which opened a new e-savings account with a 1.85% bonus (October 2012). However, they omitted to communicate this innovation to those already with e-savings accounts who – undisturbed by the change – would stay with the old (low) rate. When the bank was tackled on this lack of communication, customers were told "the innovation was introduced by senior management, and branches (and I daresay, existing customers) were not involved or aware of this". Even after a few weeks, there was no communication by the bank to their quiescent customer base. Taylor points out that the service issues he raises are experienced by many and lead to annoyance, alienation and even capitulation to the competition. Yet, adherence to such simple rules can reinforce and help maintain brand loyalty – presumably something of value in the recession-prone world in which we now live. Here, there is an underlying suspicion that while "the marketing era" may be many things, it is not necessarily particularly consumer orientated. A return to earlier stages of marketing could be a recommendation of value to many of today's businesses. Of course, whether that happens remains to be seen. It is odd that businesses need to be reminded, cajoled or persuaded to adopt an approach that actually leads to better business performance! Unless, of course, marketing commentators are missing something?

Chapter 5 records the ongoing avalanche of unwanted material (spam) heading towards and being received by laptops, fixed computers, tablets and cell phones. Just as the mind, via cognitive information processing, filters the barrage of promotional messaging, so the spam filter attempts to deal with this unwanted extraneous matter. No matter that consumers wish to content co-create, share information or just socialise; marketers (legitimate and otherwise) want into the space where existing and potential consumers are or may be located and could be influenced or persuaded. Intrusion, however, has been a demonstrable facet of marketing communications. As each innovation has appeared, that is, newspapers, radio, television, it has taken a while before the technology is managed sufficiently and appropriately, so that the real business of advertising interspersed with news or programme content can be brought to its fullest fruition.

In the United Kingdom, for example, the switch from analogue to digital television between 2008 and 2012 was dressed up in the usual language of consumer orientation. For example, the move would lead to

- greater choice of TV channels;
- new features such as on-screen listings, interactivity, audio description and subtitling for people with visual and audio impairments;
- optional additional channels and services including premium channels (e.g., movies, sports), broadband and telephony.

All these benefits are evident. Yet, what is not said is that a large number of these new channels are entirely focused on shopping, where the whole programme is advertising, sales promotion and direct marketing rolled into an obnoxious marketing cacophony. Benefits for visual- and audio-impaired people are minimal, and, of course, premium channels need to be paid for. Quality of presentation has improved. For those viewers who travel to the United States or Canada, noticeably the UK television scenario is becoming rather similar – that is, dull programming and lots of even duller advertising and series sponsorship. Advertising is even poorer in quality in the Americas. It is not a matter for concern as it will not take long for the United Kingdom to descend to a similar level. One of the problems with globalisation is the increasing sameness or homogeneity of just about everything. It is not particularly good, however, to be informed of brand benefits in the United Kingdom by un-adapted American voice-overs.

Returning to Beard's thesis. He cites ZenithOptimedia, who forecast global advertising expenditures would reach US$466 billion by 2011. In 2002, I forecast, global marketing communications expenditures would reach US$1 trillion by 2012 (Kitchen and members of the IPR Committee 2002). That is advertising together with all other promotional forms. One trillion US dollars to reach 73 billion people! That is a great deal of money, used to persuade us of the apparent negligible benefits of individual brands. The fact that most advertising is annoying, irritating or just plain invasive or intrusive has not stopped the same from accelerating worldwide or transitioning into new on- and offline forms. Fred assures us, however, that the social contract can avoid being violated by marketing and marketers, and opportunities are still open in the newly opening webworlds. Yet, the argument is not wholly persuasive. Any global media vehicle, such as the Internet, requires global policing. Yet, communications including advertising or on- and offline communications has never been evaluated in this manner. Beard, for example, in a final wrap-up statement cites Jeffrey Jones (2010) that marketing communications, especially advertising, is not filled by professionals perceived to be bastions of honesty and ethics. Unfortunately, one is drawn to the tentative conclusion that the notion of a communications social contract may be biased towards a sender orientation rather than a receiver one.

Another face of leviathan is presented by Shintaro Okazaki in Chapter 6 via mobile marketing. Together with television and computer, the cell phone (linked to tablets and laptops) forms the third leg of the current communications triad, and the dominance of the three screen market. These screens are all sender oriented. The fourth screen, the screen of the consumer mind, is receiver oriented. Cloud computing – in this chapter – offers a solution to the need to reach diversified consumers via multimedia computing devices. Cloud-based integrated marketing communications or consumer-oriented communications is one interesting potential way forward. The key is that, whichever device is used, information is stored, readily available and generates attention and innovation from online marketers and advertisers. From a consumer perspective the World Wide Web will become a *seamless web* usable across current and future online technologies. In the cloud world, information is accessible and controllable by users. Information generated by, say, advertising, marketing public relations (MPR), sales promotion, direct marketing and so forth is generated and *integrated* by marketers, and is available as a whole or in part by consumers connected to any Internet-accessible device and can be used to search retailers, medias and to conduct interpersonal, independent and experiential research. Naturally, from a marketing exchange perspective, cloud-based computing can be used at all the stages of the buying process – pre-purchase evaluation, purchase, post-purchase evaluation and in offering feedback. There is significant connectivity here with Ray Taylor's early comments concerning post-purchase customer service, and that connectivity also relates to perhaps talking with real people in real time about real consumer concerns and problems. Mobile marketing can indeed be controlled by users – a form of pull-based marketing. Perhaps as the technology becomes more ubiquitous, it will become more push based. That is, marketing and marketers pushing into all spaces where consumers are likely to be found. There seems little protection available in the mobile marketing domain. For now, the new world of cloud marketing offers significant organisational and consumer potentialities.

Marketing is now, and to be honest, perhaps always has been, the modus operandi between companies, customer, consumers and prospects. It is only in the 20th century, and continuing into the 21st century, that marketing has extended itself into almost every nook and cranny of consumer lives. Certainly, and despite the ongoing hurricanes and tsunamis of global economic turbulence, there is a marketing world of rich abundance and variety. Never before has the human race faced such plentitude in almost every product category. Few could object to this world of variety, of competitive alternatives, of prices to suit every taste and pocketbook and of physical distribution and logistics (with some caveats), which not only makes products available in appropriate quantities and contexts, but also may entertain (at least for a short time). Moreover, consumers are no longer constrained by physical location while shopping or buying. The world of the marketplace has been juxtaposed or counterpoised by the emergence of the marketspace. Place or space is now immaterial. Yet, it is only in the communications or promotion domain that marketing, as a potentially negative force, raises its head above the water.

In other contexts, with Don Schultz, we have written of the emergence, growth and development of integrated marketing communications (IMC) (Schultz and Kitchen 2000; Kitchen 2010) and its corporate equivalent (see Kitchen and Schultz 2001). The major thrust of IMC was the notion of customer-led and customer-driven communications. In the book, Don Schultz and I expressed the belief that in the 21st century the essence of marketing in creating satisfactory exchanges would be associated primarily with communication. As we further expressed there, based on research with multinational corporations, marketing executives and managers from communication agencies of all types of sizes (communication agencies relate mainly to the disciplines of advertising and public relations), there was strong evidence of companies approaching integration through four discrete stages or strategies.

Stage 1: Bundling on- and offline promotional mix elements together so they at least look or sound the same. This accords with what Theodore Levitt (1960) adroitly described and condemned half a century ago as *sales orientation*. It is still the dominant mode of integration adopted by most companies, aggressive communicators and perceived passive audiences.

Stage 2: Starting with customers and prospects, assessing their communication needs by means of marketing research, then designing communications more effectively to reach and persuade targeted individual and aggregated customers and potentials. To use a simple threefold segmentation strategy. Any market consists of brand loyals, swingers and non-buyers. Why should a blanket-type approach work for all customer types? The answer – it doesn't. This stage more closely aligns with the marketing orientation with customers at the centre of the process.

Stage 3: Building the informational infrastructure so that customer needs and buying propensity can be monitored in an ongoing iterative manner. Customer data, through this process, is turning into customer knowledge, and such knowledge is an important organisational and competitive asset. Again, this accords with the marketing orientation.

Stage 4: The strategic gap or separation between the inner world of finance and marketing is closed. Businesses, particularly, were encouraged to monitor communication return on investment – not necessarily customer by customer, but segment by segment.

Stages 3 and 4 were not reached and may never be reached by the majority of business organisations because of time, costs and motivational issues. Perfect knowledge of markets is desirable, but it is extremely costly. Some proxy must do instead and so a fall back occurs to stages 1 or 2. If, for example, a sales orientation works, then there is little purpose in pursuing a more whole-hearted marketing approach. To hark back to Ray Taylor's example of poor customer service in major branded companies, this could simply be an outcome that these firms were never marketing oriented in the first place. But, they may well be communication oriented, but here communications is seen mainly as one-way linear and outward. Certain types of two-way communications may be promoted, but this communication can be corralled or channelled into mechanisms appropriate to the company. Websites provide an ideal way of appearing to be open to comment, while simultaneously being resistant to any real change or, for that matter, real two-way communication. Moreover, in that early book written on the cusp of millennial change, the following injunction, which seems straightforward common sense or business *nous*, seems to have fallen on deaf marketing ears:

> Integrated [marketing] communication, like marketing, needs to be managed. *It is [prefaced or] preceded by a sound understanding of the dynamics of each market*. Relationships have to be planned, then implemented, monitored or adjusted as necessary. This implies different marketplaces and spaces may require different approaches and different strategic alliances and relationships while not losing sight of the strategic imperative for a globalized approach.
>
> (Paraphrased from p. 59, Schultz and Kitchen 2000)

Further,

> such communication is about one activity . . . .
>
> it is not about one-way communication but is two-way, interactive and aimed at mutual beneficiality.
>
> (Ibid.)

Like other managerial injunctions, these seem to have by-passed managerial attention.

By 2010, the focus on integrated marketing communications had been neatly side streamed into a related but more organisationally oriented topic – the notion of integrated brand marketing (IBM) (see Kitchen 2010). I found it interesting and intriguing to see how many IMC concepts and ideas were shoehorned into this new approach. By 2012, at the 17th international conference on corporate and marketing communications, hosted by ESC Rennes School of Business, France, IMC was mentioned as being supplanted by relational or customer-driven marketing communications by one of the two keynote speakers.

Underpinning the concepts or ideas behind each of the acronyms used above is the notion of a customer-driven approach. That same conceptual understanding, in my view, lies at the very root of the marketing concept or philosophy, and is dear to the heart of marketing theory. To say otherwise is to give the lie to over a century of development in the marketing discipline. Yes, there are weaknesses, and marketing does have its carbuncles and warts (see Brown's earlier chapter), even detractors. We owe many facets of our modern lives and conveniences to marketing. But, we must not forget its central injunctions and tenets. Watering down marketing so it becomes a form of rhetoric is not only disastrous for the discipline, but also disastrous in terms of damaging and undermining its very basis – customer focus. If anything, marketing communications pulls the emphasis of the discipline towards sales orientation (see Kitchen 2003) and levels the charge made here, of the emergence of a communications juggernaut or leviathan. Perhaps another way to untangle the Gordian knot of marketing orientation may be to consider organisationalism.

"Organisationalism" is not a new term. It has been used in other contexts (see online dictionaries and thesauri). An ism tends to be a doctrine, an ideology, a belief or a creed, often associated with a philosophy or movement. Thus, consumerism, on the one hand, is associated foremost with the protection of consumer rights – especially as concerns price, quality and safety. Little is mentioned about the rights not to be interrupted, not to be exposed to an ongoing barrage of message-related noise, and not to be able to avoid at the very least the prevalence of commercial communications. But consumerism may also include the right to be able to rapidly resolve consumption-related issues such as where, for example, a product or service is mispriced, does not work and/or does not live to the promises made by associated communications. As we have seen, this seems to be one missing element in the marketing arsenal of 21st-century companies.

Organisationalism, on the other hand, is defined as the focus on doing or creating the circumstances that the organisation desires or wants, while avoiding litigation, and ostensibly adopting or embracing marketing mainly as a rhetorical device. So, organisations may state that they are acting for and on behalf of consumers and customers (a marketing approach), while relying almost wholeheartedly on its self-created internal processes *not to engage with customers or consumers*, save in the time-honoured manner of receiving payment for goods and services rendered. Once payment is received, membership entered and/or a continuous system set up, consumers or users tend to be left to their own devices. The chapter by Ray Taylor epitomises this trend in the service encounters he has recently experienced or heard about. While seven simple rules could be followed to minimise these negative encounters, they seem to be rules that are difficult to apply, and the vignettes shared could easily be multiplied across the world.

An organisation, whether in the private or public sector, exists to provide some products, services, brands or types of exchange which are either necessary for consumers (i.e., household taxes, utilities), or perceived to be desirable by the organisation and by consumers (i.e., voting for political parties), or simple market purchase behaviour.

In the first example, a local authority imposes taxes on households in order to provide public services (education, policing, fire and environmental issues such as waste collection). The views of the population are neither particularly sought in this process, nor are their opinions perceived to be desirable in how and where resources are allocated. For example, in particular parts of the United Kingdom, waste collection and disposal services have been given or sold to foreign companies. These companies soon move towards "environmentally oriented waste disposal". Bins of various shapes and sizes are issued to each household, and waste products divided – food, plastic/metal/paper, garden waste and general garbage. This makes waste disposal more environmentally friendly, and the sorted waste can then be recycled – at profit to the owning or managing organisation, with no specific benefit to the consuming and waste organising public. In some towns and cities, multiple waste bins clutter up the streets, creating environmental eyesore. The point of this is, generally speaking, the innovation is developed ostensibly for and on behalf of customers and users, or put another way – dressed in the rhetoric of consumerism. The advantages to consumers are relatively few. They have become, in effect, sorters of their own rubbish, a service they pay for through local taxation that cannot be avoided. They have little or no voice in the system, and any type of public interaction results only in outcomes of benefit to the organisation.

Let's take another example, that of political marketing. Here the public are involved in a democratic political process by means of exercising their hard-won freedom to vote (not the case in all countries). Often, local, regional, and general – or in the United States, presidential – elections are accompanied by the expenditure of significant resources to generate voting in favour of a candidate or party. For example, in a general election in the United Kingdom, average expenditure is between £80 and 120 million sterling. The

2012 US presidential election – a closely fought battle – has incurred significant expenditure (as of October 2012):

	Barack Obama (Democrat) (US$ million)	**Mitt Romney (Republican) (US$ million)**
Raised	632,177,423	389,088,268
Spent	540,812,931	336,399,237
Cash (on hand)	93,667,891	52,702,010
Overall	930,399,575	997,233,683

Note: Debts incurred are also added in.
Source: http://www.opensecrets.org/pres12/index.php, accessed October 2012.

All the above-mentioned funds have been generated by small and large individual contributions. The amounts invested by candidates themselves are a relatively paltry US$5,000 by Obama and US$52,000 by Romney. The point to emphasise here is that – apart from voting, and the enormous sums expended to gain the same – consumers gain relatively little. Once the votes are won and counted, victory for candidates or party declared and a winner installed, there is virtually no change in political, economic or other policies. Voters' views are not sought, and even if extended by an irate or enraged electorate, tend to be ignored, until, of course, the next election where the whole process is repeated. What I am driving towards here is the notion that importance lies *not with the electorate per se* (a la consumer), but with the organisation (rarely is this an individual) managing electoral and political processes in favour of a specific party. Thus, if we use the term "marketing" in relation to politics, it is a form of marketing that is organisationally, not consumer, orientated. One useful analogy that could be applied is that found in political fiction. In this sense, political marketing is, in a consumer-oriented marketing sense, fictional.

If we turn to business organisations, it is a general rule that the larger the organisation, the more they seek to distance themselves from customers and consumers. But this distancing is not done by means of marketing communication preceding sales. In fact, all suitably costed forms of communication or promotion are sought for and applied, and often such communications are prefaced by a deep or superficial analysis of specific markets to attempt to understand attitudes, behaviour, access to medias, preferences and the most appropriate persuasive mechanisms to deploy. So far, so good. This sounds like the marketing process we know and accords with stages 2 and 3 of the integrated marketing communication process. Here, we would receive an acknowledgement or nod of approval from marketing apologists. Indeed, at this stage, efforts are deployed to seek to build a relationship of trust and to build brand loyalty. This is what happens after purchase, where organisationalism or organisational orientations seem to take over or apply. Here are some examples.

BT (British Telecom), UK, has gone to significant lengths to promote YouView, which delivers television on demand to homes. BT have introduced a new set-top box, which is, according to the marketing, one of the easiest ways to watch loved programmes. So far, initial marketing outlay has been in the order of £70 million (Bulkley 2012). As is usual here, every available on- and offline media has been deployed to persuade consumers to subscribe. But, having subscribed, there are significant technological problems to be encountered. Often, the system simply does not work, or works badly, leaving consumers to access online help facilities (often useless) or to communicate directly with BT or its affiliates who are poorly qualified or trained to deal with specific technical issues or associated complaints. And, it is not just a matter of one call – problem solved! Most wannabe consumers make multiple calls, often lasting for long periods of time, and are often passed from internal telecom pillar to post. In each call or contact, consumers have to *start again*, as no record is kept of continuous or ongoing issues, or how a previous call by the same subscriber ended up last time. This repetitive and time-wasting process is of great irritation to customers and often leads to market churn and movement to competitive alternatives. But, of course, while complaining, customers are still contractually tied to a supplier.

The same problem is encountered with (UK) banks and insurance companies. For example, many UK banks have recently developed "relationship marketing". Often this involves an appointed relationship manager who will contact his/her allotted list to seek to build relations. However, these managers are often unaware of the previous financial dealings of their clients and are more focused on cross-selling their own products and services rather than satisfying a client's financial needs. Plainly, the banner of relationship marketing has been raised in these struggling High Street institutions. But, what is sought is not a relationship per se, where two equal parties are involved. The relationship is instead pre-eminently an organisational relationship, much more oriented to organisational than consumer needs.

Let's take another example of organisationalism. In the UK insurance industry – for example – we will stay here with fairly standard building and contents insurance. There are over 100 providers of such insurance and several websites dealing with checking policy prices and coverage (i.e., GoCompare, MoneySupermarket, Churchill, ComparetheMarket and so on). It is not a problem to obtain competitive pricing information and detailed information regarding policy content. Indeed, the most tenuous enquiry online, if a telephone number is left, will result in numerous company calls to obtain the business as telesales personnel have all the tenacity of a Fuller Brush salesman. Once purchase occurs, all tends to go well, *until there is a problem*. Then, contacting a provider and managing problem resolution can be extremely taxing and difficult. Like banks, insurance providers are always experiencing an "exceptionally heavy volume of calls"; and once answered, calls are passed through multiple receivers. It is difficult to see where accountability lies, and the process starts again if one is cut off inadvertently. Even if a claim is approved, consumers are left to deal with multiple contractors and multiple levels of communication. The result is often disenchantment with the chosen supplier, but of course, if one seeks to change an insurance provider, the whole rigmarole may be endured again. Notice, it is only when problems arise that service or product providers prove remarkably inept at managing the process. And, there are numerous other examples that could be multiplied ad nauseam relating to many diverse product and service providers. Please note, there is no problem in obtaining services, the problems only arise post-purchase, an area of marketing plainly under-resourced, and perhaps one an organisationally (sales) driven company does not take that seriously.

The aim here is not to gripe or grind a particular personal axe. The real concern is that companies, businesses and organisations are alienating a very good service of current and future custom and brand loyalties. For, strange as it may seem, consumers do welcome sound two-way relationships, but on their own terms! A very brief analysis with colleagues and postgraduate MBA and PhD students reveals that they are keen to find reliable suppliers/providers of goods and services. Presumably, businesses and organisations want the same things. And, in turn, that requires effort – investment in management, resources and training in how to deal with people in ways that engender trust, confidence and loyalty.

Taken further, one can conceive of organisations as possessing unique capabilities. These need to be protected and enhanced. Presumably, the managerial task is to develop and deploy these capabilities in such a way as to obtain, maintain or enhance competitive advantage? (Sharma and Vredenburg 1998). Thus, put simply, the resources of an organisation lead to capabilities and underpin organisational performance (Wernfelt 1984; Barney 1991). However, Barney (1986), nearly three decades ago, indicated that organisational resources are valued only when an organisation exploits opportunities or neutralises threats in its environment. These injunctions are observed in many providers of products and services. However, post-purchase behaviour and problem resolution seem to be ignored. And, as a concomitant follow-on, competitive advantage that could easily stem from excellent customer service is undermined.

Two problems can be seen in summary.

One, that the sheer depth, intensity, ubiquity and inescapability of exposure to marketing communications in the 21st century may be becoming a form of leviathan which is inherently negative in nature. Plainly, such communications are unwanted and unneeded by customers and consumers. A world of such repetitive communications, of oft-repeated themes, and jingles, and minor product differentiations seems to be a world to be avoided rather than welcomed. Moreover, this leviathan is essentially unpoliced in its global ubiquity. It is, at best, sales orientation writ large, as indeed Levitt's thesis on globalisation was (see Levitt 1983). It is also a form of marketing which, while it still works, is an example of organisationalism.

The second problem is that every effort is made to obtain, but not necessarily to retain, customers. There are simply too many examples of poor customer services from many different organisational, public and private product, service and exchange providers. Admittedly, good or excellent customer service is expensive; it takes time to train personnel not only with a degree of knowledge, but also to deal with customers effectively and well. The real issue is that customers use marketing in a Janus-type fashion. The organisational face is always consumer focused – apparently. It is a welcoming, inviting, promising face. However, once inside as a paying customer, the face changes towards indifference, unfeelingness and an unwillingness to be contacted.

While I am convinced there is no globally collusive plot to make the planet awash with banal repetitive communications, and while one cannot entertain that companies may adopt homogeneity in terms of dealing with their own customers, there are still problems in the marketing system.

A brave new world of marketing is finally emerging, and it is remarkably uniform. It does not, however, appear to be particularly consumer oriented in the classical sense. I remain unsure as to the best modality to address these issues. Certainly, there seems a need for a global organisation with global customer representation. Otherwise, we may end up with a marketing world that is inherently negative in nature.

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Index

"ad bashing," 70
advergaming, 73–4, 98
advertising, 22, 66–7, 71
Advertising Age, 87
The Age of Capital (1975), 113
The Age of Empire (1987), 113
Airwalk ecommerce site, 104
American Association of Advertising Agencies (AAAA), 68, 86
American Marketing Association (AMA), 2–3
"America's Army," US Army's advergame, 74
Anatomy of Criticism, 37, 43
ancient origins, ideas and practices, 7–8
 external "motions," 8
 "globalisation," Alexander the Great, 7
 Greco-Roman styles of architecture and mathematics, 8
 Greek democracy, 7
 meaning of "leviathan," 9
 media forms, 8
 Newton's contribution, 7
 Roman legal system, 8
 "signals from environment," 8
Apple Computers, 32
application to person (A2P) SMS, 109–10
App Stores, 109
augmented reality (AR), 103
Australian Advertiser Code of Ethics, 82
average revenue per customer (ARPC), 48, 52–3

"Behavioural Paradigm," 71, 72
binge drinking, 31
Birdseye, Clarence, 38
"blogger payola," 78
blogging, 18, 22, 70
Boo.com story, 35
"Branding Paradigm," 71, 72
British Codes of Advertising and Sales Promotion, 82
BT (British Telecom), UK, 127
bulimia, 31
"Buzz," 79, 115
BzzAgent, 85

Canadian Code of Advertising Standards, 82
case of 20/20 hindsight, 33
cataclysm, anatomy of, 36–43
 biographies, 37
 comedy, 39–40
 irony, 41–3; new product development (NPD), 42; "strike oil" suggestion, 42
 mix of characters, 37
 romance, 37–9; *Romance of Commerce,* 39
 tragedy, 40–1
 "tripping point," 36
 victories and defeat stories, 37
Children's Advertising Review Unit (CARU), 78
Children's Online Privacy Projection Act of 1998 (COPPA), 78
Chinese Democracy, 35
Cimbal or DigiMo, 105–6
Cloud as new IMC Tool, 95–110
 cloud-based IMC, 97–8
 to cloud-based mobile marketing, 99–102; CD process, 100, 101; degree of ubiquity or time, 100, 101–2; 4Ps–product, price, promotion and price plus retailing, 101–2; role of

mobile devices, reasons, 100; "tailor-made" services, 100
cloud computing, defining, 96–7
exposure, 103–4; advances in AR, 103; Airwalk ecommerce site, 104; image recognition technology, Google Goggles, 103–4; new global Happy Meal programme, 103
external search, 102–3; classification, 102–3; enhanced touch-screen quality, 102
future directions, 108–10; App Stores, 109; A2P SMS, 109; "cross-media" ads, 110; QR code and NFC, 109–10; SMS, 108–9
mobile advertising, 107–8; new mobile advertising classification, 107–8; push *vs.* pull mobile advertising, 107; SMS advertising, 107
post-purchase evaluation, 106; eWOM, 106; traveller review websites, 106
potential drawbacks, 98–9
pre-purchase on-site evaluation, 104–5
purchase, 105–6; Cimbal or DigiMo, 105–6

Cloud-based IMC, 97–8
"cloud," definition, 97
consumer online reviews, 98
online IMC, 97
search engines, 98
"Sizing the Cloud," 98
smartphone, 98
social networking sites, 98

cloud computing, 96–7, 120
defining, 96–7
iCloud, 96–7
multi-device marketing, 97

"cloud," definition, 97
"communications leviathan," 70, 90
consumer decision process (CD process), 100, 101, 103–4
cross-disciplinary online media and tools, 72–4
E-mail, 73
OMC disciplines and media, 72–3; mobile, 72; smartphone, 72
"social media," 74
videogame/advergaming, 73–4
Websites, 73

"cross-media" ads, 109–10
cultural marketing, 17–18
customer-driven approach, 123–4
customer service, seven rules, 48–65
long-term satisfaction of customer, 49
positive experiences, 49–50
rule 1, customer's immediate need, 51–3
rule 2, going too far to address requests or complaints, 53–4
rule 3, value of lifetime customer, 54–7
rule 4, dealing with customer service inquiries, 57–9
rule 5, rewards or loyalty programme offer, 59–62; complexities, 60–1
rule 6, offer products/services, 62–3
rule 7, transparent pricing, 63–4

"database marketing," 88
degree of ubiquity or time, 100, 101–2
Deleting Online Predators Act of 2006, 78
Digital Advertising Alliance's AboutAds.Info programme, 79
digital television, 69, 118–19
discipline-specific media and tools, 74–6
context-based promotional services, 75
Google, Search engines, 75
online advertising, 75

discipline-specific media and tools – *continued*
online coupons, 74–5
online media relations/events/sponsorships, 76
smartphone or iPad, 76
YouTube, 76
"Dollar Menus," McDonald's, 54
do-not-track mechanism, 80, 88
drug addiction, 31

electronic word-of-mouth (eWOM), 106
E-mail, 3, 66, 69, 72–3, 75, 78, 87, 89–90, 97, 99, 102, 108–9
EU Electronic Communications Framework, 80
European Union (EU), 7, 12, 24, 70

Facebook, 32, 74
criticism of, 79
SNS, 75
fail tales of the marketplace, 34–5
Flickr, 74, 75
"flogs," 78
Ford Motor Co., 74
Foursquare, 75, 86, 106
Frye's formula, 43

Gmail account, 96
Google Apps or iCloud, 100
Google Docs service, 96
Google Goggles, 103–4
Google's Gmail system, 99
Google Wallet, 95
Gowalla, 86, 106
"Guidelines for Endorsements and Testimonials," 77

Happy Meal programme, new global, 103
Hershey, Milton, 38
"hierarchy of effects" models, 75
homo economicus, 36
The Hunt for Red October, 42

iCloud, 96–7, 100
IgoUgo, 106
image recognition technology, Google Goggles, 103–4
infrastructure-as-a-service (IaaS), 98
integrated brand marketing (IBM), 123
integrated marketing communications (IMC), 23, 96, 121–3
disciplines, 71; "Behavioural Paradigm," 71; "Branding Paradigm," 71; MPR/Publicity, 71; Online Advertising, 71; Online CPR, 71; Online Sales Promotion/Direct Response, 71
media and tools, 71
integration of corporate communications (ICC), 23
Internet, 18–19, 22, 50, 52, 69, 72, 79–80, 82–3, 85, 88, 95–6, 98, 100–2, 105, 117, 119–20
iPhone, iPod or iPad, 34, 49, 76, 97, 106, 109

Journal of Marketing Research, 30

leviathan (Hobbes)
of government or state, 115
meaning of, 9–10; concord, 10; corporate governmental body, 10; death, 10
recasting, questionability and applicability of; ancient origins, ideas and practices, 7–8; expansion, diversity and conflict, 21–3; future, 24; power and influence of Church and State, 10–15; power of promotion, 19–21; role of marketing communications, 23–4; role of marketing in 21st century, 16–19
Little Christian's Pilgrimage, 30

Little Steven's Pilgrimage, 44
LocalResponse, 75
Long-Term Capital Management, 40

marketing
  "business as usual," 5
  connecting business and non-business organisations, 4
  consumer watchdog programmes, 4
  corporate social responsibility, 4
  definitions by AMA in 2007, 2
  global phenomenon, 4
  and leviathan, 44–5
  misgivings, 4
  new definition analysis: e-mail surveys, 3; *Marketing News,* 3
  orientation, 5
  regarded as "activity," 2
Marketing Apocalypse, 30
marketing communications, 126–7
  causes for growth, 21–2
  driving factors, 23; fragmenting of older technologies, 23; ICC/IMC, 23; idea of value, 23; linking or connecting of old/new technologies, 23; on- and offline technologies, 23
  elements of, 22; advertising, 22; direct marketing and direct mail, 22; Internet communication, 22; personal selling, 22; point of sale, 22; public relations and sponsorship, 22; sales promotion, 22; viral marketing and blogging, 22
  organisational perspective, 23–4; corporate level, 24; level of individual brands, 24; marketing messages, 25; modalities, 25–6; strategic level, 24
"marketing era," 48, 64
marketing in 21st century
  availability of well-priced products, 16, 17
  concept of market segmentation, 17
  cultural marketing, 17
  form of leviathan, 18–19
  four Ps (Product, Price, Promotion and Place), 16
  global and globalising market-place or -space, 16
  Internet and social media, 18
  marketing as positive force, 17–18
  marketing myopia, 16
  patronage via purchase, 18
  peer-to-peer messaging and blogging, 18
  place marketing, 17
  social marketing, 17
  "the virtues" of branding, 18
Marketing Management (Kotler), 45
"marketing myopia," 16
marketing public relations (MPR), 120
  firm Reverb Communications, 78
  publicity, 71
marketing theory, pillars, 1–2
market segmentation, 17
"a massive ideology cum belief system," 116
McDonald's "Dollar Menus"/"Extra Value Meals," 54
mobile marketing, 19, 95, 99–102, 103, 105, 107, 114, 120
modern marketing
  competitive advantage, 32
  customer centric organisation, 32
  customer disconnect, 31
  deliver standard of living, 31
  ideology-cum-belief system, 31
  societal ills, 31
Morita, Akio, 38
multi-device marketing, 97
MySpace, SNS, 86

near field communication (NFC)
code, 95, 105–6, 108–10
new product development (NPD),
19, 42

obesity, 17, 31
online advertising, 69, 71–3, 75,
82–3, 85, 88–9
Online Corporate Public Relations
(CPR), 71–4, 76
online coupons, 74–5
online dating model, 87
online dictionaries and thesauri, 124
online IMC, 97
online marketing communications
(OMC)
disciplines and digital media,
72–3, 87–8
scope of, 70–1; emergence of
marketing services, 71; IMC
disciplines, 71; IMC media
and tools, 71; overview of, 70;
types of communication, 71
online media, 69–72, 76–9, 82–4,
86–90
Online Sales Promotion/Direct
Response, 71–3
organisationalism, age of, 113–30
adopting or embracing marketing,
124
Beard's thesis, 119
BT (British Telecom), UK, 127
cloud computing, 120
consumption by consumers, 116
customer-driven approach, 123–4
digital television, 118–19
excellent customer service, 129
history of marketing in 20th
century, 114
Hobbes' leviathan of government
or state, 115
IBM, 123
IMC, 121–3
Internet, 119
marketing communication, 126–7
"massive ideology cum belief
system," 116
mobile marketing, 120
online dictionaries and thesauri,
124
political marketing, 125–6
private or public sector, 125
problems, 129–30
processes of marketing, 113–14
"relationship marketing," 127–8
"seven simple rules to better
customer service," 117–18
societal marketing or orientation,
115
stages or orientations, marketing,
114
taxes on households to provide
public services, 125
transaction process, 114–15
UK insurance industry, 128
unwanted material (spam)
heading, 118
overconsumption, 31

patronage via purchase, 18
"pay-for-play" deals, 77
peer-to-peer messaging and
blogging, 18
personal selling, 22, 71
persuasion, 20
The Pilgrim's Progress, 30, 43
P-inflected dialect, 32
Pingdom.com, 66
spam filter, 66
place marketing, 17
planet polluting waste, 31
point of sale, 19, 22, 105
political marketing, 125–6
"production era," 48
production-orientated organisations,
44
promotional mix, 20–1, 121
promotion, power of, 19–21
advertising, 19–20
marketing communication or
promotion, 19

MPR, 21
persuasion, 20
promotional mix, 20–1
UK and six major national expenditure categories, 20
4Ps (Product, Price, Promotion and Place), 16, 101
plus retailing, 101–2
public relations and sponsorship, 19, 21–2, 24, 34, 71, 121
push *vs*. pull mobile advertising, 107

Quick Response (QR) code, 95, 109–10

"Red" China, 1–2
"relationship marketing," 127–8
religion and marketing, 29
Revelation (12: 3), 28, 45, 85

sales promotion, 19–20, 22, 71–3, 82, 110, 119–20
scientism, 45
SecondLife, 74
"Sizing the Cloud," 98
"Skid-e-Kids," 78
smartest-guy-in-the-room syndrome, 35
smartphone, 62, 69, 72, 76, 87, 95–7, 98, 100–2, 104, 107, 109
SMS advertising, 107–9
social contract framework, 80–7
from consumer's perspective, 82–7; compensation, 86–7; culture of Internet, 82–3; four attributes to social contract, 83; information collection/permission, 84–5; message, 85; "The Suspension of Discontent" argument, 82; targeting, 83–4; volume, 86
direct mail advertising, 80
exchange theory, 80–1
from marketer's perspective, 81–2
social contractual relationship to OMC, 81
social contract in web 2.0 world, 66–90
AAAA findings, 68
"ad bashing," 70
advertising programmes, 66–7
"behavior placements" in 2010, 69
consumer dissatisfaction and rejection of ads/promotions, 68
cross-disciplinary online media and tools, 72–4; E-mail, 73; OMC disciplines and media, 72–3; "social media," 74; videogame/advergaming, 73–4; Websites, 73
digital and online media, 69
discipline-specific media and tools, 74–6; context-based promotional services, 75; Google, Search engines, 75; online advertising, 75; online coupons, 74–5; online media relations/events/sponsorships, 76; smartphone or iPad, 76; YouTube, 76
influence of marketing in online media, 70
opportunities, 87–90; consumers relationship with marketers, 89–90; "database marketing," 88; exploiting consumer emotions, advertising, 90; OMC disciplines and digital media, 87–8; online ads and promotions, 88–9; online media, 89; "Sponsored Story" ads, 87
overcommercialisation of radio, 67
Pingdom.com, 66
regulatory challenges, 77–80; of children for ads and promotions, 78; criticism of Facebook, 79; Digital Advertising Alliance's AboutAds.Info programme, 79;

social contract in web 2.0 world – *continued*
do-not-track mechanism, 80; issue of consumer privacy, 78–9; new privacy law, 80; online media, tools and related tactics, 77–8; product and brand placements, 77; sampling new products, 77; US FTC, 78–9
safeguarding consumer privacy, 88
scope of OMC, 70–1; emergence of marketing services, 71; IMC disciplines, 71; overview of, 70; types of communication, 71
social contract between government and citizens, 69
social contract framework, 80–7; from consumer's perspective, 82–7; direct mail advertising, 80; exchange theory, 80–1; from marketer's perspective, 81–2; social contractual relationship to OMC, 81
spam filter, 66
television in United States, 67
Web 2.0 users, 66
ZenithOptimedia, 67–8
social marketing, 17
social media, 18, 69, 72–6, 78, 85, 87
social network advertising (SNA), 70, 74, 80, 84–5
social network sites (SNSs), 74, 78
societal marketing or orientation, 115
software-as-a-service (SaaS), 98
"Sponsored Story" ads, 87

tablet or e-book, 34, 95–7, 100–1, 118, 120
"tailor-made" services, 100
television in United States, 67
"Television Without Frontiers, directive (EU)" 77
TouchPad, 34
touch-screen quality, enhanced, 102
transaction, 1–2, 5, 16, 81, 83, 105–6, 109, 114–15
traveller review websites, 106
TripAdvisor, 106
tripwolf, 106
"Twelpforce," 74
Twitter, 69, 74–5

UK insurance industry, 128
US Better Business Bureau Code of Advertising, 82
US Federal Communications Commission (FCC), 77
US Federal Trade Commission (FTC), 77, 78–9

videogame, 73
viral marketing, 22
VirtualTourist, 106
"the virtues" of branding, 18

Walker, Madame C. J., 38
Websites, 73, 75–6, 78–9, 102, 106, 122, 128
Web 2.0 users, *see* social contract in web 2.0 world
Western capitalism, 29, 36
Word of Mouth Marketing Association (WOMMA), 77, 79
World of Warcraft, 74
World WideWeb, 120

Yabba Dabba Dew, 35, 43
YouTube, 74, 76

ZenithOptimedia, 67–8, 119