EDITORIAL

Customer orientation has become an essential basic concept in the field of marketing during the past few decades. Rather than focusing solely on sales, it has become essential to adopt a customer-centric perspective on today's market. Accordingly, all processes in the market need to be interpreted and modeled from a customer viewpoint before considering marketing instruments, strategies or policies. Even traditional "wisdom" needs to be abandoned if it lacks customer focus.

And who is better able to implement this style of thinking and provide contributions for marketing management than market researchers? Today, this challenge is defined as "customer insight management". It gives market researchers an excellent opportunity to improve their standing within an organization and to make a substantial contribution to true value creation.

The GfK Marketing Intelligence Review aims to provide innovative food for thought, presenting recent contributions from marketing science in a form suitable for practical use. In the first article of our fifth issue, renowned marketing researcher Alexander Chernev from the Kellogg School of Management (Northwestern University, Chicago) applies the principle of customer orientation to analyzing *consumer perceptions of assortments*. Chernev rejects the idea that ever-increasing assortments generate higher customer satisfaction. In fact, large assortments may cause problems with information processing and decision-making that sometimes even result in a failure to purchase. In a series of experiments he develops a consumer-based model of assortment perception and outlines the resulting consequences for marketing. ("When More Is Less and Less Is More: The Psychology of Managing Product Assortments").

Word of mouth (WOM) is an increasingly popular marketing technique. A great deal of trust is placed in the process and it is particularly valuable when new and innovative products are launched and customers seek advice from each other before buying. However, in order to make use of WOM, information on the social networks and their key players is essential. Together with their colleagues, Raghuram Iyengar and Christophe van den Bulte from the Wharton School (University of Pennsylvania, Philadelphia) use a sample of doctors to analyze how to best collect information on network positions and dynamics and give advice on other factors that market researchers need to consider ("How Social Networks and Opinion Leaders Affect the Adoption of New Products").

Online public complaints are a relatively new area of focus in terms of understanding consumers. Special internet platforms have been established for several years, offering a forum where consumers can express their anger about companies and the way in which they handle complaints. This kind of negative word-of-mouth publicity can have far-reaching consequences, as United Airlines and many other companies that have handled complaints inadequately ("double deviation") have discovered to their cost. Yany Grégoire and Renaud Legoux from HEC Montréal, along with Thomas Tripp from Washington State University, investigate how the grudges of disappointed customers are expressed, how they evolve, and the effects on companies. ("When Your Best Customers Become Your Worst Enemies: Does Time Really Heal all Wounds?"). The results of their studies show that investment in a customer-oriented complaint management system does pay off. After all, it is even more expensive to leave customers angry and disillusioned than to simply lose them.

CONTACT

You can contact us at
diller@wiso.uni-erlangen.de,
by phone on
+ 49 911 5302-214,
or by fax on
+ 49 911 5302-210

Dr. Dr. h. c. H. Diller,
GfK-MIR,
University of Erlangen-
Nuremberg,
Lange Gasse 20,
D-90403 Nuremberg,
Germany

In our “New Methods” article, Felix Eggers and Henrik Sattler from the University of Hamburg, Germany, provide a review of a state-of-the-art research approach that is very effective at supporting customer focus: **conjoint analysis** (“Preference Measurement with Conjoint Analysis. Overview of State-of-the-Art Approaches and Recent Developments”). It is still evolving rapidly and eliminates more and more former shortcomings by applying new choice designs and algorithms. This article is recommended reading for anyone wishing to stay abreast of these methodological developments.

In our “Flashlight” article, we present the most important findings of two studies dealing with **assumed “common wisdom”** in the field of marketing, which, as will be shown, is not as universally applicable as is sometimes claimed. On the one hand we examine the impact of sexual advertising (“Sex sells”), and on the other the thesis that “Bad News is Good News”. The marketing researchers provide empirical evidence that such rules of thumb can only be applied under specific circumstances in a highly dynamic market environment.

Recent developments in consumer communications are broached, among other topics, in the interview conducted by Sunil Gupta of the Harvard Business School, Boston, a member of our editorial board, with Stan Stanunathan, Vice President of Marketing Strategy and Insights at the Coca-Cola Company. We learn how Coca-Cola translates customer orientation into a world of emancipated consumers, rapid technological development and market dynamics. I was very impressed by the changes that Coca-Cola has already implemented to keep its global brands as strong as in the past.

I very much hope that you will enjoy reading the articles in this issue, which are aimed at supporting you in your daily struggle for successful customer orientation. In exchange, we would like to ask you a small favor: to ensure that we too remain customer-orientated, we are asking you, dear reader, to provide some feedback on our journal. On our homepage (<http://www.gfkmir.com>) you can find a link to an online reader survey. Please take a few minutes to answer the questions – either in English or German. Your answers will help us to learn more about your interests and enable us to serve you even more effectively. Thank you very much for your cooperation.

Nuremberg, March 2011

Hermann Diller
Editor-in-Chief