

Cutting Edge: Our weekly analysis of marketing news

4 May 2016

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

Quick [links](#) to sections

Marketing trends and issues

Advertising

Background music endings

It is common practice to use background music in advertising in order to attract the attention of the audience. So far no research has studied the effect of background music endings on consumer memory for advertised products and messages. Two experiments reveal that background music ending abruptly (a truncated ending) dictates consumers' attention, but reduces recall for both the product and the message. In contrast, background music that has a regular ending, or concludes by fading out, aids consumers' memory for both advertised products and messages.

International Journal of Advertising, Vol 35(3) 2016, pp504-518 (Guido et al)

Mobile adspend

Next year spending on UK advertising is expected to exceed the pre-economic crisis levels of 2008, according to an expenditure report from the Advertising Association and Warc. In 2015 UK adspend growth reached a five-year high of 7.5%, boosted by the growth of mobile, which is set to account for "almost all of the new online ad money in 2016" according to research analyst James McDonald. Mobile grew by 61.1% last year and is expected to reach 70% this year. A separate article looks at how brands can measure the effectiveness of mobile campaigns. It mentions brands such as Costa, Carphone Warehouse and The Entertainer.

Marketing Week, 28 April 2016, pp6,29-31

ASA looks into gender stereotyping

The Advertising Standards Authority (ASA) is to investigate gender stereotyping in UK advertising and may introduce tighter restrictions. The ASA has

already banned some ads that it believes reinforce gender stereotypes, such as a Gucci ad featuring an "unhealthily thin" model. It is calling for evidence of "objectification and sexualisation" of women in ads which might be related to body image, gender roles or gender-specific marketing to children.

The Daily Telegraph, 28 April 2016, p4; theguardian.com, 28 April 2016

Agencies

Advertisers issue contract to agencies

The Incorporated Society of British Advertisers (ISBA), which represents 450 of Britain's biggest advertisers, wants greater transparency among ad agencies regarding how their money is spent. The ISBA, whose members spend £10 billion a year on marketing communications, has become increasingly concerned about the business practices of groups, such as WPP, Publicis and Omnicom. These include taking undisclosed "rebates" from media companies and not giving them back to the client. In the US the Association of National Advertisers has hired fraud investigators to examine the practices of media agencies.

Financial Times, 29 April 2016, p21

WPP – good year ahead

Sir Martin Sorrell is experiencing increasing criticism from investors for his high remuneration packages: this year he stands to receive a share bonus of £63m as part of his £70m package. He argues that WPP is rising in value and that his pay is in line with performance. Unlike other companies that have had investor revolts, such as BP, WPP is performing well, with the promise of more business from the Olympic Games, US election and the UEFA European Championship. However, Sir Martin warns of "grey swans" ahead, such as a possible Brexit and Grexit.

The Times, 29 April 2016, p48; The Daily Telegraph (Business), 29 April 2016, p3



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Brands and branding

New product preannouncements

Some companies will preannounce new products well in advance of their availability on the market. This paper investigates how new product preannouncements (NPPs) affect consumers' evaluation of new products, and how these evaluations influence their preferences for the brands' other products. Three studies reveal that NPPs seem to produce more positive consumer responses than new product announcements. It also suggests that NPPs have positive spillover effects on other products in the brand family, an effect that is more pronounced in "really" new products than in incrementally-new products. However, this positive spillover effect does not influence consumers' perceptions of competitor products.

Journal of Product Innovation Management, Vol 33(3) 2016, pp342-355 (Thorbjørnsen et al)

Conferences and events

Principles of public speaking

Ian Hawkins, speaker and member of Toastmasters International, believes that all good speeches have three "golden" principles – once you have got these straight, then the details of the speech should follow more easily and the audience will know why they should be listening. The three 'As' are identified as: authenticity, audience and authority.

eventindustrynews.co.uk, 27 April 2016

Event organisers predict growth

The new *Pulse* report from event ticketing platform Eventbrite, reveals a positive sentiment among event organisers, with 67% expecting to grow their business this year despite identifying cost as a key issue. Social media is being used by 81% of respondents this year while 79% are using or planning to use mobile apps. However, newer technologies, such as wearable computing, are slower to take off as is the case with iBeacons, Bluetooth and other sensor technology.

exhibitionnews.co.uk, 27 April 2016

Consumer behaviour

Product variables and consumer WOM

The authors investigate the relationships between two perceived product variables (hedonic and utilitarian values of products) and consumers' word-of-mouth (WOM) behaviour. Three WOM variables were identified: offering WOM, requesting WOM, and influence of WOM. Relationships between these three and the two product variables were tested to reveal that the hedonic value of products had a strong positive effect on giving WOM, but that the utilitarian value of products did not achieve the same effect. The findings can be used to help anticipate and enhance consumer WOM.

Journal of Customer Behaviour, Vol 14(4) 2016, pp277-294 (Alsulaiman et al)

Customer misbehaviour

Customer misbehaviour can have an impact on the experiences of other customers, leading to financial losses for the business. Several studies have been conducted on the subject of customer deviance; the authors seek to clarify the classification of customer deviance and identify possible employee tactics towards such behaviours in the service sector. The study was carried out in a big shopping mall in Turkey using face-to-face interviews.

The Marketing Review, Vol 15(4) 2015, pp483-502 (Kurtulmuşoğlu et al)

Comfortably dull

It is often the ordinary that captures consumers' attention, such as the recent live stream of a puddle blocking a footpath in Newcastle, which more than half a million people watched. With so much going on in consumers' lives it is no wonder that they seek an element of the mundane where they can relax. This explains the popularity of repetitive games, such as Candy Crush Saga, or mindfulness apps, such as Headspace. Many consumers are moving away from traditional notions of success and aspiration towards being "authentic and grounded". However, marketers should remember that this shift towards the "comfortably dull", does not mean that consumers will accept mediocre content!

Marketing, May 2016, pp50-51

Customer relations

Transformative customer experience

Consumer experience, whether digital or analogue, has become critical to businesses who need to design an experience that will attract and satisfy customers. Organisations that invest in experience for their customers face the challenge of return on investment. It is difficult to measure the value of a great experience. The author outlines three principles of a transformative consumer experience, and argues that consumers' experience must be combined with disruptive business models in order to truly exploit new opportunities in the market.

Journal of Brand Strategy, Vol 4(4) 2016, pp341-348, Winter 2015-16 (Nair)

Direct marketing

Call centres – consumers still need them

New research from the DMA and Granby Marketing Services reveals that consumers still need contact centres at critical moments in their relationship with a brand. It says that the facility to ask questions on the phone is an essential way for customers to get the information they require. An infographic illustrates the contrast between how marketers view call centres and how consumers perceive them.

dma.org.uk, 29 April 2016

Law

Influencer law is being broken

A study has revealed that six out of ten marketing and PR professionals have broken the law when it comes to influencer marketing. The average spend per influencer is £800 per post according to the survey, which was undertaken by Takumi. Under consumer protection law, failing to disclose when commercial content is paid for is unacceptable. The ASA says of marketers who flout the rules that: "Not only do they risk having their ad banned and the resulting negative publicity and damage to their brand, they could land in hot water with the Competition and Markets Authority for potentially breaking the law".

Marketing, May 2016, p12

ICO ramps up fines following law change

To date the Information Commissioner's Office (ICO) has issued £2,035,000 in fines for companies making so-called nuisance calls, since the law changed last April to make it easier to tackle such practices. Nevis Home Improvements, a Scottish company which made 2.5m recorded phone calls, has recently been fined £50,000. The company made 2,530,549 automated marketing calls from May to August last year. Nevis is the 19th company to be fined by the ICO since the law changed.

dataiq.co.uk, 28 April 2016

Marketing

Multi-national service firms and performance

International strategy literature often assumes that the performance of a company improves as it becomes more multi-national, but the majority of studies have been based on manufacturing businesses. Recent studies have indicated varied impact on performance especially in the case of service multi-national companies (SMNCs). The authors put forward evidence for a U-shaped curvilinear relationship between multi-nationality and performance. Their study also finds that R&D intensity enhances the impact of internationalisation on company performance. They propose that SMNCs should reconsider their global marketing strategies and international activities so as to maximise overall performance.

The Marketing Review, Vol 15(4) 2015, pp423-437 (Bresciani and Ferraris)

Content with B2B selling

The internet has become increasingly important to B2B customer purchasing decisions; this in turn has led B2B sellers to create digital content aimed at encouraging potential buyers to interact with the company. This study looks at the organisational processes involved in creating content to meet customer needs and for integrating content marketing with B2B selling processes. A case study illustrates the use of marketing automation to help

produce high-quality sales leads through behavioural targeting and content personalisation. Overall the study shows how content marketing can be used, in conjunction with B2B selling and marketing automation, in order to gain business benefits.

Industrial Marketing Management, Vol 54 April 2016, pp164-175 (Järvinen and Taiminen)

Marketing tech in the marketing budget

The *IPA Bellwether Report* has reported a 14th consecutive upward revision in marketing budgets, but is this an accurate reflection of what is really going on in the digitised world? Chief marketing officers are investing heavily in marketing technology – Gartner's *CMO Spend Survey 2015* claims that 33% of marketing budgets are spent on technology, 17% on experience and 7% on innovation, leaving just 43% for advertising and promotions. The author argues that long-term studies, such as the *Bellwether Report*, should include experience and technology in addition to communications, because technology is changing the composition of marketing budgets.

Campaign, 29 April 2016, p18

Market research

Identifying super-predictors

Traditionally the way to make a prediction is to ask a representative group of people a question and then aggregate the answers. Over the years other methods have been developed which have been more reliable but still subject to cognitive biases or short-cuts in the thinking process. For example, when testing advertising, predictions will often be wrong when people are evaluating ads for more famous brands; this is because people expect them to be successful simply because they are famous. The author examines the possibility of identifying people who make the best predictors and concludes that 20 predictors with 65% reliability will generate a better prediction than 100 people who predict with 55% reliability.

Impact, Issue 13 April 2016, pp68-69 (Puleston)

Public relations

Creating search engine content

More than 59% of adults use a search engine on a daily basis, yet 70% of people don't progress beyond the first page of results and 67.6% click on one of the top five results. Search engines will rank sites according to authority, relevance and, increasingly, "social signals" – social reputation or social shares. PR professionals are often responsible for developing online content so this article describes six steps for creating effective search engine content: setting SEO goals and objectives; creating a website hierarchy; conducting a keyword search; using key words; developing link-building; and content development strategy.

PR News, 25 April 2016, p1

Sponsorship

Tobacco sponsorship under fire

The British Museum and Royal Academy of Arts have been challenged over their sponsorship agreements with tobacco companies. JTI pays £40,000 a year to ensure that its name appears on the Royal Academy's brochures. A letter signed by 1,100 doctors and medical experts has also attacked the Southbank Centre and the London Philharmonic Orchestra for links with Japan Tobacco International and British American Tobacco. These are not the only arts bodies to have attracted adverse publicity – the British Museum and National Portrait Gallery have been criticised for their sponsorship links to BP.

The Times, 2 May 2016, p15

Agriculture, fishing and forestry

English wine gains Champagne sparkle

France's Champagne Pommery is to start working with English producers to create a sparkling wine at the Hattingley Valley winery in Hampshire. English sparkling wine is beginning to gain an international reputation and other French champagne houses are looking at opportunities in the south-east of England where they can benefit from similar soil types to those in France as well as a warming climate and much lower land prices.

The Times, 2 May 2016, p11

Building industry

Construction jobs unpopular

A YouGov survey has revealed that almost two-thirds of the public would never consider a career in construction. The research found that public perceptions of construction work have room for improvement, with 23% perceiving it as creating "mess, traffic and inconvenience" while 41% believe it is one of the sectors that is least likely to require further or higher education qualifications. The survey was undertaken on behalf of the Construction United group, a coalition of stakeholders set up to promote "a positive image of the UK construction industry".

Construction News, 29 April 2016, p8

Businesses and strategy

The export journey

UK Trade and Investment (UKTI), together with its innovation unit, has come up with an "export journey map" to help companies that are considering embarking on international trade activities. The diagram shows a circular journey, starting with a trigger point and a discovery and development phase, which is the point at which companies start to win export deals. Companies can join or leave the journey at any point depending on

various factors. This article also talks about additional support available for exporters in the London area and gaining access to finance.

London Business Matters, April 2016, p15 (Thornhill)

Mastering agile innovation

Over the years agile practices, such as lean development, have boosted the success of software development and improved its speed to market as well as the productivity of IT teams. Such methods have been spreading to a range of industries and functions. Yet many executives don't understand how to promote or benefit from agile innovation and, as a consequence, have continued to use conventional management practices to the detriment of agile projects. The authors, themselves experts in agile methods, have identified six practices for making the most of agile techniques, with the idea of providing a practical guide to accelerating innovation and growth.

Harvard Business Review, May 2016, pp40-50 (Rigby et al)

Charities and NGOs

Fundraising agencies

New rules from the Information Commissioner's Office, which came into force last July, meant that fundraising organisations were banned from making calls to charity supporters who were registered with the Telephone Preference Service. Personal Telephone Fundraising, a successful fundraising business of 14 years' standing, has consequently gone out of business, as have other fundraising agencies that rely on making phone calls. Meanwhile income from face-to-face fundraising is also falling. This article looks at the plight of fundraising agencies and includes a case study of Oxfam.

Third Sector, May 2016, pp30-32

Durable consumer goods

Sex toys get royal patronage

Sex toy manufacturer Lovehoney has received the Queen's Award for Enterprise for its international sales, which have risen by 79% over the past three years. Neal Slateford, one of the company's owners, said that: "The Queen is Britain's greatest trade ambassador and consumers trust a brand with her patronage".

Retail Week, 29 April 2016, p39

Dyson hairdryers – no more hot air

Last week Dyson launched a new type of hairdryer at a special event in Tokyo. The Dyson Supersonic hairdryer resembles the Dyson fan as it sucks in air at the base and then blows it out as a "thin sheet" of air. It also looks like other Dyson brands in that it is circular, smooth and metallic. James Dyson claims that traditional hairdryers are noisy, inefficient and bad for the hair. This model took four years to

develop at a cost of \$71 million and could carry a price tag of \$399!

brandchannel.com, 27 April 2016

China buys Tommee Tippee

Mayborn Group, which makes Tommee Tippee, the most popular baby bottle brand in the UK, has been acquired by Chinese insurer, Ping An. The company's HQ will remain in Northumberland. Jawha, an investment arm of Ping An, already owns a number of British companies. The Chinese baby goods market is worth £1.3 billion and is growing at the rate of 15% a year. Tommee Tippee is currently the fastest-growing baby bottle in the US and is sold by Walmart.

The Daily Telegraph (Business), 29 April 2016, p3

Economy

Salaries plateau

There is less optimism in the UK jobs market which has led to employers freezing advertised salaries due to uncertainty over Brexit. This is according to job search website, Adzuna, which claims that salaries fell across all regions of the UK, except Northern Ireland last month. As well as nervousness over the EU referendum, there have been concerns over bigger wage bills following the introduction of the National Living Wage.

The Times, 3 May 2016, p36

Mum and Dad act as mortgage lenders

A new report highlights the problem in the British residential market whereby young people are increasingly having to borrow money from their parents in order to get a foot on the property ladder. This year borrowing from family and friends is expected to lead to around 300,000 property transactions worth £77 billion. The L&G report warns that the "Bank of Mum and Dad" trend will lead to greater inequalities in the housing market among rich and poor.

The Daily Telegraph (Business), 3 May 2016, p1

Energy and utilities

Fintech for green SMEs

Fintech (financial technology), which has had huge success in crowd funding and other areas, is beneficial for small and medium enterprises (SMEs) which have had a positive effect on the environment (green SMEs). Currently green SMEs have problems getting funding because they do not fit into a particular box in mainstream finance. They should take advantage of fintech in order to become more attractive to investors. This article outlines the three main reasons that fintech will work for green SMEs.

International Trade Forum, Issue 1 2016, pp32-33 (Fidanza)

UK utilities second for customer satisfaction

UK utilities have ranked second in Europe for customer satisfaction, according to the ICS *European Customer Satisfaction Index (EUC SI)* which scored UK utilities 72.8 out of 100, behind Germany's 73.4. The data also showed that the UK ranks highest across all sectors for customer satisfaction, but says that building customer trust is an area for improvement. Customers in the UK ranked "ease of doing business" and the "helpfulness of staff (in person)" as more important than the European average. German customers mentioned product reliability, on-time delivery and the condition of delivered goods.

utilityweek.co.uk, 28 April 2016

Environment

Britain – green energy revolution

Over the past 25 years Britain has gradually become a force in green power: last year 25% of electricity was generated from wind farms, solar power and other resources. Britain is even gaining on Germany, which obtained 33% of its electricity from renewables last year. The future for Britain's renewables is uncertain due to cuts in Government subsidies which have led to at least two solar power companies going out of business. The *FT* provides a *Green Guide* to 25 energy initiatives around the British Isles, ranging from Blackfriars Bridge (the world's biggest solar bridge) to Windsor Castle's water turbines and Aberdeen's buses.

Financial Times, 3 May 2016, p3

Fashion

Advertising to men

The authors investigate how men who are interested in fashion perceive fashion adverts. The data is collected from men who regularly read fashion mags and who buy fashion clothing. The study reveals that men process fashion ads through the same five "modes" as women. Men's responses to fashion ads can also be categorised through the Fashion Engagement Grid. Recommendations are made for advertising elements that will attract male consumers.

International Journal of Advertising, Vol 35(3) 2016, pp438-464 (Barry and Philips)

Financial services

Shoppers still don't trust contactless

New research indicates that 31% of shoppers don't use contactless payment because they don't trust the technology. The study, by Future Thinking, revealed that 14% didn't use contactless because their cards weren't enabled, while a further 14% didn't know whether their cards would allow them to do contactless payments. Some 27% of people said they paid using contactless cards and regarded £30

as being the correct limit. Since last September, when the limit was raised from £20 to £30, the number of contactless transactions has trebled in the UK.

Retail Week, 29 April 2016, p31

FMCG

Beverages

British booze exports to the USA

Last year exports of British alcohol to the US reached a record high, according to data from Defra. The value of beer wine and spirits shipped to the US was £361m. This included £159m-worth of gin exports, which rose by 9% year-on-year, thanks to the popularity of British brands, such as Sipsmith and Hoxton. Meanwhile English sparkling wine boosted its exports by 23% while beer sales reached a record £164m, up by 35% on the previous year.

The Grocer, 30 April 2016, p45

Cosmetics and toiletries

Max Factor – new app

Max Factor aims to make its products interactive with the help of Blippar which enables people to scan a barcode on products using an app, allowing them to access content, reviews, tutorial videos and before-and-after images. The app was created after research revealed that women often use their phones at point of purchase to validate their purchase.

Marketing Week, 28 April 2016, p7

Food

Vegan cheese

Lyrical Foods, a US start-up, has created a new type of vegan cheese made with equipment imported from France. Cheesemakers have been working on a credible vegan product for many years. Various celebrities, including Bill Clinton, have publicly rated the health benefits of a non-dairy diet but this hasn't led to a boom in vegan cheese sales, even though non-dairy milk sales have risen by 54% since 2010. As one chef put it: "Give people something they can put on a pizza...and it will sell".

Bloomberg Businessweek, 25 May-1 April, pp48-49

Eggs – a safe option

British egg sales have continued to rise, thanks to a report from the Advisory Committee on the Microbiological Safety of Food published in January, which said that it is safe to eat runny eggs. The association of eggs with cholesterol has also been disproved in recent years. Consumers are being encouraged to reject sugary breakfast cereals in favour of the more healthy egg. Retail egg volumes rose by 4% in the first quarter of 2016 compared with the same period last year.

The Grocer, 30 April 2016, p47

Berry good outlook

A report from Rabobank claims that the consumption of fresh blueberries, raspberries and blackberries in Europe is expected to rise by at least 7% a year over the next five years. This contrasts with a more "sluggish" outlook for the wider European fruit sector. In the UK, berry market value has doubled over the past decade to reach £1 billion. The report predicts that the market for soft fruit will eventually become less fragmented, with around ten specialists in the EU supplying large food customers.

The Grocer, 30 April 2016, p16

Tobacco

E-cigarettes – new EU rules

The Committee of Advertising Practice liberalised rules to allow vaping to be shown on screen in 2014. Stricter rules are due to take effect from 20 May 2016 as part of the EU Tobacco Products Directive (see also Cutting Edge 27 April 2016). Marketing restrictions will commence straight away while manufacturing rules will begin in November. The new rules mean that the advertising and promotion of e-cigarettes will be banned on TV, radio, print (except for trade) and online display. Cinema, out of home, point of sale and sales promotions, but not on-pack promotions, will still be allowed. By 20 November manufacturers will have to stop making non-compliant products and retailers must stop selling them by May next year.

Marketing, May 2016, p19

Government and public sector

Canada eyes up British fintech

Canada is well-known for attracting British talent but now it has turned its attention to fintech companies. Last week Charles Sousa, minister of finance for Ontario, met British companies in London that want to expand into North America. He was there to promote the Toronto to Waterloo corridor, an area that is close to the US – over \$1.4m of trade is conducted every minute between this region and the US – and which contains 15,000 technology companies. Sousa insists that Canada doesn't want to poach Britain's fintech sector, as happened with its video games industry two decades ago!

The Times, 3 May 2016, p38

Health and pharmaceuticals

MRHA to launch new campaign

The UK's Medicines & Healthcare Products Regulatory Agency (MRHA) is to conduct a review to find an agency for an initiative to discourage people from using unlicensed weight-loss pills, counterfeit condoms and other products. Online sales of these products do not have the same restrictions as high-

street retailers. The pitch will take place on 11 May with a view to launching a campaign in mid-July.

Campaign, 29 April 2016, p6

Fruit, veg and fish good for the heart

A study of 15,000 people around the world has found that people with heart disease, who stick to a diet high in fruit, veg and fish, are less likely to have a heart attack or stroke. Eating this type of food is more likely to benefit their health than reducing less healthy items, including sugary drinks!

New Scientist, 30 April 2016, p7

Allergan targets double chins

Allergan, maker of Botox, has recently acquired Kythera Biopharmaceuticals, manufacturer of the world's first injectable treatment for submental fat – that's "double chin" to the layman! This follows approval of the treatment by the FDA in April. Kybella will enhance Allergan's' position in the aesthetic treatments market, which is forecast to grow by 10% a year through to 2020.

Bloomberg Businessweek, 25 May-1 April, pp26-27

IT and telecoms

Chipmakers invest in new technology

In 2012 Intel, Samsung and TSMC invested \$1.6 billion in Dutch company ASML, which has come up with a new technique for making transistors. ASML's technology would allow chips to continue becoming smaller and more powerful at the rate the market has come to expect. ASML may ship up to seven new machines this year, allowing chipmakers to test the technology, known as extreme ultraviolet lithography (EUV). However, things are not as straightforward as they seem and there are many hurdles to cross.

Bloomberg Businessweek, 25 May-1 April, pp36,38

Smart glasses

Last year Google stopped selling consumer prototypes of its Google Glass AR technology. In contrast, AR equipment is taking off in the workplace and Google is revamping its Glass for business applications. In the US ITAMCO, an engineering company, is using an AR system with Google Glass headsets, which allow two machine operators to do the work of three or four. Siemens is using an AR system to help with various tasks including the prevention of oil fires. Productivity gains from AR can be 20% or more. It is not unusual for new technology to become adopted by the workplace first, as happened with mobile phones.

The Economist, 30 April 2016, p78

Materials and mining

Metal trends

Slowing demand in China has led to *The Economist's* metals index falling by 46% since 2011. Despite this, a number of disruptions have caused spikes in prices and the price of iron-ore has risen by 70% since December. Tin has also become more valuable due to Indonesia, the world's second-largest producer, introducing regulations to stop illegal trade of the metal.

The Economist, 30 April 2016, p85

Gold prices up

Gold prices have risen by 19% this year, reversing the decline in prices during 2015. The precious metal is having its best start to a year since 1974, according to Bloomberg; it has benefited from volatility in financial markets, while the Bank of Japan and European Central Bank have introduced negative interest rates. In contrast, there has been a lack of "physical" gold demand from India and China, the largest consumers of the metal.

Financial Times, 29 April 2016, p28

Media

Books

Vloggers

From September 2014 to April 2016, 12 vloggers achieved £15m-worth of UK book sales, according to data from Nielsen BookScan. Among the biggest-selling vloggers are: Zoella, with sales of £5.6m, followed by Alfie Deyes with £3.3m. Vlogger books are likely to be around for a while because they are part of our "visual culture", but publishers are advised to ensure that the books are "real and interesting" in order to appeal to a wider audience.

The Bookseller, 29 April 2016, pp12-13

Games

Game for a lock-in

More young people are turning to physical games environments – so-called 'escape rooms' – for their entertainment. They require teamwork and logical thinking because people are locked in a room until they find a way to escape. They can be highly elaborate by incorporating actors, jokes and storylines. One such example is *Time Run*, which takes place in a London warehouse. It charges £165 a time for a team of four to use its maze. The *FT* estimates that there are up to 55 such escape rooms in London with maybe another 100 around the rest of the UK.

The Times, 2 May 2016, p21; Financial Times, 30 April-1 May 2016, p3

Internet

The QWERTY effect reaches the internet

The layout of the QWERTY keyboard can affect the way that people feel about certain words. Studies have revealed that people have more positive emotional associations with words that have a higher ratio of letters from the right-hand side of the keyboard. Now researchers in Germany have discovered evidence of this so-called "QWERTY effect" all over the internet. They examined English language product names, book titles, films and video clips on 11 websites to reveal that names with a higher right-side letter ratio were likely to be more highly rated by reviewers. Ironically the top-selling products on Amazon did not exhibit the QWERTY effect!

New Scientist, 30 April 2016, p23

Social media

Use of social media by key account managers

There has been a lack of research into the use of social media by key account managers. Yet building and developing relationships is central to the role of such managers. This research aims to contribute to the understanding of how key account managers use social media and the issues involved. The authors use a qualitative research study among key account managers in France to present a model of their use of social media.

Industrial Marketing Management, Vol 64 April 2016, pp33-43 (Lacoste)

YouTube introduces ad for mobile

YouTube is introducing a new ad format targeting mobile. The six-second ad aims to make mobile advertising more effective while taking into account consumers' shorter attention spans. This follows research which reveals that 50% of 18 to 49 year olds watch videos on their mobile device. Speaking at Advertising Week Europe, Snapchat's V-P for content, Nick Bell, said that forcing consumers to watch 30-second ad spots on mobile can "build up negative sentiment" towards a brand, and that getting the message across in a few seconds "is far more powerful than stretching out content".

Marketing Week, 28 April 2016, p7

Packaging

Coca-Cola cans names for lyrical campaign

Last month Coca-Cola launched packaging in the US which replaced personal names on cans and bottles with song lyrics as part of its *Share a Coke* campaign. The songs include *We Are the Champions*, *Lean on Me* and *You Belong with Me*. Users who have the Shazam app can scan the lyrics and record a video of themselves lip-syncing the song.

Marketing, May 2016, p13

Retailing

CMA targets supermarkets

The Competition and Markets Authority (CMA) has recently responded to the first ever super-complaint against the UK's grocery sector, which was launched last year by consumer group Which? on the subject of misleading promotions. Chris Daly, chief executive of CIM, argues that: "As marketers we should be the customer champions, so I welcome this move towards greater transparency...It's important that retailers are held to account for misleading and confusing customers with their 'offer marketing' and price promotions". He said that marketing teams need to be authentic – after all, 63% of global consumers say they would buy from a company they consider to be more authentic than its competitors. Yet supermarkets are thought to be one of the most authentic sectors. CIM, which believes that marketers are "the voice of the consumer", supports marketing techniques that "remain transparent and true to the audiences they are targeting".

marketingmagazine.co.uk, 28 April 2016 (Daly); The Guardian, 28 April 2016, p23

Westfield in AR pilot

Westfield shopping centre has been trialling AR technology which will allow people to buy products from a personal stylist in their hotel room. Gucci and Armani products were amongst those available to purchase when hi-tech, interactive mirrors were placed in the Sanderson Hotel in the West End of London, using technology from Google and Westfield. Westfield UK and Europe chief marketing officer, Myf Ryan, says that this will help customers "who expect seamless, intuitive and personalised experiences across the various platforms".

Retail Week, 29 April 2016, p30

BHS – implications for the retail sector

BHS has gone into administration after 88 years. The business, which has been loss-making for seven years, was sold last year by Sir Philip Green for just £1. Some experts believe that the British high street could actually benefit from BHS's disappearance because the vacant stores could attract new brands and breathe new life into the retail sector. Marks & Spencer could be one of the main beneficiaries of BHS's disappearance. *Retail Week* discusses five key reasons for the collapse of BHS.

Retail Week, 29 April 2016, pp8-9

Services

Polestar printing dries up

Polestar, Britain's largest printing company, went into administration last week. Polestar printed 50m products a week, including academic journals and consumer titles, such as *Hello!*, *Cosmopolitan* and *Radio Times*. The company was formed in 1998,

following the merger of British Printing Company and Watmoughs.

The Times, 28 April 2016, p42

Transport and travel

Platooning

A new automated driving technology called platooning, is able to link trucks via Wi-Fi, GPS and cameras so that the vehicles can travel autonomously behind each other. Manufacturers expect platooning to take off in 2020. On 14 April the European Commission and other bodies agreed to co-operate on connected and automated driving. In a trial run, six convoys of two or three trucks travelled to Rotterdam from Sweden, Germany and Belgium. However, platooning may be most useful in places with wide open roads, such as Australia and the US.

Bloomberg Businessweek, 25 April-1 May 2016, pp24-25

Volvo to test driverless cars on UK roads

Next year Volvo will launch a scheme to test consumers' use of driverless technology on UK roads. Those who take part will be monitored to see how their driving behaviour changes when using an autonomous vehicle. Over 90% of road accidents are a result of human error and the car industry believes that driverless cars will make road travel safer. Some UK towns, such as Bristol, already have test areas for driverless cars but Volvo's experiment will take place on public roads with real families.

Financial Times, 27 April 2016, p4

Written by CIM's Knowledge Services Team

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New Mintel Reports added to the collection

Title	Description
Airlines in Russia – Travel & Tourism	Aeroflot is clearly benefiting from the retrenchment and/or bankruptcy of competing airlines – both domestic and foreign. From early September 2014 to early 2016, Russian airlines grounded or returned to lessors a total of 254 aircraft, which is 34% of the total fleet operated in 2014. By segments, the entire Russian short-haul fleet was reduced by 27%, the regional fleet by 42% and the long-haul fleet by 55%.
Buy to let Mortgages - UK	The buy-to-let market will face an onslaught of challenges over the coming years, with an influx of regulatory changes that are set to slow down growth. Lenders need to adapt product ranges, support landlords with investment strategy rethinks, and ensure that all new borrowers are equipped with the knowledge to make the best decisions. Strengthening intermediary channels will be crucial.
Department Stores - Italy	The recovery in the Italian economy has been weak, but in 2015 consumer spending was the driving force of what little growth there was. This has helped the two leading department store chains to both deliver positive growth, but La Rinascente is the clear winner with its premium offering and larger stores posting growth of around 17%. However, we think that both are missing out on online sales at home and abroad, something that will become more acute as e-commerce in Italy grows in importance.
Mobile Phones – UK	As the market approaches saturation, there is no one-size-fits-all-solution, as upgrades by individual consumers are triggered by different innovations. As a result, consumers' varied preferences could potentially be best served with customisable modular solutions that allow for personalisation of both technical capabilities and appearance.
Potable Water and Sewerage – UK	The WFD will continue to be a key driver for capital investment in the water and sewerage industry. It is also expected to drive innovation as companies are looking at new technologies that offer the best solution to implementing the directive. However increased waste water treatment under the WFD will also see carbon emissions rise. To mitigate the carbon impact of the WFD, the industry is expected to increasingly adopt sustainable drainage systems (SuDS) to reduce the storm water treated at sewage works. Self-generation of renewable energy is also set to increase across the water and sewerage industry as companies look to reduce their carbon footprint.
Voluntourism Worldwide - International	'Voluntourism' is a relatively new term in the tourism lexicon and has differing definitions. It is a label that is most commonly applied to a holiday that fuses tourism and voluntary work. While voluntourism is generally considered in the context of volunteering overseas, opportunities for this type of travel also exist within many domestic tourism industries. The terms 'volunteer tourism', 'volunteer holidays' and 'volunteer travel' are also used interchangeably with voluntourism.
Schools, Universities and Hospitals – UK	Government policy and the need to restrict public spending overrides population demands, leading to very different influences than if the market was determined by demand expectations. The ageing population in the UK should be driving much greater

	expenditure in the health sector than schools and universities, where population projections are for much more modest growth. However, this is not evident in actual trends, with school construction activity stimulated by the government's academy programme, and the universities sector stimulated by the introduction of major competition.
Beer in Brazil, Canada and Thailand	This market covers all alcoholic and non-alcoholic beers including extra strong, strong, standard, light and no alcohol. Market size is based on retail (off trade) and non-retail (on trade and food industry) sales.
Advertising in Brazil, Indonesia, South Africa, South Korea, UK, US	This market covers all TV, radio, printed media and other above the line and below the line promotion of products and ideas directly and indirectly to commerce and consumers. Market size is gross expenditure as billed by advertising and/or media, direct marketing agencies.
Mobile/Cell Phone Handsets in Australia Colombia, France, Indonesia, Japan and Mexico	This market covers standard and smart phone handsets. Market size includes residential and business markets. Market size is number of new units acquired annually.
Air Fresheners in China	This market covers aerosols, slow release, plug in, fragrance kits and other household air fresheners, scented candles and car air fresheners. It excludes pot pourri, non-scented candles and scented oils for other uses. Market size comprises sales through all retail channels including direct to consumer.
Restaurants in Finland	This report covers full service/traditional and fast food & takeaway restaurants. Market value is based on expenditure including sales tax by consumers and business in these outlets; market volume is based on numbers of outlets.
Instant Noodles in China	This market covers cup/bowl and packet instant noodles. It excludes plain noodles which require considerable preparation time. Noodles are made of wheat (but not durum wheat), rice, mung bean, acorn, buckwheat, potato and canna starch. Market size comprises sales through all retail channels including direct to consumer.
Hair Colourants in Malaysia	This market covers hair colourants for all consumers. Market value is based on sales through all retail channels including direct to consumer, but excludes the professional sector including hairdresser sales to the consumer.

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Name	From	To	New title	Source
Glyn Birchall	The Body Shop	Mothercare	Global Director of Customer Relationship Management, Loyalty and Insight	Retail Week
Elizabeth Denham	Information and Privacy Commissioner for British Columbia, Canada	UK Information Commissioner's Office	Information Commissioner	dma.org.uk
Rick Hirst	Mcgarrybowen	Carat	UK Chief Executive	Campaign
Hugh Tarpey	Abbott Mead Vickers BBDO	Crispin Porter & Bogusky London	Integrated Design Director	Campaign
Will Townsend	Mcgarrybowen New York	R/GA London	Global Client services Director, Unilever	Campaign

Cutting Edge: Our weekly analysis of marketing news

Sources

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

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www.dma.org.uk

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www.eventindustrynews.co.uk

www.exhibitionnews.co.uk

[The Financial Times](http://TheFinancialTimes.com) ~

The Grocer

[The Guardian](http://TheGuardian.com)

Harvard Business Review**

Impact

Industrial Marketing Management

International Journal of Advertising**

International Trade Forum

Journal of Brand Strategy

Journal of Customer Behaviour

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

London Business Matters

Marketing**

www.marketingmagazine.co.uk

The Marketing Review**

Marketing Week **

New Scientist** (1 month embargo)

PR News**

Retail Week

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

The Times

www.utilityweek.co.uk

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