

BOOK REVIEWS

Book Reviews Editor: M. F. Bradley

Advertising by Kenneth E. Runyon, (second edition), Ohio, Merrill Publishing Co., 1984, pp.702.

The text's major strength lies in the author's comprehensive use of examples. The author's comments and analysis of past advertising copy are both interesting and informative. However, the fact that each chapter has a plethora of anecdotes and illustrations transform "theory" into practice, and consequently makes the reading of the text a pleasure rather than a chore.

The basic content of the text is structured around the marketing plan which the author describes as "the vehicle that gives direction and coherence to marketing activities and advertising campaigns". Following Part I, which consists of introductory chapters on the marketing process, advertisers, advertising agencies and the marketing plan itself, Part II examines the role of analysis and marketing research, consumer behaviour, the product, brand, package, pricing and distribution. At times in this latter part one feels that the author may have over extended himself, given the manner in which he tends to brush over some areas. In this regard the chapter on consumer behaviour was found to be somewhat weak.

Part III deals with the nature of marketing communications, advertising theory, design, layout and mechanical production. Regarding theory, Runyon informs us that to date "advertising unlike its associated disciplines of economics and marketing, has shown little interest in theory". Attempting to rectify this "omission" the author's approach fortunately or unfortunately (depending on one's viewpoint) is not in the "advertising is a science" vein, rather the topic is dealt with in such a down to earth manner that one wonders whether "theory" is the most opportune choice of words.

The various media options are the focus of Part IV, while sales promotion and its relation to advertising and the marketing process are explained in Part V. Part VI, which comprises a mere 20 pages, briefly addresses topics such as market research, market testing and corporate advertising. The final section deals with industrial and international marketing and the controversial area of measurement of advertising effectiveness. Regarding the latter, the author comments that "few subjects have received so much attention with so little progress over the last thirty years". While this text outlines the problems in measurement of advertising effectiveness it does little to change the author's aforementioned observation.

Overall this second edition text was found to be comprehensive and well researched and one is apt to come to the conclusion that the author has indeed put his subscription to "Advertising Age" to good use.

MICHAEL GANNON

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Business Administration – A Text Book for the Computer Age by Roger Carter, London. Heinemann. 1982. £7.95 sterling

This book was written for third level students taking the British Educational Council (BEC) courses in 'Administration in Business', and the computer studies module 'Information in Organizations'. The core deals with office procedures and management information, and as the author puts it, with the "integrated office and its electronic architecture"! Around the core are two (ostensibly) supporting sections dealing with the organization and control of physical resources and the "well regulated business". Here the author has succumbed to the temptation of throwing in everything and anything about the theory and practice of management, thus resulting in irrelevance and shallowness, and in some cases, distortion. For your money you will get bits and pieces on motivation, organization theory, quality control, management by objectives, decision theory, network analysis, and of course, systems theory, which is quaintly defined as follows:

Like all good theories, the underlying idea is simple and elegant: a business, or a work-centre within a business is viewed as a black box which converts inputs from the environment to outputs transmitted to its environment.

By the way, recognising that many college students have only a vague understanding of what goes on in business, the author in search of a more relevant teaching model to illustrate systems theory, selects a stone age hunting party. (sic)

Tops for compression are the last three pages which cover, in the following order: Industrial Relations, The History of the Trade Union Movement, Trade Union Organisations, Collective Bargaining, and Unions and the Micro Electronics Revolution.

I quite liked the office administration core (flow charts and all) although already some of the ideas will have been edged out. But this is the problem in this rapidly evolving field. To stop the world of computer developments to write a definitive text is impossible. Fall off, and you are way behind. There are some case studies, as well as exhortive messages enclosed in obituary-type black lines. This material, like the curate's egg, is excellent - in parts. All in all, unless you're planning a hunting party, not for the progressive 3rd level student of management, office administration or computers.

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A Study of New House Prices in Ireland in the Seventies by Ian J. Irvine, ESRI Paper No. 118

Ian Irvine's paper sets out to analyse several important characteristics of the Irish housing market in the 1970s. In particular, he attempts to explain the substantial increase in real house prices and the marked change in the type and size of houses built during this period.

On the first issue Irvine develops a convincing analysis of the relationship between the demand for home ownership and the tax system with special emphasis on the latter's effect on the cost of owner-occupation. When tax schedules are not fully indexed to accommodate inflation (a characteristic of the 1970s) house buyers are subject to increasing marginal tax rates with the consequence that mortgage interest relief becomes a greater stimulus to housing demand. However, as interest deduction is a general provision, Irvine is careful to point out that in the Irish case mortgage interest relief is not sufficient to explain why the tax system should have especially strong effects on the housing market. Rather it is two other features of housing which make it a special case - the fact that housing is a relatively good form of collateral and the non-taxation of imputed income and capital gains to owner-occupation. The effects of non-taxation of capital gains are dramatically illustrated by Table 3.4 which shows that the net cost of capital for new housing, valued at constant 1980 prices, fell from £411 per annum in 1972 to minus £3332 per annum in 1980.

On the question of increasing house size and quality Irvine correctly argues that this phenomenon cannot be related to the tax system alone. That is, the tax system may, during periods of inflation and rising marginal tax rates, generate a demand for different houses with greater mortgage liability but not for bigger and higher quality houses *per se*. Hence the author suggests that the move towards larger houses is closely related to rising real incomes and the insistence of building societies that realised capital gains should be recycled into housing equity. This line of argument is intuitively plausible and is capable of being empirically tested. It is somewhat unfortunate, therefore, that the author does not offer any empirical support for his hypotheses. Further, of the empirical studies reviewed only that by Thom (of which Irvine is the most critical) reports an income elasticity consistent with the author's assertions.

Apart from these two issues the paper also presents an excellent criticism of the role played by Certificates of Reasonable Value (CRVs) in controlling house prices. Irvine is undoubtedly correct in suggesting that the CRV system merely affects the adjustment of new house prices but not their long-run or equilibrium values. Indeed a careful reading of the principles expounded in Section 5.3 on CRVs, the Kenny Report and the price of land should be regarded as compulsory reading for those involved in housing policy formation.

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