ESRC Business Engagement Project:

A Scoping Study of Contemporary and Future Challenges in UK Marketing Practice

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Table of Contents

1 EXECUTIVE SUMMARY

Funding councils are especially concerned with eliciting feedback on the challenges in contemporary management practice. The Economic and Social Research Council (ESRC) has commissioned a series of scoping studies[1] to report on contemporary and future challenges across a range of areas of UK economic activity (the creative industries, financial services sector, management consulting, marketing practice and, the retail sector). Here, we report on the findings relating to UK Marketing Practice.

The report introduces a set of management challenges and a brief review of selected previous research addressing them. It is intended for use by policy makers and those who fund academic research who are working with practitioners and academics to deliver more relevant, targeted, grounded research addressing practitioner problems. It also takes the form of a document to stimulate discussion to validate the challenges, give them flesh and identify new ones in order to further contribute to three objectives:

- Identify priority areas for increased collaboration between Marketing Practitioners and the Higher Education sector;
- Identify the extent to which agendas in the research community overlap with and address managers' priorities in UK Marketing Practice in order to contribute to the specification of a future research agenda, and;
- Begin to define the territory where the results of relevant previous research can be identified, synthesised, be better communicated and applied to a practitioner audience.

Following interviews with a number of marketing practitioners, and triangulation with published reports, 11 overarching priority areas are identified:

- Environmental dynamism
- Changes in the business model
- Changing consumer markets
- Market research/consumer insight
- Marketing communications and e-marketing
- Product and service innovation
- Brand management
- Marketing metrics
- Developing a marketing orientation
- Marketing training and development
- Corporate social responsibility

Over breakfast on 23rd May 2008, the ESRC Business Engagement Forum for Marketing Practice was held at the CBI Conference Centre in London, hosted by Mr Rod Wilkes Chief Executive Chartered Institute of Marketing and chaired by Professor Dame Sandra Dawson Cambridge University.

[1] See http://www.aimresearch.org/index.php/business-engagement-project

32 representatives from business, policy making, trade associations and academia came together to reflect upon the findings presented in this report, explore further how the worlds of academia and business might engage to address these challenges and develop a continuing dialogue between the two communities. The initial response from ESRC to the consultation is:

- To address the disconnect between academic research and business practice, to ensure a fit between business demand and research activity and establish appropriate mechanisms for dissemination ESRC will establish a Knowledge Transfer Network with the marketing community and ensure dialogue between practitioners and academics

- To explore with the Engineering and Physical Sciences Research Council and the Digital Economy Programme a call to examine how Knowledge Transfer is transforming business models by empowering customers on the one hand while enabling huge market personalisation and data mining on the other

- To explore with Natural Environment Research Council (NERC) and Living with Environmental Change (LWEC) partners how marketing might contribute to the transition to low carbon lifestyle agendas.

2 INTRODUCTION

The Economic and Social Research Council (ESRC) is committed to increasing its engagement with the business community. One of the activities being undertaken is to establish an evidence base which highlights the user demand for ESRC research, identifying where such research already exists and what further research might be required. The objective of this report is to identify a set of contemporary management priorities in UK Marketing Practice, and illustrate how the research evidence produced during the first phase of the AIM Research initiative (October 2003-July 2007) and the broader literature outside of AIM maps onto these.

2.1 MARKETING SECTOR - BACKGROUND

Marketing is increasingly being recognised as central to the success of an organisation, irrespective of the sector of the economy in which it operates. In general terms, marketing is relevant to all types of organisations, whether they are large or small and whether they produce tangible products or intangible services, or ideas. However the ways in which an effective marketing operation is developed can vary substantially between such widely different contexts. In writing about marketing itself, it is common to distinguish between the general idea of the marketing concept and the tools and techniques of marketing management. The marketing concept is an approach to business, which places customers at the centre of the organisation. Creating customer value and satisfaction is central to the marketing concept. Again in general terms, this requires the understanding of customers' current and latent needs and providing superior products and services to satisfy those needs.

The marketing concept was initially developed alongside the marketing function in fast moving consumer goods and consumer durables companies. In the 1960s modern day marketing became synonymous with brand marketing management as practiced by companies such as Unilever and Procter & Gamble. Developing successful brands and brand equity is one of the better known marketing activities. However, branding is just one way in which marketing adds value to the organisation and improves performance.

More recently it has been widely recognised that the activities and indeed even existence of marketing as an organisational function can be very distinct from the incorporation of the marketing approach within the organisation. So much so that some have argued that the most effective approach in particular circumstances may not involve any particular individuals even designated as marketing professionals.

This means that it is particularly difficult to estimate the proportion of managers in any advanced market economy who are involved in marketing. However in the UK, the most significant professional body, the Chartered Institute of Marketing has 50,000 members and the employment survey indicates 500,000 managers who are designated "Marketing and Sales".

Marketing and performance

Marketing may be described succinctly as 'winning customer preference'; in highly competitive global trading environments this is becoming crucial. Marketing is often seen as a key driver of business performance and profitability. Understanding the customer and the market is a key marketing task. Research has shown (Ambler, et al, 2000) that those companies that look to the sources of cash flow and take into account the dynamics of the market are more profitable.

According to Doyle (2000) the role of marketing is to contribute to increasing shareholder value. Marketing's specific contribution lies in the fact that it is a management process, which seeks to maximise returns to shareholders by:

- Formulating strategies for choosing the right customers
- Developing relationships with valued customers
- Growing sales- delivering long-run growth in cash flows.
- Creating competitive advantage based on customer benefits

How marketing adds value
Any expenditure adds value when it creates assets, which generate future cash flows with a positive net present value (Srivastava et al, 1998). Marketing assets have been defined by Doyle (2000) into four types:

- **Brands**: create customer preference and loyalty and offer platforms for new product development. Branded products often command higher prices and are therefore long-term generators of cash.
- **Marketing knowledge**: helps to identify market opportunities and develop marketing approaches which sustain customer loyalty
- **Customer loyalty**: Many studies have shown that loyal customers buy more of a company's products, are less price sensitive and are cheaper to serve (Reichheld, 1996)
- **Strategic relationships:** network relationships with channel partners can provide, information, access to new markets and additional sales.

Many strong marketing assets are difficult for competitors to copy and as such should offer a sustainable competitive advantage.

To return to the issue of the more generic marketing concept, it has generally been established that a so-called "market orientation" at the firm or unit level is associated with superior performance in one or more of the areas of profitability, new product success and sales growth (Narver & Slater, 1990, 2004; Han, Kim and Srivastava, 1998). This result appears to be reasonably robust although there are some remaining concerns about both implied causality and the extent to which the measure itself is seen as being attitudinal or behavioural (see Hult et al 2005). It has been argued that as the competitive environment intensifies the role of marketing within the organisation is becoming crucial. The development of new technologies and the excess of supply combined with relative slow rates of growth in Western economies are also seen as key drivers for a market orientation.

As discussed above, marketing has generally been presented as a positive influence on business performance. However, it is an evolving discipline and recently marketers have been challenged to demonstrate better their ability to contribute to shareholder value (Doyle, 2000). Also, during an age of resource shortages and environmental problems marketers are now expected to demonstrate the ability to maintain, or improve both consumers' and society's well being.

2.2 REPORT AIMS

Funding councils are especially concerned with eliciting feedback on current and future management priorities across sectors of economic activity in the UK and linking these with future research agendas. The Economic and Social Research Council (ESRC) has commissioned this report on the Contemporary and Future Challenges in UK marketing practice as a scoping study of contemporary management challenges in UK marketing practice onto which is mapped selected recent research output. Specifically, the report aims to:

- Identify a set of contemporary and future management challenges in UK Marketing Practice;
- Identify priority areas for increased collaboration between Marketing Practitioners and the Higher Education sector;
- Identify the extent to which agendas in the research community overlap with and address Marketing Practitioners' priorities in the UK in order to contribute to the specification of a future research agenda, and;
- Begin to define the territory where the results of relevant previous research can be identified, synthesised, and be made more readily available and digestible to the community of Marketing Practitioners.

The report provides background on a set of management challenges and a brief review of selected previous research addressing the identified challenges. It is intended for use by policy makers and those who fund academic research who are working with practitioners and academics to deliver more relevant, targeted, grounded research addressing practitioner problems. It also takes the form of a discussion document and it is hoped will stimulate discussion to validate the challenges, give them flesh or identify new ones in order to further contribute to the three objectives of the exercise.

3 METHOD

In order to gain an understanding of the attitudes and opinions of marketers concerning the issues that they face currently and in the future, and to elicit common themes a qualitative research methodology was adopted. This involved both face-to face and telephone interviews with senior members of the marketing profession (see section 6, below). In addition, company and industry documents were also analysed to substantiate findings emerging from the interview data.

Following discussions, 11 overarching themes emerged:

- Environmental dynamism;
- The need for change in the business model;
- Changing consumer markets;
- Marketing communications and e-marketing;
- Market research/consumer insight
- Product and service innovation;
- Brand management;
- Marketing metrics;
- Developing a marketing orientation;
- Marketing training and development;
- Corporate social responsibility.

Concurrently, we undertook a review of recent research literature to develop a picture of the distribution of previous research focus, the extent to which previous research addresses the emergent challenges and to give an indication of where any gaps lie. As is the nature of scoping studies, we have not undertaken an exhaustive review of the literature. An exhaustive review was not possible within the constraints of this project. Broadly, the purpose of this literature search was to identify papers to illustrate the approach that academic researchers are currently taking in address the themes identified in this report. However, given that the themes span a great deal of the marketing discipline, and that there is wide variety within each theme in terms of the degree of specificity, this process was not straightforward. For example, database keyword searches[2] generated misleading returns due to multiple possible interpretations and applications of the search terms. Another potential approach was to focus exclusively on a handful 'top rated' journals. This was thought, however, to place artificial boundaries on the literature reported, and somewhat against the spirit of the exercise.

In practice, a more iterative and creative approach to literature search was considered more appropriate. This involved following references through the literature after an initial search in order to find papers that encapsulated in some way ideas gathered from the interview stage. Broadly, there were found to be three ways in which papers found were useful in highlighting academic work on the identified themes. Firstly some of the papers answered fairly directly one of the narrow sub-themes that had arisen (for example Manchanda et al (2006) provide a response to the question of the

[2] The University of Nottingham eLibrary Gateway

effectiveness of a particular type of marketing- see section 3.4). Secondly, the paper encapsulated well the overall challenge presented by the theme or suggested gaps in the literature (for example Baker & Mouncey, (2003) on the future of market research – see section 3.5). Thirdly, the paper represented a much wider stream of research, for example it may have reviewed the literature of a particular subject (e.g. Keller and Lehmann, (2006) on branding), introduce a special issue on a relevant subject, (e.g. Lehmann (2004) on marketing and firm performance), or be from a journal in which many of the papers in some way linked to the theme (e.g. Friestad and Wright (2005) in the Journal of Public Policy and Marketing, which frequently covers aspects of marketing's wider social responsibility- see section 4.11). In terms of research date, the search was heavily biased towards papers within the last 5 years, however papers prior to that were not excluded if thought to be particularly useful.

Given the range of potentially relevant literature, this review is partial and incomplete. However, it does give an indication of how academics are approaching the themes identified. In the sections that follow, first we discuss the challenges that emerge from an analysis of the primary (interviews) and secondary (company and industry documentation) data, and this discussion is followed by a tabular presentation of the selected literature addressing the identified challenge.

4 EMERGENT THEMES

4.1 ENVIRONMENTAL DYNAMISM

Marketing and firm performance are very much context dependent. All businesses, regardless of sector, are affected to some degree by the socio/economic, cultural and technological changes in their wider environments. Thus, the first key theme considers issues relating to environmental dynamism, its implications for marketing practice and the need for new organisational and marketing responses. Within this context, a number of sub-themes are identifiable, such as the changing nature of the consumer and consumption.

As a market-oriented firm looks outwards to the environment in which it operates there is a greater need and opportunity for marketers to contribute to strategic planning through the collection and dissemination of information regarding the ongoing changes. This would require:

- Understanding and developing the capabilities for environmental scanning;
- Assessing how externally-derived information can be fed quickly and efficiently into the strategic planning and innovation (new product/service development) processes;
- The organisational ability to be adaptable and develop agility in order to respond to the changes in the environment;
- To understand the processes for trend development and the utilisation of this knowledge.

Business environmental scanning is a common practice within the realms of corporate strategy and strategic decision making (Saxby, et al., 2002). It involves the search for events and relationships within an organisation's operating environment with the aim of facilitating decision making processes regarding the direction of the company. Specifically within the marketing literature, it appears that little empirical work has been done in the area of environmental scanning and the use of externally-derived information though there are exceptions (Brownlie, 1999; Ashill & Jobber, 2001). To enhance marketers' understanding Sinkula (1994) utilises insights from the organisational learning literature, which focuses on information processing and knowledge creation in organizations and proposes a hierarchy of market sense making.

More recently, Calantone, et al (2003) have examined the effects of environmental turbulence on one aspect of marketing, that of new product development strategy planning. They suggest that managers need to become more comfortable with risk in turbulent environments. In addition, they also recommend that marketing/NPD personnel should be involved in strategic planning and corporate planners should be involved in NPD activities. Kohn (2004) also focuses on the use of environmental scanning for the generation of new product ideas, which can be utilised in the product innovation process. In particular, she outlines the identification, development and analysis of trends as a base for the formulation of product proposals.

The following table summarises key literature that relates to the preceding discussion of themes.

4.1.1 Table: Environmental dynamism

Study	Research question/objective	Country/ies	Sector	Sample characteristics	Method of data collection
Narasimhan, Rajiv & Dutta (2006)	Seeks to link 'absorptive capacity' (AC) with firm performance. Investigates what would cause some firms to have a higher AC than others, and the impact of AC on a firm's profitability?	USA	High tech	64 PLCs	Financial information and patent applications
	Find that firm-specific capabilities significantly impact AC. Also, finds that AC has a significant impact on profitability and that this impact is moderated by the pace of technological change: the greater the pace of change, the greater the impact				
Ward & Lewandowska (2005)	To assess which components of the marketing orientation, along with the new measure societal marketing orientation, predict the performance of the firm and which are moderated by the environment.	Mostly Singapore	non-stratified cross section	81 Firms	Survey
	Competitor-based strategy has a more positive impact on firm's performance than the market-based alternative. Its effectiveness is enhanced by the degree of competitive turbulence in the environment – as, for example, in Singapore in 1999. Societal marketing strategies, while morally appealing, are negatively associated with performance, and further negatively moderated by competitive hostility. The study found no support for an association between market orientation and performance.				

Study	Research question/objective	Country/ies	Sector	Sample characteristics	Method of data collection
Sinkula (1994)	How do organizations process market information?	n/a	n/a	n/a	Literature review
	Examines the extant literature on organizational learning, proposes a hierarchy of market sense making, and provides research propositions that will enhance marketers' understanding of information processing and knowledge creation in organizations				
Davis, Morris & Allen (1991)	The effect of perceived environmental turbulence on selected entrepreneurship, marketing and organizational characteristics in industrial firms	USA	Various	93 firms	Survey
	Turbulence is found to have a significant causal impact on both the levels of entrepreneurship and the marketing orientation of the firm, but not on structural variables.				
Calantone, Garcia & Droge (2003)	What are the effects of environmental turbulence on New Product Development Strategy Planning?	n/a	Automotive, Electronics, Publishing and manufacturing/R&D	n/a	Survey
	Finds the paths from innovativeness to strategic planning and from risk taking to NPD speed are significantly greater in highly turbulent environments. Recommends managers recognize the possible improvements in new product performance by actively including NPD personnel in corporate strategic planning and also involving corporate planners in NPD activities. Also managers should recognize that turbulent environments heighten the need to make risky investments, and sometimes, risky decisions.				

Study	Research question/objective	Country/ies	Sector	Sample characteristics	Method of data collection
Brownlie (1994)	Considers differences in environmental scanning theory and practice	n/a	n/a	n/a	Conceptual
	Explores the assumptions and premises about the constructs of organization and environment which inform the strategic marketing literature. It argues the case for alternative images of organization and environment. And on the basis of this, proposes the concept of environment scanning, embedding environmental scanning in broader political and cultural processes both within and without the organization.				
Ashill & Jobber (2001)	Seeks to define the domain of one marketing information construct, namely Perceived Environmental Uncertainty.	New Zealand	Various	20 senior marketing executives	Qualitative/grounded theory
	Identify three different types of uncertainty conditions. 1) Lack of information regarding environmental factors comprising the decision-makers environment / not being able to predict what is going to happen, 2) Not knowing the impact of changes in the external marketing environment on the organisation and marketing management decision-making, 3) Not knowing how to respond to what is happening in the external marketing environment.				
Kohn (2005)	Seeks to develop an understanding of why the use of business information in NPD proves problematic.	Sweden	European automotive industry	Project team	Qualitative methodology Single case study
	Shows how obstacles may be overcome through the use of business environmental scanning. The use of BES should apply creativity to the interpretation of trend analysis. The case study shows how the process can be more exploratory than confirmatory. It shows how internal processes converted data into decision-making and planning inputs				

Study	Research question/objective	Country/ies	Sector	Sample characteristics	Method of data collection
Saxby et al (2002)	Examines the connection between environmental scanning for market intelligence, organizational culture and generic strategies.	Europe	n/a	n/a	Conceptual
	An enhanced model of the one proposed by Deshpande et al. is presented. By providing a more complete model, it is possible to more accurately represent an organization's interaction with its environment with respect to its generic strategy and scanning approach. Propositions are presented pertaining to the type of scanning approach utilized by organizations in each quadrant. The paper concludes with planning implications for each quadrant.				
Wind (2006)	Highlights possible cross-functional opportunities for marketing to drive growth	n/a	n/a	n/a	Conceptual paper and literature review
	Identifies number of possibilities including creating a market-driven vision and value proposition, using market insights to drive innovation, leveraging technology and marketing to create convergence, and rethinking the customer experience and relationships. To support these shifts in perspective, he identifies several enablers of interdisciplinary approaches, such as models and dashboards, organizational architecture, and integrative processes. Finally, he examines implications for practice, research, and education.				

Study	Research question/objective	Country/ies	Sector	Sample characteristics	Method of data collection
Matthyssens, Vandenbempt & Berghman (2006)	Investigate processes of ‘‘value innovation’’ in order to create/ sustain competitive advantage and to rejuvenate the organization.	Dutch project	Various	Multi-stage data collection 35+ interviews and 11 Focus groups	Mixed method interpretive methodology, focus groups interviews and secondary data
	Reveals different types of value innovation initiatives undertaken by industry participants, and how these are blocked by ‘industry recipes’. Suggests how some firms are trying to break out of existing frames and their experiences pinpoint to specific ways of markets sensing, strategic marketing and different marketing-mix tools. Frames value innovation initiatives in the existing industry contexts and managerial frames, and identify drivers, barriers and perceived success factors for the process of value innovation. The second part of the article then looks at the stages of value innovation and their impact on marketing, organizations and networks and posits propositions which stress the concept of ‘‘multilevel absorptive capacity’’				

4.2 CHANGES IN THE BUSINESS MODEL

A number of respondents felt that the issue of the changing marketing environment is so important that responses above and beyond that of the marketing profession are demanded. It was felt that many of our marketing models and management practices were developed and reflect an industrial age model of value creation. As such, in order to become truly consumer-centric changes are needed at the level of the business model, to which marketers can contribute. The challenge is to understand:

- How organisations do system innovation at the level of the business model.
- How customers and companies interact and relate when the customer is no longer a passive recipient of an organisation's product/services and marketing communications.
- How marketers can contribute to and influence the process of systems innovation.

Harvard Professor Shoshana Zuboff's book, The Support Economy, is based on six years of research. In it she argues that people have changed more than the business organisations upon which they depend. In western societies people are educated, well travelled, IT-enabled, financially empowered and individualistic. Yet, organisations tend to be dominated by a commercial logic, 'managerial capitalism' based on assumptions of society and the economy that are more than one hundred years old. As a result a chasm has developed that separates individuals and organisations. This is marked by mistrust, frustration and adversarial consumption experiences, which present marketers with serious problems as they represent the voice of the consumer within organisations. However, the response to these challenges may be beyond the remit of the marketing department, although they can influence them. Zuboff and Maxmin (2003) argue that what is needed is a change in enterprise logic that reflects our times and supports individuals, or consumers. "Products and services play a role in this new kind of consumption, but they become secondary to the broader and more inclusive purpose that we call deep support" (Zuboff & Maxmin, 2003;12). In the UK, marketing commentator Alan Mitchell (2000; 2002) supports the notion of a need for a change in the business model and the approach which marketers adopt towards consumers. He suggests that in future the most dominant form of marketing will revolve around helping buyers to buy rather than helping sellers to sell.

Recent work by the Advanced Institute of Management Research recognises the dynamism of the contemporary environment and its potential influence on management practice, and the issues raised have been addressed by a number of Fellows. For example, AIM Ghoshal Fellow Michael Jacobides and colleagues (Jacobides, Knudsen, and Augier 2006) report the results of their research noting changes in the economic landscape the authors argue the need for managers to consider new strategic approaches for capturing as much of the value as possible from knowledge and innovation. Rather than looking for protection in intellectual property rights, firms, they propose, should attempt to change the rules of the game and try to influence the architecture of their industry and how players relate to each other by allowing previously protected and protectable intellectual property into the public domain.

In a series of studies, Senior Fellow Chris Voss explores the idea of quality of delivery in services and the customer's experience, from multichannel and virtual delivery systems to consulting practices and theme parks (e.g. Sousa and Voss 2006; Voss and Zomerdijk 2007). The work indicates that the customer experience can be conceptualised as moving away from a single channel mindset, to one that is formed across all moments of contact with the firm through several channels. These are, in effect, multiple touch points at which provider and consumer interact to innovate and build enduring relationships.

The following table summarises key literature that relates to the preceding discussion of themes.

4.2.1 Table: Changes in the business model

Study	Research question/objective	Country/ies	Sector	Sample characteristics	Method of data collection
Olson, Slater, & Hult (2005)	How is the performance of marketing organizations influenced by the fit between their structural characteristics and strategic behavioural emphases, and, analyzer, low-cost defender, alternative business strategies (i.e., prospector and differentiated defender)?	USA	Manufacturing	228 firms	Survey
	Develop a contingency model which is largely supported by results of the study. Demonstrate that each strategy type requires different combinations of marketing organization structures and strategic behaviours for success.				
Bessant, Birkinshaw & Delbridge (2005)	Highlight challenges and approaches to innovation	n/a	n/a	n/a	Literature Review
	Suggest number of ways to encourage innovation, including changing cognitive processes, political structures, and technical capabilities.				

Study	Research question/objective	Country/ies	Sector	Sample characteristics	Method of data collection
Brown (2005)	Summarizes developments in the science of serendipity and urge marketers to pay more attention to the incorrigible incalculability of commercial life.	n/a	n/a	n/a	Literature Review
	Explains how luck is a crucial component of business success and argues, citing examples of Shelby D. Hunt and Ted Levitt, among others, suggests that it is perhaps time to abandon fixation with customer focus and start taking serendipity seriously				
McGuinness & Morgan (2005)	The purpose of this research paper is to define a new construct, organisational change capability, which determines an organisation's effectiveness in implementing marketing strategy	n/a	n/a	n/a	Conceptual
	The paper identifies organisational change capability as a distinctive new construct that integrates stages in leading and managing organisational change. The framework shows how the new construct relates to market orientation and learning orientation in jointly influencing the success of dynamic strategy outcomes.				
Bessant & Francis (2004)	Explores ‘innovators dilemma’- routines needed for steady state innovation may differ from those that can exploit discontinuous market shifts	UK	Medical products	1	Case study
	Explores case problems and argues that firms need to learn to manage innovation but that two complementary learning approaches – adaptive and generative – are needed				

Study	Research question/objective	Country/ies	Sector	Sample characteristics	Method of data collection
Vargo & Lusch (2004)	Explores move towards service provision rather than goods as the dominant logic for marketing.	n/a	n/a	n/a	Conceptual Paper
	Identify implications for marketing of shift to services and exchange of intangible, continuous and dynamic resources. Argue that the emerging service-centred dominant logic of marketing will have a substantial role in marketing thought, and potentially replace the traditional goods centred paradigm.				
Jacobides, Knudsen & Augier (2006)	How do innovators benefit from value creation?	n/a	n/a	n/a	Conceptual paper
	Authors consider how innovators benefit from value appropriation and creation, expanding on Teece's landmark 1986 article. Elaborates on value appropriation, first by pointing out the importance of “industry architectures”, i.e. sector-wide templates that circumscribe the division of labour; and second, by treating complementarity and factor mobility as distinctive components of co-specialization.				
Zuboff & Maxmin (2003)	The Support Economy examines the cause of the crisis in confidence of ‘managerial capitalism’	USA	Various	Interviews senior managers and CEOs. Literature from economics, social psychology and history	Book
	The authors discuss the key to a new era of economic growth, ’the support economy’, The next leap in wealth creation depends upon developing a new ‘distributed capitalism’ that will be brought about by three forces- new markets, new technologies and an enterprise logic based on advocacy, mutual respect and trust.				

Study	Research question/objective	Country/ies	Sector	Sample characteristics	Method of data collection
Mitchell (2000)	In one to one marketing, which 'one' comes first?'	Europe	n/a	CEO and Senior Manager Interviews	Research Article
	Discusses how consumer agents will turn the world of traditional marketing upside down, posing a threat to some brands. Highlights the new opportunities to re-engineer marketing processes and costs; to dramatically cut the cost of going to market. Mitchell argues that the agent revolution could significantly boost the competitiveness of those brands willing to relinquish their monopoly on marketing to share it with their customers. Marketing, as a process of connecting buyers and sellers, has traditionally been a seller's monopoly. Now the information age is throwing up new business models and brands — such as consumer agents — which act for and on behalf of consumers as buyers and which enable consumers to take part in the marketing process.				
Pires, Stanton & Rita (2006)	Investigating how new technologies are shifting market power from suppliers to consumers	n/a	n/a	n/a	Literature based research
	Consumer empowerment is examined historically, using quality gap analysis to capture an ongoing power struggle between consumers and suppliers. This draws out the limitations of current marketing and management strategies. The different forms of marketing challenges in this new environment are discussed. The role of marketing strategies in fostering controlled consumer empowerment is reflected in the development of information-based consumer-centric marketing strategies that seek to enable and control delegation.				
Brengman et al (2005)	Cross-cultural validation of the Smith & Swinyard (2001) internet shopper lifestyle scale	USA and Belgium	Various	2188 individual users	Web Survey
	In both countries, the same six basic dimensions were found to underlie the scale: Internet convenience, perceived self-inefficacy, Internet logistics, Internet distrust, Internet offer, and Internet window-shopping. Except from having the same basic meaning and structure in Belgium as in the United States, the Web-usage related lifestyle scale also led to the same segments in both countries. Four online shopping segments (tentative shoppers, suspicious learners, shopping lovers, and business users) and four online non-shopping segments (fearful browsers, positive technology muddlers, negative technology muddlers, and adventurous browsers) are profiled.				

Study	Research question/objective	Country/ies	Sector	Sample characteristics	Method of data collection
Gupta, Su & Walter (2004)	Examines the relationships between the operating characteristics of the consumer purchase decision process and the channel switching intentions of consumers.	USA	Consumer goods	337 firms (2% response rate)	Survey
	The analysis indicates that the overall channel-switching tendency from offline to online is approximately 52% across four product categories, including books, flight tickets, wine, and stereo systems. Identifies a number of factors impacting on channel-switching, including consumers' differences in channel risk perceptions, price search intentions, evaluation effort, and waiting time between online and offline channels have significant impacts on their tendency of switching from offline to online shopping. Also finds that those attracted to purchase online perceive significantly lower channel risk, search effort, evaluation effort, and waiting (delivery) time online than offline and express significantly higher price search intentions online than offline.				
Sousa & Voss (2006)	Develops a framework for conceptualizing multichannel service quality, distinguishing between virtual, physical, and integration quality.	n/a	Services	n/a	n/a
	Framework for quality of multichannel services that comprise at least one virtual component delivered through a virtual channel. This is an adaptation of the notion of service quality that takes into account the multichannel and virtual world and explicitly links the marketing side of services with the operations side. It consists of virtual (automated delivery), physical (people-delivered) and integration quality. Provides a tool allowing for the integrated analysis and design of service delivery systems for multichannel services.				
Voss & Zomerdijk (2007)	Innovation in experiential services - an empirical view. How do service providers innovate?	UK and USA	Providers of experiential services - design agencies, consultancies and others including theme parks etc.	Approx 100 companies in total, but this report based on a sub-sample of 17	Case based field studies (interviews)
	Innovators perceive service as a 'journey' rather than a transaction at a single point in time, implying a customer experience built over time, starting before and ending after the actual sales experience and consisting of numerous touch points. Importantly, the customer has a central role in innovation and design, and the customer experience is influenced by: physical environment, service provider's employees, service delivery process, fellow customers and back office support.				

4.3 CHANGING CONSUMER MARKETS

Developments in IT have brought with them both opportunities and threats to traditional forms of marketing practice, which also connect to the issues discussed in section 4.2. The ubiquitous nature of the worldwide web has allowed the emergence of the IT-enabled consumer. The Internet opens up business transparency and informs and empowers the consumers in their purchasing decisions. From the marketing perspective, one impact of new technologies has been to permit the customer greater 'voice', the flow of information from individuals to organisations. This increased flow raises a series of management questions relating to:

- Eliciting the growing range of different forms of inward-bound information from customers and potential customers
- Capturing and analysing the resulting data
- Responding to and acting on this data

The confident, consumer who compares the pricing strategies of organisations and the value of their product/service offer, has been termed a 'rate-tart', pejoratively emphasising diminished product/service loyalty and tendencies to 'product-switch'. This practice is prevalent particularly in financial services and as a result there is a need to:

- Understand and develop pricing models for when firms face near perfect market conditions
- Understand what constitutes customer value in order to compete on differentiation as opposed to price
- Understand consumers' motivations for purchasing off and online

A number of authors have highlighted the significant changes that are occurring in consumer markets but few have dealt directly with how to approach these challenges. Pires, et al (2006) have investigated how new technologies are shifting market power from suppliers to consumers. The marketing profession can not afford to ignore the issue of consumer empowerment as it may imply switching suppliers if consumers are not satisfied. In this type of environment the importance and valuation of consumer loyalty rises significantly. Pires, et al (2006) recommend that organizations need to regain control over the marketing process and to manage the technological empowerment of consumers. Alternatively they need to devise new strategies cognizant of the possibility that such technological empowerment cannot be managed.

On a narrower level in terms of e-commerce and e-marketing, Johnson et al (2004) examined consumers' search behaviour across competing e-commerce sites and found that the amount of online search is actually quite limited. On average, households visit only 1.2 book sites, 1.3 CD sites, and 1.8 travel sites during a typical active month in each category. The results suggest that more-active online shoppers tend also to search across more sites. This consumer characteristic largely drives the dynamics of search that can easily be mistaken as increases from experience at the individual level.

The following table summarises key literature that relates to the preceding discussion of themes.

4.3.1 Table: Changing consumer markets

<table>
<tr><th>Study</th><th>Research question/objective</th><th>Country/ies</th><th>Sector</th><th>Sample characteristics</th><th>Method of data collection</th></tr>
<tr><td rowspan="2">Johnson et al (2004)</td><td>Examines search behaviour across competing e-commerce sites</td><td>USA</td><td>Books, CDs, Air travel</td><td>10,000 internet households</td><td>Panel data - examine online shopping behaviour of each household for 12 month period</td></tr>
<tr><td colspan="5">Shows that the amount of online search is actually quite limited. On average, households visit only 1.2 book sites, 1.3 CD sites, and 1.8 travel sites during a typical active month in each category. The results suggest that more-active online shoppers tend also to search across more sites. This consumer characteristic largely drives the dynamics of search that can easily be mistaken as increases from experience at the individual level.</td></tr>
<tr><td rowspan="2">Peterson & Merino (2003)</td><td>What effect is the internet having on consumer information search behaviour</td><td>n/a</td><td>n/a</td><td>n/a</td><td>Literature review and suggestions hypotheses for future research</td></tr>
<tr><td colspan="5">Broad generalizations regarding the impact of the Internet on consumer information search behavior are not warranted and that, if the Propositions possess any truth value; the Internet is not likely to be an information panacea for consumers. Because of the complexities of the Internet and information search behavior (individually and even more so when considered conjunctively), investigations of consumer information search behavior in the context of the Internet should especially focus on moderators of that behavior and Interactions among the various antecedents of the behavior.</td></tr>
</table>

Study	Research question/objective	Country/ies	Sector	Sample characteristics	Method of data collection
Joshi & Sharma (2004)	Identify antecedents of customer knowledge development and impact on new product performance	Canada	Manufacturing firms	165 marketing managers	Survey
	Authors develop a nomological network wherein they identify (1) the organizational actions that enable effective implementation of the customer knowledge development process, (2) the characteristics of new product development projects that moderate the effects of these actions, and (3) the outcomes that are generated by the process.				
Pitt et al (2006)	Explores open source (OS) brand development	n/a	n/a	n/a	Conceptual paper
	Authors introduce marketers to the OS phenomenon, and develop a typology of brand aspects that can be “open” or “closed”: physical, textual, meaning, and experience. The authors elaborate new dimensions for brands and revisit the functions that brands perform and link these to the evolutionary trajectory of branding, arguing that OS represents a final phase in the evolution of corporate brands from closed to open brands.				
Goulding (2003)	Relates ideas of the postmodern consumer to market research	n/a	n/a	n/a	Conceptual Paper
	Evaluates the conflict regarding postmodern research, and in particular scientific claims, and the role of theory. It suggests a greater emphasis on rich and varied forms of data collection and cross-disciplinary integration in order to centre the experience, create meaningful pictures and broaden the debate about consumption				

Study	Research question/objective	Country/ies	Sector	Sample characteristics	Method of data collection
Cova & Cova (2002)	Illustrates the 'tribalisation' of society and potential impact on the conduct of marketing	Paris	Sports equipment	1 case study	Case Study
	Case study of in-line skaters is used to suggest marketers should become involved in identifying, supporting and integrating neo-tribes in today's society. Opportunity depends on a willingness to discard mechanical marketing thinking and adopt a fuzzy logic, which places the link at the heart of the offering strategy. This implies, both in market research and in offering strategies, the tempering of the psychosocial view with an ethno-sociological approach, which is able to take into account the shared experience of consumers in their tribal groupings in order to integrate it into the business model.				
Roberts (2000)	How should marketing adapt to new high technology markets?	n/a	n/a	n/a	Conceptual paper
	Reviews tech and IT changes in marketplace. Investigates 'market calibration' including the development of new stimuli, measures, and models. Suggests ways for firms can focus marketing action on refocused marketing mix, and developing, maintaining, and maximizing their installed customer base.				
Dwyer (2007)	Develop method for measuring customer-generated media esp. message boards, chat rooms blogs and virtual brand communities	Not specified	n/a	10 Yahoo! Product oriented user groups	Archival social network analysis
	Introduces new metric 'adapted PageRank' algorithm for measuring the value a community assigns each word-of-mount instance and the value the community assigns to the members that create them. Metric and research method explained and is used to empirically support a model explaining how highly-valued information builds the social network. Suggests communities are egalitarian in assigning value to informational content, without regard to the status of its source, and highly- valued content explains 10% of social network growth				

Study	Research question/objective	Country/ies	Sector	Sample characteristics	Method of data collection
Molesworth (2006)	To explore the development of brand placement in digital games	UK	Digital Games	30 individuals	Focus groups exploratory research
	Findings seem to support the use of brand placement in games. Players easily recall encounters with brands during game-play and are generally positive about these experiences, suggesting that brands increase realism because it allows individuals to create and explore consumption based daydreams. However, some players reject brand placement. Other problems for managers wishing to use this technique were revealed by the repetitive nature of games which may cause message wear out, and by players' frustration with aspects of a game which may lead to negative evaluations of in-game brands.				
Manchanda et al (2006)	Focuses on whether banner advertising affects purchasing patterns on the internet.	USA	Health/beauty/pharma	2 firms	Behavioural database that consists of customer purchases at a web site along with individual adverting exposure
	The results show that the number of exposures, number of Web sites, and number of pages all have a positive effect on repeat purchase probabilities, whereas the number of unique creative has a negative effect. Returns from targeting are the highest for the number of advertising exposures. The findings also add to the general advertising literature by showing that advertising affects the purchase behaviour of current (versus new) customers.				

4.4 MARKET RESEARCH/CONSUMER INSIGHT

A common theme is the necessity to develop deeper understanding about the changes in the market place and to develop consumer insight. It was felt that there is a need for marketers to develop a better understanding of their customers. This was emphasised in particular with those organisations dealing with the 'youth culture'. Marketing managers are often seen as being out of touch with their target market and are often over reliant on market research agencies. To address this theme, greater understanding is needed of:

- Direct consumer involvement and interaction
- The role of front line staff in service organisations as generators of customer data
- Using ethnographically oriented research methodologies
- The potential role and effectiveness of web-based research methodologies

For those organisations, which have developed consumer insights and generated ideas the issue becomes one of:

- Knowledge management, how to capture, store and use data
- Managing and utilising data from call centres to add value for consumers
- Translating insight into action, e.g., product and service development
- Thinking strategically about market research and consider how it can be used to add value within the business rather than in an ad hoc project-by-project mode

Market research has long been recognised as an important part of the marketers' tool kit. It plays an important part in the development of new product and service brands and in the monitoring of their performance and that of firms marketing communications. However, academics Rayport and Leonard (1997) and Roberts, et al (2005) and marketing practitioners have highlighted the problems of some of the traditional approaches to marketing research that are now common practice and offer little in the way of competitive advantage. One of the most common criticisms particularly in the context of innovation is that if you ask people what they want they will refer to something they are familiar with. Recent research in the field of market research has focused on this problem suggesting that research approaches more akin to research methods used in anthropology (Rayport & Leonard, 1997) and ethnography (Elliot and Jankel-Elliot, 2003) need to be adopted. According to Baker and Mouncey (2002) more contemporary approaches are characterised by techniques in gathering customer data that are in-depth and largely qualitative in nature, which takes into the account the cultural and social changes highlighted in section 4.3.

Baker and Mouncey's (2002) work gives a concise overview of the challenges faced by those involved in market research and provide nine rules to guide thought and action termed 'the market researchers manifesto' for change. Smith and Culkin (2001) also discuss the need to provide further training for the analyst as they learn to operate with multi-source imperfect data. Market researchers need to be able to use the optimal mix of techniques but more importantly generate actionable insights.

What appears to be missing from the literature is how insights can be translated into action.

A relatively new development in the field of market research, which has provoked debate, has been the application of technologies developed in the neurosciences to investigate brain activity in the context of buyer behaviour, purchase decision-making and responses to marketing stimuli.

Neuromarketing is an application of neuroscience to the practice of marketing, and is part of a family of techniques that attempts to gauge individuals' emotional responses to phenomena through the investigation and measurement of physical reactions (for example: Galvanic Skin Response measurement - measuring changes in the electrical resistance of the skin in response to different stimuli and pupilometry -measurement of pupil dilation). In the case of neuromarketing, the physical reaction of interest is brain activity made accessible by functional Magnetic Resonance Imaging (fMRI), Quantitative Electroencephalography (QEEG) and Magnetoencephalography (MEG) (Lewis and Brigder, 2005).

It has been known for some time that the brain reacts in different ways to different stimuli, for example that magazine advertising generates disproportionately more brain-wave activity in the left hemisphere than in the right (Weinstein, Appel and Weinstein, 1980). However, it is only relatively recently that applications of neuromarketing have begun to be reported in the academic literature.

In the limited literature, two studies are frequently mentioned. The first, in which the famous Pepsi-Cola/Coca-Cola blind taste test challenge is repeated, concerns the use of fMRI to investigate the impact of brand perception on consumer taste preferences (McClure, Li, Tomlin, Cypert, Montague and Montague, 2004). Volunteers' brains were scanned under two conditions (1) anonymous delivery of Pepsi-Cola and Coca-Cola, and (2) brand-cued delivery of Pepsi-Cola and Coca-Cola. When ignorant of brand, subjects expressed a preference for Pepsi-Cola, and measured activity took place in a region of the brain associated with reward. When aware of the brand (preference for Coca-Cola expressed), brain activity shifted to the *lateral prefrontal cortex* and the *hippocampus*, areas associated with high-level cognitive powers and memory. These differences have been interpreted as indicating that subjects, when drinking Coca-Cola, relate the beverage more to memories, brand image and other impressions than to its taste. The research concluded that a preference for Coca-Cola is more influenced by the brand image than by the taste itself.

In the second study, 26 adults were subjected to rapid-fire shopping decisions. At each stage of the process (product presentation, price information and purchase decision), researchers monitored brain activity using fMRI, and found that three distinct regions of the brain's cortex were active during the different stages of the shopping process. The researchers found that when the participants were presented with the products, a subcortal brain region known as the *nucleus accumbens* that is associated with the anticipation of pleasure was activated. When the subjects were presented with prices that were excessive, two things happened: the brain region known as the *insula* was activated and a part of the brain associated with balancing gains versus losses, the *medial prefrontal cortex,* was deactivated.

Furthermore, by studying which regions were activated, the authors were able to successfully predict whether the study participants would decide to purchase each item. The researchers conclude that their findings "suggest that decisions to purchase may involve distinct dimensions related to anticipated gain and loss rather than a single dimension related to anticipated gain" (Knutson et al 2007; 153).

Through the use of these techniques it has become possible to measure, thoughts, feelings and emotions during decision making processes – at least in an indirect way - and this leads to a better understanding of what motivates people in the actions (Walter, Abler, Ciaramidaro and Erk, 2005), and this addresses some of the limitations of conventional marketing research (social conformity, personal bias etc). By bringing more powerfully into play evidence of emotions and feelings in the purchase decision, findings such as those illustrated above begin to challenge some of the conventional assumptions that underpin current understanding of consumer behaviour, particularly notions of economic rationality and utility maximisation. Indeed, if it can be shown that links exist between specific parts of the brain and the drivers to purchase, then marketers can turn their attention to developing appropriate stimuli to triggering the desired response (Fugate, 2007).

However, the technology does not "read the mind of the consumer", and results must be treated with caution. At best, they tell of a possible association between certain marketing and economic stimuli and patterns of brain activity; anything beyond that is largely speculation. Nevertheless, the approach is generating a lot of interest and it is thought that, in conjunction with qualitative triangulation, it can provide interesting new insights to the choices consumers make. By way of illustration, fMRI facilities are being built in the USA with specific marketing rather than medical diagnostic purposes in mind.

Along with the observation that brain imaging technology tells us only about the structure, function and activity of the brain, and so its value and relevance to marketing research and practice is questionable (Medina, 2004), other critical and ethical concerns have been voiced. Claims that the application of this concept by marketers is potentially unethical, immoral and dangerous have been driven by fear of its potential for manipulation and persuasion (Grimes, 2006; 452), that the technology should not be used to allow scientists to discover unconscious triggers that entice people to buy a product – the so called "buy buttons in the brain" (Renvoise and Morin, 2007). Another criticism is that, it is simply wrong to use medical technology for marketing purposes as just another method of manipulating the buyer into buying and not for healing (Walter, Abler et al, 2005; Ziegenfuss, 2005).

- To what extent is modern marketing predicated on behaviourist assumptions of 'stimulus-response'? If these assumptions are no longer valid and we excise them from marketing theories and practices, what is left? What are the real implications of 'new' psychology for marketing?[3]

- How can marketing use insights derived from the application of the neurosciences to advance the practice of marketing?

[3] The authors are grateful to Alan Mitchell for pointing this out

- What have customers to fear from neuromarketing?

The following table summarises key literature that relates to the preceding discussion of themes.

4.4.1 Table: Market research/consumer insight

Study	Research question/objective	Country/ies	Sector	Sample characteristics	Method of data collection
Pancras & Sudhir (2007)	To evaluate optimal customer, product, and pricing strategy for a Customer Data Intermediary	USA	Foodstuffs	143 Households over 100 weeks	Reported purchasing data
	New model for deriving strategy from purchase data. Illustrates the framework for one type of CDI—a 1:1 coupon service firm that caters to grocery manufacturers—using household purchase history data from the ketchup market. The authors find that selling on a nonexclusive basis using the maximum available purchase history data is the most profitable strategy for the CDI in the particular market. They also evaluate the potential impact of retailers entering the 1:1 coupon service business. Because 1:1 marketing can increase the retailer's profits from goods sold, it is optimal for the retailer to undercut the prices of a pure-play CDI that offers 1:1 coupon services.				
Morgan et al (2005)	To understand how firms deal with customer satisfaction ratings	Mostly USA	Various Industries	142 managers, 37 firms	qualitative interviews and focus groups
	Identify key characteristics of the major processes involved in firms' Customer Satisfaction Information Usage (CSIU) and compare the CSIU practices revealed in their fieldwork with widely held normative theory prescriptions. They also identify variations in CSIU among the firms in the fieldwork and uncover factors that may help explain the observed differences				
Stengel, Dixon & Allen (2003)	How can progressive market research tools be used to improve employment practices?	USA	Consumer Products	1 firm	Case study of Procter and Gamble
	Various recommendations related to in depth understanding of marketing employment practices, career progression and morale				

Study	Research question/objective	Country/ies	Sector	Sample characteristics	Method of data collection
Leonard & Rayport (1997)	How to tap into consumer needs that they do may not necessarily recognise or make explicit.	n/a	n/a	n/a	Marketing research method review
	Advocates empathic design and outlines process for marketing practitioners, focusing on consumer observation and observation in ‘cyberspace’.				
Dahlsten (2004)	Highlight process of customer involvement in product development of the XC90 project at Volvo	USA	Car manufacturing	1 product development	Qualitative case study
	Outline process of tacit design by customer presence. Suggest that the pragmatic and experimental approach to customer involvement used in the project complements conventional market research activities and is as associated with organisation innovation as it is with project innovation.				
Nancarrow, Barker & Wright (2001)	Addresses the need in qualitative market research to consider how best to sample and recruit the right mindsets (respondents) and, if appropriate, prime these for subsequent interviews to maximise insight	n/a	n/a	n/a	Review
	Discusses models that might direct recruitment and some of the myths of good recruitment practice and argues for a more eclectic use of different approaches depending on the nature of the research problem. Provides examples of how pre-tasking can benefit the qualitative research interview and argues the case for post-tasking to maximise insight as well as provide a greater degree of confidence in the findings and as a source of professional development.				

Study	Research question/objective	Country/ies	Sector	Sample characteristics	Method of data collection
Smith & Culkin (2001)	Are the information needs of those engaged in marketing management are being delivered satisfactorily by information providers.	n/a	n/a	n/a	Conceptual paper
	Today there is talk of the analyst coping with multi-source imperfect data, being able to piece together different weights and hues of evidence. While we acknowledge evidence exists of good practice, we believe that more needs to be done to provide practical training on how to operate in this mode, if we are to keep on top of twenty-first century marketing information. Argues that there are seven issues that need addressing in order to ensure that the information needs of management are being satisfied by the market researcher.				
Baker & Mouncey (2003)	Theorising future of market research	n/a	n/a	n/a	Conceptual paper
	Paper advances the debate concerning the future of market research by presenting nine new rules to guide thought and action in a period of transition. These become the market researcher's manifesto for change. First, they describe the new marketplace emerging as we shift from a production-driven to a consumption-led economy. In response, marketers have shifted their focus of activity from completing transactions to building relationships. This context then provides the background for discussion about the role of the market researcher.				

Study	Research question/objective	Country/ies	Sector	Sample characteristics	Method of data collection
Elliott & Jankel-Elliott (2003)	Identifies advantages in using ethnographic approaches in market research	UK	Household Services and mobile phones	2 cases	Case study
	Concludes “ethnography reaches the parts other research approaches cannot reach. It can access what people really do rather than what they say (or even think) they do. It can provide “thick descriptions” of the ecology of brands and how they fit into the complexity of people’s lives. It helps us to understand the symbolism and meanings of consumption behaviour and explores how this brand-related behaviour integrates with wider social and cultural experience in the life-world of the consumer.” (p223)				
Ambler et al (2002)	Reports experiments using a recent non-invasive brain imaging technology, magnetoencephalography (MEG) into how brain activation differs according to brand familiarity.	UK	Brand decision making in a virtual supermarket	18 individuals each making 90 choices relating to 3 brands	Subjects undertook a virtual supermarket shopping experience in which, across 18 categories, they chose one brand or product from three alternatives. Brain activations were observed from the moment the brand choice was presented through to the time when the decision was communicated by key press
	Marketers are fundamentally interested in how consumers make buying decisions and now researchers “can virtually look into their minds when they are doing so”. Experimental study that discovered decision processes took approximately 1 second and can be seen as two halves. The first period seems to involve problem recognition and here male brain patterns differed from female. The second half concerned the choice itself. No male/female differences were observed but a different pattern was evoked where one brand was familiar and the other two were not.				

Study	Research question/objective	Country/ies	Sector	Sample characteristics	Method of data collection
McClure et al (2004)	How do cultural messages combine with content to shape our perceptions; even to the point of modifying behavioural preferences for a primary reward like a sugared drink?	USA	Soft drink preferences	67 subjects (38 male, 29 female)	fMRI brain imaging
	Volunteers' brains were scanned under two conditions (1) anonymous delivery of Pepsi-Cola and Coca-Cola, and (2) brand-cued delivery of Pepsi-Cola and Coca-Cola. When ignorant of brand, subjects expressed a preference for Pepsi-Cola, and measured activity took place in a region of the brain associated with reward. When aware of the brand (preference for Coca-Cola expressed), brain activity shifted to the *lateral prefrontal cortex* and the *hippocampus*, areas associated with high-level cognitive powers and memory. These differences have been interpreted as indicating that subjects, when drinking Coca-Cola, relate the beverage more to memories, brand image and other impressions than to its taste. The research concluded that a preference for Coca-Cola is more influenced by the brand image than by the taste itself.				
Weinstein et al (1980)	Test 3 hypotheses relating to impact of different media on brain activity	USA	Print ads and television commercials relating to consumer products	30 women, watchers of 20+hours of television per week, and attached to EEG	
	Sought to explore the idea that hemispheric responses differ according to the media through which advertising is delivered. Found that magazine advertising generates disproportionately more brain-wave activity in the left hemisphere than in the right.				

Study	Research question/objective	Country/ies	Sector	Sample characteristics	Method of data collection
Fugate (2007)	Review of origins, process, application and ethical debate surrounding development of neuromarketing	n/a	n/a	n/a	Review paper
	Neuromarketing attracts several criticisms: the links between brain activity and behaviour are unclear and, in any case, people behave differently under experimental conditions and so results are unreliable; interpreting brain scans in response to marketing efforts is akin to reading tea leaves; that the commercial application is a corruption of the purpose of the technology developed for medical purposes; that the technology is imprecise. Nevertheless, it offers interesting opportunities to generate new insights on buyer behaviour.				
Knutson et al (2007)	Microeconomic theory maintains that purchases are driven by a combination of consumer preference and price. Using event related fMRI, this study investigated how people weigh these factors to make purchasing decisions.	n/a	n/a	The research involved 26 volunteers being shown product images and messages on a computer screen while they were in an MRI machine. They were given $20 to spend on products.	
	Results support the theory that the brain frames preference as a potential benefit and price as a potential cost, and lend credence to the notion that consumer purchasing reflects an anticipatory combination of preference and price considerations. The researchers considered that this study challenged the conventional economic account of consumer purchases, which views consumers as deciding between the immediate pleasure of making a purchase and the delayed pleasures of other things for which the money could be used. They suggest an alternative perspective that views consumers as trading off the immediate pleasure of making a purchase against an immediate pain: the pain of paying money for the item.				

4.5 MARKETING COMMUNICATIONS AND E-MARKETING

The digital environment is also opening up the opportunity for new forms of marketing communications. The interviewees all saw this as a major challenge and opportunity. In particular there is a need:

- To understand the implications of both positive and negative web-blogs on branding
- To develop metrics for measuring the effectiveness of e-blasts, or e-casts as a promotional tactical marketing tool
- To recognise the importance of and encourage 'active' consumer participation in the communications process. An example of this would be how to organise and utilise 'user-generated' content, in marketing communications, e.g., the Lucozade Challenge[4].
- To understand the potential of using online and social networking environments such as 'Second Life[5]' for marketing communications
- To explore opportunities for and the effectiveness of new forms of promotional/sponsorship techniques e.g., T. Mobile co-creation of the TV programme 'Transmission'
- For better understanding alternative routes to market offered by new technologies and their management

Recently, Dwyer (2007) has attempted to develop a method for measuring customer-generated media esp. message boards, chat rooms blogs and virtual brand communities. A measure for the value a community assigns each word-of-mouth instance and the value the community assigns to the members that create them is outlined. This work suggests that communities are egalitarian in assigning value to informational content, without regard to the status of its source, and highly-valued content, which explains 10% of social network growth.

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[4] 15.02.07. The GlaxoSmithKline group launched an integrated campaign to promote its Lucozade Energy drink. At the centre of the campaign was the use of the web and the 'user-generated' content. The campaign was titled 'get your edge back', and involved consumers sending in videos of themselves (user-generated content) having lost their edge. There was a supporting campaign site, which showed the entrants how Lucozade could help them recover their energy, or edge. Entrants had the opportunity of winning £10,000 by taking part in the campaign.

[5] Second Life is a social networking site. It is the first public 3-D world. It currently has a population of 5.6 million. Gender split 52% male, 48% female. Median age of population 32. 10,000 new members sign up per day. Recently, ING-Direct have experimented in the use of Second Life in which members who sign-up create alter egos or aviators and inhabit Second Life, a virtual world. A whole new economy is emerging on Second Life with the use of its own currency Linden Dollars, which may be exchanged for US dollars. ING Direct was the first bank to enter Second Life with the creation of *OurVirtualHolland.nl.* ING seeks to gain a better understanding of improvements it can make to its products and services by utilising the feedback from the inhabitants of Second Life. ING is leveraging its presence on Second Life for marketing purposes and has received an inordinate of free publicity and press attention for its efforts.

The study around new forms of marketing communications is still highly fragmented and requires further focused research around the issues identified during the interviews.

The following table summarises key literature that relates to the preceding discussion of themes.

4.5.1 Table: Marketing communications and e-marketing

Study	Research question/objective	Country/ies	Sector	Sample characteristics	Method of data collection
Chatterjee, Hoffman & Novak (2003)	What is the consumer response to banner ad exposures at a sponsored content web site	n/a	n/a	3611 registered frequent users of 1 high-traffic website	“Clickstream” data on consumers
	Finds that the effect of repeated exposures to banner ads is negative and nonlinear, and the differential effect of each successive ad exposure is initially negative, though nonlinear, and levels off at higher levels of passive ad exposures. Also finds correlations between session and consumer click proneness and banner exposure sensitivity suggest gains from repeated banner exposures when consumers are less click prone. For a particular number of sessions, more clicks are generated from consumers who revisit over a longer period of time, than for those with the same number of sessions in a relatively shorter timeframe. Also finds that consumers are equally likely to click on banner ads placed early or late in navigation path and those exposures have a positive cumulative effect in inducing click-through in future sessions.				
Pitta & Fowler (2005)	To explore emerging areas in internet practice that has implication for consumer marketers	n/a	n/a	n/a	Conceptual paper and literature review
	Provides information and action approaches to consumer marketers that may increase the success providing want-satisfying market offerings. Outlines the market research benefits of monitoring and participating in internet community forums and offers practical suggestions for maximizing their value in the marketing and marketing research. It also provides a series of tactics that consumer marketers may use to maximize the value of internet community forum for their firms				

4.6 PRODUCT AND SERVICE INNOVATION

At the organisational level, there is still a need to focus on new product and service development from a marketing perspective. In particular, in highly competitive markets, where many consumers are suffering from 'choice fatigue', the issues of:

- Developing consumer-relevant innovation in saturated markets
- Integrating the 'voice of the consumer' into the product and service innovation process
- Co-creating value with customers in the innovation process

are critical.

In FMCG markets, brands do not operate in isolation they are part of a product category. Therefore, it is necessary to:

- Understand how to develop product innovation that contributes to growth both in terms of category e.g. confectionery and brand, e.g., Kit-Kat
- Understand how to develop an innovation pipeline (long-term perspective) as opposed to how to develop a successful product (short-term project)
- Develop new products and services that add value to the brand as opposed to diluting the brand image
- Devise effective marketing launch strategies for new product and services

Much of the academic literature focuses on the success factors for new product development and there are a number of useful review studies (Ernst, 2002; Brown and Eisenhardt, 1995; Craig and Hart, 1992). These studies have also demonstrated that successful new product innovation is characterised by an in-depth understanding of users' needs, which is related to the literature in section 4.5.

There is a vast literature on new product development for tangible goods as many of the academic models were developed in and reflect practices in the manufacturing sector. In comparison, it may be argued that the growing service sector has still much to learn from the product innovation literature. However, due to the idiosyncratic nature of services and the importance of the service economy more research needs to be focused in this area, for instance what are the differences and similarities. Alam (2002) has highlighted this need and has conducted an exploratory investigation of user involvement in new service development.

Recently, academic work has started to emerge around the idea of the co-creation of value and how this concept can be applied to the innovation process. In business-to business markets, suppliers and customer work together to co-create new knowledge, products and markets (Millier, 1999). Emden et al (2006) regard collaborative NPD co-development as being the next generation of NPD practices. Subsequently, the perceived benefits of co-development and its potential application in consumer markets are now starting to be recognised (Thomke and von-Hippel, 2002; Roberts, et al, 2005; Dahlsten, 2004). However, more empirical work is required in this domain.

The following table summarises key literature that relates to the preceding discussion of themes.

4.6.1 Table: Product and service innovation

Study	Research question/objective	Country/ies	Sector	Sample characteristics	Method of data collection
Matthing, Sanden & Evardsson (2004)	Examines the extent of innovativeness through consumers involvement in the product innovation process	Sweden	Mobile Phones	86 individuals, mostly students	Field experiment and interviews
	Consumers' service ideas are found to be more innovative, in terms of originality and user value, than those of professional service developers.				
Sethi, Smith & Park (2001)	Examine how innovativeness is affected by various characteristics of cross-functional product development teams	USA	Consumer goods manufacturing	141 product team managers	Survey
	Find innovativeness positively related to the strength of superordinate identity in the team, encouragement to take risk, customers' influence, and active monitoring of the project by senior management. Beyond a moderate level, social cohesion among team members has a negative effect on innovativeness. The effect of superordinate identity on innovativeness is strengthened by encouragement to take risk and weakened by social cohesion. Functional diversity has no effect on innovativeness. The authors discuss managerial and research implications of the findings.				
Dahan & Hauser (2002)	Review six web based methods of customer input to product development.	n/a	n/a	n/a	Consumer tests of programs
	Demonstrate reliability for web-based conjoint analysis, polyhedral methods, virtual concept testing and stock-market-like-trading; external validity for web-based conjoint analysis and polyhedral methods; and consistency for web based conjoint analysis verses user design. Reports on these tests, commercial applications and other evaluations.				

<table>
<tr><th>Study</th><th>Research question/objective</th><th>Country/ies</th><th>Sector</th><th>Sample characteristics</th><th>Method of data collection</th></tr>
<tr><td rowspan="2">Bendapudi & Leone (2003)</td><td>Examine the effects of participation in product development on customer satisfaction.</td><td>USA</td><td>n/a</td><td>259 university students</td><td>Experiment</td></tr>
<tr><td colspan="5">Draws on social psychological literature and shows that consistent with the self-serving bias, given an identical outcome, customer satisfaction with a firm differs depending on whether a customer participates in production. Also shows that providing customers a choice in whether to participate mitigates the self-serving bias when the outcome is worse than expected.</td></tr>
<tr><td rowspan="2">Prahalad & Ramaswamy (2003)</td><td>Explores co-construction of ‘experience environments’</td><td>n/a</td><td>n/a</td><td>n/a</td><td>Conceptual</td></tr>
<tr><td colspan="5">Concludes that the “emerging drivers of value creation – convergence of technologies and industries, and convergence of consumer and company roles – are transforming the meaning and process of innovation” (p18). Also that “co-creation of value through personalized experiences is the emerging opportunity space” (p18)</td></tr>
<tr><td rowspan="2">Alam (2006)</td><td>Explore relationship between customer interaction in new service development, performance of new services and the importance of the fuzzy front end stages of new services development.</td><td>USA</td><td>Financial services</td><td>26 firms</td><td>Qualitative field research</td></tr>
<tr><td colspan="5">Findings suggest that the fuzzy front-end can be much less fuzzy if customers are involved in the front-end stages of new service development.</td></tr>
<tr><td rowspan="2">Alam (2002)</td><td>Identify elements of user involvement in new service development</td><td>Australia</td><td>Various services</td><td>12</td><td>Qualitative case study</td></tr>
<tr><td colspan="5">Identifies four key elements of user involvement, including objectives, stages, intensity, and modes of involvement. Author develops an inventory of activities that needs to be carried out in involving users in a new service development project.</td></tr>
</table>

Study	Research question/objective	Country/ies	Sector	Sample characteristics	Method of data collection
Roberts, Walker & Baker (2005)	Examines consumer engagement in the innovation process	UK	FMCG	6 consumers, 6 marketing managers	Collaborative workshop
	Advocates view of partnership between producers and consumers. Explores consumers' perceptions of the innovation process and advocates the need for new methods of market learning. Authors reflect on the implications of this co-development approach for the innovation process, marketers and the role of service agencies.				
Kristensson, Gustafsson & Archer (2004)	Investigates innovativeness of ideas from professional product developers versus consumers	Sweden	Mobile phones	47 individuals - R&D professionals and university students	Quasi experiment
	Results indicated that ordinary users create significantly more original and valuable ideas than professional developers and advanced users. Professional developers and advanced users created more easily realizable ideas, and ordinary users created the most valuable ideas. The results were discussed from the viewpoint of divergent thinking. It was suggested that divergent thinking was facilitated through the opportunity to combine different information elements that appeared separate at the outset, such as personal needs coupled with the functionality of mobile phone services.				

4.7 BRAND MANAGEMENT

The role of the brand manager in large organisation is becoming more demanding and sophisticated. They are now required to have a more holistic view of the business and market and act as 'general managers' of the brand. This requires relatively junior people:

- To understand and be able to communicate in accountancy and financial terms
- To understand the Profit & Loss account
- To utilise payback techniques, e.g., NPV
- To provide marginal contributions of any promotional activities
- To communicate the value of the brand both internally and externally

However, although the role of the brand manager is becoming more demanding in market-oriented firms, reportedly there is often a poor understanding of basic brand-related concepts in non-market-oriented firms. There is a need in some organisations:

- To understand what a brand actually is. What are the symbolic, emotional and functional values, which make up a brand?
- For training on branding issues such as brand positioning and brand values
- For the use of brand frameworks to provide rigour in brand building

The topic of branding is broad and there are a number of academic journals, e.g., the Journal of Brand Management dedicated to this topic. For the purposes of this report Kellar and Lehman (2006) provide a succinct synopsis of the current state of branding knowledge. They highlight what has been learned from an academic perspective with respect to issues of brand positioning, brand integration, brand-equity measurement, brand growth, and brand management. A number of research gaps are identified that exist in the research of branding and brand equity, which also relates to the following theme of marketing metrics.

Although shown in Table 1 under changing consumer markets the work of Pitt et al (2006) is also relevant here. The authors introduce marketers to the open source (OS) phenomenon, and develop a typology of brand aspects that can be "open" or "closed": physical, textual, meaning, and experience. They elaborate new dimensions for brands and revisit the functions that brands perform and link these to the evolutionary trajectory of branding, arguing that OS represents a final phase in the evolution of corporate brands from closed to open brands.

The following table summarises key literature that relates to the preceding discussion of themes.

4.7.1 Table: Brand management

Study	Research question/objective	Country/ies	Sector	Sample characteristics	Method of data collection
Keller & Lehmann (2006)	Review current state of branding knowledge	n/a	n/a	n/a	Literature review
	Identifies influential work in branding. Highlights what has been learned from an academic perspective brand positioning, brand integration, brand-equity measurement, brand growth, and brand management. Outlines some gaps that exist in the research of branding and brand equity and formulates a series of related research questions. Discusses choice modelling implications of the branding concept and challenges of incorporating main and interaction effects of branding as well as the impact of competition.				
John et al (2005)	Posits new brand-association methodology	USA	Health care	204 individuals over two studies	Survey and quasi experiment
	Provides evidence on the reliability and validity of “Brand Concept Maps” methodology for eliciting brand association networks (maps) from consumers and aggregating individual maps into a consensus map of the brand. Provides in depth discussion of the techniques methods and applications in relation to brand mapping.				
Doyle (2001)	Relationship between branding and shareholder	n/a	n/a	n/a	Conceptual paper in dedicated brand management journal.
	Paper looks at how brands contribute to the firms strategy and how brand planning needs to be geared to market economics and managements central objective of creating shareholder value				
McAlexander, Schoton & Koenig (2002)	Exploratory research on brand community from a customer experiential perspective	USA	Automotive	2 firms	Longitudinal ethnographic study
	First, paper expands the definition of a brand community to entities and relationships neglected by previous research. Second, it treats vital characteristics of brand communities, such as geo-temporal concentrations and the richness of social context, as dynamic rather than static phenomena. Third, it demonstrates that marketers can strengthen brand communities by facilitating shared customer experiences in ways that alter those dynamic characteristics. Fourth, it yields a new and richer conceptualization of customer loyalty as integration in a brand community.				

Study	Research question/objective	Country/ies	Sector	Sample characteristics	Method of data collection
Rao, Agarwal & Dahlhoff (2004)	How is manifest branding strategy related to the intangible value of a corporation?	USA	Companies listed on Standard & Poor's top 500 companies	113 firms	Correlation of various branding strategy indicators and financial indicators
	Find that corporate branding strategy is associated with higher values of Tobin's q, and mixed branding strategy is associated with lower values of Tobin's q (measure of value of intangible assets), after controlling for the effects of several important and relevant factors. The relationships of the control variables are consistent with prior expectations. In addition, most of the firms would have been able to improve their Tobin's q had they adopted a branding strategy different from the one their brand portfolios revealed. The authors also discuss implications and future research directions				
Pauwels et al (2004)	What is the short- and long-term impact of incentives and product introductions on financial metrics, including top-line, bottom-line, and stock market performance?	USA	Automobile	3 firms	Multivariate analysis of existing data sources on financial performance and marketing activity
	First, new product introductions increase long-term financial performance and firm value, but promotions do not. Second, investor reaction to new product introduction grows over time, indicating that useful information unfolds in the first two months after product launch. Third, product entry in a new market yields the highest top-line, bottom-line, and stock market benefits. Managers may use these results to justify new product efforts and to weigh short- and long term consequences of promotional incentives.				
Rust et al (2004)	Identify state of marketing metrics knowledge and posit framework for assessing marketing productivity.	n/a	n/a	n/a	Conceptual paper and literature review
	The authors conclude that it is possible to show how marketing expenditures add to shareholder value. Suggests effective dissemination of new methods of assessing marketing productivity to the business community will go toward raising marketing's vitality in the firm and toward raising the performance of the firm itself. The authors also suggest many areas in which further research is essential to making methods of evaluating marketing productivity increasingly valid, reliable, and practical.				

Study	Research question/objective	Country/ies	Sector	Sample characteristics	Method of data collection
Na, Marshall & Keller (1999)	Developing a model for optimizing brand equity	South Korea	Toilet tissue and men's suits	810 respondents – representative sample of 'heavy users'	Survey
	Constructed and validated a macro-model of brand equity, treating brand as an information chunk and constructing the model within an information processing framework.				

4.8 MARKETING METRICS

There is a need to demonstrate marketing's contribution to the profitability of the company over the long and short-term. Conventional accounting procedures have traditionally treated marketing expenditures, e.g., brand building and advertising as costs rather than investments in intangible assets. In order to measure and communicate the value created by the marketing function there is a need to:

- Show how overall marketing activity contributes to shareholder value
- Relate marketing activity to long-term effects, e.g., service quality adding value overtime
- Demonstrate how promotional expenditure in the short-term contributes to profitability
- Overcome the problem of conflicting marketing and organisational performance methods there is a need to integrate measures for business performance
- Understand links between the rise of new forms of media and the decline in promotional budgets
- Measure and value the output of the new methods of marketing communications

Referring to the earlier challenge of the need for a change in the business model there was also a feeling that marketing metrics should not just be organisation based measures. Marketing success should also be measured by some consumer-centric measures. The issue is:

- Aligning marketing metrics to customer satisfaction, e.g., the time the customer stands in a queue is a cost to the customer and a major cause of dissatisfaction;
- Consumers' information requirements. What marketing communications do consumers want to receive as opposed to how much does the organisation want to spend on communications?

Measuring the value of marketing performance is a topical and well represented area of marketing research. In a special edition of the Journal of Management Lehmann (2004) provides a literature review of the field and links marketing to financial performance and firm value. In general research is focused around the potential contribution of marketing to shareholder value. Rust, et al (2004) contends that it is possible for marketers to show how marketing expenditures can add to shareholder value. They suggest that the effective dissemination of new methods of assessing marketing productivity to the business community will go toward raising marketing's vitality in the firm and toward raising the performance of the firm itself. The authors also suggest many areas in which further research is essential to making methods of evaluating marketing productivity increasingly valid, reliable, and practical.

The following table summarises key literature that relates to the preceding discussion of themes.

4.8.1 Table: Marketing metrics

Study	Research question/objective	Country/ies	Sector	Sample characteristics	Method of data collection
Anderson, Fonell & Mazvancheryl (2004)	How does customer satisfaction affect future customer behaviour and in turn the level, timing, and risk of future cash flows?	USA	Various	200 firms	Secondary data sets
	Find a positive association between customer satisfaction and shareholder value. They also find significant variation in the association across industries and firms.				
Narayanan, Desiraju & Chintagunta (2005)	To identify the revenue impact of marketing variables and their interactions	USA	Pharmaceutical	3 competing products	Secondary financial and sales and marketing information
	Pharmaceutical direct-to-consumer advertising and detailing (sales force) affect demand synergistically, detailing raises price elasticity, and detailing has a higher return on investment than does direct-to consumer advertising. The authors also discuss other implications and provide future research directions.				
Lehmann (2004)	Introduces Journal of Management special section linking marketing to financial performance and firm value	n/a	n/a	n/a	Literature review
	Overall, it seems reasonable to declare victory in this attempt to assess marketing productivity rigorously				

Study	Research question/objective	Country/ies	Sector	Sample characteristics	Method of data collection
Lee & Grewal (2004)	Investigate relationship between strategic responses to new technologies, organisational resources and firm performance.	USA	various	106 firms over 9 years	Company financial data and reports
	The results show that both the adoption of the Internet as a communications channel and e-alliance formation positively influences firm performance. The positive effect of communications channel adoption on firm performance is enhanced further by the use of slack resources. Post hoc analysis reveals that the adoption of the Internet as a sales channel seems to matter only to firms that have pre-existing catalogue operations.				

4.9 DEVELOPING A MARKETING ORIENTATION

In technology-driven or innovation-oriented firms, regardless of firm size, there is still a need to be market-oriented. As the competitive environment becomes more intense and product life cycles shorten, this is even more of an imperative. The key issues are:

- How to develop a market orientation and how to implement the marketing concept
- How to develop a market oriented culture
- How to instil the need to move from a production, or product oriented culture
- To be able to demonstrate the benefits of being a market oriented organisation and to identify and to remove barriers to change in working practices

In SME organisations the owner/manager is often also the marketing manager. They are often very intuitive, close to their market and have developed relationships with key accounts. They often do not practice marketing in the same way as large organisations, or as it is taught in Business Schools. There is therefore a need to:

- Understand and develop more entrepreneurial approaches to marketing depending on the context

Kohli and Jaworski (1990) first articulated and provided empirical evidence for a theory of market orientation, which they describe as the implementation of the marketing concept. They refer to a market orientation as ‘the organisation wide generation, dissemination and responsiveness to market intelligence’. This was closely followed by Narver and Slater (1990) with a complementary model of market orientation. They found that a market orientation is associated with superior performance in one or more areas of profitability, new product success and sales growth. These were the first in an abundant stream of research to study the antecedents and effects of an organisation increasing, or developing its market orientation. A number of authors Han, et al (1998) and Lukas and Ferrell (2000) have gone on to examine the relationship between market orientation and new product development and have found a positive association.

However, what appears to be lacking in the literature is the ‘how’ can firms develop a market orientation. Gebhardt, et al (2006) has attempted to address this issue and suggest that creating a market orientation requires dramatic changes to an organization’s culture and the creation of organizationally shared market understandings. They identified the role of intra-organizational power and organizational learning in creating and sustaining a market orientation and developed a theoretical model to explain how firms create a market orientation. Further research appears to be needed in this area to guide practitioners.

The following table summarises key literature that relates to the preceding discussion of themes.

4.9.1 Table: Developing a marketing orientation

Study	Research question/objectives	Country/ies	Sector	Sample characteristics	Method of data collection
Gebhardt, Carpenter & Sherry (2006)	How do organizations change to become more market oriented?	USA	Various	6 firms	Multiple qualitative data sources, historical documentation
	Find that creating a market orientation requires dramatic changes to an organization's culture and the creation of organizationally shared market understandings. Identifies the role of intra-organizational power and organizational learning in creating and sustaining a market orientation. Develops a theoretical model to explain how firms create a market orientation. The model identifies four path-dependent stages of change				
Mavondo, Chimhanzi & Stewart (2005)	The paper investigates the relationships among learning orientation, market orientation, human resource practices and innovation and their association with organisational performance.	Australia	High Tech, Professional Services and Hospitality	220 businesses (CEO as respondent)	Survey
	Human resource practices are a major mechanism for transmitting the benefits of learning orientation and marketing orientation. In some models this is even more important than innovation. The results also suggest that learning orientation should be viewed as exploration while marketing orientation is the interface between exploration and exploitation and, finally, human resource practices and innovation must be viewed as exploitation or implementation issues.				

Study	Research question/objectives	Country/ies	Sector	Sample characteristics	Method of data collection
Slater & Narver (1998)	Distinguishes between customer-led philosophy and market- oriented philosophy	n/a	n/a	n/a	Conceptual paper
	Identifies differences and applications of the two philosophies, and advocates market-orientation for sustained competitive advantage				
Lukas & Ferrell (2000)	What is the relationship between market orientation and product innovation	US	Manufacturing	194 key informants	Survey
	Analysis shows that product innovation varies with market orientation. Specifically, (1) customer orientation increases the introduction of new-to-the-world products and reduces the launching of me-too products, (2) competitor orientation increases the introduction of me-too products and reduces the launching of line extensions and new-to-the-world products, and (3) inter functional coordination increases the launching of line extensions and reduces the introduction of me-too products.				
Matear et al (2002)	Examine mechanisms through which market orientation contributes to firm performance	New Zealand	Services	231 firms	Survey
	Three mechanisms (direct, mediated and moderator) are examined. Market orientation is found to contribute to performance through a dual mechanism in that it contributes both directly and through innovation, with innovation mediating the contribution. These results emphasise that researchers should consider the inter-relationships between multiple sources of advantage in seeking explanations of firm performance.				

4.10 MARKETING TRAINING AND DEVELOPMENT

It was stated that despite the professional institutions such as the Chartered Institute of Marketing (CIM) and the Market Research Society (MRS), there are still too many people operating without a basic understanding of the principles of marketing, or, relevant qualifications. This situation perpetuates the myth that marketing equals promotions and sales, the visible signs of marketing. It was strongly felt that the marketing industry requires the same status as the accountancy profession, where people are not employed without professional qualifications.

This does not appear to be a fecund area for academic marketing research. The literature review identified a special edition of the European Journal of Marketing, which examines the gap between theory and practice (Wensley, 2002).

The following table summarises key literature that relates to the preceding discussion of themes.

4.10.1 Table: Marketing training and development

Study	Research question/objectives	Country/ies	Sector	Sample characteristics	Method of data collection
Hunt (2007)	What steps can marketing take to gain professional status?	n/a	n/a	n/a	Conceptual paper
	Develops "Responsibilities Framework" that can be used to explore how marketing should be defined if it is to be viewed as a profession				
Wensley (2002)	Introduces special issue of European Journal of Marketing on gap between marketing theory and practice	n/a	n/a	n/a	Literature review
	Introduces a number of relevant papers on the development of marketing as a scholarly discipline and increasing relevance to practitioners				

4.11 CORPORATE SOCIAL RESPONSIBILITY (CSR)

At the strategic level, there is now a greater need for marketers to develop relationships with key stakeholders, e.g., government, food agencies, consumer groups etc and be ahead and shape any initiatives, e.g., the issue of food additives. The issues become ones of:

- Understanding and shaping the organisations role in corporate social responsibility
- Developing a sustainable CSR strategy
- Managing external stakeholder relationships.

This is an emerging area of interest to both practitioners and academics and journal articles outlining the role of marketing in CSR are beginning to appear. An example is that of Maignan and Ferrell (2004) who have emphasized the role and potential contribution of marketing to CSR. They proposed a framework, which depicts CSR initiatives as the actions undertaken to display conformity to both organizational and stakeholder norms. They discuss the managerial processes needed to monitor, meet, and even exceed stakeholder norms and explain how CSR initiatives can generate increased stakeholder support.

In light of the American Marketing Association’s (2004) definition of marketing for practice and scholars, Gundlach (2007) has summarised the literature and provided a commentary on the role and responsibility of marking in society. He introduces a number of papers that discuss the role and responsibilities of marketing in society. As a result, he suggests that marketing should adopt a more comprehensive and pluralistic definition and consider its role and responsibility in society.

The following table summarises key literature that relates to the preceding discussion of themes.

4.11.1 Table: Corporate social responsibility

Study	Research question/objective	Country/ies	Sector	Sample characteristics	Method of data collection
Luo & Bhattacharya (2006)	Identify the relationship between corporate social responsibility and financial performance	USA	Various	113 firms	Secondary data set
	Support framework which predicts that 1) customer satisfaction partially mediates the relationship between CSE and firm market value, 2) corporate abilities (innovativeness capability and product quality) moderate the financial returns to CSR and 3) these moderated relationships are mediated by customer satisfaction. Notably, find that in firms with low innovativeness capability, CSR actually reduces customer satisfaction levels and, through the lowered satisfaction, harms market value.				
Alexander & Nicholls (2005)	Investigate network perspective on business to consumer marketing of high-involvement fair trade product categories.	UK	Fair Trade	11 interviews with senior representatives of a fair trade wholesaler, of a specialist fair trade brand, of supermarket retailers involved with fair trade and of other fair trade labeling and support organisations	Mostly literature with some supporting qualitative interviews
	Shows relevance of an actor network theory for interpreting the development of the fair trade marketing network. Emphasises processes of exchange and the role of human and non-human actants in enabling interactions within the network. Analysis of the emerging fair trade network highlights a shift of emphasis in fair trade marketing from the fair trade process to fair trade products and, latterly, fair trade places.				

Study	Research question/objective	Country/ies	Sector	Sample characteristics	Method of data collection
Lichtenstein, Drumwright & Braig (2004)	Investigate the effects of CSR on customer donations to corporate-supported nonprofits.	USA	Various	1000 surveyed, 176 in experiment	Field survey and experimental studies
	Provides evidence that perceived corporate social responsibility affects not only customer purchase behavior through customer–corporate identification but also customer donations to corporate-supported nonprofit organizations. Also shows a mediating role of customer–corporate identification on the relationship between corporate social responsibility and customer donations. Also show that because of a “perceived opportunity to do good” by supporting a company that is changing its ways, consumers are more likely to donate to a corporate supported nonprofit when the corporation has a weaker historical record of socially responsible behavior.				
Friestad & Wright (2005)	Introduces special section in Journal of Public Policy and Marketing focusing on the role of public policy and advertising to children	n/a	n/a	n/a	Literature overview
	Special section in Journal dedicated to issues relating to role of marketing in society and public policy.				
Maignan & Ferrell (2004)	Emphasizes the role and potential contribution of marketing to CSR.	n/a	n/a	n/a	Conceptual framework
	Proposed framework depicts CSR initiatives as the actions undertaken to display conformity to both organizational and stakeholder norms. Goes on to discuss the managerial processes needed to monitor, meet, and even exceed, stakeholder norms. Explains how CSR initiatives can generate increased stakeholder support.				

Study	Research question/objective	Country/ies	Sector	Sample characteristics	Method of data collection
Mark-Herbert & von Schantz (2007)	Linking brand communication and perceptions of CSR	Sweden	Construction	1 Case	Qualitative case study
	Identifies processes that can mediate CSR brand messages. Concludes 'assuming that the consumer expectations of quality, usefulness, and timeliness of a product are met, social values may presently strengthen the brand' (p10)				
Gundlach (2007)	Summarises commentary on role and responsibility of marking in society.	n/a	n/a	n/a	Conceptual Paper
	Introduces a number of papers that discuss the role and responsibilities of marketing in society in light of the American Marketing Association's 2004 definition of marketing for practice and scholars. Advises that marketing should adopt a more comprehensive and pluralistic definition and consider its role and responsibility in society.				

5 CONCLUSIONS

Following the interviews with the marketing professionals, we draw the following conclusions:

There is a need to focus on basic marketing principles, the effects of the changing marketing environment and contexts on marketing practice and innovation. Finally, there is a need to focus on methods of disseminating academic research.

5.1 BASIC MARKETING PRINCIPLES

We asked the marketing professionals to summarise briefly the key challenges facing them now and in the future. Interestingly they all relate to 'best practice' and the basic principles of classic FMCG marketing, including:

- The need to have a product/service that the consumer values
- The need to understand the customer's perception of value
- Understanding innovation is a long-term, value adding process
- Developing brands that add value requires professional brand management

Problems arise when people take their focus off the above issues and fail to develop the brand and the organisation. Cost cutting, is seen to be the greatest threat to product quality and the brand.

5.2 THE CHANGING ENVIRONMENT AND CONTEXTS

There is a need to investigate at all levels how the changing marketing environment is changing the role of marketing. For instance, how to relate and engage with IT-enabled consumers and to determine what forms of marketing communication are appropriate.

The issues and challenges facing marketing professionals change depending on the type of organisation and the degree of market orientation that they exhibit. There appears to be a polarisation between large market-oriented firms such as Unilever and P&G, where the importance of marketing is embedded in their culture and R&D-driven organisations. Also, there are major differences and challenges facing SMEs. This creates different priorities in terms of research and research should be geared towards the different needs of the sector.

5.3 THE GAP BETWEEN ACADEMIA AND PRACTICE

There is a need for the dissemination of management knowledge in a form that engages practitioners. It needs to be succinct and be able to stimulate users' interest to prompt further inquiry.

The academic marketing community's obsession with modelling and statistics appears to be a barrier to engaging practitioners' interest. Although, practitioners expect academic research to be rigorous and robust they are looking for relevance and practical application; in short, to contribute to providing solutions to practical problems. It was stated that a manager is more likely to read an interesting case study that demonstrates the practical relevance to their organisation. The Harvard Business Review was given as an example.

The launch of a new journal the International Commerce Review Journal is designed to make practitioners aware of the research agenda in a format that they can relate to. There is also the issue that the current timescale in the reviewing and publications process means that academic research is often out of date before it is published and practitioners are often ahead of academics. Thus speed of dissemination is an issue that needs to be addressed.

6 INTERVIEWEES

The Marketing Executives consulted include:

- Peter Mouncey: Independent Marketing Services Consultant and Executive Editor of the International Journal of Market Research. A Fellow of both the Market Research Society (MRS) and the Institute of Direct Marketing (IDM) and former Chairman of MRS.

- Christopher Green: Independent Marketing Consultant. Ex: Marketing Director Whitbred PLC and Marketing Director for Europe Mars Inc

- Tim Henshall; Chairman of the Chartered Institute of Marketing, Nottingham Branch and independent Marketing Consultant.

- Alan Mitchell: Business Writer. Contributing Editor to Marketing Week and columnist the Times newspaper. Author of the, "Rightside up: Building brand strategies for the information age."

- Georgina Swann: Marketing Manager, CSI- UK Business Systems Integrators. Business partners with IBM and SAP.

- Phillip Chapman: Director of Marketing, UK, T. Mobile and Senior Vice President of Brand Communications Europe. Ex: Global Brand Director Unilever, Beverages.

- David Renny: Marketing Director: Rowntree Nestle.UK. Ex. Marketing Director, P&G, homecare.

The interviewees have experience of, and operate in multinational and SME organisations. Also, the participants were selected from the Business-to-Business (B2B) and Business-to-Consumer (B2B) domains of practice, which included the founders of classic brand marketing such as P&G, and Nestle. Interviews also included both agency- and client-side organisations enabling us to summarise the perceptions of a broad cross section of the marketing profession.

7 ADDENDUM TO SCOPING STUDY

7.1 INTRODUCTION

Over breakfast on 23rd May 2008, the ESRC Business Engagement Forum for Marketing Practice was held at the CBI Conference Centre in London, hosted by Mr Rod Wilkes Chief Executive Chartered Institute of Marketing and chaired by Professor Dame Sandra Dawson Cambridge University.

32 representatives from business, policy making, trade associations and academia came together to reflect upon the findings presented in ESRC's Scoping Study of Contemporary and Future Challenges in UK Marketing Practice, explore further how the worlds of academia and business might engage to address these challenges and develop a continuing dialogue between the two communities. The lively discussions have helped to add a level of nuance and insight to the findings reported in the scoping study, and it is on this contribution that the addendum reports.

Overall, the eleven challenges presented in the scoping study:

- Environmental dynamism
- Changes in the business model
- Changing consumer markets
- Market research/consumer insight
- Marketing communications and e-marketing
- Product and service innovation
- Brand management
- Marketing metrics
- Developing a marketing orientation
- Marketing training and development
- Corporate social responsibility

were generally acknowledged to reflect concerns within marketing practice, but delegates argued that there were some important limitations to the scoping study. First, the reported themes were too narrowly specified accurately to reflect a number of contemporary industry concerns; some participants argued that some of the themes were dated and did not adequately capture the contemporary dynamism of marketing practice. Second, the scope of the literature review was too narrow and much good 'non-peer-reviewed' work (books, trade association publications, practitioner writing etc) was overlooked.

These reported limitations reflect one industry perspective on a disconnect between academic research and business practice; that the former's focus, responding to a journal publication driven agenda, is too narrow and esoteric to deliver immediate and realisable value to the world of practice. As an illustration of this disconnect, one delegate noted that national (UK) spend relating to field marketing and sales promotions activities were considerable, whereas the practices appear not to feature prominently in university curricula. Yet, there were paradoxes in the conversations: whilst academic work may have been disparaged for being dated, there were calls for accessible distillations and syntheses of extant research to make it digestible for a practitioner audience. Similarly, a clear demand was voiced for work that is *immediate, relevant, practical and actionable* there was also a call for work to address more fundamental questions relating to marketing practice: where is marketing going, and what will marketing be about in five years and ten years?

In the following, we try to present a reflection of the conversations that took place around the breakfast tables on 23rd May, 2008. In much of what was discussed, delegates pointed to differences between multinational corporations and SMEs, between different domains of marketing (FMCG, B2B etc) and, between contemporary practice and the empirical and conceptual underpinnings of marketing theory. We draw attention to these distinctions here, rather than repeat them in the sections that follow:

- Internal influence
- Business model innovation
- Customer behaviour
- CSR, ethics, social marketing and sustainability
- Marketing metrics
- Training and development
- B2B Marketing
- The relationship between business and academia

In the following, we briefly present each theme and animate these with illustrative questions drawn from delegates' conversations.

7.2 INTERNAL INFLUENCE

Marketers and the marketing profession are challenged by something of an identity crisis that exists both internally and externally. The multiple identities of marketers was mapped onto a continuum extending from *marketing as promotions* (the T-shirts and balloon syndrome) to being *the voice of the consumers within the organisation*: typically, one delegate noted, "When I say I am in marketing, I am asked 'What do you sell?'". The role and contribution of marketing have not been explained well within organisations and the relatively narrow view that the capacity of marketing and its role is in persuading and influencing people to purchase does not adequately reflect its potential contribution to achieving organisational objectives. Further, the need for internal marketing was much discussed.

One contribution academic research could make would be in providing evidence to support the place of marketing at the *top table*. For example, new technologies have facilitated the development of a greater range of creative and analytical capabilities, how can these be applied in marketing practice and how can the benefits be communicated through the organisation, particularly to the senior board? Any reconceptualisation of marketing would need to take into account how global and local industrial and economic landscapes have changed over the last 20 years, reflect the diversity of domains of marketing practice (B2B, FMCG, professional services, not-for-profit etc) and, address the gap between marketing's contribution to organisational performance and a relative lack of marketing representation on senior boards.

Another aspect of the internal influence of marketing is the concept of *marketing orientation.* However, there appears to be a lack of consensus over what precisely a marketing orientation is, whether or not it is necessary in an organisation and, if one is necessary, how it might be integrated.

This gave rise to a set of fundamental questions about marketing:

- What is marketing and who is it for?
- Why don't more marketers make it to the senior board?
- How does marketing add value?
- What is the nature of marketing's links to all parts of an organisation and its stakeholders?
- What is the domain of marketing?
- What are the different types of value that marketing can add?
- How to convince the senior board that marketing spend is worthwhile?
- How can a marketing orientation and brand values be communicated and inculcated throughout an organisation?
- Can we develop more internal marketing?

7.3 BUSINESS MODEL INNOVATION

In recent times, business models have changed and continue to change: ICT provides a range of new information and distribution opportunities, for both sellers and consumers.

- To what extent do the premises and assumptions that underpin marketing models that are taught and passed on as received wisdom, pertain in today's operating environment?
- In the digital age, what is the new marketing mix?
- What is the contemporary relevance of concepts such as the 4Ps?

7.4 CUSTOMER BEHAVIOUR

The new *knowledge-empowered* consumer dramatically changes one of the previous roles of marketing, as a top-down feeder of communications to potential consumers. Increasingly, the first port-of-call for consumers when going to market for non-routine/non-impulse items are easy-to-access (i.e. online) sources of trustworthy advice which add value by helping consumers navigate to *the best choice for me*. Such behaviour potentially challenges the *top-down model* of communications by-passing the influencing power of traditional communication and distribution channels and putting a premium on information that helps consumers make better decisions, as opposed to information that influences consumer decisions in particular brands' favour.

One consequence of this is a clear need for greater understanding of what has become known as the *pathway to purchase* or *journey to purchase*. *Journey to purchase* thinking acknowledges the different routes by which consumers come to make a purchase, and demands better understanding of consumers' different journeys.

- How is the balance between top-down and bottom-up information sources in customers' decision-making changing, and do these changes differ across different product categories and consumer segments, and why?
- What will be the consequences for traditional 'influencing' channels?
- How are marketers responding, and with what effect?
- In light of new channels providing more opportunity for customer control, how can a balanced communications mix be established?

So, generating better understanding of consumer behaviour remains a critical concern in marketing practice and, a range of specific concerns were expressed:

- Given a vast selection of product from which to choose, how do potential consumers reduce (say) 1,000 options to a shortlist of five?
- How can marketers truly understand potential customers when, in all likelihood, the marketer (say, working with an insurance provider) is very different from the potential consumer (say, student)?
- Where does the purchasing process begin, and how can one tell where and how to intervene along the way?
- How do customers conceptualise privacy, and what does it mean for them? There is no single position on this, it seems dependent on the sort of engagement that is taking place between marketer and customer. For example, for some purchases/relationships, customers are happy to reveal a great deal of personal information, yet for other types they are not prepared to reveal anything. How tradable is privacy?

7.5 CSR, ETHICS, SOCIAL MARKETING AND SUSTAINABILITY

Corporate social responsibility, ethical marketing, social marketing and environmental issues were vigorously discussed. The themes had particular resonance, it seemed, in light of the recent credit crunch (the role of marketing in helping make informed choices rather than the promotion of consumption) and concerns relating to climate change (changes in behaviour and consumption patterns). However, it was acknowledged that not enough is known about the processes of changes in customer behaviour and how these differ across demographic variables.

Behaviours are hard to change: famously, it took the British Navy over 180 years after their efficacy had first been demonstrated to adopt the use of citrus fruits to combat scurvy on long sea voyages (Rogers, 2003). There is a tradition in the sociological literature, especially in the USA, oriented toward better understanding people's behaviours particularly in respect of Public Health and educative programmes. However, in terms of behaviours relating to CSR, ethical marketing, social marketing and environmental issues, UK consumers are reportedly ahead of those in other countries, and there is an opportunity for both marketing practitioners and the academic community to shape the marketing agenda here.

- What are the impacts of the credit crunch and climate change on how people make buying decisions?
- What is the customer's commitment to the CSR and sustainability agendas?
- Do the metrics of CSR, ethical, health, social and environmental marketing differ?
- What does the carbon issue mean for marketing?
- What is the role for marketing in contemporary social issues: the economics of *enough*, reducing consumption or disaffected sub-groups of the younger generation?

7.6 MARKETING METRICS

Current practice in marketing measurement, brand awareness, brand preference, brand equity, net promoter, sales, market share, margin and ROI, were criticised by one delegate as being *incorrigibly narcissistic*, too focused on the company and not enough on the consumer. On top of that, even these metrics fail adequately to demonstrate marketing's contribution to organisational performance. In addressing the theme of marketing metrics, academics were encouraged both to look to value to the boardroom and to the customer.

The traditional debate is centred on the effectiveness of the marketing function. One solution might be for metrics that draw their inspiration from beyond marketers (academic or practitioner), say from the 'Board' or the investment community, or from a future workforce. However, metrics are needed that:

- Measure the cost and impact of old and new forms of media.
- Help managers integrate the old and the new.
- Establish how much value (or cost) marketing activities (as distinct from the products and services these activities are supposed to promote) generate for consumers?
- Establish the uses and benefits current marketing programmes deliver for consumers and what costs they impose (e.g. useful versus useless information, time and attention well spent versus wasted etc), and whether these metrics impact on consumers' 'uptake' of the marketing initiatives in question.
- Are appropriate for influencing the board: brand value, corporate reputation, contribution to strategy?

It should be pointed out, however, that academics have been working in the field of marketing metrics and, for instance, positive associations between customer satisfaction and shareholder value have been demonstrated (Anderson, Fornell and Mazvancheryl, 2004). Perhaps this example serves to illustrate some of the disconnect between practice and academia, and the need for better communications from the academic community.

7.7 TRAINING AND DEVELOPMENT

The issue of training and development in marketing resonated at several levels for delegates. Some delegates reported their experience of marketers failing to have sufficient understanding of less functionally-specific concepts, practices and wider business applications, such as balance sheets, P&L accounts, the functioning and role of HRM departments etc. This, it was felt, represented a general failure in students' inquisitiveness and also a need for universities and trainers to re-visit their curricula.

The absence of a marketing voice at senior board level has been discussed already. How well do we understand this phenomenon? Certainly, it suggests a strong need for internal marketing engagement with senior board members to help people who have risen to the top of an organisation on the basis of managing tangible assets, understand the value of the intangibles that constitute marketing.

- How do managers learn the value of marketing?
- Where does marketing knowledge come from?
- Is the marketing profession going to be equipped to deal with new problems, dealing with uncertainty etc?
- What skills do marketers need in the future and how they need to do marketing differently than in the past?
- Are the curricula offered by Higher Education Institutes appropriate for industry needs?

7.8 B2B MARKETING

Two observations relating to B2B marketing were particularly noted. First, as a domain of marketing activity it is well under-represented in both academic and practitioner literature. Second, relationships with large, powerful, dominant customers.

- What are the dimensions of successful marketing relationships with companies that have massive purchasing power?
- How do smaller B2B marketers come to understand and work with major global players?

7.9 THE RELATIONSHIP BETWEEN BUSINESS AND ACADEMIA

Reflecting on the conversations of the morning, there was a widely held perception amongst marketing practitioners that the worlds of business and academia are largely separate.

If academics want their research to reach and influence marketing practitioners, it must be relevant, actionable, concise, accessible, but a focus on scientific quality is less necessary. Furthermore, as has been noted already, the list of challenges presented in the scoping study appears dated, which raises a question about where the inspiration comes from to inform academic research. To develop germane research questions, closer engagement with business practice is important.

Academic research produces a variety of different types of outcome. Reportedly, marketing practitioners are interested in toolkits to help solve problems. Gartner's Magic Quadrant was given as an example of a useful toolkit[6]. Practicality is the

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[6] See http://www.gartner.com/DisplayDocument?id=586911&ref='g_fromdoc' Gartner's Magic Quadrant offers visual snapshots of a market's direction, maturity and participants.

watchword for this audience, and academic notions of legitimacy or validity cut little ice.

Although research work should be rooted in the activities of the marketing community, mapping, for example, individual company's best practices and distributing these more widely, there is also an appetite for learning from experiences in other sectors – particularly in the form of case studies. Brief, concise, powerful information distribution is the way forward. The challenge is for academia to come up with models for dissemination. Conversely, the value of abstracted knowledge drawn from wide participation from a number of different business types was recognised and, in certain fields (particularly customer behaviour) a longitudinal perspective was encouraged.

Speed of response is also important. Knowledge Transfer Partnerships, for example, were cited as a useful *door-in* to facilitate changes in organisations' business models, but are still, nevertheless, too bureaucratic. One possible response to slow product delivery would be to engage business representatives right at the start of the research process (defining the research question) and have a set of staged deliverables rather than waiting for the academic cycle to run its course. This is a call for research to be driven by the needs of industry in terms of timing and content rather than the interests of researchers. Note was taken that the reward structure of academia does not give strong support for applied work but that reward structures are recognised to be beyond the direct influence of ESRC.

Funders of research were encouraged to consider the mechanisms by which research is commissioned and bids evaluated, with increased opportunity for practitioner involvement in the review process with greater weight (in some calls) given to *relevance to practice* as an evaluation criterion. Can a portfolio approach be developed in which practical application is encouraged, as well as scientific rigour, in the application and (especially) in the report process?

Recommendations from delegates for academics looking to disseminate their work more successfully into the business community, included:

- Publish results in the more popular press, such as in-flight magazines
- Prepare short syntheses and synopses of research - Harvard Business Review's *Management Tip of the Day* was given as an example[7]
- Solicit practitioners' endorsement of the research, "if it had been [highly]-rated by other people in the industry, I'd read it"
- Publish one paragraph in plain English, focusing on relevance and applicability.
- Keep the business community updated on which researchers are doing what and what stage they have reached, for example by means of a directory of research activities.
- Discover what pieces of research marketers have found most useful, how they have acquired it and to what use they have put it, and learn from that knowledge.

[7] See http://hbsp.ed4.net/prefcenter/signup.cfm

- As well as disseminating through the traditional scholarly publications, academics might actively seek out organisations to which they could present their research findings.
- Focus on dissemination mechanisms for SMEs, simple enough to apply, grounded enough to be relevant.

8 ESRC RESPONSE

- To address the disconnect between academic research and business practice, to ensure a fit between business demand and research activity and establish appropriate mechanisms for dissemination ESRC will establish a Knowledge Transfer Network with the marketing community and ensure dialogue between practitioners and academics

- To explore with Engineering and Physical Sciences Research Council and the Digital Economy Programme a call to examine how Knowledge Transfer is transforming business models by empowering customers on the one hand while enabling huge market personalisation and data mining on the other

- To explore with Natural Environment Research Council (NERC) and Living with Environmental Change (LWEC) partners how marketing might contribute to the transition to low carbon lifestyle agendas.

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