

Cutting Edge: Our weekly analysis of marketing news

26 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

Brand users have better ad recall?

Previous research has shown that advertising awareness is higher among a brand's users than non-users. However, research tends to confine itself to using the brand name as a cue. This study, which uses six different measures, states that the "bias in memory for advertising is not a measurement artifact". It is, in fact, a real phenomenon, occurring under a wide range of conditions. In other words brand user bias is present whether or not the brand is present or absent in the brand awareness question. This has implications for creative design, branding, and pretesting, especially when the advertising aims to attract non-users.

Journal of Advertising Research, Vol 56(3) 2016, pp311-320 (Vaughan et al)

Product shadows and luxury perceptions

Advertisers often use product shadows to create stylistic effects in advertising. This research looks at the effect of showcasing a product with a cast shadow on consumer product perceptions. It reveals that the presence of a shadow in the ad enhances perceptions of it as a luxury product. Consumers with high CVPA (Centrality of Visual Product Aesthetics) have a greater liking for this type of product presentation. The research offers some practical guidelines for the use of shadows in fostering product luxury perceptions, and to improve targeting of "aesthetically-sensitive" consumers.

Journal of Consumer Marketing, Vol 33(7) 2016, Earlycite (Sharma)

Agencies

Omnicom – UK revenue down

Omnicom, owner of the BBDO and OMD networks,

has reported that its UK revenues fell by 10.4% in the three months to 30 September to \$347.9m, blaming it on the weak Pound. Adjusting for currency Omnicom's UK growth was 5.2%, better than North America (1.7%) and the rest of Europe (2%), compared to the same quarter last year. In the last quarter Omnicom's biggest agency, Abbott Mead Vickers BBDO, lost the Sainsbury's account. Omnicom has also closed its media agency, M2M, due to a number of account losses.

campaignlive.co.uk, 19 October 2016

Brands and branding

Brexit, brands and consumer reactions

The authors examine the effect of the Brexit referendum on consumers – the Leavers and the Remainers – and the implications for brands. A poll by Lord Ashcroft on the day of the EU Referendum illustrated the values gap between Remainers and Leavers. For example, four times as many Leavers than Remainers think multiculturalism is bad and more than twice as many Leavers than Remainers think globalisation is a force for ill. Many people are feeling a loss of control due to globalisation and brands need to become more aware of what this feels like. The authors point out that the values listed in Lord Ashcroft's research run contrary to the notion of innovation. They identify three lessons for brands to consider in this context.

Market Leader, Q4 2016, pp50-51 (Curry and Ballantyne)

Brand Citizenship

Building a brand and creating loyalty is all about managing engagement – developing connections which draw people to products and services. Research suggests that people develop more loyal relationships with the brands they interact with. Customers want brands that represent the things that matter most to them, starting with personal needs and then addressing wider issues that are



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www.cim.co.uk/charteredcpd

important to communities and society. The author presents a five-step model in "Brand Citizenship" aimed at engaging customers and generating loyalty.

Admap, October 2016, pp16-17 (Thompson)

Children

Gender equality promised next year

Stereotypes in many toy aisles have been quashed in recent years with products such as the Barbie astronaut. But Fisher-Price are in hot water about a character in their Little People range as the mother figure flits between yoga and cafes.

The Times, 24 October 2016, p3

Conferences and events

One vision for a global virtual event

This year pharmaceutical company Astellas wanted to celebrate its 10th anniversary by presenting its vision for the next decade to all 4,700 of its employees simultaneously. Since they couldn't all be in one place at the same time, event agency Rapport was recruited to find a solution. It came up with the idea of a virtual global event (called ONE Astellas Live) which enabled everyone to see and hear each other from 16 different locations. The result was that 96% of employees said they enjoyed the event; 91% said it made them feel motivated and positive; and 87% said it made them feel excited about the future.

Conference & Incentive Travel, October 2016, pp10-11

Finding the right event technology

Technology can greatly enhance an event in terms of networking, polling, contact-exchange and way-finding, but choosing the wrong product can be costly. The author provides ten tips for finding the best technology to suit the event's needs while keeping the costs down. They include undertaking background research; factoring in the total cost of the product including total savings; and following up on technology vendor references.

Association Meetings International, October 2016, pp64-65 (Ball)

Consumer behaviour

No "one-size-fits" all

There has been a rise in generational marketing and huge amounts having been written on the subject of Millennials. Yet this is an era of cultural and social mobility which suggests that traditional demographics may have become too narrow. The author describes a series of studies to examine how consumers relate to some of the biggest brands; to investigate whether demographics are the best method of segmenting consumers and markets; and to assess the value to brands of segmenting by behaviour and attitude. The conclusion is that traditional demographics still have a role to play but

that today's consumer "is too nuanced, too complex to be pigeonholed into a single set of segments".

(See also under Market research)

Admap, October 2016, pp14-15 (Monk)

Consumer preference for foreign products

This article examines consumer purchase behaviour in relation to foreign and domestic product preferences, focusing on consumers who are attracted by the "foreignness" of a product. This study investigates the concept of "xenocentrism" (a preference for products from someone else's culture) to help explain consumer attraction towards foreign products. The authors use survey data from five studies to develop and validate a new scale (the C-XENSCALE) to measure consumers' xenocentric tendencies. They demonstrate how it can help explain consumer preferences for foreign products.

Journal of International Marketing, Vol 24(3) 2016, pp58-77 (Balabanis and Diamantopoulos)

Customer relations

Customer loyalty tracking

In order to maintain customer loyalty, it is important to track that loyalty. Here the author presents two methods for doing just that. The first is "Loyalty Tracking on Time Scale", where loyalty is tracked on a linear time scale. This can be performed in-house; although it is not an accurate method, it does show whether corrective measures taken to retain customers is working. The second method, called "Loyalty Tracking on Volume-Loyalty Matrix", determines the loyalty according to pre-defined matrix quadrants so that the supplier can judge the customer value and apply corrective actions.

Sales & Service Excellence Essentials, Vol 15(9) 2016, p14 (Juneja)

Technology changes the face of relationships

Intelligent virtual digital assistants (VDAs) and chatbots have the potential to grow more than four-fold over the next five years. The financial services, retail and healthcare sectors have seen the greatest use of such applications so far. Barriers to the adoption of VDAs include the high cost, the lack of resources to manage the technology and low consumer awareness. Rachel Barton, MD at Accenture for customer strategy in Europe and Latin America, expects that in the future chatbots will play a bigger part in customer service and engagement. She also warns that they have limitations and shouldn't be used to the detriment of overall customer experience.

CRM Magazine, Vol 20(10) 2016, p12 (Klie)

Direct marketing

Clinton trumps opponent's direct mail

Donald Trump has spent heavily on direct-mail campaigns in an attempt to collect small donations supporting the Republican campaign. Trump,

together with the Republican Party's fundraising campaign, Trump Make America Great Again Committee, raised around \$155m in the three months to the end of September and spent \$29m on direct mail or 28 cents on each dollar. This compares with the Clinton campaign, which spent 20 cents for each dollar. Whereas Trump aimed for small donations of \$25 or \$50, Hillary went for the legal maximum of \$2,700, which probably explains why her campaign has more cash in the kitty!

dmnews.com, 17 October 2016

Law

Protecting your brand with a trademark

Every business needs to protect its brand but many rely on registered corporate names or trade names in the mistaken belief that these will provide sufficient protection. This has resulted in many trademark lawsuits and even rebranding exercises. In this brief paper the authors explain the differences between corporate names, trade names and trademarks and define the trade name and corporate name registration processes. They then go on to discuss the risks to brands and how to mitigate those risks.

lexology.com, 17 October 2016 (Pinsent and Buchanan)

No wriggle room

Company directors whose companies flout data protection laws and allow nuisance calling will, from spring 2017, be liable of a fine up to £500,000. Firms can already be fined by the Information Commissioner's Office (ICO), but some companies go into liquidation to avoid the fine then set up a new company. More than 114,000 nuisance calls and texts were reported to the ICO in the last year.

theguardian.co.uk, 23 October 2016; The Sunday Times, 23 October 2016, p13

Marketing

Marketers' role in corporate responsibility

Businesses in all sectors need to act responsibly yet trust in them has declined. Marketers must embrace the changes needed to help protect the brand and create future value. But tackling corporate responsibility is a major task so how can they go about it? Senior marketing managers are well-placed to apply the strategic thinking needed to support both short- and long-term goals. Senior marketers must address three major responsibility factors: the bottom line of financial, social and environmental concerns; producing a balanced scorecard; and responding to consumer demand for more "conscious capitalism". CIM offers a new UK Level 7 qualification as a way in which marketers can add insight and professionalism to meet these challenges.

Catalyst, Issue 5 October 2016, pp56-57

The right marketing skills mix

Building an influential team of marketing leaders will help the whole company to meet customers' needs better than the competition. When recruiting team members it is important not to over-complicate the issue. The first stage is to summarise the so-called "Value-Zone" (V-Zone) challenge – this is the major issue facing both customers and the CEO of the company. For example, it could be about increasing margins by improving the retention and contribution of the most profitable customers. The V-Zone challenge should be followed up by three key questions on: distinctive functional marketing skills; distinctive personality traits; and which personality traits are not acceptable. The answers should provide a clear description of what is required for a marketing team.

Sales & Service Excellence Essentials, Vol 15(9) 2016, pp7-8 (Barta and Barwise)

Market research

Qualitative management research

This paper firstly highlights the diversity in European qualitative management research, and secondly addresses concerns expressed by qualitative researchers with regard to the growing pressure for standardisation. The author argues that researchers should take every opportunity to encourage methodological diversity and to resist the homogenisation of both the experience and reporting of qualitative management research.

European Management Journal, Vol 34(5) 2016, pp453-456 (Cassell)

The case for a new segmentation

The research industry is still wedded to a 60-year-old segmentation system which forms the basis of traditional consumer segmentation. But consumer shopping habits have changed and audiences are becoming more fragmented so are broad demographic groups still relevant? The author describes research into the modern shopper which investigated the motivations and values of 1,000 shoppers and the influence that these factors exert on purchase behaviour. Using Victor Schwab's 40 emotional drivers and Abraham Maslow's hierarchy of needs, he has come up with seven new shopper mindsets which should be "treated as a primary lens through which to better understand shopper behaviour". (See also under Consumer behaviour)

research-live.com, 17 October 2016 (Cooper)

Public relations

Service innovation and perceived reputation

Service innovation implementation is often viewed as a form of "organisational citizenship behaviour" which is not usually included in job descriptions and not controllable by management. This study investigates how employees' perceived external reputation (employees' impressions of how outsiders

rate their employer in terms of corporate reputation) is associated with their willingness to take part in service innovation implementation. Data from German and American frontline employees support the idea that the link between perceived external reputation and service innovation implementation behaviour is influenced by an expected gain both in reputation and performance.

European Management Journal, Vol 34(5) 2016, pp540-549 (Schaarschmidt)

Don't ignore the caption

Captions are often the first thing that people read but tend to be a bit of an afterthought among PR professionals. Yet captions are essential parts of communication: they receive the most views; they attract 16% more readership than the text; and removing captions from a series of cartoons has been found to reduce recall by 81%. Captions are therefore an ideal way to attract attention and draw in readers who tend to skim documents. Here is some advice for writing a good caption.

Public Relations Tactics, Vol 23(10) 2016, p7 (Wylie)

Sponsorship

Sponsorship selection

Much research has been done into the outcomes of sponsorship, but the processes involved in sponsorship selection have been largely neglected. The selection of sponsors in large corporations tends to be a formal process where evaluation criteria are aligned with corporate policy and strategic priorities. In reality, corporate culture influences sponsorship selection as do sponsorship managers' beliefs. This paper explores sponsorship selection practices and considers the relationship between corporate culture and sponsorship managers' beliefs about sponsorship types and their motivations.

Corporate Communications: An International Journal, Vol 21(4) 2016, pp483-499 (Vance et al)

Agriculture, fishing and forestry

CAP vs Public Goods

The Common Agricultural Policy (CAP) is a key part of EU membership and focuses on agricultural production. Yet it has had a negative impact on so-called "public goods" – such as biodiversity, water and air purification, flood alleviation, greenhouse gas emissions and soil quality. Various reforms have had limited success in addressing these issues. Brexit could be seen as an opportunity to create a new British agricultural policy which places these public goods at its heart, and redirects public money accordingly. This article examines what a "Public Money for Public Goods" approach would mean, including the benefits and challenges.

farmingfutures.org.uk, 20 October 2016

Building industry

Travis Perkins to close stores

Builder's merchant and owner of the Wickes brand, Travis Perkins, plans to close over 30 stores and ten distribution and fabrication centres. It is also reviewing its plumbing and heating business, which saw a 3.9% fall in year-on-year sales for the third quarter of 2016. John Carter, chief executive of Travis, blames the cuts on the difficulty of predicting future levels of demand, uncertainty after the Brexit vote and the increase in stamp duty on second homes.

The Guardian, 20 October 2016, p26

China – putting brakes on the housing boom

China's housing market is overheating, with prices rocketing by 25% or more in big cities, such as Beijing and Shanghai, a trend that is spreading to smaller cities. The coastal city of Xiamen saw price rises of 40% over a 12-month period. Municipal governments are taking action to steady the property markets with measures such as preventing people from buying additional homes and lowering the amount that can be borrowed. Some 22 cities have already tightened up on house purchase policies but there is no standard policy across the country.

Financial Times, 20 October 2016, p8

Businesses and strategy

Ecosystem innovation

Companies are often faced with opportunities which they cannot tackle on their own. Now organisations are beginning to collaborate with each other to develop and commercialise new ideas, in a process which the authors call "ecosystem innovation". Cisco Hyper-Innovation Living Labs (CHILL) focuses on the fast and agile commercialisation of ideas. It is different from other partnerships in that it draws together multiple partners simultaneously at an early stage in the process. The authors discuss how large companies can develop ecosystem innovation capabilities similar to Cisco. This process enables companies to bring together diverse skills, ideas and resources for the rapid resolution of ecosystem problems

Harvard Business Review, November 2016, pp76-83 (Furr et al)

SMEs are an optimistic bunch

A new survey suggests that senior decision-makers among SMEs in the South East of England are confident about their five-year growth prospects. The *Business Growth Survey* from Santander Corporate & Commercial found that SMEs are predicting an average 37% growth in turnover over the period. Overall, small businesses in Britain are the most optimistic, expecting an average turnover

increase of 69% compared to medium-sized business which are predicting an average increase of 25%. SMEs in the hospitality and leisure industry are the most optimistic, predicting a 99% rise in turnover over the next five years.

The Business Magazine Thames Valley, October 2016, p7

R&D alliances and performance

R&D collaborations support companies' innovation performance through risk-sharing and pooling resources and competencies. However, few studies have addressed the potential downside of collaborative R&D. The study, among 2735 companies based in Germany, shows that increasing the proportion of collaborative R&D projects among total R&D projects is likely to lead to a higher probability of product innovation and higher market success of new products. Yet collaboration can have negative effects if its intensity increases beyond a certain point: costs start to outweigh benefits if more than two-thirds of R&D projects are in collaboration. This threshold depends on company characteristics, such as size and age. Collaboration strategies should be adjusted accordingly.

Journal of Product Innovation Management, Vol 33(6) 2016, pp773-794 (Hottentot and Lopes-Bento)

Charities and NGOs

MSF takes to the UK fields

Médecins Sans Frontiers' head of fundraising chose three UK festivals for its fundraising and awareness raising marketing in 2016. The charity provides doctors, nurses and other aid workers along with equipment in over 70 countries. The relaxed atmosphere at Latitudem British Summer Time and Camp Bestival, along with the backdrop tents and equipment used, allowed the experience to be brought to life.

Marketing Week, 20 October 2016, pp22-23

Durable consumer goods

Is Signet losing its sparkle?

Signet, the world's largest buyer of diamonds, has had a bad year due to accusations of gem swapping and other issues. It is the largest vendor of jewellery to the US, where it has 9.6% of the \$62 billion market but analysts are concerned about its performance. Euromonitor has estimated that the jewellery market will grow by 0.8% this year and 2.1% next. However, Signet is predicting a full-year decline in sales of up to 2.5%. It is not certain how much the bad publicity has hurt Signet's sales but the company spent \$5m on marketing and promotions in the three months to July.

Financial Times, 20 October 2016, p19

Economy

New horizons

If you are looking expand your horizons then it is worth looking out for guides to help you. Two that we have come across recently are [Doing business in Canada](#) prepared by Canadian law firm Gowling WLG. The guides covers the legal structure in Canada, business structures, taxation, employment law and much more general information. There is also a chapter specifically on advertising and marketing that covers packaging and labelling, IP and copyright, "sale" claims and environmental issues along with much more. If you are looking at Australia then PwC have a handy guide [Doing business in Australia: An introductory guide](#). This again covers investment, visas, taxes, employment law, intellectual property and other key issues.

As per links in text

Energy and utilities

Database for "sticky" customers

UK energy regulator Ofgem has started research into the creation of a database for "sticky" customers who are "disengaged" from the energy market. This was recommended by the Competition and Market Authority as part of its "final remedies" in June. Ofgem is also looking at other ways of encouraging consumers to switch. The idea is for customers who have been on a standard variable tariff for more than three years to be placed in a cloud database accessible by all suppliers who would be able to market directly to them. However, marketing would only be allowed by post and customers would be able to opt out of the database.

utilityweek.co.uk, 19 October 2016

Oil companies face threat from electric cars

A report from credit agency, Fitch Ratings, warns that oil companies will be presented with a "resoundingly negative" threat due to the growth of electric cars and advises energy companies to plan for "radical change". Although the report admits that it could take some time for electric cars to achieve mass adoption, it paints a grim picture for oil companies such as Chevron, ExxonMobil and Shell. Big utilities that burn fossil fuels will also be affected by the introduction of batteries which solve the "intermittency problem" of wind and solar power. Fatih Birol, of the International Energy Agency, argues that the uptake of electric vehicles will not cause a sudden shock because less than 10% of growth in oil demand comes from cars.

Financial Times, 19 October 2016, p14

Environment

Balancing the carbon books

Premier Paper Group are for the third time holding a tree planting event with staff and customers. Their

Carbon Capture scheme has so far helped to plant 55,000 trees with The Woodland Trust, which will have captured 11,000 tonnes of CO₂ emissions. This year the planting will take place on the 24 November at Heartwood forest in Hertfordshire where they are aiming to plant 1,000 native trees.

packagingnews.co.uk, 24 October 2016

Fashion

Multiple advantages

Wool has been the mainstay of the garment industry for at least 5000 years. But due to technological advancements sheep's wool can be spun to a very fine wool – four strands would be as thick as a human hair – which gives it very special uses within the military. Armadillo merino based in Derby have won contracts to supply various military groups as well as NASA for astronauts. The resultant fabric is breathable, non-combustible, will not melt on the skin and does not trap odours.

The Times, 24 October 2016, p7

The Yanai doctrine

Tadashi Yanai is the chairman, president and chief executive of Fast Retailing who are the parent company for Uniqlo. Through his years of building up his father's tailoring business he developed his personal credo. His staff have the 23 management principles (distilled into 8 themes) on small cards. The eight themes are: put customers first, contribute to society, embrace optimism, learn from failure, focus on the details, be your own critic, connect to the world and disrupt yourself

businessoffashion.com, 17 October 2016

Financial services

Customer dissatisfaction – banking channels

Banks manage customer experience across a range of channels, but recent studies have suggested that many customers are dissatisfied with their experiences of channels that are supposed to offer a seamless experience. This has the potential to reduce the financial service provider's customer base, leaving it to rely on more fickle customers and even a diminished reputation. Two studies investigate the relationship between customers' dissatisfaction with their main bank channel and their intention to leave the bank in the future. They indicate that, when customers have a high level of trust in banks, they are less likely to defect even though they may be dissatisfied with the primary banking channel.

Journal of Financial Services Marketing, Vol21(3) 2016, pp194-208 (Kabadayi)

And dissatisfaction leads to disrupters

New challengers are on the brink of launching in the UK aimed at grabbing a share of the SME market. IbanFirst is launching using the "banking as a

service" (Baas) model where you pay as you go for the services that you need. The secure lending arena is to be filled (licences willing) by Acorn Financial Partners which is a development of Redwood Bank. They are to offer secure lending to SMEs. Metro Bank is also developing services specifically for the SME sector as they have identified the importance of face-to-face relationships.

smeinsider.com, 19 October 2016

Lloyds and Mastercard use facial recognition

This month both Lloyds and Mastercard are enabling their customers to access their accounts through facial recognition. This marks a trend for older, more traditional finance brands to update their images to provide a better service to customers. Biometrics allows them to do this in the face of competition from disruptive fintech startups such as Atom Bank. The use of biometrics is becoming increasingly common – mobile phones and tablets from brands such as Samsung and Apple can be accessed using fingerprint recognition, rather than a password.

marketingweek.com, 17 October 2016

FMCG

Beverages

"Tea wine" to be launched in UK

Scientists in the Himalayas have developed so-called "wines" from tea leaves which contain 12% alcohol. The new brew, which is reported to have an aroma of tea but a flavour more like wine, is due to be brought to market in Britain where it is hoped that it will fit in nicely with the country's tea-drinking heritage!

The Times, 18 October 2016, p3

Baijiu developments

In an attempt to create an export market the Chinese distillers of baijiu are lowering the alcoholic content and working with mixologists to find the perfect cocktails. When it is created it is 106-proof which they are lowering to 80-proof or 40%. There are many different brands that each have different inherent tastes. Some have a hint of pineapple and soursop which is salty, others are infused with lychee and dragonfruit. Cocktail makers therefore also have to match to a particular brand. If you want to know more about tequila then look out the FT special – it even lists the top ten tequila bars in the world!

Bloomberg Businessweek, 17-23 October 2016, pp18-19;
Financial Times (The Business of Tequila), 22 October 2016, pp1-4

Cosmetics and toiletries

Changing market

The US market for fragrances, currently standing at \$6.6 billion, is growing and is projected to grow

18% by 2020. But sales of celebrity fragrances have dropped by 31%. The millennial buyer also seems to be moving away from mass market and is looking for new names. New packaging in the form of a ten millilitre rollerball is also fuelling this growth sector. In *The Sunday Times* article a research paper is discussed which claims that "a splash of a well-known fragrance will lift a man's sex appeal" proving that the "Lynx effect" is actually real – not just a slogan!

Bloomberg Businessweek, 17-23 October 2016, p19; The Sunday Times, 23 October 2016, p5

Food

M&S launches the croloaf

Marks & Spencer has created a sliceable version of the croissant, effectively turning it into a loaf. This is not the first time that the Brits have messed with the croissant: in February Tesco announced that it would only sell straight-edged versions because the curved shape was challenging to spread jam on. M&S has described its new creation as a bakery hybrid, dubbed the "croloaf", which is the "perfect fusion of the French and British breakfast". One slice contains just 114 calories compared with the 340 in the average croissant.

The Times, 20 October 2016, p23

Hotel Chocolat profits up 91%

Hotel Chocolat has reported a 91% rise in pre-tax profits in its first annual results since becoming a listed company. The company's online division, which includes a subscription-based "tasting club", saw revenues rise by 20%. The company has opened seven new stores and invested heavily in what is described as a "Wonka-esque" chocolate machine. It also has plans to launch a gift app next year in response to a huge surge in sales on mobile devices. In *The Grocer* Angus Thirlwell has promised that there will be no price hikes following Brexit.

Financial Times, 20 October 2016, p19; The Grocer, 22 October 2016, p8

Tobacco

BAT looking to grow

Consolidation in the tobacco market is underway as British American Tobacco are trying to take control of Reynolds American. They already own over 42% of the company but are looking to acquire the remaining 57%. BAT currently are third with 10.8% of the world cigarette market and Reynolds American just 1.7%. The market is dominated by China National Tobacco Corp with 44% of the market and Philip Morris International with 14.7% (Market size is by retail volume).

The Times, 22 October 2016, pp51-53

Government and public sector

Clinton campaign slogans – unseen slogans

Wikileaks has revealed 84 US election campaign slogans that were rejected by the Hillary Clinton side. This is the result of hacked e-mails from campaign chairman, John Podesta. The slogans, which throw some light on the Democrat's branding and marketing strategy, are grouped into topics which include: "fairness/families"; "fighter"; "basic bargain/making America work"; and "it's about you". The team finally chose "Stronger together" to lead the campaign. All 84 of the unused slogans are listed here.

thedrum.com, 20 October 2016

Health and pharmaceuticals

The march of the biosimilars

Johnson & Johnson (J&J) is to discount its arthritis drug in response to the introduction of a cheaper version. Pfizer is to introduce a copycat version of Remicade, J&J's best-selling anti-inflammatory drug used in the treatment of rheumatoid arthritis. J&J already has competition from biosimilars produced overseas but Pfizer is the first company to launch a version in the US market. Biosimilars are a serious threat to the pharma industry which is struggling to adapt to the loss of patent protection on its best-selling drugs.

Financial Times, 19 October 2016, p14

Codes combine

A new code has been developed by the European Diagnostic Manufacturers Association and Eucomed who cover in vitro diagnostics and medical devices respectively. This code is then being brought into the Association of British Healthcare Industries (ABHI) code from October 2016. Whilst the code is a non-statutory scheme, med tech companies are bound by it. There are some significant changes including: the end of direct sponsorship of healthcare professionals' attendance at third party events; new transparency and public disclosure requirements; stricter rules on educational grants; and the use of a conference vetting system. More info can be found on the website below.

arnoldporter.com, 20 October 2016

IT and telecoms

Poor mobile coverage for 17m people

Over 17m people (one third of mobile phone users) in Britain receive poor or no reception in their homes. This is the finding of a survey from uSwitch which reveals that mobile phone networks have a way to go before they can deliver guaranteed phone and text coverage to 90% of the population by next year. This is despite Ofcom claiming that 98% of households had mobile phone coverage last year.

People who have bad reception are advised to check Ofcom's network coverage maps as some areas are covered by certain networks and not others.

The Times, 20 October 2016, p2

Five year branding

SmartWater gel is being installed in the 2,400 ATMs owned by Co-op. The liquid will hold a unique code for each machine and remain on skin for up to five years. A very small amount of gel is needed to mark stolen cash and it is hoped that it will act as a deterrent.

The Grocer, 22 October 2016, p10

Leisure and tourism

Sport in the office – less talk, more play

Office conversation often centres on sport because it is an uncontroversial subject but there has been a shift in emphasis, from work colleagues discussing the sports they watch to discussion about the sports they actually take part in. Participating in sport seems to have become the sign of a good employee. It has also shifted the gender balance because women are more likely to participate in sports than watch them. Sport can become part of an individual's personal brand which they can discuss with colleagues and promote on social media.

Financial Times (Executive Appointments), 20 October 2016, p1

Media

Internet

Unfair odds

Online betting is under the spotlight as gambling companies are being investigated as small print overturns winning bets. The Competition and Markets Authority (CMA) has begun a review of promotions and unfair curbs plus the use of invoking money laundering rules unfairly to avoid payments. Users of online gambling in Britain lost £3.5 billion last year and the sites are used by 5.5m people regularly.

theguardian.co.uk, 21 October 2016; The Times, 21 October 2016, pp1,4

Magazines

InStyle print to disappear

Time Inc. is to axe the UK print edition of its *InStyle* magazine. Instead it will pursue a digital strategy with the aim of achieving 200% growth across UK digital platforms by 2017. The magazine is 65th on the ABC's list of the top actively-purchased magazine titles and sold an average of 78,262 copies in the first half of the year although this figure was down by 18% on the previous year. It is also 50,000 copies behind *Vogue's* actively-purchased circulation.

campaignlive.com, 19 October 2016

Music

Are we 'appy?

Streaming services are too expensive according to the respondents of a YouGov survey for Zuora. The survey found that 90% of the British public are not subscribed to any of the apps and 48% claim they are too expensive. Although there has been enough disruption in the market so that 50% say they will never buy a CD again. These statistics however were gathered in May so there may be a change even since then.

thedrum.co.uk, 19 October 2016

Newspapers

Print rising

Rivalry between *The Telegraph* and *The Times* is decades old following long price wars. Circulation for most print editions has been in decline but *The Times* has shown a marked increase. This interview with John Witherow, the editor, covers how they have achieved this growth.

Campaign, 21 October 2016, pp18-19

Social media

'Likes' and brand outcomes

This study investigates how the number of 'likes' and friends' 'likes' influence consumers' perceptions of a brand page on Facebook and other brand outcomes, notably consumer brand attitude, trust, involvement and purchase intention. The study uses various theoretical concepts, such as diffusion of innovations, social capital theory, and sociometric versus peer-perceived popularity. A significant finding is that the intensity of Facebook use influences the relationships between the number of overall 'likes' and friends' 'likes' and brand attitude, brand trust and purchase intention.

Journal of Marketing Communications, Vol 22(5) 2016, pp544-559 (Phua and Ahn)

Television

Netflix beats growth expectations

Netflix has beaten forecasts for subscriber growth, having added 370,000 US, and 3.2m international customers, in the third quarter. Netflix has stayed ahead in the race to attract audiences as people move away from linear TV towards digitally-streamed or on-demand viewing. The company plans to produce 1,000 hours of original programming next year, up from 600 hours this year.

Financial Times, 19 October 2016, p14

Live coffee morning

National Coffee Day was celebrated across the world on 1 October 2016. Nestle, the global coffee brand, hosted a 24 hour live event encompassing social media channels and engaged with 15m people in over 60 countries. Under the banner of Good Morning World they encourage uploading of photos

and other user generated content. They also pledged to supply a coffee plant to a farmer for every video received and 2,285 plants were distributed.

brandchannel.com, 21 October 2016

Packaging

Recycling of packaging

Each quarter there are targets set by the Government on its National Packaging Waste Database. Q3 figures show that the levels for glass, aluminium, plastic and steel are all at the required levels. The levels for paper and wood are well in advance of the required levels. Tonnages per quarter are given and the obligation.

letsrecycle.co.uk, 24 October 2016

Retailing

Tesco starts recovery

Tesco is continuing its comeback by increasing its market share – albeit by just 0.1% – to 28.2%. This is the company's first market share growth in five years at a time when Britain's grocery sector is highly competitive. During the 12 weeks to 9 October Tesco gained an additional 228,000 customers and increased its takings by 1.4%, its best year-on-year sales growth in over three years.

The Times, 19 October 2016, p37

Services

Short term lets

The sharing economy is causing headaches in the US as Airbnb threaten to take the state of New York to court if it signs its "accommodation bill". The disruptive waves have been resolved in many states with over 200 cities resolving the tax issues. Each city has unique laws which is making the process cumbersome. This is the same in other countries as well, with Barcelona having a ban on short term accommodation of this type.

Financial Times, 22-23 October 2016, p13

Transport and travel

Driverless vehicles – the latest

Germany's Federal Motor Transport Authority (KBA) has asked Tesla not to use the term "autopilot" in marketing its cars as drivers might believe that they don't have to pay attention when driving. Tesla has responded that it has "great confidence in our German customers and none are known to have misunderstood the meaning". In May the Association of British Insurers said motorists will need to remain alert until vehicle driving becomes fully automated. The first trial of a driverless vehicle in public spaces took place in Milton Keynes a couple of weeks ago, using a vehicle called Selenium. The UK Government has said that it plans a "rolling programme of regulatory reform" to support the adoption of autonomous vehicles.

out-law.com, 19 October 2016

Website of the week

Neighbourhood statistics

The Office for National Statistics (ONS) have summarised statistics that cover the census, deprivation, health, local economy, education, housing and crime all in one place and called it NeSS. You can search by different area boundaries (Local authority, ward, etc) and you can get a comprehensive summary report for a postcode.

Office for National Statistics, 25 October 2016

Written by CIM's Knowledge Services Team

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On the Move

Name	From	To	New title	Source
David Patton	Grey EMEA	Y&R	Global President	Campaign
Tony Reed	Tesco	Palmer & Hartley	CEO	The Grocer
Simon Twigger	Poundland	Steinhoff International		The Grocer
Barry Williams	Asda	Poundland	Trading Director	The Grocer

Promotions

Name	Company	Previous title	New title	Source
Justin Pahl	Abbott Mead Vickers	Managing Partner	Managing Director	Campaign
John Power	Symingtons	COO	CEO	The Grocer

Cutting Edge: Our weekly analysis of marketing news

Sources

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Public Relations Tactics**

www.research-live.com

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smeinsider.com

The Sunday Times

The Times

www.utilityweek.co.uk

Winning Edge

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

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[IT and telecoms](#)

[Leisure and tourism](#)

[Marketing trends and issues](#)

[Advertising](#)

[Agencies](#)

[Brands and branding](#)

[Children](#)

[Conferences and events](#)

[Consumer behaviour](#)

[Customer relations](#)

[Direct marketing](#)

[Law](#)

[Marketing](#)

[Market research](#)

[Public relations](#)

[Sponsorship](#)

[Media](#)

[Internet](#)

[Magazines](#)

[Music](#)

[Newspapers](#)

[Social media](#)

[Television](#)

[Packaging](#)

[Retailing](#)

[Services](#)

[Transport and travel](#)

[Website of the week](#)

[On the move](#)