

Cutting Edge: Our weekly analysis of marketing news

27 July 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

The four ages of advertising

The author looks at the changes taking place within advertising and argues that the industry has produced three main types of advertising: functional – how things work and what they're for; emotional – emotional benefits and consumer "need" states; and ideological – smarter brands using a compelling ideology, such as sustainability or environment. Now we are entering the age of audience where the winning brands will need to respect the culture and interests of the people they are trying to reach.

Campaign, 22 July 2016, pp38-41 (Al-Zaidy)

Ad blocking heralds a positive outcome

When consumers use ad blocking software they are sending an important message to advertisers who should perhaps think more carefully about their communications. The author argues that we should welcome ad blocking and examines its positive implications for online advertising. Ad blocking can be good news for: effectiveness (annoying advertising is inefficient); brands ("Long data" should replace short-term metrics); and good publishers (quality players). Ad blocking will ultimately help to bring about a positive revolution in online advertising.

Market Leader, Q3 2016, pp36-40 (Field)

Agencies

WPP – maintaining growth

WPP grew from being a manufacturer of wire and plastic products in 1985, worth \$1.3m, to become the world's largest advertising and marketing services company, worth around \$30 billion. In this article Sir Martin Sorrell explains how WPP grew through acquisition and survived the recession

through investments in people and real estate. The company has also cultivated the concept of "horizontality" which provides clients with access to talent and ideas from across WPP's portfolio, which in turn promotes growth.

Harvard Business Review, July-August 2016, pp33-36 (Sorrell)

Dentsu overtakes WPP for M&As

Dentsu Aegis Network overtook WPP in terms of merger and acquisition activity for the second quarter of the year. This is according to data from Results International, which records that the number of M&A transactions from April to June fell from 246 last year to 219 in 2016. Dentsu Aegis, the fifth-largest advertising company in the world, completed 22 deals. Its chief executive, Jerry Buhlmann, said that acquisitions are a key part of its strategy to become a 100% digital economy business by 2020. The data also show that full-service digital agencies are the top choice for many acquirers, representing 12% of deal activity.

Campaign, 22 July 2016, p8

Brands and branding

Brand logo complexity

Good logos are important in the creation of brand awareness and brand equity, but little work has been done to study the effects of logo design features. The authors conduct two experiments to test the influence of logo complexity and exposure on brand recognition and brand attitude. The findings indicate that increases in exposure lead to enhanced brand recognition and more positive attitudes for complex brand logos. This research also suggests that there are short-term benefits for simple brand logos and long-term benefits for complex logos.

Journal of Marketing Communications, Vol 22(3) 2016, pp256-270 (Grinsven and Das)



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www.cim.co.uk/charteredcpd

The successful omnichannel brand

The author seeks to explain what omnichannel means and how a company can benefit by bringing all its channels together into one consistent brand experience. He also examines what customers expect from brands as they shift from smartphones and tablets to complete their purchase experience in-store. He also explains how to optimise the performance of each channel and achieve maximum ROI. The findings emphasise the risks of overinvesting in one channel while neglecting others. Real-life examples of brands are used to illustrate the point. A "how to" user guide tells how to create a "world-class" omnichannel experience and examples of successful omnichannel branding are highlighted.

Journal of Brand Strategy, Vol 5(1) 2015-16, pp57-66 (Blakeney)

Sub-branding

When businesses launch a sub-brand they either base it on the status and profile of the original brand, or significantly change the proposition to appeal to a new market. CYBG, owner of Clydesdale Bank and Yorkshire Bank, decided to create a new, very distinct standalone identity in the form of a digital banking platform called B. Targeting affluent millennials, it aims to move away from the negative perceptions surrounding traditional banking. This article on sub-branding also mentions Britvic, cider brand Rekorderlig, Waitrose and Kettle Chips. There is a separate section on hotel chains and how they are using sub-brands to respond to the Airbnb generation.

Marketing Week, 21 July 2016, pp27-29 (Rogers)

Conferences and events

Healthy credentials

The events industry is taking an increased interest in healthy meetings and wellbeing environments. After all, a healthy, alert delegate is far more likely to be engaged with the event. The World Obesity Federation has started to offer accreditation to hotels and venues offering healthy options, under its Healthy Venues Initiative. Healthy venues will offer healthy eating and physical exercise with the chance of earning a gold, silver or bronze accreditation. A list of healthy venue criteria is included in this article as are some examples of what venues are offering.

Meetings & Incentive Travel, July 2016, pp42-43

More meetings should be held outdoors

New research reveals that nearly 90% of office workers hold meetings in their offices, while only 1% choose to meet outdoors. This is according to a study of 1,000 office workers by Center Parcs Conferences & Events. Some 89% of respondents indicated that they would like to spend more time outside with 51% claiming that time spent outdoors took place during lunch or while commuting. Event

agencies are calling on companies to consider meeting in alternative environments.

meetpie.com, 25 July 2016

Consumer behaviour

Praising and scolding – tone matters

Marketers sometimes use praise or scolding in order to encourage consumers to follow particular behaviours, such as healthy eating or recycling. It is not clear how effective each of these approaches is in bringing about a change in behaviour. This is probably because it is not just what one says but how it is said – both praising and scolding can be done with a greater or lesser degree of assertion. Two experiments in the areas of hand hygiene and financial planning reveal that, when communicators praise consumers, an assertive tone can be more effective in prompting behaviour, while scolding is better with a non-assertive tone.

Journal of Marketing Research, Vol 53 June 2016, pp433-441 (Grinstein and Kronrod)

Customer relations

Commercial experiences

There has been a growing interest from consumers for experiences which help brands to nurture a stronger emotional connection with consumers. These might include activities such as white water rafting or visiting Disney theme parks. The authors examine this area in more detail by classifying commercial experiences into four categories based on two dimensions: the role of the experience in the core offer and the customer's likelihood of repeating the experience. The four categories are named: Enhanced, Tradition-Breaker, Variety-Adder and New Horizons. The study could help to act as a positioning guideline for brands that want to be known as "experience sellers".

The Marketing Review, Vol 16(1) 2016, pp79-92 (Shobeiri)

Value (co)-creation

The authors conduct interviews with customers and providers of knowledge-intensive business service solutions to investigate customers' contribution to value (co)-creation. The study identifies five internal factors that encourage customers to engage with providers for value (co)-creation. It also looks at the "unique" factors that influence how customers define their requirements before engaging with a solution provider. The study defines eight variables that enable value (co)-creation and concludes that customers should focus on these variables while providers should identify customer shortcomings and make adjustments accordingly.

Industrial Marketing Management, Vol 56 July 2016, pp63-72 (Petri and Jacob)

Direct marketing

E-mail still growing

E-mail is the fastest-growing marketing channel according to the *Email Marketing Industry Census 2016* from Adestra. E-mail's ROI has grown from 66% to 73% since 2008 but it faces significant challenges. For example, only 7% of companies believe the implementation of their automated e-mail marketing programmes is "very successful". The findings also suggest a correlation between personalisation and ROI: companies that are proficient in personalisation are more than twice as likely to rate their e-mail campaign performance as "excellent" or "good" than those who don't personalise their campaigns.

Database Marketing, June 2016, p20

Law

Google receives more anti-trust charges

The EU has filed a fourth list of anti-trust charges against Google. It stands accused of having restricted how a website, which offers a Google search function, can show ads from other companies. Another complaint is that Google's shopping-comparison service is harming competitors. The EU also claims that Google uses the dominance of its Android operating system to "strong-arm" phone makers into pre-installing its search engine on mobile devices.

Campaign, 22 July 2016, p25; wsj.com, 14 July 2016

The right of brands to restrict channels

A German court has requested a preliminary ruling from the European Court of Justice (ECJ) regarding the right of distributors to sell through online marketplaces. It asks whether luxury brands can place restrictions on the channels through which their goods are bought in order to protect their luxury image. In other words, do these "selective distribution systems" breach EU law? In German case law the view is that a ban on the use of such marketplaces restricts competition. Whatever the ECJ outcome, luxury retailers are likely to start adjusting their distribution agreements in order to justify any ban on online marketplace sales.

lexology.com, 19 July 2016 (Cave); out-law.com, 21 July 2016

Marketing

Celebrity endorsement

Celebrity endorsement is commonly used as part of a company's marketing communications strategy. This study looks at the effect of the endorser's credibility qualities (such as trustworthiness and expertise) and consumers' traits (such as gender and team identification) on endorsement effectiveness as it translates into purchase intentions. A survey relating to sports celebrity endorsements was conducted. A key finding is that trustworthiness acts as an important differentiator

for purchase intentions. Other findings and their implications are discussed.

Journal of Marketing Communications, Vol 22(3) 2016, pp307-326 (Tzoumaka et al)

Gender marketing

There has been much amusement about the advertising of products aimed at one sex, when the product is equally useful to both sexes. The Bic pen, for example, was offered to women (Bic for Her) but it did make the point that most things in life are unisex. Unfortunately, when a product should be unisex – but is advertised to just one sex – it tends to have an inflated price tag. What is the difference between a man's razor and a lady's razor besides the colour of the handle? The difference now is that some products are actually being "redesigned" for men – moisturiser, iced coffee and yogurt to name but a few.

The Economist, 23 July 2016, p53

Ready for disruption

Challenger brands, such as Uber and Airbnb, have succeeded because they have found ways to transform people's lives through innovation. These also show that any industry can benefit from a different, more user-centric approach. The authors look at other likely candidates for disruption, namely paint, cereal and canned food. Marketers in these categories could use innovation and radical positioning of their products to shift consumer attitudes and find new ways to grow.

Market Leader, Q3 2016, p13 (Eyles)

Market research

Identifying mindsets

The author, from MMR Research Worldwide, argues that many of the frameworks used to explore consumer demand are too simplistic and can lead to linear thinking. Such methods tend to be based on what consumers say they do rather than what they really do. She describes a new approach to understanding how consumers act "in-market", which can be used as a basis for exploring new product development opportunities. The approach rests on the assumption that people change according to their situation or emotional state. MMR refers to this as "Mindsets" and has identified six. By understanding people's mindsets, brand owners are in a better position to target opportunities.

Admap, July-August 2016, pp42-43 (Robertson)

Public relations

Comms survey

This year's PR Week/Brands2Life *Comms Directors Survey* reveals that offering a consistent brand message is a major challenge for half of the comms decision-makers who took part. Some 42% said that developing their company's brand narrative was an area which could be done better. Other key

challenges were: integrating comms across the business (46%) and engaging staff with the corporate narrative (44%). The top priority for 52% of respondents was protecting the company's brand against crises and other issues. Other data from the survey – budgets, social media and demographics – are presented in the form of graphs.

PR Week, July-August 2016, pp40-43

The role of language in communication

This paper analyses the effects of globalisation on corporate communications and the implications of language management for global business. The author argues that efficient language management can make language into a strategic business resource. He offers a review of the literature and a four-stage model of language management which involves: conducting a language needs analysis; developing a language policy or strategy; implementing language management tools; and revising and adjusting. He also calls for a more strategic approach in which corporate language managers address language through long-term strategies.

Corporate Communications: An International Journal, Vol 21(3) 2016, pp274-288 (Sanden)

Sponsorship

Shirt sponsorship – how good is the fit?

Most major European football clubs have shirt sponsors, many of whom tend to give their sponsorship to the highest bidder – but should sponsorship only be about money? A suitable partnership can also provide value through association. By aligning with the club's vision, values and branding, sponsorship can help to reinforce the right image. An appropriate sponsor will also appeal to fans and help to build relationships. Meanwhile the sponsor will benefit from getting to the front of people's minds. The author argues that among the 20 Premiership teams very few sponsors add real value over and above revenue. He cites consumer electronics brand Veho's shirt deal with Southampton as being one of the best fits. A list of Premier League sponsorship deals is included.

campaignlive.co.uk, 20 July 2016 (Davis)

National Lottery

Camelot, a Team GB sponsor, has commenced its marketing for the 2016 Olympic Games, with its *I am Team GB* campaign. It aims to showcase the National Lottery's support for British athletes as well as the £5 billion that it has already invested in sport. An animated film entitled *The road to Rio* features lottery tickets flying through Britain and transforming amateur athletes into professionals. In partnership with ITV, Camelot will present a sports day on 27 August which will focus on sporting events around the country.

Campaign, 22 July 2016, p5

Agriculture, fishing and forestry

Fake brands could be confusing

Supermarkets have been criticised for misleading consumers with their use of fake farm brands to market fresh produce. The problem was highlighted by the National Farmers' Union (NFU) in a complaint to Trading Standards regarding Tesco's use of farm brands for its own-label meat, fruit and veg. The NFU supported its complaint by quoting from a survey of 1,796 adults which revealed that one fifth were confused about whether the supermarket farm brands were genuine. However, food critic, Jay Rayner, argues that consumers are "complicit" in this process because they "want to believe farming is an idyll of rural loveliness".

Campaign, 22 July 2016, p6

Prince Charles to boost small farm resilience

Prince Charles has announced a £1.5m-programme to be launched by the Prince's Countryside Fund during National Countryside Week. The aim is to help support 300 "vulnerable" farm businesses every year who will be offered free workshops, online resources and guidance. The Farm Resilience Programme has been created following research showing that the number of small family farms in Britain has plummeted.

farming.co.uk, 21 July 2016

Tractor sales in decline

Tractor sales have continued to fall, according to the Agricultural Engineers Association. During the first half of 2016 there was a 9.8% decrease in sales year-on-year; in fact sales have fallen every month since the beginning of 2015. In contrast, the average size of tractor sold has risen by 2.7%. The largest decline in sales was found to be among mid-power brands where 141-160hp machines suffered a 30% drop. Central areas of England enjoyed better sales than the rest of the country.

fwi.co.uk, 23 July 2016

Building industry

Retail building in decline

The number of applications to build shops has fallen for the seventh year in a row, with a decline of 9% over the past year, according to commercial law firm EMW. Applications fell from 7,360 in 2014-15 to 6,700 in 2015-16. The trend reflects changing consumer habits, as they prefer to shop online, while many retailers are simply failing to compete with online retailers who are continuing to gain market share.

The Guardian, 25 July 2016, p19

Manslaughter case

In February this year new sentencing guidelines

came into force in England and Wales in relation to corporate manslaughter. Monavon Construction Ltd is the first company to be sentenced under this, having been fined £550,000 for the deaths of two men who died due to inadequate safety railings. The fine takes into account the turnover of the company, plus other aspects, such as mitigating circumstances, previous issues and level of cooperation.

out-law.com, 20 July 2016

Businesses and strategy

Business relations

New UK Prime Minister, Theresa May, is set to announce a new tsar for business who will have an emphasis on industrial strategy. Previous tsars have included Lord Sugar, Karren Brady and James Dyson. She has also indicated a wish to tackle productivity issues. Infrastructure projects are also being pushed by lobbyists in response to low interest rates.

Financial Times, 21 July 2016, p2; Financial Times, 20 July 2016, p3

Karoshi

The term "stress" was utilised by Hans Selye, an endocrinologist, in the 1930s. It was used to describe the experiments and outcomes of his work. Today it is used as a physiological reaction to outside pressures. Over the years much work has been done to help equip people to cope with stress. It is estimated that over 43% of the days taken off sick in the UK are stress related; in the US stress costs the health care system between \$125 billion and \$190 billion annually. In Japan, where they have a word for death from overwork – Karoshi – they have considered forcing workers to take their holidays. Some companies have installed nap pods while others have imposed rules on handling e-mails outside working hours.

The Economist, 23 July 2016, pp48-49

Off the grid innovation

Start-ups, such as solar energy company M-KOPA, are offering households in Kenya and other parts of Africa an affordable way to access electricity. The boom in entrepreneurial activity for energy provides a way of so-called "leapfrogging" the need for traditional infrastructure (in this case the main electricity grid). M-Pesa, the mobile money service launched by Vodafone in 2007, has helped to facilitate such innovation. This article also discusses Sendy, a start-up which focuses on "last mile" delivery, and a crop of entrepreneurs who are focusing on the use of drones.

Management Today, July-August 2016, pp53-54 (Savage)

Charities and NGOs

Communication for development work

Stories are still the most effective way for development organisations to communicate their work. But not-for-profits (NFPs) have a difficult job telling their stories. It is hard to achieve a balance between a sad story and a happy ending without using extreme emotions. The author argues that the role of communication in development work is to allow communities to portray themselves in a way that they are comfortable with. She provides advice on communicating development work while emphasising that marketing and good communication are inseparable.

Marketing Africa, Issue 12 2016, pp22-25 (Obath)

Targeting men

Men are notoriously difficult for charities to reach; a Charities Aid Foundation study revealed that only 52% of men took part in some kind of charitable action last year compared with 60% of women. This year more charities are putting greater effort into targeting this demographic. These include Macmillan Cancer Support, Anthony Nolan and Marie Stopes. The success of Prostate Cancer UK's *Men United* campaign has been attributed to its ability to engage with men in pubs or on football terraces. Charities will also benefit from making campaigns that are for or about men.

Third Sector, July-August 2016, p53 (Birkwood)

Durable consumer goods

Swatch clocks up better sales

The Brexit vote appears to have resulted in a boom in luxury watch sales in London, which has benefited Swatch Group. The results from its branded stores – Omega, Breguet and Blancpain – have been described as "fantastic" by chief executive Nick Hayek, who attributes the performance to tourists taking advantage of the weak pound. Hayek has brushed aside the suggestion that Swiss watchmakers are in trouble, citing factors such as fluctuating tourism, especially on the part of Chinese visitors.

Financial Times, 22 July 2016, p14

Specsavers should've thought out trademark

Specsavers' famous advertising slogan, "Should've gone to Specsavers", has led to a legal debate over its attempts to trademark the phrase "should've". The company recently lodged a trademark application with the UK Intellectual Property Office for the right to use the expression in a range of commercial situations. Lawyers have expressed doubt that anyone will be allowed to own the right to such a common expression.

The Sunday Times, 24 July 2016, p13

Economy & society

The Macpurchase league table

Making global comparisons is not always easy but one product – the Big Mac from MacDonaldis – has been lending itself to just that. The price comparison builds an interesting view of world economics. The comparison is generally based on a burger with a bun, although in India the Maharaja Mac (made of chicken) is used as a substitute. The disparities – in a product that generally has a similar cost – give economists hours of fun and insight into which economies are overvalued. Innovation has taken over in Hong Kong where you can build your own burger by adding mushrooms, sliced Jalapeños and flavoured aioli!

The Economist, 23 July 2016, p59

Dutchmen stand tallest

New research reveals that Dutch men and Latvian women are the tallest in the world. The average Dutchman is 183cm tall while a Latvian woman reaches 170cm. The tallest people tend to be in European countries while the shortest men are in East Timor (160cm) and the smallest women in Guatemala (140cm). Good healthcare, sanitation and nutrition are considered to be key drivers of growth. *A Century of Trends in Adult Human Height*, which was compiled by the NCD Risk Factor Collaboration, compares heights in 1914 with those in 2014.

bbc.co.uk/news, 26 July 2016; The Times, 26 July 2016, p3

Energy and utilities

Changes to comparison sites

A comparison websites should "do what it says on the tin", according to Angus MacNeil, chair of the Energy and Climate Change Committee. This is also what Ofgem recommended in a 2015 report which said that all deals should be shown, not just some of them. But in its recent report, entitled *Energy market investigation: provisional decision on remedies*, the Competition and Markets Authority (CMA) has suggested that not all deals need to be shown. MPs who sit on the Energy Committee have written to the business secretary claiming that this would undermine consumer trust.

bbc.co.uk, 21 July 2016;

<https://assets.publishing.service.gov.uk/media/5706757340f0b6038800003b/Provisional-decision-on-remedies-EMI.pdf>

UK fifth on energy efficiency

The UK has been ranked fifth in global energy efficiency by the American Council for An Energy Efficient Economy (ACEE). The organisation's third *International Energy Efficiency Scorecard* assessed countries on 35 metrics. The UK gained 65 points, behind France (67.5), Italy and Japan (both 68.5)

and the leader, Germany (73.5). China came in sixth place with 64 points. The ACEE has criticised the UK Government for cutting back on various energy efficiency policies, such as the Green Deal, over the past year.

cleanenergynews.co.uk, 22 July 2016

Environment

Food waste – EU initiative

An estimated 88m tonnes of food are wasted every year in the EU at a cost of around €143m, not to mention the damage done to the environment. Now the European Commission has proposed a sustainable development target to halve per capita food waste at retail and consumer level by 2030 while also reducing food loss along the supply chain. It has put various plans in place to achieve this. Supermarkets, such as Tesco and Carrefour, and hospitals, such as Hvidovre in Denmark, already have initiatives in place.

London Business Matters, July-August 2016, p38

Tesco ditches John West

Tesco has decided to remove John West tuna from its shelves following a report by *The Times* which revealed that John West had reneged on its promise to protect dolphins, sharks and turtles from its fishing nets. Environmental campaigners are calling on other supermarkets to follow Tesco's lead.

The Times, 26 July 2016, p2

Starbucks considers recyclable coffee cup

Starbucks is to introduce a cup that can be fully recycled. The Frugalpac, invented by British entrepreneur Martin Myerscough, has a plastic membrane which detaches during recycling so that the paper part of the cup can be recycled. Starbucks is to test out the new cup to see if it "meets our standards for safety and quality". Over 2.5 billion coffee cups are used in the UK each year but only one in every 400 is recycled.

The Times, 22 July 2016, p25

Fashion

Non-stick boots

The humble UGG boot has gone through a redesign by bringing in innovative technology to make the boot water resistant and stain resistant. The soles have also been improved and the overall boot is now lighter. This is the first update in the brand's 38-year history – but will it meet with approval from consumers?

brandchannel.com, 19 July 2016

Bright colours represent power

Queen Elizabeth II often wears extremely bright colours, this is a form of power dressing which allows her to project a certain image, according to

Caroline De Guitaut, the curator of a new exhibition at Buckingham Palace. The outfits in the Fashioning a Reign: 90 Years of Style from the Queen's Wardrobe exhibition reflect the roles played by the Queen as sovereign of Britain and the Commonwealth as well as Commander-in-Chief of the British Armed Forces.

fashionbunited.uk, 22 July 2016

Financial services

Supplier-customer trust

This article addresses the topic of trust in B2B supplier-customer relationships in the financial services arena. The study is based on the premise that where there are significant cultural differences between parties in a supplier-customer relationship, those differences will be reflected in shared values which will also be reflected in differences in the nature of trust. The study was undertaken among corporate clients and their bankers in the United Arab Emirates. Substantial differences in trust between relationships that involved Emiratis and non-Emiratis were identified.

Journal of Financial Services Marketing, Vol 21(2) 2016, pp90-102 (Houjeir and Brennan)

The app reigns supreme

Payments by phone have taken their time to arrive but in 2015 they grew by 54%. Balance checking and payments are now a daily occurrence for mobile banking customers. Banks have seen a reduction in footfall which has fuelled the closure of branches – 680 closed in 2015. Apps are developing to keep you informed of your finances and to send you reminders if you need to take urgent action. The British Bankers Association report, *The Way We Bank Now*, provides a range of statistics.

The Guardian, 22 July 2016, p32

FMCG

Cosmetics and toiletries

Humour nets a billion

In an attempt to make a dent in Gillette's dominance of the North American Market, Unilever has bought the Dollar Shave Club for \$1 billion. The Dollar Shave Club is an unusual company which sells a direct-to-consumer range of shaving products, hairstyling and skincare products. It uses YouTube to great effect with a somewhat irreverent film that has attracted 3.2m customers. *The Times* offers some statistics for men's shaving products in the US.

Financial Times, 21 July 2016, p14; The Financial Times, 22 July 2016, p15; The Times, 21 July 2016, pp36-37

Food

A fishy tale

The sale of fresh seafood in the UK in 2015 has increased by 3%, but it is still lagging behind other

parts of the world. The UK's average intake is 10.6kg per person per year while in Taiwan each person consumes 59.4kg per year. The English Seafood Industry Task Force is focusing on health benefits in its Seafood 2040 Strategy.

The Grocer, 23 July 2016, p40

Still in growth

The organic label is again on the increase, rising by 4.9% to £1.95 billion across all food categories. Fish was up 25.1%, bananas by 14.4% and poultry by 13.3%. But it is not only organic food that is on the rise – health and beauty products have also benefitted, with sales up by 21.6%.

The Grocer, 23 July 2016, p44

Cereal offenders

The Guardian takes a look at breakfast cereals – Shredded Wheat, Nesquik cereal and Weetabix – that have fallen foul of the Advertising Standards Authority due to misleading claims. This follows the ASA's ban of Kellogg's ads for Special K which made unsupported claims that the cereal is "full of goodness" and "nutritious".

The Guardian, 21 July 2016, p3

Tobacco

African smokers on the rise

In the early parts of this century British American Tobacco (BAT) would tour Nigeria with a pop-up cinema showing films and handing out cigarettes. In most countries around the world the percentage who smoke has dropped considerably but this is not the case in Africa. Although smoking rates have been low to begin with, due to lack of disposable income, they are now on the rise and 17 African countries have experienced an increase. The most marked rise has been seen in Congo-Brazzaville, where 22% of adults smoked in 2015, up from 6% in 2000.

The Economist, 23 July 2016, p40

France fuming over proposed ban

France is considering banning some tobacco brands, including Gitanes and Gauloises. This is because of a new public health law, based on a European directive, which states that tobacco products "must not include any element that contributes to the promotion of tobacco or give an erroneous impression of certain characteristics". *Le Figaro* has reported that the directive, though vague, could cover anything suggesting "masculinity", "femininity", "slimness" or other traits. The packaging of Gauloises and Gitanes could be thought to convey the wrong signals. The two brands, which have been part of French society since 1910, were enjoyed by Jean-Paul Sartre and Albert Camus.

The Guardian, 21 July 2016, p3

Government and public sector

Government agency roster

The UK Government's new agency roster process is due to begin with a draft statement of requirement and framework agreement followed by contract notices which will appear in the *Official Journal of the European Union* in August. There will be two communications frameworks: Campaign Solutions, comprising a roster of up to 30 agencies for large campaigns; and Communications Services, a smaller roster for tactical campaigns.

Campaign, 22 July 2016, p3

Beware renaming

The UK Department for Business Innovation and Skills (BIS) has been renamed as the Department for Business, Energy and Industrial Strategy (BEIS). Fred Burt, an advisor on branding, warns that one should be careful with acronyms. He also believes that the UK Government has fallen into the trap of changing the name simply because the brand no longer fits with the activities of the organisation. Alex Gordon, an expert in semiotics branding, says that company owners should investigate what the brand stands for and how they communicate to customers, before changing the name.

Financial Times, 25 July 2016, p12

Health and pharmaceuticals

Prescription brand-building

Consumers will often make irrational purchases prompted by an emotional response to advertising. However, when it comes to pharmaceuticals, the communication has to be factual, true and must appeal to a rational decision-maker – the healthcare professional. In addition, long-term brand-building is problematical because of the length of the licence on the product. There are also restrictions on the marketing of such products. Here the author proposes an alternative approach to building a prescription pharmaceutical brand.

Admap, July-August 2016, pp20-22 (Yeates)

Medical innovation

Monitoring patients may be about to get a lot easier. Technologists are innovating the thread used for sutures so they can feed back information. Using a smart thread gives a more detailed picture of what is going on than a skin-mounted sensor. Another property of fibres is wicking in which fluids can travel along the thread – a smart suture can transfer fluid to sensors elsewhere so that doctors can continuously monitor the patient's biochemistry.

The Economist, 23 July 2016, p65

IT and telecoms

Chips heading to Japan

ARM Holdings, instrumental in creating powerful chips for smartphones, has been sold to the Japanese group SoftBank for £24.3 billion. While the UK government says that the deal demonstrates that Britain is open for investment, others are unhappy to see the company leave British ownership. In 2015 ARM made 14.8 billion chips which equated to 32% of the world market. The exchange rate drops against the Yen have also helped to sweeten the deal although shares in ARM had risen by 17% since the referendum vote.

The Guardian, 19 July 2016, p3

An apple a day?

If all goes to plan, Apple will have sold its billionth smart phone by the end of July; half of these have been sold in the last two years. Apple is fairly coy about numbers and, with customers holding onto their phones for longer, sales alone cannot help the bottom line. It is thought that more than two thirds of Apple's revenues come from phones but the market is becoming ever more competitive.

Financial Times, 25 July 2016, p16

India – the land of low-cost smartphones

Some Indian start-ups are offering smartphones at prices as low as \$1.50 as they target low-income customers. Ringing Bells, founded last September, has shipped its first 5,000 units of its Freedom 251 phone which retails at \$3.70. However, analysts are suspicious of Ringing Bells' business model: It is set to make a loss on every phone sold, but probably hopes to raise brand awareness enough to sell more profitable devices later on. India has become the fastest-growing mobile market in the world – sales of smartphones grew by 12% in the first quarter of 2016.

Financial Times, 25 July 2016, p18

Leisure and tourism

Thomson ditches brochures for AR and VR

Over the next 18 months holiday company Thomson will rebrand to TUI. It will also abandon its holiday brochures in favour of in-store content provided by virtual and augmented reality. The technology will allow customers to experience the holiday using Oculus Rift and Google Cardboard, helping them to choose their destination more easily. Brochures are one of Thomson's biggest items of expenditure: it currently prints 4.7m a year across 58 titles.

Marketing Week, 21 July 2016, p6

Staycations on the rise

This year many of Britain's holidaymakers are planning to holiday at home. The staycation trend has been fuelled by concerns over some popular

overseas destinations and the weak pound following the Brexit vote. A record number of people (7.3m) are choosing to holiday in England while bookings to Turkey, Egypt, Brussels and Paris have been falling. Nationwide, UK tourism boards have reported that bookings are up by a quarter. The trend is likely to have a positive effect on the UK economy.

The Daily Telegraph, 22 July 2016, p1; The Guardian, 23 July 2016, p11

Media

Books

Reviews – gender differences

Amateur book reviews, of which thousands appear online, can seriously affect a book's success. New research analysing the comments and ratings on Goodreads (owned by Amazon) reveals significant differences in the ratings given by men and women for specific genres. It found that men give higher average ratings in most genres, including history, short stories, poetry, humour and biography. It also revealed that, for the most common book genres, reviewers tend to give higher ratings for texts that are written by people of their own gender. This article examines the analysis, which was undertaken by Professor Thelwall of the University of Wolverhampton.

The Bookseller, 22 July 2016, pp18-19

Film

Has Netflix peaked?

Netflix has announced a second consecutive earnings report to lead to a double-digit fall in the company's stock price. Chief executive Reed Hastings admits that growth is, "not as fast as we would like or have been". He lays the blame at the door of media reports claiming that the company is about to raise its price and to "un-grandfather longer-tenured members". This refers to the policy of not allowing long-term subscribers to remain on their old, lower-rate, which has supposedly led to some people cancelling their subscriptions. Some analysts believe Netflix may have reached peak subscriber growth.

The Times, 23 July 2016, p51

Games

Care required

Pokémon Go has been in the news, not only due to its enormous success, but also because of the near misses of players who have narrowly escaped injury. Emergency services rescued a group of teenagers in Wiltshire when they got lost underground. But there are some winners in this story – if you have a rare character you can "sell it" to the highest bidder. Some people are offering to drive you on your quests while others are offering to train you in how to play. *Marketing Week* comments on how the

global success of Pokémon Go is helping to take augmented reality mainstream.

The Guardian, 16 July 2016, p14; The Times, 20 July 2016, p19; Marketing Week, 21 July 2016, pp10-11

Historical selfies in Moscow

The Pokémon Go trend has not escaped the notice of Moscow's city authorities who have launched a Pokémon Go type app. It allows users to "catch" historical figures around the city. They will have the opportunity to hunt down the likes of Peter the Great, Ivan the Terrible and Pyotr Tchaikovsky and take selfies with them!

The Times, 26 July 2016, p28

Newspapers

Newspaper ads boost multichannel campaigns

New research reveals that the use of print newspaper ads in a multichannel marketing campaign can substantially improve ROI. This is according to newspaper ad industry body Newsworks, which claims that newspaper ads increase effectiveness by 5.7 times for financial brands, three times for travel brands and 2.8 for retail. They also make TV ads twice as effective and online display ads four times as effective. Despite this, the ten biggest print advertisers are reducing their spend according to data from Nielsen.

Marketing Week, 21 July 2016, p7

Social media

Hopeful return not showing dividends

When Twitter was feeling low, it re-engaged Jack Dorsey as CEO but now, with other platforms developing their wares, Twitter needs to take action again. It is averaging about 136m daily active users in comparison to 150m on Snapchat and 300m on Instagram. As chief operating officer, Adam Bain is responsible for advertising growth but the forecast is for a decrease in revenues in 2016, from \$2.95 billion to \$2.61 billion.

Financial Times, 23-24 July 2016, p14

Video

Video trends

It is estimated that \$10.9 billion was spent on online video advertising across six major markets last year. The US emerged as the largest market at \$4.2 billion – on average US advertisers dedicated 30% of their video budgets to online video while 23% of budgets went to mobile video. Last year 22% of all video viewing globally was via a smartphone, 18% on desktop computer and 10% via a tablet. This article includes infographics for online video spend by type and country as well as global attitudes towards online video formats for 2015. The percentage share of video viewing by channel for 13 countries is also shown.

Admap, July-August 2016, pp48-49

Retailing

Tech stretch

Small independents are risking their future by not using the internet for their businesses. The survey, by Him!, asked over 6,000 wholesale shoppers if they utilised the web and found that only half did. The research concluded that many independents are still operating in a very traditional way while missing out on efficiencies in order management, stock level monitoring, pricing and communication.

The Grocer, 23 July 2016, p11

Butchery

Since the rise of supermarkets in the 1970s, independent butchers have struggled to survive. In 2008 it was estimated that 23 were closing each month. In 1977 there were 25,300 outlets and by 2015 just 6,070. But this year there has been some growth, albeit small. The industry is undergoing a renaissance, possibly fuelled by Britain's love for cookery programmes. Butchers also have the advantage that they can open longer on Sundays. One reports that it wants to open nearer to tube stations so as to pick up commuter trade.

The Grocer, 23 July 2016, p30-35

Services

Legal or not?

Uber has disrupted taxi services in many countries. Not for the first time it now finds itself in court with regard to the legality of its drivers and whether they should be employees rather than freelance workers who do not receive basic workers' rights. This issue has also arisen with Hermes, a courier company, whose drivers use their own vehicles and insurance and get paid per delivery, which often nets them less than the living wage, although this is disputed by Hermes.

Financial Times, 21 July 2016, p19; The Times, 20 July 2016, p20

Expanding services

Deliveroo, the fast food delivery service, has added Majestic Wine, BrewDog and a variety of other independent wine outlets to its roster. So when delivering your food it can also deliver the alcohol to go with it. We Bought Beer, a craft beer outlet, believes that Deliveroo has given it a whole new audience.

The Grocer, 23 July 2016, p37

So many choices

A new online grocery service is to enter the UK mainland as Channel Islands entrepreneur Bill Porter gets ready to start operating in Portsmouth and Southampton. Island Groceries currently delivers from UK supermarkets to the Channel Islands where customers can get a next day service for £5. Customers do not have to stick with one store for their delivery which means they can price match.

The Grocer, 23 July 2016, p10

Transport and travel

Choo choo

The A-train commuter service in Dallas, Texas, has a new operator – FirstGroup – which is the first time that a UK bus and rail operator has run trains in the US. A few UK operators have entered the US bus market but not the train market. Competitive tendering has become more prevalent in the US as they strive for more value for money.

Financial Times, 21 July 2016, p19

Aero emissions

Brussels is forging ahead with its target for road vehicles to reach zero emissions by 2020. Road vehicles contribute upwards of 70% of CO₂ within the transport sector. Whilst electric cars are becoming more widespread, they account for just 1% of new car sales and there is still a shortage of charging stations.

Financial Times, 21 July 2016, p4

Written by CIM's Knowledge Services Team

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On the Move

Name	From	To	New title	Source
Victoria Biggs	MSL Group	Trainline	European Comms Chief	PR Week
Joanna Budd	The FA	Crystal Palace Football Club	Head of PR and Media Relations	PR Week
Jenny Bullis	Annalect UK and EMEA	Essence	Chief Executive, EMEA	Campaign
Matt Collier	Leo Burnett	M&C Saatchi	Creative Director	Campaign
Tom Hale	HomeAway	Survey Monkey	President	research-live.com
Jane Lawrie	Coca-Cola	Tesco	Group Comms Director	The Grocer
Lesley McPherson	Edinburgh Council	The Co-Operative Bank	Director of Comms	PR Week
Wayne Robinson	Leo Burnett	M&C Saatchi	Creative Director	Campaign
Sasha Taylor	Rosewood London	Hotel Café Royal	Director of Groups and Events	meetpie.com
Ceri Thomas	BBC	University of Oxford	Director of Comms and Public Affairs	PR Week
Craig Westwood	Pagefield	Electoral Commission	Director of Comms	PR Week

Promotions

Name	Company	Previous title	New title	Source
Wayne Brown	Grey London	Managing Director, Grey Possible	Chief Operating Officer, Grey London	Campaign
Matt Sears	EE	Director of PR and Corporate Comms	Director of Comms	PR Week

Cutting Edge: Our weekly analysis of marketing news

Sources

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Database Marketing

The Economist*

www.farming.co.uk

www.fashionunited.uk

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

www.fwi.co.uk (Farmers Weekly)

The Grocer

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

Harvard Business Review**

Industrial Marketing Management

Journal of Brand Strategy

Journal of Financial Services Marketing*

Journal of Marketing Communications** (18 month embargo)

Journal of Marketing Research**

www.lexology.com

London Business Matters

London Business School Review** (12 month embargo)

Management Today**

Marketing Africa

The Marketing Review**

Marketing Week **

Market Leader

Meetings & Incentive Travel

www.meetpie.com

www.out-law.com

PR Week

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

The Times

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