

Cutting Edge: Our weekly analysis of marketing news

17 August 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

Online, regional and national – creating value

Companies invest heavily in advertising yet are often uncertain about how to allocate their budget across channels. Decisions have become more difficult due to online advertising and the fragmentation of consumers' media usage. The authors divide advertising "vehicle" choices into three smaller subsets: national, regional and online advertising, to assess how they affect company performance. The study embraces 12 years of data across 662 manufacturing companies. The findings suggest that, although all three types have a "positive and significant" effect on firm performance, each advertising vehicle weakens the effect of the other two. The authors discuss the need to integrate the three vehicles in order to maximise effectiveness.

Journal of Marketing, Vol 80(4) 2016, pp39-55 (Sridhar et al)

Boys suffer from body-image issues

A new report from the Advertising Association's research division, Credos, focuses on the negative effect of body image on boys, making a change from the usual emphasis on women. *The Picture of Health Study* looks specifically at how male models are portrayed in advertising and the impact on the self-perception of boys. The research, which was carried out among boys aged eight to 18, found that many were very aware of how female images are digitally altered in ads but were "shocked at the extent to which images of men are changed". The four biggest sources of pressure to look good for secondary school boys were found to be: friends (68%); social media (57%); advertising (53%); and celebrities (49%).

Campaign, 12 August 2016, p5; Marketing Week, 11 August 2016, p6

Agencies

CATS rule at Clapham Common

The Citizens Advertising Takeover Service (CATS), launched in April by Glimpse, a group of people mainly from creative industries, is to buy the inventory of an entire London Underground station with the objective of filling it with images of cats. Following a Kickstarter campaign in which it raised £23,131, CATS has signed a contract with Experion Media, allowing it to have a two-week period at Clapham Common station starting on 12 September. Glimpse was founded as a way of giving young people in the creative sector a way of using their ideas to achieve positive social change.

Campaign, 12 August 2016, p5

Dentsu profits from sponsorship sales

Profit growth at Dentsu has exceeded 9% for the first half of 2016 even though some of its main markets, such as Japan, have seen a slowdown. Japan's gross profit was 8.4%, a performance that is partly attributed to sponsorship sales associated with the 2020 Tokyo Olympic Games. Dentsu has made 15 acquisitions and investments in the first six months of the year, notably in the area of digital marketing.

thedrum.com, 15 August 2016

Brands and branding

Addressing brand confusion

Brand managers put a great deal of money and effort into building unique, recognisable brands. However, some companies are piggy-backing on their success by producing counterfeit and copycat brands with similar-sounding brand names, this can result in brand confusion. One method by which brand managers can attempt to address this is by advertising their products through a media channel which results in the least confusion. The authors



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investigate which type of ads – visual or auditory (print or radio) or both (TV) – have the most or least impact on the level of brand confusion. They reveal that TV ads result in the lowest level while radio leads to the greatest level of confusion. Moreover, the higher the product involvement, the lower the brand confusion for print ads.

Journal of Brand Strategy, Vol 8(1) 2016, pp101-115 (Chebat et al)

Shape-sound consistency

Maintaining consistent brand features is essential in order to maintain competitive advantage. Shape-sound symbolism (associating certain shapes with certain sounds) is a powerful tool for branding strategy which can be used in various ways to influence consumer behaviour. The authors have identified five objectives to respond to gaps in the research on shape-sound symbolism. This study investigates the shape of food products, specifically desserts, as they relate to brand sound. It reveals that consistency between the speech sound of the brand name and dessert product label shape has a positive effect on persuasion and increases hunger and accrual behaviour.

Journal of Brand Management, Vol 23(4) 2016, pp419-438 (Spears et al)

Branding and digital technologies in B2B

Branding has been largely ignored in the B2B context. Communications through digital tools allow B2B businesses to present their brands to a wider audience. This study, which addresses branding in the B2B arena using Panasonic as a case study, examines the value of branding from the perspective of the B2B customer. In the case of Panasonic, reputation is an important element in attracting new B2B customers and in maintaining long-term relationships with existing customers. The study concludes that, although the use of digital technologies enables the portrayal of brand perceptions of Panasonic, these technologies still have not been fully taken up for the purpose of branding in the B2B sector.

Journal of Customer Behaviour, Vol 15(1) 2016, pp97-116

Conferences and events

Product concept demos and trade shows

Companies often use trade shows to showcase their new products, product concepts or products that are in various stages of development. The authors use auto shows as a context in which to research the effects of concept and product demonstrations on the company's value. The results show that previously demonstrated concepts, which are coming up to potential launch, have the strongest positive effect. These are followed by early-stage concepts which are being demonstrated for the first time and market-ready products. The location of the

trade show is also found to have an influence on these effects.

Journal of Marketing, Vol 80(4) 2016, pp90-108 (Kim and Mazumdar)

Speakers and content

Association event managers need to focus on good content and motivational speakers to achieve success. Anne Francke, CEO at the Chartered Management Institute, believes in tailoring an event to association members because it is not all about increasing membership numbers; associations undertake other activities, such as creating content, setting policies and best practices, accreditation and building communities. Nick Gold, MD of Speakers' Corner agency, argues that the right choice of speaker is key to the success of an event. Meanwhile, keynote speaker, Nigel Risner, classifies delegates into four communication styles: lion, elephant, monkey and dolphin, to explain how teams can benefit from the interactions between members.

Association Event Manager, July 2016, p14

Consumer behaviour

Social norm campaigns

Social norms have been shown to reshape attitude and behavioural change in many areas, although there has been little examination of the influence of social norms on motivating savings behaviour. This study tested social norm effects, together with social comparison information behaviour (ATSCI), in relation to public service ads promoting savings behaviour in the US. It reveals that lower ATSCI people show greater intellectual autonomy and discernment of information, particularly in the case of norm information, while higher ATSCI individuals have a greater propensity for social compliance.

International Journal of Advertising, Vol 35(5) 2016, pp799-822 (Yoon et al)

Becoming superhuman

People are continually on a quest to improve themselves, a trend that is particularly evident among Gen Z. They want to excel and are prepared to improve their minds and bodies in order to stay ahead of the pack. In October Switzerland is holding an Olympics for bionic athletes, the Cybathlon championship, which allows the use of all kinds of assisted devices including brain-computer interface racing and a powered-leg and powered-arm race. The future may even lie in a "mixed reality" approach using AR and VR, which allows one to experience the sport alongside the athlete. You too could become an athlete in the Virtual World Championships and this in turn could have potential for global media sponsorship deals.

Campaign, 12 August 2016, p31

Customer relations

Customer solution performance

The increased use of B2B customer solutions (customised and integrated combinations of goods and services to meet client needs) means that it is important to understand which factors can affect solution performance. This paper investigates the impact of solution provider determinants and relational interactions on customer solution performance. It is based on a sample of hi-tech businesses in China that are engaged in value co-creation for industrial buyers, such as system integration and developing new products for clients. The findings offer important implications for managing customer solutions.

Industrial Marketing Management, Vol 56 July 2016, pp14-23 (Powers et al)

A new sense of loyalty

Customer loyalty is increasingly being earned when brands exceed basic functional customer expectations. When a brand meets or exceeds expectations, a customer is likely to come back for more. Customers also expect brands to be easy to do business with, to be useful and to be surprising. For example, O₂ recently launched a scheme giving customers free upgrades before the end of their contracts; this scheme not only gives customers what they want (a new phone) but also what O₂ needs (to retain a customer). To succeed in the face of intense competition you need to be a "loyalty brand", rather than a brand with a loyalty programme. This article examines how brands are using the "new" loyalty schemes.

Admap, July-August 2016, pp44-45 (Phillips)

Direct marketing

E-mail week

This week dmnews.com is devoting itself to e-mail (DMN Email Week) which it argues is one of the most important and fast-changing marketing opportunities. Articles cover how e-mail is used in marketing and in modern communications. They also examine the evolution of e-mail marketing as well as providing case studies, best practice and advice.

dmnews.com, 15 August 2016

Law

CMA tackles undisclosed paid-for advertising

The Competition and Markets Authority (CMA) has taken social media marketing company, Social Chain, to task because of its paid-for advertising practices. This was after it discovered that the company had helped to advertise films, games and mobile apps through its own social media accounts and though endorsements by "social media personalities" but had not told readers that the content was paid-for advertising. The CMA has written to 15 business customers of Social Chain and

43 social media personalities warning them that they could be breaking consumer protection laws. The CMA has also published an open letter to marketing professionals reminding them of their legal obligations when it comes to online endorsements.

out-law.com, 12 August 2016

New draft law for messaging services

Messaging services, such as WhatsApp and Skype, are likely to be the subject of a new draft law on data privacy from the European Commission. It wants instant messaging and internet voice-call services to have the same level of security and privacy as that governing SMS messages and mobile and landline calls. The final legal text is not due until the end of 2017

The Guardian, 16 August 2016, p23

Pokémon GO and the dangers of BYOD

Pokémon GO is set to become the biggest mobile game in US history but there are security concerns, particularly for companies that allow employees to bring their own devices (BYOD) into the office. It is estimated that more than half of employers in the US have a BYOD policy. Various security problems have been reported with Pokémon GO, some of which have been corrected, but it has also spawned a host of copycats and businesses that embrace BYOD should be vigilant.

lexology.com, 11 August 2016

Marketing

When marketers meet designers

The success of new product development (NPD) depends on effective collaboration between marketing and designers. However, this relationship can be difficult due to different "thought worlds". The answer could lie in "sensemaking" practices used by both functions to broaden each other's understanding of NPD, a process known as "resourceful sensemaking". This research is based on interviews with designers and marketers in New Zealand and Australia. It demonstrates that the inputs of both functions are necessary for effective NPD. Both functions can create a common framework through three sensemaking practices: exposing, co-opting and repurposing. These practices are found to have positive results, including the identification of "unmet" consumer needs and improved NPD outcomes.

Journal of Product Innovation Management, Vol 33(5) 2016, pp628-648 (Beverland et al)

B2B firms – skills and expertise for today

The B2B buyer journey has changed a lot over the past five years. Sellers are no longer in control of the buying process and the newly informed buyer is in command. The traditional "go-to-market" model of many B2B businesses is also being called into

question. Methods with which marketers interact with the buyer and guide the buyer's journey, have changed out of all recognition. Marketing departments that still embrace 20th-century thinking must reform, re-design, re-skill and re-engage. This paper looks at the implications for marketing, the marketing department's role and the skill sets required of a B2B marketer.

Journal of Customer Behaviour, Vol 15(1) 2016, pp15-30 (Barley)

Introducing the tech-savvy marketer

Technology is proliferating in the workplace resulting in a new imperative for marketing teams to have tech skillsets. A new breed of tech-savvy marketer is emerging and traditional marketers may find it hard to manage skillsets that are so different from their own and to obtain the right balance between the technical and creative. This article looks at the implications and solutions for B2B marketing.

B2B Marketing, Q2 2016, pp19-23 (Pike)

Market research

Big Data – big opportunity

Many tools and techniques have been available to market researchers over the years but the industry has long been attached to tools that require consumers to self-report their own needs, attitudes and emotions. Although these are still important, market research needs to take on board the latest opportunity – this lies with big data that can track behaviour over time in many contexts and with a high level of granularity. In this article the author looks at the opportunities presented by big data and its implications for market research. He argues that the industry needs to be "at the forefront of this new discipline".

International Journal of Market Research, Vol 58(4) 2016, PP499-501 (Strong)

Face-to-face important for B2B

B2B should never forget that a simple way of finding out what customers want is simply to talk to them. In fact the Center for Exhibition Industry Research says that companies which attend trade shows spend 41% of their marketing budget on coming face-to-face with customers. This article focuses on the importance of face-to-face research for B2B customers; the rise of automation in research (combining primary research data with analytics); and experimenting with new research tools. Ellen Porter, head of research at Royal Mail, and Salesforce senior VP of marketing and operations, Thimaya Subaiya, explain how they capture information and conduct their research. There is also a section on how Fujitsu is using market research to drive B2B content.

Marketing Week, 11 August 2016, pp25-27 (Cuddeford-Jones)

Public relations

Disney – Chinese media closes ranks

When mainland China's first Disney resort opened in Shanghai in June, China's media gave it the thumbs up, but now things have changed. Now the media are focusing on problems facing the resort, such as long queues, the closure of some attractions and poor working conditions at one of the supplier's factories. To add to the theme park's difficulties, a spate of fake Disney tickets have been appearing online. Meanwhile China National Radio claims that "the heat surrounding Disney has cooled" and that the number of tourists has "begun to decline". Although domestic tourists are still flocking in, it remains to be seen how Disney will tackle the adverse publicity...

www.bbc.co.uk/news/world-asia-china-37038555, 11 August 2016

Sponsorship

Olympics – retains marketing power

The Rio Games may not have had a promising start due to issues such as the Zika virus, but this has not deterred its main sponsors – Coca-Cola, McDonald's, Visa and Samsung – from forging ahead. It seems to be a characteristic of the Olympics that, once the sport starts, the media focuses on the Games to the exclusion of other problems. It is then that the Games "suddenly reveals its enormous marketing power for a city to rebrand itself and for corporate sponsors to reach a global audience". The International Olympic Committee made \$8 billion during the period covering the 2010 Vancouver Games and London 2012, with around \$3.91 billion in media rights. The attraction of the Olympics is demonstrated by the 2020 Tokyo Games, which are set to break all records – Tokyo already has 30 major partners!

Financial Times, 10 August 2016, p6

Nike's first transgender athlete ad

Olympic sponsor Nike (See also Cutting Edge 10 August) has produced its first ad featuring a transgender athlete, Chris Mosier. The athlete, who started his athletic career as a woman, started to compete as a man six years ago and is now taking part in the running and cycling duathlon for the US team. The ad, part of Nike's *Unlimited* campaign is called *Unlimited Courage*. Nike's first two *Unlimited* ads attracted 260m views and *Unlimited Future* has become the brand's most retweeted film as well as being the most-liked ever on Twitter.

brandchannel.com, 9 August 2016

Sponsorship helps Aldi sales freshen up

Aldi has reported that its sponsorship of the British Olympic team has helped to boost sales of fresh produce by 19% to £289m for May to July year-on-year. Aldi's initiatives have included £145,000 in fresh produce vouchers and the *Get Set to Eat Fresh*

campaign promoting healthy eating for kids.

The Grocer, 13 August 2016, p37

Virgin disrupts sponsorship

Virgin Media wants to disrupt the sports sponsorship model by subsidising ticket prices for football supporters travelling to St Mary's Stadium, home of Southampton Football Club, where it is shirt sponsor. Virgin, in collaboration with the Football Supporters' Federation, limited ticket prices to £20 for the 13 August match between Southampton and Watford for travelling fans. Virgin Media head of advertising and sponsorship, Ellie Tory Norman, hopes to nurture strong brand advocacy among fans.

Marketing Week, 11 August 2016, p7

Agriculture, fishing and forestry

NZ's dairy industry slows down

Since, 2008, when New Zealand signed a free trade deal with China, it has experienced a boom in dairy exports, giving it the name: "the Saudi Arabia of milk". This has led to a big expansion in the country's farming industry. Although it has become the largest exporter of milk-based products, milk prices have halved since 2014 as a result of oversupply and slowing demand. KPMG has forecast that one in ten of NZ's farmers will have to leave the industry and 28% will need to restructure their businesses. Meanwhile China is already the third biggest dairy producer, behind the US and India, although it still has to import a fifth of its dairy consumption and there are high costs associated with animal feed and the environment.

Financial Times, 12 August 2016, p9

Poor harvests raise malting barley prices

Brewers are facing higher prices for malting barley due to last year's poor weather in two of the top-producing countries – France and Germany – whose prices have risen by 5% and 2% respectively. This has had an effect on the UK, the fourth-largest supplier, where prices are up by 6%. In contrast, the world's third-largest supplier, Spain, has seen prices drop by 9% since April. Further price rises are expected to be avoided by a "more promising" spring harvest.

The Grocer, 13 August 2016, p16

Building industry

Textile company entwines building

A Japanese textile company, Komatsu Seiren, is using carbon-fibre ropes to reinforce the structure of its new showroom and laboratory to protect it against earthquakes. High tensile twine from carbon-fibre composite has been made into 1,031 rods to tether the building to the ground and 2,778

rods to strengthen the building inside. The technology could also be used on flexible structures, such as wooden buildings, that sway horizontally.

Wired, September 2016, pp22-23

Airbnb designs own house

Airbnb has created its own studio, called Samara, to look at areas which the company can expand into, such as architecture, software and economic models. Its first project is a house designed in collaboration with Go Hasegawa, a Tokyo architect. The house is due to be erected in the Japanese town of Yoshino and will become an Airbnb venue for staying in.

Campaign, 12 August 2016, p3

Businesses and strategy

The UK – can it stay a digital leader?

The UK's digital economy is now worth over £161 billion and supports more than 1.5m jobs. It is the largest digital economy as a percentage of GDP in the G20, with predicted growth of 15% next year. However, a new report, called *Mind the Gap*, identifies four "gaps" which the UK needs to address if it is to maintain its position in the global tech industry. These are: a skills gap; uncertainty over Brexit; global competitiveness compared with US tech hubs; and a decline in the number of students graduating with computer science qualifications. The report emphasises that businesses, educational institutions and the Government should collaborate to ensure that the UK is nurturing the talent that will help it maintain its position as a digital leader.

businessmag.co.uk, 8 August 2016

Turning consultants into salesmen

Consultancy firms often have the problem of deciding who is responsible for winning new business. Some large consultancy firms use a dedicated team to address the bid process but there are drawbacks to this process. Consultancies can benefit from developing the sales capabilities of their consultants which can help to improve business performance. The author provides seven insights to help consultants overcome their resistance to selling. This article also describes the buying cycling.

Winning Edge, May-June 2016, pp36-39 (Turner)

Charities and NGOs

Are trustees responsible?

There has been a rash of scandals in the charity market of late, including chugging, tax avoidance and concern over wasted public funds. But should the Charity Commission be responsible? The answer is a resounding "no", according to Sir William Shawcross, Chairman of the Commission. He feels that charity trustees should be more alert to the issues and backs a recent report from NPC, a philanthropy consultancy, that trustees should be

paid. The recent Charity Act gave the Commission the power to suspend trustees, but will paying trustees mean they are better?

Financial Times, 15 August 2016, p2

Face-to-face fundraising regulation

The House of Commons Library has published a briefing paper covering the regulation of face-to-face fundraising or 'chugging'. The report starts by defining 'chuggers', the arguments for and against them and why charities carry out face-to-face fundraising. Then it goes on to address the regulation of face-to-face fundraising and the role of the Public Fundraising Association. The final section covers fundraising regulation in Scotland and Northern Ireland.

researchbriefings.files.parliament.uk/documents/SN06027/SN06027.pdf, 9 August 2016

British Heart Foundation

Carolyn Davidge is director of marketing and engagement at the British Heart Foundation. Here she talks about how marketing supports BHF's primary purpose, which is to fund life-saving medical research. The charity has moved away from its hard-hitting campaigns of the past few years, such as depictions of fat oozing out of cigarettes and clogged-up arteries. Instead it is focusing on the charity's research work and one-off, high profile campaigns, such as the London to Brighton bike ride. As well as engaging a network of supporters, the BHF has launched innovative new products, such as the *DECHOX*, a campaign in which people sponsored others to give up chocolate in March which raised £0.5m.

Catalyst, Issue 4 July 2016, pp44-47

Durable consumer goods

Portable beverage ware

Two key trends affecting houseware sales are: health and wellness; and convenience. One of the product categories benefiting from these trends is portable beverage ware, which enjoyed sales growth of 30% last year. More than half of these sales were attributed to water bottles, while less than 15% were travel mugs – with blue the top-selling colour. A number of factors have boosted the category, including increased awareness of the need to stay hydrated. This article looks at what various suppliers are doing and profiles five of them.

KitchenWare International, July-August 2016, pp12-14

Should've been approved as trademark

Specsavers, the high street glasses chain, has applied to trademark the words "should've" and "should've" to protect its famous advertising slogan: "Should've gone to Specsavers". If successful, it could stop other companies using the words in their advertising. The UK Intellectual Property Office has

provisionally approved the trademark but there is a two-month period in which third parties can object.

The Daily Telegraph, 16 August 2016, p27

Economy

Latest UK trade update

In its latest UK trade update for June 2016, the Office for National Statistics (ONS) reports that deficit on trade in goods and services for the month is estimated at £5.1 billion, up by £0.9 billion on May 2016. Exports increased by £1.0 billion and imports by £1.9 billion. Imports reached a record high of £48.9 billion. Meanwhile the UK's total production output increased by 2.1% between Q1 and Q2 2016.

www.ons.gov.uk/releases/ukindexofproductionjune2016
www.ons.gov.uk/releases/uktradejune2016, 9 August 2016

Energy and utilities

July switching up on last year

In Britain a total of 333,653 people switched their supplier during July, representing a 22% increase year-on-year. The total number of electricity switches has reached over 2.5m so far this year. The data, supplied by Energy UK, also reveal that 23% of switches during July were in favour of small and mid-tier suppliers.

utilityweek.co.uk, 10 August 2016

Coal plants built despite declining demand

Although Asian countries are world leaders when it comes to wind, solar and nuclear power, they have not shelved their plans to build thousands of coal plants. This is despite a decline in the demand for coal, which peaked in China in 2014. Electricity from coal plants completed in India by 2020 will probably cost more than solar energy. Coal is also impeding the use of wind and solar power. In China there is institutional reluctance to change the energy strategy since coal plants are often viewed as a way of generating economic growth and retaining jobs. Governments need to encourage utilities to create room for renewables.

Bloomberg Businessweek, 8 August 2016, p12

Tesla buys SolarCity

Tesla has just announced that it is to acquire SolarCity, one of the leading solar panel installers in the US. The combined expertise of the two companies could provide the solar industry the boost it needs. Although the price of solar power has fallen over the past decade, it is hard for it to provide a stable power supply and grid operators need a way of storing solar energy so as to 'smooth' out the supply during the night. Tesla and SolarCity may just be able to achieve this with batteries in cars and homes that can store solar power.

New Scientist, 13 August 2016, p21

UK energy

The UK is consuming 17% less energy than it did in 1998, but more of this energy is coming from renewable sources. However, a decline in North Sea oil and gas production means that the UK has become more dependent on energy imports which have risen to levels not seen since the mid- to late-1970s. The ONS also points out that all EU countries import more energy than they export. This paper looks at what energy the UK is importing and where it is coming from.

visual.ons.gov.uk/uk-energy-how-much-what-type-and-where-from/, 15 August 2016

Environment

Reverse logistics at the base of the pyramid

There has been much research on doing business with the Base of the Pyramid (BoP) but ecological aspects of BoP businesses are not usually taken into account. The authors examine the social and environmental consequences of a particular BoP business – the sale of water in plastic sachets in Africa. This is a typical BoP business with a likely negative ecological impact caused by littering. Reverse logistics activities could help to offset this impact: for example, poorer people could make some money out of collecting waste. This case study looks at the pros and cons of reverse logistics activities from a social and environmental perspective.

European Management Journal, Vol 34(4) 2016, pp414-423 (Brix-Asala et al)

Chemicals affect sperm count in dogs

Scientists at the University of Nottingham have suggested that chemicals found in plastic packaging and in the environment could be responsible for a fall in sperm count! Last year it was revealed that only 25% of young men produce good quality sperm with the average semen volume falling by a quarter since the 1940s. The scientists discovered that the same thing was happening to dogs – tests of dog food have revealed high levels of chemical-disrupting hormones. The type of chemicals used in plastics and furniture can end up in the food chain through packaging or plants and livestock. The scientists plan to conduct human studies to see if the same chemical link might be responsible.

The Daily Telegraph, 10 August 2016, p8

Fashion

Retailer-clothing brand collaborations

Mass market clothing retailers often partner with brands to produce a 'one-of-a-kind' fashion range. These collaborations can be of great benefit to both parties, their popularity has led to changes in the way in which retailers use the partnership for strategic benefit and for differentiating themselves from their rivals. This study analyses the changes in

major retailers' collaborations with clothing brands and aims to provide retailers with lessons for the future. It consists of a case study of H&M's collaboration strategy, selected because of its continued success in implementing brand collaborations. The authors emphasise the importance of the perceived fit between the retailer and its partners.

Journal of Brand Strategy, Vol 5(1) 2016, pp83-100 (Childs and Jin)

Mahabis – the new Ugg?

London entrepreneur, Ankur Shah, has created a new style of slipper, called Mahabis or "slippers for hipsters". Priced at £69 a pair, they are selling at the rate of 500 a day and the company is looking to turn over £18m in its third year. Although the slippers are very comfortable, they are "essentially an online marketing phenomenon"; the company spends huge amounts with Facebook and other display networks to ensure that its ads pop up on websites whether people like it or not!

Financial Times, 15 August 2016, p14

Burkinis banned on Cannes beach

The Mayor of Cannes, David Lisnar, has banned the wearing of burkinis – full-body swimsuits – from the city's beaches. He believes that the fashion could "risk disrupting public order while France was the subject of terrorist attacks" and that burkinis were a "symbol of Islamic extremism". Muslim women have reacted angrily but the ban remains in place until the end of August.

bbc.co.uk/news/, 13 August 2016

Financial services

New Insurance Act

The Insurance Act, passed last year, came into force on 12 August; it is set to shake up insurance law for insurers and commercial policyholders in what has been described as the "biggest overhaul since the introduction of the 1906 Marine Insurance Act". In future it will become harder for insurers to invalidate a whole contract just because of the failure to disclose one small or unconnected fact. Some 45% of large losses are disputed by insurers and take an average of three years to resolve. This act should make it harder for insurers to refuse to pay. For their part businesses will have new responsibilities in terms of the information they provide to insurers under a new "duty of fair presentation".

Financial Times, 12 August 2016, p2; out-law.com, 12 August 2016

Cashing in across Europe

European countries have varying attitudes to the use of cash: the Swedish rarely use cash, a trend reflected in much of northern Europe. However, in Germany over three-quarters of payments are made

in cash and it is common to see "cash only" signs. Yet, as countries become richer the tendency is to move away from cash for reasons of security, convenience and cost. In Benelux and Scandinavian countries banks have been early promoters of electronic payments, but in Germany and south-east Europe banks have been slower to promote technology. Andreas Pratz of AT Kearney believes that once a country reaches 100 point-of-sale card transactions per person per year then people start to accept that they don't need cash!

The Economist, 13 August 2016, pp59-60

RBS brand to go outside Scotland

The Royal Bank of Scotland brand is to disappear outside Scotland, although it will be used with Scottish customers. In England and Wales RBS branch branding will be changed to NatWest. RBS will also retain certain national brands, such as the Ulster Bank brand for Ireland as well as Coutts, Adam & Co, Drummond and Holt's Military Bank. Chief executive, Ross McEwan, has admitted that the decision reflects the bank's shift away from globalisation: "I'm now saying we no longer have global aspirations, we have local aspirations,"

bbc.co.uk/news, 13 August 2016; thedrum.com, 13 August 2016

FMCG

FMCG marketing

FMCG used to achieve success simply by cosying up to the 'Big Four' supermarkets – striking a balance between quality and price, getting the right positioning and working with the right people to deliver communications. Now FMCG marketing is not so simple, probably because of two channel shifts: a decline in the power of the supermarkets and a reduction in the power of traditional media. Two recent deals – Danone's acquisition of WhiteWave Foods and Unilever's purchase of Dollar Shave Club – are progressive in different ways. As the old rules and conventions change, it is important to maintain a clear brand vision; to adopt a compelling idea that will sell; and to experiment with new channels in a disciplined and analytical way.

Campaign, 12 August 2016, p35

P&G to up its adspend amid falling share

Procter & Gamble is to increase its adspend this year following an admission that reduction in marketing budget had negatively affected its market share. Annual sales for the year to 30 June revealed an 8% fall in sales. David Taylor, chief executive, said the brand must "get back to making consumers aware of the product and communicating the benefits". Despite this, CFO Jon Moeller says that P&G will still follow "efficiency savings" when it comes to agency and advertising costs. Taylor says that P&G is

adjusting its communications to TV, digital "and any way appropriate to reach consumers".

Marketing Week, 11 August 2016, p6

Beverages

Traditional tea supplanted by green tea

Sales of traditional tea bags have been in decline as fewer than one in six young people is drinking five or more cups of standard tea a day, according to a study. In contrast, people aged 55 to 64 are twice as likely to drink that much tea. The research attributes the trend to the fact that many young people worry that tea may stain their teeth while a quarter of 16 to 34 year-olds said tea had too much caffeine in it. Almost half of young people drink green tea for health reasons and sales have risen by 39% over the past two years.

The Times, 10 August 2016, p3

A mug's game

Coffee has a greater propensity to spill than wine but the reason for this has remained a mystery until now: a researcher in South Korea has discovered that the problem lies with the shapes of the coffee cup and the wine glass which create different degrees of oscillation. Jiwon Han says the best way of preventing spillage – if you don't want to serve the coffee in a wine glass – is to hold the coffee cup from above using a claw-like grip. Alternatively walking backwards can change the oscillation of the cup, although this also significantly increases the risk of accidents!

The Times, 12 August 2016, p2

Cross-promotions and low-cost marketing

Cross-promotions offer an effective way in which to market on a limited budget, if companies can forge brand partnerships with the right synergies. An alternative method is for the company to set up another business to provide a platform with which to market the original brand. This was the option chosen by South African winery, Jordan Wines, which supplies its wines to restaurants and retailers around the world. In 2009 the winery invested in London restaurant High Timber, giving it the opportunity to conduct cross-promotions with minimal marketing spend. This article case studies Jordan Wines and gives other examples of SME brand partnerships which allow low-cost marketing.

Journal of Marketing Research, 11 August 2016, pp20-21

Food

Take a selfie for ice cream delivery

Two food entrepreneurs have developed an app called Combr which will allow people sunning themselves on Rockaway Beach in New York to order an ice cream or other snack from two local outlets. The app uses a smartphone camera and GPS to make sure that the food is delivered to the

right person. Users can track their delivery while servers look for the person in the selfie. Food innovation has become a feature of beaches on the Rockaway peninsula.

The Times, 16 August 2016, p34

Government and public sector

Council may phase out Mr and Mrs

Oxford City council is considering the possibility of phasing out titles such as Mr and Mrs because they do not take into account transgender people. Instead they are proposing neutral versions, such as "Mx", while traditional titles are dropped. This follows a comment from a head teacher of a school in Oxford who said that her pupils should not be referred to as "girls" because it might offend some people's transgender identity. Brighton and Hove council already offers the option of Mx on its online forms although it has not yet abolished Mr and Mrs.

The Times, 16 August 2016, p3

Defence exports

Last year the value of UK defence orders reached £7.7 billion or 12% of the global market. This means that Britain continues to be the leading defence exporter in Europe and the second-largest in the world. The biggest exporter is the US while the third-largest is Russia. The largest markets for defence equipment are: Oman, Saudi Arabia and India.

Financial Times, 16 August 2016, p1;

www.gov.uk/government/statistics/uk-defence-and-security-export-figures-2015

Health and pharmaceuticals

Lab machines that can communicate

Pharmaceutical researchers use sophisticated lab equipment, but different machines are often incapable of collating the results and rarely communicate with each other. Now pharma companies, lab-equipment makers and start-ups are working to solve the problem. Merck KGaA is developing software that can automate experiments, predict when machines are running out of chemicals and allow one-click ordering of supplies. Merck executive, Udit Batra, calls it "the Amazon of life sciences". Meanwhile other companies are collaborating to develop common standards for lab data, but efforts are hindered by the sheer number of companies which make lab equipment. London start-up Synthace aims to enhance communications with a so-called operating system for lab equipment, called Antha. The company hopes that having compatibility with Antha will become a selling point for devices.

Bloomberg Businessweek, 8 August 2016, pp31-32

Calorie-counting

Between 1993 and 2014 the percentage of British adults classed as obese rose from 19% to 25.6%. Yet, if the *Living Costs and Food Survey* (LCFS) is to be believed, average daily calorie purchases fell from 2,534 in 1974 to 2,192 in 2013. Another official survey identified the same trend. This suggests that people are not exercising enough rather than eating too much. However, a new report from the Behavioural Insights Team rejects this finding; instead it proposes that participants in previous surveys have been significantly underestimating how much they eat. The Government is currently looking at new ways of measuring calorie consumption.

The Economist, 13 August 2016, p20

Smart tattoos – a sober thought

Having a "tattoo" before you start drinking could warn you if you have drunk too much. Researchers at the University of California have created a "smart tattoo" which can detect alcohol levels in your sweat and sends a warning message to your phone. This could reduce drink-driving; the patch could also be linked to the car's ignition system.

New Scientist, 13 August 2016, p21

IT and telecoms

Samsung introduces iris scanning

Users of Samsung Pay will soon be able to make purchases by scanning their eyes with their Galaxy Note 7. In addition to iris scanning technology, the Note 7 will have a fingerprint scanner. Additional layers of security include a Secure Folder (a separate folder that lets users manage private apps and files securely through fingerprint, iris scanner, pattern or pin) where private data can be kept. Another feature, Samsung Pass, allows users to log on to websites on the Samsung internet browser using biometric authentication.

nfcworld.com, 9 August 2016

India – targeting the new internet population

Foreign investors are turning their attention to India, a country with a huge population, rapid growth in internet penetration and a strong economy. Last year India had a grand total of eight 'unicorns' or unlisted companies, such as Flipkart and Snapdeal, each valued at over \$1 billion. India has the fastest-growing economy of any major nation, which has enabled it to use technology to bypass 20th-century ideas. Whereas Google, Twitter and Facebook are not available to most people in China, they have made serious inroads into India. But funding is beginning to dry up for entrepreneurs and it is likely that companies in niches, that are least exposed to competition from foreign rivals, are in the best position to succeed. These include the many groups who are tailoring their services to Indians who have not yet gone online or have just started to do so.

Financial Times, 11 August 2016, p9 (Mundy)

Leisure and tourism

Brand Wiggins

In brand terms Olympic cyclist Sir Bradley Wiggins' appearance and personality are a winning combination. Yet Sir Bradley's name has been associated with very few products compared with other well-known athletes and, since the 2012 Olympics, he has struggled to find a sense of direction. Finally, in June 2015 he managed to set a new hour record in the London Olympic Velodrome and the biggest name on his kit was his own. In a sport where one is supposed to show off one's sponsors this was a brave move. Since then many sponsors have joined the Team Wiggins brand. His latest initiative is a range of bicycles for children.

www.bbc.co.uk/news/business-36957639, 11 August 2016

Pokémon GO gets arty

Arts Council England recently tried to attract social media followers to its art galleries by encouraging them to 'catch a cultured Pokémon' at a number of hotspots. People were able to find Pokémon at places including Manchester Art Gallery, the Royal Opera House and the National Youth Theatre. The Pokémon Go project represented day three of the Council's *70 things* campaign which creates challenges to raise the profile of museums and galleries.

The Daily Telegraph, 12 August 2016, p11

Cutting back on tourism

The sheer volume of tourists at popular destinations, especially beauty spots, is leading to the banning or restriction of visitors. For example, Koh Tachai island, a snorkelling destination in Thailand, is to ban tourists in a bid to save the coral. Santorini, a Greek island, now has a limit of 8,000 tourists a day rather than the usual 10,000 and the Seychelles has banned all large hotel developments. Meanwhile Barcelona's new mayor, Ada Colau, was elected because she promised to clamp down on tourists. Nevertheless tourism accounts for almost a tenth of global GDP and is a source of growth for some places that would otherwise struggle.

The Economist, 13 August 2016, p53

Media

Books

Beijing Book Fair – a tour de force

The Beijing International Book Fair (24-29 August) has become the world's third most important publishing event – British publishers and authors also benefit as it acts as a springboard for other Asian countries. This supplement, which looks at the Chinese publishing boom, includes contributions on the growing Chinese journals market from the *UK*

Publishers Association's Market Report on China Journals; the Chinese children's market; the Chinese bestseller lists; and profiles of three of the country's biggest publishing groups. It also comments on how the London Book Fair is increasing its presence at Beijing this year.

The Bookseller Daily: Beijing International Book Fair Special, 12 August 2016, pp1-22 (*The Bookseller*, 12 August 2016, after p28)

Internet

Live-streaming

Live-streaming is becoming increasingly popular and often goes viral because of its shocking nature, but can it become a money-earner? In China, apps such as YY – the market leader – allow viewers to reward hosts with virtual gifts which can be traded for real money. In the West consumers expect to get content for free while advertising pays the bills, but advertisers may not be keen to appear alongside dubious or upsetting live-streamed content. Facebook has agreed to pay over one hundred media companies and celebrities to create advertiser-friendly live-streams. Eventually live-streaming may find a place in the media but it is likely to be niche for some time to come.

The Economist, 13 August 2016, pp52-53

Newspapers

Serious news – serious circulation

Private Eye has managed to buck the trend for the long-term decline in print circulation. It has recorded its highest sales figures for 30 years, selling 230,099 copies for the first half of the year. This is despite the fact that none of the content is available online and sales are generated via subscription. Ironically the lead-up to and aftermath of the Brexit vote helped to lift sales. Audit Bureau of Circulation figures suggest that there is still a strong demand for serious news and current affairs. *The Spectator* has also benefited from increased demand for news analysis, enjoying a 38% rise for the six months to June. Chief marketing officer of *The Economist*, Michael Brunt, believes that people are prepared to pay for some publications, "even if there is a plethora of content free online".

Financial Times, 12 August 2016, p3

Social media

The LAD Bible

The LAD Bible, an online platform for men, has 13.5m Facebook followers, which include half of the UK's 18- to 24-year-old men. Marketing director, Mimi Turner, claims that: "We probably know more about young men than anybody has ever known, ever". The site recognises that its audiences hate advertising so it keeps ads to a minimum and there are no programmatic ads on its app. Instead it generates income from native content, particularly through videos in partnership with brands. This

article looks at how the LAD Bible has become the "online voice of a generation".

Wired, September 2016, pp151-157 (Benson)

Facebook blocks the ad-blockers

Last week Facebook took steps to ensure that ad-blocking software won't work on its desktop website. This means that ads will be visible to all users regardless of whether they use ad-blockers. V-P of ads and business platform at Facebook, Andrew Bosworth, claims that this isn't being done because of demands from advertisers – instead, he says, "the ads will be indistinguishable from other content. This is about the delivery...it's the principle of the thing". The Internet Advertising Bureau has warned publishers about making ads indistinguishable from non-commercial content.

Campaign, 12 August 2016, p12

Machine-recognisable sarcasm

It is hard for computers to recognise sarcasm but now researchers at the University of Lisbon in Portugal have trained a machine to spot sarcasm on Twitter just by looking at the user's tweets. It should be a great help to marketers and customer service teams if they are able to identify and deal with sarcasm with the help of a computer.

New Scientist, 13 August 2016, p22

Television

Nudist bundle breaks with tradition

Now TV has launched a pop-up rooftop relaxation area overlooking Westminster Abbey, the Houses of Parliament and the London Eye. Punters are invited to go "clothes free" and "contract free" as the company tries to lure customers away from other Pay TV companies, such as Sky, BT and Virgin. The initiative is intended to promote the company's contract-free Now TV Combo with a TV, broadband and calls bundle. The unconventional nudist terrace also highlights the company's "breaking away from traditional conventions".

thedrum.com, 10 August 2016

ITV looks to acquisitions to tackle ad decline

Since 2010, when Adam Crozier took over as chief executive at ITV, the company has been busy buying up production companies which can deliver successful programmes with international appeal. These have included the £355m acquisition of Talpa Media, maker of *The Voice* and Channel 4 drama *Utopia*. Now ITV's offer to acquire Entertainment One (eOne), owner of kids' TV show *Peppa Pig*, has been rejected. Analysts believe that ITV is keen to buy eOne because it wants to place less reliance on declining advertising revenues by acquiring shows that it can sell around the world.

The Guardian, 11 August 2016, p21

Amazon launches buy-it-now TV shows

Amazon is launching a series of TV shows to connect its online shopping business with its entertainment platform. It is collaborating with Japanese entertainment business, Yoshimoto Kogyo, to create a TV series about Japanese cuisine. The shows will feature products that users can buy through Amazon's "I-Click" icon, also known as the "Buy it now" button used on Amazon Prime. The TV programmes will only be available on Amazon Prime Video and will initially air in Japan.

The Daily Telegraph, 13 August 2016, p33

Retailing

Saving the high street

There are serious concerns about the state of Britain's high street retailers. A new organisation, SaveTheHighStreet.org, hosted an event in central London last week in which it released a ten-point "high-street manifesto" for successful modern retailing. The group was set up by a collection of organisations including Future High Streets Forum, Google Digital Garage and Interactive Media in Retail Group. It aims to sign up 125,000 businesses over the year and will provide advice on technology and strategy for the "era of the connected high street". Around 45,000 shops closed in Britain last year.

The Times, 10 August 2016, p41; news.mintel.com, 10 August 2016

Online groceries – pressure to deliver

Supermarkets have been delivering groceries since the mid-1990s but they still find it hard to make a profit. In fact last year Aldi CEO, Matthew Barnes, announced that his business would not be selling food online because "no-one is making any money". This situation is putting pressure on retailers to become profitable but which strategies should they adopt? This article explores the possibilities and examines the main online grocery models.

The Grocer, 13 August 2016, pp24-27

Walmart ramps up e-commerce with Jet

Walmart has acquired online retailer Jet.com for \$3.3 billion in a deal which will help it to challenge Amazon. Jet provides cheaper offerings than its rivals by curating products into bundles. Last year Walmart's e-commerce sales reached \$13.6 billion (3% of revenues) while Amazon achieved \$82.8 billion. The *Financial Times* explores the acquisition in some detail.

The Grocer, 13 August 2016, p10; Financial Times, 13-14 August 2016, p14

Services

Success factors in service innovation

This research demonstrates that service innovation is different from product innovation, although the

differences between the various types of services may be as great as those between services and products. Service innovation should be open, driven by customer engagement and have systems to manage the knowledge created by innovation. Mechanisms should also be in place to manage the large amounts of information generated and to build synergies between existing systems. Critical success factors will be dependent on innovation objectives. In the longer term, however, competitive advantage relies on being more innovative, directly involving the customer and investment in organic management practices.

Journal of Product Innovation Management, Vol 33(5) 2016, pp527-548 (Storey et al)

Clearing subjects – not what they used to be

For students who miss their A level grades, the university clearing system has become a useful way of identifying new opportunities. Universities are offering many new and innovative courses or variations on traditional subjects. Although a departure from the traditional subjects may worry parents and teachers, the new subjects on offer may be more relevant to the 21st century. Examples include “Ethical hacking and network security” and “Contemporary circus and physical performance”. Failing that, why not try “Invented languages: Klingon and beyond” at the University of Texas in Austin or “The Simpsons and philosophy” at UC Berkeley?

The Guardian, 16 August 2016, p34

Transport and travel

Bombardier wins carriage contract

Bombardier’s train factory in Derby has won an almost-£1 billion contract to make 660 carriages for the East Anglia railway network. At the same time it has been announced that Abellio, owned by the Dutch state rail company, is to continue operating the rail service. Bombardier was the last remaining train manufacturer in Britain until Hitachi opened a factory in County Durham last year.

The Guardian, 11 August 2016, p23

China allows trucking in cities

For the first time China is to allow pickup trucks to be driven in some cities. In February restrictions were lifted in four provinces but the rule changes will take full effect in October. Foreign and domestic truck makers are hoping that middle class city dwellers will be attracted by the idea of going off-road or using the trucks as a weekend getaway vehicle. The regulatory changes have already led to an increase in sales – the 15 biggest manufacturers of pickup trucks have reported an 11% rise in sales in May and 36% in June year-on-year. Ford’s F-150 Raptor truck will be available in China from next year, although the Chinese market is still tiny compared with that in America.

Bloomberg Businessweek, 8 August 2016, pp24-25

Written by CIM’s Knowledge Services Team

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On the Move

Name	From	To	New title	Source
Mike Abbott	Penguin Random House	Baker & Taylor	Director of Sales and Marketing, AMEA	The Bookseller
Amanda Boote	Infotools	Big Sofa	Global Head of Marketing and Business Development	research-live.com
Caroline Foster	Group M	IPG Mediabrands	Chief Executive, EMEA	Campaign
Chris Locke	Diageo	Lily's Kitchen	Marketing Director	The Grocer
Tori Winn	Precedent	Lida	Executive Creative Director	Campaign

Promotions

Name	Company	Previous title	New title	Source
Gabriel Ludzker	Proximity London	Managing Director	Chief Executive	Campaign

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www.gov.uk/government/statistics

The Grocer

[The Guardian](#)

Industrial Marketing Management

International Journal of Advertising**

International Journal of Market Research**

The Journal of Brand Management*

Journal of Brand Strategy

Journal of Customer Behaviour

Journal of Marketing**

Journal of Marketing Research**

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

Kitchenware International

www.lexology.com

Marketing Week **

New Scientist** (1 month embargo)

www.nfcworld.com

www.ons.gov.uk/releases

www.out-law.com

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