

# Cutting Edge: Our weekly analysis of marketing news

18 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

#### Ad-blocking on the rise...

By the end of June 2015 the number of ad-block users had risen by 41% compared with 2014. This equated to \$10.7 billion in lost revenue, a figure that is predicted to reach \$20.3 billion this year. The largest proportion of ad-block users are to be found among gaming websites (26.5%) followed by social network users (19.1%). Research by IAB suggests that 54% of UK ad-block users might switch off the software if a publisher asked them to do so. This article includes infographics on the use of ad-blocking software globally.

**Admap, April 2016, pp48-49**

#### ...UK culture minister to address ad-blocking

John Whittingdale, UK culture secretary, recently hosted a roundtable meeting for senior representatives of trade bodies, newspaper publishers, portals and platforms. Following on from this this, it is expected that he will call for an industry solution to ad-blocking. He had previously expressed the view that: "self-regulation and co-operation is the key to resolving these challenges". The Internet Advertising Bureau is likely to issue guidance in the near future.

**Campaign, 13 May 2016, p13**

#### Ad effectiveness and firm value

The influence of advertising on company sales is well-established, but the link between advertising and company value is inconclusive. In this study the authors investigate the relationship between a company's source of competitive advantage (differentiation vs cost leadership) and the effectiveness of its advertising. They argue that advertising influences company value for a

differentiator because it emphasises the company's point of difference and translates it into brand equity. In contrast, advertising cannot build brand equity for a cost leader because it doesn't have a point of difference upon which to build the brand.

**Journal of Marketing Research, Vol 53 April 2016, pp207-224 (McAlister et al)**

### Agencies

#### UK agency trumps New York billboard

After London agency AML photoshopped an image of a New York billboard bearing the words 'Donald Trump' ("Don't"), it went viral and was picked up by media around the world. By last Monday the image was the most widely shared story on social media. The message, which has black letters on a bright red background, has been widely attributed to *The Economist* magazine although it has no logo and a different typeface. Coincidentally *The Economist* had written a story about how disastrous Donald Trump would be as a president!

**adweek.com, 11 May 2016; aml-group.com, 10 May 2016**

### Brands and branding

#### Sellers' social influence and co-creation

This study examines the effect of sellers' social influence on the co-creation of innovation with customers in an online community, which is known to affect companies' brand awareness in the B2B marketplace. The model was tested using data gathered from an online survey of four online communities discussing software-as-a-service issues on LinkedIn. The authors conclude that co-innovation practices help to raise potential customers' awareness of company brands. This study is intended to provide new insights into effective B2B social media marketing techniques.

**Industrial Marketing Management, Vol 54 April 2016, pp56-70 (Wang et al)**



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## **Brand salience**

Brand salience is defined here as “the mental availability of the brand in the mind of customers”. It is also central to describing how brands influence customer choice. Marketers are often faced with the decision of, either building a differentiated brand that appeals to target customers (a small section of the market), or building a salient brand which can be purchased by anyone. This article looks at salience vs differentiation by challenging two commonly-held views on differentiation. It describes how brand leaders, such as Samsung, Apple, Volvo and BMW, have achieved a “differentiated salience”.

**Admap, April 2016, pp14-16**

## **Children**

### **Junk food online and poster ads to be banned**

Adverts for food high in fat, salt or sugar could be banned from non-broadcast media, such as posters and online advertisements that are used mainly by children, if the Committee of Advertising Practice (CAP) has its way. Regulations for broadcast media already prohibit this type of ad being shown, especially around children’s TV programmes. CAP has launched a public consultation on the plans.

**The Times, 13 May 2016, p12; news.sky.com.story, 13 May 2016**

## **Conferences and events**

### **Events are GREAT Britain**

The *Events are GREAT Britain* campaign, which was recently launched at Stamford Bridge stadium, will have access to £60m in funding as part of the UK Government’s GREAT Britain initiative. Chris Foy, the new head of business events for VisitBritain, said that “The campaign is a clear understanding that the sector is worth a lot more than just a contribution to the economy”.

**Meetings & Incentive Travel, May 2016, p10**

## **Marketing an event with e-mail**

Events are an important part of marketing strategies since they help to put a face on a brand as well as nurturing relationships and networks. Yet an event’s success relies on thorough planning and requires marketing activity before, during and after the event. The author looks at how e-mail marketing can be used to market an event, particularly in the pre-event stage.

**dma.org.uk, 16 May 2016 (O’Connell)**

## **Consumer behaviour**

### **Tastes influenced by social media**

*You May Also Like: Taste in an Age of Endless Choice*, a book by Tom Vanderbilt, sets out to look at human preferences and the influences affecting tastes in art, music, food, etc. Although people like to think that their taste is a reflection of their own individual thoughts, this is usually not the case, argues the author. His key contention is that taste is

a complex phenomenon which changes according to environmental and social pressures. Our preferences are strongly swayed by social affiliations and social media serve to sway our feelings even more.

**Bloomberg Businessweek, 9-15 May 2016, p74**

## **Customer relations**

### **Customer retention vs acquisition**

Around 71% of buyers in B2B environment are indifferent to, or disengaged from, their suppliers. This is because B2B marketers are not doing enough to keep their customers satisfied and, according to research, the vast majority are not getting the balance between acquisition and retention right. This leaves existing customers in the dark, while opportunities to cross-sell, up-sell or use other retention-based strategies are missed. Over time companies need to build a loyal customer base but the objective for marketers is to continue demonstrating value to existing customers. This article looks at acquisition vs retention and offers five tips for customer retention.

**B2B Marketing, Q1 2016, pp7-12 (Clarke)**

## **Direct marketing**

### **DM and phone – good for car insurance sales**

Many car insurance companies are using big data to boost their online initiatives, but new research suggests that over the past three years 18m licence holders purchased their car insurance over the phone, accounting for nearly 40% of sales. The research reveals that the most effective method of encouraging consumers to buy is through direct mail: 68% of people say they would consider their insurance if reminded by a mailshot compared with 50% who say the same of e-mail and 12% who cite TV advertising. Only 19% of drivers always arrange to pay for motor insurance over the Internet.

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

## **Law**

### **Facebook’s faceprints face legal case**

A US judge has ruled that a class-action case against Facebook can proceed. The lawsuit will argue that Facebook’s use of facial recognition technology breaches Illinois law. Facebook’s AI can auto-tag photos which could violate the state’s Biometric Information Privacy Act (BIPA), which prevents people from collecting biometric data without first obtaining consent. The plaintiffs claim that Facebook is collecting “faceprints” which should come under BIPA. If Facebook loses this case, there will be implications for the wider industry which is exploring different applications for facial recognition.

**New Scientist, 14 May 2016, p7**

## **Trademarking a brand**

A trademark is defined as the “legal monopoly” which attaches itself to certain parts of brands such

as slogans, shape and colour. These non-traditional types of trademark have difficulty achieving registration, keeping their mark on the register and being enforced against infringers. In the UK the brand trademark landscape is constantly shifting; brand owners should consider how this is affecting them when they are seeking to trademark unconventional areas of their brand. This article covers strategies for shape, colour, sound, smell, taste and slogans.

**mondaq.com, 10 May 2016**

## **Marketing**

### **Reigniting passion**

Passion is an unpredictable and often spontaneous emotion but marketers appear to have lost touch with it, obsessed as they are with data and finding a formula for so-called "passion-point marketing". The 2012 Olympics enabled brands to capitalise on people's passions and this summer's Games in Brazil are bound to ignite passion and provide inspiration for harnessing consumer excitement. Successful brand players will not be those that simply stick logos on things and hand out branded merchandise. Fan engagement requires a more sophisticated approach. The author sets out ten "new" rules of engagement.

**Marketing, May 2016, pp40-45 (Bashford)**

### **Moving marketing and sales together**

Mars is among the businesses that have brought their marketing and sales teams closer together. Brands, such as Mondelēz, are increasingly choosing to appoint a chief commercial officer (CCO) instead of a chief marketing officer (CMO). This strategic shift marks a change in marketing models. In 2011 CIM published a report which argued that brands should merge their marketing and sales departments. CIM's current chief executive, Chris Daly, believes that this still "rings true". He argues that if marketers are to be given commercial responsibilities, then marketing's image needs to move to an industry level: "As an industry we need to act as a champion and be the voice of the customers".

**Marketing Week, 12 May 2016, pp8-10**

### **Measuring innovation in marketing**

Innovation in marketing should be measured; marketers need to find ways of assessing which innovations are benefiting the company's performance and which are mere distractions. In this article three senior marketers offer their opinion on how best to measure the impact of marketing innovation. Their suggestions are: benchmarking marketing innovation; presenting the hypothetical outcomes of innovation; and measuring the effect of marketing innovation on the overall customer experience.

**Catalyst, April 2016, pp58-59**

## **Market research**

### **Maintaining relevance**

The fear is that the more data there is, the harder it is for market research to see human beings for what they really are and that insight could just end up becoming an "impersonal, data-driven function". At one end of the scale it may be possible to create intimacy with a small panel of people, but this does not solve the problem of incentivising large panels at the other end of the spectrum. This article argues that market research needs to reassert its relevance. It draws on the experience of other industries, considers YouGov's experience of engaging a panel, and discusses the relevance of research as a career.

**Impact, Issue 13 April 2016, pp32-42 (Phillips)**

### **Surveys proliferate but how useful are they?**

Fourteen years ago Bain, a consultancy, decided to run short consumer surveys to test brand loyalty, which later became known as the Net Promoter System – over two-thirds of Fortune 100 companies use and, reportedly, abuse this system. Since then there has been an explosion in customer surveys which is attributed to a number of factors, not least the idea that customers are made to feel part of a community. This is referred to as "participatory marketing" by FL+G's CEO, Vann Graves, who claims that the "tsunami" of surveys is making them much less useful. Surveys can become biased by companies offering incentives to employees or customers, which defeats the whole purpose. Higher scores do not mean that a customer will return or recommend that product!

**Bloomberg Businessweek, 9-15 May 2016, pp26-27**

## **Public relations**

### **Top 150 agencies**

This month's *PR Week* is largely dedicated to the magazine's annual survey of the 150 largest PR consultancies in the UK and its *Global Agency Business Report 2016*. Total revenue for the UK PR industry rose by 8.4% last year to reach £1.056 billion although smaller agencies outperformed bigger ones in terms of growth. In 2015 fifteen smaller agencies exceeded the £1m barrier and average growth among them was 42.5%. The *Global Report* takes a look at international PR agencies with tables and insights from key industry figures.

**PR Week, May 2016, pp19-73**

### **CEOs and social media use**

Heads of some of the most powerful companies still regard social media as a distraction, according to the *2015 Social CEO Report* from CEO.com. The report reveals that 61% of CEOs have no social media presence or rarely join in conversations online. It also mentions several benefits of using social media, which include having a worldwide communications channel, using it as a source of

consumer and competitor intelligence and as a public relations (PR) medium.

**Public Relations Strategist, Vol 22(1) 2016, p4**

## Agriculture, fishing and forestry

### Crocodile farming

Global exports of crocodile skins have been rising at a tremendous pace thanks to increasing demand since the financial crisis. More than 20 countries export crocodilian skins with over half coming from Colombia and the US. Crocodile farming can be difficult because industry research is limited compared with other forms of husbandry and there are high costs associated with it, including regulatory issues. The slowdown in the Russian economy has also reduced demand for clothes such as crocodile skin waistcoats. Since crocodile farming has been legalised, wild crocodile populations have been growing, which might help to placate environmentalists and animal rights campaigners.

**The Economist, 14 May 2016, p59**

### Milk rivals fizzy drinks in Tesco

Farmer Sylvia Crocker has managed to persuade her local Tesco branch in Launceston to sell one-pint cartons of milk alongside sandwiches, to encourage shoppers to choose milk instead of fizzy drinks. Rather surprisingly sales figures have been positive and four other stores in Devon and Cornwall have adopted the same tactic. Tesco chief executive, Dave Lewis, has suggested that the initiative could be rolled out to other stores around the country.

**fwi.co.uk, 16 May 2016**

## Building industry

### Infrastructure investment

According to Deloitte's latest *Infrastructure Investment Survey*, Britain has the third highest regulatory risk in Europe. Some 20% of the infrastructure investors surveyed believed that Britain was below only Iberia and Italy when it came to regulatory risk. Political risk was cited as the biggest concern for 38% of infrastructure investors. Despite this, Britain came out top in Europe as a place for investors to focus their funds, with Scandinavia in second place. Pipelines, renewables and rail emerged as the three most attractive assets.

**Construction News, 13 May 2016, pp6-7**

### Branded hotel chains continue to grow

The growth of Premier Inn and other branded budget hotel chains has provided a dependable pipeline of work for UK contractors. As confidence returns to the economy, the luxury end of the market is also seeing some growth. Most expansion has occurred in the branded sector, often at the expense of unbranded, independent hotels.

Travelodge UK development director Tony O'Brien believes that customers these days, "want the certainty they can get from brands". This article explores how the construction industry interacts with the branded hotel chains.

**Construction News, 13 May 2016, pp26-28**

## Businesses and strategy

### Innovative behaviour and company care

This study looks into the relationship between organisational care and employees' innovative behaviour using a multi-level model. It shows how organisational care has an impact on the creative, complex and mundane elements of employees' innovative behaviour. It also shows how the effect of organisational care on innovative behaviour could depend on employees' perceptions of "intrusiveness" and care "insincerity".

**Journal of Product Innovation Management, Vol 33(3) 2016, pp244-259 (Bammens)**

### Planned opportunism

"Planned opportunism" is a term used by the author to respond to an unpredictable future. This involves looking at so-called "weak" signals which presage significant changes in technology, customer needs, economy, environment, regulation and so on. Planned opportunism creates a "circulatory system" for new ideas, allowing one to build an adaptive culture that can respond to change. The author says that companies should develop a programme of experimentation to identify and scale up ideas. He illustrates the argument using case studies, such as Tata Consultancy Services and Hasbro.

**Harvard Business Review, May 2016, pp54-61 (Govindarajan)**

### Effective collaboration and trust

Developing working relationships has become increasingly important because strong partnerships result in successful business outcomes. A two-year study from Google found that the single most important quality for creating a high-performance team is "psychological safety". Trust between co-workers is paramount. *Campaign* has elicited the opinions of communications experts to help identify "The 9 elements of trust" which are set out in this article.

**Campaign, 13 May 2016, pp12-16**

### Room for Slack in the workplace

An internal messaging system known as Slack has helped to simplify office communications. It structures conversations within threads so that groups within companies can update each other in real time, a format that is considered to be more in line with how people communicate than e-mail. It is also more efficient: research suggests that team productivity increases by about a third when it uses

this software instead of using e-mail and meetings. However, Slack is facing plenty of competition from software companies, such as HipChat, which also want to take a slice of the workplace collaboration market.

**The Economist, 14 May 2016, pp57-58**

### **Small business survey**

The Government's *Small Business Survey 2015: businesses with no employees – BIS Research paper 290*, includes data on small business performance in terms of employment and turnover; ambition and expectations of future performance; access to finance; use of business support; capabilities; and obstacles to business success. It reveals that SMEs with no employees are more likely to have sought business advice on marketing (18%) than SME employers (10%).

**gov.uk/government/publications, 12 May 2016**

## Charities and NGOs

### **Charity has start-up mind-set**

Ready-to-Use-Therapeutic Food (RUTF), made from peanut paste, dried milk and various vitamins and minerals, is dispensed by the 3 Million Club charity. It allows donors to buy packets of RUTF to send to countries, such as Haiti, where children are suffering from malnutrition. Donors can buy boxes of the product from the charity's web site, send them to aid agencies and track how the bars are being used. 3 Million Club, which is modelled on e-commerce operations such as Amazon, claims to use "start-up efficiency" to ensure that 98% of what is donated buys the product. In contrast, if you donate a dollar to a large charity, only 0.14 cents will go to a child.

**Wired, June 2016, p23**

## Economy

### **Trade agreements**

The US trade representative, Robert Zoellick, has expressed frustration that World Trade Organisation members have been dragging their feet when it comes to a multilateral trade agreement that will lower trade barriers around the world. The US has negotiated various free trade agreements, has recently concluded the Trans-Pacific Partnership (TPP) and has ongoing Trade and Investment Partnership (TTIP) negotiations with the EU. Zoellick's emphasis on the US conducting free trade with what he calls "can-do" rather than "won't-do" countries could risk fragmenting the global economy. This article examines the implications.

**International Trade Forum, Issue 1 2016, pp10-11 (Elliott)**

## Energy and utilities

### **Electric car owners will be able to sell power**

Nissan has announced a scheme that will allow

electric car owners in the UK to sell power from their car batteries back to the national grid. Special charging points will ensure that the cars are fully charged by the morning while drawing electricity from them at peak times. Car owners will receive a payment if they allow National Grid to access their cars through their home charging point.

**Financial Times, 11 May 2016, p4**

## Environment

### **Adidas adopts venture capital approach**

Adidas allocates up to \$3m a year to fund energy efficiency projects. These are delivering a high rate of return averaging 33% across the projects, with high-return projects subsidising low-return ones. Elizabeth Turnbull, who heads up the projects, claims the resulting reductions in carbon emissions are the same as if a thousand cars were removed from the road. The US Department of Energy and the Retail Industry Leaders Association (RILA) have cited Adidas's venture capital approach to savings as a "model for the retail industry".

**Bloomberg Businessweek, 9-15 May 2016, pp46-47**

### **Green power deals**

General Motors has signed a 14-year agreement with wind farm company EDP Renewables North America to receive enough electricity to produce nearly half its trucks. GM is one of a growing number of US companies that is purchasing green power to help them reduce their energy bills as well as carbon emissions. Some companies still find it hard to invest in renewable energy but now an initiative backed by 60 companies, including Facebook and Microsoft, aims to make it easier through their purchasing powers.

**Financial Times, 13 May 2016, p17**

## Fashion

### **Fashion brands embrace start-ups**

Fashion brands are reaching out to start-ups to help them innovate and differentiate. Topshop, for example, has launched Top Pitch, aimed at finding a start-up with a suitable wearable technology proposition. Asos is also looking for start-up partners although it has ruled out 3D printing and wearable tech. Instead, it wants help with back-end technology, focusing on personalisation, filtering and search. It is often cheaper for retailers to use start-ups than to develop new ideas in-house.

**Campaign, 13 May 2016, p23**

## Financial services

### **Contactless payments soar**

Over the past year contactless payments have tripled year on year to reach over three billion. This reflects increased consumer confidence in the new system, with most use being made of the



technology in Britain, Spain and Poland. One in ten transactions is now made using wave-and-pay. Restaurants have seen the largest growth in contactless transactions, up by 153%, followed by general retailing at 146%. However, critics are concerned that the decline of the PIN makes people more susceptible to fraud.

**The Times, 11 May 2016, p40**

### **Google bans payday lender ads**

Google is to place the short-term loan industry on its blacklist, which also includes guns, tobacco and drugs. It means that, from mid-July, payday lenders and other personal lenders with high interest rates won't appear in its AdWords system, which displays ads at the top of search results. Google is an important 'store-front' for payday lenders who bid against each other to get pole position in the search results.

**The Daily Telegraph (Business), 12 May 2016, p3; The Times, 12 May 2016, p17**

## **FMCG**

### **Beverages**

#### **Mezcal goes mainstream**

Last year Mexico introduced new rules forcing mezcal producers to label their drink as "komil" or "intoxicating drink". The new rules aim to improve quality, make mescal more marketable and eliminate adulterated drinks. The liquor has moved into the mainstream market and mezcalerias are popping up in trendy neighbourhoods around Mexico. Yet small producers are accusing regulators of trying to standardise and industrialise the artisan drink.

**The Guardian, 11 May 2016, p19**

### **Cosmetics and toiletries**

#### **Polymer to hide the signs of aging**

There have been many different scientific approaches to making people look younger. Now an invisible, wearable, polymer called Second Skin has been developed by Robert Langer and his team at MIT. The polysiloxane polymer can mimic the properties of youthful skin including its elasticity. This approach of covering up the surface is different from the usual method of trying to change the skin from within.

**New Scientist, 14 May 2016, pp8-9**

### **Skincare – a flawless science**

Skin condition is often the main factor affecting the way that people are perceived by others. According to Mintel £1.07 billion was spent on skincare in the UK last year, up by 17% since 2009. In Korea, China and Japan people not only want a flawless complexion but also aspire to having pale skin. In the West people prefer to have a tan, a trend

originally attributed to Coco Chanel. This supplement explores the world of skincare.

**The Times (Raconteur: Skincare and Dermatology), 11 May 2016, pp1-15**

### **Food**

#### **Nestle selling an antidote to sugar**

Nestlé has had a huge impact on the foods we eat, but its food and drink empire is founded on sugar-based products, such as KitKat and Nesquik chocolate milk. Since 2012 Nestlé's confectionery business has seen declining sales, a trend that its competitors are also experiencing. Nestlé is trying to redefine itself as a "nutrition, health and wellness company" by offering a raft of health products. This means that the company could be selling a sugar high on the one hand and a nutritional aid on the other. With the trend for healthy eating, there is speculation that 'Big Food' could become the next 'Big Tobacco'!

**Bloomberg Businessweek, 9-15 May 2016, pp50-55**

### **Snapchat translates into ROI**

At the FMCG Social Media Summit, Unilever CMO Keith Weed, has been explaining how its Cornetto brand partnered with influencer Ben Phillips (of Vine fame), allowing him to take control of the brand's Snapchat for the day. The brand achieved over half a million views and had return on investment "through to sales", according to Weed, who is urging other marketers to test out new platforms.

**Marketing Week, 12 May 2016, p7**

### **Meat-free trends**

Sales of meat-free products have risen by 6.2% to reach £268.6m. Some experts argue that meat-free should be stocked alongside regular items rather than be closeted away on specialist shelves – many more Britons are reducing their meat intake and meat-free products are beginning to go mainstream. This article examines the market and the key products.

**The Grocer, 14 May 2016, pp53-57**

### **Tobacco**

#### **E-cigarette regulation**

This month the US Food and Drug Administration (FDA) announced new rules for e-cigarettes. The EU has also upheld a set of tobacco regulations which include forcing manufacturers to notify regulators before they introduce a new product; capping nicotine levels and warning users about nicotine addiction. The FDA has gone a step further by insisting that all e-cigarettes which weren't on the market in 2007 must be approved by the Administration. *The Economist* argues that the FDA is indirectly helping Big Tobacco because it will cost a lot to bring new devices to market and the rules may discourage changes to products which might

have encouraged smokers to switch to e-cigarettes.

**The Economist, 14 May 2016, p61**

### **Canada and plain packaging laws**

Canada may soon introduce plain packaging for tobacco products. This will lead to conflict between government and tobacco makers with the subject becoming increasingly politicised. This article examines the views from a legal perspective of the supporters of plain packaging, the opposition to it, the governments' position and the Canadian position.

**mondaq.com, 10 May 2016**

## **Government and public sector**

### **M&C Saatchi support in campaign**

David Cameron and *The Britain Stronger in Europe* cross-party campaign have recruited M&C Saatchi to create the pro-Europe campaign's messaging during the final six weeks leading up to the referendum. M&C Saatchi handled the campaign to keep Scotland in the UK and has 35 years' experience of working with the Conservatives. The agency tends to focus on messages relaying fear, such as 1979's *Labour isn't working*. However, this time it says it will, put forward positive reasons for staying in Europe.

**Campaign, 13 May 2016, p1**

### **Brexit campaigners infringe data rules**

Better for the Country, part of the *Brexit Leave.EU* campaign, has been hit with a £50,000 fine for sending over 500,000 texts calling for people to support the campaign to leave the EU. It breached rules which dictate that organisations buying their data from third parties should ensure that the third party has obtained the required consent. Those receiving texts from Better for the Country had consented to receiving messages about home improvements and other areas but not EU politics. Stephen Eckersley, ICO head of enforcement, said that "Political parties and campaign groups must follow the same rules as anyone else"

**dataiq.co.uk, 11 May 2016**

## **Health and pharmaceuticals**

### **Standardising logistics**

The pharma industry is reliant on the secure and reliable transportation of goods which have to be delivered within a certain time and at a certain temperature. This has led to a requirement for pharmaceutical trade lanes that can ensure the protection of products. Some 50% of all temperature-related errors occur on airlines or at airports, which has promoted a number of air transport stakeholders and regulators to create the Center of Excellence for Independent Validators in Pharmaceutical Logistics (CEIV Pharma) programme.

This article explores the need for standardisation and how the certification programme is developing around the world.

**European Pharmaceutical Review, Vol 21(2) 2016, pp13-16**

## **IT and telecoms**

### **A strong ARM for diversification**

UK high tech company ARM Holdings sells chip designs to manufacturers who pay royalties on them. Its components are also used in over 95% of smartphones. As smartphone sales begin to slow down around the world, ARM is looking to diversify into the 'Internet of Things'. Its technologies are already being used in some connected devices, such as sensors for farmers and software for trucks. It could take time for ARM to establish itself in new markets but in the longer term the company should be able to build up market share as will its rival, US chipmaker Intel.

**Financial Times, 11 May 2016, p21**

### **LiFi and Chirp – light and sound**

Innovations are beginning to make use of light and sound to transmit information which could have an impact on areas of business. LiFi is wireless technology which transmits high-speed data using visible light communications (VLC). Some companies are offering 'plug-and-play' applications while a French company is reportedly installing LiFi in hospitals. By way of contrast, an app called Chirp can unlock data using sound: any phone within earshot of a transmission can capture the sound and download whatever the "Chirper" wants to send. The app is already being used by Californian teachers who are chirping to their students!

**Impact, Issue 13 April 2016, pp70-71**

### **Telecoms – consolidation vs competition**

The EU's decision to block the proposed takeover of mobile operator O2 by CK Hutchison has led to debate regarding the protection of the consumer on the one hand and investment needs on the other. The competition authorities say that the UK needs four competing telecoms companies to produce the best customer service in terms of price and quality. The telecoms companies argue that they are powerless to compete with the likes of BT and that consolidation in the industry is necessary for investment in infrastructure, such as 4G mobile and ultrafast fibre broadband.

**Financial Times, 12 May 2016, p17**

## **Leisure and tourism**

### **Live Nation turns to video**

Live Nation Entertainment, the world's biggest concert promoter, handles live performances as well as outdoor festivals, such as Glastonbury. Now the company is turning to video and virtual-reality

programming, with the aim of attracting consumers who have never been to its concerts. Live Nation needs some profitable businesses: last year it generated \$5 billion in sales from concert promotion but lost \$105m. Its advertising and sponsorship unit was its most profitable division, despite sales of just \$333m. Selling ads to go with its new videos will be the next logical step...

**Bloomberg Businessweek, 9-15 May 2016, pp25-26**

### **TUI to focus on the mainstream**

TUI Group, Europe's largest tour operator, is to sell its niche businesses, such as Exodus, Sunsail and Hayes & Jarvis, which tend to offer more exotic holidays, such as trips to Sri Lanka or sailing tours in the Caribbean. TUI chief executive, Fritz Jousen, explains that these operations do not use TUI's brands, aeroplanes, hotels and ships "So there are no synergies"; he also wants TUI to become a "vertically integrated tourism business". The sale will place TUI firmly in the mainstream holiday market.

**The Times, 12 May 2016, p43; Financial Times, 12 May 2016, p21**

## Materials and mining

### **Materials compete for lighter vehicles**

In response to climate change, vehicle-makers are trying to make their products weigh less because this will help to reduce emissions. In addition, fuel economy standards are getting stricter across Europe and the UK. This poses a challenge, not just for carmakers, but for component manufacturers and raw materials suppliers. This article examines three materials used to reduce weight and how they are being used in vehicles: aluminium, steel and composites.

**Financial Times, 11 May 2016, p4**

### **Israeli diamond industry**

Diamond trading is a major industry in Israel, employing 17,000 people excluding affiliates. Net polished diamond exports from Israel were worth \$5 billion last year, representing more than 10% of exports. However last year also saw a 20% fall in output as the country faces growing competition and a long-term fall in diamond prices. In addition, one of Israel's diamond traders has been accused of defrauding \$65m. A new law on money laundering will prohibit cash deals for diamonds and requires greater disclosure.

**Financial Times, 13 May 2016, p9**

## Media

### **Books**

#### **Enhanced bookshops**

More bricks-and-mortar book stores are opening up in the UK thanks to rising sales of print books and

the trend for "enhanced" bookshops, which offer services such as cafes and wine bars. Examples include Segre Books which will open a café serving coffee, tea and cakes and Ink@84 in Islington, which has a café bar and hosts events.

**The Bookseller, 13 May 2016, pp20-21**

### **Print books sales rise**

The *PA Statistics Yearbook 2015* from the UK Publishers Association reveals that there was slight return to growth (1%) in the invoiced value of annual book sales last year to reach £4.4 billion. While physical book sales rose by just 0.4%, digital sales rose by 3%. Meanwhile the invoiced value of e-books fell by nearly 11% (this compares with *The Bookseller's* data, which suggests a fall of just 2.4% for e-books). CEO of the Publishers Association, Stephen Lotinga, believes that people are now "comfortable with a multiformat approach to reading" and that these figures suggest a "settling down rather than a reversal" of digital consumption.

**The Bookseller, 13 May 2016, pp6-7**

## Magazines

### **The legal press**

*The Lawyer* magazine has just introduced a partial paywall on its website. Legal journals have a variety of business models: *Legal Week* is online-only while *Legal Business* has a print edition as well as a "half-paywall" online. Meanwhile the Law Society's *Law Gazette* is maintaining a weekly print edition in addition to a free-to-view website. Other publications include *Law Journal* and *Solicitors Journal*. Lawyers have plenty of reading material but which magazine has got its business model right and which will survive?

**The Times, 12 May 2016, p53**

## Social media

### **B2B use of social media**

Social media sites have often been considered irrelevant in B2B marketing. Here the authors investigate the usability of social media sites for B2B marketing purposes in China, one of the world's largest social media markets. They find that marketing professionals' perceptions of usefulness, usability, and utility influence their adoption and use of social media sites in B2B marketing. The usefulness is dependent upon their assessment of whether social media sites are a suitable channel through which marketing can be conducted.

**Industrial Marketing Management, Vol 54 April 2016, pp80-91 (Lacka and Chong)**

### **Facebook to be third biggest media owner**

Facebook is forecast to become Britain's third biggest media owner by advertising sales after Google and ITV, as it overtakes Channel 4 and Sky by the end of this year. In 2017 Facebook is expected to make £1.4 billion from advertising while



Channel 4 is predicted to generate around £1.3 to £1.35 billion and Sky Media £1.35 billion. Ironically Sky is one of the biggest UK advertisers on Facebook!

**Campaign, 13 May 2016, pp2-3**

## Television

### Rovi buys TiVo

US company Rovi, which creates on-screen TV guides, has acquired TiVo, the company which pioneered the digital video recorder. The company, which will be branded with the TiVo name, will compete with cable companies as well as the likes of Apple and Amazon.com in the set-top box market.

**Bloomberg Businessweek, 9-15 May 2016, p42**

### ITV – falls in advertising due to Brexit fear

ITV has blamed uncertainty over the EU referendum on the 13% fall in advertising during April. Chief executive, Adam Crozier, warns that ad revenues will be flat for the first half of the year but that ITV would outperform the market. However, he expects advertising to rise by 15% in June thanks to ITV's coverage of the European Championship football tournament. ITV has reported a non-advertising revenue rise of 34% and a 44% increase in revenue at ITV Studios, its production division.

**The Daily Telegraph (Business), 13 May 2016, p4;  
Financial Times, 13 May 2016, p20**

## Video

### Google to compete with YouTube

The new Amazon Video Direct service will allow users to upload and distribute their own videos – filmmakers and companies wanting to produce their own videos will be able to make money from content through rental, sale or advertising. Google will be in direct competition with YouTube, the largest video service in the world. Meanwhile, Amazon has been producing original films and TV shows. Amazon and Netflix are competing to attract TV audiences who are shifting away from linear TV.

**Financial Times, 11 May 2016, p16**

## Packaging

### Eggs-clusive packaging

Just Egg in Leicester, which hard boils up to 1.5m eggs a week for use in Scotch eggs, sandwiches and mayonnaise, pays £45,000 a year to have broken eggshells taken away to landfill. Founder, Pankaj Pancholi, has teamed up with scientists at the University of Leicester to create a process for breaking the eggshells down into particles which can be used in plastics. Researchers at the University of Alabama have used ultrasound to breakup eggshells in a way that would suit them for inclusion in food packaging, including egg boxes.

**The Economist, 14 May 2016, p73**

### Walkers changes the guard with crisp packets

Walkers is launching two limited edition crisp flavours to celebrate the Queen's 90<sup>th</sup> birthday. The packets will feature a Beefeater design for Beef & Horseradish and a "Queen's Guard" design for Chicken & Stuffing.

**The Grocer, 14 May 2016, p44**

## Retailing

### Retail jobs to go

A survey published by the British Retail Consortium (BRC) suggests that almost half a million shop-workers are likely to lose their jobs as shopping increasingly shifts online. These workers, mainly women aged between 26 and 45, are referred to as a "lost generation" by the *Retail 2020* report. The retail sector is Britain's largest private sector employer, but 46,000 shops are standing empty while retail chains are moving out of the high street and into fewer, larger stores

**The Guardian, 12 May 2016, p15**

### Shop windows as marketing assets

Retailers are using their windows and shop fronts for outdoor advertising. Some of the initiatives are of such a size that they will get people talking, especially when integrated into a larger, out-of-home campaign. For example, last month Top Shop covered the front of its Oxford Street store with a 20 metre-square banner to promote the new Ivy Park clothing range from Beyoncé. H&M marked World Recycle Week by projecting an image of a coral reef on its Oxford Street store. It is likely that this sort of activity will grow in popularity.

**Marketing Week, 12 May 2016, pp27-29**

## Services

### Karhoo to rival Uber

Taxi app Karhoo is a bit like a price comparison website because it enables users to go through a list of taxis available in their area and to choose on the basis of price, journey time or type of vehicle. Any taxi company except Uber is allowed to sign up to the platform. VCCP, well known for its work with comparethemarket.com, has been hired to handle advertising and media buying for Karhoo.

**Campaign, 13 May 2016, p6**

## Transport and travel

### Driverless cars take to the streets this year

There are plans to use driverless cars in Greenwich, London, by the end of this year. The Gateway Project will allow London to be one of the first cities in the world to have driverless cars. The "cars", or driverless pods, will take people to their destination using public roads. Small pilot schemes such as this are taking place in cities in Britain and around the world. Nick Reed of the Transport Research Lab says

that autonomous vehicles could be a great help to aging populations where older people will need to be driven around. He believes that consumer expectations will ultimately dictate the way in which driverless cars are used.

**New Scientist, 14 May 2016, pp22-23**

### **Boeing – new plane or take on Airbus?**

Since 2012 Airbus has been winning more plane orders than Boeing and may eventually overtake it in annual deliveries. Boeing wants to stay ahead – one idea is to build a plane for the middle of the market to replace the 757 Dreamliner. This would fill the gap in between narrow-bodied short-haul jets and wide-bodied planes for long-haul travel. Yet analysts believe that Boeing already has enough on its plate, such as troubles with the 787 (technical and supply chain failures), to worry about building a new plane. There are other ways for Boeing to outwit Airbus, such as reducing the workforce, changing working practices and using robots to replace manpower.

**The Economist, 14 May 2016, pp60-61**

### **Eurostar goes outdoors with YouTube data**

Eurostar is taking advantage of new technology that will enable it to change its outdoor campaign according to real-time feedback on YouTube. The campaign, which promotes the company's e320 fleet, targets four specific demographics with a different creative and messaging designed for each. YouTube will give it real-time anonymised performance data to show who is watching and for how long.

**Marketing Week, 12 May 2016, p6**

## **Buzz phrases**

### **Doomerang**

We used to talk about 'boomerangers', or graduates who move back home after university, but now the term 'doomerangers' has come to the fore. Around seven million doomerangers are thought to have returned home following a break-down in their marriage or relationship. They often arrive with children and stay on average six months while they are trying to sort out alternative accommodation. This means that there are fewer 'empty nesters' among older parents. Men are more likely to be doomerangers than women, with 55% saying that financial pressure is the main reason for retuning although many want the emotional support!

**The Times, 12 May 2016, p3**

Written by CIM's Knowledge Services Team

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## On the Move

Name	From	To	New title	Source
Sophie Calder	Orion Books	Harlequin	Head of Publicity	The Bookseller
Stephen D'Alfonso	ABTA	Thomas Cook	Group Head of Public Affairs	PR Week
Nancy Kelley	Department for Work and Pensions	NatCen Social Research	Director of Policy Research Unit	research-live.com
Ruwan Kodikara	Quiller	Amazon UK	Senior Manager of Corporate Comms	PR Week
Rachel Lloyd	Samsung UK	Cunard	Head of PR	PR Week
David Page	Freud	Monarch	Group Head of Comms	PR Week
Julian Payne	Burberry	The Prince of Wales	Communications Secretary	The Times
Rebecca Pike	BBC	Liberty Global	Head of Digital Media	PR Week
David Prideaux	Publicis Chemistry	Iris	Joint Creative Director in the UK	Campaign
Gill Tasker	Teaching Fellow & Research Assistant in Publishing Studies, University of Stirling	Publishing Scotland	Book Marketing Manager	The Bookseller

## Promotions

Name	Company	Previous title	New title	Source
Chris Heyn	Gu Puds	Head of Brand	Marketing Director	The Grocer

## Sources

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Admap

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

B2B Marketing

Bloomberg Businessweek\*

The Bookseller\*\*

Campaign\*\*

Catalyst

Construction News

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

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

[www.dma.org.uk](http://www.dma.org.uk)

The Economist\*

European Pharmaceutical Journal

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

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

[www.gov.uk/government/publications](http://www.gov.uk/government/publications)

The Grocer

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

Harvard Business Review\*\*

Impact

Industrial Marketing Management

International Trade Forum

Journal of Marketing Research\*\*

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

Marketing\*\*

Marketing Week \*\*

Meetings & Incentive Travel

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

New Scientist\*\* (1 month embargo)

Public Relations Strategist\*\*

PR Week

The Times

[Wired](http://Wired.com) (selected articles available)

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