

Cutting Edge: Our weekly analysis of marketing news

9 December 2015

Welcome to our weekly analysis of the most useful marketing news for CIM and CAM members.

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Marketing trends and issues

Advertising

Breaking through the attention barrier

The average online attention span is just 15 seconds for content that is actively sought out and read. So what does this mean for advertising, which isn't proactively read, in an era of information overload? As far back as 1971 Herbert Simon postulated that the rapid growth of information causes scarcity of attention. By 2013 the average US attention span was just eight seconds. The 'Attention Economy' refers to a marketplace in which consumers agree to provide their attention in return for receiving communications which are useful. Successful brands will be those which combine the initial gaining of attention with the ability to retain attention by being useful.

Admap, December 2015, pp16-17 (Bell)

Best-recalled ad was a Smash

The Smash Martians TV advert is the UK's most memorable pre-Internet ad, according to a survey of 2,000 consumers commissioned by Acxiom. The research highlights the challenges of making a stand-out ad in an era of multi-channel sales and marketing. It reveals that the best-remembered ads produced strong emotional connections, something which continues to be a recipe for success today. The other most memorable ads of the 70s, 80s and 90s were BT – 'You got an ology?'; Yellow Pages – JR Hartley; PG Tips – Chimps; and ASDA – 'That's ASDA price'.

Winning Edge, November-December 2015, p14

Agencies

Top 50 agencies

The latest review of the top 50 advertising agencies by Kingston Smith W1, reveals that overall gross income grew by 3% this year compared with 6% last year. This is roughly in line with UK economic growth which suggests that marketing spend is being closely monitored. The average operating margin rose from 10.7% last year to 11.2% this year, which is still behind the target for growth. The main issues for agencies have been the ability to negotiate fees that reflect the services supplied to the client and to be able to manage staff costs. Among the top 50 ad agencies M&C Saatchi emerged on top, the top media buyer was Dentsu Aegis London and the highest-paid director of a UK quoted ad company was Sir Martin Sorrell who received a 44% rise this year to receive just £42,978,000!

Campaign, 4 December 2015, pp28-29

Publicis loses P&G North American account

Procter & Gamble (P&G) is to move most of its North American media planning and buying from Publicis to Omnicom. P&G, the world's biggest advertiser, spent \$2.6 billion on US media last year. It is currently undertaking a \$10 billion cost-cutting programme which includes the sale of almost 100 brands. This is a blow to Publicis, because P&G is one of its top three clients and it has had the company's media buying account for a decade or more. It could result in Publicis' annual revenues falling by \$50m to \$100m. Publicis has recently said that it would regroup its companies into four units.

Financial Times, 8 December 2015, p19



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www.cim.co.uk/charteredcpd

Brands and branding

Anti-brand activism

Consumer opposition to global brands is sometimes based on their corporate practices related to environmental and social responsibility. An example was Abercrombie and Fitch CEO's disparaging remarks about 'plus sizes'. The authors explain consumer anti-brand activism through a theoretical model tested through two studies. They demonstrate two mechanisms that interact with each other to incite consumer anti-brand activism. Firstly brands and their parent company's moral misdemeanours produce negative feelings which produce anti-brand behaviours in consumers. Secondly, the strength of impact of these feelings on anti-brand actions is thought to be influenced by the level of consumer empathy.

Journal of Brand Management, Vol 22(8) 2015, pp658-672 (Romani et al)

Value co-creation and unpaid consumers

Companies sometimes invite consumers to make unpaid contributions, which is often done through brand communities. The authors consider how a company can encourage consumers to offer unpaid contributions to brands of their own free will. They develop a framework to study the actions a company can take to lead consumers into doing unpaid work for brands. The framework is applied to the car manufacturer Fiat with its community of Alfa Romeo fans (Alfisti). The concept of 'brand volunteers' is introduced, defined as brand enthusiasts who are committed to providing unpaid work for the benefit of the brand. The authors discuss the idea of exploiting consumers for value co-creation and the fact that there may be compromises in which the consumers puts aside any possible conflicts of interest.

Marketing Theory, Vol 15(4) 2015, pp465-485 (Cova et al)

Conferences and events

Zimbabwe

Zimbabwe's exhibition, events and conferences industry has seen substantial growth over the past five years with new exhibitions and conferences taking place including the United Nations World Tourism Organisation (UNWTO) General Assembly in 2013. Sector growth has been particularly marked in the so-called 'post-dollarisation' era – in 2009 the country gave up its currency in favour of the US dollar and other currencies. When the economy picks up the many exhibitions that have sprung up are expected to grow significantly, having created 'credible' brands. A new development is that of companies organising their own exhibitions rather than just taking part in existing ones.

Strategic Marketing Africa, Q4 2015, pp48-49

B&Q expert in building brand

B&Q, with around 30,000 employees, has a four-strong events team which organises 20 strategic internal events every year; these include roadshows, management meetings and conferences. The company is keen to engage its staff and uses events to encourage them to 'sell and get on brand' as well as to 'excite' them about the products, according to B&Q's events expert Sarah Lawrence.

Conference & Incentive Travel, November-December 2015, pp16-17

Direct marketing

Cold calling

Cold calling is an important activity but many salespeople find it stressful because, as well as an ability to sell, it requires good nerves and a thick skin. The author offers six tips to overcoming cold calling anxiety. They include advice such as breathing slowly, getting rid of negative feelings and believing in yourself.

Winning Edge, November-December 2015, p10 (Peskova)

More than one UK regulator

The UK has seen an increase in the number of enforcement actions for unsolicited communications which is reflected by increasing public intolerance of unsolicited mail and phone calls. However, it isn't always the contact lists used by offending companies that is the problem; more often it is the amount of data-sharing that is taking place. Direct marketing companies should note that it isn't just the ICO that can issue fines – recently a claims handling company was fined £850,000 by the Ministry of Justice's Claims Management Regulator. The FCA can also impose data-related fines on the financial services industry. The advice is to be careful when purchasing lists, undertaking marketing activities and conducting data privacy and compliance checks.

lexology.com, 4 December 2015

Law

Copyright changes to hit illustrations

A 2013 change made to the UK's Copyright, Designs & Patents Act will reinstate the full term of copyright protection to 70 years. This will apply to 2D representations of 3D artistic works. The previous duration had been 25 years. This change applies to any book sold or published after the legal change takes effect in October 2016. The implications are far-reaching because images that were previously free to use will incur charges. This article focuses on the impact on the book industry; for example, books containing illustrations of furniture, architecture and other art works might have to be destroyed.

The Bookseller, 4 December 2015, pp4-5

Ryanair takes Google and eDreams to court

Ryanair is taking legal action in the Irish High Court against Google and online travel agent eDreams. It claims that Google is allowing eDreams to use an illegal subdomain called ryanair.eDreams.com which has branding similar to that of Ryanair. The airline says it has received around 2,000 complaints from people who have booked through eDreams, which has been misleading consumers by advertising non-existent fares. Ryanair has already won a similar court case in Germany and plans to take legal action in the UK, Spain and Italy.

Financial Times, 2 December 2015, p23

Tech groups try to amend DP regulations

Technology groups are trying to make a last minute appeal to EU negotiators before they end their talks on data protection regulation at the end of this year. The European Data Coalition, which consists of large companies such as Nokia, Ericsson and SAP, have sent a letter to heads of all 28 EU countries asking them to slow down negotiations and make the forthcoming privacy legislation more business-friendly. The group is calling for "proportionate, well-codified and harmonised sanction guidelines that punish non-compliance without discouraging data-driven innovation in Europe."

euractiv.com, 2 December 2015

Marketing

Real-time marketing

Visitors to a website travel rapidly from page to page and can be gone in a matter of seconds, something that Google has described as 'micro-moments'. The answer is to use browsing behaviour and customer data to deliver a relevant response in real time. However, supporting real-time interactions is something that many marketers still find difficult. One way to approach the problem is to use data from the current web session and to team it up with past behaviour, which is a key way of recognising important behaviours. This article considers the complexities of real-time engagement.

Database Marketing, November 2015, pp12-14 (Lawson)

The Power 100 – the UK's top marketers

Marketing has published its 16th annual *Power 100* list of top marketers who have been chosen on the basis of their willingness to embrace change and have a diverse set of skills for the changing consumer landscape. The marketers come from a broad range of brands: in pole position is Alex Aiken of the Government Communications Service, followed by Subway's Manaaz Akhtar and the BBC's Philip Almond. The list also highlights marketers who have moved beyond their department to head up the business, such as Jill McDonald, now chief executive of Halfords.

Marketing, December 2015-January 2016, pp58-87

Senior marketers are becoming CCOs

There is a trend for brands to appoint their top marketers as chief commercial officers, suggesting that changes are afoot in the boardroom. Last month Birds Eye said it would abandon its chief marketing officer role and replace it with a chief commercial officer (CCO). In March Heineken combined its global CMO and chief sales officer roles into a CCO. CIM's director of strategy and marketing, Thomas Brown, believes that the blurring of lines between marketing and sales will help with integration: "businesses are connecting dots so that priorities and objectives are more aligned." Another implication could be the growing importance of marketing to the business. This role reallocation is mainly seen in large FMCG companies, but could have potential in other sectors such as financial services, says Brown.

Marketing Week, 3 December 2015, pp10-11

Key issues in 2016

It's that time of year when people are looking back over the year or looking forward to the next year. The author selects four themes which have been issues in 2015 and will continue to be important in 2016: predictive analytics, recruitment and upskilling, marketing automation and the multichannel customer. These issues are worthy of selection for two reasons – they have not yet reached their zenith and will continue to occupy marketers' time and, secondly, they all reflect a shift in the marketing function, which is moving towards being an advocate for the consumer and moving from cost-centre to revenue driver.

B2B Marketing, November-December 2015, pp18-19 (Green)

Market research

Quant. vs qual. research

Quantitative research is traditionally seen as offering hard, factual data while qualitative research produces 'softer', deeper insight but is also more subjective and interpretative. The authors argue that the way of distinguishing between the two is 'rooted in our quantitatively-determined beliefs about human experience'. This paper challenges the conventional distinction between 'what?' and 'why?' questions and argues that qual. research is still based on an interest in 'what?' questions, which makes it more about in-depth quant. research in many respects. This paper looks at the assumptions made when distinguishing between quant. and qual. research and examines the philosophical differences between the two.

International Journal of Market Research, Vol 57(6) 2015, pp837-854 (Barnham)

Measuring true public opinion

The author asks whether people really believe what they say at times of national emotional distress.

Using the Syrian migrant crisis as an example, ICM undertook an Implicit Reaction Test (IRT), an online technique, to see whether what people say is reinforced by what they really feel. They tested ten statements reflecting attitudes toward the refugee crisis, such as offering accommodation and welcoming refugees in their home town. The results showed that less than half of those willing to offer a room demonstrated certainty about their offer but that, conversely, those unwilling to offer a room to a refugee confirmed this to be the case. Overall the results confirmed that what people said was not necessarily in accordance with what they felt. IRT reveals more about 'true' public attitudes than mere questions could. This has implications for public opinion measurement.

research-live.com, 3 December 2015 (Boon)

Public relations

PR stunts

Paul Haugen, a senior partner at Fleishman-Hillard and one of the judges at the PR Week Awards, recognises that PR has been dominated recently by big, flashy PR stunts, a trend that is on the rise. But what differentiates the stunts that make an impression on people from those which achieve little publicity? The answer is threefold: it depends on whether the agency or brand has created a 'truly great idea'; whether the stunt is so good that people will share it with others; and whether it tells a story that is important to the brand.

PR Week, December 2015-January 2016, p21 (Haugen)

Wikipedia aims to get rid of PR spin

In a bid to weed out dubious alterations and 'PR spin' from its site, Wikipedia is using its first 'artificially intelligent' editor. The objective revision evaluation service (ORES) directs human editors to 'damaging' changes made to entries so that the human editors can assess the changes and take the necessary action. Wikipedia founder Jimmy Wales has said that he will not let the site "become a PR platform" because it would be "against our values".

The Times, 3 December 2015, p29

Sponsorship

Arts sponsorship

Corporate sponsorship is a two-way relationship from which both sides expect to benefit. This article looks at how arts institutions compare when it comes to what they can offer sponsors. JPMorgan sponsors prestigious arts brands around the world, preferring to fund different areas of the arts in order to attract different types of clientele. Colin Tweedy, one of the leading authorities on arts sponsorship, is concerned that many organisations have abandoned corporate sponsors in favour of individual philanthropy and that private sector funding could be damaged. This article mentions the National Theatre, RSC, Royal Liverpool Philharmonic

Orchestra, The Tate and the British Library.

Financial Times Wealth, 4 December 2015, pp24-29

Agriculture, fishing and forestry

Shoppers take a gander at geese this year

Farmers have reported a rise in sales of geese this year, a trend that has been attributed to the Radio 4 soap, *The Archers*, where characters have been taking orders for the birds. Waitrose says that sales are up by 8% compared with last year while one farmer, who rears 100 geese every year, reports having just eight birds left.

The Daily Telegraph, 2 December 2015, p7

First British-grown table grape

Next year Asda is to launch what it claims are the 'first ever' UK-grown table grapes. To date UK-grown grapes have only been suitable for wine production but a three-year trial in Kent has convinced Asda that two varieties of table grape can be grown in Britain.

The Grocer, 5 December 2015, p40

Building industry

The Autumn Statement

UK chancellor George Osborne's Autumn Statement did not represent much of a surprise for the construction industry. Capital spending, which relates to government construction, is to be increased by 20% in real terms to £55.7 billion in 2020/21 but this is a small increase on the 2010/11 figure of £53.3 billion. The Government's policy on housing has tended to focus on a demand-side stimulus (Help to Buy schemes). On the supply side the average UK house price is 30% higher than in 2008 and it is unclear how the announcement of 200,000 starter homes, sold at 20% discount, is going to help. A major concern across the industry continues to be a lack of skilled labour to meet demand, although the Government's apprenticeship levy – a levy on businesses – aims to fund 3m apprenticeships.

Construction News, 4 December 2015, pp34-35

Lowest growth since 2013

Last month the UK experienced its weakest growth in residential building since June 2013 according to the Chartered Institute of Procurement & Supply (Cips). The *Purchasing Managers' Index* reading fell from 58.8 in October to 55.3 in November, although this is still above the 50 mark which separates growth from contraction. Samuel Tombs of Pantheon Macroeconomics predicts more pain ahead for the construction sector but other analysts are slightly more optimistic.

The Independent, 3 December 2015, p54

Businesses and strategy

Managerial learning

This study looks at how managerial learning influences the new product innovativeness of high-tech firms in emerging markets. It proposes that managerial learning helps companies to increase the level of innovation of new products but that this effect declines with high levels of managerial learning. It also suggests that institutional support at both government and individual levels reinforces the effect of managerial learning on new product innovativeness, yet organisation-level support reduces the effect. The study was based on a survey of high-tech firms in China.

Industrial Marketing Management, Vol 50, October 2015, pp51-59 (Yuan and Chen)

Revisiting disruptive innovation

Disruptive innovation has been an influential theory over the past 20 years and is a powerful tool for predicting the success of industry entrants. However, it is often misunderstood and the term 'disruptive' has been applied indiscriminately to any market entrants who have shaken up industry incumbents. The authors, experts in disruptive innovation, return to the central meaning of disruption theory and examine its development and limitations. They begin by considering what constitutes classic disruption and argue that Uber (commonly cited as a disruptor) doesn't actually fit the mould. If managers do not understand the finer points of disruption theory and apply them correctly, they may not manage innovation effectively.

Harvard Business Review, December 2015, pp44-53 (Christensen et al)

Sales presentations on the screen

In this article on conducting sales presentations, the author argues that the way in which we tell a story has changed very little over the years but that our attention spans have become greatly reduced. This has implications for the growing trend of sales pitch videos which are rapidly changing due to the introduction of interactive tools such as Google Hangouts and Periscope Blab; these are set to gradually replace the long-form webinar. Salespeople need to realise that presenting on camera is different from presenting in person. Here are seven tips for effective on-screen presenting.

Winning Edge, November-December 2015, pp38-39 (Hearn)

Hackathons – so much more than technology

Hackathons are no longer just the preserve of techies and many big companies from diverse industries are holding them. In November a group of British railway companies held a hackathon on a train during which they came up with the idea of scanning carriages to let customers know where

they can find an empty seat. Hackathons usually require participants to come up with a solution to a problem within a couple of days, with a prize for the winning team. Companies often hold their own internal hackathons – Disney holds four a year. Some companies perceive them as being good PR and will pay for them out of their marketing budgets, while others regard them as useful for recruiting. Hackathons held by universities often attract corporate sponsors who are looking out for young talent.

The Economist, 5 December 2015, p68

Women in business

A new report from the global stock market index, MSCI, says that companies with more women on their boards have delivered a 36% better return on equity since 2010 than companies with less diverse boards. *The Women on Boards: Global Trends in Gender Diversity on Corporate Boards*, is good news for groups who are trying improve gender equality in the board room. Separately *The Daily Telegraph* covers a report by HSBC claiming that Britain has fewer successful female entrepreneurs than other countries surveyed. Just 28% of business owners worth more than \$1m are women compared with 38% in the US. Germany was the only one out of seven countries surveyed which had fewer, at 21%.

cpd.co.uk, 7 December 2015; Financial Times, FTfm, 7 December 2015, p3; The Daily Telegraph Business, 8 December 2015, p8

Charities and NGOs

Chugger payments to be reported

The Government is to 'look very carefully' at whether charities should be made to publish details of how much they pay chuggers or street fundraisers. One solution would be for charities to publish the details of what they pay chugging agencies in their annual reports. Cabinet Office Minister Matthew Hancock has been announcing new legislation – the Charities (Protection and Social Investment) Bill – to control charities that have been using 'unscrupulous' fundraising practices. Stephen Bell, chief executive of the charity Changing Lives, has called for chugging to be banned because it gives the sector a bad name.

The Daily Telegraph, 4 December 2015, p2

Charitable work – benefits and costs

Charities tend to focus on the benefits of donations to the recipients of the charity with little thought being given to the donor. A new book by Jenny Santi, entitled *The Giving Way to Happiness*, seeks to illustrate how helping others is the way to a happier life. She cites academic studies showing that people who volunteer for charities, donate money or become political activists, are less stressed and more fulfilled than those who don't. However, the book

also admits that people who spend their lives helping others can run into difficulties of their own!

Third Sector, December 2015, p18

Durable consumer goods

Social media gives Millennial inspiration

People tend to acquire new accessories every time they want a fresh look for their table, often in response to a fashion trend. Although there is increased interest from Millennials for entertaining at home, there is also a shift towards 'a less extravagant table' and tableware manufacturers are responding accordingly. Tableware trends are reinforced through social media, in particular Instagram and Pinterest, where Millennials are seen to be rejecting formal rules and experimenting with their table top designs in the spirit of 'anything goes'. It is not uncommon for runners and placemats to be posted on social media!

Tableware International, Vol 137(5) 2015, pp44-45

Toys for boys?

Wired's 'Gear of the Year 2015' looks at some of the more innovative products that have appeared this year. There have been some interesting toys (not necessarily for kids), ranging from the Creopop 3D printing pen, to Meccano's programmable personal robot and Lego's Technic Mercedes-Benz. The latter has 2,793 pieces and can be rebuilt to create an articulated construction truck!

Wired, December 2015, pp82-83

Airfix – models for girls

Airfix, which has been producing construction kits of model aircraft for 60 years, is to turn its attention to girls' toys. Head of marketing at parent company Hornby, Jim Procter-Bain, believes that girls have the patience to "sit down and create and paint in the way that boys don't at that age". A previous attempt to target girls in the 1970s with a set of birds and Queens of England, failed. This time around the company hopes that a new range called the 'Airfix Engineer' will appeal to girls as well as boys. Model-making is on the rise according to research firm NPD.

The Sunday Telegraph, 6 December 2015, p19

Economy and society

Africa – cities of opportunity

Africa's rate of urbanisation is the fastest in the world, with 40% of Africans living in cities and a predicted 50%-plus doing so by 2030, according to a 2014 United Nations-Habitat report. PwC has launched the first edition of its *Into Africa: The Continent's Cities of Opportunity* report which looks at the potential of 20 cities that it believes will be the 'most dynamic and future-focused' in Africa. The report emphasises the fact that Africa consists of

unique markets which operate in diverse ways. Using 29 variables grouped under four indicators – infrastructure; human capital; economics and culture; and society and demographics – it reveals the top five 'cities of opportunity'.

Strategic Marketing Africa, Q1 2015, pp22-23

Services point to growth in UK economy

Market's *Purchasing Managers' Index* reveals that the UK's services sector has risen to a four-month high of 55.9, up from October's figure of 54.9. The data suggest that the economy is not decelerating in the fourth quarter, as some thought, although economists worry that Britain has become over-reliant on its dominant services sector. This picture contrasts with less optimistic performances from the manufacturing and construction sectors (see under Building Industry).

Financial Times, 4 December 2015, p4

EU secures free trade deal with Vietnam

The EU has agreed a free trade agreement with Vietnam which will do away with 99% of all tariffs. This could benefit UK businesses to the tune of £20m every year. Back in July PM David Cameron visited Vietnam with a view to attracting £750m-worth of business deals in South-East Asia. At the time he said that "Over the next 20 years, 90% of global growth is expected to come from outside Europe."

smeinsider.com, 4 December 2015

Energy and utilities

UK water competition

UK chancellor George Osborne has said that the domestic water sector could be opened up to competition as early as 2020. Regulator Ofwat is due to review the costs and benefits before reporting back to the Government next summer. The opening up of the market for non-household customers is due to take place in 2017. This article looks at the key issues associated with offering choice to the household customer in terms of: implementation, consumer protection, political issues, business models and investor confidence.

utilityweek.co.uk, 1 December 2015

Foreign suppliers to provide electricity in UK

France, the Netherlands and other countries are competing for the first time to supply electricity to Britain during times when emergency supplies are needed. The capacity market auction, which began yesterday, seeks to acquire 45 gigawatts of electricity for the 2019-20 winter by paying generators to supply back-up. The opening up of the auction to operators of four subsea power cables places overseas generators in competition with conventional power stations in the UK, and has proved deeply unpopular among British operators

who claim that the subsea links have an unfair competitive advantage.

The Times, 8 December 2015, p42

Environment

Brandalism targets climate change summit

Brandalism, the anti-advertising group, has launched over 600 satirical ads in Paris to protest about the so-called 'greenwashing' taking place during the UN climate change summit. It argues that the companies sponsoring and linking themselves with the talks have been using it as a form of marketing and wants to highlight "the links between advertising, consumerism, fossil fuel dependency and climate change". It has covered up posters from JC Decaux, who is a sponsor of the climate talks, while some of its posters mock companies such as Air France and VW. The group also links its actions with its opposition to the banning of protests since the Paris attacks.

independent.co.uk, 1 December 2015, p3

The Francis Effect

The Pope's encyclical on climate change published in June this year has influenced US Catholics' views on global warming. This is according to the Yale Project on Climate Change (YPCC) survey conducted in October. The so-called 'Francis effect' has changed perceptions of climate change from an issue about the production of carbon to a question of ethics. Now American Catholics are more likely to regard global warming as a moral issue (46%, up 10% from the Spring), social justice issue (33%, up 10% from the Spring) and poverty issue (29%, up 7% from the Spring).

PR Week, December 2015-January 2016, p16

Eyeing up litter louts

A study from Newcastle University has found that people are less likely to drop litter if a pair of eyes is printed on a leaflet. Just 4.7% of people dropped a leaflet when it had eyes on it compared with 15.6% who had leaflets with no eyes. Previous studies have shown that posters featuring watching eyes can reduce thefts of bikes as well as littering. The presence of eye images can encourage co-operative behaviour because people think they are being watched. There is potential for fast-food outlets to print eyes on their packaging to reduce litter.

The Daily Telegraph, 2 December 2015, p15

UK abandons CCS plan

New spending cuts will mean even less chance of the UK meeting its climate targets. By law the UK has to reduce emissions by 80% by 2050 but it has already abandoned a number of Green initiatives. Most recently, Chancellor George Osborne has scrapped a plan for building a demonstration carbon capture and storage (CCS) plant. A lack of CCS

means that, in order to meet its targets, the Government will have to start closing fossil fuel power stations and heavy industries by the 2030s.

New Scientist, 5 December 2015, p7

Fashion

The Burberry booth

Burberry has set up an interactive booth at its flagship Regent Street store which enables shoppers to appear in a personalised version of its Christmas ad. The booth, which is powered by Google, uses real-time video technology and allows people to star alongside the likes of Romeo Beckham and Naomi Campbell in a 15-second version of the ad. Customers receive a copy of the clip which they can share.

Retail Week, 4 December 2015, p30

The North returns to cotton spinning

Cotton spinning ended in Britain around 30 years ago but now a German-backed company is building a new cotton-spinning facility in Manchester in response to demand for high-quality thread from the global fashion industry. The facility, which will produce some of the most luxurious cotton in the world, will create 10 jobs and help to rebuild the supply chain for British clothing makers. There is strong demand for premium fashion 'Made in Britain'.

Financial Times, 2 December 2015, p4

Financial services

Contactless payments – smaller bags...

Barclays reports that contactless spending has risen by 150% this year while Apple Pay is predicting the demise of cash within ten years. Since women account for 45% of cashless transactions it is not surprising that fashion has jumped on the bandwagon. Topshop has come up with a range of keyrings, iPhone cases and other accessories to house a chip containing payment data and it looks as if big, chunky purses could be on the way out. Luxury brands have been producing novelty 'mini bags' for a while but now the wallet is morphing into a standalone item in its own right, with credit card compartments being built into small bags. Sara Redwood, bag buyer at Net-a-porter, says that bags have gone from small to mini to micro.

The Daily Telegraph, 2 December 2015, p25

...and fewer bank notes

De la Rue, which has a licence to print bank notes for the Bank of England and other countries, is to cut its production lines. In a restructuring operation designed to save £13m a year, the company will reduce its annual printing capacity from eight billion notes to six billion. This is in response to a falling demand for cash as people increasingly use debit

cards and contactless payment systems. The use of wipe-clean polymer notes has also affected the company's profits.

The Times, 3 December 2015, p46; Financial Times, 3 December 2015, p23

HSBC-PO deal to serve business customers

HSBC has entered into an agreement with the Post Office to allow the bank's business clients to pay in cash, withdraw funds and check balances in the Post Office's network of 11,500 branches. It is the first of the big four banks to offer business services through the Post Office. This comes at a time when banks are under increasing pressure due to branch closures.

Financial Times, 5-6 December 2015, p20

FMCG

Innovation not 'renovation'

Most innovations in the consumer goods industry fail because of weak sales. Nielsen has found that just 18 out of 8,500 new product launches it analysed could be regarded as breakthrough innovation. These products achieved sales of at least £10m in their first year and maintained at least 90% of first-year sales in their second year. An example is Robinson's Squash'd, a small capsule of concentrated squash, which generated £11m in sales last year. Other examples are Scholl's Velvet Smooth Express Pedi and Nivea's Anti-Age body cream. Such new products are necessary for achieving expansion in consumer industries where growth is weak. The lack of such products has led to some consumer goods companies struggling to achieve growth.

Financial Times, 4 December 2015, p25; The Grocer, 5 December 2015, p4

Beverages

Slow-release caffeine

Scientists at the Nestlé Research Centre in Switzerland have developed a technique that allows the slow, sustained release of caffeine. The ultimate goal is to have slow-release caffeine in coffee to avoid giving people 'the jitters' that drinking coffee too quickly can create, while at the same time providing slow caffeine release throughout the day. It might also be possible to use the process to release food nutrients in a controlled way in other products.

The Grocer, 5 December 2015, p10

Cosmetics and toiletries

The beauty consumer

The online beauty market is predicted to grow by 80% over the next five years, and channel proliferation is allowing challenger brands to enter the market. The consumer journey is also changing: recent research by Pragma Consulting among 2,000

UK consumers examined behaviours that were influencing the beauty and grooming sector. It identified five consumer segments among men and women while emphasising the importance of the male grooming sector. Consumers use digital technology to trial and review new beauty products so it is important for beauty brands to define their audience and innovate in both the product and the marketing.

Admap, December 2015, pp10-12 (Mills)

A cosmetic shift to fast fashion

Kiko, a Milanese cosmetics company, is innovating by adopting the principles of fast-fashion as espoused by the likes of Zara and H&M. It is constantly changing its products to encourage customers to make more frequent purchases while responding to the latest consumer trends and maintaining low prices. Kiko operates all the outlets where its products are sold which makes it easier to control the level of service. Other cosmetics brands are beginning to examine the way they sell their products.

The Economist, 5 December 2015, pp69-70

Food

Taking the indulgence out of chocolate

Chocolate makers are expanding into the \$51 billion dietary supplement market using flavanols, the antioxidants extracted from cocoa beans. Barry Callebaut, the market leader in bulk chocolate manufacture, is planning to make flavanol pills. In April it became the first company to receive EC approval for claims of health benefits. Mars, which already has a supplement called CocoaVia, says that 200mg of flavanols – the amount that will enhance blood circulation – would be the equivalent of eating two dark chocolate bars or 900 calories!

Bloomberg Businessweek, 30 November-6 December 2015, pp26-27

From sausages to toy-tracking!

Richmond Sausages is giving customers the chance to win one of 200,000 toy-tracking devices – microchips that could help children to find their favourite toy. The initiative has begun with a TV ad featuring a girl who has lost her teddy. The trackers use a Bluetooth signal that can be read by mobile phones using a dedicated app.

Campaign, 4 December 2015, p6

Household

Savoury candles

Pringles has created a range of scented Christmas candles which smell of crisps. You can choose from Pigs in Blankets, Cheesy Cheese and Texas BBQ. So far the candles have been distributed to 'lucky testers' but a larger roll-out is planned for next year!

The Grocer, 5 December 2015, p34

Government and public sector

ONS needs serious shake up

An interim review into the state of Britain's economic data makes recommendations for changes to the ONS. It states that the ONS should become a smarter, more outward-looking organisation rather than 'turning a handle' on data production. It should also be better at engaging with customers, says Sir Charlie Bean, who delivered the review. The review highlights the fact that seven ONS outputs have lost their national statistics quality Kitemark since 2014 and that the organisation has fewer economists working for it than the Ministry of Justice. The ONS's move from London to Newport in 2007 also contributed to undermining the quality of official data.

Financial Times, 3 December 2015, p3

Reshaping services

Over the next four years there will be £10 billion worth of cuts to public sector services. Public sector leaders have the problem of working out how to deliver more services in the face of declining funding. Greater Manchester Fire and Rescue Service has responded by stepping up fire prevention, crime prevention and even safety for more vulnerable people in the home. This in turn will help to ease pressure on other services such as the NHS. Such multi-disciplinary 'Community Risk Intervention Teams' are delivering savings over and above the investment put into them. It will take more than money to reshape state services.

Financial Times, 4 December 2015, p11

Health and pharmaceuticals

NHS should aid anti-sugary food lobby

Simon Stevens, head of the NHS, believes that health service leaders need to do more to "change the tide of opinion" to help reduce the impact of sugary foods. He is particularly concerned about the advertising and marketing of junk food to children. The Government has so far rejected the idea of introducing a tax on sugary foods but Mr Stevens has told senior nurses that the health service has a "crucially important" role to play in the national debate. Last week the Commons Health Select Committee said that the Government shouldn't take the easy way out by relying on health education campaigns. It wants a 20% tax on sugary drinks, 'graphic' warnings on fizzy drinks and a ban on junk food advertising before 9pm.

The Daily Telegraph, 3 December 2015, p2; New Scientist, 5 December 2015, p7

Bringing smaller portions to the table

Researchers at Oxford and Cambridge Universities

say that plates, ready meals and even spoons should be made smaller in order to tackle obesity. Public institutions, such as schools and hospitals should use smaller tableware and laws should be introduced to make the private sector do the same. In addition portions sizes of fizzy drinks, snacks and ready meals should be limited to stop people eating too much. Some ready-made meals are 50% larger than they were two decades ago, according to a 2013 study.

The Times, 3 December 2015, p3; The Independent, 3 December 2015, p13

Free Wi-Fi to help doctors

A UK Government report suggests that free Wifi across the NHS would allow junior doctors to spend more time with their patients. It claims that they currently spend up to 70% of their time on paperwork. Lastminute.com founder, Baroness Lane-Fox, has drawn up proposals for improving online access to NHS services and allowing staff and patients to make better use of technology.

The Daily Telegraph, 8 December 2015, p6

IT and telecoms

Non-smartphones can make better calls

High-end smartphones are not as good at making voice calls and texts as cheaper, more basic phones, according to a study commissioned by Ofcom. It found that cheaper handsets were much better at picking up weaker signals on a 2G network while some smartphones needed a signal that is ten times stronger than the best non-smartphone in order to make or receive a call. Ofcom did not name particular phones because it said it had not tested enough to reach statistically-robust conclusions.

The Daily Telegraph Business, 3 December 2015, p1

Apple's R&D and marketing spend

Apple spent just 3.5% of its revenue on R&D in its last fiscal year, a lower percentage than any other large tech company. Apple's success is at odds with the idea that a leading tech company should devote a big slice of sales to R&D or risk being overtaken. Under CEO Tim Cook, Apple relies on its suppliers to develop important technology such as semiconductors. In this respect Apple is steering other companies' research while they are lured by the prospect of getting their new product into one of Apple's devices. Apple's thriftiness extends to its advertising and marketing: over the past year it has spent just \$3.5 billion compared to Google's \$8.8 billion over the nine months. Business Professor Tim Swift says that Apple's products are "going through some of the most effective and sophisticated marketing we've ever seen".

Bloomberg Businessweek, 30 November-6 December 2015, pp38-39

IBM axes hairdryer campaign

IBM has received widespread criticism for its campaign which tells women to 'hack a hairdryer'. In fact the campaign aimed to encourage women to take up a career in science, technology, engineering and mathematics (Stem) but women in Stem professions described the campaign as sexist. The hashtag #HackaHairDryer has been mentioned over 5,000 times. IBM has apologised and discontinued the campaign.

The Guardian, 8 December 2015, p5

Leisure and tourism

Nike poised to outrun Adidas

Nike is about to overtake Adidas as the largest company in the \$56 billion sports kit market. The gap between the two companies has been narrowing over the past five years. To address the situation Adidas launched its most expensive marketing campaign this year, spending millions on sponsorship. Well-known figures such as David Beckham have also appeared in its advertising. Although sales have risen in western Europe, consumers are not as keen on the brand as they used to be. In contrast Nike is perceived to be more fashionable, innovative and better quality.

The Times, 7 December 2015, p40

Gym experience needs toning up

James Balfour, co-founder of gym chain IRebel, claims that the "The industry hasn't evolved". He and his partner are hoping to shake up the gym sector by offering studio classes in gyms that are designed more like night clubs than fitness studios, with live music and curated playlists. They will also change the model for gym subscriptions by offering a pay-as-you-go system. He says "it's quite hard to reinvent the press-up" but that "the way we service our customers can change".

The Daily Telegraph Business, 8 December 2015, p8

Materials and mining

Chinese steel production – no sign of abating

The business climate for UK steel producers is likely to get worse as China continues to increase its production, according to Andrew Mackenzie, chief executive of BHP Billiton. China, which has seen demand in its domestic market decline, has been exporting its steel around the world. It has been able to do this because of government incentives and subsidies for exports. Steel exports from China rose by 25% in the year to October. Oversupply has put enormous pressure on the British steel industry leading to the loss of jobs.

The Daily Telegraph Business, 5 December 2015, p1

Media

Global media usage

Research conducted across 34 countries has revealed that internet users aged 16 to 64 spent 11.1 hours a day consuming media in the first three quarters of 2015 with 55% of time being spent online. The *GlobalWebIndex* survey reveals that US audiences were the largest viewers of TV (up to 3.3 hours on linear and one hour online) while Chinese audiences watched the least TV but had the highest online TV consumption (1.1 hours a day). In total 55% of respondents said they used a mobile phone while watching TV while 41% used a laptop. The top-line data from the survey is set out in a series of infographics.

Admap, December 2015, pp48-49

Digital could cut off disabled from culture

The Equality and Human Rights Commission has warned that elderly and disabled people are at risk of being cut off from popular culture because of the trend for on-demand TV, which doesn't have the same rules regarding subtitles and audio descriptions as traditional TV. The trend for putting everything online is presenting problems for disabled people says Lord Holmes, head of disability at the Commission.

The Daily Telegraph, 3 December 2015, p2

Books

Civilised Saturday

Never mind Black Friday and Cyber Monday – independent booksellers have held what they call 'Civilised Saturday'. This was after the Booksellers Association suggested that booksellers who couldn't compete with the heavy discounting of Black Friday should lure customers into their stores with alternative offers involving a 'civilised' experience, such as a glass of bubbly or calming music. Some booksellers reported increased sales compared with the same day (28 November) last year.

The Bookseller, 4 December 2015, p19

Christmas campaigns

Booksellers such as Waterstones, Foyles, Blackwell's and Dubray Books in Ireland, are busy rolling out their Christmas campaigns. Thomas Brown, CIM's director of strategy and marketing, advises that "in a crowded market and whatever the genre, authors and publishers need to be smarter about how they attract the attention of consumers". He says that each book release should have "a creative idea that works in store, online and across social media".

thebookseller.com, 3 December 2015

Film

The force awakens for marketing

The new *Star Wars* film sold a record 200,000+ tickets within 24 hours of going on sale in October. *The Force Awakens* is likely to result in the biggest promotional marketing campaign in the history of cinema. Lucasfilm, a wholly-owned subsidiary of Disney, signed seven global partnerships back in August. It has also linked up with many brands in local territories. The danger for brands is that they might employ short-term tactics for the film while neglecting their longer-term strategies. Cinema chains are also gearing up their promotions to gain maximum value from the film, and Disney itself is holding events including 'Force Friday'. Subway and O2 are among the brands mentioned in this article.

Marketing Week, 3 December 2015, pp29-31

China to trump US as biggest movie market

China is set to overtake the US as the world's biggest movie market by 2017. This is the verdict of Richard Gelfond, chief executive of Imax, who believes that China will beat the US in terms of box-office revenue and number of screens. Last year China's box-office revenues rose by 36% and it added 1,015 cinemas and 5,397 screens to its portfolio. Despite this, the US still has a substantial lead over China in terms of revenues, although these fell by 5% last year. Imax is currently expanding in China thanks to a deal with CJ CGV, a South Korean multiplex cinema, which will make China into Imax's biggest market.

Financial Times, 8 December 2015, p20

Magazines

Campaign

It wasn't until the 1960s that Britain's ad industry had its own magazine. The *World's Press News*, one of the titles acquired by Michael Heseltine's Haymarket Publishing in 1968, had its title changed to *Campaign* and the newly-named magazine immediately started to focus on the ad industry. One of the early recruits at *Campaign* was a young graduate called Maurice Saatchi!

Campaign, 4 December 2015, p12

Music

Streaming – a loss-making business

Music streaming is big business for record labels and they earned £2.2 billion from services such as Spotify, Deezer and Pandora last year. However, the streaming services themselves have yet to make a profit and there are doubts as to whether they ever will. It is expected that digital music distribution will eventually be dominated by a few, rich tech groups such as Apple, Google and Amazon. Streaming services, which are reliant on the copyright holders, must offer songs from the three major record companies in order to be viable, which means that

they must agree to their licensing terms. Even market leader Spotify is still loss-making.

Financial Times, 4 December 2015, p22

Newspapers

The Sun no longer shines on paywall

Last Monday *The Sun* newspaper took down its online paywall. David Dinsmore, COO of *The Sun's* owner, News UK, admits there is "an awful lot to do" before the website can attract advertisers.

Campaign, 4 December 2015, p3

Packaging

Plastic bag levy leads to expected fall in use

The introduction of a 5p charge on plastic bags in England has led to a 78% fall in the number being used by shoppers. This is according to Tesco, which recorded the number of single-use bags being taken home by its customers after 5 October, when the charge took effect. The reduction in use is in line with Government estimates. The proceeds, minus VAT, will go to good causes – Tesco says that it is on track to donate £30m to charity.

The Daily Telegraph, 5 December 2015, p1

The resealable punnet

Fresh product supplier Wellpak has developed the Ezo Punnet, a resealable punnet, which it describes as a 'milestone in fresh produce packaging'. It says it will give retailers a 'point of difference' in fruit and veg. because it can be resealed multiple times. When the design was used to package cheese in the US, it resulted in increased sales.

The Grocer, 5 December 2015, p40

Retailing

Black Friday moves online

For many retailers Black Friday sales exceeded last year's, but sales shifted from stores to online which meant that the event lasted longer than previously. E-commerce spending in the UK rose by 36% on Black Friday while online sales for the four days including Cyber Monday reached £3.3 billion. Physical stores saw footfall decline by 4.5% on Black Friday and the amount spent in stores on Visa cards fell from £1.14 billion to £1.13 billion, while online spend rose by 24% to £760m. The popularity of click and collect is likely to mean that online will remain an important Black Friday channel and analysts believe that retailers will find it easier to deal with the event online because they can spread the promotions across a number of days.

Retail Week, 4 December 2015, p1

Mobile apps

For retailers the cost of developing a mobile app can be high and it can be difficult to persuade consumers to download it. On the other hand a

mobile-optimised website may not be enough for shoppers and they will expect a retailer to have an app. Retail Week's *Mobile Apps* report considers the role of mobile apps and how they are used and perceived by consumers. It advises retailers to work out how to maximise the value of an app in order to drive sales, gain insight and retain customers.

Retail Week, 4 December 2015, p32

John Lewis record sales

John Lewis has achieved a record £187.7m in sales in the week leading up to the end of November, helped by Back Friday and its 'Man in the Moon' ad. Sales rose by 27.6% compared with the same week two years ago and by 60.1% week-on-week.

The Times, 4 December 2015, p58

Services

Motorola – an emergency purchase

Motorola has purchased Airwave, the company that operates Britain's emergency services network, for £817m. The Home Office is upgrading the emergency services network to 4G by signing a contract with EE which will also enable it to save £1m a day. Airwave is suing the Government over the awarding of the new contract. However, Motorola is interested in Airwave's Tetra technology, a network used for police walkie-talkies and which is used in emergency services in the US and Germany.

The Times, 4 December 2015, p53

Pret uses digital budget for charities

Pret's 'A Little Thank You' Christmas PR stunt involved wrapping up its Broadwick Store as a giant Christmas present. Customers were allowed to tear it open to receive a free sandwich. Pret has never undertaken paid TV or poster advertising, and this year it will be promoting its chosen charities in-store and on products. Pret's digital media budget is also being used to promote charities and it plans to donate 50p for every Christmas sandwich sold.

PR Week, December 2015-January 2016, p13

Transport and travel

Ryanair – enhanced customer services

Ryanair carried 99.9m customers in the year to November while traffic in November grew by 21% to 7.71m. The company's CFO, Kenny Jacobs, has attributed the rise to improvements in customer services and the success of the airline's 'Always Getting Better' customer experience programme. New service enhancements are also planned for 2016. This article includes a SWOT analysis.

The Daily Telegraph Business, 4 December 2015, p2

Jetpacks – not a mainstream technology

Last month Australian inventor David Mayman used a jetpack (a kerosene-filled backpack) to fly up into

the air and circle the Statue of Liberty in New York Harbour. Meanwhile Dubai's fire service has agreed to buy 20 jetpacks from Martin Jetpack of New Zealand. But jetpacks have not yet become mainstream because of certain barriers, not least those to do with safety. Gareth Padfield of the University of Liverpool believes that the answer could lie in the development of personal air vehicles which have wings and helicopter blades.

New Scientist, 5 December 2015, p22

European drones

Most of the drones currently being sold are just for fun but in the future we may see delivery drones, such as Amazon's prototype. A new class of civilian-drone companies is emerging which supply off-the-shelf or specialist drones to industry, agriculture and governments. There are many of these start-ups in Europe where countries have passed regulations on the use of drones in public places. In addition a raft of companies are providing services, or acting as intermediaries for civil drone-builders and drone pilots, covering issues such as regulations, terrains and the location of hazards. Some drone-makers are looking outside Europe for expansion due to the fragmentation of the EU regulatory market.

The Economist, 5 December 2015, p69

Buzz phrases

Click and don't collect

Why click and collect when you don't have to collect? River Island has become the first to offer a 'click and don't collect' option for customers who can't get to the store to collect their orders. Instead they can have the item delivered to their home within 90 minutes or at a time of their choice. This follows research which revealed that a fifth of shoppers will request a refund if they can't get to the store after ordering goods online. River Island has teamed up with eBay fulfilment specialist Shutl to deliver the service.

Retail Week, 4 December 2015, p4

Written by CIM's Knowledge Services Team

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On the Move

Name	From	To	New title	Source
Paul Calver	n/a	Northern & Shell	Head of Data	Campaign
Valérie Frohly	BNPParibas Investment partners	AXA Investment Managers	Global Head of Corporate Comms	PR Week
Cathryn Halton	First Group	Securitas	Marketing and Comms Director	PR Week
Joey Jones	Sky News	Osborne & Partners	Director of Strategic Comms	PR Week
Jakki Lewis	Sky	Guinness World Records	PR Director, EMEA and APAC	PR Week
Ali Mandhar	Media Com	OMD UK	Managing Director	Campaign
Thomas Merrington	Silvergate Media	Penguin Random House	Peter Rabbit Brand Manager and Head of Product Development for Penguin Ventures	The Bookseller
Steve Payne	n/a	Northern & Shell	Planning and Insight Director	Campaign
Rory Scanlan	Fishburn	Arriva	Director of UK Public Affairs	PR Week
Jamie Shacklock	MESH Planning	ZappiStore	Director of Research Architecture	research-live.com

Promotions

Name	Company	Previous title	New title	Source
Laura Chamberlain	Now	Client Services Director	Managing Director	Campaign
Eugenio Simioni	Nestlé	n/a	Corporate Comms Director	PR Week

Sources

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