

# Cutting Edge: Our weekly analysis of marketing news

24 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

#### Don't ignore the over-50s

A new report from Group M says that advertisers tend to ignore 50-to-80 year-olds due to misconceptions. This older age group, which accounts for a third (21.8m) of the UK population, is often under-represented in the media, according to the study. It reveals that over half of this group own a smartphone; 62% check the internet when they need information; almost 40% have downloaded a mobile phone app; and 30% have used an instant messenger app. The report describes the fifty-plus consumer as "multi-layered" as well as being more "financially and technologically savvy than ever...this affluent group can have a meaningful impact on driving marketing objectives".

**thedrum.com, 17 August 2016**

### Agencies

#### Agency pay

Clients are constantly watching their budgets with the result that agencies are often expected to deliver more at a lower cost. According to the new ISBA/ARC *Paying for Advertising* report, 46% of advertisers are satisfied with their remuneration agreement, down from 51% in 2012. The proportion of advertisers who think they pay more than they should do has risen from 41% to 50%. Meanwhile the use of payment by results (PBR) has dropped to 43% of agreements, despite being used among the biggest agencies and global accounts. The major trends identified by the report for creative and media agencies are summarised and ten industry experts express their opinions.

**Campaign, 19 August 2016, pp26-29**

### Brands and branding

#### How useful is brand orientation?

The growth in global market competition has made brand orientation a useful strategic tool for ensuring growth and profitability. The development of powerful brands and the monitoring of brand equity have become key management concerns. This study looks at the extent to which the effect of brand orientation on sales performance is dependent upon the level of transformational leadership and collaboration between functions. The research is based on data from subsidiaries of multi-national companies based in the Commonwealth Caribbean region. It reveals that brand orientation is positively linked to sales performance when levels of transformational leadership and inter-functional collaborations are high.

**Journal of Brand Management, Vol 23(4) 2016, pp363-382 (Boso et al)**

#### Coopetitive branding

Co-branding or "coopetitive" branding has become popular because of the potential advantages for the collaborating parties, such as reduced cost or faster product development. The authors develop a framework to investigate different coopetitive branding arrangements and identify two elements of coopetitive branding: the nature of the agreement (hybrid or symbolical) and the type of partners (direct or indirect competitors). They propose a typology of four competitive branding situations and present the short-term and long-term benefits and risks associated with each type. The research is illustrated through four case studies.

**Industrial Marketing Management, Vol 57 August 2016, pp86-96 (Chiambaretto et al)**

### Conferences and events

#### Good communications strategy

Events are exposed to many unexpected problems



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and crises. Speaking at the European Association Summit in Brussels, Malgosia Bartosik, deputy CEO of WindEurope, described how the wind industry's annual gathering was due to take place at the time of the Paris attacks last year. She emphasised that the focus for any event should be on external and internal communication – in Paris the event offered a 24-hour hotline, real-time website updates, media partners and mailings informing people about what was happening. A potential disaster was effectively turned into a successful event with 7,000 participants from 70 countries. This not only helped to strengthen the association brands but also the event itself. Laura Fernandez Celemin, of the European Food Information Council, and Florence Ranson, of FoodDrink Europe, also explored the significance of effective communications.

**Association Meetings international, August 2016, pp26-27 (Anderson)**

## **Consumer behaviour**

### **What consumers value**

It can be difficult to discover what it is that consumers really value. However "building blocks of value" can present opportunities for companies to improve their performance in existing markets or gain entry to new ones. The authors identified 30 "elements of value" using a model which has its roots in Maslow's hierarchy of needs. They arrange the elements into a pyramid according to four kinds of needs: functional, emotional, life changing and social impact. This is supplemented with real-world examples showing how companies have used the elements to enhance revenue, refine product design, identify where customers see strengths and weaknesses and cross-sell services.

**Harvard Business Review, September 2016, pp46-53 (Almquist et al)**

### **Devices free up the mind but impair memory**

New research suggests that digital devices can free up more of our mental resources by outsourcing some tasks, but they can also make it harder for us to remember information. The scientists, from University College London, conducted experiments which showed that "cognitive offloading" – where technology makes reminders or calculations easier – can impair memory but that this effect is outweighed by the amount of cognitive power released for creative thinking and other activities.

**The Times, 17 August 2016, p3**

## **Customer relations**

### **CRM in higher education**

Customer relationship management (CRM) has become increasingly important for "electronically-driven" B2B and B2C sectors. However, little work has been done on the effect of CRM on the higher education sector. The authors apply principles of CRM and service quality in a study of a university in

the UK. The study reveals that an effective CRM programme to improve service quality can produce positive advocacy behaviour from international students. The recommendation is that policy makers in higher education should invest in CRM.

**Journal of Customer Behaviour, Vol 15(1) 2016, pp67-79 (Wali and Wright)**

### **Impressing the buyer?**

Tim Ussher, author of *Winning Selling...to Impress the Buyer!*, presents the first in a series of four articles on selling and the buyer. The first one focuses on the corporate buyer who has become a powerful force in their own right. In fact buyers can earn their employers 20 times their cost in bottom line profit every year, helping to deliver the desired financial results. Moreover, stakeholders will often go along with the buyer's recommendations. With this amount of power, what can sellers do to impress the buyer?

**Winning Edge, May-June 2016, pp26-29 (Ussher)**

### **Customer experience – CEO guide**

Leading companies recognise that they are in the business of customer experience and understand that "how" a business delivers for its customers is as important as "what" it delivers. This guide for CEOs, which uses the expertise of McKinsey and others, examines the fundamentals of customer interaction as well as the steps necessary for a customer-centric business. A series of infographics includes a customer-experience measurement system which places the customer journey at the centre and connects it to other important elements.

**mckinsey.com, August 2016**

## **Direct marketing**

### **Timeliness and frequency are key**

New research from Mailjet reveals that for 61% of consumers e-mail is an effective brand awareness tool, even more so than TV ads, social media and direct mail. Yet 65% of the 1,000 UK consumers surveyed were "not content" with the timeliness and frequency of marketing e-mails: 44% said that better personalisation was the biggest priority for e-mail improvement while, for the under-30s, timeliness (34%) and regularity (28%) were important. The report emphasises the need for real-time updates since 37% of respondents said they checked their personal e-mail during the working day for product updates and offers. Brands should also take into account the behavioural differences between generations.

**bizreport.com, 16 August 2016; emarketer.com, 16 August 2016;**

### **Less is more when it comes to holiday e-mails**

Marketers will often focus on holiday themes when targeting consumers but, with so many marketers doing the same thing, they need to look at the

individual rather than the event. Last year the number of holiday-themed e-mails sent by brands nearly doubled for some holidays while opening rates fell by 5% year-on-year. The study, entitled the *Engagement and Deliverability for Holiday-Themed Emails: Biggest Lessons from 2015 and What They Mean for Marketers in 2016* was compiled by Yes Lifecycle Marketing. It concludes that using holidays and seasonal events without thinking about their relation to the brand's customer base is not enough to drive engagement.

**bizreport.com, 17 August 2016**

## Law

### Use of trademarks by third parties

BMW has won a legal case against Technoport London Ltd, an independent car repair garage, which had been using BMW's trademarks to advertise its services as well as using a Twitter account called @TechnoportBMW. The case examines the circumstances in which a third party, who has no contractual relationship with the brand owner, might use protected marks. Although there are circumstances in which third parties can use trademarks to advertise genuine goods and services, brand owners can object when the use of the trademark suggests that there is a relationship between the parties when there is not.

**swanturton.com, 16 August 2016**

### Brexit and the United Patent Court

For over 40 years EU countries have been trying to set up a unitary patent system that would operate across all countries, along with a common court for settling patent disputes. In 2013 25 EU countries signed up to the Unified Patent Court Agreement (UPCA) plus two other EU regulations for a new Unified Patent Court (UPC) across the EU. Brexit calls into question whether the UPC and unitary patent will now take place. This article examines the possible scenarios...

**lexology.com, 17 August 2016 (Marks & Clark)**

### Trademarking words

Attempts to trademark common language, such as Specsavers' "should've" (See Cutting Edge 17 August), can be surprisingly successful. In 2010 the US Patent Office allowed Facebook to trademark "face" but it does not appear to have succeeded with "book". Successful trademark applications can bring huge rewards for a relatively small outlay of £200. Following the UK referendum result, US brewer Sam Adams applied to US authorities to register the word "Brexit" which it will use for its new brand of "hard cider".

**The Guardian, 20 August 2016, p28**

## Marketing

### The elements of market orientation

Market orientation (MO) has become a major influence on strategic decision-making. Understanding the effect of MO has become particularly important in B2B and industrial markets, where the financial impact of customer loss can be severe. Recent research has begun to examine the effects of the individual dimensions of MO, such as market intelligence generation, dissemination and response to markets. This study aims to explore the relationships between market intelligence generation, dissemination and responsiveness.

**Industrial Marketing Management, Vol 56 July 2016, pp130-142 (Dong et al)**

### Marketing automation

*The MA Sophistication Index*, from B2B Marketing in association with Circle Research, reveals that an increasing number of B2B marketers are using marketing automation (MA): 56% of marketing teams, up by 13% on last year. The most important reason for MA implementation, as cited by 46%, is "increasing sophistication in lead management" while 41% say they use it to improve personalisation of messaging and content and 31% say it will save time. Yet 58% of MA users are using less than half of their platform's features. Many businesses say they are just not prepared for MA due to a variety of challenges, such as data and technology integration (54% and 51% respectively). Two experts offer their tips.

**B2B Marketing, Q2 2016, pp6-11 (Howe)**

### Location data

Where should marketers place their message? According to a Posterscope survey, most marketers believe that location data can improve ROI by 60% and they plan to increase investment in that area. The US is ahead of the game in this respect – here location is regarded as a separate channel because businesses, such as Uber and Airbnb, base their business models on location. In the UK barriers exist, such as building the necessary tools; the tardiness of mobile operators in monetising the opportunities; and consumer privacy concerns. As ever, marketers will need to strike the right balance...

**Campaign, 19 August 2016, p19**

### The role of the salesman

With the ease of communication and ability to gather data, is the role of the salesperson in decline? A poll of 300 account managers reveals that 90% believe the role to have changed, with more time being spent sitting at a desk, sending e-mails and using data, while less time is spent on phone calls and visiting buyers. Salespeople used to be good at building relationships with customers but

now there are question marks over whether this skill is as valuable as it used to be. This article, which examines how the "sales game" has changed, includes comments from the survey participants.

**The Grocer, 20 August 2016, pp28-32 (Halliwell)**

## **Market research**

### **Market research by any other name**

The term "market research" is well-established but its use and meaning have become increasingly unclear in today's environment. In this study the author brings together key stakeholders within the market research sector to reveal how the expression has become marginalised and declined over the past decade. Today the term usually describes a set of skills rather than a strategic concept that adds value. The paper discusses the explanation for this trend and considers whether the continued use of "market research" can be good for the future success of the research industry.

**International Journal of Market Research, Vol 58(4) 2016, pp503-522 (Nunan)**

### **Personality scoring**

Businesses have been spending too much time on "social listening", a practice which can give insight into consumer behaviour but tends to place the focus on trends. While social listening discovers the "what", big data analytics tools discover the "why" and "how" of consumer behaviour. Personality scoring, a new field of customer profiling, takes this a stage further. It centres on the use of psycholinguistics and text analytics to predict someone's online personality based on social media activity. It can give an idea of where the consumer is in relation to the big five personality traits, which in turn can assist with delivering personalised ads for individual customers.

**research-live.com, 22 August 2016 (Blake)**

## **Public relations**

### **Expressing gratitude**

This paper examines how management expresses its gratitude to employees and compares this with employee preferences. It also looks at the so-called "dark sides" of communications, where well-meaning managers may do more harm than good. The author discusses various modes of gratitude: verbal, electronic, handwritten and monetary. Most employees tend to prefer verbal one-on-one gratitude to any other form while sincerity is also considered to be important. This study should help managers to consider gratitude communication more carefully and take the necessary actions which can lead to increased employee satisfaction.

**Corporate Communications: An International Journal, Vol 21(3) 2016, pp333-351 (Beck)**

## **Verbal communications**

It's much easier to present to people when they aren't there in the room staring back at you. Public speaking can be a terrifying business where even the likes of Bill Clinton, Al Gore and Warren Buffett have struggled. Public speaking should not be a performance because people want the genuine item, not an act. Here are four tips for becoming a more natural communicator.

**Public Relations Tactics, Vol 23(8) 2016, p14 (Friedman)**

## **Sponsorship**

### **Sports sponsorship – getting alignment**

The Olympic Games is a good time for brands to reflect on how they should be developing their sponsorship strategies for sports events. Sponsorship exclusivity is increasingly rare and there are a growing number of viewing options for sports. A logo on a jersey is no longer enough and the brand should find other ways in which to differentiate the brand and engage with consumers. Here are five rules for brands to consider when aligning themselves with sports events: fit; relevance; adaptability; consistency and continuity; and timing.

**brandquarterly.com, 11 August 2016**

### **The logos just got bigger but is it worth it?**

Now that the Rio Olympics is over, sponsors will be concerned about whether consumers will recall their brand. This year the International Olympic Committee (IOC) has allowed the size of logos to be increased from 20sq cm to 30sq cm, enabling brands to stand out more. But is being an official IOC partner worthwhile? Hans Erik Tuijt, head of global sponsorship at Heineken which backs the Dutch Olympic Committee, claims that "You can't see the difference between a global sponsor and a local one". Around 60 brands used the Rio 2016 logo during the Games which is not exactly the exclusive deal that the IOC's top 12 brand partners may have been hoping for. Tokyo 2020 could attract up to 80 sponsors! This year there has been greater emphasis on digital and social marketing where logos and brand messaging may have more of an impact than in the physical environment.

**brandchannel.com, 17 August 2016**

### **Sponsors drop Olympic swimmer**

Speedo USA has dropped its sponsorship of US swimmer Ryan Lochte, after he had made up a story about being robbed at the Rio Olympics. Speedo says it will donate \$50,000, part of Lochte's fee, to Save the Children. It has also issued a statement that "we cannot condone behaviour that is counter to the values this brand has long stood for". Three other sponsors have now announced that they have ended their sponsorship of the swimmer.

**The Guardian, 23 August 2016, p10; bbc.co.uk/news, 23 August 2016**

## Agriculture, fishing and forestry

### Chinese return to their roots

Sunshine Organic Farm is situated on the outskirts of Chengdu in China and provides a weekend retreat for residents who want a rest from urban life. Increasingly wealthy Chinese want to return to a simpler way of life and entrepreneurs are setting up businesses to cater for this nostalgia. The farm is aimed at families who can help to collect and prepare the produce, although most of the farm's income derives from selling produce on an e-commerce platform called iGarden. There are widespread concerns in China over food quality and safety which is why some middle-class consumers even go as far as vetting the farms they buy from online.

**Financial Times (Special Report: Investing in Chengdu), 19 August 2016, p2**

### Wheat exports

Russia is set to become the biggest exporter of wheat for the first time – according to forecasts it will overtake other regions by exporting 30m tonnes of wheat this year. Russia has enjoyed a good harvest, unlike last year's leader, the EU, which has been hit by a decline in French production. The Black Sea region – Russia, Ukraine and Kazakhstan – is a strong force in the international wheat market due to high yields, falling freight prices and weak currencies.

**Financial Times, 19 August 2016, p24**

### Sharing economy becomes animal-friendly

The sharing economy is everywhere – in the US it even extends to the renting of animals. Sheep, for example, are useful for trimming the grass and can be rented at \$1 per sheep per day. Or why not rent some goats (\$265 for 15) which are good at gobbling up weeds and fertilising the ground as they go? Beekeeper Denis Qualls rents bees to farmers to help them pollinate their plants in California, where 1.8m hives are required annually.

**Bloomberg Businessweek, 22-28 August 2016, pp62-63**

## Building industry

### Housing trends in Britain

The Office for National Statistics (ONS) provides five facts about housing in the UK which include an 8.7% rise in average house prices in the 12 months to June 2016, a dramatic decline in home ownership among young people, the increasing cost of renting privately and the overall decline in the level of house-building in the UK since 1980: 152,380 houses were built in the financial year ending 2015, a fall of almost 40% compared with 1980, when 251,820 houses were built. However, new data for 2015-16 reveal that the recent rise in housebuilding

in England and Northern Ireland is continuing. The ONS website provides further graphs and statistics.

[visual.ons.gov.uk/five-facts-about-housing/](http://visual.ons.gov.uk/five-facts-about-housing/), 17 August 2016

### Construction Statistics

The Office for National Statistics' latest *Construction Statistics* report provides a wide range of data on the construction industry in Great Britain, bringing together information from various sources. It includes statistical trends, international comparisons and important initiatives, including government departments' construction plans; local authority expenditure and National Lottery-funded projects. There are also data on planning applications, employment and building materials.

[www.ons.gov.uk/businessindustryandtrade/constructionindustry/articles/constructionstatistics/no172016edition#structure-of-the-industry](http://www.ons.gov.uk/businessindustryandtrade/constructionindustry/articles/constructionstatistics/no172016edition#structure-of-the-industry), 22 August 2016

## Businesses and strategy

### Innovative design and signalling strategies

Little is known about how companies can improve their chances of success when they launch innovative designs. This study focuses on two specific types of signals that could help to enhance market acceptance of innovative design: use of a national design tradition and attention from experts and specialised media. The study confirms that design innovativeness has a positive effect on financial performance, but that this effect is strengthened if the novel design retains national design tradition. Novel designs will also be better received if they gain attention from design experts and attract media coverage. The research was carried out among Danish companies.

**Journal of Product Innovation Management, Vol 33(5) 2016, pp613-627 (Micheli and Gemser)**

### The first rules of negotiation

The author presents the first two rules for success in negotiating. The first rule is that salesmen often don't ask for what they want in a negotiation. This is either because they have failed to close the negotiation adequately, and have not asked for the order, or, because they are unassertive and lack the confidence to ask for what they want. The second rule is that negotiations are won in the preparation, planning and rehearsal (PPR) for meetings: don't forget that "If you fail to plan – you plan to fail!" Other rules of negotiation are due to be explained in subsequent articles.

**Winning Edge, May-June 2016, pp34-35 (Buzza)**

### Defining disruptive innovation

The authors seek to answer three essential questions about disruptive innovation: what is disruptive innovation; how can a disruptive innovation be disruptive to some and beneficial to others; and how can disruptive innovations be

identified before a disruption has taken place within an organisation? The authors offer answers to these questions by redefining disruptive innovation through the use of innovation adoption characteristics.

**Industrial Marketing Management, Vol 57 August 2016, pp119-126 (Nagy et al)**

### **High-fliers don't always attract praise**

A recent study suggests that high-performing employees do not just have small-minded bosses to contend with – they also face hostility from colleagues. Envy and spite can manifest itself through ostracism at social events or attempts at humiliation in front of the boss. This rarely happens in high-tech organisations, where outperformance is universally applauded, but generally occurs in “stagnant environments” – the more dynamic the environment the less scope there is to build up resentment. Of course some high-flyers are so ambitious and self-absorbed that they might just get on their colleagues' nerves anyway!

**The Economist, 20 August 2016, p55**

## **Charities and NGOs**

### **RSPCA the best UK social media brand**

The *Brandwatch Social Index*, a new social media index, ranks international brands in various sectors including non-profit. It names the RSPCA as the fourth-best digital charity brand globally and the best social media brand in the UK. Oxfam, the Red Cross and Médecins Sans Frontières are also in the top ten globally. The rankings are based on social visibility; general visibility; net sentiment; reach growth; and engagement and content. The best social media non-profit brand is US media organisation National Public Radio (NPR). The US-based the Human Rights Campaign is in second place and Wikileaks third!

**civilsociety.co.uk, 19 August 2016**

### **Using video for communication**

The online environment is highly competitive and it is hard to know which emotional buttons to press to ensure that someone will donate or even fundraise for your cause. One of the most popular channels is video, which is increasingly being viewed through mobile. Although many charities regard digital as potentially expensive, there are some media sharing apps and platforms that are free and have the potential to be effective. Among these are Snapchat and the newly-launched Facebook Live.

**institute-of-fundraising.org.uk, 22 August 2016 (Rollo)**

## **Economy**

### **UK national balance sheet**

The total net worth of the UK was estimated to be £8.8 trillion at the end of 2015. This averaged out at £135,000 per person or £327,000 per household.

During the period 1995 to 2015 it is estimated that UK total net worth more than tripled, representing an increase of £6.0 trillion, an average increase of £87,000 per person. At £5.5 trillion, dwellings remained the most valuable non-financial asset, making up 62% of the UK's total net worth by the end of 2015.

[www.ons.gov.uk/releases/theuknationalbalancesheet2016estimates](http://www.ons.gov.uk/releases/theuknationalbalancesheet2016estimates)

### **Shoppers continue spending despite Brexit**

According to the Office for National Statistics, retail sales volumes rose by 1.4% in July compared with June, considerably more than the city's predictions of just 0.2%. Sales were also up by 5.9% on the same month last year. All sectors of the high street recorded sales increases which has gone some way to allay some of the anxiety caused by Brexit. Retail sales make up around 20% of the economy and are an important indication of household demand.

**Financial Times, 19 August 2016, p2**

### **£9,000-graduates are back at home**

A new study by the National Union of Students, suggests that over half of the first batch of graduates to have paid £9,000 for their tuition fees, have moved back in with their parents. Eight months after leaving university, 52% of under-25s are living at home and, for the first time, the majority of the 'boomerang generation' are living with their parents. According to ONS data, under half of graduates aged 22 to 24 lived at home in 2008.

**The Times, 17 August 2016, p16**

### **Pay gap widens after women have children**

A new study from the Institute of Fiscal Studies (IFS) reveals that the wage gap between men and women widens after women return to work following childbirth. During the 12 years after returning to work the pay gap increases to 33% of men's hourly pay rates, with women often missing out on promotions and the necessary experience to advance their careers. Women earn on average 18% less than men, although this percentage has fallen since 1993, when it was 28%.

**bbc.co.uk/news/business, 23 August 2016**

## **Energy and utilities**

### **Shell – energy of the future**

Shell is running an incubator programme to help energy entrepreneurs create sustainable energy and low-carbon products. #makethefuture is a campaign focusing on young entrepreneurs which brings together Shell's existing enterprise development programmes. Shell LiveWIRE winner, Tom Robinson, started a building materials business called Adaptavate, which manufactures building materials that can “breathe”. It was used as a case study at

Make the Future London, a four-day festival focusing on Shell's enterprise development programmes.

**Wired, September 2016, pp96-90**

### **Nuclear powers criticism**

Britain has plans for a string of nuclear power plants aimed at replacing its ageing coal power stations. This presents a substantial opportunity for power groups around the globe: from France, China, the US and Japan. But critics argue that, through its lack of participation, Britain is allowing yet more foreign companies to profit from its critical infrastructure projects. This article looks at 60 years of British nuclear power and Britain's attitude to investment.

**Financial Times, 19 August 2016, p9**

## Environment

### **The Dwaine game**

Northumberland Water has developed the Dwaine Dash, a mobile game aimed at ensuring that only the right things are flushed down the loo. Players have to navigate the sewers to collect "friendly" items, namely pee, poo and toilet paper while avoiding things that shouldn't be there, such as nappies and pills. The game features a character called Dwaine Pipe, the mascot for the *Love Your Drain* campaign, who visits schools and other venues as well as appearing in campaigns. The Marine Conservation Society is also running a petition for better labelling of products, such as wet wipes, to help prevent them ending up in the sea.

**instituteofwater.org.uk, 18 August 2016**

### **War on waste tackles restaurant leftovers**

The new Too Good to Go app allows users to search for leftover meals from over 150 venues around the country. They are then given a time slot in which to collect their meal which they can have at a heavily-discounted price. Cafés and other food venues, which have signed up to fight the "war on waste", have been given eco-friendly sugarcane boxes for the takeaways. The app has already attracted 30,000 downloads.

**The Times, 17 August 2016, p15**

### **Meat-freezing advice adds to food waste**

New research suggests that retailers are issuing misleading guidelines about how to freeze meat, and that this is contributing to Britain's food waste mountain. The survey, by Ask the Q, found that eight out of 11 retailers recommend freezing on "day of purchase" even though it is safe to freeze meat up until the use-by date. Ten out of the 11 retailers recommended eating frozen meat within a month of freezing, whereas frozen food remains safe indefinitely.

**The Grocer, 20 August 2016, p6**

## Fashion

### **Why designers lose the right to their names**

Designer Karen Millen has just lost a legal battle in which she applied for the right to continue using her name. She sold her business to Baugur in 2004 in an agreement stating that she could not use her name in future business. Despite the fact that she committed to using her name in a different sector from Baugur, the Court felt that this could still lead to confusion between the fashion brand and the new business. This is just one of a long list of cases in which designers have been refused permission to link their name to other businesses. This article examines the reasons and offers advice for fashion designers.

**lexology.com, 18 August 2016 (Shoosmiths LLP)**

### **July sales benefit from warm weather**

Online fashion sales rose by 22% in July year-on-year, according to the latest *IMRG Capgemini eRetail Sales Index*. Overall online sales reached a 20-month high during July and were up by 19% compared with 2015. The warm July weather boosted sales of seasonal clothing: accessories (+33%), footwear (+24%), lingerie (+31%) and womenswear (+21%). However, IMRG is cagey about giving predictions for 2016, mainly due to the referendum result.

**bizreport.com, 20 August 2016**

## Financial services

### **Tax avoidance will lead to advisor fines**

Any financial services firm or accountancy which has been involved in designing, selling or marketing tax avoidance schemes considered to be unlawful in a court of law, could be fined up to 100% of the underpaid tax. So far, middle men such as these, have incurred little risk because it is their clients who face the penalties, but now the UK Treasury is proposing a crackdown on such practices. Recently HMRC recovered £30m from brewer, Green King, which had been advised by EY. The new rule would mean that EY could have been fined the same amount.

**The Times, 17 August 2016, pp1-2**

### **Contactless payments reach record levels**

Contactless payments among UK consumers reached record levels of £9.27 billion for the first half of the year. Last autumn the payment limit was raised from £20 to £30, resulting in 1.1 billion contactless transactions for the first six months of 2016. In June contactless payments made up 18% of debit and credit card purchases compared with 7% in June 2015.

**Financial Times, 23 August 2016, p2**

## FMCG

### Beverages

#### Anyone for gluten-free water?

A website advertising gluten-free bottled water with the strapline, "because you can never be too sure", has been widely shared. It has also been condemned as just another example of a brand jumping on the 'free-from' bandwagon while selling a product that has no reason to contain gluten. It was, of course, a hoax – creator, Canadian blogger Aaron Binder says he set it up to "explore how easy it is to manipulate with headlines" especially in the areas of food and health culture. He currently has other hoaxes out there, so watch out!

**New Scientist, 20 August 2016, p18**

#### WKD in revamp

Alcopop drink WKD is 20 years' old this year and ready for a makeover. Owner, SHS Drinks, is to overhaul the brand by giving it a "healthier image", a more 'contemporary and colourful' look and updated names that focus on fruit, such as "Passion Fruit" instead of "Blush". Marketing director, Jo Sykes, wants the taste to appeal to the young adults who "didn't buy into the RTD (ready-to-drink) category".

**The Grocer, 20 August 2016, p34**

#### Athleisure targeted by big alcohol

Alcohol companies have generally steered clear of the health-and-fitness trend which has engulfed other products. However, as millennials, especially women, become more concerned about what they consume, alcohol producers, such as Diageo, and MillerCoors, have started marketing to the so-called "athleisure-wearing" set. MillerCoors has released two healthy-sounding drinks – Easy Tea and Zumbida Mango – while Diageo is to launch a Smirnoff Spiked Sparkling Seltzer drink. Start-ups, such as Boathouse Beverage, are also entering the market.

**Bloomberg Businessweek, 22-28 August 2016, p25**

### Food

#### ASA bans Walkers competition

The Advertising Standards Authority (ASA) has banned an ad for Walkers Crisps after complaints from 112 customers. The *Spell and Go* promotion promised to give away 2,000 holidays. The ASA concluded that it would be nigh on impossible to obtain the three letters – C, D and K – required to spell out a holiday destination and win a holiday. Walkers claims to have given away 800 holidays.

**The Times, 17 August 2016, p4; The Daily Telegraph, 17 August 2016, p11; The Guardian, 17 August 2016, p15**

#### Manuka – getting out of a sticky situation

The price of genuine manuka honey can be around £30 but many products are not pure manuka and consumers don't understand what they are buying. More manuka honey is sold around the world than is produced in New Zealand. In 2014 New Zealand introduced interim labelling guidelines for the honey in an attempt to reduce fraud but two years on, and manuka honey industry members believe that the guidelines have been ineffective. This article focuses on the need for harmonisation and the progress being made in regulating the manuka trade.

**The Grocer, 20 August 2016, pp24-27 (Creasey)**

### Household

#### Subscription services and apps

As the UK's big four supermarkets continue to battle it out against discounters Aldi and Lidl, big FMCG companies are exploring new channel strategies. Unilever has announced a three-month deal with ZipJet, an app service with 50,000 members whose washing can be collected; washed with Persil Wash & Fold and then delivered back to them. This arrangement allows ZipJet to bring new products to market while the Persil brand inspires consumer trust. Meanwhile P&G is testing whether subscription services, such as Dollar Shave Club, could work in the UK, having launched Gillette Shave Club in Britain April. A pie chart showing detergent market share for the UK is included.

**Campaign, 19 August 2016, pp19-20**

## Government and public sector

#### Government tendering begins

The search has begun for suppliers to the UK Government's Creative Solutions Framework, which is worth between £180m and £350m. Responsibility for the tendering process for the four-year contract lies with the Cabinet Office's procurement team. Suppliers will be appointed to the following areas: Strategy Development, Creative for Campaigns, Digital Marketing and Social Media, PR, Direct Marketing and Partnership Marketing. The contract is being streamlined following complaints about the previous tender process. It will also produce cost savings of £3m a year, although weighting will be divided between quality (80%) and value (20%).

**thedrum.com, 18 August 2016**

## Health and pharmaceuticals

#### Watered-down junk-food plan

Prime minister, Theresa May, has sacrificed tough measures to tackle childhood obesity in favour of maintaining a strong economy. Despite Public Health England's assertion that restrictions on the advertising and promotion of junk food are an effective way of helping to prevent children from



becoming overweight, this has been omitted from the Government's plan. One of the few commitments in the new plan is a tax on sugary drinks which would increase the price of a 68p can of Coke by 8p. The plan also encourages children to do more exercise. Health campaigners are not impressed by the "watered-down" plan. Meanwhile a third of Britain's children are overweight. *The Observer* comments on how parents' lives will be "made harder" by the failure to limit junk food promotions.

**The Times, 18 August 2016, pp1-2; The Guardian, 19 August 2016, p4; The Observer, 21 August 2016, p18**

### **A spoonful of sugar – new food labelling?**

The UK's Department of Health says that, following Britain's decision to leave the EU, food packaging could be labelled to show how many teaspoons of sugar or salt have been added. "Visual labelling could be used as consumers have found it hard to understand the 'traffic light system' of labelling and EU rules on trade prevent new labelling techniques. A Whitehall spokesperson said: "Brexit gives us a chance to think about how we can better inform people about salt and sugar content".

**The Daily Telegraph, 19 August 2016, p2**

## **IT and telecoms**

### **Oculus VR headset launches in UK**

The Oculus Rift VR headset is due to be released in the UK on 20 September at a cost of £549 and it will require a high-performance PC to help it work. Video gamers will be a major target market for the headset and many games have already been developed for it. It has also been used to stream live sports to the wearers while pornographers have even made their first VR films! For now, the Rift's high price tag may be a deterrent, but one analyst believes that Oculus has priced it high to give it the "aspirational effect" of Apple's products. Other VR products, such as Sony's PlayStation VR, will follow.

**The Times, 17 August 2016, p22**

### **Wearable screen**

A team in South Korea has developed a touchpad that enables people to control apps on a screen that can be fitted as a "second skin" or incorporated into clothing. The wearable interface is intended to help people cope with the "jostling of everyday life".

**New Scientist, 20 August 2016, p21**

### **Samsung increases lead over Apple**

Samsung sold 32m more smartphones than Apple during the second quarter of the year, according to Gartner. Last year Samsung's lead over Apple was 24m for the same period. Meanwhile, sales of iPhones have fallen for the third consecutive period, from 48m in 2015 to 44.4m this year. The Android operating system has registered a market share of

86% with the sale of nearly 300m handsets.

**Financial Times, 19 August 2016, p16**

## **Leisure and tourism**

### **Do you have an inkling about that tattoo?**

Tattoos are not just an art form – they are also a statement and much of the imagery reflects centuries-old stories. This is according to *The Tattoo Dictionary*, by Trent Aitken-Smith, which sets out the history of particular designs. For example, sailors used to put an image of Jesus on their back in the hope that it would reduce the severity of a whipping while gangs use numbers to denote membership. Meanwhile QR codes and bar codes are becoming increasingly popular for revealing messages about the wearer!

**Wired, September 2016, p89**

### **Nike opens pop-up track**

Nike has launched a pop-up running track in the shape of a shoe in Manila, Philippines. Launched to promote the Lunar Epic trainer, it allows people to log their personal race time and then to race against their own time while being projected on to LED screens. The Unlimited Stadium is open for 178 days.

**thedrum.com, 18 August 2016**

### **Women – an investment gap**

Stereotyping of women athletes during the Rio Olympics, particularly in the US media, has led to a consumer backlash. However, there continues to be an "investment gap" between men and women in sport: women's sport accounts for only 5.4% of the value of all sponsorship deals and women have still not achieved equal pay and prize money. This year 45% of athletes at Rio were women, an all-time high. Industry experts believe that there should soon be progress in both marketing spend and media coverage of women's sport and that brands are missing out on a huge opportunity for "exponential growth".

**Campaign, 19 August 2016, p19**

## **Materials and mining**

### **Australia fights to save steel industry**

One of Australia's two surviving steelmakers, Arrium, is in administration and the Government is being asked for bailout funds to rescue the company's loss-making Whyalla steelworks. The Government has already committed to using Whyalla steel to upgrade 1,200km of railway track and plans to strengthen its anti-dumping policy to help the business. However, finding a buyer may be hard because of the glut of Chinese steel on the market.

**Financial Times, 18 August 2016, p14**

### **Cornish tin set for revival?**

It looks as if the last Cornish tin mine, which has been shut for nearly two decades, is to be given a new lease of life. Canadian company Strongbow Exploration bought South Crofty mine in Redruth out of administration earlier this year and hopes to make a go of it. International Entrepreneurs, who have been encouraged by the commodities boom, are revisiting UK mines thanks to better prices and technology – another Canadian company is currently attempting to build a gold mine in Northern Ireland. It is estimated that South Crofty still has 2.5m tonnes of ore containing 44,000 tonnes of tin.

**Financial Times, 17 August 2016, p2**

## Media

### **Books**

#### **Second-hand books – a global business**

Despite the current turmoil in the book trade, it seems that second hand books are big business on the internet. World of Books, a business started by three young English entrepreneurs, has grown to the point where it now employs over 500 people, and turns over £30m. Although 80% of stock goes to recyclers, the rest is bought by readers in 175 countries. Despite the problems facing the book industry, last year sales of physical books rose in the UK for the first time in four years (by just 0.4%), while e-books lost ground for the first time.

**Financial Times, 22 August 2016, p14**

### **Film**

#### **When to release a DVD**

Timing decisions about when to release a new product into different channels are critical. This study seeks to identify the optimal timing for releasing a movie in the US DVD sales channel. As with previous studies, it finds that the time lag from box office release to DVD release should be increased in order to optimise the overall performance of the movie, but notes that other studies have underestimated this time lag. It also finds that a delayed DVD release is still optimal for maximising revenue in the DVD channel. Optimising the time lag could result in improvements in total film and DVD revenue of 2.5% and 5.6% respectively.

**Journal of Marketing, Vol 80(4) 2016, pp20-38 (Ahmed and Sinha)**

### **Games**

#### **Teenage gamblers**

Teenagers are betting millions on unlicensed online casinos, using digital currency, called 'skins'. The skins are "cosmetic upgrades" that can be bought or won within popular games. They can also be used as virtual currency which allows youngsters to

gamble without their age being verified. Over £5 billion-worth of skins were bet globally last year, with a lot of it being spent on eSports. The gambling Commission has expressed its concerns in a report. Meanwhile, in the US, legal action has been taken against Valve Software, makers of *Counter Strike*, which is accused of making direct profits from gambling.

**The Times, 20 August 2016, p7**

### **Internet**

#### **Tencent**

Chinese internet giant Tencent has reported a 50% year-on-year rise in second quarter revenues. It relies mainly on gaming and subscription revenues, which have both performed strongly. However, it is the company's messaging apps, which also act as social network accounts, which perhaps offer the most potential in terms of advertising and marketing. Advertising revenues have grown by 60% but are still less than £1 billion for the quarter. In comparison, Facebook made almost all its \$6 billion revenues from advertising. Tencent has plenty of scope for growth as its business becomes more like Facebook's.

**Financial Times, 19 August 2016, p12**

### **Newspapers**

#### **Johnston downgraded**

Johnston Press bought the *i* newspaper in April in what chief executive, Ashley Highfield, described as a "transformational acquisition". It essentially repositioned the local newspaper publisher as a national player. Now Moody's is to downgrade the company's credit rating to CAA2, which is just three places above the lowest grade. Johnston now has to convince shareholders that a cost-cutting exercise, and plan to sell off some newspaper assets, will work.

**Financial Times, 20-21 August 2016, p15**

### **Social media**

#### **Social media use in the UK**

A set of 13 slides, compiled using data from the Office for National Statistics and Department for Culture Media and Sport, shows how people and businesses use social media in the UK. In 2016 91% of adults aged 16 to 24 who went online used social networks compared with 87% who listened to music and 66% who read online news. In England LinkedIn has more users who are male (62%), while Instagram has more users who are female (56%). Facebook, YouTube and Twitter are, perhaps not surprisingly the most popular platforms, although Instagram has the youngest users and LinkedIn the oldest.

[www.slideshare.net/statisticsONS/social-media-use-in-the-uk-65266896](http://www.slideshare.net/statisticsONS/social-media-use-in-the-uk-65266896), 23 August 2016

## Television

### Can Netflix stay ahead?

Netflix innovations – in the form of global programming, on demand and no ad breaks – have changed the way in which people watch TV and increased the speed with which viewers have moved away from pay-TV and a broadcast system that relies on national borders, time schedules, advertising and sponsorships. Netflix's algorithms tell it what viewers watch, what they like and offers instant streaming of new shows and episodes. But some industry experts wonder how long Netflix's success can continue. The streaming landscape and Netflix's prospects are examined.

**The Economist, 20 August 2016, pp53-55**

### Sky and BT – who will score the goals?

As the football season starts, Sky Sports and BT are resuming their battle for viewers. David Beckham stars in Sky's advertising while BT's campaign reminds viewers that it is the only place to watch games from four major tournaments. Two creative experts compare the campaigns.

**Campaign, 19 August 2016, p5**

## Packaging

### Edible clingfilm

US scientists are developing edible packaging film made from milk proteins. The films are described as "powerful oxygen blockers" which could help to prevent food waste as the food moves through the supply chain. The casein-based packaging looks similar to plastic wrap and researchers say that nutritious additives, such as vitamins, as well as flavourings, could be used in the future. The casein coating could also be sprayed directly on to food, such as cereal, to help it stay crunchy; this is currently achieved using sugar. The packaging could be on the shelves in three years.

**packagingnews.co.uk, 22 August 2016**

## Retailing

### Retailer private label branding strategies

This study investigates the drivers and performance implications of retailer branding strategies for premium and economy private-label tiers. Retailers can either use store-banner branding - using their store-banner name and logo to establish their ownership – or, they can use standalone branding so that there is no direct link between store brand and retail banner. The study was carried out among a pan-European sample of premium and economy labels.

**Journal of Marketing, Vol 80(4) 2016, pp1-19 (Keller et al)**

### Tesco to open 24-hour outlets

To coincide with the opening of the night tube on London's Victoria and Central lines, Tesco is trialling 24-hour opening in some of its stores along these train lines. It will also set up "rehydration stations" at the front of stores from 3am to 7am, where staff will be giving out Tesco's Finest freshly squeezed orange juice and bottled water. Tesco is targeting both the night-worker and party-goer markets and it will be interesting to see if its rivals decide to follow its lead.

**news.mintel.com, 19 August 2016**

## Services

### The productisation of services

High-end professional services firms are knowledge-intensive businesses that can charge high prices. However, they often fail to achieve the same returns as product or platform companies such as Adobe or Google. This is because they tend to grow by selling more services which means taking on more people; this in turn adds to costs and leads to linear revenue growth. But now "smart" professional services firms are automating routine aspects of their work to "productise" tasks: these products can be combined with employee expertise to deliver better services at lower cost. The author describes the three stages of this process in which firms can move away from billable hours towards a fee-per-transaction system and eventually to outcome-based pricing.

**Harvard Business Review, September 2016, pp82-89 (Sawhney)**

### Business tie-ups boost university income

Collaborations between British universities and businesses have risen by over 6% by value to reach £4.2 billion year-on-year, as the higher education sector tries to compensate for declining public funding. Additional funding streams are coming from joint research, consultancies, professional development programmes and income from intellectual property.

**Financial Times, 18 August 2016, p2**

### UberEats launches outside London

Uber plans to introduce its food delivery service outside London in a direct challenge to Deliveroo, the British start-up. UberEats will be launched outside London's Zone 1, in Birmingham, and other cities over the coming months. Amazon may also be planning to launch a competitor service.

**The Sunday Telegraph (Business), 21 August 2016, p1**

## Transport and travel

### Autonomous trucks – some way to go

A number of companies have been working on the concept of driverless lorries: Rio Tinto is already using them at one of its mines in Australia and Volvo

will soon start to test a self-driving truck at a mine in Sweden. Other car makers have plans for autonomous trucks and Uber has just acquired self-driving truck start-up Otto. There are various barriers to using self-driving trucks on the roads in terms of technology and regulation. In rich countries trucking is described as an "old-fashioned" business dominated by small firms' and hauliers may not want to pay the cost of the new technology. Experts believe that fully autonomous cars or lorries will not be ready before 2030.

**The Economist, 20 August 2016, p57; reuters.com, 18 August 2016**

### **Ford looks to driverless cars by 2021**

Ford aims to build a completely self-driving car by 2021 which will be used in the driverless taxi services market, which Ford hopes to dominate over the coming decade. Ford is investing in technology companies, and has doubled its operations in Silicon Valley. Chief executive, Mark Fields, believes that "Vehicle autonomy could have as big an impact on society as the Ford mass assembly line had over 100 years ago". Other carmakers, such as Fiat and Toyota, have been forging deals with technology companies.

**Financial Times, 18 August 2016, p2**

### **German carmakers have electric ambitions**

BMW's marketing campaign for its 33e hybrid car aims to lure customers away from Tesla. The implication is that BMW has an alternative to Tesla's Model 3 electric car. In fact BMW only has one fully electric vehicle, the i3. Tesla is undoubtedly the market leader in electric cars and it is only recently that German carmakers have stepped up their electric car investment, with VW, BMW and Daimler spending €11.8 billion, €4.2 billion and €6 billion respectively on R&D. German carmakers face various obstacles, as this article explains. An infographic compares the electric car ranges of Tesla and Germany.

**Financial Times, 17 August 2016, p15**

Written by CIM's Knowledge Services Team

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## On the Move

<b>Name</b>	<b>From</b>	<b>To</b>	<b>New title</b>	<b>Source</b>
Imran Choudhary	Kantar Worldpanel	GfK	Key Account Director, Technology	research-live.com
Rory Gallery	Abbott Mead Vickers BBDO	Mcgarrybowen London	Joint Head of Strategy	Campaign
Chris McKibbon	Abbott Mead Vickers BBDO	Mcgarrybowen London	Joint Head of Strategy	Campaign

## Promotions

<b>Name</b>	<b>Company</b>	<b>Previous title</b>	<b>New title</b>	<b>Source</b>
Paul Clarke	Spectrum Brands	Sales Controller for Appliances Division	Sales and Marketing Director	The Grocer

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To fast forward click on the following links:

[Agriculture, fishing and forestry](#)

[Building industry](#)

[Businesses and strategy](#)

[Charities and NGOs](#)

[Economy](#)

[Energy and utilities](#)

[Environment](#)

[Fashion](#)

[Financial services](#)

[FMCG](#)

[Beverages](#)

[Food](#)

[Household](#)

[Government and public sector](#)

[Health and pharmaceuticals](#)

[IT and telecoms](#)

[Leisure and tourism](#)

[Marketing trends and issues](#)

[Advertising](#)

[Agencies](#)

[Brands and branding](#)

[Conferences and events](#)

[Consumer behaviour](#)

[Customer relations](#)

[Direct marketing](#)

[Law](#)

[Marketing](#)

[Market research](#)

[Public relations](#)

[Sponsorship](#)

[Materials and mining](#)

[Media](#)

[Books](#)

[Film](#)

[Games](#)

[Internet](#)

[Newspapers](#)

[Social media](#)

[Television](#)

[Packaging](#)

[Retailing](#)

[Services](#)

[Transport and travel](#)

[On the move](#)