

Cutting Edge: Our weekly analysis of marketing news

18 March 2020

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

Quick [links](#) to sections

Marketing trends and issues

Advertising

Advertisers still reluctant to use AI

Some 50% of advertisers have no plans to use AI in their work, up from 36% in April 2019, according to a survey from Advertiser Perceptions. The top three reasons that marketers use AI are for: advanced customer segmentation; media selection and buying; and smart customer engagement. Its role in advertising is still small but there is some growth: 20% use it for campaign strategy, 42% to customise existing creatives and 38% say they will use it to create original ads. Most advertisers use it to develop banner ads (60%); 54% for social media posts; 45% for digital OOH campaigns; and 36% for TV or connected TV video ads.

marketingdive.com, 9 March 2020 (Christie)

The universal truth – campaigning to all

It is relatively simple to target a specific demographic but much harder to plan campaigns across the board. McDonald's is an example of a brand that manages to spread its marketing across multiple touchpoints. Adam Fink, former ad creative at Ogilvy, says that when brands need to reach everyone, they must find a "universal human truth" that "transcends cultures, beliefs and politics". One way is to use the iconography of familiar brands. Fink took the white ribbon from Coca-Cola's branding and turned it into two hands for the CokeHands poster campaign which won the Grand Prix at Cannes. Other brands that have achieved universality include P&G with its "Proud Sponsor of Moms" campaign; Level, a new airline owned by IAG; Sky; and Cadbury.

The Times (Raconteur: Future of Advertising), 9 March 2020, p10 (Burrell)

Sky now the largest for UK adspend

P&G is no longer the UK's largest advertiser having been knocked off its perch by Sky and McDonald's for spending on traditional advertising. Last year Sky spent £178.8m and McDonald's £151.6m while P&G reduced its spend to £137.5m. Overall spend on traditional advertising (defined by Nielsen as cinema, outdoor, press, radio and TV) rose by 55% to \$1.05 billion.

marketingweek.com, 9 March 2020

Global adspend and the coronavirus

eMarketer has updated its media ad spending forecast to reflect the spread of the coronavirus. Its growth figure for 2020 has been downgraded from 7.4% to 7% although this forecast pre-dates President Trump's ban on Europeans entering the US. The downward revision is largely due to China, the second largest ad market after the US, where spending is expected to have fallen to \$113.7 billion, down from a previous forecast of \$121.13 billion. Companies in other regions that are dependent on supply chains in China may start reducing their adspend. Out-of-home advertising could also be impacted due to social distancing and isolation. Another important factor will be whether the Tokyo Olympics goes ahead. The world will be watching China to see how it recovers although its economy was already slowing before the virus.

emarketer.com, 12 March 2020 (Enberg)

Agencies

Agency of the year

Adam & Eve/DDB has won *Campaign's Agency of the Year* award for the sixth time since 2012. It has been responsible for campaigns such as John Lewis's Christmas ads, the loving Marmite campaign and a campaign for GWR which encouraged people to read Enid Blyton's *Famous Five* books. It also won

three of the biggest pitches of last year. Other categories celebrated in this edition of *Campaign* include: media agency of the year (Manning Goitlieb); digital innovation agency (Analogfolk); customer engagement agency (Wunderman Thompson); brand experience agency (Amplify); independent agency (Uncommon Creative Studio); and PR Agency (The Romans).

Campaign, March 2020, pp24-63

Cause-driven advertising

Is the rise of purpose and cause-driven advertising simply a trend or “a complete overhaul”? Susan Credle of ad agency FCB, identifies three key elements: purpose-driven advertising, cause marketing and long-term brand building. She believes that brands should be at the centre of every conversation. But, with so many brands looking for greater meaning, are agencies worried that consumers will tire of purpose-driven advertising? In October Mindshare launched the #changethebrief initiative following a Purpose Disruptors meeting of competing agencies who came together to discuss the climate crisis. It has become a platform on which to work with clients on the issue. How far an agency can push a client to act in such a competitive landscape remains to be seen. Credle argues that creative problem-solving is agencies’ core skill and that applying it to society’s issues can make a “huge difference”.

The Times (Raconteur: Future of Advertising), 9 March 2020, p21 (Kells)

Brands and branding

Building brands across markets

When building brands across markets, it is often necessary to make compromises between centralised and localised branding and campaigns. The trade-offs are rarely based on an objective framework that factors in how much markets differ and to what extent marketing must be adapted. A quantified framework, which can boost return on marketing investment, can be built using a three-step approach: separate universal truths from the culture-specific context; quantify the culture-specific context; and build target audiences across markets.

researchworld.com, 11 March 2020 (Schiere and Verheggen)

Employer branding

Employer branding is making a comeback due to factors such as low employment rates which have led to a highly competitive market. Meanwhile, social media has made it easy for people to research and share their experiences of working for a company. A Wonderful Workplaces survey found that 94% of jobseekers look at an employer’s reputation when applying for a job. Applicant tracking systems (ATS), which collect data throughout the hiring process, can help to inform employers about whether their

branding has been successful. An optimised hiring strategy supported by a strong brand can boost the bottom line as app-based bank Monzo has found. In contrast, Virgin Media estimates that it lost £4.4m in revenues in 2014 as a result of poor candidate experiences. It responded by adopting a “gold standard” interview process, while its HR and marketing departments ensured that the company was communicating its values effectively.

The Times (Raconteur: Talent Management), 11 March 2020, pp12-13 (Drumm)

Conferences and events

Engaging people in virtual meetings...

It’s hard to keep people’s attention in any sort of meeting let alone a virtual one. Meetings are usually held for four reasons: to influence others, to make decisions, to solve problems or to strengthen relationships. Since all of these require action, passive attendees are unlikely to perform quality work. What you need to do is to create “voluntary engagement” with structured opportunities for attendees to fully engage. The authors have identified and tested five rules that can result in better meeting outcomes. In one study they found that when the rules were applied, 86% of respondents reported high or higher levels of engagement for virtual meetings compared with face-to-face meetings.

hbr.org, 9 March 2020 (Hale and Grenny)

...and making them work

People are being forced to rethink meetings in today’s climate but teleconferencing and video technology can pose challenges. Here are ten tips to ensure that everything runs smoothly.

emeraldworks.com, 11 March 2020 (Roy)

Adapting to event cancellations

In-person events attendance is crucial for many B2B companies, but events are being cancelled due to the coronavirus. This will hit marketing budgets and could have a lasting effect on sales and revenues. Research among US B2B marketers from Demand Gen Report suggests that in-person events and tradeshows are regarded as more effective (53%) than email (48%), product demos (39%) and company websites (34%) for driving conversions. Cancellations will lead to business losses for organisers, sponsors and attendees while critical prospects and customer meetings will also be put on hold. Marketers should “remember the fundamentals of good marketing” and devise next steps. The advice is to: “go digital and be nimble”; “consider direct mail”; and “measure everything”.

emarketer, 5 March 2020 (Ryan)

Consumer behaviour

Many consumers still shop on high street

Many UK shoppers still prefer to shop on the high street, according to a new survey, with 55% buying white goods, 66% clothes and 72% furniture. Some 56% prefer to shop in a physical store for consumer technology such as phones, TVs and laptops. Meanwhile 54% of Britons are interested in trying out new retail technology while shopping on the high street, according to the research, which was commissioned by Outform. As stores bring in new technology such as VR, AR and touchscreens, retail is becoming more experiential and shoppers are "responding positively".

prolificlondon.co.uk, 13 March 2020

Customer relations

Engaging at each touchpoint

The customer buying journey has become complex, often involving several devices and multiple touchpoints. The average B2B purchasing journey is also more complicated and twice as long as it was six years ago. Businesses need to spend more time examining their customers' buying journeys so that they can engage with them at each step. The author explains how to do this by offering some ideas for each stage of the sales funnel: creating more engaging copy (top of the funnel); smart engagement tools (middle of the funnel); exit-intent chatbot (bottom); and retargeting ads (post-funnel).

convinceandconvert.com, March 2020 (Smarty)

Errors in customer journey mapping

As the customer journey becomes easier, retailers need to improve their customer mapping capabilities and deliver a great customer experience. User experience (UX) analytics is one of the most important technologies for retail brands because it can help to identify why visitors behave in the way they do. Through actionable insights retailers can then make changes to website layout, content, etc. While UX analytics is a useful tool, there are certain commonly-made errors which mean that customer journey mapping fails. Here are six of them.

cxm.co.uk, 2 March 2020 (Keene)

Direct marketing

Abandoned cart email optimisation

Some 32% of marketers send abandoned cart emails, according to Econsultancy's *Email Census*. Abandoned-cart programs are not just a B2C issue; they also apply to B2B programs, for example when people start processes, such as downloads or registrations, and don't complete them. Abandoned cart emails matter because they give you a chance to have real-time contact with someone who has demonstrated a positive intention. The author sets out five areas to ensure that your cart-abandonment email program is efficient. For instance, timing is a

critical factor and response rates tend to be highest in the first hour after abandonment.

marketingland.com, 12 March 2020 (Phelan)

Law

Advertising – legal points for 2020

This article covers three "legal predictions" on advertising for this year approached from the standpoint of Italian law. The first is a warning that when making environmental and sustainability claims, companies should ensure they don't mislead consumers with co-called green marketing that turns into "greenwashing". Secondly, advertisers should protect consumers from the direct or indirect promotion of products that could lead to harm to that person. Finally, there is enhanced protection against discrimination in advertising from the Italian Advertising Board (IAP); it has issued guidelines (*Guidelines on the person*) to prevent ad messages that are harmful to the dignity of the person.

lexology.com, 11 March 2020 (Varese et al)

Marketing

Confidence in marketing

Marketers are working in an environment of uncertainty in which they must not only ensure that their messages reach customers, but that they are taken seriously by their organisation. *Marketing Week's 2020 Career and Salary Survey* reveals that 77% of those surveyed are quite proud, or very proud, to work in marketing; but 50.2% say that marketing is only "somewhat understood" within their organisation and 14.4% say it isn't understood at all. Having to deal with a lack of understanding within the wider organisation could be undermining confidence in marketing. This article looks at ways of tackling the confidence barrier.

Marketing Week, February 2020, pp22-25 (Rogers)

What sales dislikes about marketing

Sales teams can cause frustration among marketers but equally marketing can prove very annoying to sales. This article identifies the five things that salespeople dislike most about marketing and how to resolve issues. They include the fact that marketing takes a long time to complete items such as the collateral needed for touchpoints on the consumer journey and marketing's propensity to work in siloes instead of collaborating with sales. Andy Bacon, a consultant who has worked with brands to align their sales and marketing teams, offers advice.

B2B Marketing, Winter 2020, pp44-45 (Raycraft)

Five trends in content marketing

The effectiveness of content marketing is well-established, but content creation tactics and distribution strategies have changed. This article covers five of the most prominent content marketing

trends, namely: user generated content; video; interactivity and gamification; podcasting; tailoring it for voice search and smart devices.

einsteinmarketing.com, 11 March 2020 (Patil)

Market research

Customer choices – value of anthropology

The authors ask how designers or marketers can understand a customer segment's motivations for actions and choices so that a useful brand strategy can be built. Understanding the "connective tissue" between brand, culture and experience is key. Ethnography, interviews, prototyping, testing and revising are essential in the understanding of the audience's perceptions. The advice is to "design for people contextually" and use the tools of anthropologists to understand the way in which groups act and are motivated. Align brand values with cultural ones and evaluate them in the same way that customers would.

ama.org, 12 March 2020 (Jura)

Public relations

Leadership and communication

Business leaders may already be coping with various crises and the coronavirus is simply adding more stress to the situation. Uncertainty over the virus is a 24/7 thing for employees. Communicating about the disease involves tried and tested principles which might be applied to any crisis. These take the form of "open, honest, clear and timely communications" aimed at building trust and showing capable leadership. Here are some steps a business can take to communicate effectively to their employees about the virus.

fastcompany.com, 14 March 2020 (Parfet and Solomon)

Winning awards

Winning an award provides recognition and credibility for a business and boosts its reputation. It also differentiates a business from its competitors. Simon Corbett, founder of Jargon PR, gives some advice on understanding the awards process, how to ensure your entry stands out and maximising the PR opportunities.

The Business Magazine, March-April 2020, p8

Advertising during a crisis

Advertising is often at the forefront of efforts to minimise reputational or economic damage when a crisis occurs. This is how five brands used it to address (not always successfully) various calamities: KFC's "FCK" bucket which responded to a chicken shortage; BP's environmentally disastrous oil spill; Samsung's smartphone recall; McDonald's efforts to quell fake news about how it sourced its food; and WeWork's "disingenuous" apology.

The Times (Raconteur: Future of Advertising), 9 March 2020, pp22-23

Agriculture, fishing and forestry

Israeli farmers turn to tech and argan oil

Production of Israel's famous Jaffa oranges peaked in the 1980s but since then citrus production in Israel has fallen by 75% with the country shifting its emphasis towards the tech sector. Now only 1% of Israelis work in agriculture while the tech sector accounts for 10% of jobs. There is one bright spot, however, and this is the crossover between tech and agriculture where there are over 200 start-ups in the field. These include Netafim, a pioneer in drip irrigation which allows farmers to control the amount of water for crops; and Vertical Field, which focuses on enabling plants to grow on walls. Meanwhile farmers are shifting from water-intensive crops, such as oranges, to grapes, olives and Argania spinosa, the tree that produces argan oil.

Bloomberg Businessweek, 9 March 2020, pp29-30

Ownership of west Africa's fish

Over seven million people in West Africa rely on fishing for a living but the area is poor and a lack of monitoring means that there is more illegal fishing off the coast than in any other region of the world. Ironically some of the most damaging activity is carried out by licensed EU boats despite the EU boasting about its role in monitoring and enforcement in the area. Europe pays only 8% of the total value of fish caught in west Africa but countries in the region are beginning to understand the need to enforce maritime security and governance with the aim of keeping more of the value within the continent.

Financial Times, 12 March 2020, p27

Changing the climate reputation of agriculture

Agriculture has become a byword for climate change, so how do farmers regain favourable public opinion and get the message across that "British agriculture is currently the most secure, safest and climate-friendly system of food production in the world"? Agriculture is taking steps to look at its environmental record and to improve on it, but it will require leadership and collaborative thinking to move things forward. "We'll need every marketing tool we have at our disposal", concludes the author.

fwi.co.uk, 12 March 2020 (Ferguson)

Building industry

Builders could soon be wearing hard hat cams

Construction tech firm Buildots, based in Israel, uses AI and 3D computer vision to allow on-site construction teams to track activity and progress. It claims to optimise productivity, increase efficiency and reduce time and costs. The workers wear a 360-degree camera on their hard hats which records data that can be uploaded, analysed and compared

with the project plans. Buildots is opening an office in London.

theconstructionindex.co.uk, 16 March 2020

Intu could go under

Intu, the shopping centre owner and developer, may go out of business after reporting a £2 billion loss. The decline in the high street retail sector has led to massive write-downs in the value of the company's shopping centres. Current work includes the redevelopment of Intu Broadmarsh in Nottingham where £68m of work has still to be completed by the contractor, McAlpine.

constructionenquirer.com, 12 March 2020

Businesses and strategy

Moving the focus away from low-risk projects

Companies usually create value for stakeholders by making risky investments. However, in practice large companies veer away from risky ideas in favour of marginal improvements, cost-cutting and "safe" investments. This article looks at risk aversion and avoidance, by showing how corporate incentives can exacerbate the problem. The authors analyse how much value managers' attitudes towards risk aversion "leave on the table" and offer suggestions for changes in practices and systems to reduce the bias towards low-risk projects.

Harvard Business Review, Vol 98(2) March-April 2020, pp104-111 (Lovallo et al)

The circular economy in the workplace

The concept of a circular economy is likely to come to the fore this year as an alternative to the linear model of making, using and disposing of goods. This article describes circular economy principles and offers 12 tips for applying it to the workplace. These include equipping the workforce in ways that promote circularity, such as: reusable coffee cups; food prep areas, to reduce the need for take-away packaging; and offering older office equipment to a charity.

London Business Matters, March 2020, p34

Innovation and data – a recipe for success?

Google is known for its innovativeness but at the same time it also has a data-driven culture which proves that a creative culture can co-exist with a data-driven one. Although data and creativity may seem contradictory forces, they display a certain degree of similarity which, "must be cultivated simultaneously for a company to achieve its highest levels of success". This article examines both types of culture and their compatibility.

ama.org, 10 March 2020 (Mohr)

Responding to the coronavirus

According to Dun & Bradstreet, 94% of Fortune 1,000 companies have noted delays in their supply

chains as well as workplace absences, lower productivity, travel cutbacks and reduced trade and investment. Despite many companies having contingency plans for natural disasters, many have their backup factories in China and the coronavirus has caught them unawares. Tony Adame of Aon Plc says that businesses tend to be good at planning for short-term crises but often ignore the long-term impacts. Bloomberg has compiled a checklist for disaster-proofing by looking at the "easy", "medium-hard" and "hard" stuff you can do to address the impact of the coronavirus.

Bloomberg Businessweek, 9 March 2020, pp36-37

The CDO – overseeing diversity

The role of chief diversity officer (CDO) is a fairly new concept among many organisations, but it is growing in importance as companies begin to understand the benefits of a diverse workforce. A series of infographics set out CDO statistics such as gender, education, race, how they spend their time and where they come from: 31% come from marketing or sales roles.

The Times (Raconteur: Diversity & Inclusion), 8 March 2020, p3

The glass ceiling

The Economist has updated its glass-ceiling index which ranks 29 countries according to equality for women in the workplace. Asia's women seem to fare the worst: for example, in South Korea they earn on average 35% less than men and occupy just one in seven managerial roles. Iceland emerges on top with women occupying almost half of all board seats. America is 22nd on the list, just ahead of Britain but both are below the OECD average.

The Economist, 7 March 2020, p63

Building corporate purpose

Employees, especially Millennials and Gen Z, increasingly need to find meaning in their work and to believe that their organisation is contributing to society. For their part, businesses need to know what is important to their employees and understand the employee experience. Technology, such as Slack or Microsoft Teams, can help HR managers to engage with employees. Companies can also use apps and devices to encourage employees to contribute to company values, such as donating to a good cause. However, companies must be authentic and genuinely committed to a value system for it to be effective.

The Times (Raconteur: Talent Management), 11 March 2020, pp6-7 (Young-Powell)

Charities and NGOs

Income analysis

Third Sector's latest *Charity Brand Index*, which consists of the top 155 charities, reveals that total

income rose by just £3m to £11.5 billion (excluding one exceptional item) for the 2018-2019 period. The figures follow major scandals involving Oxfam and Save the Children in 2018 and changes to the way in which donors can be contacted due to GDPR. The research shows that for the first time in three years, total spending exceeded total income, to the tune of £29m, with money for extra spending coming from charities' reserves. Cancer Research UK, National Trust and Oxfam were the biggest earners while the largest increases in income were enjoyed by the UK Community Foundation, Terence Higgins Trust and Disaster Emergency Committee. Top campaign spenders were CRUK, Macmillan Cancer Support and Save the Children.

Third Sector, March-April 2020, pp16-27

Charity shop – from high street to online

The traditional charity shop is still a popular feature of the high street and profits have been rising over the past couple of years. Trends helping to boost charity shops include sustainable fashion, vintage clothing and upcycling which also makes them appealing to the younger generation. These days around half of charities with shops also sell online which gives them a competitive edge. Digital charity shops present a huge opportunity for charities to expand their reach; but smaller charities may face barriers to entry such as resources, expertise and time. This article explores how to get started with ecommerce.

charitydigital.org.uk, 13 March 2020, (Green)

Economy

GDP estimates – January 2020

The ONS's *GDP monthly estimate, UK: January 2020*, reveals that GDP remained level in the three months to January after achieving zero growth in the fourth quarter of 2019. Construction grew by 1.4% thanks to housebuilding, which helped to offset the longer-term decline in manufacturing (down 1%), especially seen in the drinks, cars and machinery industries. The services sector remained flat in the three months to January following slow growth.

ons.gov.uk, 11 March 2020 (Scruton);

<https://www.ons.gov.uk/economy/grossdomesticproduct/gdp/bulletins/gdpmonthlyestimateuk/january2020>

Reusable bottles and gluten-free cereals in

The ONS's *Consumer price inflation basket of goods and services, 2020* reveals that 16 items have been added to this year's basket, 14 have been removed and four modified while 702 have been left unchanged. Reusable bottles and mugs have been added to the basket in response to ways in which consumers are trying to reduce their environmental impact. Self-tanning products, gluten-free cereals and "cocktails in a can" have all been added to the

basket of goods. New food and drink items include vegetable crisps, crumpets and minced turkey. Items that have left the basket include frozen imported legs of lamb, individual fruit pies and frozen chicken breasts.

ons.gov.uk, 16 March 2020 (Gooding);

<https://www.ons.gov.uk/releases/consumerpriceinflationbasketofgoodsandservices2020>

UK likely to enter recession

Bank of England policymakers have warned that the UK is entering recession and that the Government will need to act to offset the damaging effects of the coronavirus. It is almost inevitable now that UK output, which was already stagnant in the three months to January, will decline in the first half of 2020. Andrew Sentance, a monetary policy committee member, suggests that a recession in the UK and other countries is likely. Fall in output for the first quarter could be small due to panic buying but a drop of 2% to 5% in GDP could occur in Q2 with a rebound later in the year.

Financial Times, 17 March 2020, p6

Education

Public schools go overseas

British public schools have been opening campuses overseas: 36 have opened a total of 73 satellite campuses with a combined fee income of \$1 billion, according to ISC Research. Apart from income, the trend provides an opportunity to export UK culture, allowing pupils in other countries to experience British iconography and traditions. Harrow's school in Beijing, for example, uses the iconic boater straw hats. This is a global branding opportunity that, "is really about transforming the school into an international education business" says Mark Abell, a lawyer at Bird & Bird. Haileybury's (an independent boarding school in Hertfordshire) presence in Kazakhstan, and its expansion plans, are discussed.

Bloomberg Businessweek, 9 March 2020, pp46-51

SMEs not benefiting from apprenticeship levy

Training providers are concerned that too little levy money is finding its way into the funding of new apprenticeship schemes for smaller employers because larger businesses are using the money to expand their own training schemes. The apprenticeship levy can be spent on any approved scheme ranging from school leavers up to MBA level. Yet the percentage of apprenticeship starts among businesses with fewer than 50 staff has fallen from 37% before the apprenticeship levy took effect in 2017 to 27% today. The recent Government Budget outlined plans to review the levy and promised funding for FY 2020-2021 to support more high-quality apprenticeships among SMEs.

Financial Times, 13 March 2020, p6

Energy and utilities

London street lampposts charge EVs

A street in London has been converted into a hub for charging electric vehicles. Sutherland Avenue in Maida Vale has 24 lampposts which have been converted to contain charging points so that residents who don't have driveways can charge up their cars overnight. This is the first time a street has been converted for this purpose. One of the key barriers to electric car adoption is the perceived shortage of charging points. The project has been undertaken by Siemens Smart Infrastructure in collaboration with energy company Ubitricity and Westminster City Council.

The Times, 17 March 2020, p22

Environment

Going green

As the "climate emergency" ramps up, businesses must decide how to respond and make their operations greener. Here are ten practical ideas ranging from something simple, such as encouraging employees to use public transport, to the more complex, such as reducing energy consumption and buying goods and services only from sustainable suppliers. The author also warns of the consequences of not becoming more sustainable and provides links to government departments and The Carbon Trust.

London Business Matters, March 2020, pp32-33

Government must tackle carbon subsidies

The Government has a goal of achieving zero net carbon emissions by 2050 but to meet it, the country will need a revolution in the use of energy, transport and agriculture. The system of incentives and penalties is described as a "mess" and there are huge variations in the charges per tonne of carbon, according to Energy Systems Catapult, which has conducted a review of greenhouse gas emissions. The challenge for the Treasury is to equalise the price of carbon "at the same time as producing grand big ideas for decarbonisation".

Financial Times, 12 March 2020, p16

Fashion

John Lewis trials Instagram fashion service

John Lewis is to test out short video calls on Instagram to give customers fashion advice. Individual stylists will invite customers who follow them on Instagram, to book appointments based on three themes: "Seasonal Staples" (recommendations); "Upcycle" (advice on upcycling); and "fashion SOS" (fashion in a hurry). The free service, which is still being trialled, is an extension of John Lewis's personal styling service and could go live to all customers later this year.

marketingweek.com, 16 March 2020

Financial services

Wedding insurance withdrawn

Wedding insurance is off the agenda because of the coronavirus. The largest insurance providers have suspended the sale of new policies as they consider the impact of the crisis. John Lewis and Debenhams, the main providers of such policies, have both withdrawn their cover for this year and five other providers have said they will suspend cover. Wedding insurance, a niche area of the insurance industry, has been growing because of the rising costs of weddings. The average cost was £32,000 last year, according to Hitched, a wedding planning website.

Financial Times, 11 March 2020, p6

Direct Line changes direction

Direct Line's advertising is changing direction as it axes its Winston "The Wolf" Wolfe campaign starring Harvey Keitel. The campaign achieved huge success for six years, helping Direct Line to increase its net promoter score by 20%. The new "We're on it" campaign continues the idea of being able to fix things, but can a Teenage Mutant Ninja Turtle, Transformer and Robocop achieve as much as Harvey Keitel? Separately, Mark Ritson looks at Direct Line's change of tack in the context of distinctive brand assets.

marketingweek.com, 9 March 2020; marketingweek.com, 11 March 2020 (Ritson)

FMCG

Beverages

Miniature pubs to solve a prickly problem

Camden Town Brewery has partnered with the British Hedgehog Preservation Society (BHPS) to launch a miniature pub for hedgehogs. The Hibernation Arms, a limited-edition range of hedgehog homes, offers the animals a place to hibernate during the winter. Hedgehogs are experiencing an increasingly hostile environment which is preventing them from hibernating naturally. The brewery has also launched a Hells in Hibernation lager to help promote the partnership, with a proportion of sale proceeds going to the BHPS. The partnership has already raised over £10,000.

Third Sector, March-April 2020, p47

PepsiCo enters energy drinks with Rockstar

The rise in demand for energy drinks has prompted PepsiCo to acquire Rockstar Energy Beverages, a company founded in Las Vegas in 2001. Rockstar, which gained an edge by using supersize cans as a cheaper option to market leader Red Bull, prefers to market its beverages through sponsorship of sports and music festivals. This is PepsiCo's first major

move into the energy sector while its competitor, Coca-Cola, already has a stake in Monster Beverage and has launched its own-brand energy drinks in the US. The global energy drinks market reached \$53 billion in 2019 and is forecast to grow to \$86 billion by 2026, according to Allied Market Research.

The Times, 12 March 2020, p43

Starbucks takes top spot for flavoured milks

Starbucks has become the top flavoured milk brand in the UK. Sales have grown by 16.8% over the past 12 months to overtake Yazoo, which grew by just 6.5%. This is the first time that an iced coffee brand has taken top spot in the category. Starbucks iced coffee, which launched in 2010, has benefited from the UK's "increasingly ingrained coffee culture", according to Adam Hacking of Arla Foods, which makes and markets the drinks. Starbucks aims to strengthen its position with its first TV ad.

The Grocer, 14 March 2020, p45

Food

Meat alternatives that resemble meat

The alternative protein industry is shifting to products whose texture resembles cuts of beef and chicken. Companies such as Novameat are making meat products by layering "extruded" vegetable fibres on top of each other. Other companies, which produce meat from animal cells, have already reached advanced stages with their products. While ground or minced meats are easy to replicate, creating something resembling a cut of meat is much harder but concerns over the effect of livestock farming on the environment have accelerated R&D efforts. The sector became one of the fastest growing in food and agritech last year with investment in "innovative foods" reaching \$1 billion.

Financial Times, 11 March 2020, p16

Household

Spirits companies aid sanitiser shortage

Europe is facing a shortage of isopropyl alcohol (IPA), a key ingredient in hand sanitiser gels and wipes. These are important for helping to prevent the spread of coronavirus but have sold out due to panic buying; Kantar reports that UK sales of hand sanitiser rose by 255% by value in February year-on-year. The UK has no facilities for manufacturing IPA and many distributors have sold out. Now spirits makers in the UK are joining up to provide alcohol to hand sanitiser producers. Pernod Ricard says it is looking at ways to supply 96% proof alcohol to partners. Meanwhile LVMH, the luxury group, says it will repurpose its production lines at French perfume sites to produce sanitisers to give to hospitals.

Financial Times, 16 March 2020, p9; Financial Times, 17 March 2020, p13

Government and public sector

Cost of online political ads to be attributable

A new review from the Law Commission says that political ads should be labelled or given "digital imprints" to indicate who has paid for them. The report, which proposes various changes aimed at modernising the electoral process, is to be submitted to the Cabinet Office and the Scottish government for approval. Some of the changes are in response to digital developments; for example, in 2017 42.8% of reported campaign advertising was online, much of it being delivered using microtargeting techniques, which made it difficult to distinguish between national and constituency spending. Nicolas Paines QC, public law commissioner at the Law Commission, warns that "there is a very real risk of the electoral process losing credibility".

The Guardian, 17 March 2020, p23

Health and pharmaceuticals

Healthcare futures

This *Future of Healthcare* supplement covers such diverse topics as the use of health data; how doctors are being encouraged to experience how their patients live (such as wearing obesity suits); how to improve health outcomes; integrated care; mental health inequalities; global ageing; and the battle to access medical cannabis. It also asks whether waiting times are the best metric and whether the UK is prepared for a pandemic (We might be about to find out...).

The Times (Raconteur: Future of Healthcare), 10 March 2020, pp1-19

Telemedicine – more patients are going online

Telemedicine is a growing phenomenon in China due to the coronavirus. As people stay in their homes, many are looking for treatment and advice on the internet. Xin Lijun, who heads up JD Health, reports a tenfold increase in monthly consultations since the virus started. If the virus hadn't occurred, the shift to online could have taken five years, says Xin. To date there have been restrictions on the amount that online doctors have been allowed to do (mainly repeat prescriptions and follow-up consultations) but the coronavirus has accelerated the shift to a broader remit. Telemedicine firms are trying to win trust by offering free consultations during the epidemic.

The Economist, 7 March 2020, p64

New government campaign – the delay phase

People in the UK will start seeing TV ads setting out government advice on the coronavirus. The ads, featuring chief medical officer Chris Whitty and voiced by actor Mark Strong, will advise on the best way to limit the virus's spread as the Government

moves to its “delay” plan. This involves people self-isolating for seven days if they have symptoms. The advice will also appear in newspapers and magazines, online and on social media, billboards and digital displays.

gov.uk, 15 March 2020;

<https://www.gov.uk/government/news/next-stage-of-expanded-coronavirus-covid-19-public-information-campaign-launches>

IT and telecoms

Are 5G adoption – security a growing issue

A January survey of mobile operators, suppliers and others by Mobile Europe and European Communication, reveals that deploying 5G technology is the greatest priority for operators, with 91% placing it among their top three priorities. The second most important issue is improving network security. This could be an area where communications service providers (CSPs) might differentiate themselves. Nevertheless, operators and suppliers believe that 2020 will be a turning point for 5G with the technology being used at scale to allow the development of new services which will be a critical success factor. IDC predicts that the number of 5G connections will rise from ten million in 2019 to 1.01 billion in 2023.

Mobile Europe, Q1 2020, pp34-40

Leisure and tourism

Experiences – good for the high street?

“Competitive socialising”, a new buzz phrase, involves taking part in activities with friends, which might range from traditional go-karting or crazy golf to fighting a zombie apocalypse or tossing tomahawks. The “experience economy” (a preference for experiences over goods), the “fear of missing out” (FOMO), and “peak stuff” are all driving factors. Research suggests that two-thirds of British adults (and three-quarters of Millennials) would rather spend money on experiences than possessions. The rise of online shopping has badly affected physical stores so this trend is a boon for high street landlords who can fill their empty premises. It has also prompted Merlin and Centre Parcs, large leisure operators, to open escape rooms. Meanwhile private equity firms are busy investing in hot prospects such as Puttshack, a tech-golf outfit.

The Economist, 7 March 2020, p27

Don't bet on the bookies

The sheer scale of sporting fixture cancellations due to the coronavirus has hit Britain's bookmakers who says they could lose up to £800m in earnings over the next few months. Flutter Entertainment, owner of Paddy Power and Betfair, warns that its profits could be down by £260m while GVC Holdings, owner

of Coral and Ladbrokes, expects to lose up to £400m and William Hill £140m.

The Times, 17 March 2020, p43

Cruise companies – will they float or sink?

The global cruise industry, worth \$150 billion a year, is taking a huge hit from the coronavirus, as it continues to cancel sailings. Carnival, Norwegian and Royal Caribbean the world's three largest operators, have seen almost \$60 billion disappear from their collective market value over the past two months. Stuart Gordon, a cruise industry analyst, believes that cruise companies can survive for three to four months, but if concerns about the virus last for a couple of years then they may go under. The World Travel and Tourism Council expects the virus to result in a reduction in international travel of a quarter this year with the loss of up to 50m jobs.

The Daily Telegraph, 14 March 2020, p35

Media

Books

A comic revival

Comic bookstores are flourishing due to the “Marvel effect” and the success of superhero films. Comics appeal to both young and older generations, with many people buying back issues featuring Iron Man or Captain America. Film brands such as Avengers and Thor have enjoyed massive box office sales which have had a positive effect on comic sales. Meanwhile bookshops continue to close: according to the Local Data Company, 1,156 “new” bookshops closed in the six years up to 2019 as well as 208 “rare and second-hand” outlets. This compares with an overall rise of 49 shops in the comic sector.

The Times, 14 March 2020, pp16-17

Film

Cineworld expresses doubts over its future

Cineworld, the second-largest cinema operator in the world, says it could lose up to three months' revenue if it is forced to close screens to help contain the coronavirus. Films due to shown in the next few months could be postponed as has happened with the new James Bond film. Although UK box office takings in January and February rose by 19% year-on-year, sales were 9% lower than in 2018. Cineworld has reported a 40% fall in annual pre-tax profits and there are concerns about the company's debt.

The Daily Telegraph (Business), 13 March 2020, p3

Internet

Accessibility and SEO

The latest issue for search engine optimisation (SEO) is accessibility. The author, who emphasises that good accessibility practices align with SEO best practices, sets out three best practices that can be

found across both disciplines. Last year the US Supreme Court rejected an appeal from pizza company Domino's after a blind man sued the company because he was unable to order a pizza from its website using screen-reading software. Clearly from a legal point of view, accessibility matters. Those who prioritise accessibility will differentiate themselves from their rivals.

ama.org, 11 March 2020 (Grimm)

Music

The eco-friendly tour

There is rising concern in the music industry about the environmental impact of live music. Many fans have become passionate about sustainability and some artists realise that they have the power to influence people in a positive way. Some artists have environmental conditions in their contracts such as bans on plastic cutlery at their concerts. Coldplay announced last November that it wouldn't go on tour to promote its new album. Glastonbury Festival boasts of using clean energy while Live Nation, the world's largest concert promoter, is tackling plastic straws and single-use bottles at venues. Bands have the problem of balancing environmental concerns with the necessary income from touring. Green Touring Network has published a guide on how to make tours eco-friendlier.

Bloomberg Businessweek, 9 March 2020, pp14-15;
http://greentouring.net/downloads/GreenTouringGuide_EN.pdf

Social media

Using LinkedIn in your marketing

When marketing a start-up, many believe that Facebook, Instagram or Twitter are the go-to platforms and most marketers tend to overlook LinkedIn even though it has 500m members. Yet research suggests that it generates more leads for B2B companies than either Facebook, Twitter or individual blogging. Rather surprisingly, 51% of companies have also attracted B2C customers through LinkedIn. The author offers eight tips for incorporating LinkedIn in your marketing.

entrepreneur.com, 14 February 2020 (Znak)

Television

What next for BBC funding?

Ex-leaders of the BBC, such as Greg Dyke, have expressed doubt over the viability of the Corporation's licence fee. Their views reflect the need for "radical change" at a time when Netflix and other streaming services are attracting an increasing proportion of the population's attention, especially the young. The BBC is facing a period of unprecedented changes and competition. Its new leader – a successor to Tony Hall when he is appointed – will face the challenge of regaining lost audiences. One solution is a voluntary, subscription-based service which could be impossible to deliver

and represent a huge budget cut; another is a hybrid model, with a subscription as an "add on" to the licence fee. More favoured is the "German model" which is a household tax to fund public broadcasters.

Financial Times, 13 March 2020, p9

Packaging

Aluminium recycling on the rise

The Aluminium Packaging Recycling Organisation (Alupro), a not-for-profit, has hired PR firm Prova to help it position aluminium positively within packaging. Bev Burnham, head of marketing and comms at Alupro, says that: "Aluminium is a true packaging champion" because it can be recycled indefinitely and contributes to the circular economy. Separately *Packaging News* reports that there was a 17% rise in the amount of aluminium recycled last year compared with 2018. Rick Hindley, executive director at Alupro, believes that this year will see an increase of 52% in the amount recycled.

packagingnews.co.uk, 12 March 2020 (2 articles)

Tea packs reflect Lake District scenes

Tea and coffee specialists Farrer's of Kendal has updated its packaging designs for seven of its teas to reflect the scenery of the Lake District. The images on the packs have been inspired by the changing landscape of the area at different times of year. The Langdale Valley is shown on the green tea pack, Derwentwater is paired with Darjeeling and Wastwater with English breakfast.

prolificnorth.co.uk, 13 March 2020 (Chapman)

Lucozade creates edible capsules

Lucozade has launched a vending machine dispensing seaweed-based edible capsules containing Lucozade Sport. Lucozade Ribena Suntory says the initiative reflects "the potential future of sustainable, plastic-free gym hydration".

The Grocer, 14 March 2020, p41

Retailing

Stores important as experiences ramp up

Although further store closures are expected in the UK this year, 38% of retailers say that stores are becoming increasingly important to their business, with 69% indicating that their online and offline channels are "interdependent". This is according to *Mission Impossible: reconfiguring stores for the modern consumer*, a report by law firm TLT. Retailers now say that creating an experience for customers is one of the top three drivers of future store plans (64%) showing that experience is as important as product. Retailers will be able to offer multiple services in one location, either alone or by co-locating with brands. Advice and consultancy (64%) is the most popular service followed by food

and drink (48%), health and beauty (46%) and product rental (44%). Tech trends and the role of automation are also covered by the research.

lexology.com, 9 March 2020 (Jervis);
<https://www.tltsolicitors.com/insights-and-events/publications/retail-agility-stores-report/>

Retail risk

Law firm TLT's *Retail risk report 2020* refers to the tough economic conditions and challenging times faced by retailers in relation to Brexit, new trading arrangements, regulatory change and insolvencies. It argues that, by being prepared and using appropriate planning and strategies, retailers can become stronger. This report aims to provide a single point of reference to help retailers understand the legal and regulatory changes affecting the market, how to prepare for change and to reduce the risk to their business.

lexology.com, 5 March 2020 (Jervis et al);
<https://www.tltsolicitors.com/insights-and-events/publications/retail-risk-report-2020/>

Amazon launches first UK Just Walk Out

Amazon's first checkout-free supermarket will be located in Notting Hill, west London. The company's "Just Walk Out" technology uses cameras, motion sensors and AI to monitor the goods shoppers put in their baskets and then charges them via an app. Notting Hill is an affluent area and would suit Amazon's higher-spending demographic, according to property developed Enstar which owns the Notting Hill site. Jeff Bezos, Amazon's founder, has said he is "very interested" in having a high street presence.

The Times, 11 March 2020, p14

eBay could be out of the bidding?

eBay's US retail e-commerce sales are declining with this year's figures expected to be down by 5% compared with last year when they also fell. The trend is attributed to higher charges for sellers who have high rates of "item not as described" or "minimum performance standards" and new internet sales tax laws. The company is also investing less in marketing to attract new customers which has reduced new buyer growth and short-term sales. eBay may have some work to do to turn things around and remain relevant in the face of greater competition.

emarketer.com, 16 March 2020 (Kats)

Tesco still largest for grocery adspend

Tesco continued to be the biggest advertising spender in the grocery market last year, although Sainsbury's increased its adspend on traditional media by 82.6%, according to Nielsen AdIntel. Asda and Lidl were in second and third places respectively even though they both reduced their spend. Morrisons fell from fourth to seventh place after

decreasing its spend by 21.2% from 2018 to 2019. Both the Co-op and Waitrose also cut their adspend.

The Grocer, 14 March 2020, p7

Services

Samsung partners for dating space

Samsung and Happn, a dating app, are collaborating to launch an "ultimate micro-dating destination" at Samsung's experience space at Kings Cross in London. Participants will have their heart rate checked using a Samsung Galaxy watch during three ten-minute dates. The concept follows a SamsungKX study which revealed that 40% of Britons restrict themselves to only dating their "type on paper" while 42% say their dates "lack a spark".

marketingweek.com, 16 March 2020

Pubs face "existential" crisis

The British Beer and Pub Association has written a letter to PM Boris Johnson telling him that the industry is facing mass closures because of new guidance advising people to avoid bars, pubs and restaurants. Emma McClarkin, chief executive of the association, warns of the "catastrophic financial and social impact" of pub closures and is requesting a support package which could include cancellation of business rate and beer duty payments for six months. Because the PM hasn't ordered the closure of hospitality premises, businesses will not be able to claim on their insurance. The hospitality sector employs 3.2m people in the UK and is its third largest employer.

The Daily Telegraph (Business), 17 March 2020, p1

Transport and travel

Trouble for Euro car manufacturers

European car manufacturers are temporarily closing plants across the continent because of disruption in the supply chain due to coronavirus. Even before the virus hit, car sales were weak. Although new car sales reached pre-recession levels in 2018, they have been falling ever since although analysts still hope for a V-shaped recovery, with purchases being put off until later in the year. The situation is compounding the difficulties of a sector which mainly relies on petrol cars, a product that is becoming obsolete. Governments may decide to turn to scrappage schemes to help boost sales.

Financial Times, 17 March 2020, p12

England trials green transport

The use of electric scooters on England's roads is currently illegal due to a law dating back to the 1800s. Now the Government is set to trial their use on roads in four areas of the country. This forms part of a review of transport legislation which aims to use technology to make travelling smarter and greener. The Government will allocate £90m to

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investigating various options. Other ideas being studied include a trial of drones in Portsmouth and Southampton to carry medical supplies and samples from the Isle of Wight to mainland hospitals.

Financial Times, 16 March 2020, p6

Written by CIM's Knowledge Services Team

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Contents

To fast forward click on the following links:

[Agriculture, fishing and forestry](#)

[Building industry](#)

[Businesses and strategy](#)

[Charities and NGOs](#)

[Economy](#)

[Education](#)

[Energy and utilities](#)

[Environment](#)

[Fashion](#)

[Financial services](#)

[FMCG](#)

[Beverages](#)

[Food](#)

[Household](#)

[Government and public sector](#)

[Health and pharmaceuticals](#)

[IT and telecoms](#)

[Leisure and tourism](#)

[Marketing trends and issues](#)

[Advertising](#)

[Agencies](#)

[Brands and branding](#)

[Conferences and events](#)

[Consumer behaviour](#)

[Customer relations](#)

[Direct marketing](#)

[Law](#)

[Marketing](#)

[Market research](#)

[Public relations](#)

[Media](#)

[Books](#)

[Film](#)

[Internet](#)

[Music](#)

[Social media](#)

[Television](#)

[Packaging](#)

[Retailing](#)

[Services](#)

[Transport and travel](#)