

Cutting Edge: Our weekly analysis of marketing news

4 November 2015

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

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Marketing trends and issues

Advertising

Is your product facing the right way?

This research addresses a frequently-encountered problem faced by advertisers – the direction in which profile images of products should be facing in ads. Three studies support the notion of a profile effect: profile images of products facing inwards (rather than outwards), and towards the centre of an ad, were found to be easier for consumers to process and resulted in more positive consumer evaluations. There was also evidence that this effect depends on the shopping objective of the consumer. Implications for current advertising practices and opportunities for future research are discussed.

Journal of Advertising, Vol 44(4) 2015, pp315-325 (Leonhardt et al)

Media Smart

In 2002 a number of brands, media and agencies formed Media Smart, a media literacy programme aimed at developing young people's understanding of advertising. These days it reaches over 12,000 schools and its teaching resources are in great demand. The latest lessons, which target secondary-school pupils, focus on advertising that they are likely to encounter on social media. The lessons explain why ads might be targeted at them, how their personal data is collected and why companies want to know about them. Media Smart has just launched an advertising and social media guide for parents and guardians. This article was written by Mark Lund, chairman of Media Smart.

Campaign, 30 October 2015, p13 (Lund)

Agencies

Publicis – organic revenues slow

Publicis Groupe is the only big holding company among the ad groups to have posted disappointing organic growth (just 0.7%) for the third quarter. Chairman of Publicis, Maurice Lévy, said the results were the result of, "an unusually large number of clients downsizing their accounts and postponing or even cancelling campaigns". In contrast, Omnicom grew organically by 6.1%, Havas by 5.5% and Interpublic by 7.1%. Publicis has reported a 33% rise in revenue, to €2.3 billion, for the quarter.

Campaign, 30 October 2015, p2

Brands and branding

South Africa – damaged brand?

South Africa redefined its brand in 1994 when it became known as the all-inclusive 'rainbow nation' to mark the post-apartheid period. Yet the country exhibits a strong element of 'national chauvinism' towards outsiders, including African migrants who have been the subject of attacks. South Africa wants to attract tourists, investors, money markets and global corporations but the attacks have potentially damaged its brand. This article looks at South Africa's response to the crisis, asks whether the brand is permanently damaged, considers how it should respond and examines global perceptions of the brand.

Journal of Strategic Marketing, October-November 2015, pp22-26

Developing a verbal identity

Every word produced by a brand and which is read by a consumer is an opportunity for the brand to differentiate itself. But it is rare for brands to adopt a distinctive tone or 'verbal identity' which means that most brands sound the same. Some quirky brands, such as Paddy Power and Innocent, manage



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to stand out from the crowd with a distinctive voice. The author describes three key things that a mainstream brand can do to stand out and that should be included in the brand's tone of voice guidelines. The aim is to give consumers "distinctive, attitudinal, emotive messaging at every touchpoint" and for the brand to get ahead of the competition.

Market Leader, Q4 2015, p18 (Benson)

Conferences and events

An effective event registration page

The online event registration page is an effective way of signing up attendees and collecting payments. An event registration page acts as a marketing or conversion tool and is often the first real interaction that event organisers have with attendees before the event. This article emphasises the importance of the registration page and outlines seven elements which can be included to make it even more effective.

eventindustrynews.co.uk, 27 October 2015 (Ozery)

New agency – Experience is the Marketing

Event industry expert, Kevin Jackson, has launched a new agency called 'The Experience is the Marketing' with the objective of changing the way in which the industry looks at itself. He believes that: "The worlds of sales and marketing have converged, and the only way to drive growth is an integrated story across all parts of the business." The new agency model aims to change the way in which events are sold to businesses and brands. It will work with various partners to create complete business experiences incorporating internal and external communications and sales delivery, including CRM, capability training and up-skilling.

meetpie.com, 2 November 2015; citimagazine.com, 2 November 2015

Consumer behaviour

Emotional motivators

Businesses recognise that emotions affect customer behaviour but most don't know how to connect with customers in ways that will motivate them to change their behaviour. The authors have created a lexicon of almost 300 'emotional motivators'. Using big data analytics they have linked these to profitable behaviours. They explain how companies can identify and use motivators to create competitive advantage and growth. The process is divided into three phases which are described in this article.

Harvard Business Review, November 2015, pp66-76 (Magids et al)

Passive innovation resistance

Resistance to innovation has received little attention in the literature as a way of explaining adoption-related consumer behaviour. This paper develops and validates a scale to measure the differences in consumers' likelihood of resisting innovation, which is referred to as 'passive innovation resistance'

(PIR). The results of several studies show that the PIR scale can explain and predict adoption-related behaviours beyond the traditionally-investigated factors.

Journal of Product Innovation Management, Vol 32(6) 2015, pp878-903 (Heidenreich and Handrich)

Customer relations

The power of human contact

Many jobs are becoming automated which means that the human touch can make all the difference when it comes to customer relationships, says Steven Van Belleghem, author of the book *When Digital Becomes Human*. He argues that businesses have become so fixated by digital transformation that they have lost the plot when it comes to creating added value by using people. His research suggests that 73% of buyers still want the option of contact with real people even though they could go through digital channels. In this article he discusses what businesses can do to harness the power of a human interface.

Winning Edge, September-October 2015, pp40-41 (Belleghem)

Customer segmentation

The management of customers is essential for revenue growth and profitability. B2B or business customers are more complex than consumers because their buying process is more complicated and their sales value is greater. Business marketers prefer to interact with fewer but larger buyers than do consumer marketers. An efficient relationship with business customers is therefore very important. Most customer segmentation approaches based on customer value do not factor in time and the trend of value changes. With this in mind, the authors propose a new approach to customer segmentation based on the RFM model and the K-means clustering method. They also carry out an assessment of changes over several periods of time.

Journal of Marketing Analytics, Vol 3(3) 2015, pp110-121 (Hosseini and Shabani)

Direct marketing

Sending e-mails to the right person

Earlier this year a survey by OnePoll.com revealed that 70% of people "regularly" send texts and e-mails to the wrong recipient. The author argues that real engagement means sending the right message to the right person at the right time. This article focuses on sending the message to the right person, and there are three ways to do this: check the data, check the algorithms and check the creative.

dma.org.uk, 29 October 2015

Law

Fair use – when is it fair?

On 16 October the US Court of Appeals upheld a ruling in favour of Google against the Author's Guild.

It meant that writers couldn't prevent Google from scanning and making their books searchable on its database of over 20m books. Judge Pierre Leval ruled that "Google's unauthorized digitizing of copyright-protected works, creation of a search functionality and display of snippets from those works are non-infringing fair uses". The effects of the Google Books decision could be far-reaching: other parts of the media industry – music, film and television – are concerned that their property could be scanned and parts of them made available as 'fair use'.

Bloomberg Businessweek, 26 October-1 November 2015, pp29-30

Clothing brands – acquired distinctiveness

The EU Court has supported Lacoste in its opposition to an application for registration of the name 'Kajman' (caiman) as a Community trade mark. The word has been incorporated into a crocodile-shaped image for leather goods, clothing and footwear. Lacoste had argued that there was a likelihood of confusion between the two marks. The court agreed that the Lacoste mark had acquired a "highly distinctive" character for leather goods, clothing and footwear and that there was a likelihood of confusion between the two marks. This is regarded as an interesting decision because the court had acknowledged that there was a low degree of visual similarity between the two signs. This is reminiscent of a UK court case involving Jack Wills and House of Fraser logos.

lexology.com, 2 November 2015

Tampon tax highlights VAT anomalies

The UK Government has agreed to lobby the EU for permission to reduce VAT on tampons (the 'tampon tax') to zero. This debate has served to highlight inconsistencies in EU VAT rules but analysts claim that such rules help to maintain the integrity of the single market. Reduced VAT rates tend to extend only to items that were considered to be basic essentials when the UK joined the EU. Changing technology and social habits have since led to a questioning of the rules.

Financial Times, 2 November 2015, p2

Marketing

Social media marketing

Consumer buying journeys increasingly involve social media and it is often the biggest source of traffic for UK websites. Using the data from social sites has become increasingly important but also very challenging for brands for whom social media marketing is still very much a manual task. Six agency contributors explain how some of their clients have approached social media marketing. The conclusion is that data collection has to be at the core of social media marketing because it will

enable brands to enhance interactions, whatever the channel.

Database Marketing, October 2015, pp16-17 (Ballard et al)

Marketing's reputation within a company

The role and effectiveness of marketing within a company has been the subject of much research and academic articles. Most seem to agree that the reputation of marketing has been downgraded over recent years. This study attempts to understand the reputation and stature of the marketing department within a company. It aims to plug the gap in existing research in three ways. The results show that a reputable marketing department is associated with improved market performance regardless of the generic strategy adopted by the company. However, development of departmental capabilities is essential if marketing is to be respected as a department. Marketers should also build positive perceptions of their capabilities within the company.

European Management Journal, Vol 33(5) 2015, pp366-380 (Gök et al)

The human touch

In a Q&A session Stephanie Meyer, GE's head of global marketing, discusses the company's move beyond B2B and B2C marketing strategies towards a human-centred approach. Their research, which showed that many purchasing decisions were being made prior to engaging with the sales team, indicated that they needed to produce content earlier in that process. Alongside this, GE is also closely tailoring the messages: in different countries there are different structures for purchasing.

Marketing Week, 29 October 2015, p30-31

Korean marketing journals

Currently two Korean journals have a selection of free articles available on their website. The *Journal of Global Scholars of Marketing Science* and *Journal of Global Fashion Marketing* are both published by Taylor and Francis for the Korean Scholars of Marketing Science (Formerly the Korean Academy of Marketing Science).

explore.tandfonline.com/page/bes/ksms

Market research

In-car research

Digital technology allows drivers to become more 'connected' but it also creates distractions while they are driving, leading to safety issues. Market research agency Eye Square has been working with car brands to develop means of tracking drivers' reactions with the help of implicit research techniques such as: eye tracking, facial emotion analysis, EEG (showing the driver's emotional state) and EDA (showing arousal). There are various obstacles to in-car research because wearable devices must not impede the driver in any way. This

article describes how connected-car driving experiences can be measured.

research-live.com, 2 November 2015 (Bainbridge)

Social desirability bias

Survey research relies on accurate responses from participants, and researchers try to construct their questionnaires to avoid bias, confusion or boredom on the part of respondents. Respondents often do not provide accurate responses to questions when the topic is perceived as being undesirable or unacceptable by society. This article discusses research by the Advertising Research Foundation (ARF) to develop a method of predicting and measuring social-desirability bias in survey sampling methods. It covers social-desirability bias associated with factors including personal characteristics; behaviours and habits; and beliefs and attitudes. It also covers the effectiveness of online research vs telephone research, selection bias, and 'item-specific social desirability'.

Journal of Advertising Research, Vol 55(3) 2015, pp242-254 (Gittelman et al)

Public relations

Coca-Cola – outcry over obesity research

Coca-Cola suffered a major PR crisis after it was discovered that it had funded what appeared to be a biased study into obesity and its causes. The research conveyed the message that, as long as people exercise, they don't need to worry about the calories they are consuming. It is not unusual for companies to give financial support to researchers who are investigating problems which relate to their business. In this case Coca-Cola had donated \$1.5m to GEBN, a new non-profit organisation whose website is registered to Coca-Cola's global HQ in Atlanta. This article looks at the controversy surrounding sponsored research and whether Coca-Cola miscalculated the public's reaction.

Journal of Strategic Marketing, October-November 2015, pp18-21

Reaching the audience with video content

Video content has the power to create a huge audience for your brand; it has also been linked to higher conversion rates, greater engagement and can help produce positive business results. But if you don't have a video strategy in place, the prospect can be daunting. As well as the content – what to say and how to say it so that the message has meaning for the target audience – there are technology and production aspects to consider. Yet the process can be simplified. Heather Whaling, founder and CEO of Geben Communications, offers six steps to getting started with video content.

prnewsonline.com, 30 October 2015

Sponsorship

MasterCard shows agile sponsorship

A new *Brand Agility Index* study by PR firm Waggener Edstrom Communications claims that MasterCard was the most effective sponsor of the Rugby World Cup with a score of 263. This is because it had the "right mix of paid promotion of competitions and smart placement of content". DHL was in second place with 261 points and Land Rover in third with 251. Gareth Davies, head of digital and insight at Waggener Edstrom, says that the winning strategy was the result of constant engagement: "the brand was visible throughout the tournament". Fifteen sponsors were ranked, with SSE and Fujitsu, occupying bottom two places.

marketingweek.com, 30 October 2015

Agriculture, fishing and forestry

Tesco to clarify lamb labelling

Following almost ten years of lobbying by British farming unions, Tesco is finally to stop selling lamb with mixed-origin labels. It says that this will enable customers to make more informed decisions and to help develop a more sustainable UK farming industry. Tesco has angered suppliers and apparently confused consumers by selling mince and beef burgers labelled 'UK & NZ'. The new labelling starts in February 2016.

fwi.co.uk, 31 October 2015

Farming incomes in decline

Last week Defra released data showing that British farm incomes declined between March 2014 and February 2015. The NFU has identified falling prices as a major cause which has affected areas such as pig farming, dairying and lamb production. UK farmgate prices have fallen for 21 consecutive months while the May-June lamb price was at its lowest level since 2008. Minette Batters, NFU deputy president, wants the Government to introduce policies and "embrace technological advances" which would help farming to thrive. This would include deregulation and easing of policies on GM crops.

farming.co.uk, 30 October 2015

Market rise

There has been a marked increase in demand for sustainable seafood over the last two years. The figures from the Marine Stewardship Council estimate that £403m was spent on produce in the year to April. There has also been an increase in the number of certified products on their books, which also cover health supplements, pet food and even fish and chip shops.

The Times, 31 October 2015, p41

Building industry

UK infrastructure investment

Arcadis' *Global Built Asset Wealth Index* reveals that the UK has fallen to 13th place with regard to built asset wealth per capita and is lagging behind the other G7 members. Although the UK is expected to increase the value of its built assets by 19.6% by 2025, it will still only be in 12th place among the top 20 countries by 2025 asset value. The growth leaders up to 2025 are expected to be Qatar and China. Experts point to underinvestment in UK infrastructure as a prime cause, but how should the government and industry encourage investment? This article examines the issues.

Construction News, 30 October 2015, pp32-33

Businesses and strategy

Preparing for the future

Some people refer to themselves as futurists but what does this actually mean? Businesses have struggled with the problem of what is coming next but there are people, dubbed 'genius forecasters', who have rigid views on what is going to happen in the future. Trained futurists claim that such rigid views can destroy a business; instead they believe in preparing for a range of future scenarios so that businesses are forewarned and forearmed and therefore in a better position to respond to change. In this article Rohit Talwar, editor of a new book entitled *The Future of Business: Critical insights into a rapidly changing world from 60 future thinkers*, examines change in the digital world.

London Business School Review, Issue 3 2015, pp30-33 (Talwar)

Ambitions to be on the board?

New research from Heidrick & Struggles into the backgrounds of CEOs has shown a significant increase in those with a sales and marketing background. In the UK there has been a significant increase, from 15% in 2011 to 17% in 2013 and up to 21% in 2015. This increase has not been seen in US, France and Germany where there have been drops of 10%, 3% and 5% down to 10%, 10% and 12% respectively. The researchers have attributed the UK trend increase to the digital revolution and brand engagement.

Marketing Week, 29 October 2015, p4 (Plus additional information from Heidrick & Struggles)

Ease of doing business

Britain has become the sixth easiest place to do business, up from eighth place last year, according to the World Bank's ease of doing business survey which covers 189 countries. This puts it above the US and Germany and is Britain's second best position since the data was first compiled in 2003. The UK still has room for improvement in various

other areas, however, such as starting a business (17th) and trading across borders (38th).

The Times, 28 October 2015, p50

Charities and NGOs

Protecting their assets

How charities use personal data has been the topic of widespread criticism. To counter this, the RNLI is moving to purely opt-in communications and is promising to only contact individuals if they have given express permission. It is projecting that this will mean a substantial loss in income but head of marketing, Jayne Clarke, considers this move essential to protect the charity's supporters and give the control back to them. It will be interesting to see if other charities will follow suit.

Marketing Week, 29 October 2015, p8

Sector needs to change its behaviour

This year charities have suffered a significant amount of negative publicity. Both the media and politicians are responsible for fanning the flames, says Joe Saxton of research consultancy nfpSynergy. The problem is that the not-for-profit sector does not have a home in any one political party's ideology. He suggests three things that the sector needs to do to address the issue: it needs to have a vision for itself; it needs to talk to its critics; and it needs to emphasise the importance of the sector.

Third Sector, November 2015, p23

Durable consumer goods

Watches market development

When a market is new it is possible to produce large growth figures: Apple watches have reportedly acquired 74% of the market for smart watches. Samsung, and the pioneer in the market, Pebble, have been struggling to compete with Apple although the holiday season may prove to be an interesting time for them.

Financial Times, 30 October 2015, p1

Bosch takes Dyson to court

The long-standing rivalry between vacuum cleaner manufacturers Bosch and Dyson reached a climax last week when Bosch said it would take legal action after Dyson accused Bosch's vacuum cleaners of cheating EU energy efficiency tests. Bosch said the allegations were "unfounded and untrue" and that Sir James Dyson had "over-stepped the mark".

The Independent, 29 October 2015, p51; The Daily Telegraph, 29 October 2015, p3

Economy and society

The worsening generation gap

A major report from Britain's Equality and Human Rights Commission (EHRC) has identified a worsening age inequality gap, with younger people

suffering “the worst economic prospects”. Young people have experienced the largest fall in income and employment over the past few years compared with older people. In particular white schoolboys from poor backgrounds are falling behind other socio-ethnic groups. EHRC commissioner, Laura Carstensen, also identified disabled people, those from poorer backgrounds and women over a certain age as groups who still find it hard to pass through the so-called “gateways to opportunity”.

The Independent, 30 October 2015, pp1,4

Increase in allowance

Since 1979 Chinese couples have only been permitted to have one child. There has been some loosening of the policy but, according to a tweet from the state news agency Xinhua, the rules may be changed to allow two children. This comes at a time when China has an ageing workforce and the initial de-restriction didn't result in the major increase in birth rate that was required.

Financial Times, 30 October 2015, p6

Retirees return to pre-recession levels...

The Office for National Statistics reports that living standards in Britain have returned to pre-recession levels mainly because the incomes of retired people have been rising. However, it emphasised that working households still had some ground to make up before they could return to pre-recession levels.

The Guardian, 29 October 2015, p31

...while economy slows...

The UK economy slowed in the third quarter of the year – up 0.5% compared with 0.7% in the second quarter – according to the Office for National Statistics. Economists believe that a stronger jobs market coupled with lower unemployment and rising wages will boost growth in the fourth quarter. Overall the ONS estimates that GDP is 2.3% higher than a year ago. However, while the services sector expanded by 0.7% in the third quarter, manufacturing fell by 0.3% and construction by 2.2%.

Financial Times, 28 October 2015, p2

...and consumer confidence hits a low

In October UK consumer confidence was at a five-month low, according to market researcher GfK. Its consumer confidence measure dropped to +2 last month from +3 in September. The poll of 2,000 people, undertaken for the EU, showed that consumers were uncertain about making major purchases such as furniture. Meanwhile the CBI's retail survey revealed the slowest growth for six months in October.

The Guardian, 30 October 2015, p32

Energy and utilities

Stored energy

One longstanding issue with batteries for electric cars is the weight to storage ratio. Cambridge University is leading the way with developing a Lithium-air solution, rather than the Lithium-ion route that is currently in use. Whilst pleased with the progress so far, they are predicting that the final solution may still be a decade away.

Financial Times, 30 October 2015, p4

Energy from sewage

Alternative energy has a new power source coming online as Anglian Water taps into the power created by its sewage treatment plants. The anaerobic digestion creates gas that is then turned into electricity to power the plant; the surplus is then fed back into the grid. The company has invested over £230m in its nine treatment process centres.

utilityweek.co.uk, 2 November 2015

Environment

Coffee waste turned into biofuel

Bio-bean is a London based company which converts waste ground coffee into biofuel. Its raw materials come from office blocks, cafes and coffee factories around the UK, who provide the grounds for free in exchange for having their waste removed. Arthur Kay, founder and CEO, says every tonne of coffee grounds recycled saves 6.8 tonnes of CO₂ emissions. Bio-bean's factory can process around 50,000 tonnes of waste grounds a year but more than 500,000 tonnes are produced annually in the UK.

Wired, December 2015, p34

Cosmetics industry to phase out microbeads

The cosmetics industry has entered into an agreement to phase out the use of microbeads in cleansing products. The tiny pieces of plastic, which are found in face scrubs, shampoos, shower gels and toothpaste, are too small to be trapped by sewage systems and tend to end up in the sea. They are ingested by plankton, molluscs and seabirds and make their way up the marine chain to be consumed by people. The Marine Conservation Society has welcomed the move but believes it is “not broad or ambitious enough”. For years charities have been campaigning to persuade manufacturers to replace microbeads with natural products.

The Times, 30 October 2015, p21

Fashion

How sustainable is your denim?

Andrew Olah, founder of the international denim trade fair Kingpins, says “the denim industry loves the word ‘premium’, but it seems as if the exact definition of the word is becoming even more vague.” He claims that the social and environmental

consequences of manufacturing denim should be taken into account. Four experts are invited to share their opinions on premium denim and how they define it. They refer to aspects like "craftsmanship", "innovation" and "materials of good quality". However, increasingly the idea of premium jeans is linked to sustainability. The production of one pair of jeans requires 11,000 litres of water!

fashionunited.co.uk, 30 October 2015

Marc Bolland considers brand acquisitions

Chief executive of Marks & Spencer, Marc Bolland, is looking at fashion acquisitions to help boost high street sales. He is reportedly looking at niche brands as a way of introducing external brands to M&S's clothing operation for the first time. In the past M&S has considered acquiring Jaeger but dismissed the idea. M&S's brand offerings, which include Per Una and Autograph, contribute to Bolland's vision of a house of brands which he hopes will encourage people to buy the company's clothing again.

Financial Times, 30 October 2015, p19

Financial services

Phones are preference in Kenyan pockets

The personal finance arena in Kenya is getting a new player with Nigerian company Interswitch launching a new payment card under the name Verve. The current key player is M-pesa, run by Safaricom, Kenya's largest mobile operator, and is used by 70% of the population. The two largest banks are signed up but, even without a bank, account users can use the card as a prepaid card and top it up. In Nigeria over 45% of the population already use the card, which equates to 30m card holders. Card uptake to date has not been that strong as people are preferring to use their phones.

Financial Times, 28 October 2015, p21

Deutsche cuts

Deutsche Bank's new CEO, John Cryan, delivered harsh news at a press conference last week. He announced the bank's withdrawal from over ten countries and the cutting of 9,000 jobs (a 9% reduction in staff), of which 4,000 will be in Germany. Investors are concerned and analysts think he could have gone further, especially in the area of cost reduction. It will be an interesting few years to see if Cryan's strategy improves the bank's fortunes.

Financial Times, 30 October 2015, pp1,20

FMCG

Beverages

Merlot withers on the vine

This year France experienced its second-hottest summer on record. The higher temperatures

threaten to disrupt the Bordeaux wine industry and specifically the Merlot vines which make up 60% of the region's red wine area. Agnès Destrac, a researcher at the National Institute for Agricultural Research in France, is working to find grapes that can better withstand the heat and help the \$4.2 billion Bordeaux's wine industry. France's wine regions are controlled designations or appellations of origin (AOC) and there are strict rules dictating the types of grape that can be grown. The Bordeaux wine board has asked the AOC if growers can start trying out varieties which have hitherto been banned from the region.

Bloomberg Businessweek, 26 October-1 November 2015, pp16-17

Cosmetics and toiletries

Alternative approach

Coty has just been on an acquisition spree – it has acquired 43 brands from Procter & Gamble for \$15 billion. It has also bought a social media agency called Beamly, which is a social content and tech outfit majoring on measurement and interactions. The aim is to grow its e-commerce business and develop personal connections with shoppers depending on what they are saying. Coty is hoping this will also help it to regain some control from fashion bloggers.

Marketing Week, 29 October 2015, pp6-7

Food

Kit Kat launches Bond break ad

Nestlé has launched a tactical campaign for Kit Kat to mark the release of the new Bond movie, *Spectre*. The ad lists all the Bond girls in the 53-year history of the film and then asks "Time for a break, James?" The work appears on a poster site in Camden and at Oxford Circus Tube Station in London, next to a poster for *Spectre*.

Campaign, 30 October 2015, p6

Consumers prefer ban on promotions

A YouGov survey for *The Grocer* magazine reveals that 43% of consumers would support a ban on price promotions and bulk buy deals on food and drink high in sugar content. This follows the recent proposals in a report by Public Health England (PHE). The poll also found that 70% of consumers would be in favour of new laws to ban the marketing and advertising of products with high sugar content to children under the age of 16. The survey also revealed far less support for PHE's idea of a sugar tax: 60% of consumers said they did not believe that this would help to reduce obesity.

The Grocer, 31 October 2015, p5

Super tomatoes

Researchers at the John Innes Centre say they have developed a "super tomato" which contains increased levels of the disease-fighting compounds

found naturally in tomatoes. They have produced a tomato with greater amounts of resveratrol, a compound which has been found to extend the lifespan of animals. Another compound, genistein, was found to be linked to cancer prevention.

The Grocer, 31 October 2015, p39

Tobacco

Stigmatising smoking may reinforce habit

Scientists have been investigating the effects of three years of smoker stigmatisation. They conclude that it is in fact making some smokers feel like outcasts from society, which in turn lowers their self-esteem and encourages them to carry on with the habit. Researchers at the London School of Economics, who conducted a review of studies on the psychological effects of smoking, found that many smokers feel shame, embarrassment and guilt. While the evidence suggests that this can be enough to make some smokers quit the habit, less research has been done on unintended consequences, such as people feeling undermined to the extent that they don't have the strength to quit.

The Times, 3 November 2015, p9

Government and public sector

Social business cities

Urbanisation is described as one of the 'megatrends' of the 21st century. Cities have to cope with big social, economic and ecological issues but often lack the finance to do so. The concept of the 'Social Business City' is based on the idea that social issues should be tackled by social entrepreneurs supported by local authorities. Some businesses have already been established in cities which call themselves Social Business Cities, such as Wiesbaden in Germany, Pistoia in Italy and Fukuoka in Japan. In this paper the authors examine the development of these cities as Social Business Cities and look at the various initiatives being implemented.

Social Business, Vol 5(2) 2015, pp157-175 (Wirtz and Volkmann)

The role of brands in behaviour change

Brands are increasingly playing a role in public behaviour-change campaigns, according to Ben Toombs of TNS BMRB, who was speaking at the MRS-organised Customers Exposed conference last week. He said that the involvement of brands in public campaigns had benefits for all involved and that today's behaviour change initiatives – websites such as NHS Choices and campaigns like Stoptober – increasingly involve a combination of technology, empowerment and community. If brands partner with these campaigns, there can be positive results for both the campaign and the brand. Research has shown that, in addition to improving the communications' reach, a partnership with brands

has a positive effect on people's responses to the campaign itself and their subsequent behaviours. It also improves their perceptions of the brand and, in some cases, makes people more likely to consider buying their products. Toombs also highlighted the importance of the brand fit with the campaign.

research-live.com, 29 October 2015

Health and pharmaceuticals

Processed meat

This article looks at the implications of the World Health Organisation report on the link between processed meat and cancer. The WHO's International Agency for Research on Cancer (IARC) has classified processed meat as a Class 1 carcinogen along with tobacco smoke, arsenic and asbestos. Scientists emphasise that the classification reflects the strength of the evidence rather than the size of the risk and the IARC still does not know how processed meat causes cancer. The average Briton eats just 17g of processed meat a day, so they won't have to change their eating habits in order to stay below the recommended 50g. The *FT* considers whether processed food producers will adapt in time "to save their own bacon" or whether the shift to more natural foods has taken too strong a hold.

The Grocer, 31 October 2015, p14; Financial Times, 31 October-1 November 2015

Counterfeit medicines

Counterfeit medicines pose a threat to public health. According to Pfizer, over 200m counterfeit doses of its products have been intercepted since 2004. The trade in counterfeit medicines is a global problem which requires a collaborative approach. This article, written by David Shore of Pfizer, defines what counterfeit means, looks at the impact of fake medicines and considers a collaborative approach.

European Pharmaceutical Review, Vol 20(5) 2015, pp10-13 (Shore)

AstraZeneca expands operations in Russia

AstraZeneca has opened a new £146m drug manufacturing and packaging plant southwest of Moscow, in Russia. This constitutes the largest foreign investment in the construction of a new pharmaceutical facility in the country. The factory, which will reach full capacity by 2017, will produce 850m tablets of 30 medicines annually and will make up over 60% of the medicines sold in Russia by AstraZeneca. The company's chief executive, Pascal Soriot, has said that emerging markets are a priority area for growth. Its sales in Russia have risen by 30% to £75m for the first half of 2015.

packagingnews.co.uk, 29 October 2015

IT and telecoms

CMA approves EE takeover

The Competition and Markets Authority (CMA) is to allow BT to proceed with its £12.5 billion takeover of EE, having decided that the merger would not harm competition. BT is one of the few former telecoms monopolies not to own a mobile phone company, having previously spun off Cellnet (renamed O2) in 2000. Rivals, such as Vodafone, are naturally concerned about the decision; it says that the merger will have a "negative impact on the market and the services available to millions of UK consumers and businesses."

**The Daily Telegraph (Business), 29 October 2015, p1;
The Times, 29 October 2015, p39**

Apple – most successful year

Apple has had its "most successful year ever", according to its chief executive, Tim Cook. Full year revenue grew by 28% to almost \$234 billion while profit rose by 35% to \$53.4 billion thanks to strong iPhone sales. However, growth in China, where the company has major expansion plans, was 5% lower in the latest quarter than in the previous one. *The Guardian* asks if Apple has reached its peak and considers that success may hamper its search for "the next big thing".

The Times, 28 October 2015, p47; The Guardian, 29 October 2015, p17

TalkTalk abandons ads in wake of cyber hack

Following the recent cyberattack, TalkTalk has suspended its advertising. It has even put its sponsorship of the *X-Factor* on hold!

Campaign, 30 October 2015, p3

Leisure and tourism

The end of roaming charges in Europe

European regulators have finally passed a law to abolish roaming charges in Europe for mobile phone users. This means that holidaymakers will no longer face astronomical phone bills when they return home. There were fears that Ukip would block the roaming charge ban on the basis that it would encourage phone companies to raise their prices. The law, which takes effect in 2017, means that mobile networks cannot charge a premium to send photos or texts or to make a phone call within Europe.

The Times, 28 October 2015, p18

Materials and mining

Hope for mining in the UK

Most news about mining in the UK has been about the closure of pits, but now there is news of the reopening of Drakelands pit in Devon. Australian mining company, Wolf Minerals, obtained a 40-year lease in 2007 and has invested £140m to begin

mining tungsten. Once up and fully running it will be one of the five largest tungsten mines in the world.

The Economist, 31 October 2015, p34

Media

Books

The digital challenge

Consumption of texts on mobile devices is on the increase and publishers expect their e-book sales to continue growing. But publishers have mixed feelings about subscription services and direct-to-consumer (D2C) strategies. In this article sales, marketing and digital experts at ten publishers express their opinions on digital publishing. In general they are enthusiastic about the role of social media marketing in their marketing strategies. Verso's sales and marketing director, Rowan Wilson, says that sales through the publisher's D2C website have been "incredibly successful".

The Bookseller, 30 October 2015, pp6-7

Film

Diverse brand

Disney gets good coverage in this month's *Marketing* magazine. The 'My Month' feature follows Anna Hill, Disney's chief marketing officer, where she talks about the diversity of her role with Exhibitions (*Minnie: Style Icon*), Disney movie channel (*Descendants*) and brand tie-ins to *Star Wars*. Talking of tie-ins, the Royal Mail has unveiled 18 stamps showing characters from both the original film series and the new film due out on 18 December. Disney is also using augmented reality on its colouring-book app, which will bring the characters to life as the child is colouring it in.

Marketing, November 2015, pp10-11,15,28

Magazines

Junior brand extension

In November Dennis Publishing will launch *The Week Junior*, the first paid-for print extension of *The Week*. It will target 'curious and smart eight- to 14-year-olds' and will cover news and events from a child's perspective.

Campaign, 30 October 2015, p6

Newspapers

Gathering on the press

Further consolidation in the newspaper market has seen Trinity Mirror purchasing its rival, Local World. Trinity Mirror already owned 10% of Local World and it already publishes over 100 local titles. Trinity claims that the £220m acquisition will double its digital ad sales business, bringing it up to the level of *The Guardian* and *MailOnline* with regard to UK revenues. The deal has been part financed to give it the chance to bid for other publishers. Potential

acquisitions include Johnstone Press and Express Newspapers.

Financial Times, 29 October 2015, p22; Campaign, 30 October 2015, p3; The Times, 29 October 2015, p44

The Sun no longer shines on paywall

The Sun is to axe its online paywall, having been defeated in its efforts to encourage tabloid readers to pay for online news. Rebecca Brooks, who has recently returned as chief executive of News Corp UK, has said that *The Sun* would be "predominantly free in the digital world" from 30 November. *The Sun* introduced charges in 2013 but readership has remained low. Sir Martin Sorrell, chief executive of WPP, has recently described paywalls as "the way to go" but many newspaper experts believe that newspapers need to offer sufficient free content to attract new readers.

Financial Times, 30 October 2015, p19

Social media

Improving innovation

How do you get your team to understand what it is like to be in the shoes of their customers? Mark Zuckerberg from Facebook has found an ingenious way in promoting 2G Tuesdays when the broadband speed is reduced to simulate the speeds that 300m Indians cope with on their 2G network. They have already reconfigured the app to reduce the bandwidth required and have launched Facebook Lite. Google and Twitter are also following the same route in a bid for additional traffic from India, China and Indonesia.

Financial Times, 29 October 2015, p19

Twitter slows

Twitter has reported a net loss of \$132m during the third quarter. It attracted just 4m new monthly users during the period.

Campaign, 30 October 2015, p3

Television

Competition for the box

If you are a sports fan in the UK, then you will be aware of the competition between Sky and BT for sporting fans, but now BT has its sights set on a broader market. Over the past quarter it has added over 160,000 new subscribers but this still leaves it with just 1.3m compared with Sky's 11m. However, BT does compete on more than just sport since both companies offer broadband services.

Financial Times, 30 October 2015, p23

Video

Good stat

Eileen Naughton, Google's MD, revealed that if you are a brand targeting the difficult to reach 16- to 34-year-olds then you should be spending 24% of your TV advertising budget on YouTube. Results show

that this optimises your brand's cost-per-reach. Speaking at the Brandcast event in October, she said that, according to Ipsos MORI, you get better results when brands invest in both TV and YouTube.

Marketing, November 2015, p14

Telling a good video story

The future of video is covered in this article, with examples from Bosch, Barclays and Turkish Airways being discussed. According to Cisco, by 2017 up to 60% of consumer internet traffic will be video-based (80% by 2019) – so the need for a good story line is key to engagement. Consumer habits, however, are changing so marketers will need to assess whether a short piece of video is what is required or a longer interactive approach.

Marketing Week, 29 October 2015, p27-30

Packaging

European taste – a touch of glass

Friends of Glass is a community which supports glass packaging and "advocates a lifestyle which includes glass" for reasons of health, taste and sustainability. It has recently undertaken a quiz of 29,000 people across 30 European countries with the aim of exploring European taste preferences for food and drink and how they might be affected by cultural and national influences. Michael Delle Selve, senior communications manager for European glass trade body FEVE, explains how it assembled taste-makers and sommeliers from several countries to help devise a quiz that would identify key taste preferences. The quiz ran for six months online, on social media and at a series of events. The main findings are summarised.

**packagingeurope.com, 28 October 2015;
friendsofglass.com**

Retailing

Organised by meal

Once it was size that supermarkets wanted to aim for – but now Sainsbury's is launching a range of smaller convenience stores. This move is in response to the change in consumer behaviour as shoppers tend to shop more often rather than doing one big shop a week. The design revolves around three 'missions' – breakfast, lunch and dinner – and carries only 1,000 products.

Retail Week, 30 October 2015, p13

50 heroes of retailing

M&S has been in and out of the headlines for many years. Now the chairman of Timpson's, John Timpson, has written a book about 50 heroes of retailing where he details the rise of the store, its culture, its impeccable staff training, its core values and Marcus Sieff, who was in charge from 1974-1984 and tops his list.

Retail Week, 30 October 2015, pp18-19

John Lewis – red tomatoes in Basingstoke

At around this time of year, before John Lewis launches its Christmas campaign, it releases regional press and poster activity. This year it is Basingstoke's turn: the ads combine images of food and homewares that resemble each other – in this case red metal casseroles and tomatoes are viewed from above – signalling 'John Lewis at home and Waitrose. Now together in Basingstoke'.

Campaign, 30 October 2015, p6

Strong growth

Personalisation and a strong online performance have been the key for Selfridges' record sales reported this week. Operating profits across the four UK outlets has increased by 3% to £155m. There are now more than 60 items that are purchasable online and which can be personalised, including bottles of Moët and Nutella.

Financial Times, 2 November 2015, p23

Services

Food on the go

Food carts are not usually the destination for a Friday night treat but a new dining experience is growing in popularity in London. Disused warehouses are being turned into destination events for street food stands, a bar selling cocktails and craft beer. Companies, such as London Union, Urban Food Fest and Kerb, all run large-scale operations in the capital. The National Caterers Association has 1,000 members cooking street food and this trend is growing, especially in areas where property developers are keen to have carts in their shopping centres and near offices.

Financial Times, 2 November 2015, p23

BuyMucho offers 50% off

BuyMucho is a new online grocery business which offers up to 50% discount on branded goods for bulk buys. It compares its prices against those of the major UK supermarkets. The membership fee of £24 is not charged until the customer has saved £48 against their 'usual' supermarket which customers have to name when they register in order to get the savings.

The Grocer, 31 October 2015, p6

Transport and travel

Boxes, boxes everywhere

At the beginning of the year Drewry, the shipping consultancy, forecast that the container shipping market was in for a good year, helped by the low cost of fuel. Container costs from Shanghai to Europe have halved but there are now jitters because there has not been the expected pre-

Christmas pick-up in business. But shipping lines are extending the life of their ships and there are fears regarding over-capacity. Maersk and MSC have formed an alliance to share space on their ships on transatlantic and transpacific routes.

The Economist, 31 October 2015, p68-69

Norwegian expands low-cost flights from UK

Norwegian, Europe's third largest low-cost airline, is to be given a full UK operating licence this week by the Civil Aviation Authority. The airline's subsidiary, which will be based at Gatwick airport, aims to offer cheap flights to new long-haul destinations.

The Times, 30 October 2015, p49

Virgin launches loyalty scheme

Virgin Group is to introduce a loyalty programme with the aim of learning more about customers in its vast family of businesses. The Virgin Red app is the company's first attempt to build "data relationships" with customers, according to Virgin Group chief executive Josh Bayliss. Virgin will encourage people to use the app by offering discounts and competitions across the group's companies including Virgin Trains and Virgin Atlantic.

Financial Times, 3 November 2015, p20

VW relinquishes leadership goal

Matthias Mueller, VW's new chief executive, says he has abandoned the company's goal of being the world's largest car maker. The company has just reported a €2.5 billion operating loss, the first quarterly loss in 15 years, following the diesel emissions scandal. Mueller has set out plans to get the company back on track and to restore trust. VW sold 2.4m vehicles in the last quarter, a fall of 3.7% year-on-year, making it lag even further behind the global leader, Toyota.

The Daily Telegraph, 29 October 2015, p3

Written by CIM's Knowledge Services Team

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On the Move

Name	From	To	New title	Source
Natasha Barretto	Cello Health Insight	Simpson Carpenter	Director of Digital Innovations	research-live.com
Claire Maxwell	SPCK Publishing	Icon Books	Publicity Manager	The Bookseller
Lucy Meehan	LSO St Lukes	The Natural History Museum	Senior Events Manager	citmagazine.com
John Rigby	Man U	BBC Children in Need	Director of Marketing	Marketing
Philippa Snare	Microsoft	Facebook	Director of Business Marketing for EMEA	marketingmagazine.co.uk
Charlie Womack	Sunbeam Studios	The Natural History Museum	Events Manager	citmagazine.com

Promotions

Name	Company	Previous title	New title	Source
Matt Cowdery	Hachette	Middle East Sales Manager	Head of Sales for Africa and the Middle East	The Bookseller
Simon McArt	Hachette	Group International Sales Manager	Head of Sales for India and North America	The Bookseller
Abigail Mitchell	Hachette	International Sales manager, Europe (Scandinavia)	Head of Sales for Europe	The Bookseller
Lisa Morgan	Gen Media	Director of Client Services	Managing Director	Campaign
Larissa Vince	Saatchi & Saatchi	Director of Marketing	Chief Growth Officer	Campaign

Sources

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The Bookseller**

Campaign**

www.citmagazine.com

Construction News

[The Daily Telegraph](http://TheDailyTelegraph) ~

Database Marketing

www.dma.org.uk

The Economist*

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www.eventindustrynews.co.uk

www.farming.co.uk

www.fashionunited.co.uk

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Journal of Advertising**

Journal of Advertising Research**

Journal of Marketing Analytics*

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

Journal of Strategic Marketing** (18 month embargo)

www.lexology.com

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www.meetpie.com

www.packagingeurope.com

www.packagingnews.co.uk

www.prnewsonline.com

www.research-live.com

Retail Week

Social Business

[Third Sector](http://ThirdSector) (selected articles available)

The Times

www.utilityweek.co.uk

Winning Edge

Wired (selected articles available)

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