

Cutting Edge: Our weekly analysis of marketing news

12 April 2017

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

Format, message content and retargeting

Advertisers increasingly make use of multiple creative formats in their digital campaigns to target and retarget customers. The authors examine the effects of creative format, message content and targeting on the performance of digital ads. They present a model to measure the effects of static (GIF) and animated (Flash) display ad formats. They consider how effective different ad content (related to brand or price) are for different ad formats and targeted or retargeted customers. The study reveals that "carry-over" rates for dynamic formats are higher than for static formats, although static ads can be effective for price ads and retargeting. It also finds that retargeted ads are only effective if they include price incentives.

Journal of Marketing Research, Vol 54 April 2017, pp202-218 (Bruce et al)

Pen and paper inspires creativity

Tony Cullingham of Watford Ad School, claims that the computer screen is damaging creativity. He argues that the computer is not a creative tool and that there are no new ideas online because they already exist. The brain can only be truly creative when using pen and paper because it requires more mental energy and commitment. Studies have shown that writing and drawing by hand stimulates electrical impulses in the brain, which are dormant when working with a screen. So, the next time you write a creative brief, shut down that laptop!

Campaign, 7 April 2017, p25 (Cullingham)

Advertising failures

Pepsi has apologised and axed a recent ad starring TV reality model Kendall Jenner because it trivialised

the recent street protests in America. Nivea has also fallen foul of its Middle East audience by posting an ad for its deodorant stating that "white is purity", which was considered to be "discriminatory and racially insensitive". Meanwhile the Co-op supermarket has been criticised for "outrageous sexism" in an ad for chocolate Easter eggs which called on parents to "treat your daughter for doing the washing up". This article reminds us of some more examples of advertising that people have taken exception to. (Also see Public relations)

bbc.co.uk/news, 6 April 2017

LGBTs underrepresented in advertising

A new study of gay and bisexual 18 to 34 year-old male users of Grindr, a dating app, has revealed that 66% think LGBT people aren't featured often enough in marketing campaigns. More than half of UK respondents (52%) think the LGBT community is "invisible" in advertising. The research, by M London and Grindr, was produced to coincide with the Diversity in Marketing & Advertising Summit in London.

emarketer.com, 7 April 2017

Agencies

Can small agencies survive?

A start-up culture has grown out of dissatisfaction with the major agency networks. Yet two small agencies, Naked London and Fabula, recently closed. This article asks how long small agencies can continue to compete with the big outfits. Marc Nohr, CE of Fold7, says that technology is an advantage in a sector where there has been a "move towards aggregation". Andy Nairn, founding partner at Lucky Generals, argues that clients enjoy working with a more "agile, entrepreneurial approach" that can be lacking in bigger agencies. Four marketing directors express views on the subject.

Campaign, 7 April 2017, p2



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Brands and branding

Selling brand purpose

The author examines the concept of brand purpose and its benefits. She describes what brand purpose is, why it is important, how consumer brands are approaching it and how it can be conducted effectively. When undertaking purpose-driven marketing, brands should link the purpose to consumer values and human needs. They should also consider the "say", "do" and "confirm" messages based on the Strategic Consistency Triangle (Tom Duncan and Sandra Moriarty), also known as the Integration Triangle.

Journal of Brand Strategy, Vol 5(4) 2017, pp344-494 (Hsu)

Co-branding alliances – company dissimilarity

This study looks at how consumers perceive co-branding alliances between dissimilar companies. The authors argue that consumers' use organisational characteristics as signals in their assessment of brand fit and in their purchasing decisions. They conduct an experiment which reveals that co-branding partner dissimilarity (company size, industry scope and country-of-origin image) negatively affects brand fit perception. Brand fit tends to produce a more positive consumer attitude towards a co-branding alliance; this suggests that high partner brand dissimilarity could negatively impact co-branding alliance performance.

Journal of Brand Management, Vol 23(6) 2017, pp648-665 (Decker and Baade)

Beware rebranding

A brand is the public face of a company and as such should be protected. Verizon has just announced the creation of a new brand called "Oath" to represent its internet companies. The name was chosen because of the company's "ultimate commitment of Building Brands People Love" according to its website. Yet attempts at corporate repositioning often go wrong, especially if the chosen name bears little relation to the product or service. Last year Tribune Publishing's rebranding to "Tronc" was met with a mixture of derision and hilarity. Sometimes it is safer just to do nothing rather than embark on "ill-advised corporate branding exercises".

Financial Times, 7 April 2017, p14 (Garrahan)

Conferences and events

Video content – copyright issues

In the old days event presenters would load their content on to a PC, but technology has moved on and these days they are expected to stream video content directly from servers or the cloud. The problem is that the content may be owned by a third party, which could lead to copyright and ownership issues. For example, using YouTube content in presentations could mean that a public performance licence is required. The content is also subject to

intellectual property ownership, rights and laws. This article considers the issues surrounding the use of video content.

M&IT, March 2017, pp31,33 (Chatwin)

Consumer behaviour

Generational perceptions

Attitudes about the young, middle aged and the elderly have changed radically as have the traditional definitions of "age-appropriate behaviour" and lifestyles. There are various theories about so-called "age compression" in which the lines between generations are becoming blurred. To obtain an understanding of age compression, OMD UK conducted research called *The Future of Generations*, which focuses on the behaviour and lifestyles of generations in Britain. It explores how the British public perceives itself and its peers and how different generations perceive them. The conclusion is that marketing communications should try to fit with how people perceive themselves, not how others see them.

Impact, Issue 16 2017, pp10-11 (Murray and Gale)

Emotional influence

Emotions are at the centre of the relationship that consumers have with brands. Hussein Dajani, COO of Hug Digital, believes that effective marketing should be "more appealing to the emotions than reason". According to Jae Hwang, partner at MBLM, "humans make decisions based on emotion rather than logic". This article examines the importance of emotion as an influencer of consumer behaviour, citing campaigns by Coca-Cola and John Lewis.

Gulf Marketing Review, No 266 2017, pp48-50

Customer relations

A seamless customer experience

One of the main objectives for brands this year is to provide a "seamless personalised customer experience" which requires putting the customer at the centre of business; using data to obtain a single customer view; and having an agile team in place. Three companies are doing just that: Marks & Spencer has created a "customer-obsessed" team by restructuring to place the customer at the heart of its operations; global CMO of hotel chain Hyatt, Maryam Banikarim, has focused on removing the silos which she believes were holding back customer experience initiatives; and credit score checker, ClearScore, has abandoned traditional departments in favour of cross-functional teams.

Marketing Week, April 2017, pp34-36 (Rogers)

Direct marketing

Company fined £80,000 for TPS breach

A Glasgow-based company has been fined £80,000 for breaking direct marketing rules. Xternal Property Renovations Ltd had made 109,726 unsolicited calls

to people registered with the Telephone Preference Service (TPS). The ICO, which received over 130 complaints from August 2015 to April 2016, issued the company with an enforcement notice prohibiting it from using a public communications service for making unsolicited calls for direct marketing purposes where a person had registered with the TPS or had told the company that it did not want to receive calls. Some brief advice for planning a direct marketing campaign is included in this article.

mondaq.com, 31 March 2017

Maintaining relationships post-GDPR

This article looks at how companies can maintain relationships with their customers in the wake of the General Data Protection Regulation, which takes effect in May 2018. The author suggests using highly targeted marketing campaigns to gain consent from consumers in the run up to the regulation. This could be achieved by identifying different consumer segments and developing highly personalised strategies to persuade them to maintain a relationship with the brand through consent. This strategy would help to identify the most valuable customers and enable brands to refine their marketing accordingly.

dma.org.uk, 4 April 2017 (Logie)

Law

DMA responds to ICO guidance on GDPR

In March the ICO published its draft consent guidance for the General Data Protection Regulation (GDPR). The DMA submitted a response based on the principle of the DMA Code which is to "put your customer first". It argues that the proposed guidance will have a negative impact on customers, such as greater confusion over consent statements. The changes may also affect the economy since marketing services providers will suffer and jobs could be lost. The detailed response is published on the DMA's website.

dma.org.uk, 4 April 2017

Trademark infringement on the rise

Research from CompuMark, which specialises in trademark protection, suggest that trademark infringement is on the increase. It found that more brands are filing for new trademarks but few are actively safeguarding them against infringement. Although 66% of C-level executive questioned said they plan to launch a new trademark in the next year, only 20% said that their business is keeping an eye on their trademarks. The biggest cost to trademark infringement is loss of revenue (26%) followed by damage to brand reputation (21%).

bizreport.com, 6 April 2017

When can a slogan be protected?

Slogans, product phrases and other types of taglines, such as McDonald's "I'm lovin' it" and

Nike's "Just Do It", help companies to build brand identity. However, it is not always possible to protect them as trademarks. The General Court of the European Union recently decided that the slogan "FOREVER FASTER", for which sportswear brand Puma had filed a trademark application, is not sufficiently distinctive to be used as a trademark for sportswear and sports equipment. This article explains why.

lexology.com, 4 April 2017 (Hekker)

Marketing

European marketing activity on the rise

There has been a sixth consecutive increase in European marketing activity, according to the *Global Marketing Index* (GMI). The GMI rose to 53.7 in March, with the European Index well ahead at 59.7. This contrasts with the Americas, where marketing activity has declined (49.9). Global marketing budgets have risen for the first time following six months of decline: the *Global Marketing Budgets Index* recorded an increase of 1.3 points in March to reach 51.1. The European figure is ahead, at 57.1, while budgets in Asia-Pacific and the Americas have continued to fall.

research-live.com, 31 March 2017

Coca-Cola merges CMO role

Is the role of the CMO under threat? Coca-Cola is merging its top marketing role with other functions to create a new Chief Growth Officer, which will be filled by Francisco Crespo, president of its Mexican business unit. James Quincey, who takes up the post of CEO in May, says that the organisation is changing to "respond to the fast-changing needs of our consumers, customers, system and associates around the world".

Marketing Week, April 2017, p6

Market research

Capturing voice of the consumer

Technology has enabled researchers to listen to the voice of the consumer (VoC), allowing them to collect huge amounts of data on customer experience (CX) easily and quickly. But what is the best way to listen to the customer voice and how do you know how good the information is? In the era of total quality management (TQM) it was easier to measure the return on investment of VoC; but in an environment where customer experience (CX) is always on, it is harder to assess whether it is working. This feature article, sponsored by Qualtrics, explores VoC. It includes case studies of Google Glass, Airbnb and Ciena.

Impact, Issue 16 2017, pp26-36 (Phillips)

Administrative data to be captured by ADNR

Public sector bodies have been collecting data for many years. This "administrative data" is an asset

for academic research and policy development. The Economic and Social Research Council (ESRC) is helping researchers by launching an Administrative Data Research Network (ADRN) for the UK. Professor Peter Smith, director of ADRN, distinguishes between "Big Data" of the type collected from Twitter and which isn't representative of entire populations; and administrative data, which can get closer to whole population coverage.

Society Now, Issue 27 2017, pp22-23

Public relations

Pepsi leaves a bad taste

There has been a huge backlash against the Pepsi ad in which TV reality star, Kendall Jenner, was shown giving a paramilitary-style police officer a can of Pepsi during a street protest. The ad is regarded as a cynical take on the Black Lives Matter demo in Louisiana last year when Ieshia Evans was filmed confronting a line of police in riot gear, only to be arrested. *The Guardian* considers how Pepsi went so badly wrong. *The Times* examines the marketability of Kendall Jenner and touches on the possibility that the whole thing was a publicity stunt because, after all, "there really is no such thing as bad publicity". (Also see Advertising)

The Guardian (G2), 6 April 2017, pp6-9; The Times, 6 April 2017, pp2-3

Sponsorship

Sleeve sponsorship

Manchester City FC is the first Premier League team to have an official sleeve partner. Sleeve space is estimated to be worth 15% to 20% of a Premier team's front-of-shirt sponsorship and it is likely that other teams will follow. This article advises about taking care when negotiating sponsorship agreements and when checking existing agreements to see whether they contain any problematic clauses for sleeve sponsorship. For example, such clauses could prevent clubs from selling jersey space to companies in the same sector as the front-of-shirt sponsor. Shirt sleeve deals could be the start of a new focus on previously unused inventory, such as back-of-shirt deals (which already exist in Spain). Clubs will need to be "commercially savvy" in order to take advantage of this trend.

lexology.com, 3 April 2017

Agriculture, fishing and forestry

Maple syrup – a sticky market

A group of maple syrup producers in Quebec, Canada are turning their industry into a global enterprise. The Federation of Quebec Maple Syrup Producers wants their syrup to be seen as the best in the world. It controls almost all aspects of maple production in Quebec by assigning quotas to the 13,500 farmers and selling the syrup to licensed

wholesalers. Around 85% to 90% of all maple syrup produced in Canada comes from Quebec and represents about 70% of global supply.

bbc.co.uk/news, 9 April 2017

Dairy under attack

Dairy farming has been under fire recently thanks to a *Guardian* article (written by a vegan) attacking "questionable" farming practices plus the exposure of an M&S dairy supplier for keeping calves in cramped conditions. The dairy sector may find it hard to put its case across at a time when many people are turning to dairy-free products and 46% of people aged 16 to 24 are intolerant to cow's milk and its products. The big challenge for the dairy sector is not so much the content of the messages put across by the anti-dairy lobby, but the ease with which these messages can go mainstream.

The Grocer, 8 April 2017, p18

Building industry

Information management

Effective management and the use of information can make the difference between a successful project or a failure. Managing information effectively is important in the operation of a construction business. A think tank hosted by *Construction News*, in association with Autodesk, looked at how good the industry is at using data effectively and how it can improve the way it manages information throughout the lifecycle of a project. The panellists noted that technology and new data will have a strong impact on the way the industry works. Changes in business models will also help to bring new players into the market.

Construction News, 7 April 2017, pp38-40

Output down in February

The monthly survey of construction output from the ONS reveals that output has grown for a fourth consecutive three-month period (up by 1.5%), although overall output fell by 1.7% in February compared to January. Infrastructure was one of main casualties in February (down 7.3%) while new housing fell by 2.6% month-on-month. In contrast, repair and maintenance grew by 1.2%.

ons.gov.uk, 7 April 2017

Businesses and strategy

Tech hubs in Africa – incubators struggle

Incubators and accelerators provide training, mentoring and sometimes office space to help start-up businesses. In Silicon Valley they also provide capital for start-ups. In Africa things are different: a common model is for "tech hubs" to provide office space, networking events and fast broadband internet. There are now over 300 such facilities in Africa, yet only one incubator – Raizcorp in South

Africa – has managed to become profitable without grant funding. Many incubators lack the experienced mentors needed. They also need good entrepreneurs if they are to become profitable.

The Economist, 8 April 2017, pp61-62

Business longevity

This article profiles the Whitechapel Bell Foundry which has been in business for 447 years and is the oldest manufacturing company in London. The company contradicts conventional wisdom that a company must grow, innovate, diversify and bring in new technology in order to survive. Five lessons that can be learned from established companies, such as Whitechapel, are presented.

Market Leader, Quarter 2 2017, pp26-29 (Simmons)

Women in senior positions

Women still account for only 24.4% of senior staff at 25 international banks surveyed by the *FT*. Research by LinkedIn shows that the wider financial sector increased its recruitment of women into leadership roles by 10% from 2008 to 2016. Progress is being made in terms of diversity but there are cultural issues and some women are still reporting “subtle” forms of sexism. Separately the business, energy and industrial strategy committee, a group of MPs, has recommended that half of the UK’s senior executives should be female by 2020. A separate *FT* article reveals how three companies – BHP Billiton, Sky and Siemens – have achieved a better balance between male and female senior staff.

Financial Times, 5 April 2017, pp2,17; Financial Times, 10 April 2017, p18

Charities and NGOs

Charities fined for information misuse

Eleven well-known British charities have been fined by the Information Commissioner’s Office for misuse of personal information. The charities include Cancer Research UK, Oxfam, the NSPCC and WWF-UK. Illicit activities include sharing donor lists with third parties; illegally buying information that has not been disclosed to them; and passing data to wealth-screening companies to identify the richest donors. The fines range from £6,000 to £18,000.

Financial Times, 6 April 2017, p3

Bus shelter ad wants smokers to blow on it

Cancer Research UK has developed a bus shelter ad which invites smokers to blow into a circle to see how their breathing has been affected by smoking. The “Breath Test” ad, which states that “the longer you can blow, the more of this message you’ll be able to read”, encourages smokers to get help from a Stop Smoking advisor.

thirdsector.co.uk, 30 March 2017

Durable consumer goods

Kidults boost toy market

From 2011 to 2015 toy-making in Britain grew by 70% to be worth £275m and is now the UK’s fastest-growing manufacturing sector. However, sales of toys to adults is estimated to be growing three times faster than the children’s toy market. The kidult trend has resulted in sales of toys to adults increasing by almost two-thirds over the past five years and by 20% over the past year. Over half of kidult spend comes from Millennials (18- to 34-year-olds) who are interested in anything from Scalextric sets to Subbuteo football and Star Wars Lego models.

The Daily Telegraph (Business), 10 April 2017, p4; The Daily Telegraph, 11 April 2017, p19; The Times, 10 April 2017, p3

Economy

Industrial output down

The Office for National Statistics reports that the UK’s industrial output fell by 0.7% in February compared with 0.3% in January. The ONS attributes the decline to the warm weather which resulted in lower electricity and gas use. Construction output also shrank in February – down by 1.7% – which was exacerbated by a 2.6% decrease in housebuilding.

bbc.co.uk/news, 7 April 2017

The productivity enigma

During the first quarter of the year worker output per hour in Britain was 1.2% higher than a year ago. This doesn’t put an end to the UK’s “productivity puzzle”, according to the ONS. In terms of productivity the UK simply isn’t catching up with other countries, notably France, Germany and the US, which produce more national income for every hour worked. Various explanations have been put offered for this productivity lag: the dominance of big tech giants; a lack of competition; the London housing market; unwillingness to switch jobs; and low-paid, insecure work.

The Times, 6 April 2017, pp38-39

ONS to use big data to track economy

The Office for National Statistics is to use “radical” new methods of data collection in order to get a better picture of the UK economy. Its new Data Science Campus in Newport plans to use mobile phone data, car journeys and other forms of activity to obtain a “real-time” picture of the economy. Monitoring the economy is difficult because statisticians traditionally have to track people through surveys.

The Daily Telegraph (Business), 10 April 2017, p3

Younger people happier becoming happier

Younger people are becoming happier while the elderly are becoming less satisfied, according to a *Daily Telegraph* analysis of ONS data. The proportion of 16 to 24 year-olds who said they were very happy has risen by 2% since last year while, for the over-75s, the figure has fallen by 2%. Since 2011 the most significant increase in happiness has been among Millennials in their late 20s, 30% of whom said they were very happy in 2011 compared with 33.6% this year. It is more usual for older people to report greater happiness but the gap is narrowing, possibly due to loneliness and poor health.

The Daily Telegraph, 7 April 2017, p13

Energy and utilities

Virtual drilling cuts costs

Royal Dutch Shell (based in Calgary, Canada) has succeeded in drilling a well in Argentina, 6,200 miles away. By using computers to undertake the "virtual drilling", it has managed to lower the cost of the operation from \$15m to \$5.4m. The use of digital technologies could be the next big thing for the oil industry. Oil rigs are already being remotely controlled by engineers who can use real-time data to make decisions which avoids the cost of taking them out to the rigs by helicopter. Digitisation may also attract Millennials to an industry that has an ageing workforce.

The Economist, 8 April 2017, p63

National Grid says turn down wind power

The UK's National Grid predicts that minimum demand for the power grid will fall to a record low this summer because of the proliferation of solar roof panels and solar farms. It says that some wind generation will need to be reduced to help balance the system. It plans to initiate a system called Demand Turn Up whereby businesses will be paid to use more electricity at times when the grid has too much power. This could mean shifting energy-intensive processes to a different time of day or night.

The Times, 7 April 2017, p14

The demise of nuclear power?

Governments around the world are moving away from nuclear power and instead shifting towards renewables. The power produced by nuclear reactors is being overtaken by new, clean-energy power plants. Last year just three new nuclear reactors were built. China is one nation that is still going ahead with new reactors: it has 21 out of a total of 55 being built around the world. Reactors are costly to build and decommission – most governments are unlikely to replace their old plants with new ones.

Wired, May 2017, pp30-31

Environment

Consumer attitudes to waste

The authors propose a model whereby recycling could reduce consumers' negativity relating to wasting resources while increasing their positivity around disposing of the consumed resources. Their research suggests that positive emotions associated with recycling can overcome the negative emotions associated with wasting. This means that consumers might use more resources when they know that recycling is an option. The authors call for a better understanding of consumers' disposal behaviour so that environmental policies and campaigns can be more effective.

Journal of Marketing Research, Vol 54 April 2017, pp293-305 (Sun and Trudel)

Environmental ads – substance or gimmick?

This month two environmental outdoor ads appeared in London. Heineken beer brand, Tiger, installed a poster on Shaftesbury Avenue that was created using air pollution. Urban Vision, an Italian out-of-home company, launched "air-cleaning" billboards in Leicester Square and Shepherd's Bush in a campaign called "The Breath". One campaign makes use of the pollution while the other seeks to combat it. This article asks whether such campaigns are truly meaningful or just gimmicks.

Campaign, 7 April 2017, p8

Fashion

Fast-fashion – green initiatives

Clothing production doubled between 2000 and 2014 as production became more efficient. Fast-fashion brands, such as Zara, now offer over 20 collections a year. But all this has come at a cost to the environment: the manufacture of 1kg of fabric results in 23kg of greenhouse gases, according to McKinsey. Consumers are keeping their clothing half as long as they did 15 years ago and shoppers in the developing world are catching up fast. Clothing companies realise that consumers' awareness of the environmental impact will rise. Some are taking steps to address this, such as using renewable energy. Tom Cridland, a British designer, has developed men's clothing that is designed to last three decades, while Patagonia helps students to patch up their trousers and jackets.

The Economist, 8 April 2017, p62

Financial services

Dealing with credit card debt – a new model?

In a consultation paper, the Financial Conduct Authority has outlined the need for credit card providers to do more to help consumers, who are constantly in debt, to repay the money they owe. Measures might even include preventing people from using their cards if they don't comply with

repayment options. Some experts believe that this could force credit card companies to reconsider their existing business models. The ramifications are explored.

out-law.com, 4 April 2017

Disruption in lending

The 2008 financial crisis led to disruption in the financial services sector with non-bank competitors, or "shadow banks", capitalising on the opportunities. Non-bank lenders are most evident in the US, although in Europe banks are still the biggest lenders. This article considers three aspects of lending: the UK, where US private equity firms are offering loans; the Netherlands and Ireland, where pension funds and insurers have moved into the mortgage market; and the expansion of P2P lending platforms.

Financial Times (Tomorrow's Global Business: Part 2 Raising Capital), 5 April 2017, p8 (Hale)

FMCG

Beverages

India restricts alcohol sales

The Supreme Court in India has decided to ban the sale of alcohol within 500 meters of a national highway in a bid to stop drink-driving. This is a serious blow to businesses around the country. It is estimated that the ruling will affect 100,000 business and sales of around \$10 billion. It is also bad news for spirits and beer companies, such as Diageo, which has invested heavily in India's \$39 billion alcohol market.

Financial Times, 5 April 2017, p9

Swallow your wine, no spitting!

Drinking wine "engages more of our brain than any other human behaviour" is the claim made by Gordon Shepherd, a neuroscientist at Yale School of Medicine. In his book, *Neuroenology: How the Brain Creates The Taste of Wine*, he says that swallowing is one of the central processes in obtaining information about the wine, which means that spitting it out during a tasting session is not the best thing to do. Dr Shepherd has been responsible for developing the brand of science known as "neurogastronomy", a word that he coined in 2006.

The Times, 5 April 2017, p7

Cosmetics and toiletries

Relaunching Lynx

Axe (also known as Lynx) is the biggest male fragrance brand in the world. When the Unilever-owned brand recognised that its "hyper-masculine" narrative was running out of steam and was losing market share, it decided to relaunch to help it connect with existing consumers and be more relevant to future ones. Unilever conducted research

across ten countries to gain insight into men's relationship with the brand. This case study recounts its findings, actions and results and summarises the insights.

Campaign IQ, Q2 2017, pp48-51 (Kemp)

Suncare

The suncare product sector is polarising: on the one hand there are cheap, own label products and on the other, are the more expensive new products, which aim to reduce the ageing effects of the sun. This article looks at the suncare sector in the context of the wider beauty market. It profiles four of the more interesting innovations on the market.

The Grocer, 8 April 2017, pp49-51

Food

Unilever – spreading itself too thinly?

Unilever is selling its spreads and margarine business, which includes Flora and Stork. Once margarine and spreads were considered to be a healthier choice than butter but European and US sales have been in decline for some time. In Britain margarine sales fell by 12% last year while butter sales rose by nearly 2%. Unilever has also announced that it will combine its food division, which includes Marmite and Pot Noodles, with its refreshment operation (Lipton Tea and Magnum). The food business will be based in the Netherlands and the personal and homecare units in Britain. This move may have the aim of seeing off future predators, such as Kraft Heinz, but there is also speculation about what the restructuring means for Brexit.

The Guardian, 7 April 2017, p7; The Daily Telegraph (Business), 7 April 2017, p5

Mondelez invests in British factory

Mondelez International, owner of Cadbury, is investing £75m in four new production lines at Cadbury's factory in Birmingham as well as £18m in R&D. Glenn Caton, president of the company's northern European operation, says that it won't let Brexit change the nature of its investment despite the fact that it costs three times more to make chocolate in Bournville than in Germany.

The Times, 7 April 2017, p45

Maltesers disabled ad best in ten years

Mars says that last year's ads for Maltesers, which featured disabled people, was the "best, most effective" ad for the brand in ten years. The ads, which showed real-life situations for disabled people, exceeded expectations: they aimed to achieve a 4% rise in sales and 10% increase in brand affinity. In the event Maltesers' sales grew by 8.1% and brand affinity by 20%. Maltesers is planning its next campaign which will also focus on the "awkwardness of difference".

thedrum.com, 5 April 2017

Shrinkflation comes to Peperami and Doritos

Peperami, the meat snack, has been reduced in size from 25g to 22.5g even though the price has remained at 79p a stick. Sharing bags of Doritos have been reduced in weight from 200g to 180g while maintaining their price and Birds Eye Crispy Chicken Dippers have been reduced from 14 to 12 a bag. The "shrinkflation" trend shows no signs of abating and no doubt plenty of other examples will become apparent!

The Grocer, 8 April 2017, p5

Government and public sector

GREAT Britain ties up with McLaren-Honda

The UK Government's GREAT Britain campaign will be featured on the McLaren-Honda MCL32 Formula One cars, as part of a year-long partnership. The "Innovation is GREAT" branding will appear at every race throughout the season, with the aim of promoting the UK as a destination for trade, investment, tourism and study. The GREAT Britain campaign has already provided £2.7 billion in benefit to the UK economy.

gov.uk/government/news, 5 April 2017

Europe – levels of membership

Should you need to understand the structure of Europe a little more clearly, this page gives you a full run-down on which countries are currently in the EU, which are in the European Economic Area, what EFTA means, how the Schengen Area is defined and other useful information, with the help of a dynamic map.

fullfact.org, 29 March 2017

Health and pharmaceuticals

Education and healthy food consumption

Children's and adolescents' consumption, which is considered to be a complex process, is of increasing interest to various stakeholders. The authors examine the social and psychological factors linking materialism with unhealthy food consumption. The research focuses on the role of health education and how it affects healthy food consumption among Egyptian adolescents. It reveals that children attending schools where health education was provided, showed fewer materialistic tendencies than the control group.

Social Business, Vol 6(4) 2017, pp377-401 (Ammar et al)

Opioids – profitable but under investigation

Americans consume four-fifths of prescription opioid drugs which are highly profitable for pharmaceutical companies. While sales of such drugs in the US almost quadrupled between 1999 and 2014, deaths from them have also quadrupled to around 90 a day. Senator Claire McCaskill, a Democrat from

Missouri, plans to investigate the role of pharma companies in the "opioid crisis". Counties and cities are also filing lawsuits against manufacturers. Direct-to-consumer advertising of opioids has probably exacerbated the problem. Only America and New Zealand allow the advertising by pharma companies of drugs directly to patients.

The Economist, 8 April 2017, p61

IT and telecoms

Apple protects iPhone with bumpers

Apple has obtained a patent for protective bumpers which can protect its iPhone when dropped. Shock absorbers, which are built into the corners of the phone, pop out before they hit the ground; the phone's accelerometer and other sensors determine when to trigger the mechanism. The shock absorbers may also include buoyant material enabling the phone to float. This could be useful because 15% to 20% of mobile users have admitted to dropping their phone down the loo!

The Times, 6 April 2017, p3

Microscopic transistors

Researchers at Trinity College Dublin have been able to create two-dimensional transistors just a few billionths of a meter thick which could help to turn almost any surface into a screen or computer. Potential applications for the microscopic transistors include touchscreens on human skin; solar cells printed on roof tiles; computers in e-passports; and milk cartons that send a message to your phone telling you that the milk is out of date.

The Times, 7 April 2017, p13

Exam cheating aided by technology

An increasing number of university students are cheating by using their mobile devices, smartwatches and hidden earpieces, according to a freedom of information request from *The Guardian*. It reveals a 42% increase in cheating through technology over a period of four years. A quarter of cheats were found to have used technology last year alone. One of the worst-offending institutions was Newcastle University, with 91 cases of cheating of which 43% involved technology, while Queen Mary University of London reported 54 cheats of whom two-thirds used technology. Some experts believe that this type of cheating will be difficult to control.

The Guardian, 11 April 2017, p4

Leisure and tourism

British tourism benefits from weak pound

Bicester Village, a discount shopping centre that offers high-end fashion brands, is one of the most visited places in Britain and business is on the increase. In January spending by overseas visitors to Britain rose by 15% year-on-year. Brexit seems to

have had no impact on tourism and Patricia Yates, director of VisitBritain, believes that growth is likely to accelerate over the coming months. VisitBritain has found that flight bookings are up by 19% overall for March to August and up 49% for Chinese visitors. This is partly due to the weak pound, which has also encouraged Britons to holiday at home.

Financial Times, 6 April 2017, p3

The end of British-only hotels...

For years Thomas Cook would give each European nationality its own hotel when they reached their holiday destination. On 28 March the company announced a change of policy which means that it will mix nationalities up within each hotel. This follows a survey revealing that 90% of its customers are happy to spend their holiday with people from other countries.

Bloomberg Businessweek, 10-23 April 2017, pp18-19

Materials and mining

Gold price alerts and pollution in Peru

Ulula, a North American start-up, has launched a messaging system that can help miners to get access to the spot price of gold. It hopes that thousands of Peruvian miners (it is estimated that there are 150,000 to 200,000 artisanal miners in Peru) with no access to the internet, will sign up to the service. As well as gold prices, the miners receive messages raising awareness of the dangers of mercury, which is used by the miners to separate the gold. This has led to social and environmental disputes in the country. The Government is trying to bring miners into the formal economy by introducing a "legal Peruvian gold" quality mark.

Financial Times (Special Report: The Connected Business), 5 April 2017, p2

Media

Games

Supercell – a team game

Ilkka Paanen is co-founder and chief executive of Supercell, the Finnish gaming studio that is responsible for games such as *Clash Royale* and *Clash of the Clans*. It is the largest video game publisher by revenues in the world but growth has start to flatten out because of the increasingly competitive market. Supercell is unique in that its employees are structured as a collection of "cells" of games developers each of which operates as a team. Paanen explains his management style through the language of sport...

Financial Times, 10 April 2017, p24

Internet

Yandex dominates search in Russia

Yandex, an internet company, controls 64% of all online search in Russia as well as 61% of the online advertising market. It also owns Yandex.Market, a comparison shopping service and Yandex.Taxi, which accounts for 60% of taxi rides in Moscow. Co-founder and CEO, Arkady Volozh, who is interviewed for this article, talks about Yandex's rivalry with Android. Russia's antitrust regulator has fined Google £6m (438m rubles) and ordered it to reduce restrictions on Android device makers.

Wired, May 2017, pp28-29

Sir Tim believes in encryption

Home Secretary, Amber Rudd, has recently said that it is unacceptable that messages sent on services such as WhatsApp cannot be intercepted by security services. Amber Rudd has been holding talks with technology companies on the subject of encryption. However, Sir Tim Berners-Lee, inventor of the worldwide web, insists that "modern life would be impossible" if encryption were not allowed.

The Times, 5 April 2017, p17

Music

Music – recipe for success

Music was one of the first industries to be digitally disrupted and now streaming services are taking over from CDs, downloads and even piracy. There are three lessons that the industry has learnt which might apply to other sectors. Firstly, music publishers "kept their faith", realising that recorded music was still valuable and worth paying for (unlike newspaper publishers). Secondly, music labels have become more powerful by consolidating; the "big six" music labels have become three: Universal, Warner Music and Sony Music. Thirdly, music publishers have cooperated with streaming services, although relations can be strained, such as that between Universal and YouTube.

Financial Times, 6 April 2017, p11

Newspapers

Regional publishers target advertisers

Twenty-four regional publishers in the UK have written an open letter calling on national advertisers to reject "blind programmatic ad-buying" which can result in them having their ads placed next to extremist content. It asks ad agencies and brands to direct their adspend towards publishers in the interests of brand safety.

Campaign, 7 April 2017, p3

eBay founder to fight fake news

Pierre Omidayar, founder of eBay, is to put \$100m into funding investigative journalism in an attempt to help combat fake news. The International Consortium of Investigative Journalists is among the first to receive his money. Meanwhile the Anti-

Defamation League is to be given a grant to set up a centre in Silicon Valley aimed at combatting online trolls.

The Times, 5 April 2017, p17

TMG in profit despite digital disruption

Telegraph Media Group (TMG) made a pre-tax profit of £48m in 2015. It is unusual for a newspaper to be in profit but the *The Daily Telegraph* is Britain's biggest-selling quality daily paper despite its print circulation falling to 457,331 from a peak of over 1m in the early 2000s. The Group is said to be in a "perpetual state of crisis" compounded by the recent appointment of Andy Coulson – former *News of the World* editor who was jailed for his involvement in the phone-hacking scandal – to do PR for the Group. It is also unclear whether the *Telegraph* has found a successful formula for its online presence. For now it has a "premium" pay wall on its website which protects 20% of content.

Financial Times, 11 April 2017, p2

Social media

Social media needs to show its value

A biannual survey of US marketers, by The CMO Survey, reveals that they are currently spending 10.5% of their budgets on social media. Investment is lagging behind that originally predicted because marketers are making "minimal progress" in integrating social media into their marketing strategy. Some 43% of respondents said they couldn't demonstrate the effects of social media while 38% said they have proved it qualitatively and just 18% quantitatively. Social media scores 3.2 out of seven for contribution to company performance.

Marketing Week, April 2017, p6

Fake help from Facebook?

Following Facebook's launch of a so-called "educational tool" to help users identify fake news, it has been accused of pulling a publicity stunt. For just three days users will see an ad at the top of their news feeds giving them advice on identifying fake news and how to deal with it. Critics believe that the company is simply trying to gain positive publicity while doing little to address the actual problem. The move is seen as a "ridiculous cop-out by Facebook as they have intricate control over their products", according to Paul Armstrong of tech advisory business, Here/Forth.

The Times, 7 April 2017, p8

How to stop wasting time online

Richard Koch, author of the book, *The 80/20 Principle*, has a theory that most people use social media and online reading as a displacement activity. Time spent online can result in a feeling of dissatisfaction but it doesn't stop people being hooked on it. Koch suggests conducting an "online

information audit" to reduce the amount of time spent online. He proposes some "action steps", which include cutting out the bottom 80% of time spent online that gives the least results.

Campaign, 7 April 2017, p15 (Koch)

Television

Advertisers withdraw from Fox News show

Many companies in the US have withdrawn their advertising from the Fox News programme, *The O'Reilly Factor* after the *New York Times* revealed that 21st Century Fox and the show's host, Bill O'Reilly, had paid around \$13m to five women who had accused him of sexual harassment. Donald Trump has defended his mate, O'Reilly, by saying that "I think he shouldn't have settled...I don't think Bill did anything wrong". Advertisers who have removed their commercials, such as Hyundai and Mercedes-Benz, have moved their ads to other shows.

The Guardian, 7 April 2017, p19; The Times, 6 April 2017, p40

Packaging

Trust in packaging

Research conducted by academics in the US (Fajardo and Townsend) sought to explore whether a marketing claim placed on packaging was more believable than one made in an ad. Previous research suggests that trust improves with proximity so the three studies focused on the fact that claims made on packaging are much closer to the product in question than they are on an ad. The central aim of the research was therefore to discover why messages on packages are likely to be more believable than information on ads. The researchers also discovered the effect of "contagion", whereby the attributes of a less appealing product can be transferred to the one next to it, causing it to become "infected" by the unattractive product.

Impact, Issue 16 2017, pp70-71 (Bainbridge)

Removing E-word messes with marketing

Following the criticism of the National Trust and Cadbury for failing to use the word "Easter" in their annual egg hunt, *The Sunday Times* has conducted a survey of retailers to see how many eggs carry the word Easter. Tesco was found to have stocked 100 eggs of which just 17 had the "E-word" on their packaging, Waitrose stocked 106 with just 15 admitting to being Easter eggs, while Sainsbury's performed quite well with 31 out of 78. Francis Davis, professor of religion and public policy at Birmingham University, said that "If in your core marketing you are using the Easter word and you skip it in your packaging...your message is incoherent".

The Sunday Times, 9 April 2017, p14

Aldi acts to wrap up household waste

Aldi is introducing new packaging to help its customers cut down on food waste. The fresh produce packs will carry advice on maximising shelf life together with Wrap's "Love Food, Hate Waste" logo. In January Wrap issued recommendations to retailers to help consumers reduce waste.

The Grocer, 8 April 2017, p6

Retailing

Voice technology the future of retailing?

Google Home, a technical assistant named Assist, has just launched in the UK. In the US the device can already receive voice operated commands to order products from a range of retailers. Last year 20% of mobile searches from US Android users were made by voice, according to Google. Voice-enabled ordering is a new market and some experts do not believe that it will be particularly "transformative" for retailers at this stage. However, retailers will need to start tailoring their online search capabilities to take account of virtual assistants, such as Amazon's Alexa and Google Home, since only the top search results will lead to sales. Retailers should also be aware of how new technology will affect bricks-and-mortar retailing over the next few years.

retail-week.com, 6 April 2017 (Bowden)

Services

De La Rue tries to cash in on new trends

De La Rue is the world's biggest commercial banknote and passport printer. Despite predictions about the death of cash, transaction values are rising in emerging markets, where physical currency is still the norm. Yet note production is a volatile business and national governments want better value. Some are even sourcing individual components from various suppliers rather than buying the whole package from just one provider. The Indian government's "Make in India" campaign has led to the country making its own paper. Such moves have led to falling prices and excess capacity in the industry. De La Rue's answer is to sell "end-to-end" services rather than just physical products.

The Economist, 8 April 2017, p63

Chinese set up university in Oxfordshire

Peking University, based in Shenzhen near Hong Kong, has paid £8.8m for Foxcombe Hall, a country house outside Oxford that it plans to turn into a business school. Said Business School, based in Oxford, charges £52,000 a year and 94% of its students come from overseas. The new facility will open next summer, allowing students to study for a year in Oxford, followed by another year in Shenzhen. Chinese universities do not have a history of acquiring property abroad but China's

Government is currently trying to boost the profile of Chinese universities overseas.

The Times, 7 April 2017, p17

VR – the future of education

David Whelan, founder of Immersive VR Education, believes that virtual reality could be the future for teaching and training. The company is developing a platform called Engage, which enables up to 30 people to participate in a lesson or meeting from anywhere in the world. The aim is to allow teachers, lecturers and trainers to make lessons into an immersive experience, which is more engaging than watching a flat screen.

The Times, 5 April 2017, p45

Deliveroo opens own kitchens

Deliveroo has opened 30 kitchens around the country with the aim of helping restaurants to expand their takeaway businesses without detracting from existing business. Over 200 restaurants have already signed up to the new service, Deliveroo Editions, which will also provide local marketing and fleets of riders for participating businesses. The company expects to create 1,000 restaurant jobs initially and plans to expand the service into other countries.

The Grocer, 8 April 2017, p8

Transport and travel

Record car sales

In March British car sales reached a record high of 562,337, with numbers boosted because of the impending increases in vehicle excise duty. From 1 April all new cars, other than zero-emission models, will incur a higher tax rate which had previously been imposed on vehicles with large engines or with higher emissions. This could lead to lower-than-usual sales in April.

The Daily Telegraph (Business), 6 April 2017, p8

Formula One accelerates with 3D printing

McLaren-Honda, the Formula One team, will be using a 3D printer at the Bahrain Grand Prix this month. The device will enable it to produce small plastic parts during practices and sessions taking place before the main race. The team has used a limited amount of 3D printing in the past but now it is expanding its use to enable it to make parts overnight. The technology is being supplied by Stratasys, a US company.

Financial Times, 7 April 2017, p17

Jeep customers test drive AR

Jeep has introduced augmented reality (AR) technology into 800 of its European dealerships, allowing consumers to trial its new Compass car before its release in the summer. Visitors are given a mobile device so they can interact with a virtual

reality Compass and see it through 360-degrees. Both Skoda and Ford have already tested out VR and AR in their dealerships, but Jeep claims to be the first to use AR that enables drivers to personalise their cars at the factory stage.

marketingweek.com, 4 April 2017

SUV sales lead to decline in car sales

US sales of sedan cars have been falling because people have been shifting to SUVs. This, combined with declining used car sales, has led to a glut of vehicles on the market. It is unlikely that car manufacturers will want to build new plants or increase hiring, as President Trump has promised. In March sales of SUVs, including crossovers, rose by 11%. Although SUVs cost around \$10,000 more than the average car, profits could fall as carmakers reduce production.

Bloomberg Businessweek, 10-23 April 2017, pp24-26

Written by CIM's Knowledge Services Team

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Name	From	To	New title	Source
Guillaume Bacuvier	Google	Dunnhumby	CEO	research-live.com
Natalie Gross	Amaze	Th_nk	Managing Partner	Campaign
Elliott Parkus	Arena Media	Blackwood Seven	UK Managing Director	Campaign
Katya Shipster	Michael Joseph	HarperCollins	Deputy Publicity Director	The Bookseller
Holly Wicks	ComRes	BritainThinks	Associate Director	research-live.com

Promotions

Name	Company	Previous title	New title	Source
Joe Lewis	Barb	Deputy Research Director	Head of Insight	research-live.com
Jose Miguel Sokoloff	MullenLowe Group UK	Interim UK Chief Creative Officer	Chief Creative Officer	Campaign

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www.retail-week.com

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