

# Cutting Edge: Our weekly analysis of marketing news

25 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

#### Virus dampens adspend growth in China

Not surprisingly, eMarketer has downgraded its advertising growth expectations for China this year, from a forecast of 10.5% in Q3 2010 to 8.4% now. This is the slowest growth since it began tracking China in 2011. Traditional media will be the most badly affected this year, with newspaper adspend declining by 16% and magazine by 12%. The fact that people have been forced to stay at home means that they have been buying fewer publications. Digital, which was expected to grow by 15.2% is now forecast to increase by 13%. eMarketer warns that the full impact of the coronavirus on the Chinese economy, which includes adspend, is not yet apparent

[emarketer.com](#), 20 March 2020

#### Labour calls for sensible shopping campaigns

The Labour Party has called on Britain's advertising and PR industries to spread the message about not panic-buying. Empty shelves have meant that health workers have been unable to buy supplies. Labour has issued a pitch to agencies asking them to communicate to people to shop sensibly and stay at a safe distance from others. Anyone with ideas has been asked to share them on social media using #covid19advert and #don'tshoptillyoudrop. Shadow culture secretary, Tracy Brabin, says that: "Britain has the very finest creative sector in the world" and that many of them want to put their skills to use.

[independent.co.uk](#), 23 March 2020

### Agencies

#### Best companies to work for

*Campaign* has produced its *Best Places to Work 2020* ranking which depicts an "idyllic image of

work-life balance perfection". Yet in reality, stress and depression are common in every workplace and the advertising industry suffers from tight deadlines, work overload and long hours. It is becoming more common for employers to invest in employee wellbeing with 92% of employees saying their organisations cared about wellbeing, while 86% said their workplace offered formal employee recognition and appreciation schemes. The results show that the smaller the business, the higher it scores in terms of supervisor relationships and working environment, with 95% of employees in smaller organisations reporting that they like the work they do (91% for larger companies). A ranking of "Best Places to Work" companies is included as well as profiles of the top five large, medium and small companies.

*Campaign*, March 2020, pp80-83 (Small)

### Brands and branding

#### Pricing policies – protecting the brand

Customers go online to find a good deal which, in theory, should be good for brands, retailers and distributors who can sell more. The problem is that customers may find themselves dealing with disreputable digital resellers which can damage brand equity and harm authorised sellers. In the US there are minimum resale price (MRP) and minimum advertised price (MAP) policies which restrict resellers from selling or promoting a company's products at an unauthorised discount. The authors set out four steps (planning; drafting; implementing; monitoring and enforcing) to create a successful pricing policy. They also explain the legal position in the US and Canada.

*Harvard Business Review*, Vol 98(2) March-April 2020, pp76-83 (Israeli and Zelek)

### Conferences and events

#### Venues reveal cost of coronavirus

A new survey for NFS Technology Group reveals that



Chartered CPD Programme

Don't forget, reading this publication can count towards your annual CPD record.

[www.cim.co.uk/membership/cpd/](http://www.cim.co.uk/membership/cpd/)

90% of venues have reported the postponement of meetings and events until July. Hotels, which will be affected by both meeting space and bedroom occupancy, have reported a £1.3m fall in business for Q1 while 50% of venues said that enquiry levels had fallen by an average of 35% to 40%. Venues in general have suffered a financial loss of £80K-£150k so far, while international speakers and attendees have cancelled up to June 2020. Although events are being postponed, venues could make up some of the revenue later in the year. Some hotels and venues have shared tips for taking positive action.

[eventindustrynews.com](http://eventindustrynews.com), 23 March 2020

## Consumer behaviour

### The coronavirus – changing shopping habits

According to data from Retail Economics, 72% of shoppers are facing shortages of products, 25% admit to stockpiling and 15% say they can't afford to stockpile even though they are concerned about food shortages due to the coronavirus. However, the number of consumers who recognise that the virus is a high threat to UK health has risen from 36% to 63% in just two weeks. In general shoppers say they are stopping clothing, leisure and travel-related purchases while 64% say they will buy more online to avoid physical contact.

[marketingweek.com](http://marketingweek.com), 23 March 2020

## Customer relations

### Two types of content strategy

There are two kinds of content strategies: publications and libraries. The former builds up an audience by frequently and consistently supplying material of interest for subscribers and followers; the second is of narrower interest, with deeper, more focused articles. This article sets out the main aspects of each type of content in the form of an infographic. It then describes "The Publication" and "The Library" content strategy in terms of: promotion and traffic patterns; key success factors; blog design and management tips; and team and resources.

[orbitmedia.com](http://orbitmedia.com), 20 March 2020 (Crestodina)

## Direct marketing

### Direct mail can replace experiential – for now

Experiential marketing has suffered during the coronavirus for obvious reasons but the chances of catching the virus from physical mail are far less than with experiential activities. This means that direct mail could be an attractive substitute at least for the time being. As well as being cost effective and easy to initiate at short notice, direct mail is powerful because of its "tangibility"; according to Royal Mail's *Private Life of Mail* study, people value something they can see and touch more than something they can only see. Direct mail also has longevity: the research suggests that it is kept in the household for an average of 17 days. Campaigns

that include direct mail can produce market share growth with three times the efficiency of campaigns that don't include it. With more and more people having to stay at home, the audience for direct mail is set to grow...

[decisionmarketing.co.uk](http://decisionmarketing.co.uk), 11 March 2020 (Lymath)

## Law

### Competition law relaxed for supermarkets

The UK Government is relaxing competition laws as a temporary measure so that supermarkets can work together to help provide food during the coronavirus. They will be allowed to cooperate in ways such as sharing distribution depots and delivery vans as well as data on stock levels. They can even share staff. Many temporary jobs are being created to keep shelves full at a time when workers in other sectors will be losing their jobs.

[The Guardian](http://TheGuardian.com), 20 March 2020, p13

## Marketing

### Marketing operations

Since marketing is digital, it needs martech and martech needs to be operated. In *B2B Marketing's* annual survey of B2B marketing operations, 93% of B2B marketers said that the marketing operations function is important or critical for delivering digital transformation. Marketing operations didn't exist a few years ago but now 67% of B2B companies have either a whole team dedicated to it or an individual running the function, with 21% expecting to create one soon. *B2B Marketing* interviews Simon Daniels, marketing operations consultant at Percassity Associates, to discover more about the role and its objectives.

*B2B Marketing*, Winter 2020, pp16-23 (Daniels)

## Societal marketing

"Societal marketing" is defined as when businesses "aim to do good for society, even at the cost of their own margins" and when they share the societal issues in their marketing material. This is not a quick fix but a long-term commitment in which businesses place the good of society high on their list of priorities, especially in their marketing communications. Examples of societal marketing (Body Shop, Patagonia and Danone) are described. The author also explains why one should use the societal marketing concept and sets out its advantages.

[einsteinmarketer.com](http://einsteinmarketer.com), 16 March 2020 (Barney)

## Structuring the inbound marketing team

Inbound marketing can generate higher quality leads at around 60% the cost per lead of outbound marketing. But how do you enhance your inbound lead-generating marketing to help the sales team grow the business? Here is a guide to structuring your marketing department so that you have the

right people in place. Six teams are identified (social media, search engine optimisation, acquisition, product marketing, content creation and web design) with advice on skills, structure and potential roles for each. There is also a free, downloadable e-book entitled *How to Hire & Train Your Marketing Team*.

**blog.hubspot.com, 20 March 2020 (Carmichael)**

## **Market research**

### **Face-to-face should stop during virus**

It is not surprising that the UK's Market Research Society has recommended that all face-to-face research should cease during the coronavirus. Research-live contacted several research agencies (BritainThinks, Walnut Unlimited, Savanta, The Nursery, Kantar, YouGov and Opinium) to find out how they are changing their data collection practices and what steps they are taking to adapt to the changing circumstances. The Market Research Society is constantly updating guidance on its website.

**research-live.com, 18 March 2020 (McQuater);**  
<https://www.mrs.org.uk/resources/coronavirus>

### **Behavioural research using LEGO bricks**

When looking to the future, conventional methods such as focus groups or interviews have considerable limitations. One has to understand current and past behaviour in order to anticipate the future and that's where modelling with LEGO bricks comes in. Using LEGO serious play (LSP) can help one to tap into the collective knowledge of consumers in a playful way, as participants work on a common vision of the future. They use the LEGO bricks to create stories which take the form of 3D models. LSP taps into System 3 thinking (emotional reactions and self-awareness) which can reveal deeper abilities and perceptions than either System 1 or System 2 thinking. The author describes "Case Planet Audio 2025" to show how the past, present and the future (2025) can be researched and described.

**researchworld.com, 13 March 2020 (Hager)**

## **Public relations**

### **Communicating during the coronavirus**

It is difficult for brands to decide how and when to communicate during the coronavirus. This article offers six tips gleaned from observations about how brands are using messaging and channels during this period. They include never trying to capitalise on the pandemic, thinking about how you can help society and auditing your content for inappropriate messages.

**pancommunications.com, 16 March 2020 (Thomas)**

## **Brands respond to coronavirus sensitivities**

Many companies are being forced to modify or abandon their campaigns to avoid associations with the coronavirus. These include Hershey's campaign in which influencer Diggy Moreland handed out chocolate bars in real life and received hugs and handshakes in return. In this environment that would clearly be inappropriate. Marketers are erring on the side of caution as a combination of anxious consumers and social media channels could result in a serious backlash. Meanwhile, many new campaigns may see reduced impact as consumers turn their attention to more pressing concerns.

**marketingdive.com, 16 March 2020 (Adams)**

## **Sponsorship**

### **Olympics 2020 postponed**

The Tokyo Olympics has been postponed until next year due to the coronavirus and will take place "no later than summer 2021" according to the International Olympic Committee (IOC). It will continue to be branded "Tokyo 2020" despite taking place next year. The Olympics, which has been running for 124 years, has never been delayed but it has been cancelled due to war in 1916, 1940 and 1944. The IOC says it had not rushed to make the announcement since Japan, sports federations and sponsors all need to be presented with an alternative plan. This will be a blow for Japan which has spent over \$12 billion on the event while sponsors and broadcasters and have also spent vast sums.

**bbc.co.uk/news, 24 March 2020; theguardian.com, 24 March 2020**

## **Agriculture, fishing and forestry**

### **The ocean of things**

The "Ocean of Things", a project of the Defence Advanced Research Projects Agency (DARPA), aims to equip the world's seas with floating, connected sensors. Over the next five years, John Waterson, head of the project, wants to deploy 50,000 sensors over one million square kilometres of sea. This will enable a significant portion of the ocean to be monitored and analysed for water temperature, wave height, wildlife and so on; the information could be made available to scientists and commercial users. It is hoped that as the technology matures, useful data can be extracted from much higher density sensors.

**The Economist, 14 March 2020, pp72-73**

### **Head gardeners at a premium**

Gardening is an increasingly popular pursuit. The Royal Horticultural Society reached half a million members last year while the number of jobbing gardeners in Britain rose by 5% to 157,000,

according to data platform Statistica. On the other hand, attracting a good head gardener for an estate can be hard and gardeners do not come cheap. One British entrepreneur who didn't pay his gardener enough, saw him defect in favour of a £50,000-a-year job with a cottage!

**The Economist, 14 March 2020, p25**

## Building industry

### More sites to close

Despite Robert Jenrick, secretary of state for housing, communities and local government, saying that it is all right for construction sites to remain open, several big builders have announced that they will be closing their operations. The latest are Bovis Homes and Barrett Developments which have joined ISG and Galliard in decommissioning their sites. No doubt others will follow their example.

**theconstructionindex.co.uk, 24 March 2020**

### Sports venues enter the circular economy

Repurposing sports venues, such as Olympic villages, is a way of bringing buildings into the circular economy. This article looks at five of them ranging from Lake Placid Olympic Village in the US, scene of the 1980 Winter Olympics, which reopened as a prison, to the 1980s Pyramid Arena in Memphis Tennessee, which faced demolition until in 2015 it reopened as a retail destination for hunting, shooting and fishing aficionados. Las Arenas, a famous bullring in Catalonia, was redesigned with a dome to transform it into an upmarket shopping mall, by architect Lord Richard Rogers.

**The Times (Raconteur: Future of Infrastructure), 17 March 2020, p6 (Hillsdon)**

### Housing affordability – official statistics

In its release – *Housing affordability in England and Wales: 2019* – the ONS reports that full-time employees would probably have spent 7.8 times their workplace annual earnings on buying a home last year, down from eight times in 2018. In Wales the ratio was 5.8, roughly the same as 2018. Meanwhile, new homes remained less affordable last year than in 2018, in both England and Wales.

**ons.gov.uk, 19 March 2020 (Henretty);**

<https://www.ons.gov.uk/peoplepopulationandcommunity/housing/bulletins/housingaffordabilityinenglandandwales/2019>

## Businesses and strategy

### India's unicorns looking overseas

India has around 80,000 start-ups which raised \$10 billion in venture capital 2019, less than the US and China but more than Germany and France. There are 18 unlisted unicorns in India and around 150 "sooncorns" (soon to reach \$1 billion), according to research firm Pitchbook. A lot of the money has gone into familiar areas such as ride-hailing, food

delivery or online education. But growth is limited in a country where there are many people but little disposable income. Few start-ups make any money due to the large investment needed to gain customers and to grow. The cost and bureaucracy of working in India is prompting many start-ups to base themselves outside the country. Singapore and America are favourite destinations.

**The Economist, 14 March 2020, pp56-57**

### British unicorns – can they become dragons?

Britain has spawned 63 unicorns over the past ten years which means that it trails far behind the US (820) and China (224), but is ahead of Germany (29) and France (13). Growth in the number of British unicorns has ramped up over recent years. Many are not pure tech companies but technology is usually at the centre of their business, as is the case with the fintechs. In fact, finance accounts for almost a third of Britain's unicorns which include companies such as Revolut and Monzo. The next challenge for Britain's unicorns is to turn them into "dragons" like Airbnb, or Didi Chuxing, a Chinese ride-hailing service.

**The Economist, 14 March 2020, pp24-25**

### Remote working – a permanent feature?

As more people are forced to work at home, some businesses will have to overcome their previous resistance to remote working. Companies are increasingly investing in remote working technology but it is not necessarily as simple as using cloud services such as Slack and Google's G Suite because some sectors (finance, for example) are handling sensitive data. Gartner estimates that a third of all companies are badly equipped for working from home while another third have no remote working plans in place at all. However, experts believe that once companies make the investment, they are more likely to retain the remote working option even after COVID-19 abates. Studies suggest that workers are more productive when they can work at home.

**fastcompany.com, 23 March 2020 (Newman)**

### Using your personal phone for business

Some 77% of freelancers and business owners use a personal phone for business, according to research from Moneypenny. Only 4% said they set up a work landline when becoming self-employed even though they may have been asked to supply one by work contacts. This finding applies especially to younger business owners. Yet 82% of younger people (18- to 24-year-olds) make an effort to answer the phone in a professional manner compared with just 16% of those aged 45+. Joanna Swash, global chief executive of Moneypenny, says answering the phone in a positive, friendly manner "will make the biggest impact on your customers and potential customers".

**London Business Matters, March 2020, p37**

## Charities and NGOs

### **Crowdfunding – threat or opportunity?**

Crowdfunding enables people to donate within minutes and millions of pounds are raised every year through this method. GoFundMe, the largest crowdfunding platform in the world, has raised over £7 billion. While some charities are happy with it, others worry that it will channel funds away from them. Regulation has become an issue because donations raised by, or for, a charity are regulated by the Charity Commission and the Fundraising Regulator while money for individual causes that don't go to a charity, are not regulated and fraudulent crowdfunding has become a problem. A case study of Dylan's Cancer Treatment Fund, an individual fundraising initiative, is included.

**Third Sector, March-April 2020, pp22-26**

### **Diversity**

A study of FTSE 100 companies published in January found that 37% had failed to meet the target of having at least one person from an ethnic minority background among their directors. Research by executive search agency Inclusive Boards in 2018 revealed that representation in the voluntary sector is worse: it found that fewer than 7% of trustees at the top 500 charities were from ethnic minority backgrounds, and two-thirds of boards consisted solely of white people. There are some basic steps charities can take to broaden the scope of their recruitment but the overriding thing for promoting lasting change is, "making a sincere commitment to diversity across every aspect of its function".

**Third Sector, March-April 2020, pp52-53**

## Durable consumer goods

### **The smart home**

In the future the smart home will embrace lighting, entertainment, education, health and even the contents of the fridge. The connected home market is expected to grow from \$20 billion today to \$37.3 billion by 2023. This is the subject of Accenture's new book, *The Future Home*, in which Accenture identifies eight consumer mindsets, including "Hip-Happening Parents", "Conscientious Controllers" and "Social Grandparents". Successful operators will be those that can bring together the many products, technologies and platforms needed for the future home. To do this, they will need to change their business models from vertical silos (one "product in search of a market") to a more agile, innovative and responsive organisation. Operators are also expected to play a vital role in using 5G in the future home. Here are six areas in which operators will need to reinvent themselves.

**Mobile Europe, Q1 2020, pp6-8 (Nazi) (Sponsored feature: Accenture)**

## Economy

### **The UK Labour market latest release**

The ONS's new release – *Labour market overview, UK: March 2020* – reports that the UK employment rate in the three months to January 2020 reached a joint record high of 76.5% while the unemployment rate was around 3.9%, just 0.2% higher than the previous quarter. It also reveals that annual growth in real terms (adjusting for inflation) in total pay (including bonuses) was 1.4% and in regular pay was 1.8% in the three months to January. There were 817,000 vacancies in the UK from December 2019 to February 2020, 30,000 fewer than a year earlier.

**ons.gov.uk, 17 March 2020 (Leaker);**

<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/uklabourmarket/latest>

## Energy and utilities

### **Mobile power plants**

This month the US allocated \$39.7m to three companies so that they could design "microreactors" for use at military bases and that could be transported to other locations. Land-based mini-reactors, originally unreliable and expensive, have undergone a revival due to US troops' significant energy requirements. NASA is also developing small "kilopower" reactors for space missions. These small reactors can be put together in a factory and shipped in one piece to remote places without having to be assembled on-site.

**The Economist, 14 March 2020, p74**

## Environment

### **Disposing of the shoe mountain**

Trainer sales are booming which has led to a global trainer mountain and thousands of unwanted shoes. The 24.2 billion pairs of shoes that World Footwear estimates were made in 2018 pose a serious threat to the planet. Traid, a garment recycling charity, says that as shoe consumption has increased and the quality has declined, shoes have become harder to shift, and many are thrown away. Cheap production and fashion trends mean that shoes are not built to last. Eco-friendly brands still represent a very small percentage of total production. Research could be the answer; for an industry worth more than \$200 billion, this "shouldn't be such a big ask", says Tansy Hoskins, author of *Foot Work: What Your Shoes are Doing to the World*.

**The Guardian (Weekend), 21 March 2020 (Hoskins)**

### **Iceland adds to palm oil-free products**

Iceland, which previously removed its name from 32 product lines to meet its pledge of have palm oil-free own-label products by 2019, has now reformulated 17 of these products so that they don't contain the oil. The remaining 15 will not carry

Iceland's brand because of the "massive increase in cost" involved in removing the oil. Iceland had previously removed palm oil from 130 products.

**The Grocer, 21 March 2020, p7**

## Fashion

### **Next could lose £1 billion**

Simon Wolfson, chief executive of Next, warns that the British high street is facing a crisis "unprecedented in living memory" as he reveals that the fashion retailer is likely to lose up to £1 billion in the year ahead. Burberry reports that some stores have seen sales fall by 40% to 50%.

**The Guardian, 20 March 2020, p33**

### **Primark closes with no online backup**

Primark, along with other clothing retailers, has been forced to shut up shop. Yet, unlike rivals H&M and Zara, it has no online shopping business to offset store closures.

**Financial Times, 23 March 2020, p11**

### **Laura Ashley calls in administrators**

Laura Ashley has become the first major retailer to go into administration as a result of the coronavirus which has had "an immediate and significant impact on trading". The company has 153 stores in the UK, some overseas concessions and employs around 2,700 people.

**Financial Times, 18 March 2020, p20**

## Financial services

### **The changing face of the bank branch**

As the popularity of cash continues to decline, banks have been closing thousands of branches. Some banks have been experimenting with ways of using their outlets so as to maintain a balance between traditional services and new technology. The *FT* looks at what three banks are doing to rethink the role of the branch. Halifax's New Oxford Street branch in central London has a coffee shop, areas for children's savings and free events; Virgin Money, which has rebranded its branches as "Virgin Money Stores", has brought together money and music events at three of its stores; Handelsbanken operates each of its branches as a local business with branch managers choosing low-cost premises that cater to the needs of local customers.

**Financial Times (Money), 14 March 2020, p12**

### **Orails launches new employee payments**

Denver-based Qrails, is to launch a payments business enabling employers to pay employees as they earn money. People working in the gig economy are usually paid immediately for their time but traditional employers tend to have HR and payroll systems which aren't flexible enough to make frequent payments. Qrails will offer a similar

service to the likes of Salary Finance and Wagestream. They help people on low incomes to get hold of money at more affordable rates than payday loans or credit cards by allowing employers to lend or pay salaries to people with steady jobs. Employers such as Tesco, local councils and NHS trusts already use such services.

**The Times, 16 March 2020, p38**

### **Barclays app can be used for other banks**

Barclays will allow customers to use its mobile banking app for making payments from non-Barclays bank accounts. It becomes the first UK high street bank to offer such a service. The Barclays app already allows people to view current, savings and credit card accounts that they hold with other banks. The new service will initially cover NatWest, Nationwide and Bank of Scotland.

**nfcw.com, 17 March 2020 (Clark)**

## FMCG

### **Beverages**

#### **Bottled water – sales drain away**

Over the past five years bottled water has enjoyed consistent growth but sales fell by 6.3% in the year ending 3 November 2019 (Kantar). While branded bottled water has the greatest share (51.7%), it has suffered a 7.1% fall in sales and only two of the top ten brands (Highland Spring and San Pellegrino) have remained in the black, according to Nielsen. This slump can't simply be attributed to changing consumer behaviour: last year's mediocre weather meant that not as much water was drunk as in the record-breaking heat of 2018. Moreover, consumer concerns over plastics have boosted the trend for refillable bottles. This article provides an in-depth analysis of the bottled water sector.

**The Grocer, 21 March 2020, pp49-56 (O'Mahony)**

### **Cosmetics and toiletries**

#### **Mascara campaign – lashes of reaction**

The campaign for Gucci's new L'Obscur mascara features New York punk musician Dani Miller complete with a gap-toothed smile, natural eyebrows, minimal foundation and thickly-applied mascara. The images, which have divided opinions and led to disapproval of Miller's appearance, have fuelled the debate about diversity. Last year two Gillette campaigns caused controversy: one featured a plus-sized model in a bikini, the other a model shaving a tattooed arm.

**The Observer, 22 March 2020, p23**

### **Food**

#### **Why the food chain isn't working**

Tim Lang, professor of food policy at City University, London and author of a new book, *Feeding Britain*, expresses some fairly strong views on the state of

food in Britain. He believes that we are currently facing “a wartime scale of food challenge”. Our supermarket shelves are usually full but Britain has a “fragile” just-in-time food supply chain; an agriculture sector which produces only around 50% of the food we eat; and production methods which harm both the environment and human health. He argues that a small number of companies dominate food retailing (just eight control 90% of food supply) and that agriculture suffers because it receives just 5% or 6% of the value of the food it produces. The question is whether the coronavirus will ultimately lead to the re-engineering of the food supply chain...

**theguardian.com, 22 March 2020**

### **Never fear – no baked bean shortage**

There is no shortage of baked beans say leading suppliers. Kraft Heinz and Princes both claim that their supply chains are strong enough to cope with the current massive demand for tinned goods. This follows panic buying last weekend and the highest volume of food sales ever recorded. Italy, Europe’s biggest supplier of tomatoes for food processing, is experiencing disrupted exports. Princes says it has a large number of suppliers around the world while Heinz claims that its production and distribution have not been affected.

**The Grocer, 21 March 2020, p42**

### **Household**

#### **HMRC to allow distillers to make sanitiser**

HMRC says it will fast-track the use of tax-exempt alcohol (alcohol not fit for human consumption) so that spirits makers can make hand sanitisers and gels. Distillers, such as The British Honey Co and BrewDog, have offered to use excess capacity to produce sanitisers. Brewdog has announced that it will start making “Punk Sanitiser”.

**The Grocer, 21 March 2020, p45**

### **Tobacco**

#### **BAT ignores social media ban**

BAT is accused of marketing its e-cigarettes and heated cigarettes by paying young models on social media even though there is a ban on under-25s appearing in vape ads. The ASA has banned e-cigarette makers from paying influencers to promote products on Instagram. Facebook and Instagram say influencers will no longer be allowed to promote tobacco or e-cigarettes on their platforms, but BAT appears to be flouting the rules by continuing to promote brands such as Vype and Glo on Facebook. Its Glo worldwide account has more followers in the UK than anywhere else. Although BAT is not actually selling Glo in the UK yet, it has 42 trademark registrations in the UK for branding and logos.

**The Guardian, 18 March 2020, p21**

## **Government and public sector**

### **Take care of the language used in policies**

Governments must be careful that they frame policies in language that is acceptable. Pensions, for example, are referred to as a “benefit”, which suggests something undeserved. But much thought goes into creating names for policies and it is desirable that these should be viewed in a positive light. This could mean rebranding old ideas or borrowing words from another area of life. George Lakoff, a linguist at the University of California Berkeley, wants the Democrats to find more effective “frames” for their policies because the Republicans consistently “out-frame” them. Yet positive words and associations can be discredited, such as “communism” which has the same root as the more acceptable “community”. Political rebranding and new slogans can help but may not be enough to win the basic argument...

**The Economist, 14 March 2020, p78**

## **Health and pharmaceuticals**

### **Female health at work**

Women’s health issues are costly to businesses and it is estimated that as many as 11m women have had to take long-term leave of absence during their working lives. Research by Bupa Health Clinics reveals that among women who have taken long-term leave, the menopause has been responsible for an average of 32 weeks off work. This, and period related problems, has meant a significant loss of female talent in the workplace. Three-quarters of women feel that their employer could do more to support them. Bupa isn’t advocating special treatment for women but wants businesses to help level the playing field. Alaana Linney of Bupa offers her top tips for managing female health at work.

**London Business Matters, March 2020, p38**

### **Personalised medicine**

Data has enabled medicine to become more “precise and personal”. Genetic diseases, such as Jansen’s which are associated with specific genes, are rare and often affect no more than one in 2,000 of the population. Yet over 6,000 rare diseases have now been identified which means that one in 17 people in Britain will suffer from one. Apart from genomics, the rise in other forms of data coupled with AI and cloud computing, makes it possible to analyse and make use of data in new ways. The “move fast and break things” attitude of tech companies does not work in medicine. The future of medicine will be more than business goals, research culture and tech prowess but will be, “subject to the driving interests of particular individuals in ways never seen before”.

**The Economist (Technology Quarterly), 14 March 2020, pp3-4 (after p42)**

### **Kering offers masks to France and Italy**

Balenciaga, the luxury fashion house, is to start producing surgical masks at one of its French workshops. Parent company Kering says it is importing three million masks from China which will be distributed across France. Gucci, another Kering company, aims to provide up to 1.1m masks and 55,000 medical overalls to Italian hospitals.

**marketingweek.com, 24 March 2020**

## **IT and telecoms**

### **Multi-cloud computing**

Companies tend to use more than one cloud provider which means that many businesses have a fragmented tech infrastructure. Now multi-cloud computing offers the chance to have a unified platform (a "cloud of clouds"). It will allow companies to move workloads from one provider to another in response to factors like price, reliability and distance. This is the idea of software maker VMWARE which wants to help companies navigate the multi-cloud. However, there are downsides to the multi-cloud model, warns Mark Moerder of research firm Bernstein.

**The Economist, 14 March 2020, p59**

### **Group messaging tools receive a boost**

Slack and Microsoft have enjoyed a huge rise in new users for their workforce collaboration platforms as people increasingly work from home to escape the coronavirus. This new generation of group messaging tools for workers has benefited from the pandemic. Wayne Kurtzman, an analyst at IDC, says that "this may have jump-started the market by seven years". Both Microsoft and Slack launched updates for their services last week. Microsoft has introduced AI to filter out background noise during videoconferences while Slack has launched a redesign of its app making it easier to use. However, the surge in demand has put a strain on these new collaboration platforms.

**Financial Times, 20 March 2020, p16**

### **Global tech supply chain disruption**

Gumi Industrial Complex in South Korea is home to over 2,600 companies and production plants. Apple and its Asian competitors rely on it for the production of vital components in their supply chain. Yet the area has become the centre of the coronavirus outbreak in the country. The supply of iPhones and iPads has already been disrupted because of the virus in China. Now retailers and mobile operators in the US and Europe are seeing dwindling supplies. The impact could be severe. For example, smartphones are particularly vulnerable because nearly all screens for high-end models are made by Samsung and LG. The longer the virus lasts, the greater the demand will be when things start to normalise. However, due to the complexity

of the global tech supply chain, the full effect of disruption will be hard to gauge.

**Financial Times, 20 March 2020, p9**

### **Apple to patent screen to deter snoopers**

Apple has filed a patent for technology that will prevent nosy people from looking at your phone screen. The "Gaze dependent display encryption" uses facial recognition and eye-tracking to identify which part of the screen the owner is looking at and ensures that the rest is incomprehensible to snoopers. This might include blurring, jumbling words or changing colours.

**The Times, 18 March 2020, p3**

## **Leisure and tourism**

### **E-sports – opportunity for travel businesses**

Streaming technology and social media have made e-sports into a spectator sport and it is now a billion-dollar industry with players and teams competing around the world in both live venues and homes. Towns and cities have started to recognise the opportunities and there are dedicated e-sports stadiums opening up around the world. The age profile of the fan base (79% are under 35 according to Goldman Sachs) makes them an attractive prospect for business. But businesses will need to be authentic: e-sports audiences can distinguish between brands that have a genuine interest and those that don't. Well-known names, such as Mercedes, McDonalds and Coca Cola, are using innovative approaches to reach audiences. They could provide a guide for travel companies that want to get involved but perhaps not at the moment...

**lexology.com, 16 March 2020 (Deller and England)**

### **Events industry needs clarity**

The events industry has been particularly affected by the coronavirus, with festivals such as Glastonbury and Coachella being postponed or cancelled. Social media posts from festivals, clubs, sports events and others are awash with communications from customers wondering whether the event will take place, asking for refunds or simply wanting clarity of communication. Promoters, event organisers and other event-related people must prioritise fan engagement. Promoters should provide clarity and try to raise morale through positive messaging by communicating openly and honestly. Some in the event industry are taking practical steps to foster goodwill, such as incentives, flexible tickets or live-streaming and videos.

**eventindustrynews.com, 24 March 2020 (Sousa)**

## **Materials and mining**

### **Travel bans will affect mining output**

The coronavirus is affecting mining and its products around the world as mining groups report delays to



production and development projects due to travel restrictions. In Peru, where 12% of global copper production takes place, mining has pretty much ground to a halt. Supply may well become a problem when China starts ramping up again and demand grows. Attention is now being focused on remote mines where employees typically fly in for one- to two-week shifts (so-called “fly in, fly out workforces”). Iron-ore, a key part of steel-making, is at risk since 60% of it is produced in Pilbara, a remote part of Western Australia.

**Financial Times, 23 March 2020, p10**

## Media

### Film

#### **Will film-going ever be the same again?**

Cinemas around the world have closed due to the coronavirus. In the US, despite attendance being in decline since 2002, the number of movie theatres has remained fairly steady at around 5,869 last year compared with the UK’s 840. Already experiencing fierce competition from the likes of Netflix, the movie distribution model has been severely damaged. Big blockbusters have been postponed while smaller-budget movies are being shown online. Film executives are concerned that when cinemas reopen, consumers will behave differently and won’t return to crowded theatres. Cineworld, the second largest cinema group, has warned that it may not remain in business. Meanwhile, consolidation in the film industry is expected.

**Financial Times, 19 March, p15**

### Newspapers

#### **FT – the new agenda**

The newspaper sector has been struggling but the *Financial Times* is an exception. It first introduced a paywall in 2002 and reached one million paying users last year. The newspaper’s business model has become “reasonably sustainable” regardless of what happens to other revenue such as advertising or events. Its “The New Agenda” brand positioning is “a new chapter for the *FT*” says chief comms and marketing officer Finola McDonnell. The *FT* is busy evaluating the areas where it could improve, one of which is diversity. It also wants to attract a wider readership, including more women. McDonnell talks about the *FT*’s new direction and what it means for her role.

**Marketing Week, February 2020, pp10-12 (Vizard)**

### Social media

#### **Influencers are gender stereotypes**

Social media seems to be “perpetuating antiquated gender stereotypes” closer to a 1950s edition of *Women’s Own* than reality, argues the author. In a 2017 paper entitled *Gender and self-enterprise in the social media age: a digital double bind*, Brooke

Erin Duffy and Urszula Pruchniewska argue that many women who use social media as “self-starter” careers feel they must present online personae that “conformed to traditional prescriptions of femininity”. By trying to make money they must accentuate gender differences which means that fashion and beauty brands are likely to target them while tech and sports brands are more likely to focus on male influencers.

**FT Weekend (Magazine), 14-15 March 2020, pp48-51**

### Effective social media advertising

With millions of people on social media, it is obvious why businesses should choose to advertise on it. It is a powerful channel through which business can gain leads, increase revenue and raise brand awareness. Here the author provides *The Ultimate Guide to Mastering the Basics of Effective Social Media Advertising*, which tells how to create a social media ad and describes real-life examples. There is also a link to a free media planning template.

**blog.hubspot.com, 16 March 2020 (Baker)**

### Television

#### **TV audiences up, advertising down**

The coronavirus has boosted TV audiences as people are forced to stay at home and even Millennials and Gen Z have been glued to the set. But, ironically, revenues are falling as advertisers are holding off or cancelling campaigns. ITV expects a 10% fall in ad revenue in April while China suffered a double-digit decline during the first quarter of the year. This is happening at the same time as live content, especially sport, disappears from the screens. Maintaining live news, daytime programming and soap operas could be difficult. Some shows, such as *Ellen DeGeneres*, are going ahead without a studio audience. Meanwhile, legal contracts, especially around the Olympics, will govern whether losses are incurred for cancelled or postponed events.

**Financial Times, 16 March 2020, p8**

### YouTube and Netflix reduce picture quality

In response to calls from the European Commission and some telecoms companies, Netflix and YouTube are both reducing picture quality (to standard definition) to reduce broadband congestion as more people work or educate at home. Telecom Italia recently noted a 70% rise in internet traffic over its landline network, reporting that a “big contribution” came from online games. In the UK BT insists that its network will be able to cope with the surge in demand.

**FT Weekend, 21-22 March 2020, p13**

## Packaging

### **Cushelle introduces paper packaging**

Cushelle has launched its first toilet roll in paper

packaging which it says is a first for a major brand. The company's paper-packed Double Roll, which is made from Forest Stewardship Council-certified paper, aims to reduce its carbon footprint by 2.2%, to use 61 fewer lorries and save 4.3 tonnes of plastic.

**The Grocer, 21 March 2020, p43**

## Retailing

### **Carphone closes all standalone stores**

Dixons Carphone is closing all 531 standalone stores in the UK with the loss of almost 3,000 jobs. The company's mobile phone services will instead be sold within the large Currys PC World stores which are mainly located out-of-town. Footfall in the smaller Carphone stores fell by 16% this year with many losing money as consumers shift their spending online, upgrade their phones less often and buy handsets and call plans separately.

**Financial Times, 18 March 2020, p20**

### **Local shops benefit from empty supermarkets**

Local shops are enjoying rising sales as consumers turn to them instead of understocked, crowded supermarkets. Shopkeepers in Leigh-on-Sea in Essex have warned that their own supply chains are now under pressure and that wholesale prices for some goods, such as eggs and lamb, are rising. They are also sceptical that the sales boom can last. One shopkeeper commented that it's "taught me how much people buy from supermarkets".

**Financial Times, 23 March 2020, p2**

### **Online sales down in February**

Online sales fell by 0.4% year-on-year in February due to bad weather, flooding and now the coronavirus, according to the IMRG Capgemini Online Retail Index. While multi-channel retailers experienced a decline in sales growth of 8.2%, online-only operations experienced growth of 12.5%. Gardening sales suffered most from the bad weather (down 22%) while footwear sales fell by 7.6%.

**marketingweek.com, 23 March 2020**

### **Food wholesalers step in with D2C**

Food wholesalers have started to sell direct to consumers as their trade customers fall by the wayside. Bidford, a supplier of fresh and chilled food for the catering industry, has introduced a D2C option on its website that offers click-and-collect and delivery. Sellers at Covent Garden fruit and veg market are also accepting orders from the public. LWC, a drinks distributor, has seen a huge rise in demand from its D2C business.

**Financial Times, 24 March 2020, p12**

## Services

### **Amazon to sell only essentials**

Amazon has reported that it is running out of basic goods and has told third-party sellers in the US and EU that it will only accept essential supplies such as household goods, medical supplies and "high-demand" products. Non-essential items will no longer be stored or shipped. This will be devastating for small retailers who rely on Amazon to sell their products and who have their goods delivered through Amazon's warehouses. Amazon is to hire an additional 1,000 workers in the US to cope with demand. Other online delivery services have also been overwhelmed and Ocado has stopped accepting new customers. Meanwhile Alcohol sales are also flourishing while websites selling military-style meals (meals ready to eat) are running low on stock.

**The Times, 18 March 2020, p5**

### **France, Spain and Italy look to e-commerce**

Much of southern Europe is staying at home because of the coronavirus but could this be the nudge that the Italians, Spanish and French need to adopt online shopping? Italy and Spain have some of the lowest rates of e-commerce penetration in Europe: 4% and 5% of total retail revenues respectively. In France e-commerce accounts for slightly more (10% of sales) but still far below the UK's 20% and China's 36%. In Europe things are beginning the change due to the shutdown; for example, in France online home delivery orders for food rose by 32% year-on-year in the week of 2 March. In the long term the virus could change people's habits.

**Financial Times, 21-22 March 2020, p15**

## Transport and travel

### **British carmakers may not recover**

BMW, Honda and Toyota, which account for two-thirds of the UK's annual vehicle production, are the latest car makers to put car production on hold, leaving Jaguar Land Rover as the only large car manufacturer still up and running. Mike Hawes, chief executive of the SMMT, warns that the industry stands "on the precipice". Automotive experts believe that the struggling British car industry may never fully recover. Professor Karel Williams of Manchester Business School says there is a danger that carmakers may axe their British operations in the interests of long-term recovery.

**The Guardian, 19 March 2020, p7**

### **Bentley back in the lap of luxury**

Bentley Motors is back in profit thanks to the launch of its Continental GT Convertible and the Bentayga 4x4. This contrasts with its parent company, VW, which is closing down on the Continent due to the coronavirus. Bentley has reported operating profit of

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

€65m, a vast improvement on the €288m it lost in 2018. It has enjoyed a record number of deliveries (11,006, up 5%) and an improved sales price of around £175,000 a car.

**The Times, 18 March 2020, p43**

Written by CIM's Knowledge Services Team

© Copyright 2020 CIM

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

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

## Sources

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

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

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

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

### Key

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

\*Abstract available on Ebsco

+Full text available on Emerald

~Available online if you register

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

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

Tel +44 (0)1628 427333

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

B2B Marketing

[www.bbc.co.uk/news](http://www.bbc.co.uk/news)

[www.blog.hubspot.com](http://www.blog.hubspot.com)

Campaign\*\*

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

The Economist\*

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

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

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

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

[The Financial Times](#) ~

The Grocer

[The Guardian](#)

Harvard Business Review\*\*

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

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

London Business Matters

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

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

Marketing Week \*\*

Mobile Europe

[www.mrs.org.uk](http://www.mrs.org.uk)

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

[www.ons.gov.uk](http://www.ons.gov.uk)

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

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

[www.research-live.com](http://www.research-live.com)

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

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

[Third Sector](#) (selected articles available)

The Times

## Contents

To fast forward click on the following links:

[Agriculture, fishing and forestry](#)

[Building industry](#)

[Businesses and strategy](#)

[Charities and NGOs](#)

[Durable goods](#)

[Economy](#)

[Energy and utilities](#)

[Environment](#)

[Fashion](#)

[Financial services](#)

[FMCG](#)

[Beverages](#)

[Cosmetics and toiletries](#)

[Food](#)

[Household](#)

[Tobacco](#)

[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](#)

[Sponsorship](#)

[Materials and mining](#)

[Media](#)

[Film](#)

[Newspapers](#)

[Social media](#)

[Television](#)

[Packaging](#)

[Retailing](#)

[Services](#)

[Transport and travel](#)