

# Cutting Edge: Our weekly analysis of marketing news

11 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

#### Comedic violence

The use of comedic violence in advertising – comedic violence is used to produce humour using “overt expression of physical force” – is growing but has not been thoroughly researched. Existing studies suggest that comedic violence in ads generally results in a positive response to the ad, especially in those with higher levels of violence. Yet the violence shown in these ads is generally regarded as a violation of social norms, according to the Social Norms Theory. The author uses an online panel of consumers to conduct two studies which reveal that norm beliefs have a positive influence on comedic ad responses. Clearly comedic advertising could offend audiences, so the findings also discuss target and design implications for advertisers who want to go down this route.

**International Journal of Advertising, Vol 35(3) 2016, pp519-539 (Yoon)**

#### Is advertising losing its sparkle?

The ads appearing in today's *Management Today* have a very different tone to those which appeared back in the 1960s. The rise of TV advertising, and now digital media, has changed the nature and pace of advertising as well as the relationship of agencies with their clients. The author offers his take on the shifting world of advertising, including references to iconic ads, such as the Smash Martians of the 70s and Levi's 1985 laundrette ad. However he warns that, in an era where immediate results are expected, companies should be careful that they don't sacrifice “powerful, beautiful, thought-provoking branding on the altar of click-through rates”.

**Management Today, May 2016, pp46-49 (Torrance)**

### Dating apps and porn site advertising

The old adage that “sex sells” may be about to take off again as online porn sites, dating sites and apps become the next digital venue for advertising. Many big brands, companies and start-ups are opting to advertise on dating apps and porn sites that would previously have hosted seedier promotions. Although such sites are unlikely to become mainstream, advertising on them is much cheaper than Facebook or Google and gives the brand a chance to stand out. Pornhub received over 21 billion visits last year, which has got marketers thinking but, for now, most are holding back. In contrast, advertising on dating apps has become more mainstream, which is mirrored by their greater take-up among the public.

**Marketing, May 2016, pp46-49 (Halliday)**

### Brands and branding

#### Brand value and consumer behaviour

For years companies have been investing heavily in order to enhance brand image and value. Brands can become a strategic asset and a primary source of competitive advantage. This research aims to show how important it is to have a strong brand that is aligned with the marketed product and, in the most successful cases, is able to produce a long-term competitive advantage. It focuses specifically on the food sector to discover whether businesses should invest more in the message and protection of their brands than in other areas. A case study of Italian company, Eataly, is undertaken to look at consumers and their purchasing behaviour, to see whether it is possible for the brand to actually manipulate market choices.

**Journal of Customer Behaviour, Vol 14(4) 2016, pp353-367 (Bertoldi et al)**



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### **Non-verbal communication**

The author argues that marketing in the digital era has altered the role of the CMO and has seen a shift of focus away from messaging towards non-verbal communication. The first critical success factor for the CMO is to define a clear brand strategy and then to focus the organisation on delivering the brand. The second success factor is to build the brand through non-verbal means rather than focus on verbally-based messaging. Brands should use six non-verbal "equities": visual assets, tone of voice, attitude and emotion, brand behaviour, sounds and soundtrack, and smell. Among the brands mentioned are: Vodafone UK, Unilever, Apple, Dove, Milka and Guinness.

**Journal of Brand Strategy, Vol 4(4) 2016, pp322-331 (Fielding)**

### **Conferences and events**

#### **VR headset targets events**

A new virtual reality headset has been launched to rival the Oculus Rift. The Infinitus PRIME tVR headset, which took three years to develop and claims to be the most advanced of its kind, targets the tourism, events and marketing sectors. The creators of the device claim that it would work particularly well for meetings, conferences and trade shows.

**citmagazine.com, 9 May 2016**

#### **Badging an event**

Badging at an event used to be all about name, company, plastic sleeve and lanyard but now digital elements are enabling so much more than just visual identification. The earliest badge technology took the form of one-directional barcodes but RFID, NFC and 2D barcodes are being used for access control, attendance reporting, lead generation, social media applications and gamification. Ultra-high frequency RFID is also being used to track visitors as they move around a venue. In this article badging specialist iDentilam explains the possibilities for badging systems.

**eventindustrynews.co.uk, 4 May 2016 (Parry)**

### **Consumer behaviour**

#### **Muslim women – are brands responding?**

Is enough attention being paid to the female Muslim consumer at a time when the branding and advertising community has been rapidly changing its approach to women, as exemplified by ads such as Dove's *Campaign for real beauty*? This year a Nigerian Muslim woman responded to a new set of Barbie dolls by creating the Hijarbie, which *Teen Vogue* has referred to as "the best doll that Barbie forgot to create". Muslim women are "crying out for brands to reach out to them" says the author of this article, who identifies an emerging segment called "Muslim Futurists".

**Campaign, 6 May 2016, p13 (Janmohamed)**

### **Customer relations**

#### **Becoming a preferred supplier**

Relationships with suppliers can offer significant opportunities for companies. The authors discuss how a company can become a preferred supplier and identify two ideas which are central to a firm achieving this status: customer attractiveness and supplier satisfaction. This study examines these two concepts and tests how they relate both to each other and to preferred customer status. They show that the effect of customer attractiveness on preferential resource allocation from suppliers is influenced by supplier satisfaction.

**Industrial Marketing Management, Vol 54 April 2016, pp129-140 (Pulles et al)**

#### **Customer rewards are evolving**

Many brands are moving beyond the traditional card-based loyalty schemes towards loyalty in all aspects of their business and a better understanding of customer needs. O2 is using predictive analytics to better understand consumer behaviour. This has enabled it to offer a broader range of rewards to customers. Lessons can be learnt from B2B companies who build customer loyalty into their overall experience. This article also covers the shift to mobile and includes an interview with Nina Bibby, marketing and consumer director at O2.

**Marketing Week, 5 May 2016, pp29-31**

### **Direct marketing**

#### **Chat commerce**

Conversational commerce, a new way of attracting customers, is catching on in the US. It uses text messages which are often personalised to offer the consumer a daily choice of product, food or service. As people grow tired of e-mail and social media messaging, chat commerce provides an alternative in the form of a transaction that takes just a few seconds. The new e-commerce medium "hasn't yet been diluted by spammy marketing channels" says Matt Mazeo of Lowercase Capital. His company, ReplyYes, sells graphic novels and vinyl records by sending out just one text per customer per day. If they reply 'Yes', then the item will be sent to them without the need for further transactions. The company has already sold \$1m-worth of vinyl records.

**Bloomberg Businessweek, 2-8 May 2016, pp34-35**

### **Law**

#### **General Data Protection Regulation**

The General Data Protection Regulation will take effect on 25 May 2018. Organisations are advised to start preparing now by looking at existing supplier contracts, at what data they hold, how it is being used and to whom it is being disclosed. The GDPR will have far-reaching implications for data protection laws and organisations will have greater obligations to carry out privacy impact assessments

and to take privacy into account when designing new products and services. They may also need to appoint a data protection officer. Fines of €20m or up to 4% of global annual turnover could be imposed for serious data protection breaches. In Britain the Information Commissioner's Office will publish new guidance.

**out-law.com, 6 May 2016**

### **Apple loses trademark case in China**

Apple recently lost a legal case in Beijing in which it tried to prevent Xintong Tiandi Technology from producing IPHONE-branded leather goods. The ruling highlights the big challenge for foreign companies when trying to defend their intellectual property rights in China. Counterfeits are commonplace in the country and many local companies have registered foreign trademarks before their rightful owners have done so. Apple lost the case because it had not established full ownership of the trademark in China.

**The Times, 5 May 2016, p45**

### **Enterprise Act will benefit SMEs**

The new Enterprise Act has just received Royal assent; the Government says it will improve the environment for small and medium enterprises in Britain through a range of measures. This article identifies five of the most important initiatives, which include cutting red tape, tackling late payments and improving the quality and quantity of apprenticeships.

**smeinsider.com, 5 May 2016**

## **Marketing**

### **Customer reference marketing**

Start-ups often have problems with market entry and growth because they haven't built up a reputation, legitimacy and knowledge of the various business environments. Mature companies have a large number of reference customers to rely on for long-standing references, whereas start-ups have to use their few customer references carefully in order to be effective. This study looks at how such companies can strengthen their position with regard to customer references, by using the information embedded in a single customer reference to boost their sales and marketing.

**Industrial Marketing Management, Vol 54 April 2016, pp188-202 (Ruokolainen and Stenroos)**

### **Sorry – I'm in marketing!**

Research by Credos reveals that a third of people feel they should apologise for working in marketing, advertising or communications. According to Tim Lefroy, CEO of the Advertising Association, "advertising has never been more exciting and we have never served consumers better". Yet marketing

could lose talent to other sectors unless it can demonstrate that it has societal benefits.

**Marketing Week, 5 May 2016, p6**

## **Market research**

### **Getting to real-time**

Today's market research environment which embraces "research in the moment", can be intimidating to traditional researchers but real-time and 'rapid-time' feedback have become a reality and these will change the way in which insights from customers and prospects are managed. These changes have affected all aspects of the research business: recruiting participants, engaging with them, collecting and processing data, increasing client participation, final reporting and findings. The author identifies five new approaches, offers a strategic plan for "getting to real-time" and looks at the challenges to adoption.

**Admap, April 2016, pp20-22 (Benn)**

### **SMS to reach the parts others can't**

SMS research is a cost-effective approach because it works on any phone and can reach relatively inaccessible populations. Although this approach has been tested on well-defined populations, such as teachers and health workers, it has not been tried out on entire populations. A team of researchers set out to test whether SMS could be used to research populations in Kenya, Ghana, Nigeria and Uganda. The conclusion was that, obtaining a representative sample would be difficult using SMS at the moment, either because of low response rates or opt-in rules. However, as people become more familiar with SMS in sub-Saharan Africa, all this could change.

**Impact, Issue 13 April 2016, p18 (Morgan)**

## **Public relations**

### **Social vs traditional media**

The author discusses the rise of social media and the fact that among traditional PR agencies, where earned media is still "king", there is a constant battle to balance traditional and social media. He argues that this shouldn't be an "either/or" situation but that the two should be used together. He identifies four major differences between traditional and social media and points out that social media shouldn't be used to replace traditional just because it is cheaper and faster. Both types of media should be used as steps towards finding, converting and keeping customers.

**Public Relations Tactics, Vol 23(4) 2016, p7 (Bailey)**

### **Instagram appeal**

Attention spans are declining which is why Instagram's fast, "less is more" characteristic could appeal to PR communicators. Instagram is expected to have nearly 90m monthly users in the US this year with a lot of growth coming from millennials (18 to 34) and Gen X (35 to 50), thanks to mobile

devices and changes in the way people communicate. Communicators are advised to create content that appeals to several demographic groups or to the wide range of age groups who are using Instagram.

**PR News, 25 April 2016, p1**

## **Sponsorship**

### **Naming rights**

It is common practice for an advertiser to pay for naming rights to a stadium in Britain – Manchester City's Etihad Stadium is a well-known example. Yet this idea dates back to 1912 when the Boston Red Sox's baseball stadium was named Fenway Park after the owner's property company. By 1953 August Busch, president of Anheuser-Busch, bought the St Louis Cardinals' stadium which became Busch Stadium. This was at a time when TV was triggering huge marketing opportunities within sport. Naming rights are more common in some countries than others – Germany's ten biggest football stadia have all sold their naming rights to corporate sponsors.

**Campaign, 6 May 2016, p11**

## **Agriculture, fishing and forestry**

### **Chile's salmon industry**

The Chilean salmon industry is having a bad time thanks to low prices in major export markets, competition from Norway, high production costs and, now, a toxic algae bloom in its waters. Prices in Chile have risen by over 50% to \$5.40 a pound while Norwegian prices reached a record \$7.35 earlier this year. Meanwhile Chilean salmon production is expected to fall by 20% to 25% in 2017.

**Financial Times, 6 May 2016, p30**

### **Add value, connect to consumers, be creative**

This year's AgriForum, the National Federation of Young Farmers' Clubs (NFYFC) annual convention, generated some key pieces of advice for the industry. These included: finding ways in which to add value, such as taking control of the channel to market; choosing your market carefully; reconnecting consumers with where their food comes from so as to have a longer-term effect on their buying habits; and thinking creatively.

**fwi.co.uk, 8 May 2016**

## **Building industry**

### **A million homes unachievable say builders**

The UK Government wants to build a million homes by the end of the decade, but many housebuilders believe that this is unachievable due to skills and land shortages. This is according to research among 400 building firms by the consultancy McBains Copper. This doesn't bode well for the UK economy

because construction makes up 6% of GDP. Between 2011 and 2014 fewer than 460,000 homes were completed in England. Some 40% of builders blamed long planning permission times while 29% mentioned the inability to make a profit.

**The Times, 6 May 2016, p40**

### **New ways of building**

Builders in Europe often erect large numbers of standard house types which are often too expensive, unsuitable, or built too slowly, according to Peter Murray, chairman of New London Architecture. Now this model is being challenged by new building types, such as self-build or co-operative housing schemes which can be faster and cheaper to erect. New technologies are helping to enhance self-build systems while enabling the larger manufacturers to be more creative. *Wired* looks at seven innovations which include floating homes, digging down and open-source building.

**Wired, June 2016, p25**

## **Businesses and strategy**

### **Impact of organisational and national culture**

The authors undertake an analysis of the combined influence of organisational and national culture on new product performance. A key conclusion is that, in order to enhance product success, managers should adapt organisational culture to the cultural values of a country and/or select markets that align with their organisational culture. Another finding is that the selection of international markets can be directed by the fit between the organisational culture of the home country and that of the foreign market.

**Journal of Product Innovation Management, Vol 33(3) 2016, pp260-276 (Eisend et al)**

### **Obtaining a return on failure**

Businesses often have to accept and even embrace failure as a way of achieving innovation and growth, but most will do whatever they can to avoid failure. The authors argue that you should accept failure by improving your return on it and extracting the value. There are three steps you can take to achieve this: learn from every failure and document the insights they offer; share the lessons across the company to build trust and goodwill and encourage future initiatives; and review your pattern of failure to establish whether your approach is yielding benefits.

**Harvard Business Review, May 2016, pp88-93 (Birkinshaw and Haas)**

## **Charities and NGOs**

### **CRUK goes for all out opt-in**

Cancer Research UK has introduced an opt-in-only policy to cover all its fundraising communications. Initially it will only apply to new donors but will be applicable to all supporters from April 2017.

Executive director of fundraising and marketing, Ed Aspel, believes that this strategy will cost CRUK millions of pounds in the short-term. The charity already has opt-in for e-mail and text but has extended it to mail and telephone fundraising.

**Third Sector, May 2016, p8**

### **ARUK – successful rebranding**

In 2014 Alzheimer's Research UK (ARUK) wanted to launch a fundraising appeal but realised that its brand wasn't strong enough. The £150,000-rebrand resulted in a redesign of the charity's logo to convey more positivity and a reworking of the messages it uses to communicate itself. It also commissioned a YouGov survey, which revealed that only 23% of respondents knew that Alzheimer's was a condition of the brain. The work appears to have had positive results: in the year to August 2015 ARUK saw a 22% rise in donations and in January it appeared in YouGov's annual *CharityIndex*, a list of the top 10 charity brands, two places above the Alzheimer's Society.

**thirdsector.co.uk, 6 May 2016**

## **Durable goods**

### **VR camera for professionals**

Nokia has launched a VR camera in Europe, the Middle East and Africa. The OZO camera, which costs €55,000, has a real-time VR preview, wireless control and can film 360-degree video and audio. Nokia has also announced partnerships to help filmmakers with their content. This is the first time a dedicated VR camera has been developed for the professional broadcast community.

**Mobile Europe, April-May 2016, p8**

### **German luxury watches**

The eastern German town of Glashütte has the largest concentration of luxury watchmakers outside Switzerland. Although the German watch industry is much smaller than that of Switzerland, it is less dependent on sales to China where there has been a crackdown on luxury goods. Swiss competitors are also suffering from a rising Franc, while Germany, with its Euros, is able to keep costs under control. Last year German watch exports rose by 14% while Switzerland's fell by 3.3%. However, Germany may suffer a slump in tourism caused by a fear of terrorism coupled with a downturn in Asia.

**Bloomberg Businessweek, 2-8 May 2016, pp24-25**

## **Economy**

### **Weak services affect UK economy**

April proved to be the worst month in over three years for Britain's services sector. The country has suffered a 'triple-whammy' of weak services growth and stagnation in construction and manufacturing. Economists believe that the UK will not grow at all in

the second quarter of the year, it grew by 0.4% in the first three months. Uncertainty regarding the EU referendum is one of the factors cited.

**The Times, 6 May 2016, p12; Financial Times, 6 May 2016, p2**

### **Emerging markets – an uncertain recovery**

Emerging market economies are recovering but this state of affairs may not last long, warns *The Economist* and explains why. It identifies a few countries that may be less at risk: Russia, which has already had a deep recession, benefits from a cheap currency, a current-account surplus and interest rates that are predicted to fall; India, which is a net commodity importer, has small a small trade deficit; while Indonesia and Mexico also have fewer weaknesses than other emerging economies.

**The Economist, 7 May 2016, pp63-64**

### **Small businesses under threat**

The annual business closure report from website Bizdaq has found that around 370,000 UK small businesses are likely to close within five years. It concludes that this would have a significant effect on the economy and that 1.8m jobs could be lost. This is attributed to factors such as a possible Brexit and global economic shocks. However, the pressure of increased regulatory burdens is cited as the main cause of concern for small business owners.

**The Daily Telegraph (Business), 6 May 2016, p8**

## **Energy and utilities**

### **World Bank warns on future of water**

The World Bank has warned that a lack of water could reduce the GDP of regions such as the Middle East and North Africa by up to 6% in the next 35 years. Even places that currently have plenty of water would suffer, as larger, richer populations lead to bigger cities and a higher demand for water. World Bank President, Jim Yong Kim, has stated that "water scarcity is a major threat to economic growth and stability" and that "climate change is making the problem worse".

**Financial Times, 4 May 2016, p8**

### **Economic growth but reduced emissions**

The latest statistics from the OECD reveal that production rose by 4% in 2014 to a record high, while energy consumption fell, as did CO<sub>2</sub> emissions from fuel combustion. This is despite economic growth, an effect known as "decoupling". It is described as the first global decoupling in the 40 years the agency has produced data on emissions. A major factor is the decline in the energy use of OECD economies, partly as a result of greater energy efficiency and warmer seasons. Another factor is reduced emissions during electricity generation, which is responsible for two-fifths of energy-related CO<sub>2</sub> in OECD countries. A series of



graphs supports the data discussed in this article.  
[iea.org](http://iea.org), 6 May 2016

## Environment

### Madagascar raffia

The rural poor, who have few personal resources, tend to be the largest group of resource managers. Women often have a major part in sourcing natural resources yet men usually dominate natural resource governance. In Madagascar, where two-thirds of the population lives in rural areas, women use fibres from the raffia plant to make hats and bags which are finding a market in the international fashion industry. Climate change and deforestation have affected raffia yields but measures have been put in place to support raffia production while conserving the biodiversity of the country.

**International Trade Forum, Issue 1 2016, pp34-35 (Zotz)**

### Coffee produces strong grounds for roads

Engineers at Swinburne University in Australia have found a way of making coffee grounds into building materials for roads. They have been collecting coffee grounds from a local café and mixing them with other materials to create cylindrical blocks which are strong enough to sit under the road surface. They estimate that the coffee grounds from Melbourne's cafes could build 5 kilometres of road per year.

**New Scientist, 7 May 2016, p16**

### How green is Norway?

Last year Norway said it would allow millions of tonnes of industrial waste to be dumped into its Forde fjord, causing an angry reaction from locals and environmentalists. Yet Norway has been regarded as one of the leaders in the climate change movement, having donated \$1 billion to stop deforestation in Brazil. Despite this, Norway's carbon dioxide emissions are 23% higher than in 1990. Environmental minister, Vidar Helgesen, says that Norway is a "paradox nation" because it is western Europe's biggest producer of oil and gas.

**Financial Times (Big Read - Norway), 6 May 2016, p9**

## Fashion

### Disney designs for adults

Disney merchandise is popular with children thanks to the success of its blockbuster films. Now the company is targeting parents with its clothing and homeware products. A recent event, held by Disney at Somerset House in London, attracted over 1,000 fashion professionals. It displayed high-end Disney-inspired clothing from various designers. For example, you could order a bespoke pair of Jimmy Choo shoes decorated with Swarovski crystals for a little under £3,000!

**The Guardian, 3 May 2016, p25**

## Financial services

### Halifax features Top Cat in ads

Halifax is using *Top Cat* in its latest campaign to make its marketing more "impactful". This follows the news that its YouGov's BrandIndex ad awareness levels have fallen by 3.8 points to a score of 17.5 over the past year. The use of the cartoon characters, Top Cat and Benny, will represent a shift away from Halifax's customer- and colleague-based advertising to a more humorous slant.

**Marketing Week, 5 May 2016, p6**

### Social banking

Fidor Bank, a German entity which launched in the UK last year, is described by its CEO as more of a social community with a banking licence than a conventional bank. It focuses on doing things differently by offering products and services adapted to its customers. Innovations include crowd-financing deals, peer-to-peer loans and linking interest rates to the number of Facebook 'likes' it receives. Nevertheless, as a challenger brand Fidor needs to have a long-term strategy rather than just being a disruptor. The bank is currently looking to build a team and to create a culture that can help it move forward, meet targets and grow.

**Catalyst, Issue 3, April 2016, pp13-15**

### Smaller challengers steam ahead

The UK's challenger bank sector is beginning to segment as small, specialist lenders get ahead of their larger competitors through targeting underserved markets. Banks, such as ALDERMORE, Metro and OneSavings, realised a 17% return on equity last year, up from 15.8% in 2014. In contrast, the largest challengers, such as TSB, Virgin Money and Williams & Glyn, achieved 4.6% ROE last year, up from 2.8%. The divide between the larger and smaller challengers is growing.

**Financial Times, 4 May 2016, p23**

## FMCG

### Beverages

#### Liverpool targets sugary drinks...

Liverpool City Council plans to name and shame fizzy drinks makers in a campaign to highlight the dangers of sugary drinks to children. It is the first council in Britain to campaign against the "unbelievable" amounts of sugar in well-known drinks brands. Liverpool blames sugary drinks for its city having one of the highest rates of childhood obesity and tooth decay in the UK. The *Is your child's sweet tooth harming their health?* campaign identifies Lucozade as the worst offender, with 15.5 cubes of sugar in a 500ml bottle, followed by the 13.5 cubes in a bottle of Coca-Cola.

**theguardian.com, 7 May 2016**

### **...as new kitemark for healthy drinks**

A number of well-known retailers, including the Co-operative Group and Caffè Nero, are planning to promote the consumption of healthier soft drinks. The Hudson Group, described as a grassroots coalition, is to host a debate in the House of Commons on 25 May. It wants a voluntary kitemark scheme for healthier drinks and proposes that drinks that are eligible to display the kitemark should have reduced VAT of just 5%.

**The Grocer, 7 May 2016, p6**

### **Food**

#### **Coffee group gobbles up Krispy Kreme**

JAB Holding Company, a German investment group which already owns Keurig Green Mountain, Peet's Coffee & Tea, Stumptown, Caribou and Intelligentsia coffee brands, is acquiring Krispy Kreme doughnuts for \$1.35 billion. JAB specialises in premium brands in the luxury goods, coffee and healthcare sectors. It has spent four years acquiring coffee companies in the US and Europe so that it can rival Nestlé.

**brandchannel.com, 9 May 2016**

#### **Fruit and veg prices down**

British supermarkets have reduced the price of fruit and veg by up to 11% a month, following the Competition and Markets Authority's examination of misleading multi-buy offers. MySupermarket has found that a basic basket of 35 goods is at its cheapest since December 2014.

**The Daily Telegraph, 5 May 2016, p12**

#### **Brexit or Bremain?**

A survey of how the food and drink industry plans to vote in the EU referendum reveals that 39% are in favour of a Brexit despite 37% believing that it could have negative consequences, while 37% want to remain and 21% are undecided. Attitudes vary enormously among different sectors of the industry, with 46% of foodservice operators wanting to vote out. Retailers and wholesalers are equally split, with 33% in and 33% out. The full results are set out in the second of two articles.

**The Grocer, 7 May 2016, pp5,29-33**

### **Tobacco**

#### **Imperial challenges plain packaging...**

Tobacco company Imperial Brands, maker of Gauloises and Lambert & Butler, has reported a 15% increase in global sales even though sales in the UK have continued to fall. The company is currently mounting a legal challenge to the UK Government's plans to impose plain cigarette packaging this month. However, the European courts have just confirmed that the EU Tobacco Products Directive, which comes into force on 20 May, is valid. The latter allows for compulsory health warnings on packs as well as restricting e-cigarette advertising. Separately the *FT* looks at the plain

packaging debate in Australia.

**The Daily Telegraph (Business), 5 May 2016, p5; The Times, 5 May 2016, p42; Financial Times, 5 May 2016, p2**

### **...while e-cig ads about to be extinguished**

A report from the Royal College of Physicians concludes that "e-cigarettes have very little downside and a lot of potential benefit", but a new EU directive (See above) will outlaw the advertising of e-cigarettes on TV, radio and in newspapers as well as imposing other restrictions on the product itself. A big budget TV ad for blu Cigs, part of Imperial Tobacco, could be its last!

**The Guardian, 30 April 2016, p19**

## **Government and public sector**

#### **UK university reputations slide**

Britain has just ten universities in *The Times Higher Education (THE)* global reputation rankings but some of them have dropped down the list, including Cambridge and Oxford, which have each moved down two places into fourth and fifth respectively. They are being challenged by Asian universities which have 17 universities in the top 100, up from ten last year. *THE* rankings editor, Phil Baty, said cuts to higher education funding and immigration restrictions affecting overseas students were "starting to have an impact" on the UK's global reputation.

**bbc.co.uk/news, 5 May 2016; timeshighereducation.com**

## **Health and pharmaceuticals**

#### **The health disruptors**

The lack of funding in the NHS has put increased pressure on resources. This has led to a raft of innovation in the healthcare sector which targets people who want to take control of their own health. For example, PushDoctor.co.uk is an online service that connects patients with a network of over 7,000 GPs using video consultations. A report by innovation charity Nesta suggests that people and knowledge-power will play a significant role in the UK over the next 15 years. UMotif, TrialReach and CreateHealth are examples of companies that are disrupting the health sector.

**Marketing Week, 5 May 2016, pp24-25 (Chahal)**

#### **Royal Free and Google team up**

The Royal Free Hospital in London is to share encrypted NHS data on up to 1.6m patients with Google's medical division, DeepMind. This is so that it can develop a programme to predict which patients are likely to have acute kidney injuries, which kill around 15,000 people a year. Google hopes this can be prevented through simple checks which can be automated. Groups, such as medConfidential and Patient Concern, are worried

about Google having access to entire patient histories. DeepMind insists that it has the highest standards of data protection.

**The Times, 4 May 2016, p4**

### **Gamifying dementia research**

Deutsche Telekom has created a game that sends information about the player to University College London (UCL) which is using the data to help with dementia research. The player of *Sea Hero Quest* controls a young explorer who sails around the world to find pages from his father's journal and therefore discovers his memories. It tests spatial navigation as a way of identifying one of the first symptoms of dementia.

**Campaign, 6 May 2016, p5**

## **IT and telecoms**

### **Samsung tells stories**

Samsung has created a VR headset for children so that their absent parents can read them bedtime stories. The headset has a cardboard frame, 360-degree video and uses a Samsung phone. Children can listen to their parents' voices and view them as an avatar in addition to the story characters.

**Campaign, 6 May 2016, p6**

### **Broadband ads should be more transparent**

The Advertising Standards Authority has told broadband providers to be more transparent in their advertising. This was after it found that broadband ads were likely to confuse and mislead consumers with their promotional deals and additional costs hidden in the small print. Broadband advertisers often separate out the costs of broadband and telephone services in their ads because it makes their deals more appealing. The ASA wants advertisers to show all-inclusive monthly costs.

**Financial Times, 4 May 2016, p2**

### **3D printing made affordable**

The PC industry used to dominate Taiwan's economy but now it is shrinking and companies, such as Acer, are struggling. Now Kinpo Group, which provides devices that link to PC's, is heavily exposed to the contraction in the PC market. XYZprinting, a company founded by Kinpo CEO Simon Shen, has been making small, low-cost printers aimed at consumers and small businesses. This approach has made XYZprinting into the top brand for 3D printers worldwide in terms of volume sales. In the last quarter of 2015 it had 31% of the global market in desktop 3D printers. Larger companies, such as Mattel, Autodesk and Polaroid are beginning to wake up to the possibilities but the biggest threat to XYZprinting will probably come from China.

**Bloomberg Businessweek, 2-8 May 2016, pp33-34**

## **Leisure and tourism**

### **Theme parks**

In June Disney will open its latest theme park in Shanghai – the company has invested \$14 billion in its parks division over the past five years. Major media companies are also opening up theme parks: Universal Studios is busy developing a park in China and Paramount Pictures has plans for a venue outside London. This trend reflects changes in the media industry – it is much harder to make serious money out of TV and film, but theme parks help to publicise media companies' offerings while pandering to demographic and economic shifts.

**The Economist, 7 May 2016, p61**

## **Media**

### **Internet**

#### **China's search market**

Chinese regulators have started an investigation into the advertising practices of Baidu, China's largest online search company. This follows a scandal involving ads for dodgy medical treatments which resulted in a death. China's search market is predicted to double to 411 billion yuan (\$63 billion) by 2018. Group M estimates that half of all adspend in the country will be online this year, up from 15% just five years ago. This impressive growth has created problems for security and privacy. It is estimated that 15% to 20% of clicks traded in China's ad exchanges are generated by bots rather than humans.

**The Economist, 7 May 2016, p59; Financial Times, 4 May 2016, p21**

### **Magazines**

#### **The Economist on Line**

*The Economist* has been testing out the messaging app, Line, because of its popularity in fast-growing countries, such as Myanmar, Cambodia, South Korea, Thailand and Indonesia. It has also become the first publisher to send voice push alerts on Line. Its first example featured the sound of the Mekong River and an audio clip about Myanmar. *The Economist* is not seeking to make money out of the service; rather it wants to increase readership and awareness. To date click-through rates are at more than 2%, which is much higher than on Twitter and Facebook. *The Economist* has acquired 170,000 followers in just three months.

**thedrum.com, 7 May 2016**

### **Music**

#### **Tide turns with music streaming**

As streaming services grow in popularity, artists are looking at ways to improve their earnings, such as using streaming to enhance demand for their performances or focusing on album sales. A third



strategy, used by the most marketable artists, is to have greater involvement with streaming services: Tidal, which was created by musicians such as Beyoncé, pays out a greater proportion of its earnings to musicians than other services do. Meanwhile other artists are auctioning the rights to stream or sell their music, a practice called 'windowing'. As the music industry scrambles to keep up, shifts in technology may well leave it having to adapt to yet more changes.

**The Economist, 7 May 2016, p69; Financial Times, 4 May 2016, p18**

## Newspapers

A recent attempt to introduce a new printed daily title has ended in failure: Trinity Mirror's *New Day* newspaper is set to close just nine weeks after launch due to "disappointing" circulation. The first new national newspaper in 30 years, it initially achieved a circulation of 150,000, but that soon fell to just 40,000. BBC media correspondent Alan Sillito comments on how print circulations have been declining and how there has been a significant fall in newspaper ad revenues this year. Had *New Day* managed to tempt readers back to print, it could have boosted the mood of the whole industry.

**bbc.co.uk/news, 5 May 2016; The Times, 6 May 2016, p45; Financial Times, 6 May 2016, p21**

## Radio

### Sparring with local radio

Spar, the grocer, is launching a broadband radio service which will allow its retailers to offer bespoke advertising. Spar Radio will play pop music as well as event-themed content and advertising for the 11m people who use the shops. It will also broadcast "takeover shows" in partnership with suppliers. Head of marketing, Philippe Rondepierre, believes the services will "help retailers stand out from their local competition".

**The Grocer, 7 May 2016, p14**

## Social media

### Brand following on Twitter

Social media, notably Twitter, provides marketers with a marketing communication tool which offers two-way communication between the marketer and consumer. The authors investigate brand-following behaviour on Twitter using Ajzen's theory of planned behaviour (TPB) model. They find that consumers' intention to follow brands on Twitter results in outcomes including consumers': intention to tweet at brands; intention to retweet the links of brands; and purchase intention. Overall they conclude that the TPB model can help to predict Twitter users' brand-following behaviour.

**International Journal of Advertising, Vol 35(3) 2016, pp421-437 (Chu et al)**

## Television

### An 11-brand ad hits the screen

ITV has created an ad break to celebrate the Queen's 90<sup>th</sup> birthday. The ad, which will last for 2.5 minutes, will feature 11 brands and will be shown on 11 May when ITV's live broadcast of *The Queen's 90<sup>th</sup> Birthday Celebration* takes place. McCain, Hovis and Cadbury's Milk Tray are among the brands taking part in the street party-themed ad. ITV has described the ad as "a media first" which represents "a huge creative and account management challenge" in bringing together all the brands.

**Campaign, 6 May 2016, p2**

### ITV hopes to weather declining ad slowdown

It looks as if the long boom in TV advertising may be coming to an end. Since the economic crisis TV advertising has had a run of strong, unbroken growth and, although digital advertising has been growing faster, TV ads have been much larger. They have also benefited from ad money moving out of printed newspapers. Now the Advertising Association is forecasting a slowdown in TV adspend to 5.1% for 2016 and 2017. ITV's declining audiences are a problem although it expects to be more resilient than other broadcasters should the ad market experience a downturn.

**The Sunday Telegraph, 8 May 2016, p5**

## Packaging

### Smart wine bottle

Kuvée a Boston start-up, has developed a Wi-Fi connected wine bottle. Bottles, which are provided by eight wineries, can be placed into a Kuvée bottle, which then provides information via a touchscreen. People can also order additional wine via the bottle. The company claims that the wine can be kept for up to 30 days. A smart bottle and four wines costs \$199.

**Mobile Europe, April-May 2016, p11**

## Retailing

### Falling supermarket sales

British supermarket sales in the 12 weeks to 24 April rose by just 0.1%, according to Kantar Worldpanel, while like for like sales have fallen every month for the past 17 months. Sainsbury's achieved a 0.4% rise in underlying sales in the year to 12 March, but only at the expense of its profit margins. In the past 12 weeks all four major supermarkets have seen varying levels of falling sales, while the discounters, the Co-op and Waitrose have seen their sales rise.

**The Times, 5 May 2016, pp38-39**

### The Walmart greeter is back

One of Walmart's early innovations was to place a 'greeter' inside the doorway of the store who chatted to customers and maybe helped them with a

shopping trolley. The Walmart greeter, who is regarded as an icon of American culture and often depicted in movies and TV shows, was dropped from stores four years ago. Now they are back as the retailer tries placing a renewed emphasis on customer service. However, as this article explains, the new role of greeter may be as much about store security as it is about brand experience!

**brandchannel.com, 6 May 2016**

## Services

### **Auction houses battle over art works**

Although art prices have rocketed since 2009 and sales have more than doubled, the two big auction houses – Christie's and Sotheby's – have been battling it out for market share and will broker all sorts of deals just to secure a work of art. Sotheby's commission margin has fallen from around 21% in 2009 to 14%. Christie's is reportedly offering special deals known as "enhanced hammer". Auction houses show signs of wanting to return to the old commission system but the art market is beginning to slow down.

**Bloomberg Businessweek, 2-8 May 2016, pp39-40**

### **Airbnb diversifies**

Accommodation service Airbnb is busy diversifying into new areas, such as the leisure sector where it plans to match hosts with guests for tours, sport and other activities, offering personal service for travellers who want an authentic experience. Airbnb operates in 34,000 cities and 191 countries. In India it has grown by 115% over the past year.

**The Times, 6 May 2016, p40**

### **Hotel chains challenged by online services**

America's hotel chains seem to have hit a good patch: Hyatt has reported a 55% rise in profits compared with the same quarter last year while in America as a whole revenue per room has risen for the past six years. The greatest threat is thought to come from online companies which are changing the nature of the industry. Booking sites, which last year accounted for almost one in five bookings in America, can charge fees of up to 25%. Hotels are responding by getting bigger through acquisition. This way they can bypass third parties and encourage travellers to go straight to their own websites, but it will still be difficult for hotel chains to keep up with the agility of online firms.

**The Economist, 7 May 2016, pp59-60**

## Transport and travel

### **Car ads are not what they were**

Car advertising has traditionally produced "great" work but these days car ads lack the distinctive character of the earlier work of manufacturers like VW, (renowned for reliability), Volvo (which focused

on safety) and Land Rover (adventure). Veteran car marketer Chris Hawken has attributed the current lacklustre output to the centralisation of marketing. The answer might lie in creating a simple, clear strategy and, secondly, in identifying a corporate purpose or philosophy.

**Campaign, 6 May 2016, pp26-27**

### **Website won't ban pollution filter removal ads**

Google, Gumtree and eBay have decided not to ban ads that promote a service which removes pollution filters from diesel cars. Although driving a diesel car without a filter is an offence, removing the filter is not – to date more than 1,000 diesel cars have been found without filters. Friends of the Earth wants the Advertising Standards Authority to ban ads that break its code, notably "practices that condone or encourage anti-social behaviour". Both Google and Gumtree say they are complying with the law.

**The Guardian, 2 May 2016, p6**

## Buzz phrases

### **Cobots**

Traditionally industrial robots were too big and unsafe to work closely with humans. 'Cobots' are a new generation of robotic systems which are lighter in weight and more mobile, allowing them to collaborate safely with human workers. These low-cost, collaborative robots are likely to be an advantage for small and medium companies which are competing with competitors from low-cost markets. Manufacturers believe that these flexible robots could revolutionise production. Working with car maker BMW, researchers at MIT have found that robot-human teams are 85% more productive than either party working alone!

**Financial Times, 5 May 2016, p17**

Written by CIM's Knowledge Services Team

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## On the Move

Name	From	To	New title	Source
Rosi Crawley	Hot Key	Walker Books	Publicity Manager	The Bookseller
Jason Gonsalves	BBH London	Chief Strategy Officer	UK Chief Executive	Campaign
Chris Hall	Typhoo	JF Renshaw	Head of Brand	The Grocer
Marius Mosoreanu	SCL Group	Survation	Director of Research	research-live.com
Ben Wood	iProspect	Facebook	Director of Agencies for EMEA	Campaign

## Promotions

Name	Company	Previous title	New title	Source
Andrew Clarke	Mars	Chief Customer Officer	Chief Marketing and Customer Officer	Campaign
Jo Coombs	OgilvyOne	Managing Director	UK Chief Executive	Campaign

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Admap

[www.bbc.co.uk/news](http://www.bbc.co.uk/news)

Bloomberg Businessweek\*

[www.brandchannel.com](http://www.brandchannel.com)

Campaign\*\*

Catalyst

[www.citmagazine.com](http://www.citmagazine.com)

[The Daily Telegraph](#) ~

The Drum

The Economist\*

Event\*\*

[www.eventindustrynews.co.uk](http://www.eventindustrynews.co.uk)

[The Financial Times](#) ~

[www.fwi.co.uk](http://www.fwi.co.uk) (Farmers Weekly)

The Grocer

[The Guardian](#)

Harvard Business Review\*\*

[www.iea.org](http://www.iea.org)

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)

Management Today\*\*

Marketing\*\*

Marketing Week \*\*

Mobile Europe

New Scientist\*\* (1 month embargo)

[www.out-law.com](http://www.out-law.com)

PR News\*\*

Public Relations Tactics\*\*

[www.smeinsider.com](http://www.smeinsider.com)

[Third Sector](#) (selected articles available)

The Times

[www.timeshighereducation.com](http://www.timeshighereducation.com)

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## Contents

To fast forward click on the following links:

[Agriculture, fishing and forestry](#)

[Building industry](#)

[Businesses and strategy](#)

[Charities and NGOs](#)

[Durable goods](#)

[Economy](#)

[Energy and utilities](#)

[Environment](#)

[Fashion](#)

[Financial services](#)

[FMCG](#)

[Beverages](#)

[Food](#)

[Tobacco](#)

[Government and public sector](#)

[Health and pharmaceuticals](#)

[IT and telecoms](#)

[Leisure and tourism](#)

[Marketing trends and issues](#)

[Advertising](#)

[Brands and branding](#)

[Conferences and events](#)

[Consumer behaviour](#)

[Customer relations](#)

[Direct marketing](#)

[Law](#)

[Marketing](#)

[Market research](#)

[Public relations](#)

[Sponsorship](#)

[Media](#)

[Internet](#)

[Magazines](#)

[Music](#)

[Newspapers](#)

[Radio](#)

[Social media](#)

[Television](#)

[Packaging](#)

[Retailing](#)

[Services](#)

[Transport and travel](#)

[Buzz phrases](#)