

Cutting Edge: Our weekly analysis of marketing news

3 August 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

Gender stereotyping

This paper looks at the historical tradition of gender stereotyping in advertising. For many years the sexes have been depicted in traditional roles with women originally being portrayed in an "inferior" manner, followed by a move to more positive role portrayals over time. The changing role of men has been the most marked, with male figures being shown in "softer" roles and having more interaction with children. The authors also identify future areas for research into gender portrayals in advertising, notably online platforms and digital formats; the LGBT consumer; and the empowered woman ('femvertising').

International Journal of Advertising, Vol 35(5) 2016, pp761-770 (Grau and Zotos)

Agencies

Major groups – anaemic performance

Havas' second quarter results show that it has increased its revenues faster than its major competitors: Interpublic, Omnicom and Publicis Groupe. However, although global revenues rose by 5.2% to €581m in the three months to 30 June, organic revenue growth fell to 2.7%, from 3.4% in the previous quarter. In contrast, Interpublic enjoyed organic growth of 3.7%, the strongest among the major holding companies. Omnicom reported an organic gain of 3.4%, while Publicis achieved the slowest overall global revenue increase (0.9%) with organic growth standing at 2.7%, the same as Havas. Publicis chairman, Maurice Lévy, who describes the holding groups' results as "anaemic", believes that opposing forces are having an impact, namely the positive effects of the Rio Olympics and the US Presidential election vs the

effects of Brexit.

Campaign, 29 July 2016, p8

Saatchi chairman on forced leave

Chairman of Saatchi & Saatchi, Kevin Roberts, has been asked to take immediate "leave of absence" by parent company Publicis following his suggestion that female employees lacked "vertical ambition". In an interview with *Business Insider* Roberts also said that he didn't "think [the lack of women in leadership roles] is a problem". Publicis stated that: "Promoting gender equality starts at the top and the Groupe will not tolerate anyone speaking for our organisation who does not value the importance of inclusion".

Financial Times, 1 August 2016, p1; The Daily Telegraph, 1 August 2016, p7; The Times, 1 August 2016

Brands and branding

Social advergames

Marketers often use games to provide branded messages, through product placement within the game, or by developing advergames. The latter, which are used as a form of branded entertainment, often contain social qualities relating to social media. Little is currently known about the brand benefits of incorporating social features into games. It is also unclear as to how creativity interacts with advergence "socialness" to influence brand development. The authors report on three studies which compare the brand effects of advergames that enable social interactions, with advergames that are not social. They find that social advergames lead to more positive game attitudes, more positive attitudes towards the brand sponsor and brand advocacy.

Journal of Marketing Communications, Vol 22(3) 2016, pp236-255 (Tuten and Ashley)



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Brand planning

Brand planning is one of the most important things marketers do yet it can be fraught with difficulty. For example, they should be able to produce a clear set of objectives which are aligned with business objectives, yet objectives can change, colleagues may not agree with them and other functions' plans may be incompatible with yours. The authors interviewed senior marketers across a variety of businesses to see how they tackle their brand planning and produce some tips for successful planning.

Market Leader, Q3 2016, pp41-43 (McAnena and Franco)

Interbrand breakthrough brands

Interbrand has launched its very first list of *Interbrand Breakthrough Brands* with a report entitled *Future Growth* which looks at emerging companies that are brand-led, have unique business models and strong brands. Around 200 brands were nominated by a network of key influencers and the brands were chosen on the basis of four criteria: age, change, growth and buzz. This article does not give away the names of the brands in question but the report can be downloaded from Interbrand's website.

brandchannel.com, 26 July 2016; www.interbrand.com

Children

BCAP code amended

The Committees of Advertising Practice (CAP) have just announced changes to the UK Code of Broadcast Advertising (BCAP) to make it compatible with the law. Currently the BCAP Code states that: "Advertisements must neither directly exhort children to buy a product or service nor encourage them to ask their parents, guardians or other persons to buy or enquire about a product or service for them". The Code follows the requirements of The Consumer Protection from Unfair Trading Regulations 2008 but also appears to go further than the legal requirement, hence the amendment. It now reads: "Advertisements must not include a direct exhortation to children to buy or hire a product or service or to persuade their parents, guardians or other persons to buy or hire a product or service for them".

cap.org.uk, 28 July 2016

Conferences and events

Airbnb makes progress with event booking

The sharing economy has still to make serious inroads into the world of UK associations. Amongst a panel of association executives, 48% said they had never used Airbnb for events and have no plans to do so, while only 8% had used Airbnb and 13% said they were planning to. Meanwhile 25% said they were concerned about quality while 15% cited security as an issue. Despite this, the International Association of Professional Conference Organisers

attributes the increasing popularity of Airbnb to the 1.4m fall in the number of room nights booked by members last year.

Meetings & Incentive Travel, July 2016, pp32-33 (Channon)

Religious events

Religious meetings gather huge audiences and six out of the top ten gatherings of all time have had religious connections. The Redeemed Christian Church of Gods' Festival of Life attracted 40,000 delegates to Excel London, in what was the largest indoor conference in the UK. This article takes a look at the market for religious conferences.

Conference News, July-August 2016, pp44-46

Consumer behaviour

E-WOM effect on sales

Electronic word-of-mouth (eWOM) has affected the way in which consumers make purchase decisions. Although studies indicate that eWOM has an effect on sales, there is a lack of agreement on which platforms, products or metrics are most influential. The authors conduct a study which reveals that, although eWOM positively correlates with sales, its effectiveness does indeed differ according to platform, product and metrics. For example, the effective of eWOM on social media platforms is stronger when the eWOM recipients are able to assess their own similarity to the eWOM sender.

Journal of Marketing Research, Vol 53 June 2016, pp297-318 (Rosario et al)

Customer relations

Customer care in social media

Customer complaints are constantly being broadcast on social networks. In order to stay competitive, brands need to think from a social perspective when it comes to customer service. Many brands are failing to adequately respond to customer concerns on social media. The author recommends a threefold approach to developing a comprehensive customer care strategy that will enable questions and concerns to be answered in a timely way. He proposes that brands should be proactive, pre-emptive and reactive. He then examines each strategy and draws on real-world examples of brands that have succeeded in customer care using measurable results. Finally he suggests best practices for consumer engagement through social media.

Journal of Brand Strategy, Vol 5(1) 2016, pp39-50 (Caravella)

B2B relationships – loss of contact employees

Within a B2B context client-facing employees play an important role in building and maintaining long-term relationships between supplier and customer. The loss of an employee can negatively affect this relationship, a problem that is more marked in the

knowledge-intensive service industry. The authors use case studies to develop a framework for understanding how companies can manage client relationships despite employee attrition. They suggest that relationship transparency based on transfer of information; knowledge retention and sharing; the use of succession plans; and timely management intervention, can help to reduce client uncertainty and strengthen the relationship.

Industrial Marketing Management, Vol 56 July 2016, pp143-155 (Kumar and Yakhlef)

Businesses not equipped for disability services

Disability consultant, Tracey Proudfoot, claims that there is still a big disconnect between disabled customers and businesses, with regard to resolving complaints; she is calling for a more collaborative approach to problem-solving. This follows a case brought before the Supreme Court against First Group regarding a wheelchair user who was unable to access a bus because a dedicated wheelchair space was taken up by a child in a buggy. The so-called 'purple pound' is worth £221 billion to the UK economy and giving disabled people what they need makes sound business sense.

London Business Matters, July-August 2016, p32

Predictive analytics

The author argues that predictive analytics is an essential for any business that wants to use its customer metrics in a meaningful way. The *2015 State of Sales Report* by Salesforce stated that "smart selling fuelled by predictive analysis is expected to rise by 77% among high performers this year". He defines predictive analysis and describes five ways in which it can help a company's CRM system.

Database Marketing, June 2016, pp12-13 (Smith)

Direct marketing

Older demographic responds to direct mail

This article reports on *The Life Stages of Mail* research by Royal Mail's MarketReach, which reveals that addressed mail is still effective for those wishing to target an older audience: 35% of this group (two-thirds are aged over 65) have renewed an existing service after receiving a reminder in the post. Older retired people also tend to file correspondence in the house and retain mail from local traders in case it is of use later on. Saga is a brand that targets older people; its marketing manager, Tanya Hills, says that this age group is increasing its consumption of online media and the content they view online will often lead to a direct mail campaign.

marketingweek.com, 25 July 2016 (Hemsley)

Law

New telecoms regs

As well as imposing certain conditions on BT (See under IT and telecoms), regulator Ofcom's chief executive, Sharon White, claims to be "pressing ahead with the biggest shake-up of telecoms in a decade". In addition to entering into talks with the industry to demand that compensation is paid to customers when service is poor, it is introducing a number of new measures. These include supporting a "legal right to decent broadband" and the launch of a "text-to-register" service enabling mobile users to opt out of nuisance calls.

The Times, 27 July 2016, p36

Taking stock of data ownership

Data ownership is an increasingly complex issue. The new EU data regulations, due in 2018, will push data sharing strategy to the top of business and marketing agendas. One of the key areas for the future will be so-called "value exchange" in which something is offered to the consumer, such as a free app, in exchange for permission to use their personal data. This article, which examines the implications of the General Data Protection Regulation, includes eight questions that marketers should be asking about data protection.

Catalyst, Issue 4 July 2016, pp53-55 (green)

Marketing

Rethinking marketing

In this paper, entitled *Marketing as if people mattered*, the author argues that "marketing is bad for us", citing obvious examples like tobacco, alcohol and fast food. He attributes a catalogue of ills to marketing, which he says has led to social problems such as inequality, the breakdown of community, damage to spiritual welfare and unsustainable lifestyles that are damaging the planet. Policy makers have responded by trying to regulate marketing tools such as advertising. Yet the problem is more fundamental than this: it derives from the idea that we can create a world where consumers can satisfy their every need and desire whenever and wherever they want. The author believes that the function of marketing needs to be rethought.

Social Business, Vol 6(1) 2016, pp5-14 (Hastings)

Market research

Forced-choice vs non-forced-choice settings

Yes/no response formats, which force consumers to make an explicit choice with no default option, have been more effective in increasing programme enrolment than a more standard opt-in response format. However, the effects on post-choice engagement of such forced-choice settings have not been measured. The authors conduct two experiments, using e-mail, in which choice is not forced. They conclude that there is a better click-through rate for a yes/no response format than for

traditional opt-in formats. They then discuss several possible psychological mechanisms which are relevant in non-forced-choice settings.

Journal of Marketing Research, Vol 53 June 2016, pp424-432 (Putnam-Farr and Riis)

Web surveys, devices and incentives

An increasing number of respondents are answering web surveys on their mobile devices. A study was conducted in Russia among mobile internet users who were invited to participate via an SMS or e-mail message as well as being encouraged to use a particular device for completing the survey. It found that SMS increased the proportion of mobile web respondents while e-mail increased the number of PC participants. Differential incentives were found to increase the participation rates by 8% to 10% if higher incentives were offered for completing the survey on a phone. However, higher incentives did not have the same effect for PC users.

International Journal of Market Research, Vol 58(4) 2016, pp523-544 (Mavletova and Couper)

Public relations

Olympic sponsors galvanise PR

The Rio 2016 Olympics is nearly upon us and the event can expect a TV audience of around 3.6 billion. Top-tier sponsorship rights can cost over \$100m so the best way to maximise the value of that investment is to generate brand stories that are not limited to just the 17 days' duration of the Games themselves. *PR Week* takes a look at what major sponsors – Coca-Cola, GE, Visa, Panasonic, Samsung and P&G – are doing in the way of PR initiatives.

PR Week, July-August 2016, pp36-39

PR's glass ceiling

PR appears to have a progressive culture yet is failing the majority of its professionals – women! Women make up 70% of the PR workforce yet occupy just 30% of top positions, showing that they still face a glass ceiling. Organisations that want equality in the workplace must create a culture and structure that allows equal opportunities for advancement. There are a number of obstacles preventing the progress of women. Six out of ten Americans believe that women's family commitments stand in the way of their advancement.

prdaily.com, 1 August 2016 (Nguyen)

Sponsorship

Rio Games – sponsorship dilemmas

London 2012 saw the launch of "digital-first" campaigns, such as Coca-Cola's *Move to the beat* or Visa's *Go world*. During the Rio Olympics brands will be taking social media to a new level that allows people to participate globally, rather than just promoting product features. *Campaign* includes a

series of articles on Olympic sponsorship which tackle the question of whether fast-food brands should be sponsors; whether Olympic sponsorship has become a toxic investment; and how Samsung is tackling its sponsorship challenge. Meanwhile Greg Nugent, head of marketing for London 2012, is concerned that the International Olympic Committee is giving sponsors too much consideration while neglecting the rights of host nations. He believes the secret to a successful Games is "a collective sense of public ownership" and that the Olympic brand is "restricted and over-managed".

Campaign, 29 July 2016, p14

Maximising the opportunity

It is getting harder for associations to secure sponsorship deals for their events, according to Jackie Fast, MD of Slingshot, a member of the European Sponsorship Association. She suggests that, if it is not possible to secure a logo deal, then it may be possible to sell content or resource – after all sponsorship is all about adding value rather than deciding where a logo can be placed. CIM explains that a well thought out sponsorship can add depth to the overall brand experience and can have a positive impact on the consumer's attitude and loyalty towards an event. To achieve the right balance between servicing the audience and pleasing the sponsor, CIM offers four key pieces of advice. Slingshot identifies five key sponsorship trends.

Association Event Manager, July 2016, pp18-19

BP – sponsorship despite green campaigns

BP is to continue with its long-standing sponsorship of four British arts institutions even though environmental campaigners, such as Greenpeace, have been vocal in their opposition to its links with the arts. BP will give £7.5m to the British Museum, the National Portrait Gallery, the Royal Opera House and the Royal Shakespeare Company over a period of five years. The company ended its 27-year sponsorship of the Tate art galleries in March due to the "extremely challenging business environment".

Financial Times, 29 July 2016, p2

Agriculture, fishing and forestry

Supermarkets pledge to ditch caged eggs

All UK major supermarket chains have now pledged to stop sourcing eggs from caged hens by 2025. Over 40% of UK eggs sold in shops come from "enriched" cage systems which were introduced in 2012 at a cost of over £400m to farmers. The National Farmers' Union (NFU) is concerned that the latest move will undermine the egg industry which has recently seen sales reach their highest levels of growth since the

1950s. The NFU also says it wants to be clear on what will replace the current production system.

fginsight.com, 1 August 2016; The Grocer, 30 July 2016, p38

US lifts restrictions on British meat

The US is to start importing British red meat again after a ban of nearly two decades. It had originally declared the meat unfit for human consumption during the outbreak of mad-cow disease. This development, which follows a 60-day consultation period, should result in British beef and lamb being on sale in America by 2017 and is expected to boost the UK economy by £35m a year.

The Daily Telegraph, 27 July 2016, p1; Financial Times, 28 July 2016, p2

Building industry

Post-referendum PMI shows jitters

July's Markit/CIPS *UK Construction PMI Index* fell below the 50 mark for the second month, registering 45.9 compared with 46 in June. Anything below 50 indicates contraction. July's figure marks the fastest dip in construction output since June 2009 and the steepest fall in commercial building for over six years. The decline in work has also led to a fall in employment for the first time in over three years. This is the first construction PMI to have been compiled since the EU referendum and it reflects the impact that economic uncertainty is having on orders.

constructionenquirer.com, 1 August 2016

Fast construction

Architects – London- and Liverpool-based shedkm – are tackling the UK housing shortage using timber houses with prefabricated wooden frames that can simply be slotted into place. The ready-constructed boxes, which are made by timber-frame company Insulshell in just eight weeks, were used to build a block of 43 terraced “hoUSes” on a site in Manchester. Shedkm is now working on 800 houses in Tyne and Wear which are due to be finished in September. Insulshell hopes to reduce building time from eight to three weeks.

Wired, July-August 2016, p35

Businesses and strategy

Creative ways to tackle a project

Everyone approaches projects in different ways. Over the years the author has collected a number of creative ways in which to “turn chaos to structure”. Here he offers five of his favourites which include brainstorming; the MOIST (mission – objectives – insight – strategy – tactics) process for defining a big project; the hourglass model for tackling competition; the seven BuzzFeed rules for going viral; and content strategy.

Campaign, 29 July 2016, p27 (Burbidge)

Creative destruction – who benefits?

“Creative disruption” was the term applied by Joseph Schumpeter to the way in which new and innovative companies replaced lacklustre businesses and drove economic growth. But Schumpeter seems to be out of fashion at the moment due to a backlash against such disruption. Economists are concerned that this could lead to a raft of new regulation, taxes and protection for companies and their workers. When old industries disappear and are replaced by new ones, it is expected that the gains will be large enough to make people better off, including those who have lost their jobs. Yet this re-deployment process is far from automatic. The biggest gains seem to derive from creating an economy in which companies need to compete in order to attract workers.

The Economist, 30 June 2016, p63

Charities and NGOs

Charity turns to hackathon for solutions

Last weekend Shelter Scotland organised a hackathon in which computer coders, designers and housing professionals came together to look for solutions to Scotland's housing problem. Teams were tasked with finding digital solutions to real world problems. They were then asked to present their solutions to a judging panel of local tech leaders, entrepreneurs and housing professionals.

charitydigitalnews.co.uk, 27 July 2016

Telling a good story

Charity communications teams often say they do not have stories to tell, but if the organisation is delivering on its mission and objectives, then the likelihood is that it has something to say. Here are some tips for finding those hidden stories.

charitycomms.org.uk, 29 July 2016 (Raynor)

Economy

Big data – Baidu shows what it can do

Chinese internet giant Baidu is using location records from its 600m users to get a picture of the country's economy. Its Big Data Lab in Beijing is busy tracking the movement of people in offices and shops to measure employment and consumption activity. This is the first time that a company of this size has demonstrated what it can do with its user data. The data not only presents a view of Chinese society but shows how businesses are declining or growing depending on the movement of people. The data, which has been collated to build an employment index for China, has even been used to predict Apple's second quarter revenues in China.

New Scientist, 30 July 2016, p23

Post-referendum confidence

New data from GfK suggest that consumer confidence in the UK fell more sharply in the month

after the EU referendum than in any month since March 1990. However, it says that confidence remains well above its levels in 2008 and 2009. Several companies have announced plans for expansion and investment since Brexit while others are warning of the negative effects. This article examines consumer confidence (down), the construction sector (down) and consumer spending (variable) since Brexit.

Financial Times, 29 July 2016, p3

Britain – joins Greece in wages decline

A report from the Trades Union Congress (TUC) claims that Britain has had the largest decline in real wages since the financial downturn than any other advanced nation except Greece. Real wages have fallen by over 10% since 2007, placing Britain equal bottom of the league table for wages growth. From 2007 to 2015 wages in Poland grew by 23%, Germany by 14% and France by 11%. Real wages increased by 6.7% on average across the OECD while Britain, Greece and Portugal were the only three OECD countries in which real earnings fell.

The Guardian, 27 July 2016, pp1,4; The Times, 27 July 2016, p43

Energy and utilities

E.ON puts customers first

The energy market has been disrupted by new technology and changing political agendas. Energy company E.ON has shifted from having a focus on generating energy and retailing gas and electricity as a commodity, to putting the customer first. It is providing new solutions to customers to give them more control over the way their energy is generated and consumed. This case study looks at the way in which these changes have been brought about by E.ON and the effect it has had on its customers.

Journal of Brand Strategy, Vol 5(1) 2016, pp67-71 (Leece)

Shelling out for gas

Big Oil companies are facing the growing challenge of survival in a world that is moving rapidly towards new ways of producing and consuming energy. Shell shifted towards gas when it acquired BG Group in February – the deal gave it a 20% share of the world's LNG (liquefied natural gas) market. With governments increasingly moving to tackle climate change, gas provides Shell with what is called a "bridge fuel" as it transitions to a lower-carbon future. The greatest long-term challenge, however, is the growth of renewables...

Bloomberg Businessweek, 25-31 July 2016, pp20-21

Environment

Measuring green advertising receptivity

The authors develop a scale to measure consumers' receptivity to green advertising (REGRAD). It is

argued that REGRAD is something that can be measured and that consumers can be divided into segments. They develop a nine-item scale which shows a significant correlation with environmental behaviour. The conclusion is that REGRAD can help marketers to identify consumers who are more receptive than others to their green marketing initiatives. It can also help to inform marketing communication messages.

Journal of Marketing Communications, Vol 22(3) 2016, pp327-345 (Bailey et al)

Air pollution

Exposure to air pollution can be acute or chronic, as it is the case with tobacco smoke. This means that, even if a city's forecasts of air pollution are on green rather than red alert, the pollution level could still be unsafe. For example, London's air pollution can shorten its inhabitant's lives by up to 16 months. *The Economist* conducted its own analysis of air pollution and found that levels of NO₂ in London and Paris are usually higher than World Health Organisation guidelines. There are many practical problems – it is difficult to measure day-to-day risks and cities have different ways of presenting pollution data. *The Economist's* advice? – If in doubt, move house!

The Economist, 30 July 2016, pp65-66

Operate sustainability

There is no set process for a company to "go green" and the lack of standard practices allows some firms to take short-cuts in order to achieve their sustainability targets. Many green projects, that polluting-companies boast of, often lack the necessary certification to prove their claims. Last year the UN's Sustainable Development Goals were adopted; as consumers care more and investors worry about environmental risks, businesspeople are increasingly demanding training in sustainability. However, many of the best green initiatives are those that any well-run company should be undertaking anyway...

The Economist, 30 July 2016, p54

Fashion

Mini-me trend leads to price hikes

The fact that children seem to be growing up faster than they used to is good news for fashion designers. For many years partnerships with organisations such as Disney have given fashion retailers a chance to launch their own childrenswear lines. The childrenswear market is growing faster than ever before, with greater demand for mini versions of adult styles. 'Mini-me' fashion is all the rage as children make their own fashion decisions. This has led to a hike in the prices of children's clothes – over the past three months, the average price has grown by 28.6% year-on-year to £49. The

average price for a pair of children's shoes is £51 and for a t-shirt £26! This article includes an infographic giving data on the UK childrenswear market.

fashionunited.uk, 1 August 2016

Luxury goods revival

Gucci, Frances's biggest luxury brand, has reported revenue of €1.05 billion in the second quarter, up by 7.4% year-on-year. The figures confirm the full recovery of the brand which has been under the leadership of Alessandro Michele since January. LVMH, the largest luxury brand in the world, has also experienced a rebound in sales of its high-end cognac and champagne (See also under Beverages) which has helped to counter the slowdown in its fashion and leather goods.

Financial Times, 30-31 July 2016, p15

Financial services

Customer satisfaction

The ability to keep satisfying customers is more of a challenge in services, such as insurance, where marketers need to devise strategic initiatives to help them perform more effectively. In many cases the image of insurance is not portrayed in a positive way by consumers. This has resulted in insurance customers having a tendency to try to "cheat" the system by hiding their true risk-type when applying for insurance or exaggerating their losses so as to receive a bigger payout. This paper investigates the role of relationship marketing in the insurance business and explores the role of marketing in enhancing negative perceptions and creating better consumer ethics.

The Marketing Review, Vol 16(1) 2016, pp93-107 (Gbadamosi and Yusuf)

Many cardholders will take years to settle up

The Financial Conduct Authority (FCA) believes that credit card customers who make the minimum monthly payment should be encouraged to pay more because card providers are making long-term profits out of poorer people who take years to pay off their debts. Nearly 9% of card holders will take over a decade to repay what they owe, according to the FCA's new report.

The Times, 27 July 2016, p41

FMCG

Beverages

LVMH – Chinese are quaffing cognac again

Luxury brand LVMH is benefitting from a revival in cognac sales in China following a dry period during which the Chinese Government cracked down on conspicuous consumption. The company has reported a 3% growth in revenue for the first half of the year. LVMH is also benefitting from its policy of

remaining widely diversified around the world which it says allows its mobile clients to "satisfy their desire for a bit of self-indulgent spending everywhere on the globe".

Financial Times, 28 July 2016, p12

Beer responds to fit trend

US beer drinkers are turning to "macrobrews", such as AB InBev's Michelob Ultra, a low carbohydrate lager. Such drinks are flourishing at a time when craft beers and imports are eroding the mainstream market. Ultra was first introduced in 2002 during the Atkins diet trend but sales subsequently flattened. Now the brand has attached itself to a new fitness fad and is shipping 5.2m barrels a year. The terms "Diet" and "light" are out while "healthy" and "active" are in. Ultra's current slogan is: "Brewed for those who go the extra mile".

Bloomberg Businessweek, 25-31 July 2016, pp68-69

Carbonated drinks lose their fizz

Coca-Cola, which is facing declining demand for carbonated drinks in its main markets, has reduced its organic growth forecast from 4%-5% to 3%. However, weaker fizzy drink sales have been offset by growth in non-carbonated drinks.

The Grocer, 30 July 2016, p8

Cosmetics and toiletries

Lipstick sales up thanks to pouting selfies

Lipstick has become popular again thanks to a celebrity craze for pouting selfies. Sales of lip colour cosmetics, which rose by 8% from 2014 to 2015, are expected to grow by a further 12% this year, according to Mintel. The trend is being led by celebrities such as Kylie Jenner, who has her own line of cosmetics and has a huge influence with 68m followers on Instagram. Mintel reports that one in five buyers of make-up deliberately try to create the looks they have seen on video while 16% say they buy products from brands that collaborate with designers, celebrities and bloggers.

The Daily Telegraph, 27 July 2016, p9

Male grooming needs a tidy up

The value of the male grooming sector has fallen by 6.6% with volumes down by 4.4% in the year to 24 April. Deodorants, blades and razors are the biggest casualties with value down by £44.7m. Research from *The Grocer* reveals that men have become far more casual about their personal hygiene than women, with only 66% of men using deodorants compared with 85% of women while only 60% of men have a shower or bath on a daily basis. So, what can brands and retailers do to spruce up the situation? This article looks at the trends and innovations in the sector.

The Grocer, 30 July 2016, pp53-55

Food

Cadbury loves cocoa

James Cadbury, a descendant of John Cadbury, founder of the original Birmingham chocolate business, has created his own chocolate start-up called Love Cocoa. He hopes to follow in the footsteps of his Quaker ancestors by instilling their values in his new business. To date the business has relied on word-of-mouth, Facebook and Google ads for marketing but is hoping to raise £150,000 to cover working capital, marketing and new product development in the run-up to Christmas. The entrepreneur says he is steering clear of the colour purple in his packaging – Cadbury is in a long-standing legal battle with Nestlé over the use of purple in packaging. He offers four tips for launching a start-up.

Campaign, 29 July 2016, pp34-35

Waitrose and Sainsbury's may ban John West

Tesco has already announced that it is to stop selling John West Tuna after it was revealed that the company had reneged on its promise to fish by pole and line to reduce the risk of other species being trapped in its nets. Now Waitrose and Sainsbury's are threatening to follow suit unless John West promises to use more sustainable fishing methods or becomes Marine Stewardship certified.

The Times, 27 July 2016, p16

Anyone for cricket?

Bush Grub, supplier to the TV show *I'm a Celebrity Get Me Out of Here!*, has launched an insect snack which contains buffalo worms, mealworms, crickets and cricket flour. This will be sold from Bush Grub's website under the Entrition brand. Gary Bartlett of Bush Grub believes that crickets ground into a powder will become the biggest growth area.

The Grocer, 30 July 2016, p41

Camembert in Norman victory

There is controversy surrounding the production of camembert cheese because industrial makers often claim to produce genuine Normandy camembert when in fact the milk used is not even French. Now the National Institute for Origin and Quality, which controls French food labels, has told the industry that they can only use the "made in Normandy" label if the cheese uses milk from Normandy cows.

The Times, 2 August 2016, p5

Government and public sector

Misleading claims – marketing guidelines

The UK Ministry of Justice has put together a report entitled: *Claims Management Regulator – Misleading marketing statements*. The guidance covers nine

main areas relating to claims for compensation, including "Implying that the consumer will definitely receive compensation without the necessity of proving that the product was mis-sold"; "Misleading information about the amount of redress a consumer is entitled to"; and "Misrepresenting the nature and purpose of the sales call".

<https://www.gov.uk/government/publications/claims-management-regulator-misleading-marketing-statements>, 29 July 2016

Health and pharmaceuticals

Behavioural change and communications

It is common to use nudging techniques in healthcare management although some nudging has required legislative backup, such as tobacco ad bans or smoke-free zones. In order to encourage healthcare behaviours we need to understand why people behave in the way they do, determine clear behavioural goals and recognise the barriers that a comms strategy will need to overcome. The author offers a five-stage approach for using creativity to drive behaviour change in health communications and three pointers to achieving lasting behaviour change.

Admap, July-August 2016, pp36-38 (Vallimont)

Scratch cooking not always the best

A new survey suggests that only 16% of mothers in the UK cook from scratch every day. This might lead health campaigners to claim that the majority of the population is risking the health of its children by not eating healthily. The blame is often laid at the feet of working mothers and yet an article in the *Archives of Disease in Childhood* suggests that home-made meals for children based on best-selling cookbooks are in fact not always healthier than convenience foods and ready meals. The author points to the need for a "sensible, balanced relationship with food".

New Scientist, 30 July 2016, pp20-21 (Warner)

An hour a day keeps health risk at bay?

A study published in *The Lancet* claims that office workers who lead sedentary lifestyles, such as sitting at a desk for at least eight hours a day, could increase the risk of premature death by up to 60%. It suggests that such workers should have a five-minute break every hour as well as taking an hour's exercise a day. Other suggestions include placing bus stops further apart to encourage walking, closing streets to cars at weekends and having a minimum of three hours' PE a week in schools.

The Daily Telegraph, 28 July 2016, pp1,4

IT and telecoms

Ofcom gives BT a reprieve

Last week media watchdog Ofcom ordered BT to make Openreach, its broadband internet provider,

into a separate legal entity. This fell short of the complete breakup of BT which its critics were hoping for. Instead BT is required to make Openreach independent, with its own board of directors, who must not be "affiliated" to BT. Openreach will also have its own branding to show to the public that it is separate. However, its budget will still be determined by BT – Sky chief executive Jeremy Darroch fears that this may not lead to the necessary fibre investment that the country needs.

The Times, 27 July 2016, pp36-37

Materials and mining

Seabed mining

Deep-sea mining has not really taken off partly because of its environmental impact. Since 2012 Nautilus Minerals has held a licence to mine in the waters off Papua New Guinea but its plans have stalled. The International Seabed Authority has responsibility for mining the seabed but has been slow to act. It is estimated that there is as much copper and zinc in sea-bed deposits as there is on land. Seabed extraction could make the world greener but only with the necessary legal and environmental regulation in place.

New Scientist, 30 July 2016, pp5,38-39

Lithium production boosted by electric cars

FMC, one of the world's four largest producers of lithium, says it will double its output next year in response to demand from electric car makers. It plans to accelerate production of lithium hydroxide following a new agreement with a "major manufacturer of electric vehicles". Prices of lithium hydroxide, which is used by the likes of Tesla Motors, have increased by 38% this year, partly due to strong demand from Asia.

Financial Times, 27 July 2016, p26

Diamonds – back to growth

Petra Diamonds operates six diamond mines in South Africa and Tanzania. The company, whose production is predicted to grow by 25% to 30% this year and is expected to reach 5m carats of output by 2019. The company's growth derives from mines that it purchased from De Beers, which is still the market leader in terms of value of output. Last year rising diamond output occurred at the same time as lacklustre demand from consumers but there are signs that the market is stabilising.

Financial Times, 26 July 2016, p19

Media

Books

Pearson cuts costs and refocuses

Pearson has announced a sales fall of 7% for the first six months of the year – the company has

experienced almost no revenue growth since 2010. This year Pearson announced a restructuring plan involving 4,000 redundancies or a tenth of its workforce. Last year it sold both the *FT* and its stake in the Economist Group in order to focus on its core education business. It is planning to move from a reliance on educational textbooks to a range of services and online materials; it will also focus on the global market for online university courses.

Financial Times, 30 July 2016, p14

Games

Gamers ok with relevant ads

A mobile gaming study from Softonic reveals that gamers are often content to receive relevant advertising. Over half (54%) of free-to-play mobile gamers said that in-game ad content was relevant to them, while more than one out of every two said that in-game ads are "accurately targeted to their interest". However, one in four said they "are very unlikely" to pay attention to in-game ads while 17% said they "are most likely" to stop playing because of in-game ads. Over 2,400 US mobile gamers were surveyed for the report.

bizreport.com, 27 July 2016

Internet

Verizon banks on Yahoo and AOL

Last month US telecoms company Verizon agreed to acquire Yahoo for \$4.8 billion. Verizon, which also owns AOL, is hoping that Yahoo will attract advertising and top-line growth. With both companies on board it will own the second most-visited set of web properties after Google. Buyers of digital ads like to spend their money where they find huge audiences. Last year all growth in global online advertising (excluding China) went to Google and Facebook. AOL and Yahoo together control more than half of the US mobile-advertising market, but Verizon may struggle to challenge the Google-Facebook ad duopoly. It also faces proposed rules from the Federal Communications Commission which require mobile-phone subscribers to opt in to any sort of advertising. Separately the *FT* discusses Verizon's challenge to Google's ad supremacy.

The Economist, 30 July 2016, pp51-52; Financial Times, 27 July 2016, p17

Music

Spotify prepares for IPO despite losses

Spotify makes more revenue from online music than anyone else except Apple and Amazon. It also dominates the paid streaming market with its more than 30m customers all paying \$10 a month. The problem is that the company has continued to lose money over the past ten years. This is because record labels and publishers both get a substantial cut of earnings and Spotify spent \$250m on R&D last year. Later this year the company, which turned

ten in March, plans to go public with a valuation of over \$8 billion – this could be hard to justify.

Bloomberg Businessweek, 25-31 July 2016, pp33-34

Social media

Facebook benefits from boom in mobile

Profits at Facebook have risen by 186% thanks to its more than a billion daily mobile users and the accompanying advertising. Over the past year mobile traffic has risen by 22%, with overall daily users up by 17% in the three months to 30 June. Some 84% of Facebook's sales come from mobile ads, up from 76% last year. Meanwhile the company is looking at live video as a way of expanding the site.

The Daily Telegraph, 28 July 2016, p25

Twitter tries to adapt to a shifting landscape

Twitter is struggling to convince marketers that it is an invaluable part of the online advertising environment. A projected fall in revenues has been blamed on a number of factors, including the fact that big brand advertisers are already using Twitter. The company will have to convince them to spend more. Twitter has been trying to move into online video and direct response advertising, but it also faces competition from other social media services, such as Snapchat. Sky Sports is to publish Premier League highlights on Twitter next season – Twitter is relying on sports fans to sign up as users.

Financial Times, 28 July 2016, p15; The Times, 28 July 2016, p43

Instagram ups the battle against online abuse

Instagram is trialling methods to tackle abuse and spam on its site, using accounts which receive a high volume of comments, such as those of celebrities. In May Instagram launched business profiles in the US and Australia which incorporated a feature enabling comments or phrases, "often reported as offensive", to be blocked. Advertisers, as well as celebrities, have to deal with a lot of online abuse so the new automated tools may make their lives easier.

Campaign, 29 July 2016, p6

Television

TV vs online trends

A study of UK TV viewing habits by BARB reveals that 87% of TV viewing is still live at the point of broadcast while 86.4% of TV screen time is devoted to watching TV programmes within four weeks of broadcast. This leaves just 40 minutes a day when the TV screen is used for other activities, most notably games consoles and Blu-ray or DVD players. The study also found that Netflix and Amazon Video are on the rise but tend to be complimentary to linear viewing. Overall online viewing is regarded as still being in its infancy. The number of people who feel that they don't need a TV (refuseniks) is

growing among younger people (around 5%) but will they be able to hold out once they themselves have children?

Admap, July-August 2016, pp10-13 (Sampson)

ITV expects falling ad revenues

Following uncertainty over Brexit, ITV is expecting a downturn in ad revenues and is planning £25m-worth of cost cuts for next year. The company is expecting a 1% fall in ad revenues in the nine months to the end of September, exacerbated by the BBC's broadcasting of the Rio Olympics which will detract from ad spend in the commercial TV sector.

The Times, 28 July 2016, p43

Packaging

Registering the packaging

In some European countries unregistered trademarks are protected by laws on unfair competition but it is often easier to protect the packaging by registering distinctive labels, and the packaging itself, as trademarks. The shape of products can also be registered as 3D marks if they have become sufficiently distinctive. Another advantage of registering the product's packaging as a design is that it deals with the problem of proving the distinctiveness of the packaging and of having to demonstrate the risk of confusion with a copycat product.

lexology.com, 27 July 2016 (Stefanelli and Mannini)

Retailing

Jobs disappearing in food

A new survey from the British Retail Consortium (BRC) reveals a 2.4% fall in the number of full-time retail jobs in the UK for the second quarter of 2016. The decline, which was apparent in food stores, has been attributed to a fall in the number of food outlets, while non-food stores have reported a rise in employment. Chief executive of the BRC, Helen Dickinson, states that "This continues to show the dramatic structural changes that are underway in the retail industry" including "customers' ever-changing shopping preferences."

news.mintel.com, 28 July 2016

Retail SMEs – social media and technology

A new study by SAP Anywhere, *Social Media and Digital technology at the Forefront of Retail and SME's Business Growth Strategy*, reveals that 100% of SMEs use social channels to reach consumers while 29% of SME retailers use more than three social channels to promote business and engage with new customers. Some 37% of SME retailers stated that reaching new customers was the most important area in which technology could add value while the second most important area was

developing new sales and e-commerce (29%). Key barriers to technology investment were identified as: perceive expense, time and security.

smeinsider.com, 25 July 2016

AI is helping bricks-and-mortar to get an edge

Online shopping has been hurting bricks-and-mortar retailers for many years. Now physical stores are using artificial intelligence to help them retain customers. Macy's is conducting experiments in conjunction with IBM's Watson – it is testing out a mobile tool that allows shoppers to ask their phones whether a product is in stock or where a brand is located in a particular store. It is also testing Macy's On Call tool that will call a nearby sales assistant. The idea is for the tools to keep learning about the customer's needs and feed them back to the retailer. Meanwhile another AI tool called Metis is helping luxury retailers to learn more about their customers.

brandchannel.com, 28 July 2016

Discounters slow as price wars start up

Is the march of the German discounters finally coming to an end? Aldi's sales growth was 11% in the 12 weeks to 17 July, down from 12.5% in the previous 12-week period. Aldi's growth has been slowing for some time which is symptomatic of a wider slowdown amongst the discounters. Other supermarkets are competing on price – Morrisons has become the first supermarket to start a supermarket price war since the Brexit vote. It plans to reduce the prices of 1,045 products by an average of 18%.

The Times, 1 August 2016, p35; The Daily Telegraph, 1 August 2016, p33; The Guardian, 1 August 2016, p15

Services

Drones to be tested in UK

Amazon is collaborating with the UK's Civil Aviation Authority to explore the possibility of delivering small parcels by drones. The tests will take place in three main operating areas: operations beyond the line of sight; obstacle avoidance; and flights with one person operating multiple drones. The trials will be for drones which can carry 2.3kg or less – this makes up 90% of Amazon's sales. Amazon is also testing drones in the US where there are significantly greater restrictions.

The Guardian, 27 July 2016, p11; Financial Times, 27 July 2016, p19

Car-hailing apps legalised in China...

Car-hailing services, such as Uber and Beijing's Didi Chuxing, have just been legalised in China. Although car-hailing has met with opposition in many countries, China regards the technology as helping to promote economic growth. This should set a precedent for other industries in China where

regulators are looking at the disruption caused by fast-moving internet companies.

Financial Times, 29 July 2016, p16

...while Daimler merges taxi-booking apps

Daimler is to merge Hailo and MyTaxi under one brand as it seeks to compete with Uber in Europe. Daimler already owns MyTaxi and is acquiring 60% of Hailo, giving it control of the company. It is likely that the company will make other acquisitions to gain market share in the extremely fragmented taxi and car-booking market. Other automakers have invested in ride-booking services, probably with the aim of giving them priority when it comes to selling vehicles to taxi operators.

Financial Times, 27 July 2016, p15

Transport and travel

Connected cars will be all go by 2020

New research suggests that by 2020 nearly half of all vehicles on the road will be connected. It revealed that advanced driver assistance systems (ADAS) are the most "desirable" connected feature although consumers said they preferred the systems to be ready-installed in the car instead of being an optional extra. Navigation was found to be the most used type of smartphone app for cars (52%), followed by weather (41%), music and news (37%). A third of respondents said they were prepared to buy a self-driving car while a quarter said they would be happy to ride in one. The survey was conducted by IHS.

mobileeurope.co.uk, 27 July 2016

Commuters forced to make a stand

Britain's trains have a serious capacity problem which is particularly apparent in London, where one in five commuters travelling in and out of the capital have to stand. Mainline stations in every one of the country's biggest cities – except Newcastle and Liverpool – are suffering from ever-rising levels of passenger demand. The 6.57 from Brighton to London was found to be the most overcrowded service followed by the 4.22 from Glasgow Central to Manchester airport.

The Times, 29 July 2016, p4

Daimler's first eTruck

Daimler has unveiled its first range of electric trucks, the Mercedes-Benz Urban eTruck, which is expected to have a range of 200km on a single charge. Head of Daimler Trucks, Wolfgang Bernhard, admits that batteries are not yet good enough for long-distance haulage.

Financial Times, 28 July 2016, p13

Indian aviation takes off with nowhere to land

India's airlines are investing heavily in new aircraft –

it has become the world's fastest-growing aviation market thanks to low fares and rising incomes. The problem is a lack of airport infrastructure – whereas India plans to spend \$5 billion on airports, China will spend \$130 billion over 15 years. Yet air travel in India rose by 20% last year compared with just 10% in China and 5% in the US. India's airport infrastructure needs around \$40 billion to keep up with growth.

Bloomberg Businessweek, 25-31 July 2016, pp22-23

Written by CIM's Knowledge Services Team

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On the Move

Name	From	To	New title	Source
Richard Beer	Don't Panic	AllTogetherNow	Executive Creative Director	Campaign
Peter Dries	Pernod Ricard	Tata Global Beverages	Director of Customer and Shopper Marketing, Tetley	The Grocer
Steve Gregory	QEK	Inspired	Head of Client Engagement	Conference News
Tineke O'Brien	Various	The National Theatre	Head of Commercial Events and Commercial Business Development	Conference News
Shelby Walsh	PR Consulting	Sophia Webster	Senior Global Communications Manager	fashioninsight.co.uk
Jodie Widman	Exclusive Hotel and Venues	Beaumont Estate	Director of Sales	Conference News

Promotions

Name	Company	Previous title	New title	Source
Anthony Austin	Bartle Bogle Hegarty	Chief Executive, Black Sheep Studios	Joint Deputy Executive Creative Director	Campaign
Ian Heartfield	Bartle Bogle Hegarty	Creative Managing Partner	Joint Deputy Executive Creative Director	Campaign
Nick Waight	The NEC Group	Continues at Convention Centre Dublin	MD of International Conventions and Exhibitions Venue Development	Conference News
Francesco Vitrano	Mondelez	Marketing Manager for Gum and Candy	Marketing Activation Director for Tablets, Bites and Beverages, UK and Ireland	Campaign

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Journal of Marketing Communications** (18 month embargo)

Journal of Marketing Research**

www.lexology.com

London Business Matters

The Marketing Review**

www.marketingweek.com

Market Leader

Meetings & Incentive Travel

www.mobileeurope.co.uk

New Scientist** (1 month embargo)

www.prdaily.com

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