

Cutting Edge: Our weekly analysis of marketing news

12 October 2016

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

Quick [links](#) to sections

Marketing trends and issues

Advertising

3D posts – ad recall and exposure

This study looks at the influence of the competitive advertising environment and of ad-exposure time on the effectiveness of 3D posters. The latter are defined as a traditional advertising poster with a 3D element, such as 3D installations or real objects. Two experiments reveal that 3D posters improve consumers' attention to the ad as well as increasing their recall. They find that 3D posters appear to enhance attention and ad recall in the presence, rather than absence, of competing advertising. The second experiment found that the positive effects continued even when consumers have less time to process the ads.

Journal of Customer Behaviour, Vol 15(2) 2016, pp153-172 (Hatzithomas et al)

Perceptions of deceptive advertising

This research investigates how far consumers perceive deceptive advertising claims to be effective – in other words, how much they affect purchase decision – both for themselves and others. The results of two experiments suggest that consumers regard an advertising claim as more effective for others than for themselves when they realise that the claim is highly deceptive. However, when the perceived deceptiveness is moderate or low, the 'self-others' gap is influenced by different levels of scepticism towards the advertising.

Journal of Marketing Communications, Vol 22(5) 2016, pp494-512 (Xie)

Tackling taboos

Addressing sensitive issues is difficult, especially when a brand has to do it because it is operating in certain categories. One example is Betty, a

feminine-care brand aimed at 11 to 14 year-old girls, which seeks to tackle issues encountered by girls during puberty. Its campaign, which approached the issues in a somewhat 'direct' way, met with resistance from some media owners who found the ads 'offensive' or 'not relevant' to their audience. This emphasises the problems faced by brands when taking on sensitive topics. Six tips are offered for advertisers when tackling taboo subjects.

Campaign, 7 October 2016, p15 (Waters)

Agencies

The issue of diversity

Some US brands, notably Verizon, HP and General Mills, are demanding that agencies should have better representation when it comes to employing women and ethnic minorities. Last month HP told its five agencies to suggest ways in which they could increase female representation in their creative departments. HP's own marketing department comprises 50% women and 30% ethnic minorities. The IPA, supported by *Campaign*, aims for 40% of senior agency positions to be occupied by women by 2020.

Campaign, 7 October 2016, pp4-5

Brands and branding

New brand buyers – past behaviour

This paper investigates the past buying behaviour of consumers who buy new brands. Many new brands fail because they don't attract a large enough customer base. The authors look at brand launches in six packaged goods categories in the UK, including premium and private labels. The study reveals that during the pre-launch period, buyers of a new brand are likely to have been frequent buyers of the category and heavier buyers of the parent brand. Despite this, buyers of new launches tend to become light brand buyers. The implication is that new brands are more likely to become part of the



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'repertoire' of heavy category or parent brand buyers.

Journal of Market Research, Vol 58(5) 2016, pp733-747 (Tanusondjaja et al)

Brand slogans

Brand slogans are an important addition to brand names and logos when it comes to building brand images. Research has indicated that the inclusion of some kind of rhetorical figure or linguistic device in slogans makes them more effective for producing a positive consumer response. This study looks at whether this suggestion holds true, in the case of recently- and currently-used slogans, and which types of linguistic devices are most commonly used. It identifies some of the most common devices in use, such as alliteration, puns, word or phrase repetition and well-known phrases.

Journal of Marketing Communications, Vol 22(5) 2016, pp474-493 (Miller and Toman)

Most valuable brands

Apple continues to be the most valuable brand in the world, according to Interbrand's *2016 Best Global Brands* list of the 100 most valuable brands. Apple was worth \$178.1 billion, ahead of Google (\$133.3 billion) which is followed by Coca-Cola, Microsoft, Toyota, IBM, Samsung, Amazon, Mercedes-Benz and GE in the top ten. Facebook, ranked 15th, was the fastest-growing brand (up 48%), followed by Amazon (up 33%) and Lego (up 25%). Automotive and technology brands, which occupy 29 positions, dominate this year's ranking.

interbrand.com/newsroom, 5 October 2016; Campaign, 7 October 2016, p5; brandchannel.com, 5 October 2016

Luxury – show or share?

Luxury brands base their value on scarcity and the degree of difficulty in acquiring them. These days most things are plentiful and easy to acquire, so how do luxury brands signal their exclusivity? The sharing economy and the luxury economy co-exist, especially on social media, where communities have sprung up to promote luxury brands and lifestyle. Some luxury brands are pushing back to maintain their exclusive status: Proenza Schouler has banned photography and reviews until its products appear in store while Everlane, a clothing business, only allows 100 Instagram followers a day. A gap may open up between luxury brands that are open to new ideas and those that want to keep control. It may all boil down to whether people prefer to share what they own or to show it off!

Campaign, 7 October 2016, p27

Conferences and events

Scotland promotes European events business

St Andrews in Scotland has been hosting a major event designed to showcase Scotland as a destination for events. 'Meet in Scotland', which

matched 24 of the country's suppliers of event services with event planners in the UK, France, Germany, Austria, Switzerland, featured almost 500 'speed appointments' in one day. Amanda Ferguson, Senior Marketing Manager from VisitScotland's Business Events team, says this was a great opportunity for Scotland to gain access to potential business and to showcase its reputation for hospitality, since competition to host business events is fierce.

eventindustrynews.co.uk, 6 October 2016

Likely impacts of Brexit

It is three months since the UK voted to leave the EU and there are still plenty of questions left unanswered for the events industry. *C&IT* looks at the effect of Brexit on global travel as well as inbound and outbound events. It identifies four key themes: the weakening pound; the political/business impact; the UK's reputation; and long-haul travel. Four experts discuss the topics.

Conference & Incentive Travel, October 2016, pp24-25 (Cernik and Carter)

Customer relations

Relationship states

Companies use relationship marketing (RM) to improve their relationships with business partners. The authors propose that as customers move through different relationship states over time, not all RM strategies are equally effective. It is possible to identify the most effective strategies according to the customer's relationship state. They analysed 552 B2B relationships attached to one *Fortune 500* firm to identify four buyer-seller relationship states. They concluded that the most effective RM strategies across migration states can help companies to promote customer migration to higher performance states while preventing them from declining into less favourable ones.

Journal of Marketing, Vol 80(5) 2016, pp53-75 (Zhang et al)

Direct marketing

The deletist consumer

New research suggests that consumers feel 'overwhelmed' by the sheer volume of brand communications. The study, by marketing analytics company Aimia, also shows that consumers have a problem with relevance – only 17% of respondents describe mobile, email and text marketing as 'very relevant'. This has led to a culture of 'deletist' consumers who use ad blockers (52%), delete apps (51%) or block numbers (63%). This article also refers to research by CIM, which found that marketers are just as reluctant as consumers to share their data with brands: 68% say they are wary of giving out personal details as they know how this data could be employed. The approaches used by

Ticketmaster, VoucherCodes.co.uk and Secret Escapes are also mentioned in this article.

Marketing Week, 6 October 2016, pp24-25

Royal Mail to be investigated for scam letters

Royal Mail is being accused by the Government of delivering scam letters to vulnerable people. The mail, which included letters from clairvoyants, prize-draws and illegal ads for unlicensed health remedies, comes from overseas. Scammers have been paying companies to print the letters in bulk before it is sent out in envelopes carrying Royal Mail's logo. Royal Mail argues that it is legally required to deliver any addressed mail and that it is illegal to open mail while in transit. The company made £1.16 billion out of marketing mail in the last financial year and £9.25 billion in group revenue.

Financial Times, 11 October 2016, p23; The Times, 11 October 2016, p22

Law

Cold calling regulations

In the UK, there is no law prohibiting doorstep selling but all salespeople must comply with the new Consumer Contracts Regulations or they could be prosecuted by Trading Standards. A local community can also set up its own 'No Cold Calling Zone', where people work with their local Trading Standards Office and the police, to stop uninvited salespeople from calling at homes in a particular area. This Commons briefing paper offers an outline of the key provisions of the new Regulations and information on how the No Cold Calling Zones work.

researchbriefings.parliament.uk, 5 October 2016

Comparative ad claims

The slogan that 'A Diamond is Forever' may be true but the same cannot be said of other advertising claims. Dyson came unstuck when, in July 2014, it continued to claim that its DC41 vacuum cleaner had "twice the suction of any other vacuum", a statement that had been true when the model launched in 2013. A US court, which upheld a challenge by Dyson's competitor, SharkNinja, found Dyson guilty of false advertising. It stated that "an advertiser that puts a claim into the marketplace bears all of the risk of the claim being false or becoming stale". Comparative advertising claims must be monitored to check whether they are still true after a competitor has upgraded a product or released a new one.

lexology.com, 4 October 2016

UK companies still need to prepare for GDPR

Brexit will not be complete until a year after the General Data Protection Regulation (GDPR) becomes law. Britain could leave the EU by summer 2019 but the GDPR takes effect in May 2018. Those hoping to avoid the Regulation will be disappointed.

Information Commissioner, Elizabeth Denham, has advised UK companies to prepare fully for the law.

dataiq.co.uk, 3 October 2016

IoT has privacy issues

A review of Internet of Things (IoT) technologies, by data protection authorities in 26 EU countries, concluded that 60% of them were not fully privacy compliant. In order to be successful, the industry needs to be trusted by users and, for this to happen, users need to be informed about how their data is being used and have full control over it. This should be a wake-up call for manufacturers of IoT devices and companies that are planning to use, or are using them, as part of their business. The new EU Privacy Regulation takes effect in May 2018.

lexology.com, 4 October 2016 (Coraggio)

Marketing

Managing marketing services

Marketers have an ever-increasing raft of services with which they must deliver effective marketing. Two articles offer differing views on what marketers can do to address this growing complexity: the first focuses on the importance of providing a good briefing to agencies; the second argues that the existing model may no longer be fit for purpose and that clients can regain control by creating an in-house agency.

Market Leader, Q4 2016, pp34-37 (Saunders and Whale)

Market segmentation – ethics and society

Strategic marketing often uses segmentation and targeting along with competitive positioning. This paper considers targeting – focusing marketing initiatives on the more attractive segments – in terms of its social implications. It introduces the principle of 'distributive justice' which is defined as the 'ethical content of events and situations with macromarketing implications'. It then goes on to challenge targeting in the context of vulnerable consumers; consumers in less developed economies; segment avoidance; and personalisation.

Social Business, Vol 6(2) 2016, pp109-124 (Klein)

Ending age stereotypes

A new study of people aged 18 to 70-plus, entitled *The Age of No Retirement*, reveals that 86% of people think it is important for the media to take account of the various generations yet only 16% believe that brands are doing this well. People do not want to be categorised according to their age and brands could lose out by age stereotyping. All 28 of the industries covered by the research appear to be failing when it comes to tackling different generations. In particular, the study narrows down the similarities between older and younger consumers, identifying their similar internet habits and the fact that 83% of people would like to mix with people of different ages. The article notes that

gender stereotyping and the portrayal of families are other areas where marketers need to catch up with consumers.

Marketing Week, 6 October 2016, pp8-9

Market research

Qualitative market research

Qualitative research is increasingly used for a variety of reasons, such as new product or service development, creative development, branding decisions, customer value proposition, or looking at ways of meeting customer needs. The author starts by defining qualitative research before examining the methods and tools used, such as in-depth interviewing, group discussions and analysis, including Computer Assisted Qualitative Data Analysis (CAQDAS). He goes on to explore 16 key aspects of qualitative research and the five elements of consumer behaviour that are involved.

Cambridge Marketing Review, Issue 11 Winter 2015, pp40-44 (Bax)

Social media intelligence

This paper, which was presented at the Insight Intelligence Market Research Summit held in May in London, focuses on social media intelligence in market research, an area largely neglected in the literature. Social media is described as the "largest focus group in the world, where respondents self-recruit and self-segment". The challenge is to extract value from the myriad conversations that take place. The paper covers privacy and overcoming the barriers associated with social media intelligence. It also looks at approaches to data analysis; the role of social media in measuring awareness; and attitudes and perceptions of sponsors at events.

Journal of Marketing Research, Vol 58(5) 2016, pp754-759 (Ney)

The Apprentice – not taking research seriously

Sir Alan Sugar once wrote that "There was no time for this nonsense (meaning market research) – I had to trust my gut instinct". Lord Sugar's TV reality show, *The Apprentice*, conveys an inconsistent view of market research which doesn't help the industry's image yet it could be a perfect opportunity to showcase its potential. The author argues, with examples, that the show's participants do not learn lessons when the research is bad and no advice is offered on how it could have been done better!

research-live.com, 6 October 2016 (Finnemore)

Public relations

Samsung – is its reputation up in flames?

Samsung made the right decision when it recalled its Galaxy Note 7 smartphone last month because it might catch fire. Now that the replacement model is doing exactly the same thing, Samsung has stopped production of the Note 7 pending a full investigation.

The PR side of the crisis is being handled by its agency, FleishmanHillard and the company is expected to issue a statement later this week. Some are accusing Samsung of dishonesty over the original recall process but the view of the PR community is that consumers are "fickle but forgiving" and that this is unlikely to cause problems for the brand in the long-term.

prweek.com, 11 October 2016; Financial Times, 11 October 2016, p18

Agriculture, fishing and forestry

From golf to crops

Many golf clubs are struggling as membership numbers continue to decline. This could be the right time for farmers to acquire the land, according to Naomi Quick of property consultants, Bruton Knowles. Since most golf courses were originally farms, it would be easy to convert them back. This, coupled with the fact that the land has been well looked after and drained, means that it will be good for growing crops. There are already cases of this happening: in February West Chiltington Golf Club at Horsham was sold to nearby Nyetimber Vineyard.

businessmag.co.uk, 6 October 2016

People will pay premium for free range

New research suggests that 78% of people who buy free-range eggs are happy to pay extra for them. Farmers have been concerned about falling prices following the news that some major retailers will not be stocking eggs from enriched colony systems after 2025. Hens in enriched colony systems are not allowed outside and their eggs are cheaper to produce. Although shoppers said that free range eggs should maintain a higher price, 64% wanted eggs to be available at a variety of prices.

fginsight.com, 10 October 2016

Building industry

Constructive VR

Virtual and augmented reality have become affordable enough even for small design firms and contractors. This article looks at their application in three areas of the building industry: architecture and planning; building and construction; and marketing and sales. The latter is where commercial and consumer systems have the most contact: clients no longer have to visit a property to experience it. Off-plan sales presentations can be transformed to create an immersive experience which can include opening cupboards, switching on lights and changing the time of day and furniture combinations. A new industry is growing up to service such requirements.

The Times (Raconteur: Virtual & Augmented Reality), 5 October 2016, pp12-13

Social media effectiveness

In September the Construction Marketing Association held its 2016 Social Media Summit, a webcast focusing on the biggest social media marketing trends in the construction industry. This infographic reveals that 50% of marketers consider LinkedIn and Facebook to be the top social networks in terms of effectiveness.

www.constructionmarketingassociation.org/blog/top-takeaways-from-the-2016-social-media-summit/#.Vt6qTbrvcs

Businesses and strategy

Successful strategy execution

The author tackles the topic of successful strategy execution. He outlines five main principles – the ‘five Cs’ – for translating strategic objectives into action and achieving high performance. These are: causality – organisations should undertake activities that will help to achieve their strategic objectives; criticality – reducing complexity to focus resources and attention on critical activities for delivering strategy; compatibility – critical activities must be compatible with a consistent direction for the organisation; continuity – coordination and collaboration; and clarity – understanding why activities take place and what motivates them. A case study of Macallan whisky is included.

Cambridge Marketing Review, Issue 11 Winter 2015, pp28-32 (MacLennan)

Campaigning corporates

Companies increasingly take up campaigning to support their stance or mission: Facebook’s Mark Zuckerberg wants “to connect the world” while Apple’s Tim Cook is defending customers’ privacy rights. Microsoft has published a book entitled: *A Cloud for Global Good*, which offers 78 ‘public-policy recommendations’ in 15 categories. This month Salesforce has been holding its Dreamforce gathering, led by chief executive, Marc Benioff, himself a keen philanthropist. Tech firms have a lot of power so maybe they should be thinking about social and political issues. However, ultimately their primary aim is to produce saleable products and achieve their revenue goals!

The Economist, 8 October 2016, p64

Organic growth champions

Some companies, such as Lego, Diageo and Dollar Shave Club, have managed to outgrow their rivals, so what are the lessons for other consumer companies? Many companies never catch up with the market but there are ‘organic growth champions’ which have a clear growth agenda and manage to follow it through. To improve organic growth rates, companies need to shift from a focus on costs to a focus on growth as well as cost. Organic growth

leaders fit into one or more of three profiles: the Creator, the Investor and the Performer.

mckinsey.com, September 2016 (Gordon et al)

Charities and NGOs

Charitable ethnocentrism

This paper considers the relationship between national identity and donor behaviour. The author argues that much research has been devoted to so-called ‘consumer ethnocentrism’ and purchase behaviour, but this has not been extended to charitable giving. He concludes that consumer ethnocentrism may not be applicable to charities and instead proposes the term: ‘charitable ethnocentrism’. This paper focuses on the distinction between the support of charities in local, national or international contexts and seeks to explain how donors prioritise causes.

Social Business, Vol 6(2) 2016, pp125-151 (Hart)

Fundraising futures

Traditional fundraising relies on telephone and face-to-face but several charities have been accused of breaching data protection laws. Experts believe that charities need to develop fundraising products that reflect the digital ecosystem which many supporters would identify with. This would create a new generation of donors “before the current charity fundraising model collapses”, says digital transformation consultant, Branislava Milosevica. As the population ages and older donors die off, the public will become increasingly hostile to old-fashioned techniques. This article examines five areas of fundraising and how likely they are to be successful.

Third Sector, October 2016, pp29-33

St John Ambulance in babygrow campaign

St John Ambulance is giving away babygrows as part of its campaign to increase awareness of first aid for babies. Tesco is to give away 24,000 garments this week and more will be distributed via social media. The front of the babygrow, which features a Humpty Dumpty character, shows the main steps to be used in the CPR process. The project also reflects the charity’s desire to lose its ‘old fashioned’ image.

campaignlive.co.uk, 10 October 2016

Durable consumer goods

Mattress startups spring into action

UK start-up Eve Sleep, which has just raised £13.9m from backers, aims to change the way in which people buy mattresses. The company states that “We only sell one mattress: the best”. Other companies, such as Dreams, offer a wider selection, but they also spend a lot on showrooms and staff. Eve’s mattress, which is made of memory foam, can

be vacuum-sealed and delivered overnight. Eve and two rivals, (Simba and Casper) allow customers to return mattresses after they have slept on them for 100 nights and all three brands have launched big marketing campaigns. Traditional mattress retailers appear to be taking these upstarts seriously...

Financial Times, 8-9 October 2016, p20

Economy and society

Bisexuality in Britain on the rise

According to the Office for National Statistics (ONS), for the first time more young people in the UK describe themselves as bisexual than gay or lesbian. This is indicative of a shift in attitude as people are prepared to place themselves on a spectrum rather than in a specific category. Despite the numbers being low – only 1.7% regard themselves as gay, lesbian or bisexual in the ONS's *Annual Population Survey* – they have risen by 45% since the previous population survey in 2012.

The Daily Telegraph, 6 October 2016, p2;

www.ons.gov.uk/peoplepopulationandcommunity/culturalidentity/sexuality

Post-referendum economic review

This edition of the *UK Economic Review* provides a summary of ONS data for the post-EU referendum period. It concludes that "there has been no major collapse in confidence" and that there are "indications of continued momentum in the economy". This is confirmed by the *Index of Services* for July 2016, which shows month-on-month growth of 0.4%. The latest estimate of GDP Q2 2016, (published in September 2016), suggests that the UK economy grew by 0.7%, up by 0.1% from the estimate published in August. This reinforces the picture of positive economic growth in the lead-up to the referendum vote in June.

ons.gov.uk, October 2016

Energy and utilities

Fracking comes to Lancashire

The UK Government has approved plans for fracking in Lancashire, overruling the County Council's decision to refuse permission for the scheme. The current decision applies to just one of the two proposed sites. Communities secretary, Sajid Javid, claims that fracking company Cuadrilla had demonstrated that "all material, social, economic or environmental impacts" would be "reduced to an acceptable level", and the sites would "represent a positive contribution towards the reduction of carbon". While some have welcome the decision, environmental groups are dismayed.

utilityweek.co.uk, 6 October 2016

2030 will be peak energy

The World Energy Council has predicted that energy demand per person will peak in 2030 due to new

technology and stricter government regulations. After that it believes that energy demand for transport fuels, heating and electricity will start to fall. However, demand for electricity is expected to rise within the overall energy mix, doubling by 2060. Meanwhile the growth of solar and wind energy will continue while coal and oil will decline as a proportion of the energy mix.

The Guardian, 11 October 2016, p25

The UK power struggle

There have many new entrants to the UK energy market, which has had 14 new suppliers over the past year alone. The Big Six still have 85% market share, although this is down from 99% in 2012. Some start-ups, such as GB Energy, have entered the field by buying a pre-accredited, pre-licensed company from the likes of Utiligroup, a software company. Bulb Energy purchased its 'off the shelf' company from Utiliteam, a consultancy. This article looks at the complexity of the market and the challenges faced by Britain's energy start-ups.

The Times, 10 October 2016, pp44-45

Environment

Princes achieves its first MSC certificate

Princes is to become the first major UK brand to sell tuna from the Marine Stewardship Council-certified PNA (Parties to the Nauru Agreement) fishery in the Pacific. Princes has previously attracted criticism over its sourcing of tuna, having been placed tenth out of eleven in Greenpeace's tuna league table. This was partly because of its failure to meet sustainable tuna sourcing targets and partly due its use of fish aggregating devices. The PNA fishery is new to the UK market but generates around 25% of the world's tuna.

The Grocer, 8 October 2016, p46

Fashion

Data analytics – the latest fashion

Customers want the latest designs the moment they appear on the catwalk. Fashion retailers are turning to data analytics to help with this trend as well as to assist with pricing; stocking sizes, colours and styles; and generally ensuring greater efficiency. Data analytics is relatively new to an industry that has traditionally relied on spreadsheets and sales analysis but increasingly it is turning to mobile phones and social media data. Some retailers favour cognitive computing – programmes that simulate human thought processes – to help them produce faster insights into fashion trends. This article looks at the use of data analytics in fashion.

Financial Times (Special Report: The Connected Business), 5 October 2016, p4

Adidas – a fashionable comeback

Adidas has turned its business around through a mixture of e-commerce, celebrity styles and a revival in retro-style shoes. It is gaining market share at the expense of Nike and this year overtook Under Armour to become the second-best selling sports footwear in the US. CEO, Herbert Hainer, has been decentralising the company's marketing, advertising and R&D. He is channelling marketing spend into six 'trend-setting' cities (New York, Los Angeles, London, Paris, Tokyo and Shanghai) and is limiting supply of the most popular shoes to build up buzz and demand. Can its 'fashion-driven' comeback last?

Bloomberg Businessweek, 3-9 October 2016, pp32-33

Fashion retailers lost out in hot weather

September's hot weather deterred customers from buying autumn and winter fashions, leading to a 5.9% fall in sales, according to consultancy BDO. Overall UK high street retail sales were down by 2.8% in September, marking the eighth consecutive monthly decline. September was the joint hottest since 1910.

retail-week.com, 7 October 2016

Financial services

Trust and online relationships

A lack of trust may cause customers to end relationships with their supplier. The authors aim to plug a gap in the research on the topic of distrust, or a lack of trust, in online purchasing behaviour. They develop a model to study distrust within online relationships in the financial services market. The results provide suggestions about how the presence of distrust influences the exchange of professional financial services online.

Journal of Customer Behaviour, Vol 15(2), pp173-191 (Lindh et al)

Selfie app enables payment

A new app from MasterCard uses facial recognition software to verify their identity. The app prompts the user to blink, which prevents criminals from simply using photos of people whose card they have stolen. The app, which has been nicknamed 'Selfie Pay' to help people identify with it, has been trialled in the US, Canada and the Netherlands. Nine out of ten people say they prefer it to passwords, which they might forget.

The Times, 5 October 2016, p22

Sainsbury's bank ad labelled irresponsible

An ad for Sainsbury's Bank's credit card is accused of being 'socially irresponsible' by the Advertising Standards Agency and it has ordered the bank to change or withdraw the ad. The ad, which was shown during prime-time TV, featured a couple who had difficulties renovating their house so acquired a Sainsbury's Bank credit card. The voiceover stated:

"It's never just money, it's freedom. Credit cards from Sainsbury's Bank".

The Times, 5 October 2016, p46

FMCG

Beverages

Electronic wine-tasting?

A team at the University of South Australia has developed an electronic tongue that can judge the age, type and quality of wine. It works by measuring the electrochemical signals of compounds contained in the wine. The goal is for the device to test the quality of wines on an industrial scale.

New Scientist, 8 October 2016, p24

British tea boosted by Brexit

Cornwall-based Tregothan tea, England's only home-grown tea, has enjoyed record exports this year, which it attributes to the Brexit vote. Sales have risen by 30% and are expected to reach £2m. MD, Jonathon Jones, says "nothing epitomises that (Britishness) more than fine tea".

The Times, 5 October 2016, p18

Bottled water in full flow

The bottled water industry is prolific and new products appear on the shelves every week. Water has become the fastest-growing drinks market in the world – in the UK alone consumption grew by 8.2% last year. The global market was worth \$157 billion in 2013 and is expected to reach \$280 billion by 2020. This is not bad for a substance that is freely available. But can this growth continue and will we ever reach 'peak water'?

The Guardian, 6 October 2016, pp31-33

Hofmeister to return as craft beer

Some 13 years after Hofmeister beer was discontinued by Scottish & Newcastle, it is to make a comeback as an 'authentic' Bavarian craft beer. When Hofmeister was axed in 2003, it was the end of an advertising era, as the beer's trilby-wearing mascot, George the bear, and the slogan, 'For great lager, follow the bear' disappeared from TV screens.

The Grocer, 8 October 2016, p42

Cosmetics and toiletries

Talking direct pays off

Online make-up company, Glossier, has built up such a strong following that its eyebrow product had a 10,000 waiting list last year. Yet the company doesn't rely on celebrity ads or store placements. Instead its success lies in employees talking directly to customers, either through e-mail, social media or the website, in a way that young people understand.

Wired, November 2016, p34

Food

Burritos at Greggs

Last year Greggs introduced hot sandwiches. This year the baker is introducing burritos in the form of chipotle pulled beef, fiery pulled chicken or onion bhaji. Greggs' strategy of extending into new areas has paid off and total sales have risen by 5.6% during the third quarter. Hot breakfasts, store openings and refurbishments have also helped to boost the company's performance.

The Times, 5 October 2016, p46

Aldi adopts paleo trend

The paleo food movement, which began in the US and harks back to the type of food eaten by our Palaeolithic ancestors, has been growing in the UK. Now Aldi is to take up the trend with the launch of a grain-free snack under The Foodie Market brand. It has already registered trademarks with the Intellectual Property Office for two flavours of 'Paleo Bar'.

The Grocer, 8 October 2016, p44

Tobacco

Banned chew

Actor Pierce Brosnan is courting controversy by fronting an Indian ad campaign for pan masala, a spice product containing areca nut, which is carcinogenic. It is chewed with tobacco and is banned in some Indian states. In the newspaper ads, the former James Bond is seen holding a pot of Pan Bahar with the slogan 'Class never goes out of style'. A TV ad shows him in a flashy sports car kissing a pot of Pan Bahar. The ad has received mixed reactions amongst Indians who regard the product as something used by the lower classes. Health officials have also criticised the campaign.

The Times, 10 October 2016, p34

Government and public sector

TV advertising trumped

Donald Trump's bid for the US presidency may be a contentious issue but it has proved good for CBS, which has enjoyed high ratings thanks to the debates between Clinton and Trump. The so-called 'Trump effect' has helped the earnings of TV companies including CBS, Fox, NBC and Disney's ABC. The downside of Trump's ability to attract audiences is that he has turned his back on advertising. With less than six weeks to go until the election, he has spent just \$78m on TV advertising, according to Kantar WorldPanel. It has downgraded its predictions for total election ad spend from \$4.4 billion to \$3.65 billion, which is less than the \$3.8 billion spent in the 2012 election.

Financial Times, 6 October 2016, p18

Universities to go for gold

The UK Government is to create a new league table ranking universities as bronze, silver or gold according to the quality of teaching. They will be available for those applying for university in autumn 2017. From 2018, the ratings will be used to determine whether universities will be allowed to raise their tuition fees. The ratings will be based on data, statistics, student satisfaction, dropout rates and graduate employment rates. Critics of the scheme point out that none of the indicators actually measure the quality of teaching.

oxfordstudent.com, 7 October 2016

Skills shortages in creative industry

The Creative Industries Federation claims that the Government is committing "economic madness" by discouraging young people from studying creative subjects at school. The English baccalaureate, which will become compulsory this year for most GCSE students, excludes creative subjects. The Federation warns that the education system will not produce enough young people with the mix of skills needed in the creative industries. It is also concerned that Brexit will lead to creative skills shortages.

campaignlive.co.uk, 10 October 2016

Health and pharmaceuticals

Allergan

Allergan, maker of Botox, has made \$7.2 billion-worth of acquisitions in the six months since its failed sale to Pfizer. The speed with which the company is entering into deals, and its decision to invest in some, as yet, unproven medicines, has affected the company's shares which have fallen by 15% since the blocking of the Pfizer deal. This article examines Allergan's performance. A set of infographics provide an analysis of the company's main product areas.

Financial Times, 7 October 2016, p21

Apple turns to health

Apple has been hiring health-care experts to build new apps, improve electronic health records and better analyse patient data. The company wants its Healthkit fitness app be the tool of choice for doctors to help improve diagnoses and to bring together information from older databases to make health data more compatible. This year it bought Glimpse, a start-up with software that can unify records from different databases. Another Apple product, ResearchKit, will be pitched to drugmakers and research institutions as a way in which to conduct clinical trials. All this will make it harder for health professionals to switch from iOS to Android and its Google Fit app.

Bloomberg Businessweek, 3-9 October 2016, pp44-45

IT and telecoms

3D printing on-the-go

A mobile app and a 3D printer that fits into your pocket could enable you to print what you need while out and about. Thijs Roumen at the Hasso Plattner Institute in Germany, has a vision of 3D printing which he likens to the rise of personal computing. He and his team started by crowdsourcing a list of objects that people might need when out and about before coming up with a pen that ejects a stream of plastic. An app enables the user to look up the item they want to make and displays a pattern on their phone screen that they can trace to create the object. Examples include a button for a shirt or a tool to fit a loose bolt.

New Scientist, 8 October 2016, p23

Google launches own-brand phone

Google has launched its first Google-branded smartphone which will compete head-to-head with Apple. The phone is pre-loaded with Google Assistant, enabling people to ask questions or order services. Chief executive, Sundar Pichai, said the move was all about bringing AI services to customers so that Google is "everywhere". The launch shows how tech companies are acting as interfaces between people and brands, while in the process collecting huge volumes of data.

The Times, 5 October 2016, p22

Leisure and tourism

Daytime gambling ads could be banned

A Government review on fixed-odds betting terminals is to be expanded to include gambling ads. Many children will regard gambling as normal because they see ads during football matches while the proportion of people in the UK with a serious gambling habit has almost doubled over three years. The increase is greatest among young people aged 18 to 24. The current rules allow bookmakers to advertise before 9pm during live sports events and it is common to see celebrities encouraging viewers to bet during football matches. Broadcasters are likely to oppose any restrictions on this particular type of daytime advertising, which has been highly lucrative.

The Times, 7 October 2016, pp1,4; The Guardian, 8 October 2016, p9

US Sports League attract pride

Professional US sports leagues are hoping to attract a new market by tapping into the spending power of the LGBT community. Sports leagues have long been regarded as bastions of homophobia but now they are opening up. This year around three dozen baseball, soccer and women's basketball teams have hosted pride nights which have included special merchandise and donations to LGBT causes. Ticket sales at New York Liberty's pride night in June were

around 7% higher than the basketball team's average.

Bloomberg Businessweek, 3-9 October 2016, pp29-30

Materials and mining

Deep space mining

Asteroids are a valuable source of platinum. They could also be used as source of hydrogen, oxygen and ammonia for refuelling spacecraft. Planetary Resources, an asteroid mining startup, has acquired \$21m in funding to build a satellite system for monitoring the use of the world's resources. Meanwhile, Deep Space Industries is partnering with Luxembourg to launch a test asteroid prospector next year. Japan Aerospace Exploration Agency expects its spacecraft, Hayabusa 2, to land on the asteroid, Ryugu, and return to earth in 2020 with \$95 billion-worth of material.

Wired, November 2016, pp24-25

Media

Books

Christmas predictions

Fiction and picture books are tipped to dominate sales over the Christmas period. Florentyna Martin, children's buyer at Waterstone's, predicts that nostalgia and anniversaries will be big business, such as the Roald Dahl centenary and Winnie-the-Pooh's 90th anniversary. Merchandising items associated with books are also predicted to take off, such as *Harry Potter Marauder's Map Puzzle* and characters from *Paddington Bear*. Teen and young adult books are not expected to achieve strong sales buy, as usual, it will be the big names, such as David Walliams, that enjoy the highest sales.

The Bookseller, 7 October 2016, pp16-17

Games

VR – storytelling with a difference

Virtual reality is creating interest throughout the entertainment industry but at the moment it is not certain how the film industry will use it. Some rock bands – notably the Red Hot Chili Peppers – have streamed live concerts viewable through VR headsets. Meanwhile the UK's National Theatre has experimented with the medium through an Immersive Storytelling Studio, producing an Oculus Rift-powered exploration of *Alice in Wonderland*. In contrast, VR gaming is a serious genre: this article includes infographics for VR video gaming.

The Times (Raconteur: Virtual & Augmented Reality), 5 October 2016, pp8-9

Internet

Identity-based pay-per-click

It is now possible to target people with highly specific ads based on their phone number and e-mail, which the author refers to as 'Identity-Based

Marketing'. This type of targeting opens up many options for pay-per-click (PPC) marketing. The author explains in simple terms how PPC can be an effective tool for content promotion and offers some top-line advice on conducting identity-based, PPC marketing.

Marketing Africa, Issue 13 2016, pp84-85 (Muthoni)

Tackling internet addiction

China is to ban children from playing online games between midnight and 8am in an attempt to tackle internet addiction among young people. The proposals, from the Cyberspace Administration of China, are open to public feedback until the end of the month. The Government believes that 24m out of the country's 632m internet users are internet addicts.

The Times, 8 October 2016, p39

Music

Industry reliant on Apple and Spotify

The music business has to face up to two facts: firstly, streaming is its future – although publishers are enjoying a second consecutive year of growth, most of this comes from subscription-streaming services. In the first half of the year streaming in the US reached \$1 billion, up by \$500m in just one year. Secondly, Spotify and Apple have nearly two-thirds of the approximately 90m streaming subscribers around the world. Music companies are being forced to change their attitudes to these companies, who were their former enemies...

The Economist, 8 October 2016, p65

Newspapers

Guardian restructures content

The Guardian's digital ad revenues fell by 2.3% to £81.9m in the year to April 2016. Guardian News & Media's chief revenue officer, Hamish Nicklin, says he would rather focus on a three-year turnaround plan than share print ads with the wider industry. He also insists that print is "still really important" despite rumours that *The Guardian* could become online-only. He identifies three key challenges: Facebook, Google and "rubbish click-through rates"; the rise of programmatic; and *The Guardian's* status as a partner. To promote a new way of working, Nicklin has moved the newspaper's content operation, Guardian Labs, into the main sales force and restructured it into multidisciplinary, agency-facing teams.

Campaign, 7 October 2016, p22

Social media

Facebook's Marketplace not quite as planned!

Facebook is challenging eBay and Gumtree with the launch of Marketplace, a service through which users can buy and sell items to friends or within local communities. However, shortly after launch, it

was reported that Marketplace was selling items such as drugs, weapons, animals and sexual services!

Campaign, 7 October 2016, p5; Marketing Week, 6 October 2016, p6

Facebook targets the office

Facebook has announced plans to launch a version of itself designed solely for businesses, called 'Workplace by Facebook'. Although users will still be able to perform all the usual tasks on Facebook, the aim is for the service to contain meeting minutes, messages from colleagues and corporate schedules. Instead of users receiving hundreds of e-mails every day, the homepage algorithm prioritises the most important updates. It will also help to overcome the communication barrier faced by companies whose blue-collar employees do not have e-mails. The new service may have to compete with a new generation of workplace chat apps, such as Slack and Hipchat.

The Daily Telegraph, 1 October 2016, p5; Financial Times, 11 October 2016, p18

Consumers ignore branded content

A global survey has found that 26% of consumers don't like intrusive ads on social media and ignore branded content. The figure rises to 40% among British consumers who say they 'actively ignore' social posts or branded ads. The greatest resistance is in Sweden and Denmark, where 57% of each country's consumers ignore branded content. Influencers and celebrities offer a way for brands to reach an audience since 40% of 16- to 24-year-olds say they trust what people say online more than other sources, such as websites or TV ads. The survey was conducted by Kantar TNS.

Marketing Week, 6 October 2016, p7

Television

Binge-watching – effect on advertising

The emphasis has shifted from traditional broadcast channels to online channels, which has led to the trend for binge-watching, rather than watching one episode of a series at a time. The authors examine three types of viewing behaviour. Using data from Hulu.com, they investigate the causes of binge-watching while distinguishing between user traits and states influenced by previously viewed content. At the same time they examine users' response to ads to reveal that ad responsiveness differs according to whether the viewer is a binger or non-binger and that this changes over the course of online viewing sessions. The implications for advertisers and video platforms are discussed.

Journal of Marketing, Vol 80(5) 2016, pp1-19 (Schweidel et al)

Brits' guide to offensive language

The expression Jock, when referring to Scottish people is deemed to be 'generally of little concern'

while Taff, describing a Welsh person could be seen as 'potentially offensive'. This is according to *Attitudes to potentially offending language and gestures on TV and radio*, published by Ofcom. Ofcom concludes that context is important when assessing such words. For example, 'Nazi' is acceptable 'as a factual description when discussing Germany under Hitler' while 'Ginger' is considered to be a comical term.

The Times, 5 October 2016, p5

Packaging

Unboxing

Packaging supplier, Rajapack, has been conducting research into the 'unboxing video' (people filmed while removing the packaging from a product). It argues that vloggers and social media influencers who create unboxing videos are influencing the way in which consumers are spending their money, which in turn shows how important packaging is. Among other things, the survey reveals that 2,370 days-worth of unboxing videos were uploaded to YouTube last year and that 34% of the views occur between October and December.

packagingnews.co.uk, 11 October 2016

Retailing

Price cuts continue

The latest British Retail Consortium and Nielsen index reveals that UK shop prices fell by 1.8% last month, following a 2.1% decline in August. Food deflation reached a record low, down 1.3% in September compared with August, when prices dropped by 1.1%. This is the fourth year of falling shop prices, caused by fierce competition and "transformational" changes in the retail industry, according to Helen Dickinson, chief executive of the Retail Consortium. Consumers have more choices and easier access to pricing information than ever before, which has exacerbated the downward trend.

The Times, 5 October 2016, p46

Daiso – can it survive without big data?

Daiso, a Japanese chain where everything costs ¥100, is opening outlets around the world, although there are none in Europe as yet. Daiso dominates the bargain store market in Japan and has so far outstripped its competitors with projections of more than 6% growth this year. However, rival Seria has started to erode Daiso's market share through store design and use of big data. Daiso's founder, Hirotake Yano, says "We don't like to take focus away from the basics of more stores and products".

The Economist, 8 October 2016, p64

Tesco tackles illegal parking with app

Tesco is continuing to address the problem of drivers using disabled parking spaces in its car

parks, following trials during which offending motorists were fined substantial amounts. Now it is to extend the scheme across the country using handheld devices with an app that links to the DVLA database. It plans to allow a similar app to be placed on employees' own devices.

The Grocer, 8 October 2016, p10

Services

Euro Garages heads across the channel

Europe's largest independent petrol station operator will be created with the merger of Euro garages (a British business) and European Forecourt Retail of France, creating a group with an annual turnover of €6 billion and around 1,450 petrol stations and convenience stores in Britain, France and the Benelux countries. The merger is indicative of the consolidation taking place in petrol retailing.

The Times, 6 October 2016, p47

Consultants go independent

An estimated 55,000 of the UK's 175,000 management consultants and business analysts are self-employed. Research among 251 independent consultants by Eden McCallum suggests that independent consulting is on the increase. A 2013 survey predicted that both large and small clients would start using alternatives to the big consultants for all but "a core of critical work". One of the main advantages of independent consulting is its flexibility but there are disadvantages, such as financial security. Some companies, such as Eden McCallum, offer support to independents. UK-based Talmix offers a platform for professionals where clients can post projects for teams or individuals.

Financial Times, 7 October 2016, p15

Transport and travel

China targets large-scale space tourism

The China Academy of Launch Vehicle Technology in Beijing has developed a spaceplane that could one day carry 20 passengers to the edge of space. Competition takes the form of Virgin Galactic's SpaceShipTwo, which can take six passengers, and XCOR, whose Lynx vehicle can only carry one passenger seated next to the pilot. China Academy team leader Han Pengxin believes that consumer demand will be strong enough to require a higher capacity spacecraft. A ride is predicted to cost between \$200,000 and \$250,000.

New Scientist, 8 October 2016, p10

Child-free fly zone

Budget airline IndiGo has introduced a 'Quiet Zone' to its planes intended for 'business travellers who prefer to use the quiet time to do their work'. The airline, which flies to over 40 destinations from India, has allocated eight rows as a child-free (under

the age of 12) zone. Some smaller Asian airlines have already introduced this policy but IndiGo is the first of the large players to do so. The move has created some controversy on social media and British Airways says it has no plans to follow suit.

The Times, 7 October 2016, p5

Rolls on a roll despite weak pound

Although the fall in the value of the pound might be deterring holidaymakers, it has proved a boost to Rolls-Royce. The aerospace industry works in dollars which is likely to make the company's products appear cheaper. This brief article includes a SWOT analysis of Rolls-Royce.

The Daily Telegraph Business, 5 October 2016, p1

Nissan uses software to help boost sales

Nissan has joined forces with telematics provider Telogis, to install software in its vans across Europe that is capable of tracking the vehicles' performance and location in real time. The company is hoping that this will increase van sales as well as its share of the EU light commercial vehicles market, where it trails in ninth place.

Financial Times, 5 October 2016, p22

Written by CIM's Knowledge Services Team

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On the Move

Name	From	To	New title	Source
Russell Davies	Government Digital Service	BETC London	Chief Strategy Officer	Campaign
Louise Hillman	MoneySuperMarket.com	Ann Summers	PR Executive	fashioninsight.co.uk
Felicity Long	Carat	iProspect	UK Managing Director	Campaign
Colin Strong	Verve	Ipsos	Global Head of Behavioural Science	research-live.com
Maria Vassilopoulos	The Bookseller	British Library Publishing	Sales and Marketing Executive	The Bookseller

Promotions

Name	Company	Previous title	New title	Source
Jenny Cima	Rowman & Littlefield Publishing Group	Head of Sales	Director, International Sales and Marketing	The Bookseller
Emma Mead	Holland & Barrett	Direct of E-commerce	Group Digital Director	The Grocer

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The Bookseller**

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www.businessmag.co.uk

Cambridge Marketing Review

Campaign**

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www.fginsight.com

[The Financial Times](http://TheFinancialTimes.com) ~

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[The Guardian](http://TheGuardian.com)

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Journal of Marketing Research**

www.lexology.com

Marketing Week **

Market Leader

www.mckinsey.com

New Scientist** (1 month embargo)

www.ons.gov.uk

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www.packagingnews.co.uk

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www.researchbriefings.parliament.uk

www.research-live.com

Social Business

[Third Sector](http://ThirdSector.com) (selected articles available)

The Times

www.utilityweek.co.uk

[Wired](http://Wired.com) (selected articles available)

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