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EDITORIAL

The response to our first issue of the new GfK-Marketing Intelligence Review (MIR) magazine has been extremely good. Above all, our readers value the interesting choice of topics and the reader-friendly design and graphic presentation of the contributions. I am delighted at this positive resonance and should like to thank all our readers for their constructive feedback. In the coming year, we shall be broadening the basis of feedback still further by way of systematic reader surveys. However, I would also urge you to use the MIR website http://www.gfk-mir.com to let us have your comments and opinions. The website also gives more details on the design of the magazine, and how you can subscribe to it.

The positive response to our first issue is yet another incentive to offer our readers a meaningful and convenient medium for finding out about important developments in international market research, and on how they can be used to gain new insights into consumer behavior. At the very top of the agenda in recent months has been the global economic crisis, which is currently putting marketing under extreme pressure. Despite conditions of severe financial stress, the battle is on for the necessary budgets for appropriate marketing action to respond to the demands of the crisis. However, these efforts will only succeed if there is suitable evidence of the return on investment where marketing outlay is concerned. As a result, market researchers and marketing managers are confronting the particular challenges of presenting convincing arguments in favor of and quantifying the results of marketing for the benefit of the company concerned. With this, the trend towards tighter financial control of marketing expenditure which has been evident for some time, has gained ground. The key words here are: ''marketing metrics''. Complex target group sizes, the market success of new products, customer value and brand value must all be measured with the utmost possible precision and with penetrating analytical content, and substantiation of the positive impact on the financial position of the company obtained by expanding the potential value of these aspects.

This second issue of GfK-MIR examines these new challenges in a series of different articles. In their contribution, L. Aaksoy, B. Cooil, Ch. Groening, T. Keiningham and A. Yalcin investigate ''The Long-Term Stock Market Valuation of Customer Satisfaction'', and examine whether a high level of customer satisfaction can influence the stock valuation of a company in the longer term. In this way, they quantify the return on marketing from the viewpoint of the financial markets, which is not only of the utmost significance for the implementation of comprehensive market orientation for companies, but also for the status of their marketing departments. The findings of their profound, well-anchored analyses evidence the positive impact of above average levels of customer satisfaction, and at the same time, trace how skilful analysis of publicly available time series data – in this case, the satisfaction scores achieved by certain companies and their share price development – responds to the requirements of marketing metrics.

V. Kumar, R. Venkatesan and D. Beckmann use two case studies to show that linking the intensity of customer management to customer value is a worthwhile endeavor (''Implementing Profitability through a Customer Lifetime Value Management Framework''). They develop an appropriate planning routine for this and explain its use in detail, using IBM by way of example, and showing how the company was able to significantly improve the profitability of its marketing in this way. The same applies for the case study of an apparel retailer, where the issue was not B2B, but B2C marketing.

The return on investment of advertising expenditure is subject to particularly critical review at this time of crisis. In their study, ''Preparing for the Adoption of the new Arrival'', R. Castano, M. Sujan, M. Kacker and H. Sujan show that the advertising message where technical product innovations are concerned must be different shortly before or during launch, from that used during the pre-announcement phase. Rather than explaining the advantages of a product to customers in general

terms during the launch phase, customers need to be shown how to use the new product and how it will improve their lives. The contribution outlines the value of an approach using controlled experimental studies whereby the advertising effects can be demonstrated and underpinned by theory.

Price increases are a particularly hot topic at times of economic crisis. More and more companies are consequently developing partitioned price systems with several price components, in order to improve customer reaction to price, or to address particular target groups with specific product features or supplementary services and in this way, to generate willingness to pay the price. Until now, the question of which product or service components consumers are most price sensitive to, or where they are less price-resistant, has remained unanswered. In their contribution, ''When 2+2 is not the Same as 1+3: Understanding Customer Reaction to Partitioned Prices'', R. Hamilton and J. Srivastava show that consumer perceptions of benefit are primary in this respect. The higher the perception of the benefit of a particular product or service component, the lower the resistance to prices.

However, the financial crisis also demands economies in market research itself by means of skilful deployment of methodologies and optimization of survey instruments. In this context, cross-mode surveys, where various data gathering media are used for the same survey topics, e.g. customer satisfaction, are on the rise, especially since the ability to address all the target subjects with a single medium is becoming increasingly rare. However, unfortunately such data may not always be entirely comparable, since the various media (e.g. telephone or online) produce various styles of response. Media-specific measurement errors arise in particular because of media bias and differences in acquiescence and disacquiescence on the basis of set ratings' scales and as a result of different midpoint and extreme response styles. These same effects can also be observed in cross-country surveys. B. Weijters, M. Geuens and N. Schillewaert introduce a new procedure for correction of such errors in their article, ''Response Styles and How to Correct Them'', in which they demonstrate this by way of identical measurement of trust using paper-and-pencil, telephone and online surveying.

Rounding off the information presented in this issue is an interview with the CEO of GfK SE, Prof. Dr. Klaus Wübbenhorst, on the current challenges facing institutional market research and the way in which GfK, the fourth biggest market research organization in the world, deals with these.

We very much hope that the subject mix introduced here will be of great interest to our readers all over the world. It documents the striving of this magazine to convey new insights into consumer behavior and to discuss interesting and innovative strategic and operational alternatives open to marketing, as well as introducing new developments on the methodology side of market research.

I hope you enjoy reading the magazine and look forward to receiving feedback from you.

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