

Cutting Edge: Our weekly analysis of marketing news

1 March 2017

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

Multimedia campaigns

This article describes a study of the conditions in which multiple platforms in a campaign lead to particular advertising effects. The authors conclude that cross-platform advertising builds brands and is more effective for a higher return on investment than a single platform advertisement. The study also reinforces the idea that the most powerful results come from a combination of digital and television advertising

Journal of Advertising Research, Vol 56(4) 2016, pp352-367 (Snyder and Garcia-Garcia)

Women in advertising

A film, entitled *10 from 50*, will mark International Women's Day on 8 March. It will also mark the launch of the Museum of Brands, Packaging and Advertising's season of themed events. The film, made by Lindsey Clay of marketing body Thinkbox, focuses on ten key adverts which depict women in advertising. She stresses that she hasn't necessarily focused on the worst offenders but the film does identify the "persistent portrayal of women as key domestic workers". This article discusses the use of women in ads.

The Observer, 26 February 2017, pp12-13

Agencies

Client-agency relationship

Andrew Dalglish, director of Circle Research, which compiled this year's *B2B Agencies Benchmarking Report*, has extracted five pieces of advice that agencies can offer to clients. They include creating a good brief; sharing a clear strategic vision; allowing the agency time to produce good work; managing internal stakeholders; and creating something "remarkable" which can only be achieved if the

client is less risk-averse.

B2B Marketing, Q4, 2016/17, p36 (Dalglish)

Unilever sets up internal agency database

Unilever is creating an internal website called The Agency List, which will act as a catalogue of the agencies it uses. It will contain contact data, information about past work and feedback from Unilever marketers. The aim is to improve efficiency and to encourage the business to use preferred agencies. Unilever is to introduce similar lists for other services used by the business.

Campaign, 24 February 2017, p6

Brands and branding

SME brand identity and performance

This paper examines the association of brand identity with business performance in SMEs. The authors look at whether brand identity affects the relationship between brand orientation and brand performance and whether brand performance results in better financial performance. They also investigate whether these performance effects are influenced by customer type and industry type. The study, which analyses brand identity through brand values, brand vision and brand positioning, is based on data from Finnish SMEs. It finds that brand positioning and brand vision have a direct positive effect on brand performance which then positively affects financial performance.

Journal of Product & Brand Management, Vol 26(1) 2017, Earlycite (Muhonen et al)

Conferences and events

Exhibitors failing to follow leads

Recent research undertaken by RefTech at an international business tourist exhibition has revealed that 62% of exhibitors fail to follow up on leads. It reveals that, of the 38% of exhibitors that did follow up, 19% did so with an e-mail while the remainder



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simply added the contact name to a mailing list. Half the companies that took the trouble to scan up the visitor's badge followed up on the lead. Simon Clayton, chief ideas officer at RefTech, says that, while the use of technology helps, exhibitors should start by getting the basics right and this involves following up leads.

meetpie.com, 27 February 2017

International conference bidding

This article looks at the various steps involved when countries bid to win conferences, with particular reference to Kenya. The author divides conferences into four main categories – association, corporate, governmental and NGOs – before going on to discuss the bidding process.

Marketing Africa, Issue 15, 2016, pp28,30,32-33 (Asoro)

Consumer behaviour

Anticipated consumption

Repeated consumption of an item can lead to "satiation" and the desire to try something different. Five experiments suggest that when people anticipate consuming something different in the future, their rate of satiation slows down. This applies to both food and non-food consumption. It also applies if the future consumption is in a related product category or is as attractive as the present consumption outcome.

Journal of Marketing Research, Vol 53, December 2016, pp954-968 (Sevilla et al)

Customer relations

The right solution customers

The authors develop a methodology for identifying and segmenting customers for business solutions in the B2B environment. Criteria for evaluating solution customers are tested through interviews with solution project managers. This is followed by a case study to convert the selection criteria into a managerial methodology consisting of 21 criteria. These are structured into two dimensions: the quality of the relationship and the customers' potential for future solution partnership. Four customer segments are identified which can help to determine customer attractiveness.

Industrial Marketing Management, Vol 60(January 2017, pp173-186 (Windler et al)

Direct marketing

Reappraising SMS

The best way to target mobile phone users is to text them, yet marketers rarely use SMS. Research suggests that 83% of users don't find SMS intrusive provided that the message is relevant to them. In the past SMS acquired a bad reputation because of PPI messages and other spam. This, combined with high costs, deterred marketers from using SMS. However, it has the potential to be an extremely effective channel. The author tells you why you

should revisit SMS and what you need to consider when using it.

dma.org.uk, 24 February 2017 (Campbell)

Always obtain direct consent

Digitonomy Ltd, a credit broker, has been fined £120,000 by the Information Commissioner's Office under the Data Protection Act 1998 for sending out marketing texts without obtaining proper consent. It had used affiliated marketing companies to send out over 5m messages offering cash loans. The law states that recipients must give specific consent to the receipt of marketing text messages. This might be difficult for companies like Digitonomy, which relies on consumer data that has been obtained by a third party on their behalf. It is a warning to businesses who buy marketing lists from third parties, or who recruit third parties to undertake marketing for them.

lexology.com, 22 February 2017 (Clark)

Law

Transferring data from the EU to the UK

Businesses involved with the flow of data from the EU to the UK will be concerned about the impact of Brexit. This article looks at the position for companies in Ireland who will want to transfer data to the UK after Brexit. It explains the law and considers the viability of "alternative mechanisms" and practical steps that businesses can take.

lexology.com, 23 February 2017

ASA targets pay-per-bid sites

The Advertising Standards Authority (ASA) has published rules banning "misleading" advertising claims by six pay-per-bid auction sites. Sites, such as MadBid and Swoggi, often known as "penny auctions", charge customers each time they bid, usually through a system of pre-purchased credits. The ASA had received complaints that the sites had been exaggerating the savings to be made and had misquoted recommended retail prices.

campaignlive.co.uk, 22 February 2017

Marketing

Multichannel differentiation

Some companies design sales channels that focus on customer-related tasks rather than each channel performing a range of tasks. This article investigates how the division of segment- and task-related responsibilities in multiple sales channels impacts the relationship in the multichannel (MC) system and the company's sales success. The authors develop a framework for MC differentiation which distinguishes between segment differentiation and task differentiation. A study of manufacturing companies in the B2B context reveals insights into the impact of organisational MC differentiation. The article also

highlights the importance of key MC customer characteristics.

Journal of Marketing, Vol 81(1) 2017, pp59-82 (Fürst et al)

Finding the "relevant" executive

Strategic account managers (SAMs) will identify a number of sales opportunities but one of the most important aspects of the sales process is to identify the real buyer or "relevant executive" in the strategic account. This executive or key player has the informal power to make buying decisions but may not necessarily be the formal decision maker. Identifying and aligning with the relevant executive for the sales opportunity will help to reduce the time spent in completing the deal. It is important to communicate the value that the seller organisation may already have delivered to the client organisation. This article describes the creation and development of a detailed value proposition.

Velocity, Vol 19(1) 2017, pp39-44 (Bistriz)

Market research

Overcoming cheating

Over the years behavioural scientists have investigated what makes people cheat. New research by Nina Mazar and Scott Hawkins examined how the use of default answers in forms might influence people's honesty and affect their tendency to cheat for monetary gain. Their findings have significant implications for the design of forms. The researchers suggest that forms that are accurately pre-populated with personal information may help to reduce dishonesty. People are less likely to change correct information for false information since it would require physical and psychological effort to do so. It is human nature to cheat but intelligent design, using some of the ideas proposed here, may help to reduce errors or cheating.

research-live.com, 21 February 2017 (Hollingworth)

Public relations

Colour your responses

Companies often fail in the delivery of products and services, such as in the case of VW's emissions scandal. There has been limited research devoted to consumer perceptions of the "executional" features of advertising and marketing communications that are designed to address product failure. Among these executional features are cues such as colour. The authors focus on how colour (red vs blue), in marketing launched after a product failure, influences consumers' interpretations of negative information and sensitivity to the company's response to the failure.

Journal of Advertising, Vol 45(4) 2016, pp365-376 (Puzakova et al)

Connecting millennials with purpose

A Gallup survey reveals that only 40% of millennial workers in the US feel connected to their company's mission or purpose. The research found that companies with motivated workers show improved performance, enjoy employee loyalty and retention and greater customer engagement. Gallup says that consistent communication is needed in order to connect millennials to company purpose.

Public Relations Strategist, Vol 22(4), p4 2016

Sponsorship

Chelsea sponsors uproot and go

Some of this year's Chelsea Flower Show sponsors have pulled out, including the Telegraph Group, Harrods, Asda, LG and L'Occitane. A few city sponsors, such as M&G, Linklaters, Royal Bank of Canada, remain loyal sponsors. The show will also have fewer show gardens than 2009 after the financial crash, which could be a sign of reduced confidence after the Brexit vote. In contrast, corporate hospitality does not seem to have been affected.

The Times, 28 February 2017, p37

O2 renews arena sponsorship

O2 is to renew its naming rights for London's O2 arena in an estimated £120m, ten-year deal with AEG, the venue's owner. There is evidence that O2's partnership with the arena and other venues has done something to boost loyalty, according to Enders Analysis, which says that O2 is a market leader in reducing customer churn. UK customer numbers at O2 rose from 17.8m in 2007 to 25.5m in 2016. AEG Europe says the partnership has "gone from strength to strength" because it wasn't simply based on sponsorship.

Campaign, 24 February 2017, pp2-3

Agriculture, fishing and forestry

British quinoa

The first successful quinoa crop grown in Britain was harvested in 2013 by farmer, Stephen Jones. By 2016 he had overseen the production of 500 tonnes of the South American grain. The family farm has licensed the seed to other farms across Britain and now British-grown quinoa is sold at Pret A Manger, Leon restaurant and is used by Duchy Originals. However, what seems to have fuelled the most debate is how to pronounce the word "quinoa" – is it "keen-wah" or "quin-o-wah"?

The Times, 22 February 2017, p23

Consumers focus on eggs, not meat welfare

RSPCA Assured, the RSPCA's welfare label, says British shoppers seem to have more concern for the welfare of chickens kept for their eggs than for

meat. This follows a survey by the charity in which 60% of shoppers say they buy cage-free eggs but only 33% buy ethical chicken meat. This is despite 86% saying they think all chicken meat should come from higher welfare systems. Sophie Elwes, an RSPCA scientist, says that labelling can be misleading with "farm name" brands leading people to believe they are buying higher welfare chicken.

farming.co.uk, 27 February 2017

Building industry

Construction output 2016

Full year data from the Office for National Statistics reveal that industry output in 2016 grew by 1.5% year-on-year to reach £136.38 billion, the slowest increase since 2011. This isn't considered bad in a year that saw economic uncertainty and political upheaval due to the Brexit vote. Other figures suggest that in the last quarter of 2016 there was a rise in the number of projects being put on hold. The Construction Products Association (CPA) predicts that output will grow by just 0.8% this year. A series of infographics depict construction trends in 2016.

Construction News, 24 February 2017, pp34-35

Barratt – strong outside London

Barratt Developments, one of the UK's biggest housebuilders, has demonstrated rising confidence in the market by increasing its shareholder dividends. Housebuilders' share prices fell after the EU referendum vote due to economic uncertainty. Barratt reports that house completions outside London were at their highest rate for nine years, at 6,813, for the second half of 2016. However, overall completions fell due to a slowdown in London. High land prices in London have led to the company reducing its exposure to the city.

The Times, 23 February 2017, p43

Planning permission

Diversification, where someone is trying to exploit the full potential of a business or piece of land, often requires planning permission from the local authority. The author runs through the definitions of development, permitted development rights and change of use of existing buildings or land use. A case study of Hounslow Hall Estate, originally just a dairy, is included.

Open Air, Issue 7, February 2017, pp9-11 (Stacey)

Businesses and strategy

Products to services

This article focuses on "servitisation", in which manufacturing companies shift from designing and selling physical products to designing and selling a system of products and services or product-service systems (PSS). However, the bundling of products

and services does not always lead to the desired performance outcomes. The authors propose a framework, which includes a matrix, to help manufacturers overcome this dilemma, and provide guidelines for identifying PSS that are effective for value creation. They suggest that the product and service elements of the PSS should have enough value in their own right to be sold separately. The product and service should also come from different quadrants of the matrix but the combination of elements should create synergy.

Industrial Marketing Management, Vol 60, January 2017, 33-41 Kuijken et al)

Fairness in distribution channels

The authors look at how companies make decisions during a two-stage process in which they decide on investments in the first stage and on prices in the second stage. They discover that companies' behaviour is quite different from those predicted in the standard economic model, largely due to fairness concerns. In cases involving manufacturer and retailer they shows that fairness significantly influences channel pricing decisions. They investigate what actually affects perceptions of fairness by examining four principles: strict egalitarianism; liberal egalitarianism; libertarianism; and a sequence-aligned idea.

Journal of Marketing Research, Vol 53, December 2016, pp969-987 (Cui and Mallucci)

Agile methods

Agile methods are common in IT where they are used to deliver IT projects; these are often in the public sector, where there have been historic failures in timing and budgets. Agile methods can help to avoid problems encountered with the traditional Waterfall development process: they allow projects to change direction quickly and can release working versions early, enabling users and customers to experience the product and give feedback. The author explains how the agile method works and describes some related approaches. An agile example of building a town is included.

Cambridge Marketing Review, Issue 12, Winter 2016/17, pp26-29 (Berridge)

Innovation – from start-up to mass market

Successful innovation depends on two factors: finding something new and bringing it to the mass market. Yet the skills and mindsets needed to create a successful start-up are quite different from those required to bring an idea to the mass market. Large corporations should play to their strengths rather than trying to behave like a start-up. They have two options when it comes to innovation: to create a separate division or to acquire start-ups. Since 2001

Google has acquired over 200 companies and has 3,500 JVs with start-ups.

London Business Review, Issue 1, 2017, pp18-21 (Markides)

Charities and NGOs

Small charities

The combined income of the top 100 fundraising charities was £9.5 billion in 2015 but around 97% of charities survive on less than £1m a year, according to the Small Charities Coalition. This means that smaller charities can be overlooked when it comes to designing policies for a sector in which size equates with success. The 3% of charities with bigger incomes attract the attention of the public and media. Small charities need to work to change how they are perceived by the public, the sector and stakeholders. Case studies of Beacon House Ministries, Icen Ipswich and 4CT are included.

Third Sector, February 2017, pp32-35 (Cooney)

Where's Waldo addresses gender parity

The United Nations Women Egypt's new campaign makes use of a children's toy to demonstrate gender inequality. The *Where's Waldo* game, which appears on three separate ads, asks you to find the one woman in among the hundreds of men. The ads, which illustrate three growing industries in Egypt – science, technology and politics – illustrate show how underrepresented women are. Only 23% of Egypt's workforce is made up of women aged 18 to 29.

campaignlive.co.uk, 23 February 2017

Durable consumer goods

Toys R Japan

Toys are popular in Japan; the Hakuhinkan Toy Park, for example, has 200,000 items across five floors. Toys targeting the over-20s account for 27% of the country's domestic toy sales. This is important for Japan's three biggest toymakers in a country where the proportion of under-15s has halved since the 1970s and is expected to be just 9% of the population by 2060. As well as selling to a wide age range, toymakers are linking up with sectors such as tech and fashion.

The Economist, 25 February 2017, pp61-62

Economy

Champagne toasts Ireland's prosperity

The basket of goods used to calculate the rate of inflation in Ireland will include the price of a bottle of champagne and the fees paid to stockbrokers, suggesting that the country is no longer suffering from an economic crisis. In fact Ireland has had the fastest growing economy in the EU for the past three years. Guinness keeps its place in the basket but is joined by craft beers, avocados, melons and

e-cigarettes. Clock radios, blank CDs, and disposable cameras are among the goods to have left the basket, while e-readers and TV streaming services have been added for the first time.

The Times, 22 February 2017, p39

Property affordability...

An analysis of ONS data for last year reveals that many prospective homeowners did not have the income to buy an entry-level property in a quarter of neighbourhoods in England and Wales. Over the past decade the cost of an entry-level property has risen by 20% to £140,000 on average. In England those who bought homes last year paid on average £198,000, but in London the average was 423,000. This article includes an affordability calculator telling you where you can afford your first home!

visual.ons.gov.uk/prospective-homeowners-struggling-to-get-onto-the-property-ladder/, 24 February 2017

...and home ownership

Levels of home ownership have fallen faster in the UK than elsewhere in Europe because of rising house prices and a stricter lending regime. This is according to Eurostat data, which show that the percentage of Britons owning their homes has fallen from 74% in 2007 to 63% in 2015. Home ownership levels in France have increased and overtaken those of Britain. In the EU only Germany, Austria and Denmark, which have a system of secure-tenancy renting, have lower ownership rates than the UK.

The Times, 25 February 2017, p14

Energy and utilities

Smart Energy - reaching vulnerable customers

A report from Smart Energy GB warns that vulnerable customers do not believe that advertising is aimed at them. There is a need for campaigns that can overcome some customers' inclination to block out marketing. Smart Energy GB, which has the job of rolling out smart meters in Britain, has made some recommendations for getting the attention of "hard-to-reach" groups. The report says that vulnerable people are more likely to resist behavioural change. It suggests using "specific visual styles and text" and "aligning visual imagery and messaging in a clear and literal way" that these audiences will notice.

Campaign, 24 February 2017, p6

British Gas to reward loyal customers

British Gas is planning to reward its loyal customers with free energy days, discounted insurance and entertainment offers, such as free access to films on Sky. The £100m-rewards programme will offer tailored loyalty deals according to the length of time someone has been a customer. The Big Six energy companies have been criticised for not rewarding their most loyal customers, some of whom are on

more expensive tariffs. Thousands of British Gas customers have defected over the past five years.

The Times, 22 February 2017, p45

Electricity supply – green energy conundrum

Renewable energy is growing faster than any other energy source and falling costs mean that it can compete better with fossil fuels. Yet, the more green energy is used, the more it lowers the price of other types of energy which makes the transition to carbon-free more difficult. Both types of energy have to make a profit in order to keep electricity flowing. The big task is to redesign power markets to allow for more flexibility and adjust prices accordingly. A feature article looks at how wind and solar power are disrupting the established model of electricity supply.

The Economist, 25 February 2017, pp11,20-22

Reforming the electricity market

In its report, *The Price of Power: Reforming the Electricity Market*, the UK's Economic Affairs Committee states that constant intervention by various governments in the electricity sector has "led to an opaque, complicated, and uncompetitive market that fails to deliver low cost and secure electricity". In particular it identifies two key failures in the market: the lack of spare capacity, particularly in winter and the rising cost of electricity to consumers and businesses. A list of recommendations is made.

www.parliament.uk/business/committees/committees-a-z/lords-select/economic-affairs-committee/news-parliament-2015/uk-energy-policy-report/, 24 February 2017

Environment

Coca-Cola removes deposit scheme opposition

Coca-Cola has removed its opposition to a deposit return scheme for plastic bottles and cans. It had been against the introduction of deposits of between 10p and 20p for drinks containers but said it had changed its mind because recycling rates have slowed. Just 57% of plastic bottles are recycled in the UK vs. over 95% in countries with deposit schemes, such as Germany and Norway. Coca-Cola is to support a trial deposit scheme in Scotland which covers all kinds of drinks containers.

The Times, 23 February 2017, p17

Textiles and tyre plastics found in sea

A new study reveals that a million tonnes of microplastics find their way into the ocean every year. This plastic comes from synthetic textiles and rubber tyres whose pieces are too small to be filtered out by sewage plants and so end up in the sea where they are eaten by sea creatures. The research, by the International Union for Conservation of Nature (IUCN), has found that two-

thirds of microplastics that find their way into the sea, derive from textiles and tyres compared with 2% from microbeads. The UK Government plans to ban some products containing microbeads. The study calls for more research aimed at producing materials that shed fewer fibres.

The Times, 22 February 2017, p22

Fashion

Emma Watson promotes sustainable fashion

Actress and UK Goodwill Ambassador, Emma Watson, made the decision to wear only sustainable fashion, when appearing on the red carpet, after witnessing the dreadful conditions of factory workers in Bangladesh. Now she is turning to Instagram to endorse fashion brands that use sustainable materials. Her new Instagram account, which is called The Press Tour, follows Ms Watson around her publicity events, recording her fashion choices.

campaignlive.co.uk, 21 February 2017

Mods back in style

Paul Weller, the Jam's singer-songwriter, has launched a crowdfunding share offer to raise £400,000 for his clothing brand, Real Stars Are Rare, which is inspired by the mod movement. Parkas are already back in fashion among mods and Ben Sherman, the shirtmaker, is attempting a comeback.

The Guardian, 25 February 2017, p23

Financial services

Metro – growing but is it overvalued?

Despite Metro Bank reporting an annual loss and expensive branch network expansion plans, it is valued at over £2.8 billion, which is nearly twice that of Virgin Money with all its branches. Metro, the only new bank to have attracted a significant number of new personal accounts, reported record deposit, lending and customer account growth for 2016. This article looks at whether the bank is overvalued and compares it to its competitors.

The Times, 23 February 2017, pp38-39

Chinese fintech

China has become a leader in fintech, having become the biggest market for digital as well as the dominant player in online lending, with three-quarters of the global market. Chinese companies occupy four out of the top five places in the world's most innovative fintech companies. This article investigates the financial sector in China, what factors have made fintech so successful and how it has provoked a competitive response from some of the bigger banks. Ultimately China is setting an example to both emerging and developed markets

The Economist, 25 February 2017, pp65-67

FMCG

Beverages

Bud Light returns to UK

Bud Light is to be reintroduced into the UK by ABInBev, having been absent from the UK since 2001. Despite this, its visibility in TV programmes and films has given it a 63% awareness level in the UK even before launch. The company says this is its biggest product launch in ten years. The beer will target "the young generation".

conveniencestore.co.uk, 24 February 2017

Cosmetics and toiletries

Shampoo in a lather over longer hair

New research suggests that women are washing their hair fewer than three times a week because of the fashion for longer hair. Short, styled hair is losing its attraction and the number of women with long hair has risen by 20% since 2010. This has resulted in a decline in shampoo sales: 5m fewer litres were sold last year at a loss of £17m to the industry. Research by Herbal Essences has found that over 25% of women are using dry shampoo rather than wet-washing it.

The Daily Telegraph, 25 February 2017, p12

Food

Campbell's opens the can on health

Campbell's advertising used to portray a wholesome image for its soups, but these days it is struggling in the face of health-conscious consumers, and the company's revenues have declined over the past two years. In October Campbell's became sole investor in Habit, a start-up which offers personalised diet recommendations based on the consumer's physiology, lifestyle and health goals. The company uses DNA tests to sell semi-prepared foods according to consumers' bodily needs

Financial Times, 23 February 2017, p22

Fairtrade sales up

Sales of Fairtrade goods have been boosted by the rising popularity of bananas and coffee which have offset falling sales of cocoa and sugar. Revenues from Fairtrade produce rose by 2% in the UK last year, their first increase since 2013. Sales of bananas rose by 6% thanks to strong sales at Sainsbury's and Waitrose. Meanwhile the Co-op has become the first UK retailer to switch to using only Fairtrade cocoa in its chocolate products.

The Guardian, 27 February 2017, p20

Can Paddington reverse marmalade decline?

Around 60% of marmalade sales go to the over-65s, with the under-28s accounting for just 1% of sales. Sales of marmalade have fallen by 4.7% since 2013. This compares with sales of chocolate spread and

peanut butter which have increased by 56%. Paddington Bear, who has a film sequel coming out later this year, still appears on jars of Robertson's Golden Shred, but could he be enough to save the spread?

The Guardian, 25 February 2017, p15

Household

Unilever in strategic review

Following its rejection of Kraft's takeover bid, Unilever has started a strategic review of its business. The company's top ten shareholders have called on it to simplify its "archaic" structure whereby it has two parent companies, one in the Netherlands and the other in Britain. Unilever owns some of the largest global brands and is well thought of because of its stance on ethics and the environment but its operating margin is lower than some of its competitors.

The Times, 23 February 2017, p37

Government and public sector

100 years of advertising

This article charts the history of government communications, which celebrates its 100th year. It was formed in February 1917 as the Department of Information but 84 years later it had become the biggest advertiser in the UK. The COI was created in 1946 with 1,500 staff and a significant amount of autonomy. By 2011 it was axed, leading to such a "shambolic" situation that the IPA passed a motion of no confidence in it. The Crown Commercial Service, which emerged as a result, has a wide remit, from nudging people to staying healthy to encouraging small businesses and inward investment. It may also have to tackle social cohesion in the wake of Brexit. Meanwhile the trend is for long-term agencies to be axed in favour of smaller, regional outfits.

Campaign, 24 February 2017, pp32-35

Health and pharmaceuticals

Good news for fruit and veg producers...

A new study from Imperial College, London, suggests that eating five-a-day fruit and veg is good for you but ten-a-day is even better. The scientists say this could help to prevent 7.8m premature deaths. Eating up to 800g of fruit and veg is linked with a 24% reduced risk of heart disease, 33% reduced risk of stroke, 28% reduced risk of cardiovascular disease and 13% reduced risk of cancer.

theguardian.com, 23 February 2017

IT and telecoms

Tech start-ups ramp up in France

The accepted view is that Europe will never have a hub of tech firms like that of Silicon Valley. Some cities attract a digital presence, such as fintech firms in London, gamers and music-sharing in the Nordic countries and Milan's biotech start-ups. Venture capitalists have tended to steer clear of France because of its labour laws and high taxes but last year €2.7 billion-worth of investment went into France's start-ups. Xavier Niel, founder of Iliad, a mobile operator, is to open what he claims is the world's largest incubator in central Paris, called Station F. Facebook plans to take spaces there because, according to Sheryl Sandberg, France has "some of the most innovative technology companies in the world".

The Economist, 25 February 2017, p63

Nokia makes iconic return

The iconic Nokia 3310 phone has been unveiled at this week's Mobile World Congress in Barcelona. Nokia brand rights owner, HMD Global, has brought the phone back because of demand from fans. With 22 hours talk time and one month of standby time, the new version will be priced at just £40. HMD has also unveiled three Android smartphones – the Nokia 6, 5 and 3 – which are aimed at emerging markets.

marketingweek.com, 26 February 2017

Sony launches touch screen projector

Sony's Xperia Touch, which goes on the market this spring, is a projector that runs on Android devices. It can project a 23-inch touch screen on to any flat surface, including a coffee table, kitchen worktop or bedroom wall. It could, for example, turn a coffee table into a virtual piano. Sony says the aim is to enable families to enjoy activities together, such as watching YouTube or looking at photographs, rather than doing so alone on a small screen.

The Times, 28 February 2017, p15

Leisure and tourism

Gambling – advertising codes

This Commons Library briefing looks at the regulation of gambling advertising in Great Britain. Gambling and betting operators advertising to British customers have to comply with the CAP and BCAP codes which are administered by the Advertising Standards Authority. This paper summarises the codes, some of which relate to children and young people.

researchbriefings.parliament.uk/ResearchBriefing/Summary/CBP-7428, 24 February 2017

Online advertising – protect the supply chain

Following recent findings that online advertisers have unwittingly been appearing alongside extremist propaganda, this article warns the travel sector that it should consider its digital marketing strategy carefully. After *The Times'* investigation into programmatic advertising and online media purchasing last month, a number of large advertisers suspended their online campaigns in the UK. These included Sandals Resorts, whose advertising banner had appeared on the same page as a video for jihadist group, al-Shabaab. The controversy has kicked off a debate over who is to blame for the debacle. The authors argue that more emphasis should be placed on managing the advertising supply chain properly.

lexology.com, 20 February 2017 (Long et al)

Materials and mining

Diamonds aren't forever

Since the first diamond was discovered in South Africa in 1866, De Beers has dominated the global market. For a long time it successfully controlled the supply and "cultivated" the demand, effectively becoming both marketer and miner. By the end of the 20th century 80% of American brides had a diamond engagement ring. Despite still being the biggest producer by value, De Beers now contributes to just a third of global sales. The company has cut its exploration budget so there will be fewer new diamonds and the supply is expected to peak within the next few years. Now De Beers is trying to boost the attraction of natural gems, which will mean some new types of advertising.

The Economist, 25 February 2017, pp56-58

Media

Books

Waterstone's panned over unbranded shops

Waterstone's has been criticised for opening three unbranded shops and has been accused of deliberately portraying them as independent bookshops. MD of Waterstone's, James Daunt, says that branding small shops as independent helps them to integrate with the community. The three stores are in towns that used to have independent bookshops but don't any longer. The store in Southwold is simply called Southwold Books, with just a handwritten notice in the window indicating that it belongs to Waterstones. This echoes the controversy surrounding Tesco's Harris & Hoole chain of coffee shops, which many people believed to be independent.

The Guardian, 28 February 2017, p12; The Times, 27 February 2017, p11

Non-book products

Caroline McNulty, category manager at Waterstones, highlights the importance of non-book products in bookshops. The rise of the e-book and reading devices has served to emphasise the importance of connecting to physical objects, such as pen and paper. She argues that the satisfaction derived from writing in a diary cannot be replicated by an app. Increasingly publishers are offering non-book products which can be brought together with books "in an edited and curated way".

The Bookseller, 24 February 2017, p24 (McNulty)

Film

Outdoor cinema

There is growing demand for open air film viewings despite the unpredictable weather in Britain. A variety of scenic or historic settings are already playing host to film events. Advances in digital technology have enabled high quality images and surround sound to fit in with the settings. A raft of companies has begun to supply equipment to the growing "pop up" cinema experience. This article looks at the requirements for an outdoor cinema event.

Open Air, Issue 7, February 2017, pp50-52

Internet

International SEO

This article focuses on the process of optimising a website so that it ranks well in other countries, on alternative search engines or for users in various languages. International search engine optimisation is very complex yet not much is known about it. The author breaks the subject down into chunks offering: some key definitions; the main components of geotargeting; a discussion of the effects of language; how social media links to international search; and keyword optimisation. Five key points are summarised.

Cambridge Marketing Review, Issue 12 Winter 2016/17, pp8-11 (Morgan)

Programmatic ads infringe IAB guidelines

The Ad Quality Report for Publishers, by Ad Lightning, reveals that 28% of live programmatic ads infringed IAB guidelines in the fourth quarter of 2016. Scott Moore, CEO of Ad Lightning, says that consumers are becoming tired of sites that "slow to a crawl and jump around as ads load and disrupt the experience." The report identifies four major issues with online advertising: oversized, over-requested, processor-intensive and not SSL encrypted.

campaignlive.co.uk, 23 February 2017

Engaging with ad blockers

Emarketer estimates that one in five UK internet users used ad blocking technology last year. Research suggests that much ad blocking behaviour derives from poor digital advertising practices but

there are ways to address the issue. In a 6-month trial, Dennis Publishing found that by giving ad blocking users customised messages about the different "compensation choices" available to them, 57% decided to enable ads with a "one-click opt-in" solution while 38% of users added its sites to their whitelist. Engagement with advertising also improved.

emarketer.com, 24 February 2017

Magazines

A comic revival

2000AD, owned by Rebellion Publishing, is to bring back some 1970s and '80s British comics. The first launch will be *One-Eyed Jack*, which was first published in 1975, followed by *The Leopard from Lime Street*, first published in 1976. Ben Smith, of Rebellion Publishing, says that this type of material has a large mainstream audience and there is a "resurging popularity of titles deriving from material that was created for post-war generations".

The Bookseller, 24 February 2017, p16

Music

Vinyl still in the ascendency

Last year sales of vinyl records grew by 53% year-on-year to reach over 3.2m. This could be part of an increased interest in physical items related to media experiences. Music buyers could be reacting to the increasing number of music experiences that are being digitised and stored in the cloud. Many people will listen to an album online before buying the vinyl copy. Yet vinyl still accounts for just 3% of sales for the total music market.

The Times Raconteur, Future of Media & Entertainment, 22 February 2017, pp14-15

Newspapers

News groups in Yahoo content deal

Content from *The Daily Telegraph*, *The Guardian*, *The Independent*, the *London Evening Standard* and Hearst UK is to be added to Yahoo's news, sports, finance and lifestyle coverage. The deal will enable the content to be distributed via newsfeeds for users in the Canada, India, Singapore the UK and the US. The newspapers will be remunerated via a revenue-sharing model using native advertising. Yahoo currently has over 1 billion monthly users worldwide.

emarketer.com, 22 February 2017

Trinity consolidates as print ads fall

Trinity Mirror is in talks with Northern & Shell, parent of Express Newspapers, which could lead to it purchasing a stake in the business. Trinity has been clear that consolidation is one of the main elements in its strategy for growth this year. Last year the company increased its turnover by 20% mainly because it acquired local newspaper publisher, Local World, in 2015. Trinity expects a 9% fall in print ad revenues for the first two months

of 2017. Enders Analysis has predicted a 20% decline in print advertising for the newspaper industry as a whole.

Financial Times, 28 February 2017, p25

Social media

Experts warn against intrusive ads

Experts suggest that brands should avoid intrusive ad formats despite all the possibilities offered to them by social media. YouTube has taken steps to improve the user experience: next year it will discontinue its 30-second unskippable ads. Facebook, on the other hand, says it will allow in-feed videos that automatically play when the sound is on. Callum McCahon of Born Social, says that social videos should be "watchable and shareable rather than annoying and intrusive". He observes that YouTube seems to be focusing on retaining viewers while Facebook is intent on pleasing the advertisers. Recent research by Twitter found that silent, in-feed videos perform well in terms of viewer recollection and relevance.

Campaign, 24 February 2017, p8

Snapping a branded selfie

Snapchat allows advertisers to place their brands on people's faces using a "lens" filter. For example, one lens allowed users to have a white goatee beard and red top hat to look like Uncle Sam in a Budweiser ad. Users can engage with brands in this way to send selfies, overlaid with marketing messages, to friends. Snap, owner of Snapchat, will be highlighting this particular service, as it tries to persuade investors of the company's value prior to its IPO. Marketers believe that Snapchat will have to continuously innovate in order to compete with the likes of Instagram.

Financial Times, 22 February 2017, p14

The death of the sympathy card?

Facebook may not seem the obvious place to go to announce a death, yet over one in eight adults say they have used social media to announce a death, according to a study by Co-op Funeralcare. The study also found that a third of people who want their death to be posted online, have already communicated their wishes to someone else or put it in their funeral plan. The trend for digital death notices, tributes and condolences may one day lead to the demise of sympathy cards.

The Times, 28 February 2017, p3

Television

Over the Top TV

Streaming services, Netflix and Amazon Prime, have the capacity to vastly outspend traditional TV stations when it comes to creating high quality drama and programming. At a reported \$10m per episode, Netflix's *The Crown*, has been described as the most expensive TV series ever made. Netflix

expects to spend \$6 billion on original content this year. The question is whether traditional TV will be eclipsed by these so-called Over the Top (OTT) services which are transmitted by internet...

The Times Raconteur, Future of Media & Entertainment, 22 February 2017, p4

Video

YouTube innovation

Over the past decade YouTube has changed the way in which video is shared online and now has over a billion users. YouTube made mainstream video possible using what Stephen Johnson, author of *Where Good Ideas Come From*, calls the "adjacent possible". YouTube's success was timely and probably wouldn't have happened back in 2002 due to technology and people's attitudes to sharing. The author identifies three lessons that one can learn from innovators like YouTube.

London Business School Review, Issue 1, 2017, p58 (Birkinshaw)

Packaging

Intelligent packaging

Smart or intelligent packaging has been around for some years. Now a collaboration between Westrock, a global packaging company, Digimarc, a technology provider and Evrything, a software company, has resulted in a "connected packaging solution". It brings the Internet of Things, real-time and digital intelligence to paper-based consumer packaged goods. WestRock's packaging will have barcodes that can be scanned by smartphones, PoS scanners and other devices, allowing each product to have a unique Active Digital Identity and a data profile in the cloud.

Digital Labels & Packaging, Issue 27, January-February 2017, p32

No more wasted ketchup?

The LiquiGlide company, an MIT spinoff, has received \$16m in funding to help it develop bottles that allow "gloopy" liquids, such as tomato ketchup, to slide out of the bottle more easily. Liquiglide's bottles are coated with a porous texture which is treated with a layer of edible liquid lubricant which prevents the bottle's contents from sticking. The technology could help to save millions of gallons of water every year. Up to 15% of each bottle of sauce, shampoo or toothpaste is currently thrown away.

The Times, 22 February 2017, p17

Retailing

Retailer vs manufacturer – conflict delistings

Manufacturers can no longer dictate to retailers in the same way they used to. The emergence of equal bargaining power between the two parties can lead to "conflict delistings" where the manufacturer's

brands are removed from the retailer's selections. This study examines the vulnerabilities of both parties by looking at changes in market share as a result of a real-life conflict delisting involving a retailer, manufacturer and multiple brands and categories. Although both sides lost sales, the retailer emerged as the most vulnerable party.

Journal of Marketing, Vol 81(1) 2017, pp118-135 (Van der Maelen et al)

Hotel Chocolat – tasty store lock-ins

Hotel Chocolat is to introduce "chocolate lock-ins" as part of its experiential activity. Its most loyal customers will be offered tasting sessions outside normal trading hours. The company already owns restaurants in London and Leeds and is busy rolling out a shop-café format.

retail-week.com, 22 February 2017

John Lewis to lose employees

John Lewis is reducing its workforce by almost 800 in response to "changing customer needs" and "structural changes" in the industry. The job cuts, which are being made in home estimation, fitting services and catering, rare in response to how consumers shop for services. John Lewis also plans to create a central customer administration hub to manage customer orders.

retail-week.com, 23 February 2017

Services

Gumtree has plans for its brand

Gumtree, the classified advertising site, attracted an average of 17.8m monthly visitors last year, up from 14.4m in 2015. Hannah Wilson, head of marketing at the company, says it aims to become the largest digital brand in the UK. The current number one digital brand is the BBC, with 37.8m monthly visitors so Gumtree has a way to go. After its relaunch last year, the company increased its app downloads by 3.3m.

Campaign, 24 February 2017, p5

Robo-lawyers

People who are tired of arguing with customer service teams, or can't afford legal fees, are turning to the internet for advice. A raft of start-ups provide automated legal advice which can undercut human lawyers. The idea originated in Silicon Valley where it is called "justice-as-a-service". Catherine Bamford, CEO of legal tech firm BamLegal, believes we will see many more chatbots and online services of this kind disrupting the market. *Wired* offers some examples of relevant start-ups: Pixsy, based in Berlin, has helped thousands of photographers to tackle image theft, while LA-based Service claims to have saved consumers over 4,500 hours in complaining time!

Wired, April 2017, p21

Transport and travel

Renault changes gear with customer targeting

By 2019 Renault plans to put half its media budget into targeting consumers who are not actively looking to buy a car. Renault was famous for its high-profile campaigns of the 1990s and 2000s with characters such as Nicole and Papa. The latest campaign follows seven years in which the car maker has been overhauling its range and brand identity. Bastien Schupp, VP for global brand strategy and marketing comms at Renault, says that the company has the job of tackling "voluntary blindness", where consumers have a fixed image of Renault and won't notice that it has changed.

Campaign, 24 February 2017, p5

Freights' rates – an uncertain future

Increasingly container shipping operators have been cooperating with other operators just to fill their ships because this is the only way they will make money. The container shipping industry has been making losses for years. Now a spate of deals (Hapag-Lloyd is buying the container shipping division of UASC and Maersk Line is acquiring Hamburg Süd) is reducing the number of operators and this could help to halt the falling freight rates. While some analysts are optimistic that this heralds a recovery for the industry, others are concerned that there is a continuing imbalance between demand and the supply of ships. An infographic illustrates current shipping alliances.

Financial Times, 23 February 2017, p19

Hydrogen-powered vehicles

The first filling station for hydrogen-powered cars has just opened in Cobham, Surrey. Royal Dutch Shell is banking on hydrogen as a viable alternative to electric vehicles. The company is part of a public-private consortium which aims to open 400 hydrogen filling stations across Germany by 2023. So far hydrogen has not got off to a good start: Toyota has just recalled all 2,800 of its Mirai hydrogen vehicles due to a software problem. However, hydrogen vehicles have the advantage of fast refuelling and have a range of up to 500km, which is twice the distance of battery cars. Other car makers, such as GM, BMW and Daimler, are investing in hydrogen technology.

Financial Times, 22 February 2017, p19

Written by CIM's Knowledge Services Team

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On the Move

Name	From	To	New title	Source
Jonathan Bottomley	Various	Ralph Lauren	Chief Marketing Officer	Campaign
Julie Kollman	SABMiller	Kantar	Chief Research Officer	research-live.com
ML Robinson	Boden	Ogilvy & Mather	Managing Partner	Campaign
Laura Le Roy	Bartle Bogle Hegarty	Ogilvy & Mather	Managing Partner	Campaign
Jon Tapper	Bartle Bogle Hegarty	Ogilvy & Mather	Managing Partner	Campaign
Jonathan White	n/a	Troubador	Sales and Marketing Manager	The Bookseller

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www.retail-week.com

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

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