

Cutting Edge: Our weekly analysis of marketing news

10 February 2016

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

Non-stereotypical gender role advertising

Non-stereotypical gender role (NSGR) advertising is on the rise. This is where male celebrities endorse traditionally or stereotypically female-oriented products or vice versa. The authors suggest that the effect of NSGR advertising on consumer evaluation has two opposing effects – positive and negative. This study investigates the conditions in which these effects are likely to be prevalent. It identifies a positive effect through novelty perception and a negative effect through cognitive resistance. Five experiments are conducted to examine the effects of NSGR advertising.

International Journal of Advertising, Vol 35(1) 2016, pp106-134 (Chu et al)

Avoiding misleading advertising

CAP, which is responsible for maintaining UK advertising codes, has released the second part of its e-learning module, *Misleading Advertising part two*. Using real-life rulings by the Advertising Standards Authority as illustrations, it is aimed at anyone involved in commissioning, producing or overseeing marketing communications, to ensure that their campaigns observe the rules and deal fairly with consumers. Topics covered are: substantiation and qualification of claims, and endorsements and testimonials. Part one of the module covers: the use of the word 'free', comparisons and availability.

cap.org.uk, 29 January 2016

Real-time phone boxes

Real-time advertising has become fairly commonplace but now Clear Channel UK has taken it a stage further with the purchase of hundreds of

phone boxes around Britain. It plans to transform them into advertising kiosks allowing real-time, "contextually relevant" content to be shown. The kiosks, which launch in July 2016, will also provide beacons, Wi-Fi, mobile data services and interactive journey planners.

B2B Marketing, February 2016, p7

Agencies

Start-ups

Starting up an agency isn't the easiest of things to do, according to Laurence Green, founding partner at 101, a business founded just five years ago. Here he shares his thoughts on starting up an agency from scratch and offers five pieces of advice, including playing the long game and building the brand.

Campaign, 5 February 2016, p18 (Green)

Sorrell on advertising

Sir Martin Sorrell, CEO of the world's largest marketing agency, WPP, offers his views on the future of the industry and what it means for marketers. In this article he looks at digital channels and expresses the view that marketing channels should be addressed collectively rather than in silos. He also warns that the price of digital will rise if supply fails to meet demand. Other topics include client marketing budgets and cost-cutting, client-agency relationships and the need to retain talent.

Marketing Week, 4 February 2016, pp18-22

Brands and branding

Brand values

The author argues that the current trend for defining brand values is leading to a "blandness, not brand-ness in brand positioning". The Value Engineers, of which the author is executive chairman, decided to examine the values of the



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latest most valuable brands report from Interbrand. The analysis reveals that the values attached to these brands are fairly predictable and represent values that should be associated with any reputable company. Nevertheless there is little to differentiate the brands from each other. Marketers need to realise that capturing the DNA of a brand isn't just about "cataloguing the easy 95%". Instead they need to redefine the brand in distinctive and practical terms.

Market Leader, Quarter 1 2016, pp48-49 (Lury)

Employee corporate brand endorsement

Employees have an important role in building corporate brand equity. This not only applies to the delivery of brand experiences at work but also to employees who are themselves consumers as well as being influencers among friends and family. This study seeks to test the roles of brand knowledge and engagement of employees in predicting the likelihood that they will endorse their organisation's brand to family and friends. The authors test a predictive model of employee endorsement on employees of a large South African bank brand. They reveal that employee engagement and brand knowledge play an important part in predicting their propensity to endorse the brand and that employee engagement affects the relationship between employees' brand knowledge and the likelihood of endorsement.

Journal of Brand Management, Vol 23(1), pp55-66 (Morokane et al)

Brand Summit

CIM's inaugural Brand Summit, which takes place in March, will address the subject of what brand means to marketers and will deliver insight into how you can create and manage brand experience with your customers. This article looks at some key issues that will be covered, such as delivering consistent brand experience across the organisation and monitoring customer experience during a period of continuous technological change.

Catalyst, Issue 2 January 2016, pp56-57

Disney overtakes Lego

Disney has become the most powerful brand in the world, according to the latest Brand Finance *Global 500* report. With a value of \$31.7 billion and a brand strength score of 91.8, it has pushed Lego into second place. Disney was noted for having made a series of "clever acquisitions" such as the Star Wars and Marvel franchises. VW has been one of the biggest losers in brand reputation following the emissions scandal while Nokia has fallen out of the list for the first time.

Marketing Week, 4 February 2016, p7

Conferences and events

Academic venues

Universities, under pressure to find new revenue streams, have responded by putting investment into conference and event facilities. Academia can provide value-for-money event venues together with a knowledge and history. This can be aligned with an organisation's corporate social responsibility (CSR) goals since the money is ploughed back into teaching and learning. Some of the venues are notable for their sustainability practices, such as the University of Nottingham, which is ranked among the top ten greenest universities in the world. Some of the more hospitality-oriented venues are focusing on customer service. A case study of the University of Cambridge is included.

Meetings & Incentive Travel, January 2016, pp47-49 (Channon)

Lack of publicity for internal events

During the recession many companies found it prudent to keep quiet about their spending on conferences or incentives for fear of attracting negative media coverage. Even though the economy is looking up, corporate event planners are still reluctant to publicise their events. This is bad for agencies because there is less industry recognition for their work. Over half the event agencies in C&IT's *State of the Industry Top 20* expressed concern that fewer clients are prepared to publicise their success stories. Yet internal events are a great platform for employee recognition in terms of training, rewards and team-building. Consumers and prospective employees place high value on transparency and employee investment.

Conference & Incentive Travel, January-February 2016, p20

Consumer behaviour

Multi-screening and entertainment are key

The State of Content: Rules of Engagement report from Adobe reveals that eight out of ten digital device users would abandon content that is too long or hard to view on devices, while 73% of consumers say they are open to content recommendations. Globally consumers are using an average of 2.23 devices simultaneously. Consumers are highly sceptical about the content they read online, while 81% consider that a product endorsement by an ordinary person is more trustworthy than one by a celebrity. Nearly double the number of respondents (43%) say they trust content from companies they purchase from compared with those they don't buy from (23%). However, 29% of consumers believe that entertainment is more important than accuracy when it comes to content.

Database Marketing, January 2016, p15

Customer relations

Valuing customer relationships

The authors propose a model to demonstrate how companies can identify an upper limit on the amount to invest in customer retention and demonstrate that this amount depends on the customer's past purchase activity. They use data from a B2B service provider and employ their model to estimate the revenue the company loses when it fails to provide a customer's requested level of service. They show that the lost revenue is greater than the expected gain which would have resulted from exceeding the customer's requested level of service. Implications for managing customer relationships are discussed.

Journal of Marketing Research, Vol 52 December 2015, pp848-864 (Braun et al)

Customer network involvement in NPD

Many companies collaborate with customers in the new product development (NPD) process but there is little coverage in the literature regarding the nature and quality of such involvement. The authors compile a set of metrics for measuring the involvement of a network of customers in NPD. Three aspects of customer involvement are covered: the rationale for involving customers in NPD; the network of customers involved; and the interaction process between the manufacturer and customers at the level of the individual customer. The metrics are illustrated through a study of customer networks by Irish B2B companies.

Journal of Product Innovation Management, Vol 33(2) 2016, pp166-180 (Lynch et al)

Direct marketing

E-mail renaissance?

E-mail is still a powerful marketing channel and a recent Adobe report revealed that it is still the most popular type of communication between businesses. If anything e-mail is undergoing a renaissance thanks to technological advances. Yet the average opening rate is 21% with click-through just 2.3%, according to the 2015 *Email Marketing Benchmark Study* from Silverpop. E-mail marketing is far from easy and marketers need to spend time and resources on ensuring that their messages engage with prospects and customers. The author identifies five mistakes which B2B marketers should avoid in e-mail campaigns.

B2B Marketing, February 2016, pp30-32 (McGeal)

Law

Data Protection

The aspect of the European Commission's Data Protection Reform that is of most interest to marketers is the General Data Protection Regulation (GDPR) which aims to provide "clear, modern rules" for businesses. This article summarises the five main rules: one continent one law; one-stop-shop; European rules on European soil; risk-based

approach; and rules fit for innovation. It points out that these rules were not drawn up for the benefit of business but to protect consumers, allowing them to have more power over their personal data. Ultimately, with such huge deterrents in place, companies will be forced to look at the value of their data and the importance of keeping it "clean and well-protected" which in turn should lead to more accurate targeting.

Database Marketing, January 2016, pp12-14

Online traders – new website rules

From the middle of February traders in the EU who sell or provide goods or services online to consumers must provide a link to the European Commission's online dispute resolution (ODR) platform on their websites. Traders will also be obliged to include their e-mail address on the website so that consumers can contact them in the first instance, in the event of a dispute. The ODR platform will be fully open to consumers and traders from 15 February 2016.

lexology.com, 2 February 2016;
ec.europa.eu/consumers/odr/

Marketing

Unpaid product placement

Product placement, which attracted attention as a new field of research in the 1980s, is growing as a marketing phenomenon, yet over half of the worldwide value of product placement still takes the form of unpaid product placement or free prop supply. There are no generally agreed ways of evaluating product placement so no one can accurately measure their worth. There is a significant gap in the literature with respect to practitioners' attitudes to unpaid product placement. In this paper the authors propose a possible research framework; suggest that animation is the best medium for finding the key to developing product placement as a paid-for advertising service; and offer three directions for future research.

The Marketing Review, Vol 15(3), pp361-381 (Morikawa and Hosoda)

Viral marketing

As consumers are bombarded with traditional online marketing, which often results in inefficient conversion rates, viral marketing is becoming an increasingly important part of marketing strategy. There is a gap in our knowledge about the effect of traditional promotional tactics on consumer referral decisions. This research, which focuses on an online fashion service called StyleCrowd, investigates the effects of scarcity and personalisation on referral behaviour. It reveals that using these two cues in promotional campaigns is a "balancing act". Scarcity cues tend to affect the propensity for referral regardless of whether the campaign is personalised, while personalisation cues are effective when

scarcity is absent, but are cancelled out when scarcity is present. Implications and directions for future research are discussed.

Journal of Interactive Marketing, Vol 32 November 2015, pp37-52

Glocalisation strategies

A 'glocalisation' strategy aims to live up to the slogan "think globally but act locally". Companies who have this strategy try to achieve local flexibility while benefiting from global integration. This study looks at Persil's black liquid detergent penetration in the Middle East and European markets. Brand owner Henkel chose a strategy which exploited the "economies of scope" in the purchasing department as well as in production and packaging. It used adapted product communication together with customised packaging designs, product positioning and marketing communications for the two regions. The result of this glocalisation strategy was higher market shares in the Middle East liquid detergent market. The launch of Persil Black in Europe resulted in increased sales but only a small hike in market share.

Journal of Brand Strategy, Vol 4(3) 2016, pp248-258 (Hollensen and Schimmelpfennig)

Market research

Methods for eliciting brand attributes

Brand attributes have an important role to play in tracking customer-based brand equity and researchers need an effective way of eliciting these attributes. This paper aims to determine which of four techniques – Zaltman Metaphor Elicitation Technique (ZMET), Free Elicitation (FE), Repertory Grid (RG) and Projective Elicitation (PE) – produces the best results. Secondly, it tests whether online data collection is a viable alternative to face-to-face. The study finds that FE is the best-performing technique for face-to-face and that online is a viable data collection method for attribute elicitation research, with the exception of the ZMET technique. FE and PE are recommended for online research to obtain the range and variety of responses required.

International Journal of Market Research, Vol 58(1) 2016, pp57-78 (Hogan et al)

Crowdsourcing – size matters!

Crowdsourcing in market research generally takes the form of online communities. It would seem logical that the larger the group the better the result but this is not necessarily the case. A team of academics in Slovenia has created a mathematical model which indicates that, in some cases, crowdsourcing works best when a subset of the population does not take part. It found that the optimal size for a group is 50 because both collaboration and individualism are equally beneficial for a task of any difficulty. A group of 100 would result in too many people working in isolation and

getting so-called "free-rides" (free-riders are defined as those who benefit from social support while contributing little).

Impact, Issue 12 January 2016, p18

Public relations

CEO communication and positioning

This paper looks at the positioning of CEOs and other top executives in the public arena and various approaches to managing their communication activities. The research is conducted using quantitative and qualitative online surveys among corporate communications heads in European countries. It finds that most companies do position their CEOs or other top executives, but only a minority channel these activities through a sound management process. European CEOs are primarily presented according to their functional and ethical competencies. A minority of communication leaders prefer a uniform positioning of their CEOs in different markets while others adopt localised approaches. Considerable differences are noted between listed and privately owned companies.

Journal of Communication Management, Vol 20(1) 2016, pp37-55 (Zerfass and Verčič)

Internal Communication

Communicating and engaging with employees is becoming more difficult because of the range of communication choices and huge amounts of e-mail. *The Human Resources Communication Study*, a recent study of employees in large corporations, found that only 30% of respondents were happy with communication. Internal communication is often too general, comprehensive, technical or 'old school', which means that it fails to convey the message. The answer is to draw on expertise from external communication and apply it to internal communication. For example, think about the way you would engage a reporter or encourage social media participation – the article gives five suggestions.

Public Relations Strategist, 21(4) 2015, pp8-9 (Davis)

Choose your words carefully

What are the most overused words uttered by public speakers? 'Innovation', 'disruptive', 'focused' and 'seriously' are worthy contenders as are 'leverage', 'impactful' and 'scalability'. But according to the author, 'exciting' is the word that many presenters use within the first 30 seconds of speaking. Using such words does not help your organisation stand out from others. The way to do this is to avoid clichés and overused words which is a seriously innovative way of being more exciting, focused and disruptive!

prdaily.com, 4 February 2016 (McGowan)

Sponsorship

Sponsor-event fit and purchase intentions

This study investigates how event volunteers, athletes and spectators perceive the impact of sport event sponsorship on their future purchase intentions of the sponsor brand. It looks at the relationships between sponsor-event fit, brand attitude, perceived brand quality, and sponsor brand purchase intentions. The research is based on data from the 2013 Classic Marathon event in Athens, Greece using surveys of spectators, volunteers and athletes who were non-consumers of the sponsor brand. It reveals that sponsor-event fit indirectly influences sponsor brand purchase intentions through brand attitude and brand quality for all three groups. However, across all three groups, sponsor-event fit does not directly influence perceived brand quality.

Journal of Business & Industrial Marketing, Vol 31(2) 2016, Earlycite 44pp (Papadimitriou et al)

Tennis sponsorship inconsistent

The Australian Open tennis tournament was the first Grand Slam to be sponsored by a betting company, William Hill. The Association of Tennis Professionals (ATP) prohibits any gambling-related endorsements on the players' clothing but no such ban exists for tournament sponsorship. This inconsistency was mentioned at a recent press conference by tennis star Andy Murray who described it as "a little bit hypocritical".

Marketing, February 2016, p13

Agriculture, fishing and forestry

Farmdrop links suppliers with consumers

Ben Pugh, founder of Farmdrop, would like to simplify the food supply chain by linking farmers with local consumers through an online marketplace. This would allow producers to get a better deal than they get from supermarkets. Farmdrop, which has attracted some powerful backers, has already signed up 50 producers offering 700 fresh, seasonal products, including meat, fruit and vegetables. Pugh wants food producers to keep up to three-quarters of the price of the products compared with the 40% they receive from supermarkets.

The Times, 3 February 2016, p41

WeFarm shares advice via texts

WeFarm, a London-based start-up, aims to help the 43,000 smallholders who have signed up to its service, by sharing advice and information through mobile phone text messages. This is effectively a social network for farmers where they can ask questions and receive crowdsourced answers. This has proved particularly useful in areas where many people do not have internet access, such as coffee farmers in Peru. WeFarm hopes to expand the

service to reach one million farmers worldwide this year.

Financial Times (Special Report: The Connected Business), 3 February 2016, p4

Growing Underground grows underground

There is a farm 33 metres below Clapham in South London. It relies on LEDs, a technology which has developed to the point where it is possible to grow almost anything without the help of natural light. Growing Underground focuses on leafier vegetables because they grow quickly and don't need much space. Crops are cut in the late afternoon with the aim of getting them to the table by lunchtime the next day. The idea may well spread to other cities.

Wired, March 2016, p113

Building industry

Regional labour shortages

The construction industry will need an additional 232,000 workers between 2016 and 2020, according to the CITB *Construction Skills Network* report from the training board and Experian. Some regions face tougher problems than others with some regional hotspots needing more labour than at any time since the beginning of the last recession. Wales, which requires the highest percentage growth, will need to boost its workforce by 15.6%. However, it is the North-West that requires the greatest influx of labour, with 6,650 recruits needed every year from 2016 to 2020.

Construction News, 5 February 2016, pp40-41

Businesses and strategy

Emotional culture

The majority of companies tend to ignore their emotional culture or feelings that their employees have at work. Research suggests that emotions influence employee satisfaction, burnout, teamwork and even financial performance. It is important to monitor and manage people's feelings; once you have an understanding of the existing emotional culture of the organisation it can be shaped in various ways. The article describes how emotional culture is manifested at work and the impact it has on various settings and industries. It suggests ways in which you can create and maintain an emotional culture that will help the company achieve its goals.

Harvard Business Review, January-February 2016, pp58-66 (Barsade and O'Neill)

External networks and innovation

The authors investigate whether entrepreneurial or conservative (risk-averse) firms' innovation performance benefits more from external networks (defined as learning from information, perspectives and insights embedded in external networks). Using a study of US firms, they conclude that learning through external networks disproportionately

benefits conservative firms in terms of product and market innovation. By relying on external networks as a source of intelligence, conservative firms can act as “fast followers” of the firms that take on a great deal more risk in their innovation activity. However, the use of external networks to inform new product development and new market entry is also extremely beneficial to SMEs.

Journal of Product Innovation Management, Vol 33(1), pp104-120 (Baker et al)

Reputations

It is difficult for investors to put a value on reputation, yet it is part of the corporate culture of the company, relying on strong governance and observance of compliance, regulation and risk. Management reputation is viewed as equally important when making an investment decision. Long-term investors recognise that a successful and sustainable company must look after all its constituent parts, including the interests of clients, shareholders and employees. There are many notable examples, such as well-known oil companies and supermarkets, which have demonstrated institutional failure in one area and this has led to widespread failure. Much failure is due to short-termism which in part explains why some of the best-performing companies are family-owned.

Impact, 12 January 2016, p63 (Tilbian)

Alphabet overtakes Apple

Alphabet, Google’s parent company, has overtaken Apple to become the world’s largest listed company by market value. Last year most of its \$75 billion-revenue came from advertising, mostly search. Google has around 70% of the global search market and has done particularly well out of two trends: mobile phones and online video. It also owns seven products that each have a billion or more users. Alphabet’s investments will probably take some years to pay for themselves, if at all, but for now analysts do not seem too worried about how much the company is spending...

The Economist, 6 February 2016, p62

Women at the top deliver greater profitability

A study of over 21,000 public companies in 91 countries has found that by boosting the number of women in top management positions, profitability can be increased. A company with 30% female leadership can add 6% to its net margin compared with similar businesses with no women at the top. Yet the study found no impact, whether good or bad, from simply having a female chief executive. Despite the recent focus on gender diversity, only a third of companies were found to have women either on the board or in top management positions.

Financial Times, 8 February 2016, p21

Charities and NGOs

Age UK to be investigated

Age UK stands accused of having made millions of pounds from promoting energy, insurance and funeral care to the elderly. Recently regulators have launched an investigation into the charity’s marketing deals with energy supplier Eon. It has also been revealed that Age UK has been marketing products for Ageas insurance and Dignity funeral care. Criticism centres on the fact that the Eon deal is not the cheapest plan that Eon has to offer and that pensioners are being misled.

Financial Times, 5 February 2016, p1

Durable consumer goods

Watchmakers – how to make consumers tick

Switzerland’s luxury watchmakers had a bad time last year with sales falling by 3.3%, their first annual decline since 2009. It is predicted that 2016 will be no better, thanks to the slowing Chinese economy, the Paris attacks and competition from the Apple Watch. Last year Omega signed up Eddie Redmayne as a brand ambassador, in a bid to attract younger buyers. Meanwhile Moser’s response has been to create a mechanical replica of the Apple Watch called the Swiss Alp Watch. Tag Heuer has gone a stage further by launching the Connected Watch, a \$1,500 smartwatch!

Bloomberg Businessweek, 1-7 February 2016, pp20-21

Economy

Shop price deflation

January saw the 33rd consecutive monthly fall in shop prices, according to the BRC-Nielsen shop price index. Although food prices rose for the first time since August, overall prices fell by 1.8% in January year-on-year. Clothing retailers, who reduced their prices by 6.4%, attributed the fall in sales to the unseasonable weather. Meanwhile deflation in books, stationery and entertainment reached 3.7%. Helen Dickinson, chief executive of the British Retail Consortium (BRC), believes that higher consumer confidence has led to spending on leisure, entertainment and eating out rather than shopping.

The Times, 3 February 2016, p39

China’s services sector

China’s economy may be slowing but its service industry grew by 8.3% last year and for the first time accounted for over half of GDP (50.5%), while manufacturing rose by just 6%. The service sector is expanding in line with higher household incomes and family expenditure. Nevertheless the industry has a way to go before it rivals that of America where almost 80% of GDP comes from services. Services are hindered by regulatory barriers, especially in government-controlled companies and

the fastest growth in employment is among low-end service jobs, such as retail and hotels.

Bloomberg Businessweek, 1-7 February 2016, pp13-14

The Finnish freeze

A member of the Eurozone since 1999, Finland struggled during the 2008 financial crisis and, despite subsequent growth, the economy may have contracted again last year and is likely to remain flat this year. Finland has suffered from the decline of Nokia, its biggest company; rising wages combined with falling productivity; and a shrinking workforce. However, the World Economic Forum believes that Finland is well-placed for growth and ranks the country second globally for innovation. Meanwhile Government reforms, including an overhaul of the labour market, seek to restore the country's competitiveness.

The Economist, 6 February 2016, p72

Energy and utilities

Cheap oil could lead to bail-outs

There is increasing concern over the future of low-income oil-producing countries such as Nigeria. Such a country is facing hardship and "a necessity to very promptly redesign its business model and realign its business interests", according to Christine Lagarde, MD of the IMF. The IMF and World Bank are both concerned that countries like Ecuador and Venezuela may require bailouts. Cheap oil has been beneficial to developing countries, including India and Bangladesh, as well as rich economies, such as the US where consumers are buying cars in response to falling fuel prices. Case studies of Nigeria and Russia and a graphical analysis of individual oil-producing countries, are included.

Financial Times, 5 February 2016, p11

Environment

Consumer knowledge and green consumption

The authors compare highly knowledgeable consumers with less knowledgeable consumers in relation to their rational and emotional desire for green consumption and identify the advertising implications for each group. Consumer knowledge is divided into three categories – knowledge related to the environment; available action; and its effectiveness – and tested in a survey of US consumers. The research highlights the importance of raising certain aspects of consumer knowledge as well as using targeted ad campaigns for consumers with different levels of knowledge of green consumption.

International Journal of Advertising, Vol 35(1) 2016, pp23-41 (Kim et al)

Tackling food waste

Data from the United Nations' Food and Agriculture Organisation (FAO) indicate that one third (1.3

billion tonnes) of all the food grown never gets eaten. Instead it goes to landfill where it produces methane, a greenhouse gas. The global population is expected to reach 9.15 billion by 2050 so there is pressure to cut food waste. The food chain is flawed but start-ups are helping to fix the journey from farm to table. *Wired* identifies nine such start-ups, including Agrilyst, a provider of real-time analytics for farmers; FoodLoop, which sends messages from supermarkets informing users about price reductions; and OLIO, an app allowing Londoners to list their surplus food.

Wired, March 2016, pp36-37

Fashion

Burberry sales up thanks to mobile

The majority of visits to Burberry.com are now made via mobile devices. Burberry has benefited from its investment in mobile, which has become its fastest-growing digital channel. It has been developing partnerships with Apple, DreamWorks, Google and WeChat. The company achieved a 1% rise in like-for-like sales in the last quarter of 2015 compared with a 4% fall in sales for the third quarter.

Marketing, February 2016, p10

John Lewis in similar fashion search

John Lewis has introduced a Find Similar button on its website and app, which allows shoppers to search for similar clothing based on its shape, colour and pattern. It is the first UK high street retailer to use the technology, which was developed by Cortexica, who also works with online fashion retailers such as Net-a-Porter and Zara.

Retail Week, 5 February 2016, p30

Financial services

App-based bank is game for future

App-based Atom Bank was built on a game-design platform called Unity, which provides the functionality that gamers have come to expect. Apart from some fun aspects of personalisation, such as a personalised colour scheme, the app can gradually learn how the customer uses it and customises itself to their preferences. Security will be achieved through face (a selfie), voice and fingerprint recognition. The new bank also expects to achieve a better cost-income ratio than its competitors among the traditional banks.

The Independent, 4 February 2016, pp36-37

FMCG

Beverages

Coke moves to variants

In its biggest marketing campaign for a decade, Coca-Cola is uniting its four Coke brands using the line: *Taste the feeling*. Instead of individual brand

personalities, the company is marketing Coke, Life, Zero and Diet/Light as Coca-Cola variants. Marcos De Qunto, global CMO, believes that the previous strategy of using sub-brands instead of variants, "has created distortions in the main brand".

Marketing, February 2016, p11

Cosmetics and toiletries

The Lynx effect – a new perspective

Male-grooming brand Lynx has relaunched for only the second time in its history with a campaign designed to appeal to the more sensitive man. Campaign reflects on the *The Lynx effect*, originally created by Bartle, Bogle Hegarty, which is described as "one of the greatest campaigns in advertising history". Although the ads were heralded as brilliant creative work, they reflected the time in which they were made and their sentiments would be out of kilter with current thinking. For example, they objectified women and portrayed a one-dimensional view of men. The latest campaign, called *Find your magic*, provides a more inclusive idea of what masculinity is about.

**Campaign, 5 February 2016, p15 (Huntington);
Marketing, February 2016, p13**

Sexist pricing – Boots in cosmetic fix

The controversy over sexist pricing of toiletries has led to Boots changing the price tags on its razors and eye cream. This is after a Change.org petition revealed the pricing disparities between products marketed at men and women. It noted that Boots eye cream for women retailed at £9.99, while the equivalent for men was £7.29; a pack of eight razors for women cost £2.29 compared with a ten-pack for men at just £1.49. Equality campaigning group the Fawcett Society has welcomed the move but believes that this is just the start of the movement to address "sexist pricing practices".

The Guardian, 3 February 2016, p11

Food

Because the lady loves a polo neck sweater!

Patrick McBride, a firefighter from Liverpool, has been selected as Cadbury's new Milk Tray Man. Separately Cadbury's US owner, Mondelez, has reported a 13.5% fall in full-year revenues despite rising sales of Dairy Milk chocolate in Asia. Europe, Cadbury's biggest market, suffered a 24.3% fall in sales, which is attributed to a combination of warmer summer and higher prices.

Campaign, 5 February 2016, p3

Not so crisp sales for Britain's favourite snack

For years crisps have been Britain's favourite snack but now they are being challenged by other snacks, such as popcorn and nuts, as people seek healthier alternatives. Last year crisps experienced a second year of falling sales and were outsold by other snacks for the first time, according to research

group Mintel. Mintel says that two-thirds of crisp eaters would like them to be cooked in healthier oils such as olive oil. Sales of popcorn have nearly trebled (up 169%) over the past five years, compared with an 8% rise for crisps.

Financial Times, 3 February 2016, p4

FSA clucks over runny eggs

A new report from the Advisory Committee on the Microbiological Safety of Food reveals that there has been a "major reduction" in the microbiological risk from salmonella in the UK's hen shell eggs since 2001. The group recommends that the Food Standards Agency (FSA) should revise its advice to consumers which says that certain groups, such as pregnant women, should avoid eating runny eggs.

The Grocer, 6 February 2016, p56

Tobacco

Smokescreen at the movies?

The World Health Organisation says that films which feature smoking should be given an adult rating. It claims that 36% of films rated PG-13 and below in 2014 showed people smoking. It is concerned that tobacco companies are using films to encourage young people to take up smoking.

New Scientist, 6 February 2016, p7

Government and public sector

Political advertising – is it effective?

In January most of the TV advertising in Iowa was concerned with the presidential campaign. Three days before the state's caucus, 20 hours' worth of election propaganda were broadcast. By 25 January \$53m had been spent on political campaign advertising. Yet it is hard to prove that candidates are getting a return on their investment and studies have shown that few voters are persuaded by advertising, a result known as the minimal-effects hypothesis (MEH). *The Economist* has conducted its own research to measure the impact of advertising so far in the 2016 campaign. The results are mixed...

The Economist, 6 February 2016, pp38-39

Health and pharmaceuticals

A&E ads banned

The Advertising Standards Authority has banned NHS ads for being "misleading and potentially harmful". The poster ads and the rightcare4u.org.uk website stated that "A&E is for life-threatening emergencies only". The ASA said that certain injuries were not life-threatening but still needed to be treated in A&E.

The Independent, 3 February 2016, p18

NHS to use drones

The NHS's specialist ambulance teams will be given additional help this year in the form of remote-controlled drones or UAVs. The Fifteen Hazardous Area Response Teams (HART), which deal with emergencies involving chemicals and other dangerous materials in difficult situations will each receive a reconnaissance drone. The drones will have cameras to keep an eye on accident scenes from the air. Other public services are beginning to investigate the use of drones: last year Dorset, Devon and Cornwall police began using drones in a six-month trial.

New Scientist, 6 February 2016, p20

Is veg bad for you?

It looks as if the 'five-a-day' fruit and veg regime could be threatened by the growing trend for diets which exclude certain types of veg. The Fodmap diet, which is used by IBS sufferers, excludes a range of foods, including broccoli, cauliflower and onions. Other people avoid the nightshades, which include potatoes and tomatoes. Another threat to the veg sector comes in the form of media coverage of selective breeding techniques, which has led to claims that fruit and veg has become less healthy. One solution could be to ramp up PR initiatives to promote the health benefits of fresh food.

The Grocer, 6 February 2016, p57

People don't believe in benefit of fruit

A survey of 1,983 people in the UK has found that 13% of respondents do not believe that sugar, processed foods or sat-fats are bad for them, while 9% of people aged 16 to 24 don't consider fresh fruit to be good for their health. The survey was conducted by British Summer Fruits, which believes that this attitude could have implications for the nation's health.

The Grocer, 6 February 2016, p57

IT and telecoms

Oculus Rift launches but online only

The Oculus Rift headset has finally been launched on to the consumer market in a year when industry experts believe that virtual reality could become mainstream. Yet the Rift is only available through Oculus's site and mainstream consumers prefer word-of-mouth recommendations. They also like to try out gadgets for themselves, which simply won't be possible if the device is only available online. If VR is to go mainstream consumers will want hands-on experience.

Marketing, February 2016, p22

TalkTalk loses thousands of clients

TalkTalk, which suffered a serious data breach last year in which thousands of customers had their

accounts compromised, says the attack was responsible for the loss of 95,000 subscribers in the last three months of the year. Despite this, the company achieved better than expected results with revenues up by 1.8% in the last quarter of 2015, although down from the 4.2% recorded in 2014. The company is facing fierce competition from other players in the industry plus the threat from consolidation in the telecoms sector.

The Daily Telegraph (Business), 3 January 2016, p8

Mergers – cause for concern

Britain's mobile phone market is successful due to its relatively low prices and variety of products on offer. Yet regulators in Britain and Europe are unhappy at the proposed £10.5-billion merger of O2 and Three. The main reason for Ofcom's opposition to the deal is that, although there are 30 operators in the UK, only four run and maintain the physical mobile infrastructure (the Mobile Network Operators). The European competition commissioner, Margrethe Vestager, is due to make a final decision on the merger by 22 April. Another cause for concern is that, the smallest network operator in a country, in this case Three, usually acts as a disruptor and innovator and it would disappear if the merger goes ahead.

The Economist, 6 February 2016, pp27-28

FitBit – personalisation leads to fitter margins

FitBit is to relaunch in an attempt to stay ahead in the fitness wearables market. The new Alta wristband, costing \$130, will launch next month to replace the larger Charge wristband, first released in 2014. The Alta targets consumers who are interested in "everyday fitness" rather than workout tracking, according to Fitbit chief executive James Park who hopes it will appeal to a broader audience. A range of accessories will allow people to personalise the FitBit which increases the selling price and the margins on the product. FitBit currently has a 79% share of the wearables market.

Financial Times, 4 February 2016, p18

Leisure and tourism

Beatles legacy worth millions to Liverpool

Liverpool is benefiting from a burgeoning tourist trade associated with the Beatles. The group is worth £81.9m a year to Liverpool's economy and is supporting 2,300 jobs, according to a new report commissioned by Liverpool City Council. It emphasises the need to preserve the legacy of the Beatles. However, the report warns that the city's reputation could suffer if fans do not have access to sufficient services and attractions.

The Independent, 8 February 2016, p17

Big data appears at Somerset House

Somerset House in London is running a Big Bang Data exhibition, the UK's first big data exhibition which is described as "exploring the big data explosion that is radically transforming society, culture and politics in the 21st century". It uses art to trace the origins of data through to the modern day. It also shows the impact of big data on scientific research, business strategy and political and social interaction.

B2B Marketing, February 2016, p6; somersethouse.org.uk

Advertisers dominate Superbowl

Last weekend's US Superbowl was all about the advertising. The football itself lasts just 60 minutes but once the advertising and a 30-minute half time show are factored in, the show can take up to four hours of peak-time viewing. With the price of a 30-second slot costing \$5m and an audience of over 110m, the ads have become as important as the game. In Britain it would be unheard of for the FA Cup to be punctuated with adverts but in America there is huge potential for a relatively unknown brand to gain recognition. Start-ups, such as Uber and Airbnb, will be hoping to attract new customers.

The Sunday Telegraph (Business), 7 February 2016, p10; Financial Times, 6-7 February 2016, p15

Materials and mining

Rangold – gold regains shine

UK gold miner Rangold Resources has been one of the best-performing miners during the commodities downturn. The gold sector is beginning to recover and the value of gold is on the rise, leading to higher share prices. There is speculation that Rangold is on the verge of making a big acquisition but chief executive, Mark Bristow, is not giving any details away.

Financial Times, 9 February 2016, p20

Media

Books

Book outlets with a difference

There has been an increase in book sales through non-traditional outlets, including retailers such as Urban Outfitters, TK Maxx and The White Stuff. According to Nielsen's *Books & Consumers* research, the "other shop" sector accounted for 7% of the total market by volume for the first six months of 2015. Publishers reported strong growth through non-traditional channels, partly accounted for by the recent colouring-book trend and the *Ladybird Books for Adults*. Buying practices in non-traditional outlets tend to be very rigorous and buyers are usually interested in a narrow range of books that sell in large volumes; this results in fierce competition between publishers.

The Bookseller, 5 February 2016, pp6-7

Film

Dynamic pricing coming to a cinema near you

The challenge for cinemas is to capitalise on blockbuster films as they are released, which requires more sophisticated ticket pricing. Previously cinemas ticket prices varied according to the time of day or week but now the Odeon group is experimenting with a system used by hotels and airlines, where prices change in real time depending on the demand. US cinema chain AMC has moved to selling tickets through an open-sourced ticketing engine, which has resulted in a 45% increase in online ticket sales in its first year. Other cinema chains and online ticketing systems are experimenting with different ways of selling tickets.

Financial Times (Special Report: The Connected Business), 3 February 2016, p2

Games

E-sport hits the mainstream

The League of Legends Championship Series (LCS) is the best known league for competitive video gaming. Over 330m people watched some part of the league's championships last fall through YouTube or gaming site Twitch. The gaming landscape is crowded with game publishers, tournament organisers, teams and streaming platforms but, as yet there is no unified strategy or business model. Larger audiences and prizes are attracting greater investment and the money coming into the sport has begun to professionalise the league. This money may make the industry more attractive to big advertisers.

Bloomberg Businessweek, 1-7 February 2016, pp28-30

Music

YouTube not liable for music licensing

The Higher Regional Court in Munich has recently ruled that YouTube could not be held responsible for copyright infringements. It said that the responsibility rests with individuals who upload the content even though YouTube makes money out of showing the videos. This means that YouTube is not financially accountable when works protected by copyright are used on the site. The case was brought to court by GEMA, which represents the copyright of over 70,000 composers, lyricists and music publishers in Germany and over 2m copyright owners around the world. It demanded an adequate payment to musical authors for the use of their work on the site. GEMA has received no licence fees from YouTube, even though the latter attracts huge advertising revenues from music appearing in videos. GEMA has the right to appeal the ruling.

gema.de, 28 January 2016

Social media

Facebook becomes more emotional

Chris Cox, Facebook's chief product officer, has been responsible for coming up with an extension to the

'Like' button. His solution, called Facebook Reactions, will offer the chance to express six new emotions on the network using emojis. He explains that Facebook's goal is to provide a universal vocabulary that will let people express emotions as they scroll through their feed. Reactions has been tested in a number of countries, including Ireland, Spain and Chile, and is due to be released in the US and around the world "in the next few weeks".

Bloomberg Businessweek, 1-7 February 2016, pp44-49

Television

TV advertising remains strong

TV advertising remained "incredibly resilient" with UK TV ad spend rising by 10.8% in the third quarter of 2015, according to the Advertising Association and Warc. This is despite the rise of digital and mobile advertising, which are drawing money away from traditional channels. Last year's Rugby World Cup boosted TV's ad spend largely because TV offers a "unique platform" for advertisers during live events, according to James McDonald of Warc. Digital's ad spend increased by 13.2% in the third quarter while overall adspend rose by 6.8% to reach £4.65 billion.

Marketing Week, 4 February 2016, p6

Tactile TV

Scientists at the University of Sussex are developing technology that will enable viewers to smell, taste and touch the sensations depicted on-screen. For example, viewers will be able to sense raindrops on their hands via ultrasound beams and airflows. The team is working with Bristol-based Ultrahaptics which has developed technology allowing users to experience tactile feedback on their hands without wearing gloves. Dr Obrist, part of the Sussex team, ultimately hopes to create "9D TV" to create a fully multi-sensory experience.

The Independent, 9 February 2016, p15

Packaging

Packaging experiences recalled

This study examines aspects of recalled experiences involving packaging by means of interpretive analysis. The research data were gathered from 97 Finnish consumers during a weblog session. The consumers were asked to describe personally meaningful packaging-related experiences and to submit a photograph of the packages. The analysis focused on identifying common dimensions associated with the meaningful experiences described by the respondents. The authors built a conceptual framework using "nostalgic" and "accessible" experiences. The dimensions of nostalgic experience and accessible experiences are defined. The authors conclude that meaningful consumption experiences involving packaging may incorporate both nostalgic and accessible

dimensions.

Qualitative Market Research: An International Journal, Vol 19(1) 2016, pp4-26 (Ryynänen et al)

Retailing

Impulsive buying

The retail industry uses a variety of tactics to entice shoppers into their stores, such as displays, in-store experiences and aromas. The authors examine the relationship between the various factors that define impulsive buying behaviour among shoppers and propose a conceptual model to explain impulsive buying. It follows a hierarchy-of-effects model in which merchandising display increases the effectiveness of two factors: promotional schemes and incentives and "retailer-induced in-store influence". These two factors also enhance the effects of socialisation and "crowd in the mall" factors which in turn promote hedonism and impulsive buying.

Journal of Marketing Analytics, Vol 3(4), pp187-214 (Prashar et al)

Visual merchandising

Retailers operate in a highly competitive industry and visual merchandising is taking an increasingly important role in a physical store's success. Yet, despite being a vital part of the business, it is often overlooked by retailers. The author explains why visual merchandising is essential to bricks-and-mortar stores and provides a checklist of what to consider when creating a visually stimulating environment. These include communicating a brand identity and increasing sales.

Tableware International, January-February 2016, p70 (Beker)

Retail jobs to go due to automation

Automation and online retail will lead to the loss of two million retail and wholesale jobs over the next 20 years, according to Deloitte. Its research has found that the number of jobs in the two sectors has already fallen by 300,000 since 2001. It estimates that a further 2.1m jobs have a 'high chance' of being automated, which accounts for 59% of the jobs available at present. As retailers move towards personalisation, automation will play an increasingly important role in their marketing campaigns. Marketing technology will allow vast amounts of data to be processed, leading to more targeted campaigns without the need for human intervention. As well as job losses, this could result in a change in the type of employees hired by retailers, says Deloitte.

Retail Week, 5 February 2016, p31

An easy buy at just 25p

EasyJet founder, Sir Stelios Haji-Ioannou, has opened his first easyFoodstore in Park Royal

London, where everything will be priced at just 25p for the whole of February. This means that it is possible to buy all of the store's 76 products and still have change for £20. The price will not remain at 25p because the store is running at a loss, but as yet it has not been decided whether the prices will rise to 50p or higher. People seem to be using the store to stock up on basics - Aldi and Lidl watch out!

The Daily Telegraph, 3 February 2016, p5; The Independent, 3 February 2016, pp32-33

Services

Law firms accused of 'astronomical' fees

A report for the Centre for Policy Studies suggests that top city law firms are charging up to £1,100 an hour, the highest rate ever recorded. *The Price of Law* study claims that secrecy surrounding pricing, together with the absence of competition, is keeping prices high. The report's author, Jim Diamond, denounces the fees being charged as "astronomical and almost always unjustifiable". The criticism is aimed particularly at the so-called five 'Magic Circle' firms.

The Independent, 5 February 2016, pp1,9

Co-op reduces price of funeral

Funerals are expensive and many people cannot even afford a simple affair. In response Co-op Funeralcare is offering 7% discount on its lowest-price funeral plan, reducing the cost by £140 to £1,995. The average industry costs for a basic funeral amount to £3,700. The National Association of Funeral Directors, which has expressed concern about the number of people who cannot afford funeral costs, is lobbying the Government to provide more support.

The Daily Telegraph (Business), 8 February 2016, p3

Transport and travel

SUV overtakes hatchback

The so-called 'crossover' or sports utility vehicle (SUV), typified by the Nissan Qashqai, has surpassed the hatchback as the most popular vehicle in Europe. The crossover achieved growth of 24% and volume sales of 3.2m in Europe last year, giving it 22% market share. The large and small hatchbacks grew by just 6% while sales of small city cars were up by 8%. The SUV has taken market share from the people carriers while upmarket SUV models have eroded the traditional executive car market, such as the BMW 5 series and Mercedes E-class.

The Times, 3 February 2016, pp34-35

Written by CIM's Knowledge Services Team

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On the Move

Name	From	To	New title	Source
Katherine Dempsey	Ketchum	Marks & Spencer	Senior International Press Officer	fashioninsight.co.uk
Giles Hedger	Leo Burnett	FCB Inferno	Chief Strategy Officer	Campaign
Gavin Johnson	Millennial Media	AOL UK	Commercial Director	Campaign
Nicola Robinson	Coca-Cola	Kettle Chips	UK and International Sales Director	The Grocer

Promotions

Name	Company	Previous title	New title	Source
Stuart Bowden	MEC	Co-Chief Executive	Global Chief Strategy Officer	Campaign
Georgia-May Dalton	House of Fraser	Regional Publicity and Events Officer	Senior Press Officer	fashioninsight.co.uk
Jason Dormieux	MEC	Co-Chief Executive	Chief Executive	Campaign
Gayle Griffith	House of Fraser	PR Manager	Senior PR Manager	fashioninsight.co.uk
Debbie Klein	Engine	European Chief Executive	Chief Executive of Europe and Asia	Campaign
Andy Murray	Asda	Senior VP of Creative and Customer Experience, Walmart	Chief Customer Officer	thedrum.com

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