

Cutting Edge: Our weekly analysis of marketing news

11 February 2015

Welcome to our weekly analysis of the most useful marketing news for CIM and CAM members.

Quick [links](#) to sections

Marketing trends and issues

Advertising

Unusual location and unexpected execution

The information overload created by the thousands of marketing messages which consumers are exposed to every day can reduce the effectiveness of conventional advertising. Ambient advertising is a form of outdoor advertising which aims to surprise the consumer by appearing in unusual locations. To date there has been no research on the main elements of ambient advertising: location and execution. This study uses a mixed-method approach to identify the locational and executional elements used in ambient advertising and to analyse the effectiveness of the advertising.

Journal of Marketing Communications, Vol 21(1), pp33-47 (Hutter)

Native advertising guidelines

The Internet Advertising Bureau (IAB) has released its first guidelines aimed at improving the transparency of native advertising. They give advertisers, publishers, agencies and advertising technology companies practical advice on helping consumers to distinguish native advertising from editorial content. Expenditure on native and content advertising reached £216m in the first half of 2014, contributing to 21% of display ad spend. Guidelines include giving consumers visual cues to indicate that they are looking at marketing content and using labelling which makes it clear that this is a commercial arrangement. Part two of the guidelines are due to be published in the second quarter of 2015.

research-live.com, 9 February 2015

The future of advertising

Wired asks six experts what form they think

advertising will take in a decade from now. Sue Anderson of Crispin Porter + Bogusky believes that, as advertising shifts from TV and print towards mobile, brands will need to have a stronger voice and a point of view. Consumers should be given information that is genuinely useful to them which means that "soulless one-liner ads with end gags" will die out.

Wired, March 2015, p32

Brands and branding

Brand authenticity

This study is undertaken from the perspective of holistic marketing which takes a broad, integrated approach. It seeks to identify the dimensions of brand authenticity and to examine the effect of each of these on brand attachment, brand commitment and loyalty in the context of sporting goods, specifically Nike and Adidas. It reveals that fashion brand authenticity consists of seven factors and identifies which of these are likely to influence attachment, commitment and loyalty. The implications of managing brand authenticity in product innovation and management approaches are discussed.

Journal of Product Innovation Management, Vol 32(2) 2015, pp233-242 (Choi et al)

Conferences and events

A call for sustainability in the industry

In a new report entitled *The New Normal: Establishing the UK as a global leader in event sustainability*, event and sustainability experts try to persuade the UK Government to include sustainable event standards in its forthcoming Business Tourism strategy. The report offers recommendations to the Government and the event industry to work together to position the UK as a leader in sustainable events practice. This would help to make it a more desirable destination for events and act as

a boost to the economy. Global sustainable event standards, such as ISO 20121, aim to make the social, environmental and economic impacts of events as positive as possible. Nick de Bois, chair of the All Party Parliamentary Group for Events says, "the UK Government and anyone involved in running events in the UK can make sustainable event management the new normal".

eventindustrynews.co.uk, 3 February 2015

The changing face of events

Event marketing is experiencing a gradual transformation in the digital era; it is a well-established channel and popular among B2B marketers. But events require a high level of investment and marketers have to work "harder and smarter" with their face-to-face marketing in order to justify their budgets. This article examines the factors behind the changes in event marketing by covering topics such as enhancing the experience; content and integration; and achieving a customer-centric approach through research and data. Some tips for maximising your event's potential are included.

B2B Marketing, February 2015, pp26-28

Consumer behaviour

Virtual WOM and willingness to pay

This study investigates the effect of virtual word-of-mouth (vWOM) on willingness to pay (WTP) for an innovation. The authors test a series of hypotheses which link vWOM to the credibility of innovation information, perceived utilitarian value and perceived hedonic value which in turn affects WTP. The data is based on potential adopters of e-readers and smartphones in Japan. Findings support the argument for linking WTP in complex consumer electronic products to consumer perceptions of utilitarian and hedonic value. The results also have implications for vWOM strategies which help to reduce the price sensitivity of potential adopters.

Journal of Product Innovation Management, Vol 32(2) 2015, pp192-200 (Parry and Kawakami)

When less is more

Research suggests that consumers will pay more for a single, expensive product than they will for a package containing the same item plus a cheaper one. Researchers in the US have shown that bundling costly and cheap products changed the perceived value of those products. People were less likely to buy bundles consisting of expensive and inexpensive products. The authors explain this in terms of a process called "categorical reasoning", where people categorise products according to whether they are expensive or not - this categorisation influences how they judge the products.

Winning Edge, January-February 2015, p4

Responsible consumption behaviour

Consumers often react positively to responsible products but do not necessarily reflect this in their purchase behaviour. This study examines this so-called "attitude-behaviour" gap. It identifies two dimensions which influence consumers' categorisation of ethical products. Consumers are found to exhibit four types of responsible purchase behaviour which depends on different motivations. The study also reveals that the inconsistency between consumers' words and actions has various explanations depending on how consumers frame their decisions. The conclusion is that understanding how consumers frame their responsible consumption decisions is essential for the development of successful marketing strategies.

International Journal of Market Research, Vol 57(1) 2015, pp51-72 (Antonetti and Maklan)

Customer relations

Customer delight

In a B2B environment 'delighted' customers are five times more likely to plan a repurchase than those who are merely satisfied, according to an Ipsos customer loyalty report. The author defines customer delight as "surprising customers with the level of service you provide". There are many ways in which to delight the customer but there are some common ingredients that lead to success, six of which are defined here. It is up to you to decide which of these are important for your business and customers.

Winning Edge, January-February 2015, p16 (Hanselman)

Buyer-seller relationships

This study examines the B2B trade fair from the point of view of relationship marketing. It looks at buyer-seller interactions and evaluates their impact on relationship quality and the long-term development of the relationship. The research is based on data collected at an international trade fair in Portugal. It reveals that the environment of a B2B trade fair encourages socialising which in turn is beneficial for forming connections and commitments as well as improving the quality of the relationship. Product importance and relationship age are also found to be important factors.

Industrial Marketing Management, January 2015, pp131-141 (Sarmiento et al)

Direct marketing

Instant messaging – more personal

There has been a rise in the number of messaging apps and services, such as Whatsapp, Kik, LINE and WeChat. Although Whatsapp, owned by Facebook, is ignoring advertising for the present, other services are attempting to attract brand owners. People will often seek out simpler platforms, such as instant messaging, while young people are shifting towards this mode of communication because it is more

personal. The one-to-one or one-to-few model is proving more attractive than the one-to-many of social media. Brands that are looking for the next big development may well be keeping their eye on messaging apps.

Campaign, 6 February 2015, p23

The meaning of mail

Royal Mail MarketReach spent 18 months conducting various research projects aimed at understanding what mail means for consumers and what that means for brands who want to use mail. The result was a report entitled *The Private Life of Mail*. The report can be downloaded at: mailmen.co.uk

dma.org.uk, 5 February 2015

Law

US broadband to receive greater regulation

The US Government believes broadband to be as important as water and electricity to people's everyday lives. The Federal Communications Commission has set out its 'net neutrality' proposals which are designed to ensure that the internet is "fast, fair and open". The new rules would involve a ban on "paid prioritisation and the blocking and throttling of lawful content and services", said FCC chairman Tom Wheeler. The new rules effectively treat broadband as a utility but the FCC will not be able to regulate pricing as it can with energy suppliers.

The Times, 5 February 2015, p45

Rihanna wins TopShop battle

Singer Rihanna has won her court case against Topshop which has been ordered to pay her £1.5 million legal costs. This follows a judgement which imposed a permanent ban on the retailer selling T-shirts which bear an unflattering image of the singer. Arcadia Group, which owns TopShop, had argued that they should not have to pay her legal costs when its own costs had come to a mere £350,000. The retailer had previously been found guilty of passing off Rihanna's image in a High Court case held in July 2013.

The Times, 4 February 2015, p7

Social media competitions

Australian businesses are increasingly using social media competitions as part of their marketing strategy. This article addresses five major issues which need to be addressed to ensure that a social media competition complies with the law and protects the company in the various jurisdictions in which it is run. It is written from the perspective of Australia but the advice would be applicable to other territories.

lexology.com, 5 February 2015

Marketing

Product features and online search trends

There are many factors outside the control of marketers which can lead to changing tastes in the relative importance of product features and hence consumers' purchase decisions. These shifts can alter the attractiveness of products with different feature levels. Climate change concerns, for instance, may lead to fuel economy being a key factor in automotive purchase decisions. The challenge is to find an effective way of assessing the importance which consumers assign to various product features. The authors use trends in online searches for feature-related key words (in the context of the automotive industry) as an indication of the importance of the corresponding features. These include fuel economy, acceleration, cost-to-buy, cost-to-operate and body type. They find that feature search trends positively correlate with feature importance trends.

Journal of Marketing, Vol 79(1) 2015, pp29-43 (Du et al)

Including sales in marketing strategy

To ensure business success, sales and marketing need to collaborate: strengthening the link between the customer, marketing and sales is essential for providing the customer and competitor information required for the business, but it is an area that is sometimes missing from modern marketing. This article examines why sales should be included in marketing strategy. It goes on to emphasise the importance of aligning sales and marketing strategies and objectives as well as defining parameters within which the two operate. Other topics include the customer journey, lead management, communication and what happens at the end of the pipeline.

Winning Edge, January-February 2015, pp36-38 (Le Meunier-FitzHugh)

Winning add-on business

Few strategic account managers are taught efficient methods for developing customer relationships and creating a demand for new services. These skills are essential for not only winning new 'add-on' work, but in retaining existing business. The SAM should be taking the lead in adding value and expanding the relationship with the client into new areas and higher levels of engagement. If this is done in the right way it will become more difficult for the client to leave. Here the author describes the 'Give-to-Get' model which focuses on how you can be helpful to the customer rather than trying to sell to them. Examples of 'Give-to-Gets' and a case study are included.

Velocity, Vol 17(1) 2015, pp31-34 (Bunnell)

Market research

Online mind-mapping

The authors describe the development of an online tool for collecting data about customer preferences. Consumer preferences are complex but they believe that a visual tool could be useful in gathering data. The tool, which is based on the theory of the mind-map, was used to test two cases relating to housing preferences and one relating to municipal construction. The tool is shown to have potential for data collection although further development is advised in order to realise its full potential.

International Journal of Market Research, Vol 57(1) 2015, pp29-50 (Riala and Nummelin)

Promoting participation among disabled

Evenbreak, a specialist job board for disabled people, has teamed up with market research recruitment company Saros to get more disabled people involved in market research projects. The partnership will allow Saros to reach people that it wouldn't normally be able to do through traditional recruitment methods. Saros wants people with disabilities to take part in all types of events, not just those where the viewpoint of a disabled person is required.

research-live.com, 5 February 2015

Public relations

Athlete endorsement and personal scandal

This study examines the effect of negative media coverage of athlete endorsers on the purchase intentions of male consumers and their attitude towards high- and low-involvement products. Participants at a US university were shown ads featuring athlete endorsers, some of whom had experienced personal scandals. The results suggested that purchase intention was affected by reputation for high-involvement products but that reputation alone was not an adequate predictor of consumer attitude towards either high or low involvement products. Athletes involved in scandals were still effective endorsers for low involvement products while those with good reputations were successful in promoting high-involvement products.

Journal of Customer Behaviour, Vol 13(4) 2014, pp271-290 (Graham et al)

Social media and crisis communication

Public relations is no longer a one-way monologue: social media have created a platform for multiple voices to express their opinions. Activists regard social media as a way of communicating their concerns with a view to changing public or corporate policy. This article offers the views of various experts on the subject of social media and crisis communications. The first offers brief advice for handling a crisis situation which should start with setting up social media monitoring; another explains five ways in which digital media have changed crisis

communications; the final contribution looks at the positive side of social media channels which provide a valuable opportunity to speak directly to stakeholders and even to identify and prevent a crisis before it starts.

PR News, 2 February 2015, p5

Scandals may not be all bad

A scandal surrounding the chief executive of a company is usually bad news for both the company and its shareholders. But this may not always be the case according to researchers at the University of Sussex. A study of 80 corporate scandals in the US found that after a chief executive had fallen from grace, the company often went on to make changes for the better. The reforms which companies implemented following the scandal meant that they performed better than their competitors over a three-year period. Scandals often act as a catalyst for change following which the company introduces safeguards to prevent the same thing happening again.

The Daily Telegraph, 10 February 2015, pB3

Agriculture, fishing and forestry

British farms less productive

Comparisons of the agricultural productivity from around the world suggest that England is less efficient than some other countries. It appears that British farms are not improving their productivity, a fact that is in part explained by Britain's participation in the Common Agricultural Policy. Although Britain's top farms may be more productive, others are simply running in time-honoured fashion often by older farmers whose children have left home. Other key factors are the shortage of R&D and the steep rise in the value of agricultural land leading to higher rents. Farmers need to be more entrepreneurial and the Government could take steps to encourage individuals with commercial acumen.

The Economist, 7 February 2015, pp23-24

Morrisons denies milking farmers

At a Scottish Parliamentary enquiry into the dairy industry, supermarket Morrisons has claimed to be making less profit, not more, from selling cut-price milk. The rural affairs committee had called upon the main grocers to appear before them after farmers had claimed that they were receiving less for the milk than it cost to produce it. Milk prices in Britain have fallen to their lowest level since 2007 with some farmers receiving just 19p per litre.

The Guardian, 5 February 2015, p24

Chinese floriculture

Yunnan province has become China's main flower-growing region. China accounts for over a quarter of land used for growing flowers and pot plants around the world, although it only exports just over 4% of the world's flower trade by value. The growth of Western tastes in China is leading to a greater demand for flowers, such as roses, in the country. Valentine's Day is also popular and as it gets closer, the wholesale price of roses will double. Other Chinese festivals at this time of year are beneficial to the flower trade.

The Economist, 7 February 2015, p54

Building industry

Huff and puff – straw houses are here

Straw houses are largely associated with the *Three Little Pigs* but now the first commercially-developed straw dwellings have gone on sale in Britain having received the necessary certification for mortgage and insurance purposes. Previously straw houses have been the preserve of self-builders and environmentalists. Straw is not only a good building material, it is also eco-friendly and cheaper than bricks. The new straw houses are being constructed in Shirehampton, Bristol.

The Times, 10 February 2015, p17

The cost of material price hikes

The recovery in the construction industry is linked to the price of materials. Increases in the cost of materials reflect rising demand which is set to continue as the amount of new work increases this year. Mintel forecasts that sales of concrete and concrete products rose by 12% last year and predicts annual growth of 5% up to 2018. New work output is also forecast to expand up to 2018. This will leave the industry's large contractors in a good position because they can more readily absorb the rise in materials prices. However, there is concern over how SMEs will cope with the increased prices...

Construction News, 6 February 2015, pp30-31

Businesses and strategy

Big business adopts the hackathon

British Airways recently held an "ungrounded" hackathon in which writers, designers and programmers gathered to find ways in which to improve the arrival part of a flight which is the bit that customers find least enjoyable. The airline aimed to gain prototype solutions within three days. Hackathons started in 1999 and have since gone mainstream. They typically involve participants who come together to try to meet the goal of the organisers, usually within a time-frame of just a few days. The concept is rapidly being adopted by big business which is attracted by the speed of innovation and the brevity of the event which

doesn't disrupt normal business. Take part in CIM's hackathon: [Marketing2025](#)

Financial Times, 10 February 2015, p12

The importance of networking

Networking is an essential though often dreaded activity that has become increasingly prominent in a globally connected world as a way for people to progress their career. It's not just about who you know but how well you know them. Every event provides an opportunity to connect and the average business professional has around 1,000 contacts. This article, written from the perspective of the HR professional, emphasises the importance of networking even for those who are shy and retiring. A flow diagram offers advice for successful networking at an event.

People Management, February 2015, pp32-34 (Lewis)

The new face of customer service

Nao, a humanoid robot developed by Aldebaran Robotics in France, is to start working in branches of Mitsubishi UFJ Financial Group from April. He is capable of analysing customers' emotions from their facial expressions and tone of voice, allowing him to greet people and ask them which services they need. Mitsubishi is just one of a number of Japanese companies which have taken on "non-human resources". Japan is using robots to make up for the country's declining workforce numbers and to help drive growth.

The Guardian, 5 February 2015, p3

Tech start-ups - regional growth

The digital sector is expanding in Britain with cities like Bournemouth and Liverpool playing host to more technology start-ups than London. A survey of the digital economy reveals that 74% of companies and 85% of workers are now located outside London. The survey identified 23 main clusters of businesses with different areas focusing on particular specialisms: the North West on software and health and Greater Manchester on media and financial technology business.

Financial Times, 5 February 2015, p4

Pay rises and promotions

In this infographic the *FT* claims that the top five things that employees believe will earn them a pay rise are not necessarily the same as employers are looking for. Whereas 37% of people believe that meeting deadlines and targets will earn them a promotion or pay rise, only 25% of employers assign this degree of importance to deadlines and 23% to targets. Yet 46% of employers regard gaining qualifications through education as the most important factor.

Financial Times, 5 February 2015, p2

Charities and NGOs

Charity partnership

Arjowiggins Graphics, which develops recycled papers for businesses, decided to rebrand its Cyclus paper range. The global campaign aimed to promote Cyclus' new image and the modernity of the brand. It also wanted to communicate the brand's environmental and ethical messages and to raise awareness of the company's charity partner, SOS Villages, France. The campaign, which adopted the theme of childhood and featured an origami fortune teller, achieved all its targets including the funding of 500 children in Madagascar. This case study examines how it set about achieving those goals.

B2B Marketing, February 2015, p37

Economy

Economic growth – benefits and risks

Britain's economy is forecast to grow at its fastest rate since 2006 according to the Institute for Fiscal Studies. Growth of 3% this year and 2.8% in 2016 is expected. This could lead to a new period of 'NICE' or non-inflationary consistently expansionary growth, a term coined by former Bank of England Governor Lord King. But growth is not without risk and Britons will have suffered over a decade of austerity by the end of the next Parliament as this article explains. Meanwhile all political parties are intent on reducing the deficit and getting Britain's debt under control. The IFS has also warned that the next Government may have to impose tax rises...

The Daily Telegraph, 5 February 2015, pB4

Energy and utilities

Computing power turns up the heat

Computers generate a great deal of waste heat – New York start-up Project Energy regards this as a valuable resource that could be used to heat people's homes. Data centres have already started to pipe waste heat into offices and homes but this only works in cases where there is a single building to be heated. To work in homes, the heat source (the servers) has to be in the home. Project Energy's heating unit contains a computer processor that works as a server but it will mean that people will end up with more computing power than they could possibly need!

New Scientist, 7 February 2015, pp20-21

SSE introduces smart thermostats

Scottish and Southern Energy (SSE) is to provide nine million homes with smart thermostats via a partnership with Tada, a leading German smart thermostat brand. SSE will be competing with British Gas, which has pioneered the smart thermostat in Britain and Nest, owned by Google. The devices

promise to save customers money by connecting their boiler controls to the internet and then to smartphone apps which can be used to control heating.

The Daily Telegraph, 9 February 2015, pB3

Environment

Valentine's cards costing the earth?

Valentine's Day is a time for cards but little does the amorous card buyer realise that retailers are selling items made with illegally and unsustainably sourced wood. This is according to a report from WWF-UK. Loopholes in the 2013 EU Timber Regulation allow illegal wood to find its way into cards and musical instruments because these goods fall outside the scope of the law. WWF found that cards from two well-known retailers contained 8% to 10% mixed tropical hardwood (MTH). The charity has called on retailers to check their supply chains carefully.

The Independent on Sunday, 8 February 2015, p9

Financial services

Cultural influence on consumer decisions

The authors hypothesise that consumers often make financial decisions that are based on: past experiences, their interactions with financial services firms and their long-term priorities. They conduct research into how three cultural factors and marketing communication types influence three major consumer financial decisions. They test their theories using a customer database from a multinational financial services firm with customers from 34 countries. The results suggest that national culture directly impacts consumer financial decision-making and has an effect on the effectiveness of the marketing.

Journal of Marketing, Vol 79(1) 2015, pp44-63 (Petersen et al)

Banker argues for abolition of free banking

Moray McDonald, senior banker at Royal Bank of Scotland, believes that the industry would be a "better place" if it stopped offering free bank accounts. He argues that free current accounts are paid for through overdraft fees and cross-selling of products and that the abolition of free banking would improve customer services and enable banks to innovate more.

The Times, 5 February 2015, p48

Big data – the credit gap

The financial crisis was a wake-up call for banks to pay more attention to the credit-worthiness of their customers. These days they are using technologies to analyse data from social media, digital data brokers and online sources. These can help to build profiles of potential or existing customers and to help market products targeted specially at them. To date there are no prohibitions on using such data in

underwriting. Some experts believe that big data will make finance more readily available but critics say it could widen the gap between rich and poor.

Financial Times, 5 February 2015, p9

FMCG

Beverages

Wine tasting app

Heini Zachariassen has developed an app which can be pointed at a bottle of wine in a supermarket allowing the user to find out more about the wine. Vivino has over 2.8m monthly users who discover and rate the five million vintage wines which the app has catalogued. By analysing wine reviews Zachariassen has identified taste patterns among drinkers and can make recommendations accordingly. In November a restaurant version of Vivino was launched where users can take a photo of the wine list to discover those with the best ratings.

Wired, March 2015, p23

Cosmetics and toiletries

Oil prices inflate condom prices

In Venezuela the decline in the price of oil is adversely effecting consumer goods, such as condoms. The country has one of the highest rates of HIV infection and teenage pregnancy in South America. An auction website is selling a 36-pack of condoms for 4,760 Bolivars or £490, which is close to a monthly minimum wage!

The Independent, 6 February 2015, p29

Food

Food wastage

A new survey reveals that the type of food people are throwing away is comparable with the food which was rationed during the 1940s and 1950s. One in ten of the respondents said they threw away milk before its sell-by date while others admitted to discarding eggs, bread and cheese. Nearly half said that families should cut waste while over a quarter considered that supermarkets bore the greatest responsibility. Almost a third felt that the size of packets or portions was too big for them to get through by the use-by date. According to the Waste & Resources Action Programme the average family throws away food worth nearly £60 a month.

The Times, 5 February 2015, p17

Don't eat the daffodils!

Public Health England has warned supermarkets not to leave daffodils close to the fruit and veg areas. They are concerned about the large number of non-English speakers who might confuse the flowers with vegetables, such as those popular in China. Daffodils can be poisonous if eaten.

The Grocer, 7 February 2015, p4

Heirloom chocolate

This Valentine's Day chocolate aficionados in the US will have more choice in the form of heirloom chocolate. The Fine Chocolate Industry Association (FCIA) has created an heirloom designation for cacao. This label is assigned according to the flavour rather than age or purity. The FCIA believes that improving the cachet of the chocolate will motivate people to pay more and farmers to plant more. So far the association has designated seven heirloom varieties of cacao from various countries. Chocolate made from these beans will receive the HCP Heirloom Cacao badge starting this year.

Bloomberg Businessweek, 9-15 February 2015, p34

Dairy Crest focuses on key brands

Dairy Crest, Britain's largest dairy food producer, has attributed an increase in market share to its popular Cathedral City cheese brand and its Friij milkshakes. Dairy Crest is undergoing an overhaul in which it plans to divest its milk business to Müller of Germany. This will leave it free to focus on cheese, milkshakes and butter. Butter has received a boost from the success of the BBC's *The Great British Bakeoff* series.

The Times, 6 February 2015, p45

Tobacco

E-cigarettes raise health concerns

Scientists are now suggesting that the vapour produced by e-cigarettes can harm the body's immune system in the lungs, leaving the user more open to infection. The findings of the research, which was conducted at John Hopkins University in Maryland, will increase the concerns of health experts regarding the risks associated with e-cigarettes. This is at a time when tobacco companies are increasingly turning to e-cigarettes as a source of revenue.

The Independent, 5 February 2015, p21

Government and public sector

UK leaders in Facebook debate

On 2 February British political leaders David Cameron, Ed Miliband, Nick Clegg and Natalie Bennett participated in Facebook's "Stand Up Be Counted: Ask the Leaders" debate. This was the first major event of the general election campaign in which the parties came together. The sessions were live-streamed on Facebook pages of Sky News as well as its website and YouTube channel. Although the event was well-received, criticism centred on the lack of straight answers from the politicians. No changes there!

Campaign, 6 February 2015, p2

Fiji changes identity with new flag

Fiji plans to remove the Union Flag from its national flag because it says that the country's rule by Britain is "no longer relevant". A new flag will be decided through a national competition and is to be revealed on 10 October, the 45th anniversary of independence from the British. New Zealand is holding a referendum this year to decide whether it will change its flag which also carries the Union Flag.

The Independent, 4 February 2015, p19

A lack of social diversity in Parliament

This article argues that, whatever the result of the general election, the House of Commons will still be full of privately-educated MPs, many of whom will have gone to Oxbridge. A study shows that 31% of prospective parliamentary candidates (PPCs) in winnable seats have been privately educated. This compares with just 7% of the population as whole. The Sutton Trust, a charity which campaigns for equal access to education, claims that the next House of Commons will not have any greater social diversity than before.

The Independent, 5 February 2015, pp1,7

Parties target voter tribes

Politicians and journalists have tried to shoe-horn voters into easy-to-recognise tribes ever since the phrase "Basildon Man" was first coined. The Labour Party has produced new research showing the two key groups of voters who will help it to win the general election. Meanwhile the Tories tend to court older voters and the Lib Dems are appealing to working women with children. *The Independent* has responded by creating a humorous guide to voter types: Settled Silvers, Squeezed Semis, Aldi Woman, Glass Ceiling woman, Harassed Hipsters and Neo-Greens. Which one are you?

The Independent on Sunday, 8 February 2015, pp6-7

Health and pharmaceuticals

AstraZeneca – it's all in the pipeline

AstraZeneca, which has announced a 70% fall in annual profits to £1.25 billion, may have a shaky year ahead of it. One of its best-selling products, gastrointestinal drug Nexium, has come to the end of its patent protection in the US which will open the door to generic competition, such as Teva. The company argues that it has a bright future due to a promising pipeline of drugs - regulators have approved six new medicines during the year.

The Times, 6 February 2015, p45

Virtual therapy

Lantern is an online psychotherapy provider which started up in 2013. Its clients fill out an online assessment after which they are allocated a coach who offers cognitive behavioural therapy via e-mail and MMS. So far the company has attracted 3,000

customers. It is not alone in this field: competitors include Breakthrough.com and Virtual Therapy Connect.

Bloomberg Businessweek, 9-15 February 2015, pp50-51

Sprayable sleep

Sprayable, a Silicon Valley start-up, has sold over 40,000 bottles of its caffeine spray since August 2013. Now the company has started a crowdfunding campaign for its Sprayable Sleep product and has already raised \$180,000 for its \$15 bottles. Co-founder Ben Yu believes that three squirts are enough to keep you napping for up to ten hours! But make sure you don't over do it...

Bloomberg Businessweek, 9-15 February 2015, p51

IT and telecoms

Samsung – a matter of consistency

Russell Taylor, Samsung UK's VP of corporate marketing, arrived at the company from Unilever 18 months ago. He aims to transform the brand from a faceless producer of high-tech machines to one with, "a personality and a heart and soul that transcend the products we make". He wants Samsung to become the UK's most-loved brand. Taylor says that Unilever is a marketing company which has the consistency to get consumers interested in the products and where a lot of products have clear positioning. He would like Samsung to gain the same marketing consistency.

Campaign, 6 February 2015, p13

Industry consolidates as it moves to quad play

BT has finalised its takeover of EE, which it is buying for £12.5 billion from Deutsche Telekom and Orange. The deal will place pressure on other TV, broadband and mobile players to consider teaming up as the industry moves towards greater consolidation. O2's and Three's owners Telefonica and Hutchison Whampoa are holding discussions while Sky and Vodafone are both looking to capture some of the 'quad play' market consisting of TV, broadband, fixed and mobile telephony. EE is expected to provide BT with an additional 24m UK customers as well as the most developed 4G network in the country.

The Independent, 5 February 2015, p55

TalkTalk chief attacks broadband campaign

Chief executive of TalkTalk and Tory peer, Baroness Harding of Winscombe, has criticised Government spending on a campaign to promote superfast broadband services, saying that it was "a waste of public money". The Department of Culture, Media and Sport's campaign, which cost £8m, encourages people to sign up to the broadband service in the run-up to the general election. The ads, which appear on billboards and TV, are a U-turn for the government which put a freeze on advertising and

marketing two years ago.

The Times, 4 February 2015, p41

Leisure and tourism

Superbowl ads

Brands are prepared to spend around \$4.5m on a 30-second ad slot during the US Super Bowl because brands which advertise during the game benefit from maximum exposure. This doesn't mean the ads are necessarily good because they are after all designed to entertain 100m viewers. This means that they are usually brimming with enthusiasm but are often dumbed down. This year's batch of ads were different, according to David Kolbusz of Wieden & Kennedy: they were not big, showy creations designed to "surprise and delight" but instead many of them made "failed attempts at poignancy". Here are a few of his personal favourites out of the around 80 ads which appeared during the event.

Campaign, 6 February 2015, pp14-15

Materials and mining

Steel lightens up with new material

Dr Hansoo Kim and his team in South Korea have produced a material which has the strength and lightness of titanium alloys but a tenth of the cost if produced in large enough quantities. As steel declines in popularity mainly because of its weight, scientists have looked for alternatives. Dr Kim has found that by combining it with nickel, in addition to the usual aluminium, manganese and carbon, he can create a strong but light material. POSCO, one of the largest steel companies in the world, has already expressed interest in conducting a trial. This development could eventually lead to aircraft being made out steel.

The Economist, 7 February 2015, p73

Media

Books

Reading can make you more contented

According to new research, people who read regularly for pleasure have higher self-esteem, are less stressed and can cope better with difficult situations than non-readers or lapsed readers. It found that 58% of the 4,164 respondents read regularly but estimated that nearly a third of the UK adult population (16m) are lapsed readers. However, people who read for 30 minutes a week are 20% more likely to report greater satisfaction with life than those who don't read. The research, which was conducted on behalf of Galaxy Quick Reads, coincided with the launched of Galaxy's 2015 titles.

The Bookseller, 6 February 2015, p16

Library network at risk

Over the past four years the number of annual visitors to libraries has fallen by 40m as the Government's cuts have forced library closures. Research commissioned by the Labour Party found that library use is in decline in all parts of England but is particularly apparent in the most deprived areas. However, the recent Sieghart report commissioned by the Government recommended the complete "reinvigoration of the library network".

The Independent, 7 February 2015, p6

Film

Getting the bigger picture

IMAX is the best-known brand in 'giant-screen cinema' in China, which is the world's second-largest cinema market. Last year box office sales rose by 37% to reach \$4.8 billion. It is likely that China, along with other emerging economies, will be responsible for the industry's growth in the coming years. More than 55% of IMAX's screens are outside America and it achieves margins that are more than double those of other cinema chains. As TV screens get bigger and streaming services more popular, IMAX is keeping its options open by selling smaller versions of its screens to rich Chinese film-lovers and is developing home-cinema technology for the American market.

The Economist, 7 February 2015, pp60-61

Cinema snacking is big business

According to a new YouGov poll of 5,000 adults, cinema-goers spend an average of £7.85 on the cinema's snacks, drinks and parking. Londoners spend the most, with the average couple shelling out £53.36 to go to the BFI IMAX in Waterloo. Wales spends the least at £6.86 per head. Only 21% of respondents said they would be going to the cinema less this year with 46% citing cost as the main reason not to. YouGov says that cinema has a lot of competition from other channels but that cinema-goers are more likely to splash out on extras when they treat themselves to a visit.

The Guardian, 5 February 2015, p5

Internet

Google pronounces new patent for names

Google has patented technology that could help people to pronounce place names in the way which natives pronounce them. Native speakers would record themselves pronouncing the name and this would be uploaded to Google where they could be implanted in Google Maps. Worcester in England is regarded as one of the most commonly mispronounced place names!

The Times, 7 February 2015, p19

Yahoo – uncertain future

Yahoo has been around a long time and used to be the first port of call for information and entertainment, but it has not achieved revenue growth since 2008 and the company is searching for an identity. Some analysts believe that Yahoo should develop content to attract the 'millennials' but chief executive, Marissa Meyer, has tried to focus on the company's technology roots. Others believe that the 'ageing' Yahoo brand will get in the way of the company's progress in social content and technology.

Financial Times, 10 February 2015, p9

Magazines

New magazines nets shoppable market

A year ago fashion retailer Net-a-Porter launched a bi-monthly glossy magazine called *Porter*. The 'shoppable' content which appears on every page has resulted in a high conversion rate. The magazine's publisher, Tess McLeod Smith, believes that many fashion magazines have "lost sight of the consumer". Research has shown that the company's core audience makes 60% of purchases online with 85% indicating that print was the main influence in helping them decide what to buy. When a customer becomes a *Porter* subscriber their visits to the website increase by 25% and their spend rises by 125%. However, some experts question *Porter's* claims to be a global magazine.

Campaign, 6 February 2015, p22

Music

Vinyl revolves around Czech operation

Sales of vinyl records rose by 52% in the US last year while sales in the UK topped a million, a figure not previously seen since 1996. The world's biggest producer of vinyl is GZ Media based outside Prague: last year it pressed 13.7m records. It believes that all major bands "now demand to issue their album on vinyl".

Bloomberg Businessweek, 9-15 February 2015, pp49-50

Newspapers

Mail's Sidebar of Shame attracts ad money

In the first quarter of the year *Mail Online* attracted £10m in advertising, up by a fifth year-on-year. In contrast it suffered a 10% fall in traditional print advertising revenue which achieved £5m less than for the same period last year. One of *Mail Online's* key features, which has been reportedly attracting millions in advertising money, is the so-called "sidebar of shame", which shows fashion mishaps, romance and the facial expressions of celebrities,

The Times, 5 February 2015, p47

New news models

The news industry is looking at new models for bundling and charging for content. It is almost ten

years since newspapers started charging for their content online, with many using the paywall model. Start-ups Readly, Next Issue Media, and Magzter, offer a single subscription for access to dozens of magazines. Blendle allows people to buy articles rather than a whole subscription. In November *The Economist* launched the Espresso app which provides daily updates. The future of subscription news services may very well depend on marketing and the delivery of content over and above that already available for free.

Financial Times, 5 February 2015, p18

Social media

Twitter expands advertising through partners

Twitter is to display promoted tweets on other sites through a series of partnerships. The first sites to display ads specially created for Twitter will be magazine app Flipboard and Yahoo Japan. Investors are concerned that Twitter cannot generate enough digital advertising revenue in a market that is dominated by Google and Facebook. But Twitter chief executive, Dick Costello, believes that its new partnerships will offer brands that are already advertising on Twitter greater opportunities to spread their messages.

Financial Times, 4 February 2015, p16

Television

Your TV is listening to you

Samsung Smart TV is smarter than you might think. One of its big attractions is the ability to control it with your voice rather than using a remote. But the small print of the privacy policy warns that spoken words "will be among the data captured and transmitted to a third party". The so-called "third party" is employed to turn your speech into text, thus improving voice recognition. But Samsung also admits that it will not be responsible for the security practiced by these third parties and it is unclear whether the data is to be used for marketing purposes. There is always the option to turn the voice recognition off but that depends on whether you know that your data is being monitored in the first place!

The Independent, 10 February 2015, p34; The Times, 10 February 2015, p11; The Daily Telegraph, 10 February 2015, p5

Packaging

Can consolidation

Rexam, the second largest can maker in the world, makes drinks cans for Coca-Cola, Heineken, Red Bull and others. Now there is a possibility that it will be sold to the largest player in the world, Colorado-based Ball. If the takeover goes ahead the new company will control two-fifths of the can market. The move is popular among big customers of the two companies because they will find it easier to deal with a single supplier in all their markets by

negotiating global agreements. It would also facilitate innovations such as resealable cans.

The Times, 6 February 2015, p39; The Daily Telegraph, 6 February 2015, pB1

Retailing

Ocado in profit for the first time

Ocado, has made its first profit since its foundation 15 years ago. The company, which delivers groceries online for the likes of Waitrose and Morrisons, has reported pre-tax profits of £7.2m in the year to 30 November. Despite reducing its marketing expenditure, Ocado has grown its customer base from 385,000 in 2013 to 453,000 last year. This year the company is looking to expand internationally in North America, Europe or Asia.

The Daily Telegraph Business, 4 February 2015, p3; The Times, 4 February 2015, p37; Financial Times, 4 February 2015, p21

Can partnerships solve the space problem?

Supermarkets have the problem of too much store space but partnerships with other retailers could solve this problem. Argos has announced plans to open digital stores in branches of Sainsbury's. Shoppers will be able to buy or reserve some 20,000 products online for collection. This is good news for Sainsbury's, which is to close a quarter of its stores over the next five years. But Mintel director Richard Perks is sceptical, he believes that "these sorts of link-ups between major retailers rarely work". In contrast Tesco is dealing with its excess store space by offering additional services such as cafes.

Retail Week, 6 February 2015, pp22-23

"Cautious Optimism" among retail chiefs

Retail 2015 is a survey of 25 chief executives' opinions of the industry's prospects for the year. Overall there is general agreement that consumers are still looking for value and bargains but that the worst of the economic downturn is over. Some 84% predict that retail sales will be better this year while 56% of retailers rank customer service and customer experience among their top three priorities. According to the consumer survey conducted for *Retail 2015*, 48% of consumers feel the same level of confidence as last year while 57% of consumers name free delivery as their key priority when shopping online.

Retail Week, 6 February 2015, pp36-38

Services

PwC criticised for helping tax avoidance

In a report by British MPs PricewaterhouseCoopers (PwC) has been accused of helping to promote tax avoidance by international companies "on an industrial scale". According to Margaret Hodge, Labour chairman of the Public Accounts Committee (PAC), ministers should consider banning PwC from

big government contracts as a way of influencing its behaviour. Both the Conservatives and Labour have made use of PwC. PAC recommends that the government should introduce a code of conduct for all tax advisors. Campaigners against tax avoidance, including Oxfam, have welcomed the PAC report.

The Independent, 6 February 2015, pp1,4

Google and Uber compete over sharing

Google and Uber appear to be competing head-to-head with their new technologies. Uber plans to challenge Google in the field of driverless cars by creating a testing facility with Carnegie Mellon University. Meanwhile Google is reportedly developing a ride-sharing app to use in its driverless cars although it has played down the importance of the app and claims that it has no immediate plans to compete with similar services.

The Times, 4 February 2015, p23

Reasons to be cheerful – about outsourcing

A poll by the National Outsourcing Association found that 80% of the general public did not believe outsourcing was good for the UK; it concluded that outsourcing has an image problem. Yet outsourcing has become a way of life and gives businesses the chance to grow: 57% of world business leaders say that improving efficiency is what leads them to outsource. These articles examine various aspects of outsourcing and its ability to deliver value for money. A series of graphs present an overview of global business outsourcing.

The Times Raconteur, 5 February 2015, pp1-15

Transport and travel

UK superyachts

Britain is becoming highly competitive in the luxury superyacht market where it offers a one-stop shop for the skills and services needed. The south-coast has become a hub for naval architects, shipyards and component manufacturers. Trade association Superyacht UK estimates the value of the sector to be £492m for 2013-2014, up by 7.1% on the previous year. However, there is still plenty of competition from overseas and market leaders in luxury yacht-building are the Italians and Dutch followed by the Turks.

Management Today, February 2015, pp44-48

Toyota – the biggest and most profitable

Toyota is already the world's biggest car maker and now it is to become the most profitable. With expected operating profits of 2.7 trillion yen in the year to the end of March, it will overtake VW as the most profitable carmaker. Over the past few years Toyota has been placing its European focus on the sale of high-margin hybrid vehicles, in particular the Lexus.

The Times, 5 February 2015, p47

Car sales driving forward

In January new car sales in Britain reached their highest level for that month since the financial crisis: sales rose by 6.7% year-on-year, marking the 35th consecutive month of rising sales. In general the British car industry is thriving with 2014 being the best year for a decade. January's growth is attributed to business sales, with the number of fleet registrations rising by 18% compared with January 2014. The upbeat car market reflects stronger economic confidence - car sales are generally regarded as a barometer of consumer and business confidence.

The Times, 6 February 2015, p14; The Guardian, 6 February 2015, p13

Budget business class – but can it take off?

French airline La Compagnie is launching a budget business class flight between London and New York. It claims to offer discount prices at 50% below the business class flights of traditional carriers. Flights booked before the end of June start at just £646. This is not the first time that an attempt has been made to disrupt the business flight sector. La Compagnie co-founder and, CEO Frantz Yvelin, was also responsible for L'Avion, a budget business service between Paris and New York. Other airlines, such as Silverjet and MAXjet, have failed in their

attempts to provide direct, all-business class services between London and New York.

The Daily Telegraph, 4 February 2015, pB8

Written by CIM's Knowledge Services Team

© Copyright 2015 CIM

The views expressed in *Cutting Edge* are not necessarily those of The Chartered Institute of Marketing.

On the Move

Name	From	To	New title	Source
Stephen Hancock	Microsoft	TBWA\Media Arts Lab London	Group Creative Director for Apple Business, Europe and Middle East	Campaign
Kirsten Knight	Sainsbury's	Kantar Worldpanel	Director of Grocery Retail Division	research-live.com
Cameron Kuwahara	Citigroup Global Markets	Nikko Asset Management	Head of Solutions Marketing	Financial Times
Simon Robertson	Bartle Bogle Hegarty	Anomaly London	Head of Communications Strategy	Campaign
David Tromans	Enotria	Buckingham Schenk	Marketing and NPD Manager	The Grocer
Damon Westbury	Microsoft	Clear Channel Outdoor	International Sales Director	Campaign

Cutting Edge: Our weekly analysis of marketing news

Sources

We created this edition of *Cutting Edge* from the sources listed in the next column. As a member you have access to a discrete range of them through the CIM website, some are freely available on the internet, but there will be others that we can only supply you with through our photocopying service.

To access the journals you have available to you as a member:

- Go to www.cim.co.uk/elibrary and log in to the site.
- You will then have access to the links to Ebsco, Emerald and the e-books available via MyLibrary.
- A user guide for the electronic resources is also available here.

Please note: the titles as they appear in *Cutting Edge* are **not** the same as in the original article. If the journal is within Ebsco, you can search by publication, which then allows you to choose the date. This page will also clearly show if there is an embargo on the title or if there is a short delay.

Key

**Full text available on Ebsco – although there may be an embargo

*Abstract available on Ebsco

+Full text available on Emerald

~Available online if you register

Key Note reports are available in the library at Moor Hall. Members can request the contents pages of a report and can receive up to 10% via our photocopying service. We can also supply the reports in full at a discount.

Please contact the library if you would like any further assistance or would like more information on our photocopying services (charges apply) or purchase of Key Note reports.

Tel +44 (0)1628 427333

Email library@cim.co.uk

B2B Marketing
Bloomberg Businessweek*
The Bookseller**
Campaign**
Construction News
[The Daily Telegraph](http://TheDailyTelegraph.com) ~
www.dma.org.uk
The Economist*
www.eventindustrynews.co.uk
[The Financial Times](http://TheFinancialTimes.com) ~
The Grocer
[The Guardian](http://TheGuardian.com)
[The Independent](http://TheIndependent.com)
Industrial Marketing Management
International Journal of Market Research**
Journal of Customer Behaviour
Journal of Marketing**
Journal of Marketing Communications** (18 month embargo)
Journal of Product Innovation Management**(12 month embargo)
www.lexology.com
Management Today**
New Scientist** (1 month embargo)
People Management**
PR News**
www.research-live.com
Retail Week
The Times
Velocity
Winning Edge
[Wired](http://Wired.com) (selected articles available)

Please contact the library if you would like any further assistance or would like more information on our photocopying services.

Tel +44 (0)1628 427333

Email library@cim.co.uk

Contents

To fast forward click on the following links:

[Agriculture, fishing and forestry](#)

[Building industry](#)

[Businesses and strategy](#)

[Charities and NGOs](#)

[Economy](#)

[Energy and utilities](#)

[Environment](#)

[Financial services](#)

[FMCG](#)

[Beverages](#)

[Cosmetics and toiletries](#)

[Food](#)

[Tobacco](#)

[Government and public sector](#)

[Health and pharmaceuticals](#)

[IT and telecoms](#)

[Leisure and tourism](#)

[Marketing trends and issues](#)

[Advertising](#)

[Brands and branding](#)

[Conferences and events](#)

[Consumer behaviour](#)

[Customer relations](#)

[Direct marketing](#)

[Law](#)

[Marketing](#)

[Market research](#)

[Public relations](#)

[Materials and mining](#)

[Media](#)

[Books](#)

[Film](#)

[Internet](#)

[Magazines](#)

[Music](#)

[Newspapers](#)

[Social media](#)

[Television](#)

[Packaging](#)

[Retailing](#)

[Services](#)

[Transport and travel](#)

[On the move](#)