EDITORIAL

Precisely when the most severe and longest economic crisis of the postwar era will end is not yet foreseeable at this stage. However, what we can say with certainty is that marketing and its marketing intelligence systems will emerge from it differently.

One of the initial major changes is the result of the ethical disappointment experienced by many citizens and consumers in previous years. Confidence in the financial sector is at an all-time low. Excessive bonuses discredit the whole class of managers as greedy egotists. The growing polarization of society encourages envy and resentment, and the slow response to climate change issues by most companies now favors those who have chosen not to stonewall the subject and are committed to an offensive approach. In consequence of this, fairness and social considerations are becoming increasingly important decision-making criteria in marketing.

Our third issue of GfK Marketing Intelligence Review (MIR) examines this problem area in the article by Ty Henderson and Neeraj Arora (“Doing well while doing good. Linking a social cause to product promotions: Why it Works and How to Make it More Effective”).

In three experiments, the authors document that linking promotions to social matters can be very effective. They demonstrate in a very practice-oriented way, that “embedded promotions” outbalance classic forms of price promotions.

A second change results from the raised level of cost consciousness caused by the crisis and places a stronger focus on customers with higher value. To a growing degree, this is displacing what we Germans call “the watering-can principle,” whereby an even-handed approach is adopted towards all customers. Christian Homburg, Dirk Totzek, and Mathias Droll (“All customers are equal, but some are more equal. Should Firms Prioritize Their Cus-

tomers?”) verify if prioritizing some customers actually offsets the risks and drawbacks of such an approach. In a comprehensive study, they confirm that such a strategy is more effective if implemented well and highlight six key levers for implementation. Some of these are closely related to Marketing Intelligence, such as the ability to assess customer profitability, to collect and interpret customer information and to align customer-specific processes.

The study by Thorsten Wiesel, Bernd Skiera and Julian Villanueva (“My customers are better than yours! On Reporting Customer Equity”) follows up on this topic. The authors present a new reporting system for the present and future customer value and demonstrate its application within an internet company. The system not only helps in strategic questions and sales control but also in documenting marketing success according to financial standards. In this way, the system can contribute to improving the image of marketing at the highest level and to revealing the importance of strategic customer management to shareholders. It is also possible that it can help to overcome the traditional short term perspective of financial analyses in favor of reporting directed at longer term market success.

The rapid development of online technology in the past two years has caused a reorientation in corporate communications. Many companies have broken new ground to accommodate the new media behavior of consumers and to communicate more cost-efficiently.

Word of mouth is one of the most interesting tools within the new range of options. In their study, Michael Trusov, Randolph E. Bucklin and Koen Pauwels (“Do you want to be my “friend”? Monetary Value of Word-of-Mouth Marketing in Online Communities”) investigate if and to what extent new customer contacts initiated by customers are more efficient in expanding the customer

base than traditional promotions. They track the direct effects as well as the indirect impact on customer value arising from expected follow-up recommendations of new customers and their specific life cycle. Indeed, word of mouth proved to be superior to traditional campaigns in this case. The study is also insightful from a methodological point of view. It shows the thoughtful planning involved for demonstrating the effects of marketing campaigns.

Accountability is also crucial for the standing of marketing departments within organizations. Peter C. Verhoef and Peter S.H. Leeflang show this effect in a series of studies conducted in the Netherlands ("Getting marketing back into the boardroom: The Influence of the Marketing Department in Companies Today"). Other important elements are innovativeness and the ability to connect well with customers. Further, the study reveals some interesting descriptive reports on the status of marketing. Compared to 1999, the influence of marketing has risen in the sphere of advertising or customer management, but declined in product development, strategy formation, decisions on expansion into new markets or the selection of business partners. The loss of impact of the marketing department is particularly high in terms of pricing and distribution, both of which are increasingly dominated by sales departments. Generally speaking, marketing is considered to be of moderate influence only. However, marketing managers themselves tend to overestimate their impact, compared to how their influence is assessed by managers of other functions.

Such misperceptions are not only dangerous for the managers themselves, but also for their companies. Consequently, Marketing Intelligence has to ensure that managers really do ask the right questions, adopt the perspectives which are relevant for corporate policy and provide meaningful answers for central managerial questions during and in the wake of the economic crisis.

I am confident that the articles in our present issue will be helpful in this respect. Beyond this, the studies prove that the contribution made by marketing science helps to answer important and prevailing questions associated with marketing policy.

I hope all our readers come to the same conclusion after reading this journal. Relevance is the most important selection criterion for our articles. In an ongoing process, we screen a huge number of academic marketing publications. Out of 100 articles scrutinized, only 10 are short-listed and only 3 make it into our publication. Please judge for yourself, if the effort is worth it: we certainly think so!

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