

# Cutting Edge: Our weekly analysis of marketing news

9 October 2019

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

**Quick [links](#) to sections**

## Marketing trends and issues

### Advertising

#### Advertising Week – share of culture

At the recent Advertising Week event, the moderator of a discussion on the future of creativity, Boudica chief creative officer Joanna Coles, said that “People hate advertising. They f---ing hate it...and it's all advertisers' fault.” This message comes as advertising growth is predicted to be less than 3% this year, according to Group M. Marc Pritchard, P&G's chief brand officer, says what is needed is to “merge the ad world with other creative worlds” because seven out of ten people find ads annoying. He claims that some of his company's docuseries, done in conjunction with National Geographic, have led to millions of impressions. One of the main themes of Advertising Week was culture: over the past year brands have been deluging people with “woke” campaigns but many have been accused of cynicism. To create effective work, they need to focus on so-called “share of culture”. Advertising Week also featured some case studies showing how businesses are using culture to their advantage.

[marketingdive.com](#), 2 October 2019 (Adams)

### Agencies

#### Agencies neglecting over 50s creativity

Research from Ohio State University shows that there are two cycles of creativity: one for people early in their careers and another that is experienced later in life. The later peak can occur in the mid-fifties, yet this age group is badly represented in ad agencies. According to the 2019 IPA Census, just 6.2% of the IPA member workforce is aged over 50, which means that the industry is missing out on a huge body of talent. A variety of factors lead to older employees leaving the industry.

Robert Campbell, founder of Rainey Kelly Campbell, created lifestyle website High50 after recognising that marketers tend to focus on youth. Yet the 50- to 65-year-olds control three-quarters of all wealth. Earlier this year Creative Equals, which supports diversity and inclusion in the workplace, set up Creative Comeback, to help women in creative industries return to the workplace.

**Campaign, October 2019, pp58-60 (Spary)**

### Brands and branding

Several big brands, including P&G, Unilever and Mastercard, have launched a global initiative on cross-media measurement. The Cross Media Working Group is looking to discover a cross-industry agreement on global principles for measurement. Broadcasters, digital platforms and measurement companies have also become involved in the initiative. The group, which came together at Advertising Week in New York recently, identified four main areas of focus. ISBA director general Phil Smith said that: “To succeed, we know that efforts from all parts of the globe must come together to provide a single set of principles and standards that can be applied in individual markets”.

[marketingweek.com](#), 4 October 2019

### Creating a luxury brand

When the CEO of Canada Goose, a maker of high-end coats in Canada, decided to create a luxury brand, he began by targeting European consumers. He marketed the brand in innovative ways, such as providing clothing for polar explorers and TV and film crews who were working in cold-weather locations. He expanded domestic manufacturing by opening factories in Canada and training centres for those doing the sewing. These initiatives led to significant growth and the company now has stores in 12 cities and an international ecommerce



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business. It also focuses on providing an “exceptional experience” by having “cold rooms” in stores where shoppers can test the products at temperatures as low as -25°C.

**Harvard Business Review, Vol 97(5) September-October 2019, pp37-41 (Reiss)**

## **Children**

### **Protection of information – China**

China’s Provisions on the Cyber Protection of Personal Information of Children took effect on 1 October. It means that network operators must create separate rules and user agreements to protect children’s personal information as well as having a designated person to oversee the protection of children’s personal information. They must also notify and receive consent from the children’s guardians for collecting, using, or public disclosure of children’s personal information.

**lexology.com, 4 October 2019 (Yang and Chen)**

## **Conferences and events**

### **Sustainability**

Social value, which describes an initiative that contributes positively to society or the environment, has become an integral part of success in the UK event sector. The industry has become very aware of the damage to the environment from its various activities including the use of non-recyclable materials and excessive travel. It is essential to incorporate initiatives for staff and guests that align with ISO 20121 guidance which “specifies requirements for an event sustainability management system for any type of event or event-related activity”. Chris Farrell, MD of Impact Reporting, offers ten top tips for event managers, agencies and suppliers for becoming more sustainable.

<https://www.iso.org/>; **eventindustrynews.com, 7 October 2019 (Farrell)**

## **Consumer behaviour**

### **Why do we express likes and dislikes?**

Consumer evaluations have traditionally been associated with consumer choice. Yet consumers often express their opinions even when there is no obvious reason for doing so. The results of seven studies suggest that assessing and expressing likes and dislikes leads to greater task enjoyment. The authors identify the psychological process underlying this behaviour which has implications for marketers and policymakers.

**Journal of Consumer Research, Vol 46(3) October 2019, pp545-563 (He et al)**

## **Customer relations**

### **Audience segmentation**

Conversion optimisation rests on knowing the customer well but, “we rarely talk about the process of strategically segmenting the audience so that our

products and services can sell themselves”. Here the author defines segmentation, why you need it and the difficulties encountered. She defines three categories which most of the audience will fit into: behavioural, demographic and psychographic and sets out the pros and cons of each. She concludes by summarising a step-by-step process, stressing that it is not enough to simply know your customers if you want your products and services to sell themselves: you will also need to strategically segment them.

**conversionxl.com, 30 September 2019 (Mullin)**

## **Direct marketing**

### **Highest email opening rates for 4 years**

The Data and Marketing Association’s (DMA) new *Email Benchmarking Report 2019* reveals that delivery, open and click-to-open rates have all risen, revealing the most encouraging figures for four years. Open rates increased from 17.2% in 2015 to 20.8% in 2019, while click-to-open rates are up from 1.9% in 2015 to 2.4% and delivery rates have reached a high of 98.2%. According to Marcus Gearey, chair of the DMA Email Council’s Research Hub: “Email continues to be the pre-eminent, cost-effective marketing channel”. The *DMA’s Email Deliverability: A Journey into the Inbox 2019* report shows that most businesses (79%) are measuring and monitoring their email delivery effectiveness. Yet 30% of marketers say they have been blacklisted or blocked within the past five years. Tim Bond, head of insight at the DMA says that: “GDPR has clearly helped raise the quality of email lists...but there is still room for improvement”.

**prolificlondon.co.uk, 2 October 2019 (Johnson)**

## **Law**

### **Trademark symbols across borders**

Trademarking a business in your home country will help your company to strengthen its position in the industry; you will also have a brand that consumers can associate with a product or service. Yet trademark rights are more complicated when sales are based overseas because trademark law varies according to country. Foreign regulators can also take issue with the way that you display trademarks on packaging. Trademark law is confusing as are the various symbols which are used from one country to the next (® TM SM © ® for example). A trademark strategy starts with looking at the international markets that are most critical for increasing sales of the product and then moves on to investigating the legal position to avoid falling foul of regulators.

**lexology.com, 4 October 2019 (Dennemeyer & Associates)**

## **Marketing**

### **Marketing budgets**

Some 61% of CMOs surveyed across North America and the UK expect their budgets to rise in 2020

according to Gartner. This is despite Brexit, trade disputes and low consumer confidence. Yet, despite CMO optimism last year, marketing budgets have fallen to 10.5% of overall company revenue this year, down from 11.5% in 2018. This is the first time the figure has fallen below 11% since 2014. Marketers often remain optimistic despite the threat of a downturn, but there is overall scepticism regarding marketers' expectations for their budgets. One way in which marketers are trying to gain more investment is to spend on marketing technology yet investments in this area have fallen by 3% year-on-year, making up just 26% of total marketing budgets in 2019. Similarly, there are expected cuts in data and analytics budgets due to a "failure to realize promised improvements".

**marketingdive.com, 1 October 2019 (Adams)**

### **The value of marketing**

In this special "Value of Marketing" edition, the AMA brings together insights from its publications, the *Journal of Marketing* and the *Journal of Marketing Research* (both available to CIM members on Ebsco). These include *Understanding the Marketing Department's Influence Within the Firm; The Chief Marketing Officer Matters; Marketing Department Power and Firm Performance; When Do Chief Marketing Officers Affect Firm Value?;* and *When and How Board members with marketing Experience Facilitate Firm Growth*. The research findings are summarised here.

<https://www.ama.org/marketing-news/research-insights-special-value-of-marketing-edition/>, **1 October 2019**

### **Choosing the right goals**

Good planning and specific goals are the key to a successful marketing campaign. But what are your goals? This article tells you how to identify the right growth goals, making it easier to plan and carry out a marketing strategy and to create effective campaigns. It starts by explaining why you need to choose the right goals; how to identify those goals; how to work out what you want to grow (units, revenue, subscriptions); and how much you need to grow (hypergrowth, rapid growth, steady growth or mature growth). It concludes with some advice on growth and online marketing.

**marketingland.com, 2 October 2019 (Baadsgaard)**

### **Agile marketing drives growth**

Despite tightening budgets, marketing is still a key way of helping to drive business growth. There is an increasingly clear link between strong digital marketing, engagement and profitability, according to Lewis, a marketing consultancy. "Companies with better performing marketing engagement strategies are curious, restless and agile," says Lewis's chief executive, Chris Lewis. But, to be agile, marketing needs to be aware of what is ahead. Four marketing experts share their opinions on which marketing

trends will disappear (traditional search; bad content; "hastily-built" chatbots; one-to-many or one-to-some targeting) and which will be the next big thing (allowing technology to do the hard search work; interactive content; no-code or low-code platforms levelling the playing field; connecting with customers as individuals).

**cityam.com, 28 September 2019 (Warrington)**

## **Market research**

### **Blockchain – could it disrupt market research?**

Blockchain has become something of a buzzword. The technology originally supported Bitcoin and hosts most cryptocurrencies because it offers a unique way to record data transactions in a secure way. Data is contained in blocks which are linked and secured using cryptography, which makes blockchain suitable for recording medical records and management activities. This article looks at several ways in which blockchain could disrupt the market research industry and highlights the pros and cons of each.

**International Journal of Market Research, Vol 61(5) September 2019, pp466-467 (Florès)**

## **Public relations**

### **Future of work**

The *2019 IPR Future of Work Report* from the US Institute for Public Relations seeks to understand how working in the PR industry is going to change. It identifies three major themes: the future of work in a global, tech-driven economy; reaching a diversified workforce; and investing in employees. It investigates three related dimensions of an organisation: the work (the what), the workforce (the who) and the workplace (the where), each of which present challenges for an organisation's internal communications.

<https://instituteforpr.org/the-2019-ipr-future-of-work-study/>, **23 September 2019 (Dodd)**

## **Sponsorship**

### **Women's sport – a promising field**

Women's sport is not usually associated with high-profile TV campaigns, while men's sport tends to take the lion's share of the marketing budget. Now things are changing thanks to the record 11.7m viewers for the 2019 FIFA Women's World Cup final. Many sports champions have attracted lucrative advertising and sponsorship deals with global brands, a trend that is on the rise for women this year thanks to televised football, cricket, netball and Wimbledon. Gender equality initiatives that have attracted publicity over the past year have also helped to boost awareness. For brands to stay relevant, they must align themselves with media and consumer perceptions. TV still delivers 70% return in the short-term, rising to 86% in the three years after the campaign ends. However, live sports allow advertisers to go beyond TV attribution, with data

from digital sources giving real-time audience insights. Women's sport, still a largely untapped market, lends itself to mixed-media marketing.

**mediapost.com, 30 September 2019 (Grimm)**

### **ECB attacked for KP sponsorship**

A new cricket tournament called The Hundred has been attacked by health campaigners for accepting junk food sponsorship. The England and Wales Cricket Board (ECB) has been criticised for allowing its teams to display advertising on their shirts for crisps, popcorn and nuts as part of its deal with KP Snacks. The ECB believes that the sponsorship will help the sport to reach families and children as county ground audiences continue to decline. It said it wanted to keep away from the usual types of sponsors such as banks and alcohol companies. KP has reportedly told the ECB that it is reducing fat and salt levels in its products.

**The Daily Telegraph, 4 October 2019, p5**

### **RSC ends BP sponsorship...**

The Royal Shakespeare Company is to end its partnership with BP following a threatened boycott from students who refer to BP as a business that, "is actively destroying our futures". The sponsorship has been running for eight years but RSC says it can't ignore the "strength of feeling". BP says it is "disappointed and dismayed".

**marketingweek.com, 3 October 2019**

### **...while activists put pressure on the arts**

Activists have been protesting about BP's sponsorship of an exhibition at the British Museum, *Troy: Myth or Reality*. This comes at a time when there is huge pressure on arts and culture to reconsider their sources of funding. The problem is that as public sector funding of the arts falls, institutions have become more dependent on companies and wealthy individuals. Many arts institutions have charitable status which means that they must accept funding unless it would lead to reputational damage, but this is hard to predict in an age of social media...

**Financial Times, 2 October 2019, p15**

## **Agriculture, fishing and forestry**

### **Gadgets for grapes**

A device that uses AI to monitor the ripeness of grapes is already in use at some of the finest vineyards around the world. Fruition Sciences' 360viti process, which costs upwards of \$10,000 a year, includes other technology such as static sensors to measure wind speed, light or atmospheric changes and can measure a whole range of KPIs. The company claims it can reduce water usage per acre at the rate of two Olympic-sized swimming

pools per year. It can also help to improve plant health, fruit production and, of course, the quality of the wine.

**Bloomberg Businessweek, 30 September 2019, p66**

### **Lafite produces first Chinese vintage**

Shandong, an industrial area, produces two-fifths of China's wine. Although many of the 63 wineries are state-owned, Château Lafite Rothschild has just produced its first bottle of wine there. Rothschild has acquired land-usage rights for 50 years. As the Chinese increasingly travel overseas, they have developed an appreciation of foreign wines and Lafite wants to sell four-fifths of its wine in the domestic market rather than export it. Lafite is one of the "most faked" wines in China so its bottles carry chips allowing buyers to authenticate the vintage using smartphones.

**The Economist, 28 September 2019, p79**

## **Building industry**

### **New home completions highest since 2008**

The number of new homes completed between June 2018 and June 2019 rose by 8% compared with 2018, according to Government data. Some 170,000 new homes were completed, the highest figure since 2008. This month the Ministry of Housing, Communities and Local Government has proposed faster planning policies and green initiatives. However, the Federation of Master Builders says that the number of new dwelling starts has fallen and wants the Government to create extra capacity in the housing market. FMB chief executive Brian Berry says that: "Given SME housebuilders account for less than a quarter of all new homes built there is still a pressing need to get more SMEs back into the market."

**constructionnews.co.uk, 7 October 2019 (Wadham)**

### **Construction outlook gloomy**

Construction activity contracted in September for the fifth consecutive month, according to the IHS Markit/Cips purchasing managers' index. Activity fell to 43.3 in September, down from 45 in August. Joe Hayes, an economist at IHS Markit, says that the UK construction sector is "mired in a downturn" and can expect a long-term slump. The commercial sector has been the most badly affected although residential building has fallen for the fourth month in a row.

**Financial Times, 3 October 2019, p2**

## **Businesses and strategy**

### **Employee well-being and benevolence**

Few studies have examined the effects on employees of how benevolent their organisation is. This article looks at the link between presumed organisational benevolence and the well-being of

employees at work. The results of a study of 595 employees show that the presumption of organisational benevolence is positively linked to employee well-being. However, this effect is influenced by the perceived level of organisational support. The existence of a link between employee well-being and intention to leave the company is also noted.

**Journal of Business Ethics, Vol 159(3) October 2019, pp883-896 (Viot and Benraiss-Noailles)**

### **Selling the start-up**

Half of British start-ups expect to be acquired at some point, according to a survey by Silicon Valley Bank. By selling their controlling interest, founders can grow their business using the new capital. Nine out of ten founders believe that the mergers and acquisitions market will grow or remain the same size this year, despite Brexit. *Wired* asks three experts, who have been involved in M&A deals, to point out the dangers that a start-up founder should watch out for.

**Wired, November-December 2019, pp78-79 (Stokel-Walker)**

### **Boardroom gender diversity**

The FTSE 350 has recently reached a goal of having 30% of board roles filled by women. The 30% Club was founded nine years ago with the aim of achieving this milestone. However, the gender pay gap in the UK remains at just under 12% and there are still only five female executives in the FTSE 100. Meanwhile other European companies are outperforming the UK, with France reaching 43%, the Netherlands 32% and Germany 21%.

**FT Weekend, 5-6 October 2019, p14**

### **Hot desking**

Hot-desking can be stressful for employees: a survey of British workers found that it can take them an average of 18 minutes to find a seat (66 wasted hours a year), while some are tempted to get in as early as possible to grab the best desk. Yet, if companies want employees to be motivated and come up with good ideas, they must feel comfortable in their working environment which means having familiar surroundings. Hot-desking is usually associated with an open-plan office, an arrangement designed to promote team-working. However, a study last year found that face-to-face interactions decline in open-plan environments while the use of email rises. Another survey found that hot-desking is ranked fifth out of six office designs. Yet hot-desking reflects the growing number of freelance workers and contractors and it also saves employers a lot of money.

**The Economist, 28 September 2019, p77**

## **Charities and NGOs**

### **Lady Hale spider t-shirt – Shelter donation**

Lady Hale, the supreme court president, made her landmark ruling recently while wearing a large spider brooch. Balcony Shirts recently joined forces with homelessness charity Shelter to sell Lady Hale spider-brooch-style t-shirts. The collaboration resulted in more than 6,500 shirts being sold and £18,000 was donated to Shelter. The shirts, which each carry an image of a spider, were sold on eBay with 30% going to the charity. Lady Hale has been sent her own t-shirt!

**charitydigitalnews.co.uk, 27 September 2019 (Lepper)**

## **Durable consumer goods**

### **Kids' toys – differences across Europe**

Children across Europe shop in very different ways according to research from Kids Insight. For example, Italian children aged three to 12 are most likely to buy from dedicated toy stores (26%) while German children are least likely to do so (19%). Some 25.5% of children in the UK visit toy stores. There are similarities and differences in the popularity of toys, such as LEGO, Playmobil, Barbie, Harry Potter and video game characters, in the main European markets. Across much of Europe tablets, and tech use in general, is high: eight out of ten children have access to a tablet, with the UK and Spain leading the way in this respect. Far fewer children in Germany have access to a tablet than in the UK, reflecting the country's focus on children's digital privacy.

**TnP, Vol 38(11) September 2019, p62 (Richardson)**

## **Economy**

### **Brexit could lead to 50-year high debt**

The Institute for Fiscal Studies (IFS) has warned that even a "relatively benign" Brexit will lead to Britain's debt reaching its highest since the 1960s. The forecast is part of the IFS Green Budget which looks at the challenges in the lead up to Chancellor Sajid Javid's first Budget. The IFS forecasts annual borrowing of £50 billion next year, which will be 2.3% of GDP. This is despite spending rules which say that the Government is only allowed to borrow up to 2% of national income. The IFS also points out that Government spending plans are closer to the levels suggested in the 2017 Labour Party manifesto than the Conservative's plans in 2017.

**bbc.co.uk/news, 8 October 2019**

## **Education**

### **Public schools promote alumni**

Public schools are increasingly using the internet to help their alumni. The Eton and Rugby groups co-operate on curriculum planning, sport and other activities while half of them have LinkedIn pages

advertising internships. These clubs are run by private schools to address a job market that has become overrun by the increasing numbers of graduates. These days companies are looking for diversity which makes it harder for private-school leavers to enter top jobs and universities. The Rugby Society, for example, runs 19 summer internships in 14 companies. Even state schools are getting in on the act: Future First, a charity, has helped over a thousand comprehensive schools in poor areas to build networks and encourage alumni to return to schools to give career advice.

**The Economist, 28 September 2019, pp32-33**

### **The university rich list**

Over 4,000 employees at UK universities are paid more than £100,000 a year, according to the TaxPayers' Alliance which has compiled an education "rich list". Edinburgh University had the greatest number of high earners last year (359) followed by Glasgow (285) and Cardiff (254). The Alliance found that there are "thousands of university administrators taking home very plush pay packets". Vice chancellors have previously been criticised for their huge salaries. The Office for Students reports that the average basic salary for a vice chancellor has risen to £253,000 a year. Universities UK insists that the process for deciding the pay of senior staff is "rigorous".

**The Daily Telegraph, 3 October 2019, p11**

## **Energy and utilities**

### **Robin Hood running out of energy?**

Britain's first council-run energy supplier is in danger of closing because of debts it has incurred under a green power scheme. Robin Hood Energy, owned by Nottingham City Council, failed to pay the £9.4m, which it owes under the Renewables Obligation scheme, by the 1 September deadline. Around a third of suppliers that didn't meet their deadlines last year have since gone under or ceased trading. Robin Hood is just one of many companies launched over the past few years to compete with the Big Six energy suppliers.

**The Times, 2 October 2019, p38**

### **Universities to be powered by wind farms**

Twenty British universities have agreed to buy renewable energy directly from wind farms across Scotland and Wales. The power purchase agreement (PPA) marks the first time that public-sector energy users have collaborated to buy green electricity. Collaborative energy purchases ensure that even small institutions are "able to navigate a previously inaccessible market", says Richard Murphy, MD of the Energy Consortium which helped to arrange the PPA.

**The Guardian, 7 October 2019, p36**

## **Environment**

### **Tackling the unrecyclable**

Polypropylene, which is used for deodorant and shampoo bottles, is the worst culprit when it comes to plastic going into landfill: just 3% of it gets recycled compared with 29% of plastic used for soda bottles. This is due to technical problems, but now John Layman, a scientist at Procter & Gamble, has developed a process which can deal with this "ugly, smelly" material. The process has been licensed to an Ohio-based company called PureCycle Technologies, which started to use it on a commercial scale in July. It has already signed contracts with P&G, Milliken, Nestlé and L'Oréal and hopes to expand in the US and Europe.

**Bloomberg Businessweek, 30 September 2019, pp17-18**

### **Unilever to halve plastic**

Unilever plans to make its household products more environmentally friendly. It currently uses 700,000 tonnes of plastic a year but has pledged to halve this figure by 2025. Alan Jope, chief executive, says Unilever is rethinking its approach to packaging and product development. This might include shampoo refills or bars, cardboard deodorant sticks and toothpaste tablets.

**The Guardian, 7 October 2019, p35**

## **Fashion**

### **H&M recycling clothing**

Fashion is under pressure to be more sustainable with consumers wanting to know about the life-cycle of their purchases. H&M has been collecting used clothing from its customers since 2013. It has partnered with I:Collect, a Swiss recycling logistics company that collects shoes and clothing in over 60 countries.

**Bloomberg Businessweek, 30 September 2019, pp40-41**

### **Teen trainers create high carbon footprint**

One in ten teenagers has at least ten pairs of trainers, according to a survey by Global Action Plan (GAP), a charity. Although concerns over climate change are higher among young people than those over the age of 65, it doesn't seem to deter them from buying and throwing away trainers. GAP estimates that if the number of trainers were halved, the amount of CO<sub>2</sub> saved would equate to removing 73,000 cars from the roads for a year. But peer pressure is often to blame: 39% of teens say that they would be teased if they didn't wear the "right brands". GAP also blames social media and has started a campaign to raise awareness of how digital advertising affects teenagers.

**The Times, 4 October 2019, p13**

### **Formalwear – no longer suits lifestyle**

Marks & Spencer, the UK's largest menswear retailer, has seen a 7% fall in the sale of suits and plans to reduce its range of formalwear. Sales of ties have fallen by 6% and blazers and formal jackets by 10% year-on-year according to research analysts Kantar. Many offices no longer require men to look smart, including City banks, such as Goldman Sachs and JP Morgan, which have relaxed their dress code to reflect the policies of tech companies. The value of annual suit sales has fallen by over £100m since 2015, according to Kantar. High-street suit specialists, such as Moss Bros, are struggling. Changing habits, such as working from home and evening venues that don't need smart dress, have contributed to the downward trend, while sales of gymwear and fitness kit are taking over.

**The Guardian, 5 October 2019, p3**

## **Financial services**

### **Digital banking – the race is on**

A whole raft of app-based start-ups offer current accounts, including Monzo and Starling Bank. Atom Bank and Tandem offer mortgages and credit cards. Earlier banking challengers, such as supermarket Tesco and Metro Bank, have run into difficulties. Experts believe that there isn't room for all the digital participants to succeed. Most of these "neobanks" are less than five years old and, as the economic outlook becomes more uncertain, they will have to convince investors that they are sustainable. The latest results of five banking start-ups are scrutinised to see where some of the challenges lie.

**Financial Times, 7 October 2019, p15**

### **Car finance – is a crash imminent?**

PCPs (personal contract payments) have led to a huge expansion in personal debt in Britain. They are particularly prevalent in car purchase where people can buy more desirable cars with easy debt. Some are concerned that this is a bubble that could have disastrous consequences for the car industry. One problem is that there is little profit for dealers in selling cars and they make more profit from selling loans. There are fears that this has led to mis-selling. A separate article discusses the prospect of a sub-prime crisis for the car finance market.

**The Daily Telegraph (Business & Money), 6 October 2019, pp6-7**

## **FMCG**

### **Beverages**

#### **Red Bull takes no bull from Brain Füd**

Brain Füd, an energy drink start-up, is to change its packaging and slogan following a threat of legal action from Red Bull. The company tried to use the slogan "No Monsters. No Bull" but Red Bull said it infringed its "No Bull" trademark. In a letter to Brain

Füd, Red Bull argued that the company was benefiting from the Red Bull brand and reputation. Brain Füd is to rebrand and relaunch with new packaging in November and will change its name to Füd.

**The Grocer, 5 October 2019, p10**

### **BIB to open physical bar and shop**

BIB Wine, which sells premium wines in a box, plans to open a Bag-in-Box bar and shop. The money, which it hopes to raise through crowdfunding platform Seedrs, will be used to open an outlet in London where customers will be able to try the wines before buying them as well as refilling their bottles from a BIB Wine filling station.

**The Grocer, 5 October 2019, p11**

## **Food**

### **Sainsbury's to go free-range**

Sainsbury's is to stock 100% free-range eggs from next year, to help meet customer demand for responsibly sourced eggs. Value sales for free-range grew by 12% last year, according to Kantar. Sainsbury's sells around 800m eggs a year, including two barn egg varieties which will be phased out.

**The Grocer, 5 October 2019, p51**

### **Bacon down due to health concerns**

Supermarket sales of bacon have fallen by £56.8m over the past year with total bacon sales down by 4.7% to £1.2 billion. The slump is in part attributed to a series of reports linking processed meat with health problems such as cancer. However, branded bacon sales rose due to "health-driven" innovation: for example, the Naked Bacon range from Finnebrogue doesn't contain nitrites, which the WHO said was a possible cause of cancer. To confuse matters further, a recent report has suggested that the link between red meat and cancer has been exaggerated.

**The Grocer, 5 October 2019, p50**

## **Tobacco**

### **Juul – the US conundrum**

Juul's troubles could cause the US to crack down on "the best alternative" to tobacco smoking so far. The US has allowed Juul and other ecigarette makers to advertise widely including using celebrities and social media influencers. Yet there have been at least 800 cases of unexplained lung injuries among vapers in the US as well as 12 deaths and there are fears that teenagers will become addicted. However, many of the recent lung problems have been caused by inhalation of THC, the cannabis compound, through vaping devices. The Royal College of Physicians in the UK reckons that nicotine vaping carries just 5% of the risk of smoking in the long term. The best solution would be to try to persuade adults to switch to vaping while trying to prevent

young people from doing so. If the US bans “proper” uses of vaping, it could see a rise in traditional smoking.

**Financial Times, 3 October 2019, p13**

## Health and pharmaceuticals

### **China turns to app-based health advice**

As China’s healthcare system is stretched to breaking point, operators of subscription apps which connect patients with doctors, seek to plug the gap. Ping An Good Doctor app offers online medical consultations with senior doctors at an annual cost of \$70 to \$280. China’s tech industry has already transformed other sectors such as taxi hailing and takeout meals. Now companies, including Alibaba and Tencent, are trying to do the same for healthcare. Online healthcare is expected to be a 198 billion yuan business by 2026, up from 11 billion yuan in 2016.

**Bloomberg Businessweek, 30 September 2019, pp12-14**

### **Pharma brands: policies and procedures**

The naming of pharmaceutical brands has undergone much change over the years. Some names, such as Viagra match their “blockbuster status” compared with more staid, historical names, such as Aspirin. Drug naming has become increasingly complex due to a crowded marketplace and the need to avoid confusion. Most drugs have an international non-proprietary (INN) and an invented (brand) name. Packaging and advertising for regulated medicine must include both. This article looks at these and other rules applying to pharmaceutical brands, including advertising.

**lexology.com, 1 October 2019 (Gilbert and Lodge)**

### **Three is better for mental wellbeing**

People are constantly checking their phones and find it hard to switch off for fear of missing out. Ranjan Jagannathan founded Synapse, an app that organises phone notifications into batches which can be delivered at set times. This follows work he did with Dan Ariely, a professor of behavioural economics, who studies the effect of push notifications on mental wellbeing. He found that receiving push notifications just three times a day not only increased the user’s productivity but also their mental health.

**Wired, November-December 2019, p49**

## IT and telecoms

### **Edging out the cloud?**

As the Internet of Things and 5G gather momentum, there is increased emphasis on enhanced data requirements – “enterprise-level service guarantees about performance, consistency, latency, uptime and security”. In this environment telecoms operators are reassessing their position on edge

computing. Could it shift the balance from the big cloud providers, such as Amazon Web Services, to the network operators who want a slice of the \$4 trillion edge market? This article investigates what operators are up to.

**Mobile Europe, Issue Q3 2019, pp24-26 (Tabbitt)**

## Media

### **Social media**

#### **Social media spend overtakes print**

Social media advertising is set to overtake print for the first time in 2019. Social ad spend will grow by 20% to \$84 billion this year, giving it 13% share of all global spend, according to Zenith Media’s *Advertising Expenditure Forecasts*. Expenditure on newspapers and magazines will fall by 6% to \$69 billion. Social’s share is behind that of TV (29%) and paid search (17%). Matt James, Zenith’s global brand president, says that using first-party data on their websites to identify prospective customers on social media, brands can “convert customers who are already on the path to purchase and target look-a-like audiences more effectively”.

**thedrum.com, 7 October 2019 (McCarthy)**

#### **Using Pinterest hashtags**

Smart bloggers and marketers are now using Pinterest hashtags. This “Definitive Guide To Pinterest Hashtags” tells you how you should be using them to maximise the number of monthly unique followers and click-throughs to your blog. It also tells you where to use hashtags and how to find them, with advice on how to tell if the hashtags are working.

**bloggingwizard.com, 2 October 2019 (Lochery)**

### **Television**

#### **BBC to revamp iPlayer**

The BBC plans to give its iPlayer the biggest makeover in its 12-year history as it competes with Netflix. The iPlayer will be relaunched next year with plans to host TV shows for a full year after they were broadcast, instead of the current 30-day limit. It will also offer more personalisation but, instead of algorithm-driven streaming recommendations such as Netflix offers, it will use human curation. iPlayer remains the most popular British competitor to international subscription services such as Netflix and Amazon, but the BBC can’t compete with the amount invested in programming by such players.

**The Times, 7 October 2019, p18**

## Packaging

### **Recycling marine plastic**

Coca-Cola has created a sample of a bottle made from plastic recovered from the sea. It has used “breakthrough technology” to convert the low-quality plastic into high, food-grade plastic

packaging. The 300 sample bottles contain 25% recycled marine plastic. The company plans to roll out this type of recycling from 2020 for some of its bottles.

**marketingweek.com, 4 October 2019**

## Retailing

### **Pop-ups entwined with experiential**

A few years ago, pop-up shops tended to be for experiential marketing stunts, fashion-week purposes or ebrands that were dabbling in bricks-and-mortar. These days big companies such as Amazon and Nordstrom, or direct-to-consumer brands, are looking for three- to 12-month outlets as they test their viability in certain markets. Pop-ups are appealing because they carry little risk while products can be tested in relation to new collections, locations and concepts. Experiential marketing has become increasingly linked to sales and location testing, but social media is also a key component and a store needs to have a lot of followers.

**Bloomberg Businessweek, 30 September 2019, pp38-39**

### **US retailers need to do risk assessment in UK**

Forever 21 is the latest US retailer to have failed in its efforts to conquer the UK market. Banana Republic entered the UK in 2008, the time of the financial crisis, but by 2016 all eight stores had closed. American Apparel and American Eagle have suffered similar fates. Retail analyst, Richard Hyman, believes that J Crew and Gap could be next. A few American retailers – TK Maxx and CostCo – have survived in the UK probably due to their unique business models, according to Hyman. He says that cultural differences play a role and advises that: "When companies are thinking about going international, they've got to start doing their risk assessment on the basis of some historical fact and precedent".

**The Daily Telegraph, 5 October 2019, p35**

## Services

### **Chicken shops grow as healthier option**

Around 45% of affluent consumers visited chicken outlets or restaurants over the past year, up from 40% in 2018, according to Mintel. Fewer customers who described their finances as "tight" visited such outlets (42%, down from 45% in 2018). The growing popularity of chicken shops among better-off consumers reflects the belief among 67% of consumers that chicken is a healthier option. The sector is expected to grow in value by 5% this year.

**The Times, 4 October 2019, p24**

### **The Lady opens training academy for servants**

*The Lady* magazine has traditionally been the go-to place for society families who need domestic staff. Now it has decided to branch out by launching a residential training school at Bylaugh Hall in East Anglia, which was bought by Ben Budworth, great-grandson of the magazine's founder, in 2014. As well as training bodyguards, butlers and housekeepers, it will run courses for carers, gardeners and grooms. *The Lady* has recently relocated from prestigious Bedford Street in London to Borehamwood in an effort to save money at a time when other women's magazines are closing down.

**The Times, 7 October 2019, p3**

## Transport and travel

### **Lotus launches first electric hypercar**

Lotus has unveiled its first electric car, the Evija, which will cost £2m. Just 130 will be made and production starts next year. This will also be the company's first hypercar, achieving nought to 100kph in under three seconds. The Evija might well be used as a "launchpad" for a whole family of electric and hybrid sports cars which may be slightly more affordable!

**Wired, November-December 2019, pp68-69**

### **Harley not electrifying for younger riders**

Harley Davidson is struggling to sell its new electric bike. Dealers across the US are finding it hard to sell the Livewire, priced at \$30,000, to younger riders. Sales of Harley bikes have slowed over the past few years and the company has been trying to attract younger customers.

**The Times, 8 October 2019, p35**

Written by CIM's Knowledge Services Team

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

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TnP

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