

# Cutting Edge: Our weekly analysis of marketing news

15 July 2020

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

Quick [links](#) to sections

## Marketing trends and issues

### Advertising

#### Traditional media depresses total ad spend

Total UK media ad spend is predicted to be £21.03 billion this year, down by 7.5% compared with 2019. This is due to the lack of spending on traditional media because of lockdown and the cancellation of large sporting events, according to eMarketer's senior analyst Bill Fisher. He believes that spend on traditional media will return to "some semblance of normalcy" next year but will not return to pre-pandemic levels. Traditional adspend will fall by 22.6% this year, assuming that there isn't a second wave of infections. OOH has been the worst affected medium with growth revised down by 26.3% and radio the second-worst hit at -22%. Meanwhile, digital adspend growth is expected to remain flat at 0.3%, reaching £15.08 billion this year and accounting for 71.7% of total adspend.

[emarketer.com](#), 7 July 2020

### Agencies

#### Agency groups hit by "below average" growth

A ten-page report from Credit Suisse, *Ad Agencies, Beyond the Pandemic*, warns that holding company agency groups are looking at "below-average" growth in the post-coronavirus environment. The survey of around 50 professionals found that the median long-term growth rate for the sector is likely to be just 1% post-pandemic. Meanwhile management consultancies have regarded the pandemic as a "marketing opportunity for transformation services, such as cloud-based systems, customer experience and data analytics", according to the report. The disruption of the tradition agency model is also likely to result in industry consolidation over the next couple of years.

[campaignlive.co.uk](#), 10 July 2020 (Oakes)

### Remote working – promoting diversity

Erminia Blackden, strategy director at Engine, says that if the ad industry wants a diverse and productive workforce, then they should start to take remote working seriously. Working at home means that employees won't be judged on what they wear, their social class, disabilities, size, etc as much as they would in the office. It also helps to level the playing field because it gives women more flexibility. Here are some tips for ad agencies and brands when managing the transition to remote working.

[thedrum.com](#), 3 July 2020 (Blackden)

### Brands and branding

#### How to make a DTC brand profitable

Some direct-to-consumer (DTC) brands have done well during the pandemic because consumers have been forced to shop online while physical shops were closed. However, many DTCs struggle to make a profit even in normal, non-pandemic, conditions. Part of the reason is that the cost of acquiring a customer online has been rising as the direct-to-consumer space becomes more competitive. Brands are having to spend significant sums on advertising, marketing and other sales tactics to win new customers. The trick, though, is to build lifelong customers. So, what can companies do to move closer to profitability and create greater loyalty? DTC brands cited in this article are Chewy, Casper and Wayfair.

[marketingdive.com](#), 6 July 2020 (Jansen)

### The stickiest brands

Some of the top leisure brands, such as CrossFit, Pokémon and Tinder, have excelled by creating sticky journeys that keep customers addicted to them. Netflix, Spotify and others are a new generation of media companies that create "hard-to-pull-away-from" experiences for their audiences. The secret to their success is an "insanely sticky



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journey” that defies the usual “hyperrational” rules of marketing. So, how do these leisure brands create sticky journeys? Here are three steps and some key takeaways.

**Marketing News, Vol 54(2) Summer 2020, pp28-29 (Siebert et al)**

### **Brands – purpose is power**

In these unprecedented times, companies that “have purpose built into their bottom line” are likely to be the ones to survive. The current events – coronavirus and demands for social justice – have created “reputational landmines” for brands who must be seen to say and do the right things for their customers, employees and the public. This marks a shift in power towards the purposeful brand. Socially conscious companies now have the upper hand. Brands such as Ben & Jerry’s have been praised for their support of Black Lives Matter while others have been told to put their money where their mouth is. A recent survey among US consumers found that consumers are more focused on purpose than they were before the pandemic, while almost half expect brands to be more socially responsible post-pandemic.

**fastcompany.com, 13 July 2020 (Shackleford)**

### **Conferences and events**

#### **Virtual auditorium – Microsoft Teams**

Microsoft is tackling “Zoom fatigue” with a feature that superimposes people into a virtual auditorium in Microsoft Teams. The “Together” mode automatically allocates you a virtual seat in the auditorium, allowing you to high-five the person next to you or point to someone elsewhere in the venue. Microsoft believes that people will feel more at ease when they are part of a group of faces scattered across a virtual space. Although this is a first version, the feature is likely to provide more flexibility and customisation as time goes on. Currently, for example, “Together” is not much use if someone wants to present slides or use a whiteboard, but it could be good for team-building.

**fastcompany.com, 8 July 2020 (Newman)**

#### **AI is becoming indispensable**

Businesses and marketers can no longer afford to ignore AI and, as virtual events continue to dominate the proceedings, AI has become one of the most powerful tools for putting together shows and experiences. AI can be used at every stage of the journey, from creating personalised schedules for attendees, to impressive spectacles, and insights from post-event analytics. Some areas where AI can assist in planning and implementing events more effectively are: personalisation and recommendations; AI-powered chatbots; AI-powered event apps; and learning and predicting needs.

**eventindustrynews.com, 13 July 2020**

## **Consumer behaviour**

### **Covid-19 and consumer behaviour**

Blue Focus International has launched *Covid19Monitor.org*, a live monitor which tracks real time consumer sentiment in relation to the coronavirus and provides insights for brands. As well as focusing on trends and shifts in people’s attitudes, it includes a CMO survey and social listening trends. As part of the launch, it has produced some insight reports, including *Understanding Shifting Attitudes, Behaviours and Values*, an analysis across 14 markets, which can be downloaded.

**wearesocial.com, 9 July 2020 (Nazir);**

<https://wearesocial.com/uk/blog/2020/07/understanding-the-impact-of-covid-19-on-consumer-behaviour>

### **Social impact of coronavirus**

The latest ONS survey on the coronavirus reveals that 21% of adults in Great Britain said they would be comfortable or very comfortable eating indoors at a restaurant vs 60% who said they would be uncomfortable or very uncomfortable. A quarter of adults (25%) said they would be likely or very likely to go on holiday in the UK this summer, with just 9% saying they were likely or very likely to go abroad. However, anxiety levels have risen, from 3.6 (out of ten) in the previous week to 4.0 during the week of the survey. The *Coronavirus and the social impacts on Great Britain: 10 July 2020* survey relates to the period 2-5 July.

**ons.gov.uk, 10 July 2020 (Davies)**

### **Consumer uncertainty persists**

Even in the countries that have started to open up again, consumer optimism is low-key and spending intentions are below pre-pandemic levels. The effect of the coronavirus varies across regions but five themes have emerged across the 45 countries that McKinsey has been tracking during the crisis: a “shift to value and essentials” as consumers see their incomes fall; a “flight to digital and omnichannel” as most categories have experienced a 10% growth in their online customer base; a “shock to loyalty” as consumers change their shopping behaviour and try different brands or retailers; a “health and caring economy” as consumers look for suppliers offering safety measures; and the “homebody economy” as more than 70% of consumers in most countries don’t feel comfortable resuming their normal out-of-home activities.

**mckinsey.com, 8 July 2020 (Arora et al)**

## **Customer relations**

### **Customer experience and chatbots**

This infographic gives survey data on chatbots and customer experience in 2020. It reveals that innovation and real-time customer engagement are the top two priorities for marketers this year. Meanwhile the market size for chatbots is forecast to

reach over \$1.3 billion by 2024. Some 68% of customers say that bot-driven messaging is the most convenient way to contact a business while 47% of shoppers are open to purchasing items through a bot, and 57% of customers are interested in getting information from bots when browsing a business website.

**ama.org, 6 July 2020 (Zeng)**

### **Improving the B2B experience**

A B2B website customer experience can be an unexciting affair. You might like to think about what would improve that experience and what would make your site stand out from the competition. One question to ask is: "What is the purpose of the website for the customer?" In general customers are trying to solve a problem, researching or looking for information. So, should you "Amazon-ify" your site? To optimise the B2B customer experience you need to recommend the right content when people search or when they are navigating through the site. Here are some considerations for improving the B2B experience.

**businessesgrow.com, July 2020 (Moran)**

### **Direct marketing**

#### **Direct mail – the power of physical**

A new eBook from Royal Mail MarketReach looks at how to create connections with consumers using direct mail. *Discover the Power of Physical* is a "reevaluation of this key component of the integrated marketing mix". It suggests opportunities and techniques for direct mail as well as including some creative case studies from around the world. There are contributions from Mark Ritson, Rory Sutherland, Aviva's Raj Kumar, Centrica's Margaret Jobling and Sky's Robin Garton.

**dma.org.uk, 2 July 2020;**

<https://www.marketreach.co.uk/resources/power-of-physical>

#### **Royal Mail fined for missing targets**

Royal Mail has been fined £1.5m for not meeting first class delivery targets and £100,000 for overcharging customers for second-class stamps. Last month Royal Mail attempted to promote direct mail during the pandemic lockdown but its efforts were dismissed as "too little, too late", after its annual results showed that it had lost 63% of its direct mail volumes. The company plans to axe 2,000 management jobs, including marketing and IT.

**decisionmarketing.co.uk, 13 July 2020**

### **Law**

#### **Trademarks – social and political trends**

Trademark applications are often a reflection of the political, social or economic situation, as in the case of the recent application to trademark "Black Lives Matter" and "I can't breathe". Not surprisingly, there

was such a backlash that the applications were withdrawn, although they would almost certainly have been refused. This is a reminder that the trademark system does not exist to allow a single party to own a movement. Such opportunistic applications are common and there have been attempts to register corona/Covid-19 related names. In the current climate brand owners, such as Uncle Ben's and Aunt Jemima, have had to review their trademarks and branding because they might include offensive stereotypes. Brand owners should take into account current social and political trends when reassessing their historical branding.

**lexology.com, 29 June 2020 (Halliday)**

#### **.eu domain names after Brexit**

Domain names are a valuable business asset and an integral part of companies and brands. Businesses should take steps to keep their .eu domains after Brexit. However, UK companies will no longer be eligible to retain their .eu domains after 31 December 2020 unless they can prove their eligibility under certain conditions, such as the domain name being registered by an EU citizen. Any organisation that fails to establish its eligibility will lose the name and the forfeited names will be released on the open market from 1 January 2022. Now is the time for businesses to review their portfolios to see if they will be affected. Here are some options for large and small businesses.

**lexology.com, 2 July 2020 (Elder)**

### **Marketing**

#### **Building a content strategy**

Content marketing achieves three times the leads of paid search advertising. Yet content is often reduced to SEO-content for the sake of achieving ranking. Instead the goal should be to create content that reaches the target audience, increases the number of leads and boosts sales revenue. The author explains how to build an effective content strategy by using the "right" content (blogs, ebooks and case studies) and sets out a content strategy framework covering everything from defining a trackable goal to launching your content experiences.

**einsteinmarketer.com, 3 July 2020 (Barnes)**

#### **Whether to outsource...or not**

Outsourcing marketing tasks to a third-party can help to relieve some of the pressure faced by an overstretched marketing team. There are three options: outsourcing all marketing; keeping all marketing in-house; and using a combination of outsourcing and in-house marketing. This article looks at the advantages of outsourcing and which parts of the overall marketing strategy would be best-suited to outsourcing rather than being dealt with in-house. It discusses content marketing,

marketing strategy, marketing analytics, email and social media.

[blog.hubspot.com](https://blog.hubspot.com), 6 July 2020 (Creswick)

### **Most important marketing metrics for now**

Your current marketing strategy will be completely different from the one you had in place six months ago. Marketers have had to pivot quickly in these uncertain times as budgets have shrunk, events have been cancelled and buyers' needs have changed. As marketers start to look for new ways of marketing their products and services following the pandemic, here are three of the most important metrics that should be considered right now: cost per acquisition; social media engagement; and website traffic.

[searchengine.com](https://searchengine.com), 2 July 2020 (Masur)

### **Market research**

#### **The study of objects**

People are often not comfortable talking about themselves. Although researchers use words, emotions and body language to try to understand people, they could also look at their possessions. Materialism has become a powerful consumer force but research often underestimates the study of objects to understand people. Objects are an integral part of people's lives and often shape their attitude to life. The study of objects can become a powerful tool for researchers. The author offers three examples where their study has produced rich insights.

[researchworld.com](https://researchworld.com), 3 July 2020 (Dutta)

#### **Semiotics and consumer insight**

Semiotics, the study of signs and symbols, has a unique ability to decode visual images and is the, "only market research method which provides a systematic, reliable and culturally sensitive" method for working out what visual images mean. *Using Semiotics in Marketing: How to Achieve Consumer Insight for Brand Growth and Profits*, a book by Dr Rachel Lawes, aims to help marketers launch new brands or revamp existing ones using semiotics. It includes case studies showing how visual imagery is interpreted differently according to cultural, racial and social demographics and how it offers better consumer insight. This in turn results in better ads, websites, packaging and social media content.

[koganpage.com](https://koganpage.com), 3 March 2020 (Lawes); [Purchase Using Semiotics in Marketing](#)

### **Public relations**

#### **AI in comms management**

AI could change the comms profession significantly but little research has been done into the views of comms practitioners. A cross-national study of 2,689 European comms practitioners posed four questions: how much do comms pros know about AI and how much are they already using AI technologies in their

everyday work?; how do professionals rate the impact of AI on comms management?; which challenges do comms professionals identify in implementing AI in comms management?; and what are the risks? The results suggest that comms managers need to educate themselves and their teams about the technology and to identify AI implementation as a leadership issue.

[Journal of Communication Management](#), 8 May 2020, Earlycite (Zerfass et al)

#### **Deepfakes could become a PR issue**

In 2018 Pornhub and Twitter announced that they would ban all videos that swapped actors' faces for celebrities. Although 90% of such deepfakes are in fact pornographic, according to detection software firm Deeptrace, this type of media could easily become a corporate comms issue. Deepfakes – AI-generated synthetic videos – should be on the radar of every comms professional who must be ready to tackle a reputational crisis as a result of this harmful technology. It is critical for every company to be prepared to handle this sort of crisis from a PR perspective.

[PR News](#), 1 July 2020, p2

### **Sponsorship**

#### **Gambling sponsorships – on the way out?**

A House of Lords select committee has recommended that betting companies should be banned from being Premier League and Championship football club shirt sponsors. Football should "find a way to move past betting sponsorship" argues the author, who believes that there is the possibility of creating huge value for sponsors that goes beyond just the football shirt. Yet shirt-sponsorship deals are a major source of income for clubs: Chevrolet, for example, pays Manchester United £64m a year to appear on its kit. Some ten out of 20 Premier League teams and 17 out of 24 Championship teams are sponsored by gambling outfits so a ban on gambling sponsorship would be a huge shift. Currently only tobacco products are banned from shirt sponsorship, but it is likely that we will gradually see the phasing out of betting companies. Everton, for example, has recently transitioned away from gambling brands to make a new deal with car reseller Cazoo.

[campaignlive.co.uk](https://campaignlive.co.uk), 9 July 2020 (Londesbrough)

#### **Virgin sponsors music**

Virgin Money is to focus on music sponsorship with its Emerging Stars platform that gives new music artists the finance and support they will need to advance their careers. Support includes a £10,000 development fund for each performer as well as mentoring and the chance to play at various venues. Virgin is also sponsoring a new arena, the Virgin Money Unity Arena, for socially distanced events. Banks are still recovering from the last crisis so it is

even more important that they stand out. However, customers still need a good reason to switch banks and that is down to products and services rather than music...

[marketingweek.com](https://www.marketingweek.com), 10 July 2020

## Agriculture, fishing and forestry

### UK vets launch sustainability group

Vet Sustain is a new group set up by British vets to be a "leading force for sustainability". Claiming to be a world first for the veterinary industry, it will address issues such as biodiversity loss and livestock welfare. The organisation is currently focusing on three areas: food and farming, sustainability in veterinary education and the environmental footprint of veterinary practices.

[farminguk.com](https://www.farminguk.com), 13 July 2020

### Chlorinated chicken not ruled out

The UK Government has set up a commission to ensure that British farmers are not harmed by imports of food that is produced using methods that are illegal in the UK. Farm leaders are concerned that chlorinated chicken and hormone-treated beef (both banned in the UK) will be allowed into the country if a trade deal is made with the US. However, Tim Smith, chairman of the Government's Trade and Agriculture Commission, has not ruled out the possibility that such products will be imported. Minette Batters, NFU president, argues that: "If the deal on the table means unfair competition for UK farmers in our home market, then our negotiators must be prepared to walk away".

[fwi.co.uk](https://www.fwi.co.uk), 13 July 2020 (Tasker)

## Building industry

### Output up in May after April nosedive

Construction output was up by 8.2% in May, albeit 39% lower than its pre-pandemic level in February. Output plunged by 40% in April but new private sector house building was up by over a fifth and public sector residential construction by 42% in May. Experts believe it will take some time to get back to pre-pandemic levels. "Fragile business confidence and weak levels of investment will continue to constrain demand for many months", according to Gareth Belsham, director of property consultancy Naismiths.

[constructionenquirer.com](https://www.constructionenquirer.com), 14 July 2020 (Morby)

## Businesses and strategy

### Companies unprepared for Brexit

Just one in four companies are prepared for leaving the EU in five months' time, according to a warning from the Institute of Directors (IoD). A poll of 1,000 company directors found that nearly half were not

able to prepare for the changes needed by 31 December due to a lack of clarity, while 69% said that securing a trade deal rather than crashing out of the EU was important to their company. The IoD stresses that companies need time to prepare regardless of the outcome of trade talks. It is calling for a phased implementation of any new system.

[theguardian.com](https://www.theguardian.com), 13 July 2020 (Topham)

### Taking control of your digital persona

According to social science, who we are at work is mainly defined by what people think about us. When we are in the office, colleagues and clients can gain an impression of us based on our three-dimensional physical presence, but a lot of communication takes place online where we leave a digital "footprint". Even if we try to keep our social media accounts private, people can still gain access to our digital personas and obtain information about us. Understanding how online profiles are used by others is all part of building a successful career. You should be aware of the story that your data tells and how to curate it through photographs, video, words, social media and manipulating the algorithm.

[hbr.org](https://hbr.org), 9 July 2020 (Dattner and Chamorro-Premuzic)

### It's all in the pronunciation

Pronouncing someone's name is not just common courtesy; it also makes a good first impression. Last week LinkedIn launched a new audio feature which allows people to record the exact pronunciation of their name. The feature, which is represented by a speaker icon next to the name, will be available next month. As workforces become more diverse, it is more of a challenge to get names right. Here are some tips for ensuring that people pronounce your name correctly in the workplace.

[fastcompany.com](https://www.fastcompany.com), 9 July 2020 (Meyer)

### Small businesses – surviving the pandemic

It is likely that the coronavirus has been responsible for a monthly rise of 15.8% in online sales; online rose to 30.7% of all sales in April 2020, according to the ONS. Many SMEs have had to adapt quickly in order to survive, yet in February this year as many as a quarter of businesses in the UK did not even have a website. At the beginning of 2019, SMEs made up 60% of employment and 50% of turnover in the private sector. "One of our key messages to small business owners throughout the pandemic has been to innovate" says Kate Angel at Aston Business School's Centre for Growth. Some small businesses have turned to Google My Business (for which this is an advertorial) for tools and resources. Two case studies are included here.

[thetimes.co.uk](https://www.thetimes.co.uk), 22 June 2020 (Salford)

### **Pricing strategies for a crisis**

Rafi Mohammed, author of the book *The 1% Windfall: How Successful Companies Use Price To Profit and Grow*, argues that a crisis or recession is not the time to be cutting prices. Instead leaders should reevaluate their pricing strategy or create one for the first time, so that they can respond to their customers better and retain them when the economy recovers. He gives examples of companies that have developed effective pricing strategies and offers advice for pricing during the pandemic.

[hbr.org/podcast](https://hbr.org/podcast), 7 July 2020 (Mohammed); [Purchase The 1% Windfall](#)

## **Charities and NGOs**

### **Alternative giving – consumer motivation**

This study examines a non-monetary, non-reciprocal form of consumer exchange in which consumers can give or receive or do both, with no financial incentives. The authors investigate consumers' motives for being involved in these "alternative giving" schemes. Prior research suggests that consumers are motivated by prosocial motives. However, the research, which involved a content analysis of the online Freecycle Network, reveals that participation is driven largely by fundamental needs and wants, although other, less materialistic factors are also involved. There is also inconsistency between the product categories in terms of what givers offer and receivers look for.

*Journal of Consumer Behaviour*, Vol 19(4) July-August 2020, pp339-350 (Liu et al)

### **Use an original proposition**

During the last recession there was a 4% fall in the number of people giving but this crisis could see a greater decline in donations. Instead of focusing on core supporters (who are likely to carry on giving anyway) charities should target the "swing donor", defined as those who care about the cause but give less frequently. While the sector has been focusing on modernising the process of giving, such as through TikTok or contactless, its first priority should be the message that "emotionally connects people to the cause". The key to persuading the swing donor is to use "original propositions" such as the NSPCC's "Cruelty to children must stop, full stop", a message that can inspire and excite. Charities must offer a proposition that is all about the donor; they must use the power of lateral thinking; and they must apply the proposition across all activity to ensure consistency.

[thirdsector.co.uk](https://thirdsector.co.uk), 14 July 2020 (Amstein)

## **Economy**

### **UK economy shrinks by nearly a fifth**

The UK economy contracted by 19.1% in the three months to May, revealing the full impact of lockdown and the coronavirus. Although the

economy actually grew by 1.8% in May, this was not enough to offset the fall of 6.9% in March and 20.4% in April. The ONS says that most of the economy was "in the doldrums" with the only real pickup being in retail thanks to record online sales.

[marketingweek.com](https://marketingweek.com), 14 July 2020

### **Consumer spending down**

Unofficial data show that the 4 July reopening of the hospitality sector in England resulted in sales and customer numbers at around half what they were before the pandemic. Chancellor Rishi Sunak has announced support for the sector in the form of a VAT reduction to 5% and a voucher scheme offering subsidised meals in restaurants. Yet consumers are spending significantly less in cafes, bars, etc than they were last year. Sales in non-food stores have risen since reopening in mid-June but the value of card transactions was down by around 23% year-on-year in the week ending 5 July. A full economic recovery relies on consumers starting to spend again but all the signs are that people who saved during lockdown will continue to do so more than others, according to Robert Wood, a Bank of America economist. Samuel Tombs, chief UK economist at Pantheon Macroeconomics, says it unlikely that we will see a V-shaped recovery.

[ft.com](https://ft.com), 10 July 2020 (Romei)

## **Education**

### **UK pilot complies with Chinese restrictions**

UK universities are trialling a new online teaching system for students in China so that they can continue to study for their UK degrees. However, they will only be able to access materials on an "allowed" list to comply with Chinese restrictions. Universities UK insists that the course content has not been altered and that it is not bowing to "censorship". But Chinese students are an important source of income for the UK's universities and they account for nearly a quarter of all overseas students. The pilot project is being carried out by four Russell Group universities and the technology is being supplied by Alibaba Cloud, the Chinese firm. The tech may be offered more widely if successful though concerns over academic freedom and free speech remain.

[bbc.co.uk/news](https://bbc.co.uk/news), 9 July 2020 (Coughlan)

## **Energy and utilities**

### **Water regulators taken to task by MPs**

A report from a cross-party committee of MPs reveals that England could be at risk of running out of water within 20 years. This is because DEFRA, Ofwat and the Environment Agency have not made it clear to privatised water monopolies that they should balance infrastructure investment with customer bill reduction. This failure has resulted in over three billion litres (a fifth of treated water)

being lost through leakage every day. Thames Water is named as the worst culprit, with the loss of 22,000 litres per km of pipe. The MPs also criticised the Government for not developing a national message to consumers on the importance of reducing water consumption.

**ft.com, 10 July 2020 (Plimmer)**

### **Electricity switching resumes**

As lockdown measures have eased, electricity switching has started to rise. While May saw a three-year low in switching, June saw 470,000 completed switches, 6% higher than June 2019, according to Electralink's Energy Market Data Hub. The number of switches started was up by 14% in June. Electralink suggests two main reasons for the recovery of switching: firstly, engaging with energy providers has become more of a priority as people return to work; secondly, suppliers could be catching up with a backlog of requests. Moves to challenger brands from the Big Six accounted for the largest percentage (40%) of switching types in June.

**utilityweek.co.uk, 10 July 2020 (Adam)**

## **Environment**

### **Drax – the shift to biomass**

Power-generation company Drax Group produces 6% of the UK's electricity. The company is currently shifting from coal-based power plants to those based on biomass which is a source of renewable energy. In this interview, CEO Will Gardiner talks about how industry should use carbon-capture technologies to achieve zero emissions and what the costs and challenges of scaling up Drax's model are. The company is currently carbon neutral but hopes to achieve negative emissions.

**mckinsey.com, 9 July 2020**

## **Fashion**

### **Consumer value and sustainability**

Despite today's focus on sustainability, the fashion industry appears to be doing little to address it. Often sustainable consumption comes with "inferior" product attributes, at a higher price and with less choice. This research aims to provide insight into how consumers experience values in sustainability and fashion and to see how the two can be aligned. The study is based on garment labels with sustainability claims from UK fashion retailers. The findings suggest that participants struggle to understand how sustainability is compromised in fashion production. They also identify consumer preferences for sustainability where sustainable concepts are seen as adding value, and show pathways for retailers, producers and policymakers for guiding sustainability through labels and marketing.

**Qualitative Market Research, Vol 23(2) 2020, pp265-285 (Ritch)**

### **Waitrose launches fashion masks**

Waitrose and John Lewis are selling a range of reusable face masks created by the British Fashion Council, with designs by British fashion brands including Mulberry. The profits from the masks will be split between three charities: NHS Charities Together, BFC Foundation Fashion Fund and Wings of Hope. Waitrose is just one of several major supermarkets, including Aldi and Asda, who have started selling face coverings.

**thegrocer.co.uk, 13 July 2020 (Maynard)**

### **Brand quizzed about worker exploitation**

Quiz, the fast-fashion business, has suspended one of its suppliers following claims that a factory in Leicester was paying a worker just £3 an hour. The national minimum wage is £8.72 an hour. Quiz claims to monitor its suppliers, "through audits and site visits". Boohoo has already suffered a backlash when it was reported that a factory supplying its Nasty Gal brand paid its workers just £3.50 an hour. Its shares have continued to nosedive as large investors sell their stock. Standard Life Aberdeen, the UK's largest listed asset manager, has criticised Boohoo's inadequate response to the allegations.

**bbc.co.uk/news, 13 July 2020; cityam.com, 13 July 2020 (Wood)**

## **Financial services**

### **Klarna promotes less impulsive shopping**

Klarna, the Swedish online financial service, has launched "KlarnaSense" via its website and app, to help shoppers curb their impulse buying. The initiative, which uses retail psychology, aims to ensure that consumers use the part of their brain that controls considered decisions rather than impulsive ones. Klarna wants to help customers "purchase the right things, at the right time" says Klarna UK general manager Luke Griffiths.

**marketingweek.com, 13 July 2020**

### **Click to Pay to be rolled out globally**

American Express, Discover, Mastercard and Visa are preparing to expand a Click to Pay service globally. This follows a US launch in October 2019. Click to Pay makes the online checkout simple and secure for consumers across internet, mobile sites and apps by doing away with the lengthy manual entry of personal account numbers and information at checkouts. The checkout will instead be a bit like that experienced by consumers in physical stores, where one terminal accepts all card payments.

**nfcw.com, 8 July 2020 (Clark)**

## FMCG

### Beverages

#### **Carlsberg campaign to mark pub openings**

To celebrate the reopening of pubs in Britain, Carlsberg has launched a new campaign to welcome people back. However, many people are still concerned about the reopening of pubs and Carlsberg has been careful to strike a balance. It has been undertaking daily polls to ensure that it is keeping abreast of consumer mood, which it has discovered can change by the hour. The brand is also using its "Love My Local" app to allow table bookings at pubs.

[marketingweek.com](http://marketingweek.com), 10 July 2020

### Food

#### **Kraft Heinz takes to podcasting**

Kraft Heinz has just launched a podcast series available across Apple, Spotify and Google. Called *Table Stakes*, it will discuss aspects of Kraft's brands around the world including brands that US audiences may not recognise. One podcast, entitled *Heinz Beans – The Comfort of a Nation* seeks to raise awareness of Heinz beans as a UK favourite. Investing in audio content could help Kraft Heinz to build brands among consumer groups like Millennials. Around half of people aged 12 to 34 have reported listening to a podcast over the past month and this could be a promising target audience for the company. Podcasts rather than just advertising have been adopted by brands in other categories and this could be a growing trend.

[marketingdive.com](http://marketingdive.com), 9 July 2020 (Adams)

#### **Changing eating habits**

As many offices are still only partially open and children are home from school, more meals are being consumed at home. Grocery spending was 13% higher in the week to 27 June than a year ago, according to research firm IRI. Britons are eating more eggs and bacon while ready meals, which had been popular before the pandemic, have not kept pace with the general increase in grocery sales. Hygiene concerns and the fact that people have more time to kill accounts for the rise in sales of home baking and frozen products. Changes in eating habits are also a result of recession, with people trying to economise by cooking from scratch and in bulk. Consumers are also turning to sweet treats: sales of ice cream and frozen desserts are 16% higher than last year.

[economist.com](http://economist.com), 11 July 2020

### Household

#### **Household brands support hygiene campaign**

Some of the largest household brands have joined up with businesses in hospitality, telecoms, finance and retail to support the UK Government's

#EnjoySummerSafely campaign. Carex, Dove, Dettol Domestos and Cif are among those who will launch initiatives encouraging shoppers to pay attention to hygiene. The campaign, which launched at the same time as pubs and restaurants reopened, will cover a range of media. Keith Weed, Advertising Association president, said that brands had already helped to communicate with people during lockdown and now they are, "helping everyone re-engage with everyday life, safely".

[thegrocer.co.uk](http://thegrocer.co.uk), 10 July 2020 (Dawson)

### Tobacco

#### **Tobacco sales down after plain packaging**

Research has found that cigarette sales have fallen by around 20m a month since plain packaging and higher taxes were introduced. This is considerably higher than the around 12m a month decline registered before the new rules took effect in May 2017. Meanwhile, HMRC has reported no corresponding rise in illicit tobacco. Professor Anna Gilmore, director of the Tobacco Control Research Group, says that governments can be "reassured" that the plain packaging policy works. Net revenue for tobacco companies has fallen from £231m to £198m a month following the new policies. Simon Clark, director of smokers' lobby group Forest, argues that plain packaging has had, "minimal impact because what matters is the product not the packaging".

[theguardian.com](http://theguardian.com), 13 July 2020 (Davies)

## Government and public sector

#### **Government promotes Brexit travel changes**

The Government is launching a series of ads this week aimed at informing people about the changes to travel that will take place after Brexit. The "UK's new start: Let's get going" campaign will be seen on TV, radio, online and billboards. The campaign aims to give advice for Britons intending to travel to Europe; people travelling to the UK from Europe; and businesses wanting to export to, or import from, the EU. People will be advised to "Check, Change, Go" and are directed to a checker tool on the Government's website.

[bbc.co.uk/news](http://bbc.co.uk/news), 13 July 2020

## Health and pharmaceuticals

#### **Health and prosperity**

The current pandemic is a reminder of how much health matters to individuals, society and the economy. Better health boosts economic growth by expanding the labour force and improving productivity. While healthcare costs have tended to dominate the debate, there has been little discussion about health as an investment for economic return. In their report, *Prioritizing health: A prescription for*

*prosperity*, McKinsey analysts measure the potential to reduce the burden of disease globally and determine the impact of disease burden reduction. They also consider the role that innovation has to play and identify ten innovations that could have a significant impact on health by 2040.

[mckinsey.com](https://www.mckinsey.com), 8 July 2020 (Remes et al)

## IT and telecoms

### **BT says ten years to remove Huawei**

The UK Government is to ban UK mobile providers from buying new Huawei 5G equipment from 31 December and says that all existing 5G Huawei kit must be removed by 2027. Restrictions will also extend to Huawei's broadband kit. Last year the US also introduced sanctions to disrupt Huawei's ability to get its chips manufactured. This has resulted in security concerns because the company would have to source its chips from third-parties. Both BT and Vodafone have both warned that customers could face blackouts if Huawei 5G kit is removed too quickly. This article also looks at Huawei's UK base and how its kit is used in the UK.

[bbc.co.uk/news](https://www.bbc.co.uk/news), 14 July 2020 (Kelion)

## Leisure and tourism

### **More regulation for online travel platforms**

On 12 July the Platform to Business Regulation (P2B Regulation), which regulates online travel platforms, came into force. This is the first EU legislation to target the B2B contractual relationship between the operators of online platforms and search engines, and businesses using them to reach consumers, such as hotels and airlines. This article looks at which travel businesses the P2B applies to; what the Regulation covers; and what happens if online travel platforms don't comply with it. It also comments on the situation for the UK after Brexit.

[lexology.com](https://www.lexology.com), 9 July 2020 (Esuola et al)

### **Britons uncomfortable about museums**

UK museums were allowed to reopen on 8 July but, according to an Ipsos report published earlier this month, 49% of Britons are "not very" or "not at all comfortable" about visiting an indoor museum or exhibition with just 34% feeling "very comfortable" or "fairly comfortable". This compares with 55% who would be comfortable shopping in supermarkets and other stores (51%). However, 60% reported feeling "not very" or "not at all comfortable" with dining out and 58% were not keen on going to cinemas. The Government has pledged a £1.57 billion support package for culture, the arts and heritage institutions.

[lexology.com](https://www.lexology.com), 8 July 2020 (Boodle Hatfield)

## Materials and mining

### **Is copper the new plastic?**

Manufacturers are rushing to find materials that reduce the risk of spreading coronavirus. Copper is an option because of its antimicrobial properties and it is being used in anything from copper-infused face masks to clothing and hospital equipment. Now it is being used in phone cases. Start-up Aeris has launched a copper-coated phone case that claims to kill 99.9% of microbes including coronavirus. The company's founder, Nick O'Brien, hopes that these will become as common as face masks and hand sanitiser. Preliminary research suggests that the coronavirus survives for less than four hours on copper surfaces.

[fastcompany.com](https://www.fastcompany.com), 13 July 2020 (Bratskeir)

## Media

### **Books**

#### **Appledore hosts first drive-in book festival**

The Appledore Book Festival in Devon is to host the UK's first drive-in book festival. The Book Festival, which has been running since 2006, will be held over five days in September in the grounds of Skern Lodge which will have room for over 100 socially-distanced cars. The audience will be able to listen to each author via a dedicated in-car Appledore Festival FM radio station or through the PA system. Meanwhile the author and interviewer will sit on a stage with an eight-metre wide screen so that guests can see them.

[devonlive.com](https://www.devonlive.com), 4 July 2020 (Merritt)

### **Film**

#### **Cinema reopening – what are they planning?**

Many of the blockbuster films due for release earlier this summer have been delayed or, in some cases, have gone straight to streaming. This means that ad revenues have nosedived. According to Group M, UK cinemas are expected to bring in less than half of 2019's total revenues. Some cinema chains opened in England on 4 July with social distancing rules in place. Shona Gold, Vue International's group director of brand and marketing, says that customer safety is paramount and that it is, "all about that journey through the foyer". Vue's online booking system automatically ensures that the seats immediately around a couple or household group are blocked out.

[thedrum.com](https://www.thedrum.com), 6 July 2020 (Lepitak)

### **Internet**

#### **International SEO**

Brands drive traffic to their website from around the world using international SEO. But every country is different, uses the internet differently and has a different set of regulations. Audiences will also have

varying tastes, culture and values. Your goal as a marketer is to know your audience which means that you should invest in international SEO. The author spoke to HubSpot's SEO experts to find out how optimisation strategies vary around the world. Here are four key points to consider with links to articles on global marketing strategies.

[blog.hubspot.com](https://blog.hubspot.com), July 2020 (Bump)

## Radio

### Radio – retail is a big spender

Retail is one of the biggest spenders on radio advertising, having spent over £56m in the 12 months to April 2020. Retail advertisers also create the highest radio RoI (£18.90 for every pound), which is more than they get from any other medium. According to Radiocentre's ongoing Radiogauge research, radio increases ad awareness by 38% for retail and generates a 23% uplift in brand trust for retail brands.

[radiocentre.org](https://radiocentre.org), 9 July 2020

## Social media

### E-commerce marketing on Twitter

Twitter claims that its users are 2.7 times more likely to buy a product after seeing it on the social network. When brands partner with influencers, the purchase intent rises to 5.2 times. It is clear that Twitter can be a powerful marketing platform for business. Here are five suggested Twitter e-commerce marketing strategies and some real examples in the form of Alexa, Zappos, Warby Parker, Fenty Beauty and Chewy.

[blog.hubspot.com](https://blog.hubspot.com), July 2020 (Sheng)

## Packaging

### EC's Essential Requirements of packaging

*Effectiveness of the Essential Requirements for Packaging and Packaging Waste and Proposals for Reinforcement*, a report from eunomia, reviews the European Commission's Essential Requirements for packaging. It looks at: improving the design of packaging for reuse; promoting high quality recycling; identifying obstacles to their effective implementation and enforcement; presenting case studies on useful approaches; identifying and assessing measures to reinforce the requirements; and engaging in extensive stakeholder consultation. The report is available free of charge.

[eunomia.co.uk](https://www.eunomia.co.uk), July 2020 (Hogg et al);

<https://www.eunomia.co.uk/reports-tools/effectiveness-of-the-essential-requirements-for-packaging-and-packaging-waste/>

### Low-waste packaging

Products with low-waste packaging reduce the amount of guilt we feel when disposing of it, according to Karen Page Winterich, a marketing professor at Penn State University. A reduction of guilt may not happen until after the product has

been purchased but it can still leave the consumer feeling more positive about the brand. Here are five key points to consider about your packaging.

**Marketing News, Vol 54(2) Summer 2020, pp14-15 (Steimer)**

### Diageo – first plastic-free paper spirits bottle

Diageo claims to have created the world's first 100% plastic-free, paper-based spirits bottle. Made from sustainably sourced wood, the bottle will be used for its Johnnie Walker whisky brand next year. Diageo says the technology will allow brands to reconsider their packaging designs or shift existing designs to paper without having to compromise the quality of the product. This follows the launch last month of a paper wine bottle by Frugalpac.

[thegrocer.co.uk](https://thegrocer.co.uk), 13 July 2020 (Dawson)

## Retailing

### High street footfall down by 65% in June...

Despite the reopening of shops in June in England and Northern Ireland, many people decided not to return to the high street and retail footfall was down by 65% compared with June 2019, according to data company Springboard. Retailers have been losing thousands of jobs while groups have been closing outlets due to "weak" footfall. Springboard reveals that total footfall (the high street, shopping centres and retail parks) fell by 57% in June compared with June last year. However, consumers were more confident about returning to retail parks than shopping centres in the period 31 May to 4 July. Footfall was 32% and 62% lower respectively for the two types of retail outlet year-on-year.

[theguardian.com](https://theguardian.com), 13 July 2020 (Partridge)

### ...but UK retailers saw largest rise in sales

UK retailers experienced the largest monthly sales rise in over two years in June, when high street stores reopened. The sales growth of 3.4% was helped by computing, furniture and home improvements. However, the British Retail Consortium says that the sector is still in trouble since June's growth is far outweighed by the 6.4% decline over the previous three months. Food sales rose by 7.3% like-for-like in the three months to June while non-food sales in stores were down by 46.8%.

[marketingweek.com](https://marketingweek.com), 14 July 2020

### Boots and John Lewis cut 5,300 jobs

Boots and John Lewis are to lose 5,300 jobs and will to close stores, reflecting the dire situation on the high street, even among established retailers. Boots will close 48 of its optician stores and undertake a "significant restructuring" of its head office and store teams. John Lewis is to close 50 department stores including its flagship Birmingham and Watford outlets. Even before the pandemic, Boots had been

reducing its estate of over 2,000 stores. Although it still has a dominant position in pharmacy, its market share in health, beauty and toiletries has gradually been eroded by supermarkets and discounters.

**ft.com, 9 July 2020 (Eley et al)**

### **China's e-commerce companies**

China is the world's largest digital advertising market and home to the largest e-commerce companies, such as Alibaba and JD.com, whose sales are far greater than any US companies including Amazon. Yet Chinese companies conduct most of their business in China; they derive their success from the fact that they conduct business in a "walled off, protected marketplace"; they use interfaces that are easy to use; and they have world-leading digital payment solutions. eMarketer estimates that 88.3% of internet users in China will make an online purchase this year and 41.2% of all retail sales will occur online. This compares with the US where 82.4% of internet users will take part in e-commerce but just 14.5% of retail will be online. This partly explains why Amazon is more dominant in the US than Alibaba is in China.

**emarketer.com, 5 July 2020 (Cramer-Flood)**

## Services

### **Hotel cleaning turns to high-tech**

Hotels are making use of the latest technology to boost their cleaning credentials and reassure customers. Some of the high tech being used for cleaning are: UV robots (short-wave ultraviolet light of the sort used to sterilise operating theatres); ozone generators (to kill bacteria and viruses in the air); fogging (turning liquid disinfectant into vapour); and electrostatic spraying (negatively charging molecules of cleaning spray which are attracted to surfaces being cleaned).

**ft.com, 10 July 2020 (Robbins)**

### **Sotheby's moves to digital**

Sotheby's held the first ever live-streamed global art auction on 29 June. A purpose-built studio was created in the company's London branch, with cinematographer, Joel Mischcon, who has worked on *The X Factor* and *Strictly Come Dancing*, overseeing the multicamera production. Seven-figure telephone bids were taken from the online audience, while socially-distanced Sotheby's staff received telephone bids in Hong Kong and New York. Despite sales critics questioning the decision to move to digital, the auction generated sales of \$363.2m.

**lexology.com, 6 July 2020 (Boodle Hatfield)**

### **Halfords is to close 60 stores**

Halfords, the car and cycle brand, is to close 60 stores even though it has enjoyed "better than expected" sales during lockdown. It reported a surge in demand for cycling products and services during lockdown, with its cycling business up by 57.1%. The closures will be across both its garages and retail outlets.

**marketingweek.com, 14 July 2020**

## Transport and travel

### **The Bronco – a primetime product launch**

In March Ford was about to launch its new Bronco series. A favourite among car and truck enthusiasts, the Bronco was a classic off-roader but ceased production in 1996. Ford had planned an all-singing, all-dancing launch event but then the pandemic struck. Ford's director of US marketing, Matt VanDyke, knew that he had to do something different to launch the brand so he abandoned the existing marketing plan and started working on a new initiative. The result is a prime-time media event across three Disney networks (ABC, ESPN and National Geographic) which will show three short films directed by Oscar winner Jimmy Chin. It provides an opportunity for scale and engagement.

**fastcompany.com, 13 July 2020 (Beer)**

Written by CIM's Knowledge Services Team

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**Cutting Edge:** Our weekly analysis of marketing news

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[www.eventindustrynews.com](http://www.eventindustrynews.com)

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[www.fastcompany.com](http://www.fastcompany.com)

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

[www.thetimes.co.uk](http://www.thetimes.co.uk)

[www.utilityweek.co.uk](http://www.utilityweek.co.uk)

[www.wearesocial.com](http://www.wearesocial.com)

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