

# Cutting Edge: Our weekly analysis of marketing news

22 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

#### Social contribution of advertising

The latest report in the *Advertising Pays* series, *UK Advertising's Social Contribution*, was written by advertising's thinktank Credos; it focuses on the important social contribution made by UK advertising which has been evident in the industry response to the current pandemic. The report contains new research on the public's and advertising industry's perception of the social good contributed by the industry. It also contains some case studies illustrating the ad industry's contribution to life. The case studies have five themes: Health and Wellbeing; Community Improvement; Diversity and Inclusion; Environmental Preservation; and Human Rights.

[adassoc.org.uk](https://www.adassoc.org.uk), 2020;

<https://www.adassoc.org.uk/resource/showcasing-industrys-social-contribution/>

#### It ain't heavy – it's just a shadow

The authors examine an interesting aspect of product advertising, namely the effect of product shadows on consumer perceptions. Shadows tend to be dark and heavy; in fact, previous research suggests that consumers see the product as being heavier when it is shown with its shadow. When heaviness is a positive attribute, consumers show greater preference for a product that is advertised with its shadow. When the reverse is true, the product becomes less desirable...

*Journal of Advertising*, Vol 49(2) April-May 2020, pp165-184 (Sharma and Romero)

### Agencies

#### Sorrell, S4 capital and Facebook ad boycott

Sir Martin Sorrell has managed to grow his S4

Capital business even during the coronavirus and it has become the UK's sixth largest listed media company. In fact, he believes that he could still achieve his pre-pandemic goal of doubling the company's revenues and profits between 2020 and 2022. He argues that the business is in a "digital sweet spot" where two-thirds of revenue derives from digital advertising content, based largely on Mediamonks' business, and the other third on automated online buying. Just over half of revenue comes from campaigns and ad strategy for tech companies. In this interview, Sorrell comments on the ad boycott of Facebook and concludes that it is not the right approach.

[theguardian.com](https://www.theguardian.com), 21 July 2020 (Sweney)

### Brands and branding

#### Africa admires global brands more than own

The *2020 Brand Africa 100: Africa's Best Brands* report ranks brands in Africa according to the most admired. This year only 13 of the brands listed are African, which is an all-time low. The most admired brand is Nike, probably because of its partnerships with African athletes, its football team shirt sponsorships and other collaborations. Some foreign brands, such as Coca-Cola at number four, are even identified by consumers as being African. Coca-Cola has achieved this with its local campaign strategies tailored to African markets which has given it a "certain Africanness". Guinness is another notable example: more people consume it in Africa than in Ireland! Financial services is a notable exception where African brands, such as GTBank, stand out. However, in media it is international brands, such as BBC, CNN and Al Jazeera, that are most well-regarded. The report expresses concern that Africa has a "vibrant entrepreneurial environment" yet is not creating competitive brands. Some lessons for African brand owners are set out.

[mondaq.com](https://www.mondaq.com), 9 July 2020 (Mare)

## **Brand slogans**

It is not easy to create a good brand slogan and there are certainly no hard and fast rules. It was easier in the days when you were allowed to be economical with the truth: "Guinness is good for you" or "A Mars a day helps you work, rest and play". Today's restrictions mean that agencies don't have the free hand they used to and slogans have largely fallen out of favour with them even though they haven't done so with marketers. Unfortunately, there is little science on the subject of "sloganeering" and brands have succeeded with or without them. Yet great slogans can have amazing power with consumers. Here are some slogan formats and some famous examples.

[marketingweek.com](http://marketingweek.com), 13 July 2020 (Edwards)

## **Conferences and events**

### **Creating new platforms for virtual events**

The pandemic has damaged the events sector and left many businesses struggling to survive. Events rely on people being there in person which is why virtual events have become the norm. Yet tech, such as Zoom or Microsoft Teams, does not provide the same level of engagement as physical events as it has been built for the mass market rather than specific industries. Event organisers and sponsors are looking for something more. This article examines the alternatives for virtual events, such as the concept of bringing existing products together in one system. The Moodie Davitt Report and design company FILTR use existing software to create a virtual version of a physical event which is integrated with web-conferencing capabilities and meeting scheduling software. Web Summit has also created a platform from scratch, as described here.

[bbc.co.uk/news](http://bbc.co.uk/news), 17 July 2020 (Shah)

### **B2B events – Covid-19 accelerates trends**

A review of the B2B live events sector by Arrowpoint Advisory and Plural Strategy finds that listed event operators have declined in value by 40% compared with January 2020. Marketers still value in-person B2B events which they consider to be the most effective channel for them. However, coronavirus is likely to accelerate changes in the events business as organisers focus on their digital capabilities as another revenue stream to support them should there be more physical disruption. One outcome of the crisis could be more resilient business models which will, "play a significant role in driving the next phase of industry growth", says John Baynes, partner at Plural Strategy.

[eventindustrynews.com](http://eventindustrynews.com), 20 July 2020 (Parry)

## **Consumer behaviour**

### **Left-digit bias – does it work?**

Consumers often perceive pricing that ends in .99 (99 cents) to be considerably lower than the rounded-up number. This is a phenomenon known

as "left-digit bias" whereby retailers will set the price at \$2.99 with the expectation that consumers will focus on the left-hand number. However, whether this succeeds depends on the situation. Research conducted by Tatiana Soklova of Tilburg University and colleagues investigated situations in which left-digit bias is more likely to affect consumer judgements. Here they set out some of the more interesting findings. Overall, there is a tendency for just-below pricing to boost sales among light users of a category who are less informed about the price and are more likely to compare prices of similar products on the shelves.

[ama.org](http://ama.org), 6 July 2020 (Zeng)

### **Consumers won't return to normal just yet**

New research from Kantar across more than 60 markets has found that 46% of consumers will not return to normal behaviours due to safety concerns. Around 60% don't expect to engage for a at least another month while between 30% and 60% don't expect to go shopping, to restaurants and bars, the gym, movies or to travel for another two to three months or even longer. Kantar has identified six "coronavirus tribes" according to their levels of concern and consumption so that marketers can invest in messaging to target them more effectively. For example, "Distressed Dreamers" may want more reassurance while "Ostriches", who don't care or understand what the fuss is about, will want something that helps them to forget the pandemic is happening.

[marketingdive.com](http://marketingdive.com), 14 July 2020 (Christie)

## **Customer relations**

### **Becoming more customer-centric**

GDPR has made it increasingly hard for consumer brands to obtain consumer data from third parties. This has led some brands to offer experiences to consumers so that the brand can own the conversation as well as the data coming out of that process. This results in better tailored marketing messages and more customer engagement. Bacardi launched a private beach shack space for drinking with friends and family. An accompanying app offered engaging experiences and Bacardi was able to collect detailed data. Rani Float, a Coca-Cola product, used an AR app to attract customers, enabling it to send customised marketing messages.

[thedrum.com](http://thedrum.com), 20 July 2020 (Stanley)

## **Direct marketing**

### **Boosting email during difficult times**

Improving customer experience is a key focus of marketing departments especially when just a 5% increase in business retention could potentially boost business profitability by 75%. Across most industry sectors email marketing is a key aspect of customer experience and loyalty. Effective email marketing has a direct and positive impact not just on sales,

but also on customer engagement and loyalty. Here are five ways to enhance your emailing practice during difficult times.

**decisionmarketing.co.uk, 15 July 2020 (Holding)**

## Law

### **New Digital Markets Taskforce**

This month the CMA published the results of a market study into online platforms and digital advertising in the UK. It has proposed that concerns about digital markets should be addressed through a "pro-competitive" regulatory regime to be enforced by a new regulator. This will have two parts consisting of: a mandatory Code of Conduct where platforms considered to have "strategic market status" must comply with principles on fair trading, trust and transparency; and secondly, the new regulator will have "transformational" powers of intervention to tackle market power. The CMA is to lead a Digital Markets Taskforce to follow up the findings of the report.

**lexology.com, 3 July 2020 (Staples);**

<https://www.gov.uk/cma-cases/digital-markets-taskforce?u%E2%80%A6>

### **The importance of international IP protection**

The iconic Ace Café on the North Circular in London is a destination for bikers, cars and rock 'n' roll. It is quite well-known among biking communities and has a loyal customer base. This short video shows how it managed to gain brand protection globally with an international IP portfolio. Trade mark attorney Dehns has a watching brief to monitor trade mark registers around the world in case anything similar to Ace crops up. It cites an example where a watch maker in Italy was using an identical mark without permission from Ace Café. Because there was EU trade mark protection, it had to remove the mark and Ace received compensation.

**mondaq.com, 10 July 2020 (Dehns)**

## Marketing

### **Q2 – biggest fall in marketing budgets**

According to the IPA Bellwether Report, total marketing budgets contracted at their fastest rate since the survey first began 20 years ago, during the second quarter of the year. The net balance of companies that reduced their marketing budgets fell to -50.7% in Q2, from -6.1% in Q1 and the lowest since the -41.7% in Q4 2008 after the financial downturn. Not surprisingly, events marketing suffered the most (-76.6%) while PR suffered the least at -41.6%. A balance of -42.2% of marketers reported lower investment in market research, down from -21% in Q1. However, this was better than main media advertising (-51.1%) and sales promotions (-51.2%). In general, marketers were more pessimistic than they had been in the first quarter. Paul Bainsfair, director general of the IPA, emphasises that, "cutting marketing investments

weakens brands in the near-term and limits growth and profitability in the long-term".

**research-live.com, 15 July 2020 (McQuater)**

### **Marketing in the next normal**

It is unlikely that things will return to "normal" because lockdown has changed consumer behaviour. It has always been important for marketers to monitor data and trends in consumer behaviour but now this will be more challenging as they try to imagine what consumers, "in the next normal will think, feel and do". The authors have identified six key changes in consumer behaviour, some an acceleration of existing trends and others just emerging. These are: digital shopping migration; e-services; home as a multifunctional hub; the growing importance of local neighbourhoods; trust in safe spaces; and holding brands to higher standards. They end with some pointers for rethinking the marketing "playbook for the next normal".

**mckinsey.com, 19 July 2020 (Arora et al)**

### **Four factors for improving CAC**

Measuring marketing effectively online is important for success but not straightforward, even though there is plenty of data available. Traditionally the marketing budget has focused on "last click" channels because this is credited with providing the sale or conversion. It is also easier to do this than to measure the impact of marketing activities earlier in the customer journey, higher up the funnel. The author, CEO of Rokt (which has sponsored this article), argues that last-click performance metrics have not improved customer acquisition cost (CAC) and identifies four important drivers for improving CAC.

**hbr.org, 15 July 2020 (Buchanan)**

### **Agile marketing practices**

The annual *State of Agile Marketing Report* (Sherpas.com) looks at how agile ways of working are being used within marketing. Yet agile is more than just getting things done quickly and the report reveals other benefits, such as 53% of marketers have reported higher levels of productivity from their teams and 51% say they can "change gears" quickly in response to feedback from customers. This post considers the report's findings, shows you which agile practices are most useful to marketers and sets out five agile practices that are adapted for marketing.

**cxl.com/blog, 15 July 2020 (Georgieff)**

### **Market research**

#### **The importance of continuous insights**

A business needs resilience but consumer behaviour is changing faster than ever. In order to build resilience ("the ability to adapt quickly while

maintaining business continuity”) businesses must take a continuous, long-term approach to insight. According to Dom Boyd from Kantar’s insights division, organisations are stuck in “tactical mode”; in other words, they respond to the latest data without placing it in a strategic framework. Insights have become vital for helping businesses to gain brand resilience both now and during future crises and periods of uncertainty. Never has VUCA (an acronym for volatility, uncertainty, complexity and ambiguity) foresight and insight been more appropriate, says the author.

**research-live.com, 15 July 2020 (Turner)**

## **Public relations**

### **The virtual roundtable**

In-person meetings are still unviable, so how do you hold a media roundtable in a virtual environment? A strategically put together roundtable will not only achieve immediate coverage but can establish your senior management as reliable thought leaders and build stronger connections with influential media that could have long-term benefits. Virtual roundtables also allow you to invite people from multiple locations instead of focusing on a single market, as well as reducing costs. Here are six tips for ensuring that your roundtable is a success.

**prdaily.com, 20 July 2020 (Quilligan)**

### **PR services must diversify**

In this opinion piece, Patrick Herridge, chairman of Bluestripe Group, argues that the media-relations led PR model, “has been dying for a while”, but this should be regarded as an opportunity. Media relations are changing: as the media shrinks in terms of both readership and headcount, earned coverage is becoming less effective and more time-consuming. Innovation and diversification have got to become the first priority for PR agencies who need to work out what PR looks like in a “post-earned” world and find ways of expressing that.

**prweek.com, 17 July 2020 (Herridge)**

## **Sponsorship**

### **Coronavirus and sponsorship deals**

Some brands and event organisers will end up in court to settle disagreements over sponsorship deals that have been disrupted by the pandemic. Although some events have resumed, they are taking place with significant changes, such as no audience. This has led sponsors to try to renegotiate deals to reflect the fact that they haven’t received the value they expected. In this podcast, ad lawyer Linda Goldstein looks at the “force majeure” clause in contracts which allows brands to abandon deals due to unforeseeable events. She warns brands to read the clauses carefully because the, “argument that a pandemic in the future is an unforeseeable event is probably not going to gain a lot of traction”.

**adage.com, 17 July 2020 (Schultz)**

## **The post-pandemic sports environment**

Sponsorship sales are down, live attendances are cancelled and sports-related media revenue generation is predicted to fall by 35% in the APAC region, says Adrian Staiti, APAC president of sports marketing agency Sportive. Some believe that brands will take a cautious approach to spending, marketing and sponsorship. Others fear that fans will suffer long-term anxiety about attending live events. Instead we should be looking to create a “better normal” with better broadcasts, better live event planning and better opportunities for partnerships says Staiti. Here are five themes that will be important over coming months.

**sportbusiness.com, 16 July 2020 (Staiti)**

## **Agriculture, fishing and forestry**

### **Agri-tech gets government funding**

Nine agritech projects have attracted £24m in government funding. One of these, led by Nottingham-based Deep Branch Biotechnology, aims to turn CO<sub>2</sub> from the Selby power station in North Yorkshire into an alternative to soy and fishmeal for animal feed. Another project, by Saga Robotics in Lincoln, will receive funding to create a fleet of robots which could help to reduce the amount of seasonal labour required by farm growers by an estimated 40%.

**fwi.co.uk, 17 July 2020 (Henderson)**

### **Farming favourability at record level**

Three-quarters of the public (75%) have a positive view of British farming, a record number according to OnePoll’s annual survey. *The Farmer Favourability Survey* shows a 6% rise in favourability compared with June 2019. In general respondents attributed their positive view to the work that British farming has done throughout lockdown. Meanwhile, 89% of respondents said they believe that farming is fairly or very important to the UK, up by 4% on last year. This comes at a time when over a million people have signed a petition to ensure that future trade deals do not allow an increase in the import of food that would be illegal to produce in the UK.

**farminguk.com, 20 July 2020**

## **Building industry**

### **Diversity in the boardroom**

A *Construction News* webinar held last week looked at the contribution that women can make to the industry with better decision-making. Held as part of the Inspiring Women in Construction programme, it looked at the value of diversity of thought at board level and in other senior positions. A panel of women in senior roles across the industry answered questions from a live audience. Gillian Charlesworth, group chief executive of BRE, pointed to the,



“evidence that [diverse] teams are smarter and better at assessing facts; making sound decisions; looking at risk; and also being innovative and working together in a constructive way.”

[constructionnews.co.uk/agenda](https://www.constructionnews.co.uk/agenda), 17 July 2020

### **A modernist slant on conservation**

Some of the modernist architecture from the mid- to late-1900s is falling apart. Now the Getty Institute has announced funding to help conservation efforts for some of the more unusual examples of design around the world. This year they include a flying-saucer shaped concrete memorial in Bulgaria, a glass-walled university building in Japan and two seaside swimming pools in Portugal. The Keeping It Modern program, running since 2014, has awarded grants to 77 buildings in 40 countries. The fund provides scope for the conservation management and longer-term maintenance of innovative buildings that were designed through experimental engineering techniques using unconventional materials which haven't always survived well.

[fastcompany.com](https://www.fastcompany.com), 17 July 2020 (Berg)

### **Calls for reforms to help SMEs**

An all-parliamentary group for SME housebuilders has called for a raft of reforms to help support smaller housebuilders. It also makes the case for investment in building up the expertise of local authority planning officers and “meaningful” training for councillors on the application of planning rules. A Government policy paper setting out plans for a “comprehensive” overhaul of England’s planning system is to be published this month.

[constructionnews.co.uk](https://www.constructionnews.co.uk), 20 July 2020 (Bingley)

## **Businesses and strategy**

### **How B2B sales has changed**

B2B companies will need to keep adapting to the new reality in order to thrive in the current climate. To investigate the extent of the challenge, McKinsey has created a *B2B Decision Maker Pulse*, a survey of 3,600 B2B decision makers across 11 countries and 12 sectors. An infographic capturing the main changes for B2B shows that the likelihood of companies that provide outstanding digital experience being chosen as a primary supplier, has increased twofold. Some 96% of sales teams have shifted fully or partially to remote selling with 65% saying that the remote model is equally or even more effective than what they did before the pandemic. China and India lead the way on this followed by Spain and the UK. Some 79% of B2B companies said they are very or somewhat likely to continue these changes for 12+ months after the pandemic. The chart also presents six ways in which B2B sellers can adapt.

[mckinsey.com](https://www.mckinsey.com), 14 July 2020 (Harrison et al)

### **Video interviews**

Video interviews have become increasingly common due to remote working. This is convenient because there is no need to travel but, just as a phone interview can't tell you everything, neither can an interview over Skype. Here are some things to consider when doing a video interview, not least being a reminder that the interviewer can see you and that you can betray yourself with body language. The important thing for marketing candidates is to present themselves clearly since they will be a part of the strategy of the organisation. For more advice on jobs and CVs visit the blog section of the CIM jobs site.

<https://www.jobs.cim.co.uk/blog/2020/04/is-a-new-way-of-interviewing-coming>, April 2020 (Moxpile)

### **A culture of continuous improvement**

Steffen Hoffmann, president of Bosch UK, has had to reinvent his job during the pandemic but he is quite used to this. Over the 26 years he has worked with the company, his management style has been influenced by a period in Japan which taught him how organisations reinvent themselves and create cultures of continuous improvement. Since things are always going wrong in a manufacturing plant, you need to understand the root causes. The Five Whys method involves asking “Why?” multiple times so that you continually delve deeper into the problem. You must avoid blaming anyone because, to create a culture of continuous improvement, you have to welcome failure. The Japanese refer to “Poka-Yoke” or fool-proofing in manufacturing which originally comes from Toyota but it can be applied to many fields.

[managementtoday.co.uk](https://www.managementtoday.co.uk), 16 July 2020 (Jones)

### **Lean thinking practices for leaders**

Organisations are looking for continuous improvement, such as lean processes, to help them become more efficient and effective, reduce costs and improve customer satisfaction. Lean, made famous by the Toyota Production System, aims to provide goods and services of value, “defined by the customer, at the lowest cost through the elimination of waste”. Leaders should embrace six lean thinking practices: make lean thinking a habit; develop and communicate the strategy; embed learning in the organisation’s culture; show personal commitment; apply lean tools; and build on success and learn from failures.

*Industrial Management*, Vol 62(4) 2020, pp12-17 (Bernacki et al)

## **Charities and NGOs**

### **Collaboration or even consolidation**

Mike Adamson, chief executive of the Red Cross, says that charities of all sizes should find ways of collaborating or even consolidating. In a blog about the future for charities after the pandemic, he said

that charities must demonstrate to government that they have practical solutions to society's challenges. However, currently the sector is too fragmented to be an, "investible and viable partner at the top table on the big issues". Charities should be talking to partners with whom they can collaborate or pool resources. The sector should be ready to share information and find new ways of reaching people; but all this will require "new capabilities in newly designed organisations".

**thirdsector.co.uk, 17 July 2020 (Ricketts)**

### **The power of the postcard**

If you can't meet people face-to-face, why not send a postcard? This is what mental health charity Health in Mind did as part of its brand refresh. Many people focus on the quantity rather than the quality of their relationships yet research shows that almost a fifth of people in Britain feel lonely. The charity designed and printed "hello" postcards which people could colour in and send, encouraging people to share their postcards on #WritingToSayHello. It also produced articles on its website, including the "5 ways to wellbeing". The success of the project is evidence that you don't have to be "flashy" with lots of resources in order to make a big impact.

**charitycomms.org.uk, 14 July 2020 (Andre and Genge)**

## **Economy**

### **Consumer price inflation**

The *Consumer price inflation detailed, UK: June 2020* reveals that the consumer price index including occupiers' housing costs (CPIH) 12-month inflation rate has risen slightly from 0.7% in May to 0.8% in June. The rising prices of games and clothing have given the greatest boost to this rise which has been partially offset by falling food prices. The ONS has identified 67 CPIH items that UK consumers couldn't access in June and which contribute to 13.5% of the CPIH basket.

**ons.gov, 15 July 2020 (Gooding)**

### **Less company investment in next three years**

Almost two-thirds of companies (65%) say they will reduce investment spending over the next three years, according to a survey of finance directors by Deloitte. The current pandemic, the chances of a no-deal Brexit and worsening geopolitical conditions are leading to reduced capital spending. Nearly 80% of respondents expect their revenues to decline over the next 12 months, the second-highest percentage on record. Just 49% said they expect revenues to return to pre-pandemic levels by the second quarter of 2021. These findings seem to fit with a generally "gloomy" range of forecasts which question whether the UK will achieve a V-shaped recovery this year.

**theguardian.com, 20 July 2020 (Inman)**

### **UK labour market**

The latest ONS *Labour market overview, UK: July 2020* shows that the number of people on UK payrolls in June was down by around 650,000 compared with March 2020. Although the number of payroll employees continues to fall, the decline is slowing. However, there are signs of rising economic inactivity, with more people out of work who are not looking for it. The hours worked has also fallen, reaching record lows for both the year and the quarter. Pay fell for most measures in May but this was more apparent in industries where furloughing was prominent, such as accommodation and food services. In a separate blog, Jonathan Athow, Deputy National Statistician for Economic Statistics at the ONS, looks at the conflicting data and why nearly half a million "employees" are not being paid.

**ons.gov.uk, 16 July 2020 (Leaker);**

<https://blog.ons.gov.uk/2020/07/16/a-covid-19-conundrum-why-are-nearly-half-a-million-employees-not-being-paid/>

## **Education**

### **Emergency funds – but with conditions**

A recent report from the Institute of Fiscal Studies warned of a "significant threat" to the UK higher education system, with losses of between £3 and £19 billion and 13 universities facing insolvency. The Government has responded with a rescue package of emergency funding described as a, "last resort measure". Universities are autonomous but the new funding would give the Government more control over how the money was spent. It might, for example, see the closing of "unviable campuses" or mergers of institutions; universities would also have to end so-called "low value" courses and focus instead on high-quality research or subjects with good job prospects.

**bbc.co.uk/news, 16 July 2020 (Coughlan);**

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/900917/Higher\\_education\\_restructuring\\_regime.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/900917/Higher_education_restructuring_regime.pdf)

## **Energy and utilities**

### **First battery gigafactory for Britain**

Britishvolt has chosen a site in south Wales to build a gigafactory to make batteries for electric cars. The UK Government and car companies have been calling for a gigafactory to help protect jobs in the automotive industry as it shifts towards electric vehicles. This will be the first time that a company has chosen to build lithium-ion batteries on a large scale in the UK. Britishvolt also hopes to build a 200MW solar power plant to supply the factory and reduce its environmental footprint. This will also be good news for Wales' automotive sector. Aston Martin has started production of its DBX SUV at the same site as the new factory.

**theguardian.com, 17 July 2020 (Jolly)**

## Environment

### **UK launches green aviation funding**

The UK Government has just announced £400m in private and public sector funding for technologies and research that will help the aviation sector to "go green". The projects included in the funding round cover high performance engines, new wing designs and ultra-light cabin seats designed to reduce fuel consumption. Gary Elliott, CEO of the Aerospace Technology Institute (ATI) which is leading the funding, says that the FlyZero initiative could make the UK a global leader in aviation technology and green aviation.

**businessgreen.com, 20 July 2020 (Keating)**

### **Vodafone – 100% renewable electricity**

Vodafone has set a deadline of July 2021 for its entire European network to be run on 100% renewable electricity. It also aims for its business customers to reduce their CO<sub>2</sub> emissions by 350m tonnes over the ten years between 2020 and 2030. The carbon reduction target was developed with help from the Carbon Trust, which made the necessary calculations and modelled future scenarios to help Vodafone set goals.

**climateaction.org, 20 July 2020 (Cooper)**

## Fashion

### **Girlfriend – eco-friendly and black causes**

Girlfriend Collective is an activewear brand which produces items such as leggings and sports bras. The difference is that they are all made from recycled plastic water bottles. One pair of high-rise leggings equates to 25 water bottles. The ethically-made fabrics, together with the company's support of diversity and community, have given the brand cult status. It has recently expanded into socks and underwear with the Everyday GF collection, from which 100% of net proceeds will go to organisations supporting black communities.

**fastcompany.com, 17 July 2020 (Steele)**

### **Call for new licensing scheme**

In a letter to Home Secretary Priti Patel, more than 50 MPs and peers call for UK factory workers in the clothing industry to be protected from exploitation. The letter has also been signed by investors, charities and retailers, including Asda and Asos. The letter asks for a new licensing scheme for garment factories. "The public want to know that the clothes they buy have been made by workers who are respected, valued and protected by the law", said Helen Dickinson OBE, head of the British Retail Consortium. Boohoo and Quiz have recently been accused of using unethical suppliers and have promised to investigate.

**bbc.co.uk/news, 20 July 2020**

## Financial services

### **Visa introduces instalment payments**

Visa is trialling an instalment payments service in Russia, the aim being "to help clients and partners give eligible consumers more flexibility to pay using their existing Visa cards". Instalments can be beneficial for sellers and some have reported an increase in the average purchase size and average conversion rate as a result. In the US, Visa is working with payments specialists, processors and issuers to launch the service there and is conducting more pilots around the world.

**nfcw.com, 15 July 2020 (Clark)**

## FMCG

### **More food and drink B Corps needed**

So far food and drinks businesses have done an important job helping vulnerable communities during the crisis, including giving to food banks and supporting charities. One way of keeping up the momentum and creating a more sustainable future is for more businesses to become B Corps. To do so they must show they value purpose as much as they do profit and must consider the impact of all their decisions on stakeholders. There are around 40 B Corps in the UK food and drink sector. Companies with B Corp certification grow 28 times faster than the UK average, according to research done in 2018. The label also has a positive impact on intention to purchase for three-quarters of people who know what B Corp means.

**thegrocer.co.uk, 20 July 2020 (Grant)**

## Beverages

### **Dispensing Coke with a touch of the phone**

In the US customers in restaurants and convenience stores that have Coca-Cola Freestyle dispensers can use their mobile phones to select their drink from a menu and instruct the machine to pour it for them, making it a completely contactless experience. The system, which was devised in just a week in response to the coronavirus, has been successfully trialled in Atlanta and will be rolled out to all Freestyle dispensers by the end of the year.

**nfcw.com, 15 July 2020 (Clark)**

## Cosmetics and toiletries

### **Avon calling as it doubles sales reps**

Avon's UK sales reps doubled during the lockdown period from late March to early June, as people in need of extra income during lockdown, signed up to sell beauty products. Most of Avon's 130-year history has seen door-to-door sales but now the company sells more of its cosmetics and perfumes online, a trend that has grown during the pandemic. This reflects the beauty sector in general, which has proved resilient during lockdown as people moved online or bought more products to compensate for the lack of one-to-one beauty treatments. Avon

reports that digital transactions in the first half of the year were three times higher than for the same period last year.

[bbc.co.uk/news](https://www.bbc.co.uk/news), 19 July 2020 (Nunis)

### **Male grooming – or lack of – during lockdown**

*The lockdown look: male grooming category report 2020* looks at how men have neglected their grooming during lockdown, with bushy beards much in evidence and shaving brands suffering as a result. Sales of male-focused brands fell by 16.8% in the 12 weeks to 14 June, according to Kantar; this is attributed to the decline in skincare, fragrances, razor blades and deodorants! Kantar believes this is because of the discretionary nature of the products. A recent poll for *The Grocer* revealed that nearly four in ten men had “dabbled” with facial hair during the pandemic. This report explores in-depth the impact of lockdown on the male grooming category and the effects of lockdown easing.

[thegrocer.co.uk](https://www.thegrocer.co.uk), 20 July 2020 (Selwood)

## **Food**

### **Mars spreads into sports nutrition**

The growth in spreads and sports nutrition has prompted Mars to launch some new peanut butters. An M&M spread contains crushed peanut M&Ms while a Snickers spread has nuts and chocolate pieces. Sales of spreads have overtaken those of jam over the past year, with peanut butter sales reaching £98.9m in supermarkets compared with jam’s £96.9m. M&Ms will also launch for the first time in sports nutrition with Hi Protein Chocolate Peanut Bars. This reflects Mars’ recent shift away from traditional chocolate to other products, such as Twix protein powders and Snickers Hi Protein peanut bars.

[thegrocer.co.uk](https://www.thegrocer.co.uk), 10 July 2020 (Woolfson)

### **Shrinkflation for Wispa and Double Decker**

Cadbury’s Double Decker and Wispa Gold bars sold in multipacks are to be reduced in size so that they contain less than 200 calories but, inevitably, they will cost the same. The packs, which account for the biggest share of chocolate sales, will remove ten billion calories from the UK market says Cadbury which claims it is helping to tackle obesity. It aims to bring all chocolate bars sold in multipacks to under 200 calories by the end of 2021, but individual bars will not change in size. Cadbury has been reducing portion sizes for some years.

[theguardian.com](https://www.theguardian.com), 17 July 2020 (Wood)

## **Government and public sector**

### **The Brexit campaign**

Boris Johnson and his team are good at punchy slogans such as “Get Brexit Done”. The latest, “UK’s

new start: let’s get going” is part of a Brexit poster campaign launched on 13 July using the strapline: “Check, change, go”. Not so pithy are the details of what to check and where to go. There is a fear that many traders, especially small businesses, won’t be ready while many industry groups say they still don’t know what rules to prepare for especially since the pandemic has taken their spare money and time. Getting the public’s attention will be even harder, while focus groups suggest that many voters believe Britain has already left the EU. Trade negotiations are carrying on but are rarely newsworthy enough to appear in the media. The Government now needs to convince voters that major changes are afoot...

[economist.com](https://www.economist.com), 18 July 2020

### **Government investment – struggling towns**

In July 2019 the Government announced a £3.6 billion Towns Fund for England aimed at supporting towns that don’t have, “the right conditions to develop and sustain strong local economies”. Some towns are struggling to address issues such as ageing populations, limited opportunities and a lack of investment. It has since published a list of 101 such towns, each of which can bid for up to £25m. This review describes the selection of the towns while outlining the key issues for each area.

[nao.org.uk](https://www.nao.org.uk), 21 July 2020

## **Health and pharmaceuticals**

### **Be careful how you back up claims**

The US’s National Advertising Division (NAD), part of the Better Business Bureau, has recently been involved in a case where Procter & Gamble successfully challenged three claims made by GlaxoSmithKline Consumer Healthcare for its Benefiber Original and Benefiber Healthy Shape products. The challenge focused on the claims that it was “100% natural”, “clinically proven to curb cravings” and “helps you feel fuller longer”. The NAD did not believe that GSK had substantiated its claims and recommended that they should be discontinued. The decision was based on the fit between the scientific evidence and the consumer benefit claimed. GSK says it will appeal.

[internationallawoffice.com](https://www.internationallawoffice.com), 17 July 2020 (Lovells)

## **IT and telecoms**

### **People won’t switch for fear of losing email**

Ofcom believes some customers who want to keep their old email addresses are “not being treated fairly”. Many people who have switched broadband providers have been charged large amounts to retain their email address. Many of these, who are ex-BT customers, want to retain their old emails because they are registered with numerous banks, utility companies, online shops, etc. In fact, one in six customers say they are deterred from switching broadband provider because they don’t want to lose



their email address or be charged for it, according to research from comparethemarket.com. The Ofcom investigation follows a Radio 4 *Money Box* report earlier this year.

[bbc.co.uk/news](https://www.bbc.co.uk/news), 18 July 2020 (Whitworth)

### **Improving 5G's image – advice to advertisers**

Apart from the UK Government's decision on Huawei, 5G has been at the centre of negative headlines. The technology offers great opportunities but these need to be communicated better by advertisers in order to convert consumers. 5G technology has been overshadowed by conspiracy theories and security concerns which have detracted from positive messages to consumers. Although awareness of 5G is rising, consumer desire to buy 5G services is in decline. This is down to a number of factors, not least being the difficulty in communicating the "giant infrastructure shift" presented by 5G. The author likens it to "the Victorian redesign of cities based around modern sewer systems". Such a huge concept is hard to convey. Some attempts at 5G advertising have been less than successful, such as Three's "Real 5G" campaign, which was banned by the ASA. Here is some advice to advertisers.

[thedrum.com](https://www.thedrum.com), 17 July 2020 (Cobbold)

## Materials and mining

### **Coal – hard to sell**

Miners are under pressure from investors to abandon coal, the most polluting fuel. BHP Group, the world's biggest mining company, has been struggling to sell its Mt Arthur coal mine in Australia despite it being profitable. Miners have for years been warned that they could face a "cliff-edge" if they held on to certain assets for too long. Increasingly investors don't want to have shares in companies that are mining coal. There is no doubt that the number of potential buyers for thermal coal mines is shrinking. This article examines the issues for BHP and others.

[mining.com](https://www.mining.com), 20 July 2020

## Media

### **Games**

#### **Gaming in India**

In India, gambling activities where a person can win or lose due to an uncertain event or luck are prohibited. However, games involving knowledge, training, attention or experience are allowed. Those requiring more skill than chance are also permitted. Gaming and gambling rules depend very much on the individual State jurisdictions. This article looks at the laws in India surrounding the licensing of online games of skill and references the relevant Acts.

[mondaq.com](https://www.mondaq.com), 10 July 2020 (Chopra and Wadhwa)

## Magazines

### **Q Magazine closes**

This month publisher Bauer will close the iconic *Q Magazine* after 34 years. Its circulation has fallen from 200,000 a month at its peak to just 28,000 but editor Ted Kessler also blames the effect of the coronavirus. Bauer will also close *Modern Classics*, the classic car magazine and has sold digital publications *Sea Angler*, *Car Mechanics* and *Your Horse* to Kelsey Media.

[marketingweek.com](https://www.marketingweek.com), 21 July 2020

## Newspapers

### **Two locals go behind paywall**

The *Yorkshire Evening Post* and *Lancashire Post* are to place their sites behind a paywall. These are the latest titles owned by JPIMedia to use the paywall model. Gillian Parkinson, editor of the *Lancashire Post*, says that high quality journalism is even more important, "with the rise of unregulated content and inaccurate reporting through social media."

[prolificnorth.co.uk](https://www.prolificnorth.co.uk), 16 July 2020 (Chapman)

## Social media

### **Marketers use of social listening**

For a long time now, marketers have been turning to social media to gauge sentiment and respond to people, but the current pandemic has made it more important than ever to listen to consumers. Research by Gartner back in March found that 51% of marketing leaders around the world used social listening platforms to keep abreast of consumer needs during the coronavirus. Many marketers are already social listening but their interest and willingness to act has grown during this crisis. Here are a few comments from marketers interviewed for eMarketer's *Social Listening* report.

[emarketer.com](https://www.emarketer.com), 16 July 2020

## Television

### **TV boosts e-commerce businesses**

Is TV advertising effective for e-commerce businesses? Thinkbox gives an example of the revenue return of a mid-sized online retailer, with an ad budget of £10m, after it advertised on TV. According to Thinkbox, when TV is used as part of the campaign, the incremental revenue generated during the campaign and during the following three months, reaches £32.2m. If TV is not used, it is just £25.4m. The revenue return over three years is £67.9m when using TV but only £48.7m when not doing so. The conclusion is that online brands achieve a greater campaign uplift and boost base sales when TV is part of the advertising mix.

[thinkbox.tv](https://www.thinkbox.tv), 13 July 2020

## Video

### **Netflix subscription up by over 10m in Q2**

Over the last quarter Netflix has seen global subscriptions rise by over ten million, while paid memberships have risen by 26m for the first half of the year. Nevertheless, Netflix admits that the growth rate is slowing and forecasts the addition of just 2.5m more subscribers in Q3, down from 6.8m last year.

**standard.co.uk, 17 July 2020 (Speare-Cole)**

### **Ad funding – could this be the future?**

Peacock, a new video streaming service, was launched by NBCUniversal on 15 July but the question is whether American households need yet another such service. Rather than charging a subscription, Peacock allows advertising. NBCUniversal has a huge back catalogue but is designed for linear TV and cinema and it is unlikely that there will be many Peacock original shows. Yet two-thirds of Americans say they would prefer a wholly or part ad-supported service to a subscription one, according to Deloitte. Advertisers are also likely to be enthusiastic as cable TV is losing viewers and advertising next to the likes of YouTube is risky. Ad-supported video is already the main model in Asia. As the cost of content rises, it is likely that US video streamers' interest in ad money will grow.

**economist.com, 18 July 2020**

## Packaging

### **First supermarket 100% recyclable crisp tube**

Asda claims to be the first supermarket to produce a 100% recyclable crisp tube which it says will remove 98.2 tonnes (or 2.34m crisp tubes) of non-recyclable packaging from its operations per year. The new cardboard packaging, which contains Asda's Snax range, is part of its commitment to reduce own-brand plastic packaging by 15% by next year.

**thegrocer.co.uk, 16 July 2020 (Devlin)**

## Retailing

### **Top ten US e-commerce players**

The top ten US e-commerce players will increase their share of the e-commerce market to 60.1% in 2020, up from 58.2% last year, according to the latest eMarketer research. During times of uncertainty, consumers will shift towards retailers of essential goods and services that they feel they can rely on. The top ten e-commerce players are expected to grow their sales by 21.8% this year, outpacing overall market growth of 18%. Amazon will stay in top position with 38% market share by the end of the year, while Walmart is likely to overtake eBay to occupy second place with 5.8% market share.

**emarketer.com, 14 July 2020 (Liu)**

### **Amazon cart – a Dash for the exit**

Amazon has created a smart shopping trolley that can track the items placed in it as people shop. They then simply leave the store without the need to go to a physical checkout. Payment is made using the card registered on the person's Amazon account. Dash Cart, as it is called, combines computer vision algorithms and sensor fusion to identify items. There is also a QR code in the Amazon app that allows the user to sign in before using the cart. However, the cart is only designed for two grocery bags!

**nfcw.com, 15 July 2020 (Clark)**

### **M&S to cut jobs**

Marks & Spencer is set to lose hundreds of jobs, according to a report from Sky News. This follows last week's announcement that thousands of jobs would go at John Lewis and Boots. While M&S kept its food stores open during lockdown, other parts of the business were severely affected. At one point, clothing sales were down by 84% year-on-year. Many of the furloughed staff have since returned to work, but CEO Steve Rowe warns that, while some customer habits are returning to normal, others will have changed forever.

**theguardian.com, 20 July 2020 (Jolly)**

## Services

### **Auditing not up to industry standards**

The Financial Reporting Council (FRC), the accounting watchdog, says that 88 company audits which it examined in its latest review were poorly carried out and needed more than just "limited improvements" to get them up to industry standards. The watchdog's findings will place further pressure on the audit industry which has previously failed to identify problems leading to the collapse of Thomas Cook, Carillion and Patisserie Valerie. KPMG is the worst culprit out of the Big Four with just 61% of sampled audits reaching industry standards. PwC met standards with 65% of its audit, Deloitte 76% and EY 71%. This compares with smaller accounting firms, such as BDO (62%) and Mazars (80%). The FRC says that the audit firms are not standing up to or challenging their clients, "in areas of complexity and forward-looking judgement".

**theguardian.com, 14 July 2020 (Makortoff)**

### **Burger King – flatulent cow ad**

Burger King has previously used unusual subject matter in its ads (such as the Mouldy Whopper back in February) but now it has turned to farting cows. Its latest claim is that the Whopper burger comes from cows that excrete 33% less methane. This follows a collaboration with scientists to trial a new diet for cows so that they emit fewer greenhouse gases. The ad features a country-style singalong all

about methane starring an 11-year-old boy, Mason Ramsey, famous for yodelling in Walmart!

**creativebloq.com, 17 July 2020 (piper)**

## Transport and travel

### **Large planes take a hit**

Having suffered from last year's grounding of its 737 Max planes, Boeing faces another problem: its wide-body jet, the Dreamliner, which has helped to support the company throughout the 737 Max ban, is having to be stored in large numbers as airlines slow or cancel their purchases and consumers lose interest in travel due to Covid-19. Boeing has had to store an estimated 50 of its new 787 Dreamliner planes, which is more than double the number usually waiting to go to customers. Airbus's A350 and A330neo have also been hard-hit. In cases where fleets are growing, it is likely that airlines will focus, at least at first, on smaller planes for domestic flights before making larger purchases.

**bloomberg.com, 18 July 2020 (Johnsson)**

### **Used cars a bright spot for automotive**

There has been growing interest in used cars and other modes of transport, such as scooter and bikes, as people try to avoid public transport. Auto Trader, the online car marketplace, reports that traffic to its website rose by 29% in June compared with the same month last year. The number of leads sent to sellers was up by 90% year-on-year. Meanwhile motorway.co.uk, another marketplace has seen record sales of up to £1.6m a day since sales restarted in May. This is a much brighter picture than that for new car sales which plummeted by 97% in April and the recession is likely to hurt car sales further as unemployment rises.

**theguardian.com, 21 July 2020 (Jolly)**

Written by CIM's Knowledge Services Team

© Copyright 2020 CIM

The views expressed in *Cutting Edge* are not necessarily those of The Chartered Institute of Marketing.

## Sources

We created this edition of *Cutting Edge* from the sources listed in the next column. As a member you have access to a discrete range of them through the CIM website, some are freely available on the internet, but there will be others that we can only supply you with through our photocopying service.

To access the journals you have available to you as a member:

- Go to [www.cim.co.uk/more/marketing-library/](http://www.cim.co.uk/more/marketing-library/) and log in to the site.
- You will then have access to the links to Ebsco, Emerald and e-books available via Ebook Central.
- A user guide for the electronic resources is available on this page.

**Please note:** the titles as they appear in *Cutting Edge* are *not* the same as in the original article. If the journal is within Ebsco, you can search by publication, which then allows you to choose the date. This page will also clearly show if there is an embargo on the title or if there is a short delay.

### Key

\*\*Full text available on Ebsco – although there may be an embargo

\*Abstract available on Ebsco

+Full text available on Emerald

~Available online if you register

# Mintel reports are available in the library at Moor Hall. Members can request the contents pages of a report and can receive up to 5% via our photocopying service.

Please contact Knowledge Services if you would like any further assistance or would like more information on our photocopying services (charges apply).

Tel +44 (0)1628 427333

Email [knowledge@cim.co.uk](mailto:knowledge@cim.co.uk)

[www.adage.com](http://www.adage.com)  
[www.adassoc.org.uk](http://www.adassoc.org.uk)  
[www.ama.org](http://www.ama.org)  
[www.bbc.co.uk/news](http://www.bbc.co.uk/news)  
[www.bloomberg.com](http://www.bloomberg.com)  
[www.businessgreen.com](http://www.businessgreen.com)  
[www.charitycomms.org.uk](http://www.charitycomms.org.uk)  
[www.climateaction.org](http://www.climateaction.org)  
[www.constructionnews.co.uk](http://www.constructionnews.co.uk)  
[www.creativebloq.com](http://www.creativebloq.com)  
[www.cxl.com/blog](http://www.cxl.com/blog)  
[www.decisionmarketing.co.uk](http://www.decisionmarketing.co.uk)  
[www.thedrum.com](http://www.thedrum.com)  
[www.economist.com](http://www.economist.com)  
[www.emarketer.com](http://www.emarketer.com)  
[www.eventindustrynews.com](http://www.eventindustrynews.com)  
[www.farminguk.com](http://www.farminguk.com)  
[www.fastcompany.com](http://www.fastcompany.com)  
[www.fwi.co.uk](http://www.fwi.co.uk) (Farmers Weekly)  
[www.gov.uk](http://www.gov.uk)  
[www.thegrocer.co.uk](http://www.thegrocer.co.uk)  
[The Guardian](http://TheGuardian)  
[www.hbr.org](http://www.hbr.org)  
Industrial Management\*\*  
[www.internationallawoffice.com](http://www.internationallawoffice.com)  
[www.jobs.cim.co.uk](http://www.jobs.cim.co.uk)  
Journal of Advertising\*\*  
[www.lexology.com](http://www.lexology.com)  
[www.managementtoday.co.uk](http://www.managementtoday.co.uk)  
[www.marketingdive.com](http://www.marketingdive.com)  
[www.marketingweek.com](http://www.marketingweek.com)  
[www.mckinsey.com](http://www.mckinsey.com)  
[www.mining.com](http://www.mining.com)  
[www.mondaq.com](http://www.mondaq.com)  
[www.nao.org.uk](http://www.nao.org.uk)  
[www.nfcw.com](http://www.nfcw.com)  
[www.ons.gov.uk](http://www.ons.gov.uk)  
[www.prdaily.com](http://www.prdaily.com)  
[www.prolificnorth.co.uk](http://www.prolificnorth.co.uk)  
[www.prweek.com](http://www.prweek.com)  
[www.research-live.com](http://www.research-live.com)  
[www.sportbusiness.com](http://www.sportbusiness.com)  
[www.standard.co.uk](http://www.standard.co.uk)  
[www.thinkbox.tv](http://www.thinkbox.tv)  
[Third Sector](http://ThirdSector) (selected articles available)



## Contents

To fast forward click on the following links:

[Agriculture, fishing and forestry](#)

[Building industry](#)

[Businesses and strategy](#)

[Charities and NGOs](#)

[Economy](#)

[Education](#)

[Energy and utilities](#)

[Environment](#)

[Fashion](#)

[Financial services](#)

[FMCG](#)

[Beverages](#)

[Cosmetics and toiletries](#)

[Food](#)

[Government and public sector](#)

[Health and pharmaceuticals](#)

[IT and telecoms](#)

[Marketing trends and issues](#)

[Advertising](#)

[Agencies](#)

[Brands and branding](#)

[Conferences and events](#)

[Consumer behaviour](#)

[Customer relations](#)

[Direct marketing](#)

[Law](#)

[Marketing](#)

[Market research](#)

[Public relations](#)

[Sponsorship](#)

[Materials and mining](#)

[Media](#)

[Games](#)

[Magazines](#)

[Newspapers](#)

[Social media](#)

[Television](#)

[Video](#)

[Packaging](#)

[Retailing](#)

[Services](#)

[Transport and travel](#)