

Cutting Edge: Our weekly analysis of marketing news

6 April 2016

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

The ad-blocking debate

Ad-blocking has become a serious issue for the advertising industry and telecom provider Three's intention to allow its 80m customers to block ads on its network has exacerbated the situation. The IAB has announced LEAN (Light, Encrypted, Ad choice supported and Non-invasive ads) principles aimed at setting standards for digital ads in order to arrive at some kind of cross-industry consensus. Google and Yahoo, who rely heavily on advertising, have taken steps to eliminate low-quality advertising. However, consumer education is another part of the equation: consumers need to understand that there is a 'value exchange' or free content in exchange for ads. The *New York Times* uses pop-ups asking ad-blocking readers to whitelist its site or to unsubscribe. Transparency is another key issue and better user experience should become a priority...

Marketing, April 2016, pp16-17 (Ghosh)

Agencies

M&C Saatchi defends men-only board

David Kershaw, chief executive of M&C Saatchi, has defended the lack of women directors on the company's board. He has instead pointed to the number of women who are running the agency's various businesses and has insisted that: "Making grand gestures like making a woman a non-exec isn't going to change the world". Former Chairman of Chime Communications, Lord Davies, has recommended that a quarter of boards should consist of women. WPP and Omnicom, which have 13 and 14 directors respectively, each have four women on their company boards.

Campaign, 25 March 2016, p6

Brands and branding

Innovation most important for brand trust

A study has revealed that brand innovation is more strongly related to trust than are the brand's presence on social media or its advertising. A brand that is seen as being current or modern is also considered to be more trustworthy than one which has a long heritage. In addition, price discounting can undermine the credibility of the brand. This is according to a survey of 12,000 Europeans, which examined the three largest brands in 30 FMCG categories and nine countries. It linked consumer responses with the purchase behaviour of 150,000 households to investigate the relationships between trust and brand success.

research-live.com, 30 March 2016

Conferences and events

Event disasters

What is the worst thing that can happen to your event? A survey of 124 event planners by BDRC Continental reports that of all the problems encountered by event planners, 43% could have been prevented by the actual venue while a lack of organisation is responsible for a further 29% of mess-ups. Event planners tend to feel stressed in two main areas: venues/suppliers and technology/AV problems, while concerns about catering are also a key factor. Human error is one of the biggest sources of concern while costs are also cited as a big challenge. Overall planners tend to trust venues which are reassuring and which anticipate problems.

Meetings & Incentive Travel, March 2016, p55

Audience engagement

Audience engagement has become one of the most important parts of an event and, as events become more interactive, event planners are looking for the



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www.cim.co.uk/charteredcpd

tools, technology and entertainment that will encourage the audience to become involved. Here the author offers five nuggets of advice regarding the dos and don'ts of audience engagement.

eventindustrynews.co.uk, 31 March 2016 (Parry)

Consumer behaviour

Firm-generated content – customer behaviour

Social media is increasingly being used as a channel for marketing communication. This study looks at the effect of firm-generated content (FGC) in social media on three customer metrics: spending, cross-buying and customer profitability. It also compares the effects of FGC with TV advertising and e-mail communication. It suggests that FGC has a positive and significant effect on customer behaviour. It also shows that FGC works with TV and e-mail marketing and that its effect is greater in the case of more experienced, tech-savvy customers. The authors also investigate the effect of three aspects of FGC: valence, receptivity and customer susceptibility.

Journal of Marketing, Vol 80(1) 2016, pp7-25 (Kumar et al)

Customer relations

Customer-supplier collaboration

In the same way that suppliers have developed strategic account management (SAM), so B2B customers have created more formal supplier relationship management (SRM) programmes to develop collaboration from their side of the equation. This article consists of a conversation about this trend between two experts in account management at Vantage Partners. It includes infographics setting out traditional and alternate views of suppliers; effective customer-supplier collaboration; alignment of SRM and SAM programmes; allocation of investment; and building enhanced competencies to tackle customer-supplier challenges.

Velocity, Vol 18(1) 2016, pp28-34 (Hughes and Chapnick)

The customer relationship rut

The author argues that modern marketing is "all about relationships" but that most companies have experienced what she describes as a "relationship rut". As well as some top-level advice, this article contains an infographic illustrating the continuous customer lifecycle and customer expectations at each stage of the cycle. There is also a table setting out some goals to get you out of that relationship rut – conversion, permission, win back, stickiness and repurchase.

Marketing Africa, Issue 10 2016, pp84-85 (Kamau)

Direct marketing

New direct marketing guidance

On 24 March the ICO published its new direct marketing guidance. It has indicated that it may wish to give the guidance a legal foundation which

would give it power in the law courts. The guidance pays particular attention to fundraising to ensure that this follows the same rules as those which apply to other areas of direct marketing. Another area of emphasis is third party consent and consent given freely which says that: "Direct marketers should not unduly incentivise consumers to consent to marketing calls. Asking for consent to marketing as a pre-condition to using a service is not best practice".

dma.org.uk, 24 March 2016

Law

Eight seconds can infringe copyright

The UK's High Court has recently ruled that copyright in the broadcast of a sporting event can be infringed by the reproduction of even an eight-second clip. The case was brought by the England and Wales Cricket Board and Sky UK Limited against Tixdaq Ltd and Fanatix Ltd. The latter had developed an app allowing users to upload screen-captured broadcast footage and to add commentary to the clips which could then be shared with other users. The Court decided that the app infringed copyright. This case is interesting for its finding that an eight-second clip can be considered a substantial part of a protected broadcast.

lexology.com, 24 March 2016

Screenshotting on Snapchat is illegal

UK Government culture minister Ed Vaizey has warned that it is illegal to screenshot Snapchat messages and pass them on without first obtaining the consent of the sender. Snapchat's model rests on sending images and video clips which automatically disappear after a set amount of time, but it is possible to capture them using a screenshot. Under UK copyright law this is illegal and the sender could sue the person making the copy.

independent.co.uk, 27 March 2016

Marketing

Promotion mix management – Islamic values

The importance of religion when developing marketing theories has been largely overlooked. Yet Islam has well-established business, economic and social systems which form part of the daily life of Muslims. Before developing marketing strategies, it is important for companies to understand the impact that religion makes on Muslim societies. Islamic banking and finance are aspects of Islamic culture that seem to be better understood than others. In this paper the author aims to extend one's understanding of Islamic values when developing marketing theories, particularly when considering promotion mix management.

Journal of Marketing Communications, Vol 22(2) 2016, pp215-231 (Yousaf)

Perceptions of product placement

This study examines differences in attitudes and perceptions of product placement across three countries – Finland, Italy and the US – which differ greatly in the maturity of their product placement markets, regulatory systems and cultural attitudes. They measure four aspects of product placement: attitude towards the credibility of advertising; attitude towards advertising in general; attitude towards placement in general; and attitude towards regulation of placements. They demonstrate significant differences between the three countries in all four areas. Explanations and implications are discussed.

International Journal of Advertising, Vol 35(2) 2016, pp362-387 (Sabour et al)

Telling stories with data

Data and information only matter when they are actually used by businesses while neuroscience shows that information can most effectively be assimilated through stories. A story appeals to the senses and engages with the audience; it reaches the subconscious which makes it easier to recall; and it allows abstract ideas to be linked to tangible events or situations. Data analysts tend to veer away from stories for fear of devaluing their own objective analysis. The author sets out the benefits of storytelling and offers three tips for telling a “great data story”.

dataIQ, Spring 2016, p28 (Florence)

Market research

Eye tracking used in conjoint analysis

Choice-based conjoint is used to determine how consumers view different attributes of a product or service. The authors conduct three studies using eye-tracking to help gain a clearer understanding of the processes that respondents use when completing a conjoint exercise which involves choosing between alternatives. The eye-tracking helps to assess whether the task layout or random exposures affect the consumer’s attention or choice. The studies reveal two simplification processes that lead to greater speed and reliability. They also show that conjoint choice is a process formed mainly by goal-driven values that respondents have imposed on the task, and that the process is reasonably free of distorting effects caused by task layout or random exposures.

Journal of Marketing Research, Vol 53 February 2016, pp1-17 (Meißner et al)

Public relations

Predictive analytics in comms research

The author describes how to use predictive analytics to create better communications insight, strategy and programmes which allows PR to move from retrospective measurement to continuous improvement. He stresses the importance of data

quality and explains that proper goal-setting can help to eliminate so-called “garbage data”. Even though the language of predictive analytics is daunting to the layman, you must not be afraid to challenge the results. After all, you know the client better than the person doing the predictive work.

Public Relations Tactics, Vol 23(3) 2016, p7 (Puniello)

Formulating a data security crisis plan

Individuals are aware of the value of their data and expect corporations to be accountable for its safety. Brands should consider security as a basic strategic initiative which requires crisis communications planning. C-level executives are becoming more aware of data security since the damage from security breaches can reach millions of dollars. Here are five tips for communicators to lead the dialogue on data security. These include revisiting the definition of a crisis communications plan and preparing a data security escalation plan in addition to other crisis plans.

PR News, 21 March 2016, p2

Sponsorship

Talented balls

The 10th series of Britain’s Got Talent is about to start this coming weekend. The sponsor for the last three series had been Morrisons, but the mantle has now passed to Camelot in a deal estimated to be worth £6m. The sponsorship includes ten “guaranteed” millionaires to celebrate the shows ten-year milestone.

campaignlive.co.uk, 24 March 2016

Agriculture, fishing and forestry

Kenya should wake up and smell the coffee

Ever since the 1987-1988 season, when it produced 127,000 tonnes of coffee, Kenya’s coffee crop has been in decline; last year it yielded less than 45,000 tonnes or just 0.5% of global coffee production. Smallholders, who make up 60% of Kenya’s coffee production, simply aren’t making enough money and arabica coffee plantations are being sold to property developers. Regulation has led to a complicated structure which allows opportunists to capitalise on the situation to the detriment of the coffee growers. This contrasts with Uganda, where the industry has been liberalised, and where middlemen compete for farmers’ crops which they can sell for export.

The Economist, 26 March 2016, pp78-79

Tesco uses fake farm brands

There have been accusations that Tesco has been using made-up brand names to make it look as if the food it is selling is British even though it is in fact imported. Farmers say that labels using brand names, such as Woodside or Willow Farms, are

misleading because they suggest the food comes from a British farm. Retailers have been using fictitious names for many years but Tesco seems to have launched a large number of made-up names. Beef farmer Matthew Rymer says that this represents, "a huge step backwards at a time when customers are seeking more transparency and truth about where food comes from".

The Times, 25 March 2016, p35; The Observer, 27 March 2016, p39

Building industry

Forterra cements position with flotation

Forterra, Britain's second-largest brick-maker, is to float on the London Stock Exchange this month. The company, which controls 29% of the UK brick market, derives 95% of revenues from new homes and home improvements. It is the second brick-maker to float over the past year – Ibstock, with 43% of the market, floated last October. Around 2m bricks are produced in the UK every year and the market is forecast to grow by 3% to 5% this year.

The Times, 30 March 2016, p38

Businesses and strategy

A product-to-platform strategy

Companies are increasingly trying to become platform providers, rather than just product producers, allowing them to create direct connections between customers and other groups, as Amazon has done with Amazon Marketplace and Lego with Mindstorms. The authors have identified four practices which separate the winners from the losers: start with a strong product and a loyal mass of users; use a hybrid business model which focuses on creating and sharing value; encourage rapid conversion to the platform; and make it hard for competitors to copy the strategy.

Harvard Business Review, April 2016, pp72-78 (Zhu and Furr)

Charities and NGOs

Endorsement on social media

The authors ask whether the marketing strategy of encouraging consumer brand endorsements on social media is suitable for all brands or whether brands differ with regard to their potential to acquire online endorsements. They investigate the processes involved in consumers' intentions to endorse brands on social media through a series of seven studies. These reveal that warmth rather than competence of a brand is the main factor behind a consumer's decision to endorse brands online. In this case non-profit brands have a distinct advantage over for-profit brands because they are perceived as being warmer but not less competent

Journal of Interactive Marketing, Vol 33 February 2016, pp27-42 (Bernritter et al)

Public opinion

A poll for *Third Sector* reveals that media stories over the past years have had a significant effect on the British public's opinion of charities: notably 22% of respondents said that news stories about fundraising methods had made them less likely to give to charities, a figure which rose to 55% among the over-55s. The survey also revealed strong support for tighter self-regulation of fundraising although 73% of respondents were not aware that the Fundraising Regulator, which replaces the Fundraising Standards Board, will start work this year. Some 51.5% of respondents said they were likely to register with the Fundraising Preference Service, which will be operated by the new regulator, while 79% were not happy for their personal data to be shared with other charities. Overall the survey suggests that people do not like some of the methods used by charities and it is not yet certain whether their behaviour over the past year will have a negative impact on donations.

Third Sector, April 2016, pp29-33

Durable consumer goods

Spending the pennies becomes easier

Tourism is important to the Chinese economy and to help it along the China National Tourism Administration built 14,320 toilets in 2015 and upgrade another 7,689. Toilet "behaviour" has been the more concerning issue and the new urinals carry a sticker with the slogan: "One small step forward for you, one giant leap for civilised behaviour."

Financial Times, 4 April 2016, p1

Economy

Manufacturers need to plug skills gap

A new industry report from business group the EEF says that manufacturers in Britain are having trouble recruiting skilled workers and keeping up with global technology. This follows the recent reduction by the Office for Budget Responsibility's of its forecast for potential productivity (how much workers produce in an hour). The EEF says that demand for skills is set to "rocket" and calls on the Government to give grants for apprenticeships and to ensure that education should provide skills to match business needs.

The Guardian, 29 March 2016, p24

Clothing and shoes sales down

Data from the Office for National Statistics reveal the largest fall in spending on shoes and clothing for 25 years. Retail sales of clothing and shoes fell by 3.4% in February, the sixth consecutive month of decline. Some retailers have been blaming the warmer weather but the CBI reports that retailers are feeling more optimistic about Spring sales, as are supermarkets and car distributors. A separate

report by Nectar suggests that households are more likely to spend their spare money than they would have been this time last year, but that this is likely to be of most benefit to restaurants and leisure providers.

theguardian.com, 24 March 2016, The Times, 25 March 2016, p49

Energy and utilities

SSE launches rail business

Big six energy provider SSE has been busy diversifying into other sectors. Now it has launched a rail business, SSE Enterprise Rail, to provide electrification, power and mechanical and electrical services to clients in the railway industry. These include Network Rail, East Midlands Trains, First Great Western and South West Trains. Last year SSE ran an ad campaign for its new broadband service with the aim of building its position in the sector.

utilityweek.co.uk, 29 March 2016

Environment

US looks into big energy over climate change

The US is looking at a joint investigation into whether its big energy companies have lied about the risks of climate change to protect their profits. A coalition of 18 state and territory attorneys-general will be investigating whether fossil fuel companies have misled investors. Environmental campaigner and former vice-president Al Gore is supporting the move. Last year the state of New York reached a settlement with Peabody Energy, a coal company, regarding misleading financial statements. Exxon, which has previously denied suppressing climate change research, is currently undergoing an investigation.

The Times, 30 March 2016, pp36-37

Let the sun shine

Following graduation from the University of California Erica Mackey relocated to Tanzania to work with aid agencies. The key problem that she saw being encountered was the lack of reliable energy. Most Tanzanian dwellings are lit by Kerosene lamps which give off fumes that are worse than cigarettes and the storage of the fuel has its own inherent risks. Working with The Skoll Centre for Social Entrepreneurship at Saïd Business School, Oxford, she has started a solar energy business called Off Grid Electric. Their business model utilises the direct selling approach of Avon enabling reps to explain how the panels can help. More than 10,000 panels are being installed every month.

Financial Times, 4 April 2016, p13

Fashion

Customers Kinect with Air Max

Nike has introduced an interactive in-store experience which involves scanning customers' clothes and suggesting which type of Air Max trainers they should buy. It uses Kinect motion sensors which can recognise patterns and colours. The technology was installed especially for *Nike Air Max Day* on 26 March, which was the anniversary of the trainer's launch in 1987.

Campaign, 25 March 2016, p6

M&S slammed for burkini

There has been a backlash against Marks & Spencer's attempts to create a full-body swimming outfit (burkini) for Islamic women. The costume, which covers the entire body except for face, hands and feet, has led to accusations that it is promoting the "enslavement of women", although others have praised its contribution to multiculturalism. France has been the biggest critic, with women's rights minister, Laurence Rossignol, accusing M&S of kowtowing to religious conservatives. Meanwhile Pierre Bergé, formerly Yves Saint Laurent's partner, has said that: "Creators should have nothing to do with Islamic fashion" and that designers are not there "to collaborate with this dictatorship". The growing Muslim population in Britain, has made 'modest wear' a lucrative market. The Islamic fashion industry is expected to reach \$300 billion worldwide by 2020.

The Daily Telegraph, 31 March 2016, p3; The Times, 31 March 2016, p21

Financial services

RBS creates robo-advisor with warmth

RBS has created an AI advisor called Luvo which will initially be used to support employees in a two-month trial. The bank claims that Luvo, which can replicate human empathy, may soon be answering customers' banking queries in a so-called 'tipping point for the sector'. AI has been previously used in the banking sector but RBS says that Luvo has a "warmth to its personality". Customers may be able to access to the service by the end of the year.

Marketing, April 2016, p12

Samsung Pay launches in China

Samsung Pay has just been launched in China, allowing consumers to make mobile payments using their China UnionPay cards through nine banks. Samsung Pay, which was launched in Korea and the US last year, already has five million users in those countries. Apple Pay launched in China in February, also in partnership with China UnionPay.

nfcworld.com, 29 March 2016

Barclays – above average complaints

The Financial Conduct Authority has revealed that financial services companies received 211m complaints between July and December last year, 1.4% fewer than for the previous six months. However, Barclays received 3.41 complaints for every 1,000 accounts, which is 40% more than the industry average. Payment protection remains the most complained about product.

The Times, 31 March 2016, p2

FMCG

Beverages

Surge in boutique beer...

Increased demand for high-end beers has led to a boom in London's craft beer sector. Last year 36 boutique companies started brewing ales, stouts and lagers in London, up by 24% year-on-year. Wales also saw a hike in brewing with 17 new brewers, up by 35%. However, the expansion was less impressive in other parts of the country, such as Scotland and Northern Ireland and the rest of England, outside the capital, even experienced a 10% fall in the number of new openings.

The Guardian, 29 March 2016, p19

...as demand for gin rises

The number of gin distilleries in Britain has doubled in six years (from 116 in 2010 to 233 in 2015), with 49 opening just last year. The boom is attributed to the large number of boutique distilleries which make small quantities of gin using ingredients such as botanicals and local spring water. Anty Gin in Cambridge uses essence of Formica rufa, the red wood ant!

The Times, 28 March 2016, p3

French wine producers lose out to Italy

Data from the International Organisation of Vine and Wine reveal that France has been knocked off its pedestal by Italy, as the world's largest wine producer and exporter. A year ago France was celebrating the fact that it had regained top spot after having been demoted to second place. Meanwhile Spain has taken over as the leading exporter of wine after a sharp rise in exports. There are questions over whether the French wine sector should move towards mass production rather than its traditional small, family vineyards.

The Daily Telegraph, 28 March 2016, p15

Food

Fake food leaves bad taste

A Report from the National Food Crime Unit (NFCU) suggests that fake food is costing Britons £1.17 billion a year. It has identified various food adulteration rackets, such as offal being served to

people at music festivals, lamb takeaways with no lamb in them and budget vodka being sold as a quality product. The NFCU claims that more than 20 crime groups are involved in food and drink deception. The *FT* magazine takes a more detailed look at food fraud.

The Times, 25 March 2016, p35; Financial Times (FT Magazine), 26-27 March 2016, pp12-18

Higher prices, less chocolate!

The cost of chocolate has risen by 10% over the past year, which has been attributed to the rising prices of cocoa and sugar. Food commodity prices have been helped by the recovery in the price of oil and, in this case, drier than normal weather. Warmer weather also means that people tend to eat less chocolate while some chocolate makers believe that the early Easter will result in lower sales: Germany is forecast to produce 6% fewer chocolate bunnies than last year. Meanwhile the long-term trend may be for higher prices and smaller bars of chocolate!

Financial Times, 26-27 March 2016, p17

True or false!

The EU has been renowned for bizarre laws; not least in the food industry. *The Grocer* has rounded up a list of laws that are in place, laws that they tried to implement and then the ones that were just myths. Bendy bananas and cucumbers, imperial measures in relation to pints and a dozen eggs and the WI and jam jars!

The Grocer, 26 March 2016, pp26-31

Tobacco

Not just EU Law

New measures to limit pack sizes and remove flavoured tobacco are being implemented by the EU this year. E-cigarette companies are also struggling with the stringent advertising rules which, for some, seem at odds with the wish to move people from the more harmful tobacco. But the UK government have also added an additional law of banning smoking in cars with children. More changes ahead with the plain packaging rules coming in from May.

The Grocer, 26 March 2016, p30

Government and public sector

Database politics

Justin Trudeau, who was recently elected Prime Minister of Canada, relied heavily on social media for his campaigning. It is expected that Facebook will play a big role in the forthcoming US presidential election and the social network has been busy honing the tools that it offers to campaigners. Barack Obama's campaign used sophisticated statistical modelling to identify the attributes of

potential Obama supporters and tested out subject lines of e-mails to see which would get the best response. This and other approaches have led to the Democrats being regarded as the pioneers of so-called "database politics" but can the use of databases and algorithms really help to change the outcome of elections?

The Economist (Special Report - Technology and Politics), 26 March 2016, pp4-6 (after p48)

BPC predicts change in polls

An independent inquiry into why the pollsters failed to predict the scale of the Conservative win in last year's general election concludes that market research companies must demonstrate how they have improved their methods by 2020. Professor John Curtice, president of the British Polling Council (BPC), says the BPC will provide recommendations on transparency but cannot dictate the methodology its members should use. The Council is to produce a report before the next general election showing how companies have changed their sampling and weighting methods since 2015.

The Guardian, 31 March 2016, p11; The Daily Telegraph, 31 March 2016, p4

Health and pharmaceuticals

Fitness branding and restrained eaters

People who are concerned about their weight will often regulate both their food intake and physical activity. Marketers have developed food that could lead consumers who are worried about their weight (restrained eaters) to believe that they can achieve both goals simply by eating this food. This research, which investigates the impact of fitness branding on the consumption and physical activity of restrained eaters, reveals that such branding increases consumption volumes in restrained eaters unless the food is perceived as forbidden. Restrained eaters also tend to be less physically active after eating fitness-branded food which means that fitness branding could have a negative effect on the weight-control behaviour of such people.

Journal of Marketing Research, Vol 53 February 2016, pp124-138 (Koenigstorfer and Baumgartner)

IT and telecoms

Ofcom to devote spectrum to IoT devices

Ofcom has announced that a proportion of very high frequency (VHF) wireless spectrum will be allocated for use by Internet of Things (IoT) connected devices. The regulator will also create a new category of licence especially for IoT and machine-to-machine (M2M) communications applications and a "dedicated information and application web page". The new licence, which will replace the current business radio (BR) licences, will be available later this year.

out-law.com, 29 March 2016

Vodafone receive most complaints

Vodafone has become the most-complained-about mobile provider in Britain: from October to December 2015 32 out of 100,000 customers with monthly contracts complained to Ofcom about the company, double the rate at the beginning of the year. Ofcom is conducting an investigation into how Vodafone handles customer complaints. EE received a £1m fine last year for omitting to inform customers that they could refer complaints to an independent ombudsman.

The Daily Telegraph, 31 March 2016, p3; The Times, 31 March 2016, p43

Leisure and tourism

Tour operators face lower bookings...

Holiday operators are having a tough time in the wake of the latest terrorist attacks. Thomas Cook reports that people are more cautious about where they travel to and this has impacted popular destinations, such as Turkey, Tunisia and Egypt. GfK reports that summer bookings to Turkey have fallen by 32% compared with growth of 11% last year. Meanwhile bookings to the Canary Islands and Costa del Sol are up by 32% and 26% respectively year-on-year.

Financial Times, 26-27 March 2016, p16

...but Carnival is still cruising

The Brussels terrorist attacks have had a negative effect on travel and tourism shares. Carnival, a cruise company, may be affected by the geopolitical situation but its rival, Royal Caribbean, has reported that its bookings for this year are roughly the same as last year. This article includes a SWOT analysis of Carnival's cruise business.

The Daily Telegraph (Business) 28 March 2016, p2

Materials and mining

Mulling over the fate of Britain's steel

The Daily Telegraph examines the factors that have led to the decline of Britain's steel industry, the problems with Tata Steel Group and what actions politicians could have taken to help the situation. *The Guardian's* take on the British steel crisis includes an analysis of how "high-cost high-tax" Germany has managed to support its steel industry and what Brexit could mean for Britain's steel.

The Daily Telegraph, 31 March 2016, p5; The Guardian, 31 March 2016, pp6-7

Gold in Scottish hills

Scotgold, a gold miner, plans to mine for gold in the Scottish hills, just north of Loch Lomond. The company will initially embark on a six-month project to process 7,000 tonnes of ore which has been extracted since the mine was first tunnelled in the 1990s. The site could contain 200,000 ounces of gold. Chief executive Richard Gray believes that

“100% Scottish gold” could deliver a “significant premium” with opportunities for jewellery and souvenirs in Scotland.

Financial Times, 29 March 2016, p2

Media

Books

Library closures

The past six years have seen 350 library closures in Britain with the loss of nearly 8,000 (a quarter) of paid jobs. Some 343 libraries have been shut since 2010 with a further 111 closures being planned for this year. Author Alan Gibbons says that the public library service faces, “the greatest crisis in its history”. The Government has responded by with the statement that libraries need, “to innovate in order to meet changing demands of those they serve”.

The Daily Telegraph, 29 March 2016, p11;
bbc.co.uk/news, 29 March 2016

Film

Film-makers head north

The former Fujitsu building in Manchester has become a centre for Britain’s film and television industry and, despite being open for only a year, the site is doubling in size, thanks to a £15.5m investment by Manchester City Council. Government tax breaks have resulted in TV and film makers coming to Britain in droves. The industry is growing faster outside London: from 2010 to 2014 production outside London rose from 39% to 48% of total UK value and over 50% by volume. Around half of this is located in the North.

Financial Times, 29 March 2016, p2

Games

Preferences keep market strong

The mighty pen is fighting back in the world of puzzles as Puzzler Media, the leader in the £50m market, launches a new magazine bearing the name *Candy Crush* following acquisition of an exclusive licence.

Daily Telegraph, 2 April 2016, p7

Internet

Online ads – a shake-up may be pending

The online ad industry is becoming increasingly crowded and fragmented with programmatic buying allowing advertisers to bid for space on a webpage that a consumer has just clicked on. The winning ad is transmitted within milliseconds, supposedly allowing publishers to get the best price for their slots and enabling advertisers to get the best return on investment. Yet there have been serious concerns over the ‘viewability’ of ads; the Media Rating Council (MRC) in the US considers a display ad to be viewable only if a consumer sees half of it

for at least one second. The obstacles facing online ads, including ad-blocking (see also under Advertising), could be regarded as teething problems but they might lead to a major shift in the structure of the ad industry. Companies, such as Yahoo, Oracle and Salesforce, are already buying up smaller ones so that they can offer a one-stop shop to advertisers.

The Economist, 26 March 2016, pp69-70

Selfie identification

Amazon is to patent a system which allows people to verify their identity when making an online purchase by taking a selfie rather than entering a password. The person holds up their phone and the system asks them to perform various actions, such as smiling or blinking, in order to prove who they are.

New Scientist, 26 March 2016, p24

Music

Copyright gripe

Music and copyright is again in the news as over 50 performers are appealing to the US Copyright Office requesting changes to the Digital Millennium Copyright Act and how it is being interpreted by judges. The main issue is the rise of streaming services and therefore the reduction in earnings for the owners of the music.

The Daily Telegraph, 2 April 2016, p17

Newspapers

New Day, new newspaper, but can it survive?

New Day, the new title from Trinity Mirror, is reportedly struggling to raise its circulation. It started life priced at 25p when between 140,000 and 150,000 copies were being sold, but now that the price has been raised to 50p circulation has tumbled. Trinity Mirror insists that, since *New Day* is “an entirely new brand”, it is difficult to draw conclusions about circulation or the success of its launch marketing. However, with the absence of a strong brand the paper may struggle to attract advertisers and it will need a solid base of readers to survive in the print market.

thedrum.com, 29 March 2016

Social media

Communication and brand perceptions

The authors conduct an online survey of Facebook users in Poland to examine the effect of firm-created and user-generated social media communication on brand equity, brand attitude and purchase intention. They analyse 60 brands across three industries to investigate the interaction between firm-created and user-generated social media communication and industry-specific differences. The conclusion is that user-generated social media communication has a positive impact on brand equity and brand attitude, while firm-created social media communication

affects only brand attitude. However, brand equity and brand attitude have a positive effect on purchase intention.

Journal of Marketing Communications, Vol 22(2) 2016, pp189-214 (Schivinski and Dabrowski)

Television

Long live linear TV

It is widely believed that people, especially younger ones, prefer to watch the TV shows they like, when they like and on a device of their choosing and that linear viewing will gradually disappear in favour of Netflix and Hulu. Pluto.tv is a US start-up offering free TV over the internet; it is based on the idea that many viewers still want to sit down and watch whatever is on the television at that particular time. Pluto has created over 100 channels based on what it thinks people want to watch. Advertising revenue is shared with its content partners. This seems to contradict the on-demand, ad-skipping trend but Pluto has one advantage over other services – it is free and millennials hate paying for pricey services!

The Economist, 26 March 2016, p73

Packaging

Cadbury relegates Easter to back of pack

Easter egg makers have been bombarded by consumers who want the word "Easter" to be reinstated on chocolate egg packaging. Consumers have taken to Twitter to accuse Cadbury's of "hiding" the word "Easter" on the back of its packaging. The eggs are simply labelled "milk chocolate egg" rather than making reference to the Christian festival. Critics say that the company is ignoring the most important Christian Festival of the year in the "small print". Mars and Nestlé eggs have adopted a similar format although Galaxy eggs have "Easter pleasure" printed on the front.

The Daily Telegraph, 28 March 2016, p8

Retailing

Independent stores – downward trend

Independent stores across Britain are still in decline, despite the rise of various service sectors. The rate of independent store openings has fallen from 11 a day in 2010 to just one a week in 2015. Last year independent stores opened the fewest number of shops in the top 500 town centres since records began in 2009. Sharp declines were experienced in sectors such as women's clothing, pubs, florists and even Chinese restaurants and grocers. In contrast, outlets offering services, such as beauty salons and barbers, have been flourishing. This article includes some topline statistics on independent retailers.

The Times, 30 March 2016, pp36-37

Campaign recruitment ad backfires

Supermarket Morrisons has created a furore with its invitation for actors to appear in a new ad

campaign, by specifying that "nobody from Liverpool" need apply. The recruitment ad asked for actors with "northern accents" for a PR campaign featuring "proper working class people...And nobody from Liverpool please". Morrisons has apologised for the incident but claims that a third party had been responsible for the wording.

The Guardian, 31 March 2016, p5

Services

Accor expands into sharing economy

AccorHotels has expanded into the sharing economy with the purchase of a 30% share in Oasis Collection, an online platform for private rental accommodation. The acquisition will allow Oasis, an upmarket competitor of Airbnb, to expand into another ten cities. The company has doubled its bookings every year since its launch in 2009.

The Times, 29 March 2016, p41

New players rev up to sell used cars online

Motorists have numerous options for buying and selling used cars online, including Gumtree, eBay and CarGiant. But now a new breed of player has entered the market which could shake up the market for second-hand cars. With 7m used car sales a year, the industry is three times the size of the new car market by volume. Auto Trader remains the biggest incumbent player, accounting for around 80% of the time Britons spend looking for a used car. This article profiles four of the new players – CarGurus, Tootle, Carspring and Carsnip.

Financial Times, 28 March 2016, p17

Transport and travel

Vespa creates buzz in South Africa

Vespa, the Italian scooter brand, has become an icon that is synonymous with fashion and style in many countries around the world. Yet it has proved hard for the brand to break into emerging markets such as South Africa, where there hasn't been a culture of scooter-riding. This article looks at how Vespa has developed its marketing strategy in South Africa, where it now boasts three dealerships.

Journal of Strategic Marketing, February-March 2016, pp28-32 (Bouwer)

TfL embraces open data

Transport for London (TfL) is releasing live information on parking spaces at London Underground Stations and data from traffic camera feeds. This forms part of its commitment to provide open data and to help drivers plan their journeys. Developers, who are allowed to access the data for free, have already built nearly 500 apps.

dataIQ, Spring 2016, p29

Uber deal offers helicopter flights

Taxi service Uber is offering helicopter flights following a deal with Blade, an app-based aviation group. It will sell flights from Los Angeles to Palm Springs for the Coachella music festival which runs for a month. Blade founder, Rob Wiesenthal, believes that high-end aviation is "ripe for disruption". He wants more people to "enjoy and afford shared private aviation". With the Uber-Blade deal, Uber will use its SUV service to carry people to a Helipad at Van Nuys airport – the flights will cost \$695.

Financial Times, 26 March 2016, p7

Buzz phrases

Blitzscaling

In this interview, Reid Hoffman, founder of LinkedIn, talks about his idea of "blitzscaling", which is the process of becoming big very rapidly. It involves rapidly building up a company to serve a large, global market with the aim of being the first mover on a large scale. He emphasises the fact that blitzscaling is not all about revenues and people – it relates to scaling the business, which must have the

capability and capacity to operate while growing rapidly. He says that what keeps these companies together is, "the sense of excitement about what's happening and the vision of a great future".

Harvard Business Review, April 2016, pp44-50

Written by CIM's Knowledge Services Team

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On the Move

Name	From	To	New title	Source
Alan Aboud	Aboud & Aboud	Grey London	Creative Director	Campaign
Gus Baldwin	Leonard Cheshire Disability	Bowel Cancer UK	Director of External Affairs	Third Sector
Richard Campbell	Rank Group	Mamas & Papas	Chief Marketing Officer	thedrum.com
Sarah Davenport	n/a	XSEM	Sales and Marketing Manager	Meetings & Incentive Travel
Tom Fyans	Amnesty International	The Campaign to Protect Rural England	Director of Campaigns and Policy	Third Sector
Nicola Peckett	Care International UK	Malaria No More UK	Director of Partnerships and Communications	Third Sector

Promotions

Name	Company	Previous title	New title	Source
Peter Beckett	Schroders	Head of UK and International Marketing	Head of Content and Digital	Financial Times
Elise Hamer	Aquascutum	Senior Marketing & PR Executive	Marketing Manager	fashioninsight.co.uk
Matt Lever	VCCP	Creative Director	Deputy Executive Creative Director	Campaign
Jim Thornton	VCCP	Creative Director	Deputy Executive Creative Director	Campaign

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Sources

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