

Cutting Edge: Our weekly analysis of marketing news

26 April 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

UK adspend hits record high

UK adspend does not appear to have been affected by Brexit, according to new data from Warc and the Advertising Association. Last year ad spend grew by 3.7% to £21.4 billion, representing a seventh consecutive year of growth. In Q4 2016 spending rose to £5.8 billion, up by 3.9% year-on-year, marking the highest grossing quarter since the *Expenditure Report* began in 1982. Mobile generated 99% of that growth with spend on mobile platforms rising by 45.4% to £3.9 billion. Stephen Woodford, CEO of the Advertising Association, says the latest figures demonstrate the importance of advertising to the UK economy.

[marketingweek.com](#), 25 April 2017

Agencies

New business reviews – Q1

The first quarter of 2017 saw the number of completed new business reviews fall by 5.5%, according to AAR's latest *New Business Pulse*. This is mainly attributed to a decline in CRM, the digital and media sectors (down 22%, 20.8% and 36.6% respectively). However, overall it reveals a 9.4% rise in advertising and a 6.5% increase in integrated reviews. The major advertisers in Q1 are identified as Dixons Carphone, KFC, Vodafone and Boots. Kerry Glazer, CEO of AAR, says that "this has been the busiest start to a new year in living memory" and this will be reflected in next quarter's results.

[Campaign](#), 14 April 2017, p6

Brands and branding

Brand name recall

A brand's name and its associations can influence initial customer perceptions of the brand's image.

This study, which focuses on brand naming, compares recall for five types of words in relation to the consumer's level of involvement and information processing. It reveals that differences in recall are higher when there is semantic processing rather than sensory processing. Interactions among word types and information process are also observed.

[Journal of Marketing Communications](#), Vol 23(3) 2017, pp240-259 (Shamsollahi et al)

Brand ownership – making brands

The author considers the question: "Who really makes brands?" Although brand building begins with an organisation's management, it is really based on the judgement of every person who encounters that organisation and its brand. A brand is the result of the organisation's behaviour and not simply a graphic design or, as the author puts it, "superficial clothes". This paper offers seven reasons why a strong, consistent brand idea is a valuable asset. It also mentions the dangers associated with employees who do not have a sense of brand ownership.

[Journal of Brand Strategy](#), Vol 5(4) 2017, pp347-355 (Wolff)

UAE – women's favourite brands

The *YouGov Brandindex UAE Buzz* rankings names Emirates as the overall top brand for 2016; it also emerges as the most positively perceived brand among women in the UAE. It is followed by Whatsapp, whose features, such as "Status" video, have strong appeal. Carrefour, the hypermarket, is in third place, Facebook in fourth and YouTube in fifth.

[Gulf Marketing Review](#), April 2017, p6



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www.cim.co.uk/charteredcpd

Conferences and events

Gender diversity

It is still more common to have an all-male panel or to see more men than women delivering keynote speeches at international association meetings. Levels of female visibility at conferences tend to be unrepresentative of the "real world". The author explains the importance of including women and offers some practical tips to ensure that meetings represent a diversity of speakers and views.

Association Meetings International, April 2017, pp43-45 (Sethaputra)

Hiring a facilitator

Since 1984, TED Talks have been influencing how speakers engage with their audiences. TED Talks allow the speaker just 18 minutes in which to deliver their talk, but this practice does not necessarily transfer well to conferences when more time may be needed for the briefing discussion. The author explains why recruiting a professional facilitator can improve both the delegate experience and the meeting. He also explains the difference between a facilitator and MC and provides some useful questions that can be asked to help open up the briefing discussion.

Meetings & Incentive Travel, March 2017, pp37,39 (Sheppard)

Consumer behaviour

Does it sound larger?

Sound can be more powerful than language. The sound of a person's voice or a piece of background music can affect how a consumer perceives a product. The authors investigate how differences in acoustic pitch in marketing communications influence consumers' perceptions of product size. Six studies reveal that lower pitch in music or voice can lead consumers to assume that the product is larger. The "pitch-size" effect derives from a process of visual mental imagery which is strengthened through auditory channels but reduced when assessed just through visual product information.

Journal of Marketing Research, Vol 54 April 2017, pp331-346 (Lowe and Haws)

Patriotism increases

Since Brexit, 20% of consumers say they are more likely to buy British food, according to a recent YouGov poll. More than 71% already say they endeavour to buy British. But, if prices increase, then this shift in attitude could change.

The Grocer, 15 April 2017, p6

Direct marketing

Nuisance calls

Matthew Handcock, Minister for the Department for Culture, Media and Sport, stresses the need to tackle nuisance calls. The Government has allocated £500,000 to the National Trading Standards Scams

Team to provide call blocking devices for vulnerable people in the UK. The devices are to be launched over the next two years. Other measures taken to address the problem include: an allocation of £2m to high-tech firms to promote the development of solutions for tackling nuisance calls; allowing the Information Commissioner to impose fines of up to £500,000 on company directors who break the law with regard to direct marketing; and working with the Treasury to ban direct marketing calls in connection with pensions to help avoid scams.

theyworkforyou.com, 21 April 2017

Law

Creating privacy notices

Privacy notices are there to ensure that personal data is processed in a lawful way but they can be long and difficult to understand. The Information Commissioner's Office (ICO) has produced a publication – *Privacy notices, transparency and control: A code of practice on communicating privacy information to individuals* – which covers compliance with the Data Protection Act (1998) and the forthcoming General Data Protection Regulation (GDPR). This article offers advice, based on the ICO publication, on drafting a privacy notice and how to communicate privacy information to participants in the context of market research.

Impact, January 2017, pp82-83 (Goddard)

Product liability and the Internet of Things

UK product liability law (The Consumer Protection Act 1987 which incorporates an EU Directive) is over thirty years old, which means that it came into force over a decade before the internet went mainstream. In January the European Commission began a consultation to evaluate the Directive and its fitness for purpose. One of the key areas for consideration is the Internet of Things (IoT). This article looks at the question of product liability in the context of the IoT, such as when a self-driving car crashes or an automated household device causes a fire. It notes that the UK government is already looking at self-driving cars through the Vehicle Technology and Aviation Bill (VTAB).

lexology.com, 21 April 2017 (Cartwright)

Marketing

50% of marketing wasted...

CIM has conducted research showing that marketing is poorly targeted. The survey reveals that 50% of those who receive marketing say it is not relevant to them. According to the Internet Advertising Bureau, digital ad spend last year was over £10 billion, which means that marketing departments are potentially losing £5 billion. The survey also shows that 42% of respondents received marketing via social media at least once a day, while 55% said they have not consented to the use of their contact details. Chris Daly, CIM's Chief Executive, says that people being

"bombarded with irrelevant materials has become the expected or the norm. It's not good enough and it's eroding the trust between customers and businesses".

enterprisetimes.co.uk, 24 April 2017

...CIM launches Data Right campaign

Following on from its research, CIM has launched a campaign called Data Right to help marketing teams manage data better. The campaign has four main aims: "be clear" about using customer data; "show respect" in relationships with customers; "be in the know" about data rights and the law; and "show the benefits" of data collection. CIM Chief Executive, Chris Daly, emphasises that organisations take the Data Right pledge "to commit to showing greater respect and accountability to their customers."

enterprisetimes.co.uk, 24 April 2017; research-live.com, 20 April 2017

How not to get fired – CMOs...

A recent Forrester study – *2017 Predictions: Dynamics That Will Shape the Future in the Age of the Customer* – claims that one in three chief marketing officers (CMOs) will lose their jobs this year, mainly because they do not have the skills needed to "drive digital transformation, design exceptional personalised experiences and propel growth". The author, a professor at Said Business School, says he agrees with the prediction for three main reasons: there is an increasing need for marketing to justify itself; digital transformation is expected of marketing leaders; and marketing is responsible for growth so should lead in this respect. He offers some advice on how not to be among the marketers who get fired.

Gulf Marketing Review, April 2017, pp18-20 (Stephen)

...as chief growth officer threatens CMO

The author argues that the rise of the chief customer officer, or chief growth officer, is taking place to compensate for the fact that we are losing sight of the customer or a lack of growth. It is an implied criticism of the chief marketing officer and an acknowledgment that marketing isn't working. He explains why CMOs should view themselves as the "customer and growth conscience" for the whole company, not just the advertising department.

Campaign, 14 April 2017, p8 (Rumbol)

Resistance isn't all futile

There are some categories of products, such as drinks, where it is easier to persuade consumers to switch to another brand. The author refers to marketers who work in these attractive environments as "feel-good" marketers but expresses admiration for "resistance-marketers" – those who work at trying to persuade people to buy things that they have no interest in, such as

financial services or persuading people to exercise more. She offers some advice for those moving from "happy" to "resistance" categories for the first time.

Campaign, 14 April 2017, p31 (Edwards)

Market research

O2 – balancing the old and new

Jessica Salmon, Head of Insight at O2, describes her approach to market research, which uses a mixture of traditional skills, such as qualitative, to help interpret the mass of data available from new information sources. She dismisses the idea that social media or big data will cause the death of market research. This is because the flood of new data will require the "rigour" of established methods in order to interpret that data. O2 mines a great deal of social media data but, "without applying the long-established tenets of market research, social media's value to the researcher is questionable".

Impact, Issue 16, January 2017, pp50-54

Can pollsters get it right this year?

Britain's snap general election means that pollsters will have to up their game, having been strongly criticised after the 2015 election when they showed the two main political parties as neck and neck. The British Polling Council's inquiry into the polls attributed the mistakes to poor sampling and the difficulty of getting people to participate in surveys. Polling companies have adopted different solutions to correct the problems. Anthony Wells, research director at YouGov, talks about what changes YouGov is making.

research-live.com, 24 April 2017 (Wells)

Public relations

Compensation linked to customer satisfaction

United Airlines is making moves to recover from its damaged reputation following the incident in which a passenger was violently dragged off one of its planes. The company is currently looking at introducing a "targeted compensation scheme" for airline executives, which is linked to customer satisfaction scores. The airline's chief executive, Oscar Munoz, is considering his response to a US Senate Commerce Committee request for information about the incident in question. Munoz has received some serious criticism for his handling of the incident. (See also under Social media)

thedrum.com, 22 April 2017

Who takes the credit – client or agency?

Public relations can be a tricky area for PR agencies since their work may not always be recognised. The client sets out the vision and direction while the PR agency starts the communication and engagement process. For this reason it is difficult to decide who receives the credit if the campaign in question receives an award. The important thing for the client

is to work with the agency to establish a benchmark which allows the progress of the campaign to be tracked on specified criteria, such as media coverage, sales or improved reputation. Ultimately the PR campaign should be aligned with business goals so that, when the client succeeds, so does the PR agency.

Gulf Marketing Review, April 2017, pp10-13

Sponsorship

Know your media

The El Clásico football matches between FC Barcelona and Real Madrid created \$42.5m in media value for sponsors last December, yet live TV broadcasts accounted for less than half of this (43%). This demonstrates the importance of understanding the worth of different media platforms. Max Barnett, Nielsen Sport's head of digital, says the value of social media fluctuates according to where a sponsor's team is playing. For example, for a team playing away, social media acts as "as a tool to generate value for partners when there is no possibility for exposure through traditional in-stadium advertising inventory". When Real Madrid last played away, 41% of the total media generated for its sponsors derived from social platforms. The most valuable social media post was Barcelona's "Full Time Final" video on Facebook Live, which was watched by over 4.3m people and generated over \$186,000 for sponsors.

thedrum.com, 21 April 2017

Agriculture, fishing and forestry

Using social media – PR tips

At the Agri Forum at the recent National Federation of Young Farmers' Clubs convention, young farmers were told about the importance of social media for informing the general public and promoting the British brand. Jane King, Chief Executive of the Agriculture and Horticulture Development Board said that young farmers have an important role in addressing negative publicity surrounding farming. However, she was against using so-called "keyboard warriors" to defend the industry. Instead social media should be the "number one weapon we can use in a constructive and thoughtful way." Five tips for marketing yourself are included in this article.

fwi.co.uk, 22 April 2017

Field labs – farming innovation

Innovative Farmers is an organisation that brings together groups of farmers with researchers from agricultural institutions in practical 'field labs'. Field labs tackle problems such as finding alternatives to glyphosate and producing cheap, peat-free compost from woodchip. Membership is now free due to corporate and charity sponsors (including Waitrose and the Prince of Wales's Charitable Foundation)

covering the costs of the field labs. Tom MacMillan, Director of Innovation at the Soil Association, says that "The UK spends around £450m on agricultural research, and only around 1% of this goes to practical projects led by farmers. But many of the best ideas in farming are coming from farmers".

farmingfutures.org.uk, 21 April 2017

Fish oil

The future of the fish farming industry is in question because the level of Omega-3 in farmed salmon is dwindling and the price of feed containing fish oil is increasing. Alternatives are being sought, including algae, genetically modified oilseeds, soya beans and canola.

Financial Times, 21 April 2017, p28

Building industry

Retaining an aging workforce

During the next ten years nearly 10% of the construction industry workforce is due to retire. Yet the industry is struggling to attract new talent and may lose its EU workforce. This article asks how the sector can keep its older workforce, aged 50 and above, in work. Research by the Department for Work and Pensions reveals that men aged 50 to 64 have left their jobs in construction because of ill health (46%), while only 26% have left due to retirement. A report by the Chartered Institute of Building, *Exploring the Impact of the Ageing Population on the Workforce and Built Environment*, makes two key recommendations on how to keep older workers: changing the workplace and retraining people. The retention of older workers will require investment and leadership. Some contractors, such as Morgan Sindall, are beginning to address the issue and are recognizing the benefits of age diversity.

constructionnews.co.uk, 20 April 2017

Fast factories

Blueprint Robotics in Baltimore, builds houses on an assembly line using robots that hammer in the nails while other machines cut, sand and drill. Such homebuilding factories are making up for a shortage of skilled construction workers in the US. Houses and apartment buildings can be manufactured off-site for substantially less money and time than on-site.

Bloomberg Businessweek, 24-30 April 2017, pp43-45

Businesses and strategy

Disclosing customer metrics

Investors and analysts often want greater disclosure of non-financial information, such as customer metrics. Businesses say that this type of information is expensive to report, can be sensitive and could lead to lower future cash flows. This study, which looks at backward- and forward-looking disclosures

of customer metrics, examines 511 annual reports in two industries (telecoms and airlines). It finds that companies tend to make more backward-looking than forward-looking disclosures. Forward-looking disclosures of customer metrics tend to be negatively associated with investor uncertainty in both industries and analyst uncertainty in telecoms. The study also suggests that such disclosures have a negative effect on future cash flows.

Journal of Marketing Research, Vol 54 April 2017, pp239-259 (Bayer et al)

Changing minds – deep questioning

At the turn of the century Nokia's management believed that the iPhone wouldn't take off; previously Digital Equipment Company's CEO, Ken Olsen, said that people would not want a computer in their home. Both companies met an untimely end. It is difficult for marketers to change strong beliefs within a company, using facts to support an argument simply may not be enough. Thomas Barta, co-author of *The 12 Powers of a Marketing Leader*, explains how to combat confirmation bias; describes a process known as LDC (listen, decide, communicate); and explains the power of "deep questioning".

Marketing Week, April 2017, pp44-45 (Barta)

Charities and NGOs

Cashless donation buckets

A partnership between Angal, a charity collection box maker, and Thyngs, a cashless transaction provider, will allow charities to receive cashless charity donations via traditional-style collection boxes and buckets. The collection receptacles contain QR and NFC technology so that charities can take card payments and Apple Pay donations in addition to cash. The organisations plan to extend the service to Android Pay and PayPal this year. In future no one will be able to make the excuse that they don't have any cash!

charitydigitalnews.co.uk, 20 April 2017

Greenpeace launches VR campaign

Greenpeace, the environmental charity, has launched a virtual reality app called Virtual Explorer, which allows its supporters to experience the Arctic and Amazon, encouraging them to take action to help protect these environments. In two 360-degree films, users are placed on board the charity's icebreaker, Arctic Sunrise, and in the Tapajós River in the Amazon rainforest. Danni Adam, direct marketing executive at Greenpeace, says "We're hoping to reach a new tech-savvy audience, offering them another opportunity to keep up with our campaigns and support our work." The VR campaign is being supported through social media.

thirdsector.co.uk, 21 April 2017

Economy

Skills investment

A stark warning has been broadcast by The Chartered Institute of Personnel and Development (CIPD) which says that Britain is "sleepwalking into a low-value, low-skills economy post-Brexit". In their report, *From 'inadequate' to 'outstanding': making the UK's skills system world class*, the professional body urges employers to improve life-long learning for people already in the workforce, as these workers are not being affected by the changes in the education systems being made now. Research from the OECD has placed 16-24 year-olds in England and Northern Ireland near the bottom of the tables for literacy and numeracy. In the UK employers pay on average €233 per employee on training costs compared with an EU average of €511. The recent introduction of the apprenticeship levy is not welcomed by the CIPD.

Financial Times, 19 April 2017, p4; cipd.co.uk, 19 April 2017

Consumers turn to credit

The household finance index, from Markit, reveals that domestic finances are in their worst state since summer 2014. The index fell from 43.1 in March to 42.5 in April (anything below 50 denotes deterioration). Consumers are beginning to suffer from the rising prices of goods and services due to rising energy costs, petrol prices and the weak pound. With a lack of cash for discretionary spend, consumers are turning to their savings or credit cards rather than curbing their spending. This will be of concern to policymakers and the Bank of England who are worried that people will become dependent on credit cards and personal loans.

The Times, 20 April 2017, p44

Energy and utilities

Sea-ing the light

Many marine organisms can create light without electricity. Glowee, a Paris-based start-up, makes lights using genetically modified bioluminescent bacteria derived from Hawaiian bobtail squid. Company founder, Andra Rey, wants to use them to light streets as a way of lowering light pollution. Glowee has already created installations for luxury goods company, LVMH, and management consultants, BCG. It is also working on lighting for French retailers who are banned from lighting their shops between 1am and 7am.

Wired, May 2017, p23

Tories propose energy price cap

The Conservatives' proposal to impose a price cap on energy tariffs has been met with concerns that it could damage competition. Tony Cocker, E.ON UK's chief executive, says the move is akin to a "Sword of Damocles" hanging over the sector. However,

smaller energy suppliers are less worried: Greg Jackson, founder of Octopus Energy, says the large companies have brought it upon themselves, claiming that "For too long, they've been able to pass the costs of their gross inefficiency on to their customers".

utilityweek.co.uk, 24 April 2017

Fashion

Jimmy Choo – due to be soled

Jimmy Choo, one of the best-known British fashion brands, has been put up for sale by JAB Holding, which owns 70% of the company. Jimmy Choo, which was founded in 1996 by Tamara Mellon, a former Vogue editor, and Jimmy Choo, a designer, has been suffering from a slowdown in sales growth. Meanwhile JAB is moving away from the fashion business and focusing instead on the consumer sector.

Financial Times, 25 April 2017, p1

Urban outfitters – unpaid internships

Urban Outfitters, the high street fashion chain, is the latest company to advertise for students to work as interns on zero pay. This is despite the company reporting earnings of £170m last year. The Sutton Trust, a charity, says that, unless students have private means or access to family accommodation, they will be unable to take up internships. This is the latest example of a trend in which companies advertise unpaid positions which give those from wealthier backgrounds an unfair advantage. Fashion house, Paul Smith, and ad group, Publicis, are among those offering lengthy unpaid internships.

The Guardian, 22 April 2017, p15

Financial services

The rise of regtech

Financial institutions are constantly under pressure to be transparent and accountable. Now they have "regtech", technology which helps by automating regulatory compliance. *Wired* looks at five regtech companies. They include Fundapps UK, which tells financial institutions when regulations change and provides them with software to aid compliance, and Trulioo, based in Canada, which enables clients to access over 200 data sources for performing identity checks on customers.

Wired, May 2017, p20

Cashless society

A futuristic notion of the world is one without cash – one café in south London is ahead of the game as it now only accepts transactions by card. In the first quarter it took over 2,000 transactions by card with only one or two complaints from customers. Even in this one small business it is estimated that a saving of over five hours a week will be made plus there is no transporting of money to the bank or running out

of change. The amount of cash in circulation is expected to fall by 30% over the next decade.

The Times, 24 April 2017, p23

FMCG

Beverages

The first colourless coffee

CLR CFF is the world's first brand of colourless coffee. It is made using Arabica coffee beans, pure water and a new production method which makes the drink completely colourless without the use of additives. Its creators, brothers David and Adam Nagy, said their aim was to eliminate the teeth stains "that come with a coffee-infused lifestyle".

brandchannel.com, 21 April 2017

Reformulation

Coca-Cola has reduced its range by ceasing production of its Life version. Life was sweetened by stevia and contained a third less sugar than the Classic Coke, although most people didn't seem to know that. Classic will be hit by the sugar tax that is due to be launched next April when 24p per litre tax will be imposed. The company is now focusing on zero-sugar and diet varieties.

The Grocer, 15 April 2017, pp12-13

Shloer is axing sugar

Eight varieties of Shloer are being reformulated without added sugar to avoid being taxed next April. The drinks will instead be sweetened with extra fruit juice which, in the case of the red grape flavour, will rise from 29% to 57%. An interesting by product of this is that the calorific content will fall by 7kcal per 100ml.

The Grocer, 15 April 2017, p32

Wines – in with the new

Our palates are changing as we move from old world wines to new. Argentina, in particular, is experiencing a boom – UK wine drinkers have bought 20m litres of wine from the region, where the main grape variety is Malbec. New Zealand is also experiencing an uplift. The grape varieties experiencing most growth are: Malbec, Sauvignon Blanc, Merlot, Tempranillo and Shiraz.

The Grocer, 15 April 2017, pp37-39

Food

By Royal Appointment

Weetabix is still considered to be a British cereal although it has been owned by the Chinese for over five years and is now US-owned. It has been acquired by Post Holdings for \$1.76 billion. Post's CEO has promised not to change the size or the shape of Weetabix biscuits. Post already own Grape-nuts and Raisin Bran, which it acquired from Nestlé in 2014. It also bought Malt-O-Meal – another US

brand – in 2015, which means it will own three of the world's leading cereal brands in a market dominated by Kellogg's.

Financial Times, 19 April 2017, p23

Real or fake

Asda is launching a range called Farm Stores which covers meat, fruit and veg. The brand has been used before in pork butchery in the 1950s before the Asda brand was launched. When Tesco did something similar it became the subject of a complaint by the National Farmers' Union which denounced it as a "fake brand" that could mislead customers.

The Grocer, 15 April 2017, p4

Eye on the prize with new strategy

Birds Eye's decision to move away from its "masterbrand" strategy and towards product categories is helping to boost sales, according to Steve Challouma, its new Marketing Director. In the 12 weeks to 25 February, sales of Birds Eye fish fingers rose by 12.2% year-on-year. This contrast with sales having fallen by around 5% for each of the last three years. Birds Eye hopes to continue the momentum with a new campaign for its chicken range. This will be more of a challenge due to a lack of consumer confidence in the quality of frozen chicken products.

Campaign, 14 April 2017, p6

Buzzy bee

Manuka honey, which commands a higher price than other honey, has attracted plenty of fraudsters. In 2014 it was calculated that more honey was sold as manuka than was actually produced. The Ministry for Primary Industries (MPI) in New Zealand has identified five attributes – four chemical and one DNA marker – that will allow it to check any honey labelled as manuka. This has been welcomed by the UMF Honey Association in New Zealand, whose members produce over 80% of all manuka honey.

The Grocer, 15 April 2017, p4

Household

Strategic plans at Unilever

Since the failed takeover by Kraft Heinz, Unilever has been working hard on its strategic plan. The latest move is the potential divestment of its margarines and spreads division for an estimated £6 billion. Other initiatives include cost savings and accelerating its Connected 4 Growth efficiency plan. The company is also reducing the number of creative media agencies from 3,000 to 1,500 and cutting ads by 30%.

The Grocer, 15 April 2017, p14

Tobacco

Foreign funds frozen

The Public Health Foundation of India (PHFI) is a

think tank and health research organisation that is funded internationally by organisations such as the Bill and Melinda Gates Foundation. In the recent past it has run strong anti-smoking campaigns which have angered the tobacco lobby. Now the Indian Government has suspended permission for the PHFI to receive foreign funds after raising questions about the use of funds for programmes relating to tobacco and Aids. The organisation's funds are being frozen while it responds to Government concerns. Other groups, such as Greenpeace and the Ford Foundation, have also been the subject of government scrutiny.

Financial Times, 21 April 2017, p7

Government and public sector

Labour to focus on social media

The Labour Party has developed a digital tool called Promote, which links to its voter database and can identify specific people to target. A potential target, according to Andrew Gwynne, the Party's joint national elections coordinator, is "Waspi" women, who were born in the 1950s and would be opposed to any changes to the pension scheme. Gwynne says that social media marketing – especially on Facebook, rather than what he calls the "echo-chamber" of Twitter – will play a significant role in Labour's campaigning. However, the Tories are no strangers to social media: they spent £1.2m on Facebook advertising in the year leading up to the May 2015 general election, while Labour spent just £16,000.

thedrum.com, 23 April 2017

Biometric view of country

Until recently many Indians had no identification but, since 2010, a company called Aadhaar has developed a biometric identity scheme. However, as more government departments start requiring people to be part of the scheme, there is concern that it has ceased to be voluntary. The scheme has now collected over 1.1 billion fingerprints and iris scans. Since the Government has required schools to use Aadhaar in order to receive funds, over 400,000 pupils have been removed from their registers in just three states. Electoral lists are now being purged.

The Economist, 15 April 2017, p14,51-52

Health and pharmaceuticals

Manufacturers may look to Europe

On 1 April changes were made to the way in which the National Institute for Health and Care Excellence (NICE) and NHS England assess new medicines. A survey by the Association of the British Pharmaceutical Industry, relating to a budget impact test and changes to the Highly Specialised

Treatments (HST) programme, has led to concerns from manufacturers: 71% of respondents said that their companies were now more likely to launch new medicines in European countries rather than the UK.

European Pharmaceutical Review, Vol 22(2) 2017, p8

Digital innovation disrupts pharma industry

Digital innovators threaten to undermine Big Pharma's long-established business model and its lucrative drug development business. A new generation of companies is using big data, sensors and AI to give patients real-time monitoring capabilities, especially those with chronic conditions. This in turn can reduce the need for medication. Pharmaceutical companies are trying to boost their digital capabilities by acquiring companies or forming partnerships. Novartis has been working on digital products but has yet to reach the mass market.

Financial Times (Digital Healthcare: Beyond the Pill), 25 April 2017, p9

IT and telecoms

BlackBerry revival

Although BlackBerry has decided to withdraw from the handset market, the company has licensed the brand to a trio of white label phone makers who will now produce phones carrying the mark. The company will focus on creating security software and a range of productivity tools. This portion of the revenue for BlackBerry has grown from \$100m to \$640m in the last five years. The "enterprise of things" technology market is estimated by BlackBerry to be \$17.6 billion. It is also growing a market within the connected cars market.

Financial Times, 20 April 2017, p18

Leisure and tourism

Country reputation and tourism

A strong country image or reputation has been associated with attracting tourism. The authors look at how country reputation affects tourism advertising for that country as well as attitude towards its government and citizens. The study, based in Australia, used Brand USA's "Land of dreams" TV ad. Its country reputation was analysed to reveal three dimensions: Leadership, Investment and Culture. Leadership was found to influence the effectiveness of the tourism ad for interest in travel to the USA and for attitude towards its government.

Journal of Marketing Communications, Vol 23(3) 2017, pp260-272 (Fullerton and Kendrick)

How policy changes behaviour

Changes to immigration policy of concern to travel and tourism chiefs in the US as they are becoming a deterrent to travel; this is in addition to the strong dollar. Arne Sorenson, CEO of Marriot International, has voiced the concerns of the industry as figures

show a 1% fall in the number of international visitors. Whilst the overall figures still show growth, it is at a slower rate than before, in a sector that contributes \$1.5 trillion to the economy.

Financial Times, 18 April 2017, p16; The Economist, 22 April 2017, p59

From failure comes success

An exhibition dedicated to failure has been so successful that it is moving to new permanent premises in Helsingborg, Sweden. The museum, the idea of American psychologist Samuel West, includes exhibits such as Colgate lasagne and coffee-flavoured Coca-Cola. It took West a year to collect together 60 failed products and services, he believes that one can learn a lot from failure. One notable failure is *Trump: The Game*, a board game a bit like *Monopoly* but created by Trump. It uses golden Ts as playing pieces, Trump money and Trump property!

The Times, 19 April 2017, p17

Materials and mining

AkzoNobel – a new coat of paint?

AkzoNobel, the Dutch paint-and-coatings company, is to break up its large conglomerate structure in an effort to rebuff recent takeover offers, including two from American rival, PPG. It is likely that its speciality chemicals business will be sold off next year. The company has spent years trying to boost its performance through cost-cutting, but now CEO, Ton Büchner, is looking for sales growth of 14% by 2020. This is taking place at a time of consolidation in the wider chemicals sector: the merger of DuPont and Dow Chemical was cleared by the European Commission in March.

The Economist, 22 April 2017, pp58-59

Media

Books

On Tyranny – marketing suits the book

An entire book was placed around Old Street roundabout in East London as part of the recent *On Tyranny* campaign. Vintage, the publisher, printed the 20 chapters of Timothy Snyder's book onto the roundabout site in what it claims is an industry first. Concerns that the publisher was giving away too much free content were far outweighed by the subsequent word-of-mouth coverage. Students on the Kingston University Graphics course created the billboards between them, with each designer being given rules to follow and enough freedom to be creative. The initiative is cited as an example of good alignment between the book and marketing activity.

The Bookseller, 21 April 2017, p21

Gay literature initiatives

WH Smith Travel is launching a gay literature promotion in June to celebrate the 50th anniversary of the decriminalisation of homosexuality in England and Wales in July 1967. It plans to promote 32 book titles in 35 of its largest travel locations, such as Heathrow and Gatwick airports. Last year Penguin Random House launched an online initiative, called Penguin Pride, ahead of London Pride and has further plans for this year. It is also promoting a dedicated LGBTQ book club for three months.

The Bookseller, 21 April 2017, pp18-19

Internet

Digital ad measurement – UK concerns

Emarketer's new report, *UK Measurement and Viewability: Tracking the Served Ad Journey*, reveals that three ad measurement issues have come to the fore in the UK: ad fraud, brand safety and viewability. This article considers how necessary these concerns are and concludes that viewability is the most justified. An analysis by Meetrics reveals that the UK had the lowest ad viewability rate (49%) out of four countries in Q4 2016. Austria, France and Germany had an average viewability rate of 63%.

emarketer.com, 24 April 2017

Google to introduce ad-blocking

Google is to place ad-blocking technology on Google Chrome, which is used by over half of web users worldwide. The feature could appear on mobile and desktop browsers over the coming weeks. Google will reportedly filter out ads that provide a bad experience for users, such as pop-ups, videos with sound and ads with countdown timers. It is also considering a program that blocks ads on sites with offending material. EU competition commissioner, Margrethe Vestager, who is already investigating Google's dominance, says she will "follow the new feature and its effects closely".

The Daily Telegraph (Business), 21 April 2017, p1; The Times, 21 April 2017, p23

Social media

Twitter measures ad viewability

Twitter is working with Moat and Integral Ad Science, two measurement providers, to assess the viewability of its video ads. Moat has discovered that 99% of video ads on Twitter are in fact viewable by humans.

Campaign, 14 April 2017, p3

Television

Advertising concerns

So there is to be a snap election...UKTV, owners of Dave and Gold, are warning that this could have a detrimental effect on TV advertising. The CEO, Darren Childs, suggests that the uncertainty caused

by the election may erode any hope of an increase in revenues.

Financial Times, 20 April 2017, p20

Packaging

Personalised KitKats – an ultimate experience

Ultimate Digital, a digital packaging specialist, has helped Nestlé to deliver personalised KitKats to winners of a competition. The winners were able to upload pictures and messages to be printed on KitKat packs, which contain unique codes that are used to generate the shipping label. Ultimate is sending out 60,000 personalised packs from its site in Grimsby.

Digital Labels & Packaging, March-April 2017, p4

Retailing

Retail changes

In two articles side by side, the future of Debenhams and M&S are discussed in the FT. Debenhams' new strategic plan is to include closing ten of its stores and 11 of its warehouses. The forensic approach has been taken by the former Amazon and Nike executive, Sergio Bucher. He has also announced that the number of products will be reduced and there will be an increase in experiential retailing, with cafes, restaurants and beauty services. Bucher stresses that he wants to make shopping a "fun leisure activity". Meanwhile M&S is to open 36 new stores although 34 for them will be food only. Currently it has 959 stores of which 615 are food only. Separately *The Times* reports on the dismay caused by M&S's decision to shut some major high street stores.

Financial Times, 21 April 2017, p18; The Guardian, 21 April 2017, p25; The Times, 21 April 2017, p39

Can Woolworths make a comeback?

Tony Page, a former Woolworths managing director, is hoping to relaunch the brand on the high street nearly ten years after its demise. He has contacted Shop Direct, which owns the Woolworths brand, about buying the name and launching a chain of stores which he says will be in a "similar format" to the original ones.

retail-week.com, 24 April 2017

Booming grocery sales on Amazon

Over the past year grocery sales on Amazon have risen by 30%. In the first quarter of 2017 Amazon UK's grocery sales reached £25m, up by £5.8m on the previous year. This compares with sales of \$350m in the US. The best-selling products were beverages (up 30%) and snacks and desserts (up 5%).

The Grocer, 22 April 2017, p6

Services

Christie's moves out

The auction market in the UK is going to be poorer in the knowledge that Christie's has decided to close its South Kensington sale room with the loss of 250 jobs. The French owner maintains that it is adapting to a changing market. Its data show that 39% of new business is from America and 19% from China. It now has three offices in China and is about to open a showroom in Los Angeles. The former head, Anthony Coleridge, is accusing the company of damaging Christie's brand. He goes on to say how it will affect development of future markets as their will be no cultural development.

The Economist, 15 April 2017, pp27-28

Zoopla extends services

Zoopla, a service which enables people to search for properties online, is extending its services to "everything about the home", according to Gareth Helm, its Chief Marketing Officer. Zoopla plans to expand into areas such as finding energy suppliers and removal companies. Its latest ad, filmed in Costa Rica, depicts home-buyers as hermit crabs discussing property.

Campaign, 14 April 2017, p5

Transport and travel

Anyone for self-drive open-source software

Baidu is releasing its self-driving technology in stages, starting in July, with the release of the intellectual property for restricted environment driving. By 2020 the software for driving on open roads will be released. Open sourcing in the car industry is not a new thing – Tesla offered information on low-emission vehicles back in 2014. The idea has been allegedly inspired by Google, which released the Android technology that other companies were able to base their own phones on.

Financial Times, 20 April 2017, p18

China's auto industry – going it alone

The only way that foreign manufacturers can operate in China, the world's largest auto market, is through partnerships with local companies. This provides Chinese businesses with expertise as well as substantial profits because most of the cars sold in the country are foreign-branded. Now the Government wants local companies to abandon their reliance on foreign companies. Instead it aims to improve manufacturing efficiency at state-run enterprises, such as SAIC Motor Corp and Dongfeng Motor Group. Some of China's local auto companies lack the necessary management skills to operate alone and have been slow to build their own brands.

Yet the persistence of the joint-venture rule is impeding the development of a more market-oriented auto industry.

Bloomberg Businessweek, 24-30 April 2017, p28

More mergers on the horizon?

Car manufacturers work on very small profit margins and many believe that size is the only thing that will protect them from the massive technological changes the industry is undergoing. This article looks at speculation on possible tie ups.

The Economist, 15 April 2017, pp61-62

Who trains the driverless cars?

Driving software for driverless cars is being exposed to *Grand Theft Auto* to learn its moves. The game is notable for its car chases and car jackings. Scientists believe it is a rich virtual environment but no replacement for asphalt. Just to be sure, they have taken out the hoodlums and drive-bys. In the UK there is a project to utilise traffic camera footage from over 14,000 cameras to train driverless cars to learn from drivers' bad behaviour!

The Times, 24 April 2017, p15

Written by CIM's Knowledge Services Team

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On the Move

Name	From	To	New title	Source
Shona Abhyankar	Penguin Random House Children's	Amazon Publishing	Head of Publicity	The Bookseller
Peter Hajjieris	Nomad Foods	Regal Springs	Global Advisor for CSR, Sustainability and External Affairs	The Grocer
Matthew Urwin	Folio Society	Rowman & Littlefield	UK Sales Manager	The Bookseller

Promotions

Name	Company	Previous title	New title	Source
Tom Bayliss	Poke	Head of Client Services	Managing Director	Campaign
Sharon Gordon	Abrams & Chronicle Books	Sales Development Manager	Head of Special Sales	The Bookseller
Alex Naylor	Barclaycard	Director of Marketing Communications Planning, Development and Digital Engagement	Marketing Director, UK Cards	Campaign

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www.retail-week.com

www.theyworkforyou.com

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