

# Cutting Edge: Our weekly analysis of marketing news

25 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

#### Beat the ad blockers – add value to adverts

Research suggests that people are becoming less receptive to advertising as witnessed by the growth of ad-blocking. By September 2015 it was reported that 10% of people in the UK were ad blocking. Common complaints about advertising is that it gets in the way of content, ad targeting is too intrusive, uses poor executions and there is too much “brand noise”. The author looks at ways to change advertising’s approach to ad value in seven key areas.

**Admap, May 2016, pp10-11 (Elm)**

#### Digital to overtake traditional outdoor ads

This year Clear Channel Outdoor is likely to make more money from digital displays than from its traditional posters and billboards. The UK will be the first of its markets to reach this tipping point. In 2009 digital displays generated 2% of Clear Channel’s revenues, but by 2015 this had risen to 30%. Digital screens are being rolled out around the world by Clear Channel and its competitors, such as JCDcaux.

**Financial Times, 17 May 2016, p20**

### Agencies

#### Africa – marketing agencies still relevant

Digital technologies have allowed businesses of all sizes to gain a level playing field in terms of marketing products and services. There are many things that businesses can now do thanks to technology, which they wouldn’t previously have been able to. The author points out that marketing agencies and consultancies still have a key role to play in all this but their key to success is to embrace change. Ultimately they still retain the high level of

knowledge and expertise that is much needed in the field of marketing.

**Marketing Africa, Issue 11 2016, pp30-33 (Wakahe)**

### Brands and branding

#### Small data, big brand insight

*Small Data: The Tiny Clues That Uncover Huge Trends* is a new book by brand consultant Martin Lindstrom, who is described as a latter-day Sherlock Holmes. Most businesses, with their rush to embrace big data, have forgotten about the power of small data and the importance of simple observation. Lindstrom matches technological data with psychological insight to discover what consumers are really up to. The seven cases described in the book illustrate his methods. In the book he sets out his “7C Manifesto”: collecting, clues, connecting, correlation, causation, compensation and concept. The book can be ordered from the CIM bookshop through the following link:

[shop.cim.co.uk/small-data-the-tiny-clues-that-uncover-huge-trends/](http://shop.cim.co.uk/small-data-the-tiny-clues-that-uncover-huge-trends/)

#### Internal branding and financial performance

The authors set out to discover how internal branding affects the financial outcomes of service companies. They propose that internal branding has an indirect effect on financial performance (turnover and profitability growth) through brand values, adoption, organisational commitment, brand performance and market performance. They use structured equation modelling to test their hypothesis on a set of Finnish service companies. The results suggest that internal branding indirectly affects brand performance and market performance but not financial performance.

**Journal of Brand Management, Vol 23(3) 2016, pp306-326 (Tuominen et al)**



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### **The WOM effect**

The authors investigate which types of WOM conversations are likely to influence consumers' intentions to purchase the brand or to retransmit the WOM conversation to others. The study is conducted at an individual WOM conversation level, using 186,775 conversations about 804 different brands. It reveals that the strength of the social tie relationship influences a WOM receiver's intention to purchase the brand, but that social tie strength has a weaker link with a consumer's WOM retransmission intentions.

**Journal of Marketing Research, Vol 53 April 2016, pp225-239 (Baker et al)**

### **Conferences and events**

#### **Virtual reality – slow adoption**

Virtual reality has the potential to transform corporate events. A *C&IT* technology survey recently found that 50% of event planners were "excited" about the use of VR at events and many said they would be trying it out this year. However, the latest *MPI Outlook Survey* shows that take-up is slow, with only 8% of event planners using VR and 38% indicating that they have no plans to do so. Although it might be some time before VR becomes mainstream, it could be a powerful training and educational tool. Last year Hyundai used Google Cardboard to showcase the interior of a new car. Google Cardboard could also allow event delegates to take away a high-quality experience of the event.

**Conference & Incentive Travel, May 2016, p18**

#### **Event destinations**

The latest *M&IT Trends & Spends* survey reveals that Dubai and Abu Dhabi became the favourites for long-haul events in 2015, overtaking North American destinations such as New York and San Francisco. Barcelona has overtaken Madrid to become the most popular short haul destination among UK groups, followed by Paris, with Amsterdam and Vienna in joint third place. Overall Spain emerged as the most visited country in terms of delegate nights (39.8%), largely due to the popularity of Barcelona.

**Meetings & Incentive Travel, May 2016, pp35-36,39**

### **Consumer behaviour**

#### **Choice deferral and compromise**

States such as mood, hunger, stress and sleep deprivation can affect decision-making processes and consumer behaviour. During four experiments the authors study firstly, how serotonin levels affect consumers' tendency to avoid buying and, secondly, their preference for product options positioned as a compromise in a choice set rather than more extreme alternatives. They discover that a reduction in brain serotonin levels results in choice deferral and reduces the compromise effect. The study provides evidence that the compromise effect results

from demanding thought processes rather than intuitive decision-making.

**Journal of Marketing Research, Vol 53 April 2016, pp183-198 (Lichters et al)**

#### **Passive innovation resistance**

New products have high failure rates which is often considered to be due to their rejection by consumers because of their resistance to innovation. Passive innovation resistance is identified as a particularly major barrier. This study aimed to address the gap in knowledge about how to overcome passive innovation resistance. It concludes that companies should assess the type of passive innovation resistance that is present in their target market. They should also take care when choosing the marketing tools which accompany a new product launch in order to overcome this type of innovation resistance. Overcoming passive innovation resistance could help to reduce innovation failures.

**Journal of Product Innovation Management, Vol 33(3) 2016, pp277-297 (Heidenreich and Kraemer)**

#### **High net worth individuals – not predictable**

Research from CACI Data Lab on high net worth individuals (HNWIs) reveals that they are less predictable than might be expected and brands may need to rethink their approach to this group. For example, HNWIs are more digitally savvy than other people of the same age (97% have bought something online over the past 12 months and 69% have read digital newspapers). The research also reveals that the UK's richest 1% doesn't necessarily opt for the most upmarket goods when it comes to retail, with Sainsbury's being the most visited supermarket for 97% of them. The UK and Ireland are the most popular holiday destinations (85%) while 68% of HNWIs take package holidays. Stratagjet and W Hotels are among the brands mentioned in this article.

**Marketing Week, 19 May 2016, pp24-25 (Chahal)**

### **Customer relations**

#### **Customers want a mix of channels**

The *Global Consumer Pulse Research*, a study by Accenture Strategy, measures the experiences and attitudes of over 24,000 customers around the world. The latest survey reveals that 83% of US consumers would prefer human assistance rather than digital channels when it comes to dealing with a customer service issue. Many companies wrongly assume that digital-only customers are cheaper and that customer service is costly. This can lead to the loss of some of their most profitable customers who want both digital and traditional customer experiences. The report suggests that US companies need to rebalance their digital and traditional customer service offerings if they are to improve loyalty.

**CRM Magazine, Vol 20(5) 2016, p9 (Wollan)**

## **Direct marketing**

### **Funding for DM best practice**

The DM Trust is offering funding to help raise the standard of direct marketing, either by nurturing talent or promoting best practice. The Trust is to provide grants and bursaries from a fund of £500,000 to marketers who demonstrate that they are "safeguarding" the future of the industry. A further £200,000 will be used for projects to promote consumer trust in direct marketing. The DM Trust has been formed from a merger of the IDM Trust and DM Foundation.

**Marketing Week, 19 May 2016, p7**

### **Restrictions on nuisance calls take effect**

This is a reminder that marketing companies registered in the UK can no longer withhold their phone number when making unsolicited phone calls. This applies even if they have overseas call centres. The new measure, which took effect on 16 May, is part of a package of reforms aimed at improving consumer protection. It gives the Information Commissioner's Office greater powers to investigate and fine offenders. The change, which comes under the Privacy and Electronic Communications (EC Directive) Regulation, will make it easier for consumers to report unwanted callers to the ICO.

**lexology.com, 19 May 2016**

### **Bookmaker e-mail offends Christians**

An ad by bookmaker Boylesports has been banned because it depicted a hand nailed to a length of wood, giving the impression of a person being crucified. Christians took exception to the ad, which was sent out as an e-mail on Good Friday to promote a "nailed on bonus"!

**Campaign, 20 May 2016, p5**

## **Law**

### **UK Digital Economy Bill**

The UK Government has announced the main points of its Digital Economy Bill, which reflects the key priorities of the EU's Digital Single Market initiative. Some of the main areas covered by the bill are: greater protection from "nuisance" marketing e-mails and calls; a new universal right to 10Mbps broadband; an overhaul of rules relating to the physical roll-out of networks; enhanced consumer rights to improve the B2C broadband market; greater alignment of online and offline copyright laws; reform of the rules on government use of data; and age verification for use of digital services containing pornographic materials.

**lexology.com, 18 May 2016 (Watts)**

## **Marketing**

### **Success in B2B marketing**

The desire for a blueprint for success in B2B marketing led to a research project by *B2B*

*Marketing* in which B2B leaders were asked to talk about the success and failures in their departments. The study identified three recurring themes: the inability to effectively measure marketing success; skills deficiencies; and an under-appreciation of the work that marketers do. Those who excelled in demonstrating the business value delivered by their department identified two main success factors: effective marketing measurement and sales alignment. This article provides some highlights from the research project.

**B2B Marketing, Q1 2016, pp37-41**

### **When less is more**

Companies innovate for fear of being left behind, hence the expression "Innovate or die". Yet it is not enough to just produce more products or services because "a true innovation must actually prove its worth". Innovation is costly but lower-risk innovations can be a false economy because they don't generate growth. The key message is that good innovation is all about optimisation and simplification – don't innovate for innovation's sake.

**Catalyst, Issue 3 2016, pp56-57 (Bewick)**

## **Market research**

### **Can the pollsters get it right this time?**

The EU referendum is looming and UK pollsters will not want to make the same mistakes as they did in last year's UK General Election. Martin Boon of ICM gives his take on what is ahead for the pollsters. While telephone polls indicate a "Remain In" result, online polls suggest that a much closer race is taking place, with a possible Brexit outcome. He examines why telephone and online polls have provided such different data. Ultimately the hope is that the polls won't be so far away from the truth this time around!

**Impact, Issue 13 April 2016, pp14-15 (Boon)**

### **Opportunities in Africa**

Market research in Africa has generally been expensive and time-consuming because of the size of the continent and the differences within each country that are difficult to capture. The rise of mobile research has required a changing mindset among researchers. The author, a manager at Millward Brown, explains how it has been helping clients to embrace the technological changes brought about by the rapid growth of mobile devices on the continent.

**Marketing Africa, Issue 11 2016, pp42-43 (Awbrey)**

## **Public relations**

### **Can rebranding save your reputation?**

If you are hit by a reputational crisis do you respond by simply changing your name – in other words by rebranding? Rebranding is not that easy but any professional marketers will do their utmost to

protect their brand's reputation and try to repair it. The author cites RBS, where marketers seem to be approaching its reputational issues by renaming all 300 RBS-branded branches in England as Williams & Glyn, hoping that the bank's heritage will do the job. Other notable 'crisis' brands cited are: Perrier, McKinsey and Johnson & Johnson. Five suggestions for dealing with a brand crisis are offered.

**Campaign, 20 May 2016, p33**

### **Adding substance to a pitch or press release**

As newsrooms shrink, it is getting harder for PR pros to attract journalists' attentions. A recent US *State of the Media* report revealed that 54% of journalists will take a press release seriously if it has "thorough product, event or topic details" while 68% consider press releases to be one of the most important PR resources, indicating that the genre has plenty of life in it yet. The author offers four pieces of advice for enhancing a press release or media pitch.

**prdaily.com, 23 May 2016**

## **Sponsorship**

### **Global sponsorship data**

Expenditure on sponsorship is expected to grow by 4.7% to reach \$60.2 billion worldwide this year, accounting for 6% of global marketing spend. North America is predicted to be the largest sponsorship region, with expenditure of \$22.4 billion, up by 4.5% since last year. Sport will account for 70% of this spend while PepsiCo is the largest sponsor. The most cited objective for sponsorship is to "create awareness", according to 64% of respondents to an IEG/ESP survey. Additional statistics are included in graphs and infographics.

**Admap, May 2016, pp48-49**

### **National stereotypes for international events**

Some official Euro 2016 sponsors are using national stereotyping in their campaigns. Mars, an England sponsor, shows England fans swimming the Channel to reach a French beach while being led by knights on horseback. Lufthansa, sponsor of the German FA, focuses on the country's rivalry with England. The tournament's official beer sponsor, Carlsberg, uses the style of *Les Misérables* to announce "Let them drink beer!" This type of jingoistic humour is common in competitive international tournaments, but some experts believe that more effective approaches could be used...

**Campaign, 20 May 2016, p8**

## **Agriculture, fishing and forestry**

### **Agrichemicals**

The merger of DuPont and Dow Chemical is part of a global consolidation trend in the agricultural seeds and chemicals industry. In February ChemChina

agreed to buy Syngenta, a Swiss company that sells chemicals to farmers. Now Monsanto has received an approach from Bayer. Three trends account for this flurry of M&A activity: firstly, the agricultural product industry shrunk by 10% in 2015; secondly, companies believe that selling bundles of products to farmers will be more profitable in the long-term; and thirdly, China wants to modernise its farms and to own the intellectual property involved, hence the Syngenta takeover.

**The Economist, 21 May 2016, p61**

### **Customised animal skins**

A US company has developed a way of custom-designing animals' fur patterns through genetic engineering. AgGenetics is trying to create a type of Angus beef cattle that can survive in the tropics by giving them white coats to make them more heat-tolerant. The technique might even lead to custom-designed pets!

**New Scientist, 21 May 2016, p7**

## **Building industry**

### **The battle for talent**

Although things seem to be looking up for the UK construction industry, the recovery is being held up by a shortage of skills across the industry which means that many companies may not be able to benefit from the opportunities offered to them. Although there is a skills shortages across the UK's workforce, the situation is particularly acute for construction. One explanation is demand from emerging markets where 52% of all world construction is taking place. Falling salaries are another factor. Meanwhile emerging technologies mean that new and different skill sets are required. Employers in the construction industry are advised to consider a range of factors to help protect their people assets...

**London Business Matters, May 2016, pp16-17**

### **Government pipeline**

The UK Government's construction pipeline has risen by a colossal 53% over the past seven months, with 14,705 government-funded projects for the period from March 2016 to 2020, according to KPMG. Most of the work will come from the transport sector (£92.2 billion) followed by energy (£32.3 billion) and education (£27.9 billion). The South of England and London make up £22.8 billion with northern regions accounting for £20.8 billion. Some experts have questioned how many of these projects will come to fruition and where the funding will come from.

**Construction News, 20 May 2016, pp6-7**

## **Businesses and strategy**

### **Strategic options**

Companies cope with volatility and uncertainty by trying to improve their forecasting and agility, but

these actions are limited and a more effective approach may be to use "strategic options". These are small activities that allow businesses to dip their toe in the water and gain experience but that can be easily withdrawn from if unsuccessful. The authors suggest three kinds of strategic option: temporary organisations; small exploratory acquisitions; and disposable or modular factories. If these are successful, they can position businesses to take advantage of valuable opportunities.

**Harvard Business Review, May 2016, pp80-86 (Stalk and Iyer)**

### **Sustainability and investment**

Executives often believe that mainstream investors are not interested in environmental, social, and governance (ESG) metrics. This global study on corporate sustainability from *MIT Sloan Management Review* and The Boston Consulting Group (BCG) provides an analysis of investors' ability to connect sustainability performance with corporate performance. It also covers how investors are using sustainability performance as a way of making investment decisions and looks at what corporate leaders can do to identify with sustainability-oriented investors. Six key findings are set out.

**sloanreview.mit.edu, 11 May 2016, (Unruh et al)**

### **Social purpose**

Corporate social responsibility has become outmoded and is rapidly being replaced with "social purpose", defined as making a contribution to society that is aligned with the core activities of the business. If the social purpose is not linked to the company's strategy, products or services, then the long-term benefit to the business will be minimal. This article advises you to identify your social purpose, to match that purpose with profit, to ensure long-term sustainability, obtain leadership backing and to use that purpose to attract talent. It also highlights some examples of social purpose that have gone wrong and explains why supporting a cause can create stronger customer bonds.

**Marketing Week, 19 May 2016, pp14-19 (Rogers)**

## **Charities and NGOs**

### **How individuals give to charity**

The Charities Aid Foundation's *UK Giving 2015* report, a survey of how people give to charities, was published this month. It reveals that two in three people have given to charity over the past year while only two in five have given in the past month. For the first time the most popular cause is children and young people (30%) with medical research in second place (29%). Different age groups tend to give to specific types causes. For example, whereas 25 to 44 year-olds prefer children/young people's causes, 45 to 64s opt for animal charities or conservation and environment, while 65s and over favour religious causes and hospitals or hospices.

The report also highlights regional differences in giving preferences.

**cafonline.org, May 2016**

### **Content influences donations**

Over two-thirds of donors to non-profit organisations in the US say that poor content affects their decision. A US survey of donors conducted in February 2016 found that 72% would stop donating if faced with poor content, while over a third would be put off by vague content. Other turn-offs are programmes that the donor isn't interested in (25%) and dull or boring content (24%). More than half of respondents said they prefer short e-mails or online articles and YouTube videos of less than two minutes' duration. Long articles and long YouTube videos were found to be the least desirable.

**emarketer.com, 23 May 2016**

## **Durable consumer goods**

### **Smartwatches – not yet in the mainstream**

Smartwatches have not entered the mainstream market as predicted and only 49m (well below analysts' forecasts) will be sold this year worldwide, according to research consultancy IDC. Smartwatches are still largely the domain of early adopters and fitness enthusiasts. Two limitations stand out: short battery life and their dependency on smartphones. One survey suggests that a third of people who buy a smartwatch stop using it within the first year. It is possible that consumers are waiting for better technology before they decide to invest but this could take some time...

**1843, June-July 2016, pp106-107**

## **Economy**

### **Sustainable Development and women**

The new Sustainable Development Goals, adopted by the United Nations in September 2015, aim to address poverty, gender, inequality and unemployment, among other issues. Yet only one out of the 17 goals is dedicated to gender: Goal 5 talks about countries "achieving gender equality and empowering all women and girls". Evidence suggests that, although women provide around two-thirds of the world's work and produce half its food, they only earn 10% of the world's income and own 1% of property. Empowering women can lead to positive economic and social change which in turn will help to achieve the Sustainable Development Goals.

**International Trade Forum, Issue 1 2016, pp20-21 (Nanderra)**

### **Rise in UK workers from the EU**

The number of people in work in Britain has reached a record high for the first quarter of the year although there is evidence that the jobs market could be "cooling off", according to the Office for



National Statistics (ONS). Eight out of ten new workers in the British economy are from outside the country with the total number from Europe reaching 2.2m. The number of foreign workers from outside the EU has risen above 3m for the first time.

**The Daily Telegraph (Business), 19 May 2016, pp1,4**

## Energy and utilities

### **Sludge treatment the next big market**

Severn Trent Water head of strategy, Neil Corrigall, says that competition in sludge treatment is likely to be introduced before 2020 and is likely to be the "next big market" after the non-retail market opens up to competition. Regulator OfWat has indicated that, as part of its Water 2020 plans, it wants to remove red tape, open up the market for sludge and encourage innovation. Water companies are already preparing for the opening up of the market for retail services in April 2017. This will allow 1.2m businesses, charities and public sector organisations to switch suppliers.

**utilityweek.co.uk, 17 May 2016**

### **Water – 2 out 3 consumers want competition**

The Consumer Council for Water (CCWater) has conducted research into consumers' views on retail competition in the household water market. These opinions will be fed into Ofwat's assessment of the benefits of extending competition to the non-business market. The research has revealed that two out of three consumers are in favour of having competition in the water and sewage industry. However, consumers have indicated that they would not want to be forced to switch to a meter in order to be part of a competitive market.

**ccwater.org.uk, 20 May 2016**

## Environment

### **Closed Loop wants to close the recycling loop**

Australian company Closed Loop is the largest food and hospitality industry recycling company in the world. It managed food recycling at the 2000 Sydney Olympics after realising that there was a market for recycled goods if they were rebranded in the right way. The company has forged deals with brands in order to obtain a supply of "post-consumer" materials which can be used to create new products. It is currently focusing on Simply Cups, an operation to recycle the 2.5 billion polystyrene cups that go to landfill every year.

**Wired, June 2016, p110**

### **Lost generation of gardeners**

The Royal Horticultural Society is concerned that Britain has a "lost generation of gardeners", those in their twenties, thirties and forties whose baby-boomer parents have not taught them to garden. Gardens owned by these age groups are likely to be

either neglected or covered in decking and patios. Meanwhile six out of ten people who have paved front gardens – 7.24m front gardens are almost completely paved over – say they would not grow plants even if more street parking was available. Celebrity gardener Alan Titchmarsh believes that everyone can make a difference to climate change by cultivating their own little patch of land.

**The Times, 23 May 2016, pp1,7**

## Fashion

### **Calvin Klein**

Calvin Klein's latest ad has led to a bit of a backlash: it shows an image taken from underneath a young woman's skirt to reveal, not only her underwear, but quite a lot of flesh. Although it is intended to advertise underwear, its provocative imagery has been denounced by *Campaign* as "bordering on pornographic".

**Campaign, 20 May 2016, p3**

### **Burberry to rebalance marketing**

Burberry, which has had a tough 12 months, has warned that its 2017 profits are likely to be towards the bottom of analysts' expectations. The company is planning £100m in annual cost savings which will come from improved efficiency in areas such as marketing; it plans to "rebalance marketing from brand towards key products". Central to this will be a reduction in the number of product lines that the company sells.

**Financial Times, 19 May 2016, p20**

### **Amazon to dominate US clothing sales**

In 2011 Amazon accounted for 1.4% of all clothing, handbags and shoes sold in the US; by next year it is expected to overtake Macy's as America's top clothing seller. Consumers are attracted by the huge range on offer, the easy shipping and partnerships with brands, such as Adidas. Some traditional retailers, such as Kohl's and JC Penney, are suffering from declining sales. TJX, which sells discounted designer clothing, has enjoyed a 7% rise in sales but even its sales are expected to be less than half those of Amazon by 2020.

**The Economist, 21 May 2016, p65**

## Financial services

### **Free insurance**

MicroEnsure, a British company, sells insurance in Africa and Asia, where average incomes are below \$15 a day and where only 2% of people have ever been insured. The company already has 15m policyholders in 16 countries, attributing its success to "well-targeted products and innovative marketing". CEO Richard Leftley works with wireless phone networks in Africa and Asia to provide basic healthcare packages which are branded and given

away free with airtime. He believes that insurance reduces poverty and allows greater risk-taking. His model might even affect the way insurance is marketed to young and unemployed people in the West. It could be given away free but with "paid-for bolt-ons".

**Wired, June 2016, p108**

### **Crowdfunding**

Crowdfunding is defined in terms of four categories: donations and reward-based; statutory exemptions-based; loan-based or peer-to-peer lending; and investment-based crowdfunding. Only the last two categories have to be regulated by the Financial Conduct Authority (FCA). The author looks at how the FCA regulates these two categories and includes some advice about advertising and promotions.

**mondaq.com, 11 May 2016 (Cummings)**

### **Google vs Apple – contactless payments**

Google's contactless payment system, Android Pay, has arrived in the UK in partnership with MasterCard, Visa and eight British banks. The service will compete directly with Apple Pay, which was introduced to the UK last July. Apple Pay already has 12m monthly users vs Android Pay's 5m. Last year contactless payments reached £7.75 billion, a three-fold increase on the year before.

**nfcworld.com, 18 May 2016; The Daily Telegraph (Business), 19 May 2016, p8**

## **FMCG**

### **Beverages**

#### **Synthetic wines**

San Francisco start-up, Ava Winery, is making synthetic wine without using grapes. By combining ethanol with flavour compounds, founders Mardonn Chua and Alec Lee have produced a wine that imitates the flavour of Moscato d'Asti, the sparkling Italian wine. Now they are aiming to produce a version of Dom Pérignon champagne. However, a *New Scientist* taste test of the Asti prototype has not been encouraging while others argue that the natural origins of wine have a huge impact on its flavour which is what the consumer looks for when they buy. Ava Winery is just one of a number of initiatives to develop synthetic food and drink.

**New Scientist, 21 May 2016, p8**

### **Food**

*The Grocer* has embarked on a campaign to tackle the huge amounts of food waste in the food and drink industry. This follows the publication of a report from Wrap which reveals that only 1.78% out of the 2.64m tonnes of waste food is redistributed for human consumption. It calculates that 73% (1.9m tonnes) of the food waste created by supermarkets and their suppliers is thrown away.

*The Grocer's Waste Not Want Not* campaign aims to unite the industry and lobby the Government to reduce edible food waste and ensure that it is redistributed to needy people. A feature article examines the problem of food waste.

**The Grocer, 21 May 2016, pp4-5,30-33**

### **Le boeuf still popular despite decline**

The French eat more steak (25 kilos per head per year) than any other country in Europe except Denmark, yet steak consumption is declining and has fallen by 20% since 1990. Poultry sales have overtaken those of beef due to lower prices while health concerns have also fuelled the downward trend. The popularity of "le sandwich" has meant that people aren't sitting down to so many lunchtime meals. Yet red meat is still linked to the French identity and it is unlikely that they will lose their taste for it just yet.

**The Economist, 21 May 2016, p31**

### **UK brands hold their own in the UK**

The fourth annual barometer of the UK's top ten FMCG brands by Kantar Worldpanel reveals that British brands are outperforming foreign brands in the UK. Bread-maker Warburtons heads the UK ranking, followed by US brand Heinz, with British brands McVitie's and Hovis in third and fourth places. The *Brand Footprint* ranking, which covers 44 countries and 200 FMCG categories, measures which brands are bought by consumers most often.

**thedrum.com, 19 May 2016**

### **Tobacco**

#### **Vaping – should the US follow Europe's lead?**

The author argues that the US should follow Europe's lead in regulating the advertising of e-cigarettes. On 5 May the US Federal Food and Drug Administration decided not to impose the same regulations even though it plans to regulate e-cigarettes. Over the past four years the number of US adolescents taking up vaping has risen by 900% to 3m. US studies also suggest a link between teenager use of e-cigarettes and traditional cigarettes. The FDA has embarked on a study of the ingredients in e-cigarette brands and has banned the sale of vaping products to minors.

**Bloomberg Businessweek, 16-22 May 2016, p16**

### **Plain packaging – Big Tobacco loses case**

On Friday 20 May the Tobacco and Related Products Regulations became law which means that plain cigarette packaging has officially come into force in the UK. A High Court judge dismissed objections from the big tobacco companies that plain packaging deprived them of their intellectual property without compensation. BAT and JTI have said that they will appeal the ruling. Under the new law all logos are to be removed from packs which have to be standardised in a green-brown colour

with the usual graphic health warnings. Companies will be given a year to sell their old stock. The *FT* focuses on developments taking place in the laboratories of 'Big Tobacco' as it tries to develop next generation products.

**The Times, 20 May 2016, p2; The Daily Telegraph (Business), 20 May 2016, p1; Financial Times, 20 May 2016, p23**

### **CAP responds to new tobacco regulations**

In response to the Tobacco and Related Products Regulations (TRPRs), the Committee of Advertising Practice (CAP) has announced that it is "examining how it might best approximate the advertising restrictions in its Code and what guidance it may be able to provide to marketers on their interpretation". CAP believes that the TRPRs have caused confusion about how and where e-cigarettes can be advertised in non-broadcast media. It plans to start consultations within a month.

**cap.org.uk, 20 May 2016**

## Government and public sector

### **Positive vs negative campaigning**

This article comments on Sadiq Khan's victory over Zac Goldsmith in the election for Mayor of London. It analyses the two campaigns and concludes that, whereas Khan's strategy appealed to voters' concerns (notably transport and housing: the joint top conversation topics on Twitter at the time), Goldsmith used negative tactics in the press which ultimately turned voters off.

**PR Week, May 2016, p11**

### **San Francisco – fizzy drinks warnings on ads**

San Francisco is the first city in the US to impose health warnings on outdoor advertising of fizzy drinks. This is despite a court application by soft drinks manufacturers to block the ruling. From now on public ads on posters and bus shelters will have to state: "WARNING: Drinking contributes to obesity, diabetes and tooth decay. This is a message from the City and County of San Francisco".

**The Times, 19 May 2016, p36**

### **Trump turns to "attack specialist"**

US Republican candidate Donald Trump has hired Tony Fabrizio, the man behind the notorious TV campaign for George Bush during the 1988 presidential elections. The advert highlighted the rape of a white woman by a black man with the aim of demonstrating that the Democratic candidate, George Dukakis, was soft on crime. The choice of Fabrizio, who is described as an "attack specialist", suggests that Donald Trump has no intention of softening his attitudes!

**The Times, 18 May 2016, p31**

## Health and pharmaceuticals

### **Alcohol habits lead to health costs**

Britons drink an average of 11.6 litres of pure alcohol every year, an increase of 65% on the 1960s. This equates to 510 pints of beer or 503 glasses of wine. Scientists believe that alcohol-related health problems are as much a problem for middle-class and older people as they are for addicts. Now campaigners are calling for tobacco-style regulations on the drinks industry which they claim results in £21 billion in health costs and social care. Some believe that a ban on alcohol advertising should be introduced.

**The Times, 20 May 2016, p16**

### **Snapchat surgery**

A cosmetic surgeon based in Miami is attracting a daily audience of half a million by broadcasting short videos on Snapchat of operations involving breast implants or tummy tucks. Michael Salzhauer, nicknamed "Dr Snapchat", claims the surgery educates, is engaging and has entertainment value.

**thedrum.com., 21 May 2016**

## IT and telecoms

### **Blind swimmers to use Bluetooth**

Samsung has developed a device to help swimming coaches communicate with blind Paralympic swimmers. Swimming caps have been fitted with Bluetooth technology and vibrating sensors which allow the swimmers to be alerted when they reach the end of their lap. This could help to end the practice of tapping swimmers with a pole when they near the end of the lane. The device is currently being tested by the Spanish Paralympic Committee.

**Campaign, 20 May 2016, p5**

### **Siri supplanted by Viv**

The creators of Siri, Apple's AI assistant, have announced a new project known as Viv. Viv is able to follow complex verbal instructions such as sending money to someone or telling you if it will be warmer tomorrow. Since it isn't linked to any particular operating system, Viv can work with any smartphone. Viv will be available later this year.

**New Scientist, 21 May 2016, p22**

### **Phone makers forced to diversify...**

The smartphone industry can no longer rely on consumers upgrading their phones every two years and shipments are falling for the first time. Even Apple has announced its first quarter sales decline in 13 years. Phone makers and suppliers are concerned about facing the same fate as the PC industry and developers are trying to offset the decline in sales by diversifying into other areas. Apple is looking at services, such as App store and iCloud while Samsung has turned its attention to VR gadgets and



the Internet of Things.

**Bloomberg Businessweek, 16-22 May 2016, pp42-43**

### **...while telecoms needs other ways to grow**

For some years mergers have been taking place in the European telecoms industry and regulators have been approving them. But a recent spate of proposed mergers (CK Hutchison and O2; Orange and Bouygues; and Hutchison and VimpelCom) would have reduced the number of operators in the affected countries to just three. None of these mergers is likely to go ahead due to the lack of competition which regulators believe could hurt consumers. Now telecoms companies are being forced to look outside their core businesses to find other ways to grow...

**The Economist, 21 May 2016, p60**

## Leisure and tourism

### **Nike in Chelsea kit deal**

Nike is busy finalising a kit deal with Chelsea Football Club which will be worth £600m over a period of a decade. It shows just how much value Premier League clubs represent for global brands. It also demonstrates how brands are shifting their endorsements from individual players to teams. This is a less risky strategy since teams can't get hurt or be arrested as individual athletes can. Nike recently removed its sponsorship from tennis player Maria Sharapova after she tested positive for a banned substance.

**Financial Times, 19 May 2016, p20**

### **Thomas Cook bookings down**

Thomas Cook's shares have fallen by a fifth as it reports a slump in 2016 summer bookings of 5% on last year. The company is suffering from reduced demand due to terrorism threats, for Egypt, where bookings are down by £55m, Tunisia (down by £548m) and Turkey (down by £29m). In contrast, bookings for Spain have risen by £56m. Tui, owner of the Thomson brand, as well as major European airlines, are also under pressure due to geopolitical events.

**The Guardian, 20 May 2016, p24**

## Materials and mining

### **Chinese steel revival**

Highsee Steel is a steel mill in China which can produce half as much steel per year as the UK. During a period in which China has been trying to reduce its steel capacity, the mill has re-started production. The industry fears that higher prices will encourage China to start overproducing again. The Chinese Government has plans to reduce its 1 billion tonne annual steel capacity by up to 150m tonnes over the next five years. There are also new rules designed to force mills to cut back if they do not

meet environmental, technical or other standards.

**Financial Times, 17 May 2016, p30**

### **Diamond not always forever**

De Beers was forced to reduce diamond output last year in response to a decline in demand for diamond jewellery. The company has reported a 58% reduction in earnings due to the downturn in the diamond market. The 2% fall in diamond jewellery is attributed to lacklustre demand from India, Japan, Russia and the Middle East in addition to the economic slowdown in China. De Beers, which has mines in South Africa, Namibia, Botswana and Canada, expects to mine 28m carats this year compared with 28.7m last year.

**Financial Times, 17 May 2016, p19**

## Media

### **Books**

#### **Arts books**

Arts books are flourishing, with almost 4.6m books sold in the year to 7 May 2016, a rise in volume sales of 5.3% while value sales rose by 4.5% to £67.7m. This represents the biggest year in value terms for the arts category, making it the third most valuable non-fiction category after food and drink and biography and autobiography, according to Nielsen BookScan. This article analyses the success of arts books. As usual colouring titles are cited as a key contributor.

**The Bookseller, 20 May 2016, p32**

### **Film**

#### **Critics marvel at lack of female characters**

Marvel, creator of movies from comic book stories, abandoned the idea of having a female villain in *Iron Man 3*, a film released in 2013, because it was afraid that a woman would hurt merchandising sales. Marvel has long been criticised for the lack of women in its films. Ironically a study of the top-grossing 25 films reveals that those with female-focused plotlines made \$45.5m more than those centring on men!

**The Daily Telegraph, 18 May 2016, p13**

### **Internet**

#### **Advertisers can't keep track of ads**

Jihadi propaganda site Arrahmah.com has been making money from advertising by brands such as Citigroup, Microsoft and IBM. This is because of the use of intermediaries such as Google's AdSense. The three brands have since asked for their ads to be removed and have taken measures to prevent their marketing messages from appearing on such sites. This is just one example of how the media market has been transformed by the internet to the extent that advertisers don't necessarily know where their ads have been placed. This article examines how

spots are purchased, what role Google and AdSense have to play and the risk to brands.

**Financial Times, 18 May 2016, p15**

## **Music**

### **Vinyl sales overtake YouTube in UK**

Last year sales of vinyl LPs provided more income for UK musicians than YouTube, according to the record labels' association, the BPI. More than 2m vinyl records were sold in the UK during 2015, which represented their eighth consecutive year of growth. The BPI claims that YouTube and other operators contributed a "meagre" £24.4m to the music industry while vinyl records earned £25.1m.

**The Guardian, 20 May 2016, p5; Financial Times, 21-22 May 2016, p4**

## **Newspapers**

### **News UK – focuses on new agency**

News UK is to give all its advertising to a new agency, Pulse Creative, which has been created through a partnership between The Partnership and WPP. The new business will handle creative comms and CRM as well as media planning and buying for *The Times*, *The Sunday Times*, *The Sun* and the company's gambling and commercial businesses. News UK's chief customer officer, Chris Duncan, says that, since most campaigns are fully integrated, this is a good way of bringing everything together.

**Campaign, 20 May 2016, pp2-3**

### **The i increases circulation**

The *i* newspaper increased sales by 7% in April to nearly 300,000, a rise of almost 20,000 copies a day, following its acquisition by Johnston Press in February. The newspaper's new website, which launched on 14 April, has gained 638,000 unique users in its first month. Although advertising revenues fell by 16.9% from 3 January to 30 April, this was an improvement on the 17.9% decline of the previous quarter. Johnston Press says it wants to focus on "providing creative solutions for our advertisers".

**thedrum.com, 18 May 2016**

## **Social media**

### **Social media – a time for professionalism**

The social media industry is maturing – Twitter has just celebrated its 10<sup>th</sup> anniversary – and social media platforms have become well-established. Although the social media marketing industry is becoming more widely accepted as part of the overall marketing strategy, it faces many challenges such as the lack of a regulatory framework or system of accreditation. There is a growing need for social media and marketing professionals to agree a set of standards for professional development and accreditation. The author, founder of the Association for Social Media Managers, sets out a few pointers

to how the social media world can become more professional.

**London Business Matters, May 2016, p15 (O'Connor)**

## **Television**

### **A good year for US TV**

In the US, TV broadcasters are concerned about the shift away from TV advertising towards digital. However, the big broadcasters are expecting that this will be a better year than last. Analysts believe that money could be coming back from desktop display and ad networks with "low human visibility". Others say that ad-blocking may have damaged the prospects of online advertising while video suffers from problems of viewer validity and measurement. While digital channels sort out their problems, TV can benefit and this should be a good year for US television, thanks to the Rio Olympics and the US election campaign.

**Financial Times, 21-22 May 2016, p11**

## **Video**

### **The 20% European content rule**

Under a new EU plan, video-on-demand groups, such as Netflix and Amazon, may have to devote a certain proportion of their catalogues to European films and TV. Current legislation requires national broadcasters to make 20% of their content European to offset the number of US imports. A draft EC proposal could place streaming services into the same regulatory regime as broadcasters, forcing them to contribute financially to the production of European work.

**Financial Times, 19 May 2016, p1**

## **Packaging**

### **Defra to consolidate packaging waste rules**

The Department for Environment, Food and Rural Affairs (Defra) has announced plans to combine the Producer Responsibility Obligations (Packaging Waste) Regulations 2007 and its updates into revised and consolidated regulations at some point this year. Although this is unlikely to involve any policy changes, it may include revised targets for plastic and glass recycling. For many years businesses have been responsible for packaging waste but there has been a significant degree of non-compliance.

**lexology.com, 20 May 2016**

### **Edible six pack rings**

Plastic rings which hold six-packs of beer in place can endanger marine life if they end up in the sea. Saltwater Brewery, a Florida-based craft beer which targets surfers, fishermen and the like, has decided to tackle the issue. It has teamed up with ad agency We Believers to create Edible Six Pack Rings made from beer by-products. They are safe

for human and animal consumption as well as being 100% biodegradable. The designers hope that this will appeal to environmentally-conscious consumers.

**packagingnews.co.uk, 23 May 2016**

## Retailing

### Retail sales up in April

In April retail sales in Britain rose by 4.3% year-on-year, marking the 36<sup>th</sup> month of consecutive growth for the retail sector, according to the Office for National Statistics. An increase in shopping at all stores was noted except in the case of textiles, clothes and shoes. The greatest contributor to growth was food while prices fell in most types of stores, which is what attracted the shoppers.

**The Daily Telegraph (Business), 20 May 2016, p1; The Times, 20 May 2016, p42**

### From big shop to top-up – convenience rules

Research by Mintel suggests that 45% of UK adults regularly visit convenience stores to “top-up” their shopping while 14% do their main shop at such stores. People have been moving away from the weekly big shop and convenience stores are benefiting thanks to their longer opening hours.

**The Daily Telegraph, 18 May 2016, p7**

## Services

### Vroom tries to speed ahead with services

New York-based Vroom, an online seller of used cars, is differentiating itself by combining traditional dealership services with a focus on accident-free, low-mileage cars, which it inspects before listing them for sale on its website. It has developed its own logistics software to monitor its inventory of up to 4,000 cars. Vroom claims that prices are 8% lower on average than other dealers, but it will need to ship a lot of cars in order to make money. However, the market is fragmented and there is plenty of room to grow.

**Bloomberg Businessweek, 16-22 May 2016, pp59-60**

### Take away the seating or provide loos

A UK judge has ruled that Newcastle branches of the baker, Greggs, should install lavatories. He said that not having such facilities gave Greggs an “unlawful and unfair commercial advantage” over other food providers. The crux of the matter is seating – some takeaways have a very small amount of seating which they may be forced to remove unless they install a toilet. Around 21,500 takeaways and 5,230 coffee shops could be affected by the ruling.

**The Daily Telegraph, 18 May 2016, p10**

### Royal Mail suffers from Amazon effect

Profits at Royal Mail have fallen by more than a third due to the cost of making 3,500 postal workers redundant and competition from Amazon. Pre-tax

profits fell by 33% to £267m, just two and a half years after Royal Mail was privatised. Letter volumes fell by 3% while parcel volumes rose by just 3%.

**The Times, 20 May 2016, p45; Financial Times, 20 May 2016, p22**

## Transport and travel

### Tesla competes luxury brands

In April 325,000 buyers put down a deposit on Tesla’s Model 3 electric car. CEO Elon Musk expects his latest model to compete with luxury cars, such as BMW’s 3 Series or the Audi A4. An analysis of buyer data reveals that Tesla buyers shop for German luxury brands more than any other type before making a purchase decision. This means that German brands may well be the most vulnerable to customer defections as Tesla becomes more successful. German carmakers could even be forced to reduce their prices by up to 10% in order to protect their US market share...

**Bloomberg Businessweek, 16-22 May 2016, pp29-30**

## Buzz phrases

### Slow marketing

We’ve had slow food and slow TV – now we are seeing the emergence of “slow marketing”, which is described as the “antithesis” of social media. Brands have started to launch ads that appeal to consumers’ desire for a slower pace of life. Ronseal’s 11-minute YouTube video featured a man painting a fence, allowing viewers to watch the paint dry; in December Diageo released a 45-minute video of a man drinking Lagavulin whisky with no words being spoken. Although not all marketers want to embrace slow marketing, they might like to consider how a campaign resonates with a consumer who feels overwhelmed by the onslaught of fast advertising.

**Campaign, 20 May 2016, pp20-21**

Written by CIM’s Knowledge Services Team

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## On the Move

Name	From	To	New title	Source
Yelena Gaufrman	Havas London	Fold7	Head of Planning	Campaign
Russ Lidstone	Havas London	WRG	Chief Executive	Campaign

## Promotions

Name	Company	Previous title	New title	Source
Rob Bassett	eBay Advertising	Head of UK Sales	Head of UK and EU Multinational Advertising	thedrum.com
Patrick Bousquet-Chavanne	Marks & Spencer	Marketing Chief	Head of M&S Website and Plan A Sustainability Programme	Marketing Week
Catherine Crump	FreshMinds	Deputy Managing Director	Chief Executive Officer	research-live.com



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

Catalyst

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

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CRM Magazine\*\*

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

The Drum

The Economist\*

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

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

The Grocer

[The Guardian](http://TheGuardian)

Harvard Business Review\*\*

Impact

International Trade Forum

The Journal of Brand Management\*

Journal of Marketing Research\*\*

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

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

London Business Matters

Marketing Africa

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Meetings & Incentive Travel

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

New Scientist\*\* (1 month embargo)

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

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

PR Week

[www.sloanreview.mit.edu](http://www.sloanreview.mit.edu)

The Times

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

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

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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](#)

[Agencies](#)

[Brands and branding](#)

[Conferences and events](#)

[Consumer behaviour](#)

[Customer relations](#)

[Direct marketing](#)

[Law](#)

[Marketing](#)

[Market research](#)

[Public relations](#)

[Sponsorship](#)

[Materials and mining](#)

[Media](#)

[Books](#)

[Film](#)

[Internet](#)

[Music](#)

[Newspapers](#)

[Social media](#)

[Television](#)

[Packaging](#)

[Retailing](#)

[Services](#)

[Transport and travel](#)

[Buzz phrases](#)

[On the move](#)