

Cutting Edge: Our weekly analysis of marketing news

13 November 2019

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

Quick [links](#) to sections

Marketing trends and issues

Advertising

Personalisation and narcissism

Research shows that narcissistic consumers tend to prefer personalised advertising on an individual level rather than on a group level. The study examined the effects of two levels of personalisation strategies (individual and group) on consumers' visual and attitudinal responses to personalised advertising. It also looked at the role of recipients' narcissism on personalisation. It found that consumers with a high level of narcissism tended to have a more favourable attitude towards the individual-level personalised ad compared to those with a low level of narcissism, while consumers with a low level of narcissism tended to have a more favourable attitude towards the group-level personalised ad.

International Journal of Advertising, Vol 38(8) December 2019, pp1116-1138 (Bang et al)

ISBA to launch cross-media programme

ISBA is to introduce a UK cross-media measurement programme known as Origin. It will present audience measurement methods that are currently being developed by the World Federation of Advertisers (WFA). The aim of the programme is to improve public trust in advertising by looking at measurement, privacy and governance. ISBA director general, Phil Smith, says "It will be critical that the UK approach is consistent with global principles, especially in respecting consumer privacy". The IPA says it will be working closely with ISBA.

marketingweek.com, 8 November 2019

Agencies

Ad agencies need to change tack

When heads of 160 agencies signed an open letter in support of Extinction Rebellion and professionals from over 80 UK agencies took to the streets to join the Global Climate Strike, there was some cynicism about the ad industry's motives. Some people suggested that it was simply trying to keep abreast of trends. After all, for years the sector has been helping to encourage over-consumption which has itself contributed to climate change. In May Extinction Rebellion wrote to the ad industry, telling it that: "One of the reasons we've got here is because you've been selling things to people that they don't need". A long-standing principle of advertising has been to sell things and to be measured on that outcome. Now people are questioning this. To rectify things, adland will need to shift from being "neutral hired guns" that do what they're told by the client, to influencing business ethics, according to Dylan Williams, chief strategy officer of Droga5 London.

Campaign, November 2019, pp34-37 (Kiefer)

Brands and branding

Brand positioning

Brand positioning, which is at the core of marketing strategy, helps to differentiate an organisation's products and services in the minds of consumers. The positioning statement should be aspirational while being credible to the consumer. To describe the brand position, the three Cs – consumers, competitors and company – should always be considered. However, now some of the core principles of brand positioning are being challenged. This article considers alternatives in the form of the evidence-based marketing view; the cognitive sciences view; and the purpose-driven view.

researchworld.com, 5 November 2019 (Sarrazit)



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www.cim.co.uk/membership/cpd/

Why brand partnerships fail

Collaborating with other brands allows brand owners to move outside their comfort zone with the hope of attracting additional benefits. Successful brand partnerships include James Bond and Aston Martin; Apple and Nike; and Love Island and Uber Eats. This article identifies the four main reasons that such partnerships fail, with case studies of each type of failure: misaligned values (Lego and Shell); poorly defined agreements (Tiffany and Swatch); a lack of trust (VW and Suzuki); and poor execution (Pepsi and Kendall Jenner).

warc.com/admap, November 2019 (Gore)

Global brand management

Any brand with a digital presence might be defined as "global" but it requires a lot of planning and adaptability to manage a brand on a global scale. *Global Brand Management*, a new book by Laurence Minsky and Ilan Geva, explores the scope of brand management and the importance of understanding the opportunities and risks of the multinational brand. It explains how to manage an existing global brand as well as acquiring the skills to build one from scratch. Case studies include Oreo, Harley Davidson and Xiaomi. You can buy the book by going to the following link:

<https://www.johnsmith.co.uk/cim-shop/product/9780749483609/global-brand-management-a-guide-to-developing-building>
koganpage.com, November 2019

Conferences and events

Making the most of your webinar

Webinars began to appear in the 1990s when the first screen-sharing apps began to develop into full-scale web conferencing. Although the technology has moved on, people's perceptions have not changed much, with many perceiving the webinar to be little more than a "talking PowerPoint" presentation. Now the webinar is a significant marketing channel for engaging with prospects and customers at all levels of the sales funnel. The author offers some advice on what makes a good webinar and on pre-webinar engagement.

B2B Marketing, Autumn 2019, pp43-45 (Snell)

Consumer behaviour

Spanish consumers spend most eating out

Spain leads the way when it comes to eating out, with families there spending 15% of their disposable income on the activity. By contrast, the French use just 5% of their disposable income on food and drink consumption outside the home. Malta is in second place after Spain and Greece in third.

Financial Times, 8 November 2019, p1

Customer relations

The emotional dimension

Memorable experiences, and the positive WOM that results from them, can do as much if not more than price and functionality to influence customer decisions. Recent research suggests that there has been little improvement in customer experience over time. The authors argue that there is something missing despite the insights obtained about customers through technology and data analysis. That missing element is emotional impact: customers want their choices to align with their feelings and senses as much as with their values and ethics. Rational approaches, such as those taught at business schools, are no longer enough. This article explains how to create that extra emotional dimension.

MIT Sloan Management Review, Vol 61(1) Fall 2019, pp56-63 (Thomke)

Texts helps convert sales leads

Millennials and younger generations communicate very differently from older generations. With the shift towards texting, companies recognise that they can use it to reach a new group of consumers. Businesses are increasingly using text as a customer service tool, but there are many factors that make it a useful sales tool and many companies are converting sales leads using SMS. Be warned though: texting may be an effective sales tool now, but consumers are fickle and could quickly move on to another mode of communication. Here are some texting best practices.

CRM Magazine, Vol 23(9) November 2019, pp20-24 (Britt)

Direct marketing

Determining the right acquisition channels

The list of customer acquisition channels is extensive, encompassing everything from search engine marketing to email, postal and social ads. With so much to choose from, how can you create the right strategy for your acquisition goals? Customer lifetime value is linked to choosing the right acquisition channels since they can help lower the cost per acquisition, which has risen by over 50% over the past five years. Having discovered how to reach the right demographic, the data can be used in your customer relationship strategy. Here is some advice for choosing the right channels.

dmnews.com, 5 November 2019

Law

Facebook agrees £500,000 fine

At the end of October Facebook agreed to pay the £500,000 fine imposed by the ICO in 2018 for the processing and sharing users' personal data with Cambridge Analytica. The ICO had ruled that the personal data of 87m Facebook users had been collected and shared with various third parties

including the parent company of Cambridge Analytica. The fine is the highest available under the Data Protection Act 1998. Even though it has agreed to pay the fine, Facebook has not admitted liability but the ICO hopes that Facebook, "will be able to move forward and learn from the events of this case."

lexology.com, 5 November 2019 (Hunton Andrews Kurth LLP)

Trademarks a powerful tool for SMEs

A small, British family company, Bentley Clothing, has won a trademark infringement battle against Bentley Motors. The dispute centred on Bentley Motors' use of clothing which infringed Bentley Clothing's BENTLEY trademark. The clothing company's trademarks for BENTLEY clothing date back to 1982 but Bentley Motors has been trying to cancel its trademarks in the UK. The High Court has ruled that Bentley Motors can no longer use BENTLEY on its clothing and must destroy clothing that infringes the trademark. The case shows just how powerful a trademark can be, especially for a small company in dispute with a multinational.

lexology.com, 4 November (2019 Bennett)

Marketing

ASMR boosts influencer marketing

ASMR (autonomous sensory meridian response), a phenomenon first studied in 2013, is a sensation (described as a "fuzzy" feeling) induced by insignificant actions and sounds, such as speaking softly or crinkling wrapping paper. Now it is being used in advertising campaigns including the Michelob Ultra ad which aired during Super Bowl LII. Brands see ASMR as useful because it attracts people's attention even when they are not watching the screen. Another advantage is that viewers often replay an ad to experience the sounds again. Some ASMR videos attract millions of views: last year a video featuring people kneading gloopy slime attracted 25 billion views. Unboxing videos, also popular, often produce unintentional ASMR due to the sound of the box being opened!

ama.org, 4 November 2019 (Heisler)

Market research

Martech trends that will change insight

Marketing technology (MarTech) has improved the marketing services value chain in various ways. This article considers how new MarTech innovations will influence the marketing services industry. It identifies four key trends: performance-based fee structures; declining cost of research; the prospect of an "emotional measurement" currency; and MarTech innovation in market research will result in fewer people with different talents.

researchworld.com, 7 November 2019 (Krajcicek)

Public relations

Making use of your competitor's news

Newsjacking – using someone else's news to generate your own coverage – is a common occurrence. It presents an opportunity for a smaller company to increase mindshare and add value to conversation. This is particularly true if one of your competitors is dominating the industry headlines. Here is some advice for using competitor news to ensure that your company and leaders are in the conversation.

prnewsonline.com, 6 November 2019 (Groeppe)

Agriculture, fishing and forestry

Chicken from the lab – will it fly?

San Francisco-based Just Inc., maker of plant-based mayonnaise and vegan eggs, is using extracted animal cells to make chicken nuggets in the lab. They will become the first cultured meat product to be sold to consumers, but at \$50 each, they will have a niche market. There are around 26 companies working on cellular agriculture according to the Good Food Institute, but before anyone can market the products, they must be given the go-ahead by regulators. Yet, even after legal approval, there is the problem of scaling. Investments in cellular agriculture have reached around \$140m, which is nowhere near enough to challenge the \$1.4 trillion meat industry. Perhaps the biggest barrier to lab-grown meat is consumer acceptance.

Bloomberg Businessweek, 28 October 2019, p76 (Shanker)

African swine fever

Over the course of a year, China, which owns half the world's pigs, has lost half its pig population to African swine fever (ASF). It is estimated that up to five million pigs have been culled across Asia. Now ASF has reached Europe, with ten countries being affected. This article explores the spread of the disease and the wider implications for UK producers and global pork supply. It compares ASF with classical swine fever and foot and mouth. However, "this time around we should be better prepared" says Zoe Davies, CEO of the National Pig Association.

The Grocer, 2 November 2019, pp26-33 (Tatum)

Sacred cows

Hindus believe the cow to be sacred while many insist that it has special powers. India's Desi cows produce yellowish milk said to contain gold. Soaps and shower gels made from cow dung and urine have seen soaring sales; and in 2017 education minister Vasudev Devnani claimed that standing next to a cow could cure a weak nervous system.

Another devotee has spread cow dung on his mobile phone to save himself from the phone's microwaves!

The Times, 7 November 2019, p31

Fishing equipment is "deadliest" ocean waste

The fishing industry may have to account for the impact of its activities on the environment. This follows new research from Greenpeace which reveals that abandoned fishing equipment or "ghost gear", including nets and traps, makes up 10% of all plastic waste in the sea. Greenpeace claims this is the "deadliest type of ocean plastic pollution" and can kill marine life years after it first enters the ocean. A Global Ocean Treaty is being agreed at the UN next year.

The Grocer, 9 November 2019, p54

Building industry

Output up by 0.6% in Q3

Construction output in Britain rose by 0.6% in the third quarter of 2019, according to the latest data from the ONS. This partly offset the decrease of 1.2% seen in Q2. The Q3 growth was accounted for by a 1.4% increase in new work and a 0.8% fall in repair and maintenance. The Federation of Master Builders has commented that a national retrofit strategy is needed to help boost the repair and maintenance sector. Brain Berry, FMB chief executive, believes that homeowners are delaying home improvements due to political and economic uncertainty. Yet the UK has some of the oldest housing stock in Europe. He wants the Government to boost consumer confidence by creating a national strategy encouraging homeowners to upgrade.

theconstructionindex.co.uk, 11 November 2019

Low carbon construction

The National Federation of Builders Major Contractors Group has produced a report entitled *Transforming Construction for a Low Carbon Future*. The UK building industry accounts for 10% of the country's emissions and influences 47% of all emissions through its work. Yet the fragmented structure of the industry makes change difficult. This report covers the commercial risks and opportunities for the industry and offers guidance on what organisations should be doing now to achieve the changes expected by politicians and society. It identifies how main contractors and the broader industry can provide their customers and society with a comprehensive service while becoming greener.

<https://www.builders.org.uk/documents/transforming-construction-for-a-low-carbon-future/>, 4 November 2019

Businesses and strategy

A sense of purpose boosts performance

A key motivator for many employees is having a sense of purpose yet over half report not being even

"somewhat" passionate about their work. Organisations should communicate to employees their reasons for being in business and the value they provide. Over 90% of companies that have a well-defined purpose achieve growth and profits equal to or above the industry average. An effective company purpose statement can answer some important questions but is not enough on its own. In addition, companies must deliver on promises to customers which means putting the right people in the right roles. They should also enable cross-functional collaboration; invest in the most important areas; and ensure that leaders demonstrate their personal commitment to the company's goals.

Harvard Business Review, Vol 97(6) November-December 2019, pp132-139 (Blount and Leinwand)

Successful collaboration

Collaboration helps companies to serve their customers more seamlessly, to respond to changes and to innovate rapidly. However, when an organisation tries to enhance collaboration through a new structure, technology or way of working, it can often add to employees' workload, leading to poorer rather than better performance. As organisations feel pressure to become more agile, they tend to inundate employees with demands to collaborate so as to achieve a networked organisation. It is estimated that people have on average at least nine different technologies to manage interactions with work groups. This can have all sorts of negative consequences. The authors explain how companies can improve their collaboration in five ways by using analytics.

MIT Sloan Management Review, Vol 61(1) Fall 2019, pp20-27 (Cross et al)

High growth companies more productive

The UK ranks third in the OECD when it comes to starting businesses but only 13th for companies expanding to have at least ten employees within three years. Scale-ups tend to be more productive, innovative and offer more high-quality jobs than other businesses. This is significant because the UK's productivity has worsened due to Brexit uncertainty. Yet the number of high-growth businesses has been slowing, according to the Enterprise Research Centre (ERC). It identifies various factors that are holding back scale-ups, including a lack of talent. The Government wants to promote scale-ups through various initiatives. Professor Mark Hart of Aston Business School says that scale-ups are around 40% more productive than less ambitious businesses. In 2017 they generated £1.3 trillion in turnover compared with £1.9 trillion for all UK SMEs.

Financial Times (Special Report: The UK's Entrepreneurs), 8 November 2019, p3

European SMEs – patent commercialisation

A new report from the European Patent Office (*Market success for inventions – Patent commercialisation scoreboard: European SMEs*) reveals that one in five patent applications received in 2018 was filed by a European SME or entrepreneur. The report gives an in-depth insight into how SMEs are commercialising their innovations and revealing opportunities for big players to gain access to technologies. It also shows what can be done to help growing businesses as they enter new markets and scale up. This article presents top takeaways from the report.

lexology.com, 6 November 2019 (Diakun)

Charities and NGOs

Charities working together

Last year 666 charities closed, up by 27% on the previous year's number. Yet, not all closures are bad because some charities are voluntarily closing or transferring their skills to like-minded groups. Collaboration between causes can take various forms. For example, charities are effectively bidding against each other in online marketing which reduces the amount that goes to each charity, yet this could be avoided if charities worked together. Charities can also collaborate to foster innovation and exchange ideas. The NPC's Inspiring Impact is a digital and physical space for charity collaboration and learning and the Advent of Change calendar includes a donation to each of the 24 participating charities.

charitydigitalnews.co.uk, 6 November 2019 (Chiu)

Cathedral joins ethical ad group

Canterbury Cathedral is the first religious body to join the Conscious Advertising Networking (CAN, a coalition of over 30 organisations consisting of advertisers, agencies, publishers, tech providers and others. They are trying to ensure that industry ethics keep abreast of technology in advertising.

marketingweek.com, 6 November 2019

Red Kettles acquire NFC chips

The Salvation Army is putting NFC chips in 25,000 of its Red Kettle collecting boxes for this year's Christmas fundraising initiative. Shoppers simply tap their Apple or Android phone to open a donation page allowing them to select a donation amount. They can then use Apple or Google Pay to complete the transaction. The Red Kettle campaign is 129 years old and is one of the oldest and biggest charity campaigns in the world, according to the Salvation Army.

nfcw.com, 5 November 2019 (Clark)

Economy

Measuring the digital economy

Digital goods and services tend to be largely unaccounted for in GDP because the measure is based on what people actually pay for goods and services. The benefits of the digital economy are greatly underestimated which means that decisions about where to invest are based on a "poor understanding of reality". GDP-B is proposed as an alternative metric to supplement traditional GDP by quantifying the contribution to consumer well-being from new and free goods.

Harvard Business Review, Vol 97(6) November-December 2019, pp140-148 (Brynjolfsson and Collis)

PMI up slightly thanks to services

The IHS Markit/Cips purchasing managers' all sector index rose slightly to 49.5 in October, up from 48.8 in September, leaving it still below the 50 mark. This means that most businesses surveyed experienced a decline in activity. The rise is accounted for by the services sector (representing 80% of the economy) which rose to 50 from 49.5. The all sector index includes manufacturing and construction which performed worse than services. However, the outlook for the services sector is lacklustre thanks to expected lower levels of work due to Brexit.

Financial Times, 6 November 2019, p4

Drivers and disruptors

China's economy has grown to be two-thirds the size of the US. By 2039 it is will be 10% larger again and India will have overtaken Japan and Germany to be third in the global ranking. At the same time global disruptive forces will make it harder for other low- to middle-income economies that are trying to move into the high-income bracket. Bloomberg Economics' *New Economy Drivers and Disruptors* report looks at the forces affecting development. It covers 114 economies which account for 98% of GDP. As well as examining their performance in terms of traditional drivers – investment, labour force and productivity – it tracks the disruptive forces of automation, climate change, digitisation, populism and protectionism. This article covers some of the topline findings.

<https://www.bloomberg.com/graphics/2019-new-economy-drivers-and-disruptors/>; **Bloomberg Businessweek, 4 November 2019, pp25-24 (Orlik et al)**

Education

Commercialising academic research

UK universities are increasingly commercialising academic research, having helped 13,000 new businesses launch between 2014-15 and 2017-18. Yet investment in university spinouts peaked in 2018 at £1.4 billion (for 352 spinouts) following six years of growth; this year there have been just 238 deals

with investment of £852m. Erko Autio of Imperial College Business School argues that universities are good at setting up science parks and turning academic ideas into businesses but that they, "need to operate new venture accelerators and scale-up spaces". They should also include entrepreneurial skills in the curriculum regardless of discipline. Imperial College, Cambridge and Oxford are leading the way in this respect.

Financial Times (Special Report: The UK's Entrepreneurs), 8 November 2019, p3

Tech companies woo Stanford students

Big tech companies, start-ups and even venture capitalists are going to some lengths to attract Stanford University students. Some venture capitalists, hoping to identify the next Netflix or PayPal, even take on teaching roles. Floodgate, for example, teaches a course on how to evaluate a start-up although attendees are themselves being evaluated. Students who do well in their finals are invited to meet investors which could result in an immediate funding round. Meanwhile tech companies are showering students with free goodies or food at expensive restaurants.

The Economist, 2 November 2019, p61

US MBAs face competition

The Economist's annual ranking of the world's MBAs continues to be dominated by American business schools. Yet the industry is in some turmoil, with American MBA programmes receiving 7% fewer applications this year than last. Almost three-quarters of full-time two-year MBA programmes have seen declines, including HBS in Boston and Stanford GSB in Palo Alto. Schools are facing increasing competition from overseas and online. Applications to Asian business schools rose by 9% from 2017 to 2018. This article ranks the top 20 MBAs.

<https://www.economist.com/whichmba/full-time-mba-ranking>; **The Economist, 2 November 2019, pp59-60**

Record number of female MBAs

Demand for MBAs has been falling in the US, yet a record number of women are opting to study for the qualification: 40% of places at 54 top business schools are being taken up by women this year, up from 37.7% in 2018, according to the Forté Foundation. The closing of the gender divide – MBAs have been associated with male stereotypes – has been blamed for contributing to declining demand in the US. Business schools have been targeting women with promotions such as women-only scholarship programmes.

Financial Times, 6 November 2019, p9

Energy and utilities

Energy improvements are not going global

EU policies have helped to drive energy efficiency

improvements in white goods and gadgets used around the home. Yet these improvements have not reached the rest of the world, according to a recent report by the International Energy Authority (IEA). Energy intensity (a measure of energy consumed per unit of GDP) improved by just 1.2% last year with developing countries lagging. The main driver of energy efficiency in Europe has been energy labelling, most notably in washing machines, fridges and lighting. Despite this, global growth of energy use by household appliances has not slowed. What is needed is for, "the whole world to develop products similar to what is coming out in Europe", says Henrik Sundström, head of sustainability at Electrolux.

Financial Times (Special Report: Energy Efficiency), 7 November 2019, pp1,3 (Gross)

British public want net-zero and renewables

Two recent sets of research show the extent to which public views of climate change have shifted. BEIS department statistics reveal that just 2% of the British public is still opposed to renewable energy, the lowest level since its attitude tracker began in 2012. It also reveals that 84% are in favour of green energy, up from 80% last year. Meanwhile, a YouGov poll reveals that 56% of the public support achieving net-zero emissions before 2030.

utilityweek.co.uk, 8 November 2019 (Wallin)

Environment

Bristol to ban diesel cars

Bristol is the first city in the UK to ban diesel cars from the city centre. No diesel car will be allowed in the city centre between 7am and 3pm after the ban takes effect in March 2021 (pending central government approval). There will also be a wider Clean Air Zone across much of the city in which commercial diesel vehicles that do not meet emissions standards will be charged. There are major concerns that the scheme will affect those on low incomes, access to hospitals and deter tourism or will simply shift the problem to other areas of the city. Other cities, such as Edinburgh and Birmingham, are looking at similar schemes.

Financial Times, 6 November 2019, p4; bbc.co.uk/news, 6 November 2019

Big drinks companies phasing out plastic

Heineken is to discontinue single-use plastic rings and shrink-wrap on its cans, replacing them with recycled cardboard. It aims to remove 517 tonnes of plastic from its UK packaging by the end of 2021. Last year Carlsberg said it would replace plastic rings with recyclable glue while Diageo is phasing out plastic packaging from its multipacks.

The Guardian, 7 November 2019, p23

Fashion

Smart clothing

Smart clothing is expected to reach £3 billion in value by 2024, compared with just £116m in 2016. Companies around the world are looking at ways of incorporating technology into clothing for communication, fitness or health benefits. Google's Project Jacquard smart clothing aims to "weave digital experiences" into garments. It includes a trucker jacket which uses an electronic tag to connect to a phone. Microsoft and Samsung are working on more outlandish applications such as a heated headscarf or "energy harvesting" while Under Armour is trying to turn gymwear into gadgets. However, medical care is probably the biggest market for wearable tech, making up around a third of wearable device revenue this year.

The Daily Telegraph (Business), 8 November 2019, p8

Financial services

SMEs – assessing financial readiness

SMEs are key contributors to employment, GDP and trade balance, especially in developing countries but they are extremely dependent on macroeconomic conditions and therefore very vulnerable. They are also high risk when it comes to investment because of their less than 50% survival rate and lack of resilience. The author, director of corporate business at Raiffeisen Bank Aval in Ukraine, has identified four main pillars for creating a SME financing readiness index: macroeconomic and internal market dynamics; regulatory environment; institutional capability; and customer readiness and corporate culture. He explores each of these in turn.

International Trade Forum, Issue 2 2019, pp26-28 (Spivak)

Monzo sees red over trademark application

The Intellectual Property Office has refused to allow Monzo to trademark its distinctive "hot coral" colour which appears on its bank cards. The fintech wanted to protect its brand image so that other companies couldn't use the same colour. The company, which has around half the UK's digital challenger bank market, is expected to launch another trademark application later this year.

marketingweek.com, 7 November 2019

European instant payment initiative

Twenty European banks have got together to set up the Pan European Payment System Initiative (PEPSI) which will handle all forms of cashless transactions, challenging the likes of Google and PayPal. The idea, which comes from the European Central Bank, is for a system which allows Europeans to transfer money to each other instantly.

nfcw.com, 11 November 2019 (Clark)

FMCG

Beverages

Wine – changing climate, changing tastes

Climate change is gradually affecting the taste of wine. As temperatures rise, grapes ripen faster and in some regions the harvest is earlier than it used to be so that there is the risk that flavour ripening isn't completed. On the positive side, global warming is helping cooler places to produce better vintages. For example, Germany used to be too cold for the pinot grape to ripen properly, but now tastier wines are appearing. Meanwhile, Bordeaux, Napa and other places are using grapes from southern Europe that can tolerate hot, dry conditions.

Bloomberg Businessweek, 28 October 2019, p78 (McCoy)

Spiked seltzer – the latest trend

The latest US drinks trend craze is "spiked seltzer", a combination of sparkling water, alcohol and fruit flavouring sold in a can. The market leader, White Claws, received a boost after a mocking YouTube video went viral. The drink is popular among people in their 20s and 30s who want a healthier beverage with low calories and no artificial ingredients and colourings. It further demonstrates the move away from mass-market beer which is losing share in the US. Spiked Seltzer is expected to grow from \$550m this year to \$2.1 billion in three years, according to analysts at UBS. Large beer companies, such as Constellation and AB InBev, are rushing to get their own products to market.

Financial Times, 6 November 2019, p18

Grolsch leaves the UK

Grolsch lager is to disappear from UK shelves after its owner, Asahi, and UK brewer Molson Coors ended a 25-year joint venture. Value sales of Grolsch have plummeted in supermarkets over recent years. Grolsch was owned by SAB Miller until 2016 when SAB merged with AB InBev. Grolsch had to be sold to comply with EU competition regulation.

The Grocer, 9 November 2019, p50

Food

Dairy Milk – heritage advertising

Dairy Milk chocolate has been around for 114 years but its hostile takeover by Kraft in 2010 threatened to damage the goodwill felt towards the brand. Adspend wasn't huge until 1928 when Cadbury invested heavily in its famous "Glass and a half" message with the image of milk being poured into a bar of chocolate. This has remained a feature of Dairy Milk's advertising alongside its purple packaging which was introduced in 1920. This article highlights some of the key advertising moments for Dairy Milk.

Campaign, November 2019, pp66-69 (Chapman)

Heinz sales fall as consumer taste shifts

Kraft Heinz's quarterly sales fell by 4.8% in the three months to the end of September. Lower demand for cheeses and cold meats has led to a 1.6% decline in US sales, its biggest market. Kraft Heinz has been suffering a period of declining sales as it battles to stay abreast of changing consumer tastes. Many consumers are choosing healthier, natural foods which is lowering demand for Heinz's core products.

The Times, 1 November 2019, p47

Microalgae – the next thing in plant protein?

Companies are increasingly turning to fresh and saltwater microalgae for use in food and drink. Start-ups that use algae are proliferating with investment deals reaching £8.5m last year. The market for microalgae for human consumption is expected to reach \$970m by 2025, up from \$590m last year. This article looks at the factors affecting its take up and highlights some of the innovations.

The Grocer, 9 November 2019, pp36-39 (Brown)

Household

Pot-pourri – not to be sniffed at

Pot-pourri, so popular in the 1980s, subsequently fell out fashion and by 2011 sales had plummeted, according to Mintel. However, the new pot-pourris – luxury products retailing at between £70 and £330 – will not be for everyone. High-end retailers are selling them in designer jars as an eco-friendly alternative to scented candles.

The Observer, 10 November 2019, pp34-35

Tobacco

Iqos approved by FDA

Iqos, a heat-not-burn tobacco product, has been launched on the American market. The FDA approved the sale of the product in the US on the basis that it had "fewer or lower levels of some toxins" than traditional cigarettes. Scientists suggest that the FDA's findings may be wrong because Iqos may be dangerous in ways that aren't identified through traditional tests. Altria, which is distributing Iqos in the US, plans to use Facebook and Instagram to advertise and will restrict posts to viewers over 21. Since it is classified as a cigarette, it can't be advertised on radio or TV.

wired.com, 7 November 2019

China to stop public vaping

China has recommended stopping public consumption of vaping products although it has not imposed an outright ban. This comes as global concerns over the health implications of e-cigarettes are on the rise. China wants online vendors to remove the products and physical stores are not allowed to sell them to minors. Online ads for e-cigarettes have also been banned. However, China is the biggest manufacturer of e-cigarettes in the world and the largest consumer of tobacco. The

country has around 10m e-cigarette smokers mainly aged 15 to 24.

The Times, 8 November 2019, p39

Government and public sector

Government universal credit ads banned

The Advertising Standards Association has banned Government ads for universal credit, stating that the ads, "must not appear again in the form complained of". The six ads, which appeared in *Metro*, *Metro Online* and *Mail Online*, attracted 44 complaints including some from charities who said that the ads did not make it clear that they were marketing communications. The ASA ruled that the ads had inaccurately stated that people move into work faster under the new universal credit system.

The Times, 6 November 2019, p20

Shifts in media consumption

As the media landscape changes – newspaper circulations and audiences for broadcast TV bulletins are in decline – online could take over during the forthcoming general election as politicians look at new ways of targeting voters. This article examines the role of TV, radio, newspapers, viral news, online political advertising and passive consumption in shaping voters' intentions.

The Guardian, 7 November 2019, pp8-9

Health and pharmaceuticals

AstraZeneca invests in Chinese start-ups

AstraZeneca is contributing to an investment fund for Chinese biotech start-ups. Chinese start-ups which focus on developing drugs, have been increasing in number while raising billions in venture capital. There are around 800 innovative molecules being developed by Chinese biotechs, according to McKinsey. A lot of so-called Chinese innovation has involved copycats (similar to existing drugs but targeting the Chinese market) but now we are beginning to see "first-class innovation", says Pascal Soriot, CEO of AstraZeneca. AstraZeneca plans to double its staff numbers at its Shanghai research centre to 1,000. China is its second-largest market after the US.

Financial Times, 7 November 2019, p20

France adopts British-style colour-coding

A French colour-coding scheme, based on the British traffic light labelling system, has been launched in France to help consumers identify healthy vs unhealthy food and to tackle obesity. The Nutri-score system, which classifies food according to five categories depending on nutritional quality, has been criticised by those who support cheese, pâté and other staples of the French diet. Roquefort cheese has been given a red rating (the worst).

Research suggests that the scheme is working: 14% of consumers said they consider the colours an important factor when choosing food, according to a study by Nielsen. Obesity levels in France have doubled since 1997.

The Times, 7 November 2019, pp30-31

IT and telecoms

AMD vs Intel

In October AMD, a US chipmaker, announced revenues of \$1.8 billion, its highest since 2005 and is predicting a further rise of 48% for the next quarter. Despite its small size, AMD offers the only significant competition to two large companies – Intel and Nvidia – in the semiconductor industry. AMD now has 14.7% of the desktop and laptop market and 3.1% of the server market, up fivefold on two years ago. *The Economist* attributes this to two factors: AMD has a better product and Intel is lagging. Intel's latest chip manufacturing process is years late, leaving it to rely on existing designs. AMD subcontracts its manufacturing to the Taiwan Semiconductor Manufacturing Company which has caught up with Intel, but Intel could yet make up for lost time...

The Economist, 2 November 2019, pp61-62

Replacing the magnetic tape

In 2018, 33 zettabytes of data were created, and this figure could reach 175 zettabytes by 2025. For long-term archival storage, many organisations (film studios, museums, etc), still rely on magnetic tape. This technology, which is nearly a century old, is not developing as fast as is needed and the tapes need to be replaced every 20 years. Now researchers at Microsoft in Cambridge have claimed a breakthrough using optical glass technology. Other developers are researching the use of DNA as a storage tool. Catalog, a US start-up, has stored all of Wikipedia's 16 gigabytes as DNA. However, it is likely that magnetic tapes will be around for a while yet.

The Daily Telegraph (Business), 7 November 2019, p5

Virgin leaves BT and partners with Vodafone

Virgin is moving its 3m mobile customers from BT's network to Vodafone. Its current contract with BT's EE network is worth £200m-a-year and runs until 2021. The relationship between Virgin and BT has lasted 20 years and the loss of the contract is likely to harm BT's profits. Liberty Global, Virgin Media's owner, is regarded as influential in the UK market and making a deal with a mobile network will create a "converged broadband-mobile player" that could rival BT.

Financial Times, 7 November 2019, p20

Materials and mining

Graphene – the answer to potholes?

Graphene is to be incorporated into roads in Britain as a way of tackling potholes. The material, which is being trialled in Oxfordshire, will lengthen the lifespan of the road surface and help to prevent cracks appearing during extreme temperatures. Road surfaces have been steadily deteriorating and the Asphalt Industry Alliance warns that the repairs backlog in England and Wales has reached almost £9.8 billion. The graphene road surface has been developed in Italy by Directa Plus and Iterchimica. It is also testing the material in the Middle East where temperatures can exceed 40 degrees.

The Times, 8 November 2019, p22

Media

Internet

Google dominates the adtech ecosystem

The digital ad ecosystem is a complex space involving buyer and seller platforms that manage ad inventory, auction space and track responses. Yet Google is involved in every part of the process, as this infographic illustrates. Google has been gradually buying up adtech companies which makes it a dominant player in the \$330 billion digital advertising market. Google also owns ad space via its display network, YouTube and search results. Some have accused it of being anti-competitive because advertisers have to use Google's adtech to access YouTube. Google argues that other companies that own video ad-space, such as AT&T, behave in the same way as it does.

Bloomberg Businessweek, 28 October 2019, p41 (De Vynck and Nix)

Music

The return of the cassette

The cassette tape is making a comeback with artists such as Robbie Williams and Liam Payne releasing new albums on the format. The trend has been unexpected, and manufacturers are struggling to meet demand. According to the BPI, music lovers (mainly under the age of 25) will buy 100,000 tapes this year, double the number sold in 2018. Manchester-based Key Production Group, which makes vinyl, CDs and cassettes has been surprised by the revival. Meanwhile, retailers including Tesco, Argos and Urban Outfitters, have identified an opportunity and are selling cheap portable cassette players and boom-boxes.

The Guardian, 9 November 2019, p3

Social media

Facebook introduces parent branding

Facebook is introducing new branding to reinforce its ownership of Instagram, WhatsApp and Oculus. The new brand image will see Facebook's name in

upper case with a shifting colour scheme. Facebook's previous logo was a lowercase blue or white "f". Jakki Mohr, professor of marketing at the University of Montana, warns that, while Facebook might derive some benefit from this move, its other brands might suffer. For example, Instagram and WhatsApp will no longer be insulated from Facebook's privacy and security crises.

ama.org, 5 November 2019 (Steimer)

TikTok – can it gain brand trust?

TikTok, a video-sharing platform owned by China's ByteDance, allows people to create content set to music and is extremely popular among the under-18s. The site has grown rapidly, with over 625m active monthly users. This year it has been active in developing relationships with London agencies, but it may have a way to go before major brands are reassured that it can be used as a viable alternative to Facebook, Snapchat, Twitter and Instagram. This year the UK Information Commission launched an investigation into the company's data collection practices. Brands are wary of reputational damage especially since TikTok's audience is so young. Three brands that have been using the platform are: Walmart, Ralph Lauren and Adidas.

Campaign, November 2019, pp50-54 (Oakes)

Television

Britbox launches 1970s TV but only if its PC

Britbox, launched last week as a partnership between the BBC and ITV, will offer British boxsets to rival Netflix. Yet some old TV series have been excluded because the content is considered to be racist or unsuitable for modern audiences. The service will include classics such as *Porridge* and *Fawlty Towers* but will exclude the likes of *Till Death Us Do Part* or *It Ain't Half got Mum*. Individual episodes of other series, such as *Only Fools and Horses*, will also be left out.

The Times, 8 November 2019, p27; The Guardian, 8 November 2019, p3

Video

China restricts children's gaming

China has released new rules for video gaming to tackle what it considers is a serious addiction that harms the, "physical and mental health of minors". The rules state that video gamers below the age of 18 cannot play online between 10pm and 8am and can only play for 90 minutes a day. China has been implementing a crackdown on its online games industry, which is one of the biggest in the world. It has already launched a clean-up of online or media content thought to be "unhealthy".

The Guardian, 8 November 2019, p3

Packaging

Drinking cup from bottle label

Cup-It, a start-up, has created a new drinking cup out of digitally printed labels. The "label-to-pouch" consists of a pouch built into the label of a bottle. The pouch can be removed from the label, opened up and used as a cup to drink from. The makers visualise its use at festivals, sporting events or outdoor occasions. The Cup-It will also be suitable for event promotional activities.

Digital Labels & Packaging, Issue 44 November-December 2019, p8

Hellmann's launches seaweed sachets

Hellmann's and Just Eat have joined forces to launch sauce sachets made from seaweed to help address the plastic pollution created by takeaway food. Sixty-five of Just Eat's London partners will take part in the trial to use the Notpla packaging, which biodegrades in just six weeks.

marketingweek.com, 8 November 2019

Retailing

M&S rolls out jumper ad

Marks & Spencer is hoping that its new Christmas ad will be a hit. It features dancers doing a "shoulder roll" set to House of Pain's 1990 hit *Jump Around*. M&S hopes that its "Go Jumpers" ad will inspire people to try the dance and share their shoulder-rolling efforts on social media. M&S hopes to sell six million jumpers this year while trying to attract younger families to its stores. This is the so-called "golden quarter" for retailers when they make most of their profits. Some £6.8 billion is expected to be spent on Christmas advertising while shoppers are predicted to spend £80 billion in the last six weeks of the season.

The Guardian, 8 November 2019, p15

Primark to expand in US

Associated British Foods (ABF), owner of Primark, is to expand the chain's presence in the US following an encouraging performance at its Boston store and the reduction in size of three other stores. The American retail market has been notoriously difficult for UK businesses but George Weston, ABF's CEO, says that the retailer had "earned the right to keep going in the US".

The Times, 6 November 2019, p45

Marketing costs dent Sainsbury's profits

Sainsbury's underlying profits fell by 15% for the first half of 2019 which it attributes to, "phasing of cost savings, higher marketing costs and tough weather". The company expects second-half profits to improve due to "normalisation of marketing costs". The first half of the year also saw 176 Argos stores being converted to a new digital format as

Sainsbury's and Argos are brought closer together. Mike Coupe, chief executive, states the company's plan as being "to create one multi-brand, multi-channel business".

marketingweek.com, 7 November 2019

Amazon to open first physical supermarket

Amazon is to open a new supermarket next year and is already recruiting staff for a physical store in Los Angeles. The company has been experimenting with bricks-and-mortar stores, having purchased Whole Foods, an upmarket company, two years ago. It also has a chain of convenience stores called Amazon Go, which don't have cashiers.

The Daily Telegraph (Business), 12 November 2019, p5

Services

Uber delivery drone to start trials

Uber has created a new drone that can deliver a meal for two and has a round trip range of 12 miles. Uber has been given the go-ahead to test its Uber Elevate drone food deliveries in San Diego next summer by the US Federal Aviation Administration. During the trials, restaurants will load meals on to the drone which will then fly to a parked Uber car with a QR code on its roof. An Uber Eats courier will then deliver the meal the rest of the way.

The Grocer, 2 November 2019, p7

Kellogg's launches food service

Kellogg's is to launch a delivery service using food based on its cereals and snacks. Kellogg's Kitchen Creation, which has opened in East London, is a delivery-only service operating through Deliveroo Editions. The food will include Coco Pop Bubble Crepes, Crunchy Nut Shake and Nutri-Grain Cheesecake Bar. Kellogg's has struggled in the past years due to declining sales of cereals as consumers shift to healthier options. The company returned to growth last year for the first time in four years.

The Grocer, 9 November 2019, p7

Yandex – delivery robots and self-driving cars

Yandex, the Russian search group, has begun testing a fleet of autonomous delivery robots ahead of a rollout next year. The company's expertise in machine learning, engineering and image search have helped it to catch up with more advanced competitors, such as Google's Waymo. Yandex already has a self-driving car project, with taxis currently being tested in Moscow and Tel Aviv. The taxis can be hailed by users without a driver being present. Analysts predict that Yandex's self-driving cars could be worth up to \$6.4 billion by 2030 if it manages to clear regulatory barriers.

Financial Times, 8 November 2019, p17

Transport and travel

New car sales down, alternative fuels up

Sales of alternatively fuelled vehicles made up 9.9% of the car market in October, up from 6.6% a year ago. However, overall new car sales fell by 6.7% year-on-year, according to the SMMT. The rise in green car sales was largely due to hybrid sales which rose by almost a third to 7,950, giving them a market share of 5.5%. Fully electric vehicles now have a 2.3% share while sales of diesel have fallen for the 31st consecutive month.

Financial Times, 6 November 2019, p4

The return of the Zeppelin – green air travel

Hybrid Air Vehicles (HAV), a British company, is looking for investment of £130m to develop a 300ft-long Zeppelin called Airlanders. The company has already attracted orders for ten Airlanders, each costing \$50m, from green tourism customers and the clean energy sector. The aerodynamic design and the use of helium means that the vehicle will use a quarter of the fuel of conventional aircraft. Airlander will also appeal to the military market because it can be used for surveillance and can land on any flat surface so doesn't need an airstrip.

The Sunday Telegraph (Business & Money), 10 November 2019, p3

Written by CIM's Knowledge Services Team

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Cutting Edge: Our weekly analysis of marketing news

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