

Cutting Edge: Our weekly analysis of marketing news

16 September 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

Irrelevant cues and message framing

Message framing is a concept whereby an ad message can be framed either positively, by emphasising the desired outcomes that can be achieved, or negatively, by highlighting undesired outcomes that can be avoided when using the advertised product. In this research the authors demonstrate that apparently “ad-irrelevant” cues present in an ad environment can cause psychological distance and affect the persuasiveness of message framing. These cues may include any information that appears unrelated to an ad but is present in the same ad environment. An example would be information placed on a side bar of a web page which appears irrelevant to an ad that is displayed on the web page. Four studies are conducted and the implications discussed.

Journal of Advertising, Vol 44(3) 2015, pp254-263 (Kulkarni and Yuan)

Pink bike ad withdrawn

Littlewoods has withdrawn an ad for children’s bikes after campaigners criticised it for being “pointlessly sexist” and “pathetic”. The ad depicts a boy telling his friend that he is happy to ride his sister’s pink bike to school but the bike is then replaced with a green one by his mother because: “Mums know best”. Advertisers have increasingly come under attack for gender-stereotyping – Halfords was recently criticised for marketing the Bell Amigo Pink Hearts Helmet “for lovely little girls”.

The Independent on Sunday, 13 September 2015, p11

Agencies

The innovation lab

Agencies are putting innovation at the centre of their business and creating new revenue streams by empowering their staff to develop clever technological solutions for clients. Agencies who cultivate an environment of innovation – identifying a client’s need and responding to it in the best way possible – are reaping the benefits. *The Drum* meets up with agencies in London that are using product innovation as a central part of their strategy. These include AMV BBDO, R/GA, and Breakfast.

The Drum, 2 September 2015, pp32-37 (McQuater and Smiley)

Effie Awards launches

A set of awards aimed at celebrating excellence in marketing effectiveness, has been launched in the UK by Effie Worldwide and the International Advertising Association. The winner of the Effie Awards, which recognises work done in the UK from April 2014 to September 2015, will be announced next year. The *Effie Effectiveness Index* identifies and ranks the most effective agencies, marketers, brands, networks and holding companies.

Campaign, 11 September 2015, p6

Brands and branding

Brand sustainability

Measures of brand value have traditionally centred on brand awareness, customer brand equity and brand loyalty. The authors argue that these measures do not address the future of the brand and propose a new measure, that of brand sustainability. They conduct a study based on online questionnaires for brands in 73 FMCG categories over a 10-year period and demonstrate a brand sustainability measure. Suggestions are made



Chartered CPD Programme

Don’t forget, reading this publication can count towards your annual CPD record.

www.cim.co.uk/charteredcpd

regarding how to develop and use brand sustainability and the impact of the measure on future brand growth and development.

Journal of Marketing Communications, Vol 21(5) 2015, pp340-355 (Schultz and Block)

Co-branding – a threesome

Celebrities are increasingly endorsing cause-related products as a form of corporate social responsibility, while organisations donate money to a non-profit organisation or social cause when customers buy certain products. This research uses a Balance Theory Framework to examine the effect of fit and consumer attitudes among partners within a triadic branding partnership – consisting of celebrity, brand and charity – on consumer attitudes towards adverts and their behavioural intentions. The results of two studies suggest that brands can offset negative consumer attitudes by teaming up with both a celebrity and a charity that consumers feel positively towards.

Journal of Brand Management, Vol 22(4) 2015, pp281-298 (Baxter and Ilicic)

Children

Is it advertising or entertainment?

US businesses are predicted to spend \$50 billion on content marketing this year. The goal is to reach audiences in a fragmented media world where consumers have a huge choice of entertainment. Companies, such as Lego with its YouTube channel, are moving beyond TV ads to reach the kids who have smartphones and tablets. The crossover between marketing and entertainment for children is not new – Walt Disney has long been merchandising its popular brands – but the blurring of content and online advertising is raising concerns among parents that children cannot differentiate between the two. In the US parents are asking the Federal Trade Commission to investigate online ads targeting kids.

Financial Times, 15 September 2015, p14

Conferences and events

Corporate compliance

Corporate compliance, an important part of the corporate events world, covers areas such as legislation, data protection and disaster recovery. These can create a mountain of red tape for event agencies; larger, better-resourced, agencies will find it easier to deal with corporate compliance while small agencies, with limited resources, may find it hard to keep up. This article discusses the issues.

Conference & Incentive Travel, September 2015, pp16-17

Longer questions are more popular

A new study suggests that most delegates ask short questions at events, but that long questions are more popular. The report, compiled by audience engagement specialist sli.do, found that two-thirds of questions asked by delegates at events are less

than 70 characters long yet questions of more than 100 characters are up to four times more popular. Questions beginning with “what” or “how” accounted for 75% of all questions examined. Time-related questions, such as those beginning with “when”, received an average of 40% more likes. The aim of the research is to help planners, “deliver more engaging events” according to sli.do CEO, Peter Komornik.

meetpie.com, 9 September 2015

Consumer behaviour

Consumption and the role of repression

Consumer research has shown that people find ways to disregard information and continue to engage in consumption activities which they find immoral, embarrassing or self-destructive. In Freudian terms people often repress what they know about consumption. The author investigates the relationship between consumption and repression by looking at Freud as a consumer and by examining his account of repression. He then presents two ways in which repression and consumption work together. He shows firstly, how consumption can produce material that people seek to repress and, secondly, how consumption can lead to repression by allowing people to communicate things they do not want to say.

Marketing Theory, Vol 15(3) 2015, pp365-379 (Cluley)

The marketing placebo effect

Research has previously investigated whether expectancies, such as price and brand-quality beliefs, affect consumption experience and behaviour. The authors expand the existing research by looking at individual differences in ‘marketing placebo effects’ (MPEs). They suggest a multi-disciplinary model for how marketing-based experiences alter subjective consumption experiences. They then test the model using various MPEs, such as price and brand labels. The findings reveal that consumers who are high in reward-seeking, low in somatosensory (a complex sensory system) awareness and high in the need for cognition, are more likely to respond to MPEs.

Journal of Marketing Research, Vol 52 August 2015, pp493-510 (Plassman and Weber)

Chinese consumers

China’s middle class is growing rapidly and McKinsey predicts that mainstream consumers with enough money to buy cars, fridges and phones will account for over half of urban households by 2020. The middle classes are evolving and consumer groups have become highly segmented: whereas some have already grown tired of “blingy offerings”, others will buy their very first Western brand this year. Chinese consumers are also becoming some of the most knowledgeable and discriminating in the world but they are also quite promiscuous when it

comes to brands. This article examines trends in this dynamic consumer market.

The Economist (Special Report – Business in China), 12 September 2015, (after p48) pp11-12

Customer relations

Knowledge top for customer experience

Lush, the handmade toiletries retailer, has moved up to first place in this year's *UK Customer Experience Excellence* survey from KPMG Nunwood, with First Direct and John Lewis taking second and third places. David Conway, director at Nunwood, says that the top organisations in terms of customer experience are the ones, "that are hugely knowledgeable and put the consumer in control". Lush makes all its own products so its employees know what goes into them, while John Lewis staff are well-known for their product knowledge.

Marketing Week, 10 September 2015, pp14-18

Direct marketing

E-mail a priority in South Africa

A new survey reveals that 84% of South Africans will access their e-mail as a first or second priority when they go online and that 65% are likely to use e-mail in preference to Facebook or mobile messaging apps, such as WhatsApp. The study, which was conducted by Everlytic, also found that the average unique opening rate for marketing e-mails is 25% and that 63% of people prefer to receive promotional messages via e-mail while only 6% prefer Facebook for such messages.

Journal of Strategic Marketing, August-September 2015, p7

Unsubscribe button helps focus on value

What really counts in e-mail marketing is not the number of customers who sign up to the e-mail but the number who really care. It is not the size of audience so much as the value of the audience that really matters. It is better to focus on active customers who are engaged and can add value to the business. The author argues that the unsubscribe button on an e-mail is to be welcomed and explains why.

dma.org.uk, 13 September 2015

Law

Privacy and data analytics

Businesses are increasingly using advanced technology in their marketing and are investing in data analysis to allow a more targeted approach. Meanwhile innovative businesses, which are developing technology for big data analytics, are more concerned with the cutting edge aspects of the technology than on issues such as compliance or data privacy concerns. In December 2013 the Information Commissioner's Office made this point in its guidance highlighting the data protection issues that should be considered by app developers.

This article addresses the privacy issues, associated with marketing methods using data analytics, which could be cause for concern.

lexology.com, 9 September 2015

Jamie's sugar tax could be anti-competitive

Jamie Oliver has been campaigning to get restaurant owners to place a 10p tax on all drinks with added sugar, via a series of meetings. Although two restaurants have followed his example, lawyers are warning that the talks between restaurants could be viewed by the Competition and Markets Authority as tantamount to price-fixing. Lawyer David Lowe says that "extreme caution" should be exercised with, "any type of meeting between businesses in the same industry to effectively discuss setting prices".

The Grocer, 12 September 2015, p6

Marketing

Marketing capability and outside-in

Traditionally businesses operate inside-out, where a company starts with internal resources. But, as the power shifts to customers and complex market changes take place, the inside-out model places constraints on a company and prevents it from responding to the rapidly-changing market. A model is developed and tested which links: marketing capability from an outside-in perspective; organisational adaptation; organisational structural factors; and new product development performance. Overall the results suggest that marketing capability is important in order for the company to adapt to external changes. This is provided that the business aligns organisational structural factors with the requirement of marketing capability for exploitation and exploration in product innovation.

Industrial Marketing Management, Vol 49 August 2015, pp151-166 (Mu)

Six pointers to success in marketing channels

In a survey 87% of people said they wanted meaningful interactions with brands but only 17% believed that brands actually offer effective interaction. This provides a big opportunity for marketers but it is important to understand how to engage effectively with customers and other stakeholders. This paper offers six key principles for assessing and establishing success in marketing channels. They emphasise the fact that brands should not attempt to be all things to all people but should instead identify channels which offer the best RoI in reaching targeted audience segments which align with the brand. There is also a focus on search and "paid amplification" to gain a broader reach.

Journal of Brand Strategy, Vol 4(2) 2015, pp127-133 (Oldani)

Digital marketing skills shortage

Over the past five years the amount of time individuals spend on the internet has nearly doubled. But a report published last year, entitled *Forrester Social Relationship Strategies that Work*, pointed out that important digital activities, such as social media posts, reach just 2% of fans and followers. This produces serious questions for digital marketers, such as whether it is worth putting valuable resources into digital if it isn't meeting expectations. Many have warned about a global shortage of digital marketing skills. This article looks at the talent shortage, with a focus on South Africa.

Journal of Strategic Marketing, August-September 2015, pp8-12 (Bouwer)

Mobile Communications

Mobile consumption is second only to TV although 53% of consumers say they interact with their phones while watching TV. Dubbed "the new consumer", these are the people who brands and businesses need to reach and engage with. Marketers need to deliver compelling messages that resonate with the small screen. Here are ten pieces of advice for creating successful mobile communications.

Admap, September 2015, pp20-23 (Smith and Juresic)

Market research

Big Data and its use in research

Big Data enables researchers to rethink their approach to gathering and applying knowledge. The role of consumer researchers is to identify issues that are relevant and to suggest a consumer research method that is adapted to Big Data. The first part of this article looks at the ethical and epistemic questions that help to establish a basis for conducting research with Big Data. In the second part the authors propose the use of abductive reasoning as the first step of the research process. Finally they present an analysis, a tool for segmentation and an example of what researchers can do with Big Data using abductive, inductive and deductive methods.

Journal of Marketing Analytics, Vol 3(1) 2015, pp5-13 (Oliver and Vayre)

Research without treading on toes

Hoxton Analytics makes a living out of filming people's shoes. The retail research company helps retailers to monitor footfall and shopper demographics without making the customer feel as though they are under surveillance. The in-store camera is pointed at people's shoes, which helps to preserve their privacy, while enabling the company to identify the customer's gender with 75% to 80% accuracy and to count footfall with 95% accuracy.

Financial Times, 9 September 2015, p14

Public relations

Public trust

To mark this issue on corporate trust, *PRWeek* commissioned a YouGov poll to see which brands are good or bad according to the public. The online survey sought to reveal which companies, brands and industries are perceived as the most ethical and which factors contribute to people's opinions. In general terms the survey found that supermarkets and large retailers are good while banks and energy providers are bad. A company's ability to regain trust depends as much on its past reputation as on its reaction to a crisis. The most ethical companies were considered to be the Co-op, John Lewis and Sainsbury's, while the least ethical company was perceived to be Ryanair, followed by npower and Starbucks. Treatment of staff and suppliers topped the list of factors which helped to decide if a company has ethical standards, followed by its treatment of customers.

PR Week, September 2015, pp20-21

Getting ready to make that phone call

The author gives advice to PR professionals on "how to get comfortable" when performing tasks such as picking up the phone to a client or a member of the media. She gives five tips for boosting confidence, which include: finding a quiet and private space where you can make a call, writing down the talking points before making the call and practicing making a call with a friend or a colleague.

Public Relations Tactics, Vol 22(7) 2015, p8 (Lawlor)

Dealing with the wrong spokesperson

Sometimes the person in the organisation who knows the most about a topic is the least suited to speak to journalists because they may not have the skills or personality for a public appearance. Here is some advice on how a PR professional can address the problem of a lacklustre spokesperson.

prdaily.com, 11 September 2015

Agriculture, fishing and forestry

Breakfast is getting cheaper

The *Financial Times' breakfast index*, which shows the value of six breakfast commodities – wheat, milk, coffee, orange juice, sugar and pork or "lean hog" – reveals the cost of breakfast is at its lowest level for five years. Although the index only reflects a simple average, it does show that food deflation is affecting both farmers and consumers. However, some agricultural commodities remain strong: a cup of tea or cocoa with breakfast will be more expensive since the price of tea has risen by 67% this year while cocoa is up by 13%. In contrast, coffee prices have fallen by 28% and milk by 33%.

Financial Times, 11 September 2015, p30

Vertical farming

A vertical farm in Japan uses light, air and water to grow local produce. The building, known as Nest We Grow, is the result of a collaboration between students from UC Berkeley in the US and Japanese firm of architects Kengo Kuma. The third and fourth floors are filled with planter boxes while rainwater is captured by the roof. There is also a kitchen, log oven and compostable area, enabling the vertical farmers to harvest, cook, eat and recycle the food they grow. A traditional Japanese tea room has plants growing from the floor while hemp ropes along the outer frame of the building will have bean stalks growing up them.

Wired, October 2015, p22

Building industry

Housebuilding is in a good place

The UK's housebuilders find themselves in a good position thanks to low interest rates, a lack of new housing supply, rising house prices and increased availability of mortgages. Barratt, the largest homebuilder by volume in Britain, has seen a profit rise of 45% and revenue rise of 19% compared with the previous year. This year Barratt has completed its largest number of homes since 2008. It says that the average selling price has risen by 8.7% to £262,500, mainly because of price inflation.

The Guardian, 10 September 2015, p33

Dutch initiative could replace Green Deal

This year the UK Government finally abandoned its 'green deal' yet steps still need to be taken to retrofit existing housing stock. In the Netherlands the Energiesprong initiative (translated as energy leap) has retrofitted nearly 1,000 homes but 110,000 are planned in total. The initiative works on four key principles including the need to improve the aesthetics of the property and its value. In Britain, where the initiative is slowly taking off, Energiesprong UK programme director, Arno Schmickler, describes its longer-term future as a "retail solution" in which people should be able to walk into a store and buy an Energiesprong solution.

Construction News, 11 September 2015, pp14-15

Sky high pool stunt

Building company Ballymore has come up with a new type of PR stunt. It has created the Sky Pool, a swimming pool linking two blocks of flats next to the US Embassy in London. The pool, which is suspended at a height of 35 metres, is glass-bottomed so that swimmers are fully-visible to passers-by!

PR Week, September 2015, p14

Businesses and strategy

Developing supplier NPD capabilities

Suppliers are playing an increasingly important role in helping companies to meet their new product development (NPD) targets. In practice, however, suppliers often lack the technological expertise to take part in collaborative NPD. In some cases a company may decide to actively develop a supplier's technological and product development capabilities. Using a theoretical framework the authors seek to answer two questions: what factors influence the extent to which companies invest in supplier development and what are the outcomes of these investments during NPD for the supplier, the NPD project and the performance of the new product?

Journal of Product Innovation Management, Vol 32(5) 2015, pp777-792 (Lawson et al)

Design in corporate culture

Companies are increasingly working to place design at the centre of the enterprise, a shift that is more about imparting the principles of design, than about aesthetics and product development. This 'design thinking' is in response to the technologically complex nature of many products, services and processes. People need help to make their interactions with technologies and complex systems more intuitive and pleasurable. Design thinking includes various principles such as a focus on users' experiences, notably emotional ones, and the creation of physical models and prototypes. This article looks at how the types of companies making this change, such as IBM and GE, are beginning to recognise the high levels of complexity that they must manage and identifies the challenges involved.

Harvard Business Review, September 2015, pp66-71 (Kolko)

Jobs for the boys

Despite record numbers of graduates being offered jobs since before the recession, it appears that employers are still recruiting more men than women. The Association of Graduate Recruiters (AGR) reports that under 42% of graduate training scheme jobs are offered to women even though women comprise 60% of total graduates in the UK. The AGR claims that the situation has not improved over the past five years, although most firms say they have a strategy in place to improve diversity in the workplace. The Fawcett Society, a women's rights charity, has recently tried to persuade the Government to publish pay scale data to help reduce the pay gap between men and women.

The Independent, 9 September 2015, p11; The Guardian, 9 September 2015, p10

Innovation in China

China has traditionally had a policy of 'indigenous innovation' whereby multi-national companies have

formed joint ventures with state-owned enterprises (SOEs) in particular sectors. This hasn't been altogether successful and now the Government is spending over \$200 billion a year on R&D, which represents 2% of GDP. There are ways in which the Government could help to boost innovation, such as providing a good legal framework and functioning financial markets. The private sector must take much of the credit for China's growing innovativeness according to a report from McKinsey Global Institute. But ultimately the country is still suffering from state control: the car industry, for example, has been slow to take off largely because the SOEs, which employ some of the smartest people in science and technology, "cannot get a branded product out the door that people outside China want to buy".

The Economist (Special Report – Business in China), 12 September 2015, (after p48) pp9-10

Durable consumer goods

Ikea builds on furnishing sales

Ikea has announced another year of rising sales. It achieved sales of €32 billion in the year to August which takes it further towards its goal of €50 billion by 2020. Ikea has 328 stores in 28 countries but its fastest-growing markets are China followed by Russia. The appetite for assembling flat-pack furniture seems to continue unabated!

The Guardian, 11 September 2015, p30; Financial Times, 11 September 2015, p16

Sofas – online becomes a comfy option

Traditionally people have gone to a physical store to buy a sofa. Furniture has been slow to take off in terms of online shopping but things are changing: research for *Retail Week's The New Rules of Engagement for the Home and Leisure Sector* report reveals that over 40% of shoppers would be prepared to buy a sofa online. In fact most homeware and furniture transactions involve an element of online business, even if it is just conducting initial research. Yet many retailers are still trying to catch up and adapt their legacy systems to new ways of shopping.

Retail Week, 11 September 2015, p32

Economy

Business opportunities overseas

Businesses have long realised that no two markets are the same: having a good understanding of demographics in a target market is of utmost importance to those who want to sell goods and services to that market. But demographics are only one part of the jigsaw. This article looks at how population growth and an ageing workforce can affect global business but points out that demographics and spending power are complicated matters. The article includes an infographic covering

the 'GDP projections at purchasing power parity' rankings for 32 countries. Five key emerging markets are highlighted.

The Times (Raconteur – Going Global), 10 September 2015, pp10-11

Budget transparency

The International Budget Partnership's *open budget index* reports that only 24 countries have acceptable levels of budget transparency. The index is based on 109 questions aimed at measuring the amount and level of detail of budget information publicly available in 102 countries. The 78 countries which provided 'insufficient' information represent 68% of the global population. New Zealand is at the top of the list for transparency, followed by South Africa and the US. Britain is placed sixth.

The Economist, 12 September 2015, p91

Energy and utilities

Ofgem investigates wholesale markets

Ofgem, the energy regulator, has identified tactics being used in wholesale gas and electricity markets which it believes amount to "market abuse" and it is in the process of "investigating certain actions". These tactics include failing to disclose inside information and a process known as 'layering', where traders enter bogus bids or make offers to manipulate prices. In 2013 Ofgem gained new powers, including being able to impose unlimited fines.

Financial Times, 11 September 2015, p4

Environment

Greenpeace targets outdoor clothing

Greenpeace has accused certain outdoor clothing manufacturers of failing to remove toxic chemicals from their products. Its scientists claim to have found traces of perfluorinated chemicals (PFCs) in various lakes, such as Lago do Pilato in the Apennine Mountains. Companies under attack for using PFCs in their waterproof gear include The North Face, Columbia Sportswear and Patagonia. This could be a problem for such companies who want to appear environmentally-friendly and whose advertising includes images of unspoilt landscapes and environmental messages.

Financial Times, 9 September 2015, p19

CCS schemes under pressure

Power generators have a greater effect on global warming than any other industry. Despite over \$30 billion having been spent on, or committed to, carbon capture schemes (CCS), they have a poor record of being implemented. Some 33 CCS ventures have been abandoned or postponed over a five-year period. More radical uses of carbon capture technology are required and supporters of the technology argue that the fossil fuel industry should

foot the bill.

Financial Times, 10 September 2015, p11

Fashion

Primark opens in US

Primark has just opened its first store in the US, in Boston. The Dublin-founded company may be a good fit for Boston which has a strong Irish heritage. However, the brand is largely unknown in the city, despite increased publicity via a social media campaign and putting on an opening party for 'fashion influencers'. The US has been a high-risk market for British retailers and many, such as Tesco and M&S, have failed. Analysts believe Primark could be the first to crack the market thanks to a combination of fashion and low prices.

Financial Times, 10 September 2015, p23

Very has the X Factor

Very has become the official fashion partner of ITV's *The X Factor* this year. The online fashion store, which sells more than 1,000 brands, will style the shows contestants. It will also create content to distribute across social channels while a shopping feature within the *X Factor* mobile app will offer 'style packs' so that users can shop for styles worn by the show's contestants.

Retail Week, 11 September 2015, p31

Burberry launches 'scarf bar'

Burberry is promoting its new customisable scarf range with a digital campaign which shows people a different scarf every time they view the ad. The ad will depend on the weather, time of day and location but the aim is that a person should never see the same scarf twice.

Marketing Week, 10 September 2015, p5

Financial services

New challenger bank targets mobile users

Next week a new bank will be unveiled to target the growing number of people who conduct mobile banking. Mobile apps have become the most popular way to bank, overtaking branches and desktop. Tandem, which is expected to receive its licence later this year, will offer current accounts and mortgages. The founder, Ricky Knox, is adamant that the bank is, "never going to be for customers who need a branch". A number of challenger banks have launched in recent years with varying degrees of success and some have struggled to grow market share and profits.

Financial Times, 15 September 2015, p25

FMCG

Beverages

Finding the passion for new products

The alcohol industry uses new product development to get consumers to try out and upgrade to premium brands. But new research suggests that older consumers in particular prefer to stick to one or two favourite alcohol brands rather than experimenting with new ones. *The Drinking Code* report, which surveyed 6,500 consumers across six countries, found that 62% tend to buy favourite brands at all times while only 39% said they enjoy experimenting. The report suggests that brands can no longer rely on awareness marketing; instead they need to ensure that their communications "ignite passion". BrewDog, for example, uses social media with its annual #MashTag event, in which followers are asked to vote on every element of the beer's design. Other brands who have been successful in finding 'passion points' are Jameson whiskey and Swedish cider brand Rekorderlig.

Marketing Week, 10 September 2015, pp20-21

Selecting a premium coffee solution

Britons drink 70m cups of coffee every day, a coffee addiction that is matched by the increase in the number of coffee shops appearing in UK high street – there are now 16,500 outlets. One of the biggest opportunities in this market, according to experts, is takeaway premium coffee at local convenience stores or petrol stations, dispensed by specialist vending machines. Yet only 20% of independent retailers offer this facility at present. This article examines the major players, how a retailer should select a vendor and how profitable the investment could be.

The Grocer, 12 September 2015, pp28-31

Vodka bonds with 007 in marketing deal

In *Skyfall*, James Bond was seen quaffing beer, which purists regarded as an unsuitable beverage for the Ian Fleming character. In *Spectre*, the new Bond film which opens next month, the hero will be drinking Belvedere, a luxury Polish vodka owned by LVMH. Charles Gibb, president of Belvedere, is hoping that the marketing deal, for which the fee has not been disclosed, will firmly link the vodka brand to 007. Heineken spent \$100m in its marketing agreement with *Skyfall*.

The Daily Telegraph, 15 September 2015, p4

Food

London salmon smokes out PGI status

A London smoked salmon business is to be awarded the much-coveted EU Protected Geographical Indication (PGI) status, the first London food to gain this accolade. Forman & Sons' London Cure smoked

salmon will join other British PGI foods such as Melton Mowbray pork pies. Forman claims to be the oldest Scottish salmon smokers and to carry on a tradition started in 1905 by Harry Forman. The company's salmon appears on the menus of some of the top restaurants in the UK as well as being favoured by a number of celebrity chefs.

The Guardian, 11 September 2015, p19

Heinz backtracks on baby biscuit ads...

Heinz will no longer market its Biscotti range of baby biscuits as 'healthy snacks' after campaigners argued that the advertising of products with such high sugar content encouraged poor nutritional habits in children. The Advertising Standards Authority confirmed that the case had been "informally resolved" and did not merit a full investigation. Heinz did not challenge the Children's Food Campaign's case and agreed to stop advertising the food. It has subsequently changed the wording on its website.

The Guardian, 9 September 2015, p5; The Grocer, 12 September 2015, p35

...and British Sugar withdraws sweetener ads

British Sugar has withdrawn an ad which promotes the 'natural' nature of Truvia, its sugar substitute. This was after a complaint that the ad was misleading. US company Cargill, which developed Truvia with Coca-Cola, brought the product to the UK through a partnership with British Sugar brand Silver Spoon. It has already paid out over \$6m in the US due to lawsuits relating to misleading advertising. The UK ad described Truvia as "natural deliciousness" and "From nature for Sweetness".

The Guardian, 10 September 2015, p18

Government and public sector

Behavioural economics

Behavioural Exchange 2015, a gathering of academics and policy-makers from 20 countries, was held in London recently. It was hosted by the UK Government's Behavioural Insights Team, the Nudge Unit which claims to have saved the Government at least £300m through the introduction of small, effective initiatives over its five-year existence. The success of the unit has resulted in HM Revenue & Customs setting up its own behavioural insights team. But can advertisers learn lessons from nudge theory? Three lessons from Behavioural Exchange 2015 are discussed.

Campaign, 11 September 2015, p14

UCAS to use data for diversity

The UK Government's universities minister, Jo Johnson, has written to the university admissions body, UCAS, asking it to publish data on students' backgrounds. The aim is to identify institutions

which are least likely to offer university places to ethnic minority groups. UCAS will also extend this data to include pupils from other types of disadvantaged backgrounds. UCAS already makes £12m a year through selling data to companies from students who have given their permission. The PM, David Cameron, has promised to double the rate of university entry among students from disadvantaged backgrounds by 2020, compared with 2009 levels.

The Independent, 10 September 2015, p8

Health and pharmaceuticals

Indian pharma faces US crisis

Emcure Pharmaceuticals is just one of a number of Indian drug-makers which have fallen foul of US regulators. This year six Indian companies have had their manufacturing sites blacklisted by the FDA, bringing the number of facilities in the country that can no longer make medicines for US consumers to 39. This is very damaging for India's pharmaceutical industry. India has been supplying 30% to 40% of the generic medicines used by the US – a market worth \$44 billion – but it is currently facing a credibility crisis.

Financial Times, 10 September 2015, p19

IT and telecoms

Apple – new product launches

Last week Apple launched a whole tranche of products at one of the biggest events in its history. The new products included an iPad, iPhone, a TV and a 'pencil', which commentators say resembles a stylus. The new phone, which looks a lot like the old version, was pitched as being pressure sensitive and having an improved camera. A new watch has also been created in partnership with the luxury brand Hermès. One of the centrepieces of the launch was the giant iPad Pro, which is as big and powerful as a laptop, and is being pitched to business users.

The Independent, 10 September 2015, p9; The Times, 10 September 2015, p17; The Guardian, 10 September 2015, p10

T-Mobile challenges iPhone pricing model

T-Mobile in the US has plans to let customers lease the latest iPhone for as little as \$20 a month as it seeks to compete with Apple's new upgrade plan. Last week Apple announced that it would allow customers to trade up to the latest iPhone model every year. This initiative will threaten the traditional relationship between wireless operators and their subscribers. Analysts estimate that Apple's new leasing plan will increase iPhone shipments by 6.5m in 2017 if the scheme goes global.

Financial Times, 11 September 2015, p17

Nokia to launch VR camera

Nokia has unveiled its first commercially-available virtual reality camera, named the OZO. The camera,

which will go on the market at the end of the year, allows content to be published through VR devices, such as head-mounted displays. The tools are aimed at professionals who can use it to create VR experiences for people. The camera is another example of Nokia's return to the hardware arena, just two years after it sold its handset business to Microsoft.

Mobile Europe, August-September 2015, p6

Telecoms consolidation

Telecoms companies believe that consolidation in the industry is necessary if companies are to be able to invest in the necessary technology and infrastructure. Now a proposed merger between Denmark's TeliaSonera and Telenor is being scrutinised by the EU's antitrust chief, Margrethe Vestager. Her decision is being watched carefully as a signal of what may happen with other possible deals such as Hutchison's Whampoa's proposed takeover of O2.

Financial Times, 11 September 2015, p18

Leisure and tourism

Fantasy sports

Edinburgh-based FanDuel has established itself as a leader in US Fantasy Sports. The company has just been valued at \$1 billion and revenues are set to triple this year. Fantasy sports involve participants putting together an imaginary team of real sports players whose performance in real games dictates how well the imaginary team does against its competitors. In the US a federal law has made online gambling and sports betting illegal but fantasy sports has been exempted from this law. FanDuel founder, Nigel Eccles, had previously set up an ad-funded prediction game called Hubdub but realised that a business where customers, rather than advertising, paid for the product, was the way forward.

Financial Times, 9 September 2015, p14

Media

Books

The European book-selling landscape

The Bookseller looks at the state of Europe's booksellers and concludes that consumer confidence hasn't recovered from the economic downturn: sales losses are continuing, which has led to consolidation and restructuring in the industry. Due to falling sales and the migration to online buying, most book-selling chains are adopting cost-cutting measures, such as job cuts and store down-sizing. Five major European bookstore chains are profiled.

The Bookseller, 11 September 2015, pp14-15

Film

Star Wars product

Disney is already promoting sales of merchandise and toys for the *Star Wars: The Force Awakens*, due to be released on 17 December. The first 'Force Friday' event took place on 4 September when Disney live-streamed *Star Wars* merchandise for 18 hours on YouTube. It also held events at stores so that fans could buy merchandise from midnight onwards. Since the first *Star Wars* film opened in 1977, consumers have spent \$20 billion on merchandise. For many fans the products have become an important part of their interaction with the film, according to Kathleen Kennedy, president of Lucasfilm.

Marketing Week, 10 September 2015, p6

Internet

Facebook takes Internet.org global

Facebook has opened up its Internet.org service with a partner portal allowing any operator to offer basic internet services to users for free. Last year the service launched in Zambia but is now working in 17 countries while planning further expansion. Consumers who use the Internet.org app gain access to health, employment and other local information without being charged. Facebook is currently looking at drones, satellites and lasers as ways of bringing connectivity to regions that are hard to reach.

Mobile Europe, August-September 2015, p8

Magazines

Media planning

Magazines have slipped down the list when it comes to being considered by media planners, largely because of widespread reports of declining print circulations. Yet they are well-equipped to produce content on a variety of platforms for the digital and social media age. This article looks at the benefits of magazine media; their measurement and effectiveness; planning fundamentals and structure; and best practice.

Admap, September 2015, pp37-39

Music

New code could provide fair deal for artists

Musician H el ene Muddiman has been campaigning against copyright infringement for over a year. Under the banner *Free At What Cost?* she has gained a great deal of support for a coding device that would label and protect creative material before it is viewed. The technical protection afforded by this scheme would allow the online audience to be charged a small amount every time copyrighted work is viewed. A number of well-known musical names are lending their support to the not-for-profit shared technology which Muddiman and her team are developing.

The Observer, 13 September 2015, p9

Newspapers

Local papers adapt to survive

Local newspapers are trying to adjust to changing times – Johnston Press, owner of the *Belfast News Letter*, has just launched a digital service and a weekly free-sheet called the *Belfast Vibe* targeting those who wouldn't dream of buying the *News Letter*. Across Britain publishers have closed 181 titles while trying to offset a declining print circulation with digital services. Publishers are also contending with the downturn in print ad revenues this year, which has been compounded by a lull in the supermarket price war and a decline in property ads. But local publishers have the advantage of knowing their local communities and, increasingly, they are selling print and online packages to local businesses including digital ads tailored to readers.

The Sunday Times, 13 September 2015, p7

Social media

Social media return

Harnessing the power of social influence has come to the fore with the rise of social networks. Although many companies are engaging in social media, their returns are not necessarily matching up to expectations. The author proposes a model of social media as a social marketplace and argues that the key to achieving a social media return is: firstly, for the supply and demand of social media to be harnessed and secondly, for social media to be targeted at specific audiences. There are ten core questions that marketers should answer in order to maximise the return on their social media investment.

Journal of Brand Strategy, Vol 4(2) 2015, pp134-142 (Bughin)

Private social sharing

Marketers feel obliged to measure everything in order to show RoI; on social media this ranges from simple measures, such as website traffic, to working out the value of a Facebook 'like'. But there are many social shares that you can't see – these private social shares, sometimes called 'dark social', account for 69% of global content sharing (75% in the UK) last year. But dark social is not just about personal interactions: it can also encompass B2B buyers who share content with colleagues. The author looks at the power of dark social and whether it is possible to measure it.

B2B Marketing, September 2015, pp16-17 (McGeal)

Snapchat discovers news channel

Snapchat is hoping to gain some mobile ad revenues via a 'snackable' news service. Discover, which is embedded in the Snapchat app, gives 'swipeable' news feeds in short-form video and content from 15 media feeds including BuzzFeed, Sky and MailOnline. *Cosmopolitan* also plans to run 12 stories a day on Discover. Experts believe that the service will offer

big opportunities for advertisers who want to target the younger, mobile-centric audience.

Campaign, 11 September 2015, p21

Television

Male roles in TV advertising

The authors seek to remedy the lack of research into male roles in television advertising. They start by conducting a review of current literature and discussing ways in which this area of research can progress. They conduct a study to investigate the depiction of males, the relations between males and other people and how these depictions have changed over the period from 2003 to 2008. The results indicate that some aspects of male depictions run counter to changing gender roles in society while others reflect these changes.

Journal of Marketing Communications, Vol 21(5) 2015, pp356-371 (Fowler and Thomas)

Video

Choosing the right video platform

This year YouTube celebrated its 10th anniversary; over ten years it has been the dominant online video platform but now the situation is changing and most social media platforms have launched their own video tools enabling people to upload videos. Suddenly marketers have a choice of options for distributing video content, but how do they choose which platform to go with? The author offers a brief summary of the strengths and weaknesses of four video platforms that he considers are best-suited to B2B marketing.

B2B Marketing, September 2015, p38 (Cooper)

BBC could open iPlayer to other broadcasters

The BBC has suggested that it could host content from other broadcasters on its iPlayer service. Director-General, Lord Hall, believes that the UK is "losing out to global players" because people have to search across a number of video platforms. The idea is reminiscent of Project Kangaroo, put forward in 2009 but blocked by the Competition Commission, in which the BBC, ITV and Channel 4 would have entered into a joint venture. There is an argument for other broadcasters to place their content on iPlayer since it is the second-largest online video service after YouTube. The BBC is also planning to enable binge viewing via iPlayer by loading complete series on to the service.

Financial Times, 8 September 2015, p4

Packaging

Zero gravity glass

Scotch whisky brand Ballantine's has designed a glass which can be used in zero gravity as well as special whisky which has been adapted to the way people's sense of taste changes when in space. Unfortunately Nasa does not allow astronauts to

take alcohol on missions so Ballantine's may not get a chance to test out its invention!

Campaign, 11 September 2015, p5

Edible water bottles

An EU competition for sustainable products has led to the creation of edible water bottles made from seaweed. The packaging, called Ooho, is spherical in shape and described by its designer Pierre Paslier as similar to "manmade fruit". Ian Ellerington, one of the competition's judges, says: "The potential for packaging reduction is really high". Meanwhile Paslier explains that you don't have to eat Ooho but people are very positive about a packaging material that "is so harmless that you can eat it".

The Guardian, 11 September 2015, p9

Retailing

Convenience stores – open all hours!

A report from the Association of Convenience Stores has found that 25% of convenience store owners work more than 70 hours a week while one in five take no annual holiday. The *Local Shop Report* reveals that convenience shop owners are dealing with an increasingly heavy workload with some shops being open 16 or 17 hours a day. *The Daily Telegraph* focuses on the speed with which the convenience sector is growing: shops opened at the rate of two a day last year – a trend driven by time-poor consumers – and the sector is now valued at £37.7 billion.

The Independent, 9 September 2015, p21; The Daily Telegraph, 9 September 2015, p5

The effect of the living wage

Analysts at Morgan Stanley have predicted that the introduction of the 'living wage' will have as big an impact on the retail industry as the internet and will have a negative effect on profit margins. The minimum wage is due to be increased to £7.20 an hour next April and to £9 by 2020. Morgan Stanley believes that some retailers, such as Home Retail, will be hard-hit because its "profitability is currently so depressed". Others, such as Dixons Carphone and Kingfisher, will not be so affected because they have operations in continental Europe.

Retail Week, 11 September 2015, p2

Marketing toolkit for smaller retailers

Card payments company Markadis has launched a marketing package targeting independent and medium-sized retailers. The Mii-Promo marketing kit enables retailers to make use of card data to better understand their customer base and to provide a loyalty service. Data can be viewed on a website which also provides access to a marketing expert and marketing tools.

The Grocer, 12 September 2015, p10

Supermarkets want to keep it simple

Traditionally supermarkets aimed to keep shoppers in their stores for as long as possible by organising products so that people would make impulse purchases on their journey through the aisles. Now grocers are waking up to the fact that shoppers have limited time. Tesco is trialling some new initiatives in 50 stores to tackle 'shopper fatigue'. These include placing tinned tomatoes next to the herbs, spices and pasta and placing all the home-baking products together. It will also be scrapping thousands of lines from its shelves. Aldi and Lidl have both been successful by offering between 2,000 and 3,000 lines. Morrisons' boss, Davids Potts, has also indicated that he would like the stores to be simpler. In general, experts and supermarkets alike seem to be in agreement that less is more...

The Independent, 12 September 2015, p49

Services

The rise of the micropub

There has been a rise in the number of very small no-frills pubs, or micropubs, in the UK which are helping to bring real ale to places that would be too small or unsuitable for traditional pubs. Micropubs, which offer choice, competitive prices and places for people to meet, are in evidence all around the country. There are about 150 in the UK, according to the Micropub Association's founder, Martyn Hillier, and this number is expected to grow to over 200 by the end of this year.

The Guardian, 10 September 2015, p18

Andersen to relaunch in Europe

Arthur Andersen collapsed after it was tainted by the Enron scandal. Now the new Arthur Andersen, which is based in France, plans to relaunch in Europe. It may face a struggle with Andersen Tax of the US, which claims that it had bought the "iconic brand name" for its firm. There is some surprise that the Andersen name should be in such high demand following Enron, when Andersen was convicted for obstruction of justice. But Andersen Tax claims that, in reputation surveys, the Andersen name ranks higher than all the other three big accounting groups.

Financial Times, 10 September 2015, p1

Are you game for a social careers site?

Game has launched what it claims is the first social network-style careers website. Users can register their details on jobs.game.co.uk, which will give recruiters access to a greater pool of talent. Meanwhile jobseekers will have access to tailored content and targeted vacancy alerts as well as gaming news. Users will also be able to create a 'mini-me' icon so that they can chat with other users.

Retail Week, 11 September 2015, p30

Transport and travel

Tesla needs to speed up

This month Tesla is expected to release its third car, the Model X, which is expected to retail at \$90,000 upwards. Elon Musk's dual vision for Tesla is that of a maker of expensive niche cars and a mass-market producer of stylish electric vehicles. The company will also use its battery technology to build up a business which sells power storage units. These goals depend on the success of its lithium ion battery factory, known as the 'Gigafactory', which is currently under construction. Critics say that Tesla may not have evolved quickly enough.

Financial Times, 11 September 2015, p9

AirAsia – sky-high growth falters

Since being founded in 2001 AirAsia has expanded rapidly and brought low-cost travel to 100 Asian and Australian cities. It is the busiest Asian airline outside China and the fourth-largest low-cost carrier in the world. But growth is slowing and at the end of 2014 the airline posted its first net quarterly loss. The company has faced various problems in Malaysia and Thailand, while a crash off Indonesia in December has damaged its reputation for safety. To cap it all, AirAsia faces competition from LionAir, which plans to increase its fleet by two-thirds by 2018.

The Economist, 12 September 2015, p66

A triumph on the small and big screens

Consumer nostalgia for the 'Swinging 60s' has revived interest in the British motorbike brand, Triumph, which appeared in films such as *The Wild One* and *The Great Escape*. These days David Beckham is regularly photographed riding a Triumph Bonneville while the bikes are often seen on both TV and in films, a Bonneville Scrambler is due to appear in the new series of *Doctor Who*. Triumph claims to have never paid for its bikes to feature in films or for celebrity endorsement.

The Observer, 13 September 2015, pp22-23

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
Matt Atkinson	Tesco	Saga	Chief Marketing Officer	The Grocer
Christine Bader	Various	Amazon	Director of Social Responsibility	The Bookseller
Helen Barr	Ella's Kitchen	Lily's Kitchen	Head of Sales	The Grocer
Simon Bond	BBDO	Interpublic Group	Chief Growth Officer	Campaign
Claudia Kretzschmar	ITV	Oxfam	Head of PR	PR Week
Naheed Mehta	The Foreign and Commonwealth Office	Edelman	Head of Global Government Comms	PR Week
Peter Pedersen	Grayling	Sonos	Global Head of PR	PR Week
Frances Ralston-Good	PHD	Omnicom Media Group UK	Chief Strategy and Innovation Officer	PR Week
Jonathan Rob	Lakeside Hotel	Hawkshead Relish	Senior Sales Manager	The Grocer
Charlie Rudd	Bartle Bogle Hegarty	Ogilvy & Mather London	Chief Operating Officer	Campaign
Andy Sylvester	The Taxpayers' Alliance	Institute of Directors	Head of Campaigns	PR Week
Paul Ward	Naked Communications	Havas Worldwide	Group Head of Operations and Innovation	Campaign
Steve Webb	Liberal Democrats	Royal London	Director of Policy and External Comms	PR Week

Promotions

Name	Company	Previous title	New title	Source
Craig Inglis	John Lewis	Head of Marketing	Customer Director	Retail Week
Dionne Parker	McDonald's UK	Communication Director	Director of Corporate Affairs	PR Week

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

Admap

The Bookseller**

Campaign**

[Conference & Incentive Travel](#)

Construction News

[The Daily Telegraph](#) ~

www.dma.org.uk

The Drum

The Economist*

[The Financial Times](#) ~

The Grocer

[The Guardian](#)

Harvard Business Review**

[The Independent](#)

Industrial Marketing Management

Journal of Advertising**

The Journal of Brand Management*

Journal of Brand Strategy

Journal of Marketing Analytics*

Journal of Marketing Communications** (18 month embargo)

Journal of Marketing Research**

Journal of Product Innovation Management** (12 month embargo)

Journal of Strategic Marketing** (18 month embargo)

www.lexology.com

Marketing Theory

Marketing Week **

www.meetpie.com

Mobile Europe

www.prdaily.com

PR Week

Public Relations Tactics**

Retail Week

The Times

[Wired](#) (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](#)

[Durable goods](#)

[Economy](#)

[Energy and utilities](#)

[Environment](#)

[Fashion](#)

[Financial services](#)

[FMCG](#)

[Beverages](#)

[Food](#)

[Government and public sector](#)

[Health and pharmaceuticals](#)

[IT and telecoms](#)

[Leisure and tourism](#)

[Marketing trends and issues](#)

[Advertising](#)

[Agencies](#)

[Brands and branding](#)

[Children](#)

[Conferences and events](#)

[Consumer behaviour](#)

[Customer relations](#)

[Direct marketing](#)

[Law](#)

[Marketing](#)

[Market research](#)

[Public relations](#)

[Media](#)

[Books](#)

[Film](#)

[Internet](#)

[Magazines](#)

[Music](#)

[Newspapers](#)

[Social media](#)

[Television](#)

[Video](#)

[Packaging](#)

[Retailing](#)

[Services](#)

[Transport and travel](#)

[On the move](#)