

Cutting Edge: Our weekly analysis of marketing news

8 April 2020

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

Quick [links](#) to sections

Marketing trends and issues

Advertising

No scenes of touching in ads

"People hugging" is now regarded as inappropriate in an ad, according to 55% of people while 58% say they would be less likely to buy a product or service that showed hugging. This is according to a poll from Morning Consult on *How Human Interaction in Ads Affects Purchasing Consideration*, conducted in March. It also reveals that 57% of people consider shaking hands to be inappropriate in an ad with 57% saying they would be less likely to buy that product or service. The new environment has created a dilemma for advertisers. Alcohol brands are trying to work out how to advertise without showing their products in social settings. Hershey's has withdrawn an ad which showed a 94-year-old man distributing Hershey bars to children and hugging someone.

[fastcompany.com](#), 25 March 2020 (Lin)

Consumers notice ads next to Covid-19 news

Despite words such as "coronavirus" appearing on brands' blacklists, it seems that placing ads next to coronavirus-related content could be beneficial. New research suggests that 88% of press ads appearing during the week 18 to 25 March were viewed compared with the average of 75%, and 66% of viewable digital ads were seen compared with the average of 55% for desktop. Brands don't want their ads to be seen next to anything controversial (See also under Newspapers) yet the research, from eye-tracking specialists Lumen, makes it clear that ads appearing closest to coronavirus content outperform those next to other subjects. Other research into the impact of "hard news" on advertising responses shows that this type of news has no negative impact on advertising

content.

[marketingweek.com](#), 2 April 2020 (Hammett);

<https://www.newsworks.org.uk/resources/hard-news-project>

US OOH – changing messages

Advertisers, both big and small, are changing their approach because of the coronavirus. OOH advertising is responding as fast if not faster than other media. In Times Square, for example, Coca-Cola is projecting the message "Staying apart is the best way to stay united" in its iconic red and white colours. Since thousands of billboards are now digital, advertisers can reach consumers who are still out and about for essential work, while at the same time achieving "boomerang" reach on social media. In the US, OOH advertisers are communicating messages such as "open for carry out" or offering delivery services or availability of supplies. OOH is also communicating essential messages, such as the Red Cross asking for blood donations or those conveying government messages.

[mediapost.com](#), 27 March 2020 (Klein)

Agencies

Coronavirus – agency impact

Orbit Media has conducted a survey of agency executives to gauge the impact of coronavirus on the marketing industry. It shows that some firms have been more affected than others. Most agencies report a negative impact in terms of demand for marketing services with only 20% reporting themselves to be "positive" or "slightly positive". While most media and buying agencies report a major negative impact, PR and communication companies are the most likely to report growth as brands turn to crisis-related messaging. Agencies which focus more on clients in B2C industries are more badly affected than those with clients in the B2B sector. The survey also looks at the impact on



Chartered CPD Programme

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

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

financial projections; communication and productivity; and quality and morale.

orbitmedia.com, 25 March 2020 (Crestodina)

WPP in cost-cutting drive

WPP has implemented extensive cost-cutting measures including freezing new hires; ending all discretionary spending; and postponing salary increases this year. WPP's executive committee and its board will take a 20% drop in salary, initially for a period of three months. The company expects to save £700m to £800m in total this year as a result. Mark Read, CEO, says that the companies "in the strongest financial position will be best served to protect their people, serve their clients and benefit shareholders" during this period.

research-live.com, 31 March 2020 (Bainbridge)

Brands and branding

Brands in shop responsibly campaign

L'Oréal, Reckitt Benckiser and Essity are among brands collaborating to urge people to shop responsibly during the coronavirus. The Shop Responsibly campaign by Publicis Group UK, aims to bring brands together to persuade consumers to stay at home and respect shopping hours for elderly people and NHS workers. The campaign includes paid, owned and earned media donated by media owners such as Adstream. Publicis, which is also offering its services for free, is working with other agencies.

marketingweek.com, 3 April 2020

Creating a brand style guide

When starting a business, you spend a lot of time creating a brand, finding a name and designing a logo that represents who you are and what the brand is. Yet once the brand has been launched, it can be hard to protect: its name may be mispronounced, the colour or shape of the logo is altered on a website and so on. This is where a brand style guide comes in handy because it provides guidelines on how others reproduce your brand's name or image. Here is how to create a style guide that will help a brand to maintain its consistency wherever it is used. It gives advice on name, logo, mood, brand voice and the use of supporting visuals.

ducttapemarketing.com, April 2020 (Jantsch)

Conferences and events

Zoom questioned by NY attorney general

Zoom, a videoconferencing app which has become very popular for obvious reasons, is being questioned about its level of security. There has been much concern about "Zoombombing", where hackers piggyback on Zoom calls and use the screen-sharing option to send messages or imagery. Zoom says it takes users' privacy and security "extremely seriously". New York's attorney general,

Letitia James, is currently investigating. Zoom doesn't use end-to-end encryption yet the UK Government has used it for cabinet meetings. However, UK officials argue they need to communicate rapidly in a fast-moving situation and that most coronavirus-related work is unclassified.

marketingweek.com, 2 April 2020; prolificlondon.co.uk, 2 April 2020

Cannes Lions cancelled this year

Cannes Lions 2020 has been cancelled in its entirety this year and it will instead take place in June 2021. Philip Thomas, chair of the event, says that the marketing and creative industries are in turmoil but that this decision helps by "removing all speculation about the festival this year". Many other major marketing conferences and events have already been postponed, cancelled or moved online.

thedrum.com, 3 April 2020 (Lim); thedrum.com, 19 March 2020

Consumer behaviour

Impulse buying

Impulse buying by consumers is influenced not just by internal, psychological factors, but also external, market-related stimuli. This research investigates the relationship between impulse buying and internal and external factors. Traits (such as sensation-seeking), motives (utilitarian or hedonic), consumer resources and marketing stimuli are found to be the main drivers of impulse buying. The study not only clarifies the factors contributing to impulse buying but also looks at the way in which such factors aid in resisting such buying. The research suggests that the impact of many factors depends on the consumption context.

Journal of the Academy of Marketing Science, Vol 48(3) May 2020, pp384-404 (Iyer et al)

Meaningful experiences lessen remorse

A new study suggests that online shoppers are less likely to experience post-purchase regret ("Buyer's remorse") when they have a meaningful shopping experience. Some 31% of respondents to the research by digital agency LAB said they made better choices when online purchases were made more meaningful. *How Post-Purchase Regret is Affecting Your Online Shoppers* also reveals that, despite spending more on average online, respondents were more likely to impulse-buy instore (60%) than online (40%). Beatrice Andrew, human insights consultant at LAB, emphasises the importance of meaningful purchase experiences: "It becomes harder for people to regret, and therefore return when their shopping experiences attend to the psychology and neuroscience of how we make decisions."

thedrum.com, 3 April 2020

Customer relations

Customers are looking at values, not product

Customers increasingly want to know how companies source their products; how they protect customer data; what their environmental policies are; and their attitudes to social issues, according to the *Accenture Technology Vision 2020* report. Consumers are looking beyond the product which means that simply developing new technology, or adding features to existing technology, isn't enough. According to Michael Biltz, MD of Accenture Technology Visions, we are seeing "a clash between consumer expectations, the potential of technology and business ambitions". There are five recommendations for companies looking to sell in this business environment.

CRM Magazine, Vol 24(3) April 2020, p19 (Britt)

Direct marketing

15 email marketing metrics

By using best practices and metrics, you can overcome some of the mistakes that content creators make when first embarking on email marketing campaigns. The author looks at 15 important metrics that every email marketing campaign should be based on. Ultimately the metrics can provide valuable insights for building future campaigns and can in turn help to hone your content strategy to deliver a great customer experience.

bloggingwizard.com, 31 March 2020 (Quadros)

Law

Legal impact of Covid-19

Reed Smith LLP has partnered with the US Association of National Advertisers (ANA) for a webinar which examines the legal impact of the Covid-19 pandemic on advertising and marketing. They have produced a comprehensive guide entitled *The ANA and Reed Smith Legal Guide on The Impact of COVID-19 on Brand Advertising and Marketing* which can be downloaded. As well as discussing contractual issues and force majeure, it covers sponsorship and events, endorsements, agency contracts, advertising property, media and a lot more.

<https://www.ana.net/miccontent/showvideo/id/v-comwwdd-200331>, 31 March 2020 (Wood and Bruce)

Amazon fulfilment not liable for infringement

A recent case ruled on by the CJEU involved Coty's Davidoff "Hot Water" perfume which was being sold on the grey market (by unauthorised sellers) and distributed through the "Fulfilment by Amazon" service. Coty believed that Amazon companies were responsible for the infringement but the CJEU concluded that simply storing goods on behalf of someone else did not lead to liability for infringements which Amazon was unaware of. This may be good news for Amazon but the lack of clear

guidance may leave brand owners and retailers confused about the level of fulfilment activity which can result in liability for infringement by parties like Amazon and eBay. Further cases are expected to follow.

lexology.com, 6 April 2020 (Lingard and Arnold)

Marketing

Most marketers putting campaigns on hold

A second survey among UK marketers by *Marketing Week* and Econsultancy reveals that 86% are now delaying or reviewing marketing campaigns, up from 55% three weeks ago; just 14% say that campaigns are proceeding as planned. Meanwhile 90% say that budget commitments have been delayed (up from 60%) and 85% say they have postponed new hires (up from 43%). The slowdown in marketing activity is largely being caused by a fall in demand for products and services (69%), up from 39% three weeks ago. Smaller companies (revenues under £50m) appear to be experiencing the greatest reduction in demand for their products and services.

marketingweek.com, 6 April 2020 (Rogers)

Marketing during the pandemic

To successfully market to people in this difficult environment, it is necessary to appeal to their "deepest psychological needs", says decision scientist Dr Miron-Shatz who specialises in medical decision-making. Using examples from the medical field, she explains that marketers need to discover what the underlying psychological needs are and, in the coronavirus environment, they must find a way of helping people to feel they are back in control. That way they may "let you into their pockets!"

ama.org, 2 April 2020 (Miron-Shatz)

CIM lowers age of accreditation

CIM is making its qualifications more accessible to younger people by lowering the age of accreditation. The changes, which took effect at the beginning of April, reflect the changing skills requirements of marketing. Chris Daly, CEO of CIM, says "Marketing is a key function in delivering business growth, so it's essential that we equip marketers with the most up to date training and accreditation to ensure they can prove their worth as a key driver of performance." CIM will now be in line with other chartered bodies, such as those in accountancy and management, where the average age for chartership is 24. Some 7,000 younger marketers will become eligible as a result of the changes.

marketingweek.com, 7 April 2020

Market research

Esomar platform for Covid-19 researchers

Esomar has called on business and political leaders to use data and evidence to help inform decision-making and "accelerate termination of the crisis". In

a statement entitled: *The Role of Data, Research and Insights community in supporting global crisis and post-crisis management of Covid-19 measures*, it recommends that leaders should maintain their current level of spending on research but reallocate funding to help improve knowledge of Covid-19. Esomar has launched a platform summarising current initiatives as well as offering guidance and industry content.

<https://www.esomar.org/covid-19>, 2020

Public relations

Communications during Covid-19

At this difficult time, communication is essential to support employees, customers and the supply chain but, as the situation rapidly develops, communication needs to be: "specific, honest, succinct and relevant". Generic, "cut-and-paste", messages will simply not do. Instead, consider your audience and the channels you use to ensure that your messages address the priorities of different stakeholders. Maintaining honest and clear communication with the supply chain is also important but it doesn't have to be all about Covid-19; by looking to the future you will give the impression that your business is forward-thinking and resilient. Communication can take many forms but a phone call provides the opportunity for personal engagement. Ultimately, communication is not finite but an "on-going requirement" that should move on according to circumstances.

[constructionnews.co.uk](https://www.constructionnews.co.uk), 3 April 2020 (Ward)

Corona Beer – how should it respond?

There have been cases of natural disasters or diseases with the same name as a product or brand; the most obvious example today is the coronavirus and Corona Beer. The public has unfortunately made an association between the two, hence the growth in searches for "corona beer virus", "coronavirus beer", etc. This is despite Corona Beer in the US insisting that the negative impact of the virus on its brand is "misinformation". Yet there are negative signs, such as the brand's buzz score (a measure of favourability) having fallen significantly since the beginning of the year. To manage negative publicity, Corona's marketers can either rebrand; meet the issue head-on; or keep a low profile until the crisis subsides. The worst affected brand in a similar situation was probably Ayds Diet Candy, which was eventually discontinued as a result of the AIDS pandemic. Corona Beer appears to have opted to remain silent and to weather the storm...

[lexology.com](https://www.lexology.com), 6 April 2020 (Bajic)

Sponsorship

Sponsorship market in 2019

European sponsorship volumes rose by 1.9% last year to reach €30.69 billion, according to the *2020 ESA Sponsorship Market Overview*, from the

European Sponsorship Association and Nielsen. The rate of growth was slower than in 2018 due to a lack of major sporting events over the past 12 months. The top three markets in Europe for sponsorship continue to be Germany, the UK and Italy while football continues to take the lion's share of sponsorship, with growth in the Italian and Spanish markets. ESA chairman Andy Westlake says that, despite the coronavirus, 2021 will be a "huge" year for the industry and "sport will provide a big catalyst for the world's bounce back to normality".

[sponsorship.org](https://www.sponsorship.org), 26 March 2020

Visa to continue support of Olympic athletes

Visa is calling on sponsors to support Olympic athletes who have been affected by the postponement of the Tokyo Games. It is to extend its existing agreements with athletes through to 2021 in a deal that covers 96 athletes. Visa wants other sponsors to also "provide some certainty for athletes".

[sportbusiness.com](https://www.sportbusiness.com), 3 April 2020 (Williams)

Agriculture, fishing and forestry

Farm shops find ways to provide food

Fossil farm in Dorset, whose catering business collapsed as a result of the pandemic, has seen booming sales at its online farm shop. Jurassic Coast Meats specialises in selling free-range Aberdeen Angus beef, reared on its farm, to pubs and restaurants. The shift to e-commerce has resulted in the online operation taking five years' worth of sales in just three weeks. Separately, Bert's Barrow, a North Yorkshire farm shop, has launched Bert's Drive-Through. Customers drive to the shop, present their shopping list and the goods are brought to the boot of their car to maintain social distancing. The shop is also open at designated times for NHS staff and key workers.

[fwi.co.uk](https://www.fwi.co.uk), 3 April 2020 (Case); [fwi.co.uk](https://www.fwi.co.uk), 1 April 2020

BFREPA fears switch to lower-standard eggs

The British Free Range Egg Producers Association (BFREPA) is concerned that a recession caused by the coronavirus will lead to consumers switching to lower-standard eggs. During the last recession, free-range and organic egg consumption fell slightly and some smaller businesses, pioneers of free-range egg farming, went out of business. Animals right group Compassion in World Farming believes that the lockdown will encourage consumers to empathise more with caged animals. There have been reports that egg prices could increase due to disruption in the supply chain in the coming weeks.

[thegrocer.co.uk](https://www.thegrocer.co.uk), 6 April 2020 (Sandercock)

Building industry

Fastest fall in output since financial crisis

The UK construction sector has suffered its biggest fall in output since April 2009, according to The IHS Markit purchasing managers' index. The figure for March is 39.3, down from 52.6 in February. The data apply to civil engineering, commercial work and residential activity. According to Samuel Tombs of Pantheon Macroeconomics, builders are at their most pessimistic for the 12-month outlook since October 2008 and have been reducing headcounts at their fastest rate since September 2010. However, since the Government has plans for higher levels of public sector investment, the construction sector should recover faster than in the 2008 recession.

[telegraph.co.uk](https://www.telegraph.co.uk), 6 April 2020 (Live news)

ACE communications during Covid-19

The Association for Consultancy and Engineering (ACE) has launched a webinar series to help members and the wider industry during the coronavirus crisis. The *Navigating COVID-19* series looks at the main issues facing the industry, such as finance, people, SMEs and procurement. The *Communicating in a Crisis* webinar, which takes place on 9 April, will look at the steps needed to communicate effectively externally, internally and with stakeholders and clients. The webinars will be available in an archive.

<https://www.acenet.co.uk/news/ace-news/navigating-covid-19/>, 24 March 2020

Businesses and strategy

Coronavirus statistical summary

The ONS is using its data to help inform the government's and public's response to the coronavirus. Here is a summary of its most recent insights which reveal that between 9 and 22 March 45% of businesses in the UK reported lower turnover than expected; 27% said they would be reducing staff levels in the short-term; only 5% were recruiting; and 46% were encouraging people to work from home. Some 57% of importers and 59% of exporters said that international trade had been affected. The release also covers data relating to loss of household income, deaths, working parents, working from home and the over-70s.

<https://www.ons.gov.uk/peoplepopulationandcommunity/healthandsocialcare/conditionsanddiseases/articles/coronaviruscovid19roundup/2020-03-26>, 2 April 2020

Remaining agile while working remotely

A key pillar of agile working is team collocation. Studies show that teams working in one place have higher productivity, are more effective and are better at decision-making; but can team members working remotely remain agile? Companies working in an agile way report that agile principles have

helped them to be more effective when working remotely. These principles are: rigid prioritisation; using small, cross-functional autonomous teams; having regular meetings; and agile leadership. Agile is a set of values, principles and behaviours rather than specific practices. Here are some areas that virtual teams should be focusing on to remain agile.

[bcg.com](https://www.bcg.com), 24 March 2020 (Rehberg et al)

European SMEs and IP protection

Market success for inventions – Patent commercialization scoreboard: European SMEs, a recent study from the EPO, looks at the importance of European patents to SMEs' economic success. Even though SMEs recognise the importance of patents and other IP rights for protecting their technologies and products, they lag behind large companies in this respect. IP management practice varies greatly across Europe: 41% of German SMEs say they have a dedicated IP management department but only 12% of UK SMEs have one. Smaller companies drive innovation and are also nimbler and more aware of market pressures than larger companies. Yet they also have fewer resources which means that they often reject patent protection while preferring other approaches such as secrecy or maintaining a technological lead time. European SMEs need support in achieving IP excellence and developing the right "IPR mix".

[lexology.com](https://www.lexology.com), 27 March 2020 (Peuser)

Small business – agile but precarious

Small businesses have always shown great agility and now many of them are displaying this capability more than ever. Some restaurants are turning into takeaways and food and drinks brands are selling online. Meanwhile a raft of non-food SMEs are entering the grocery sector. These include I Hate Ironing, a London dry-cleaning service, which is using its 60 vans to deliver veg, eggs and other supplies. For some it is harder to diversify: Milton Brewery in Cambridgeshire is one of many independent brewers that doesn't can or bottle its beers and is less able to make the most of online demand. Small businesses that don't qualify for Government help are also struggling and may not survive, however agile they may be...

[thegrocer.co.uk](https://www.thegrocer.co.uk), 6 April 2020 (Selwood)

Charities and NGOs

Charity comms resources for coronavirus

Strategic communications have become more important than ever and charity communicators are here to mobilise support for their organisations and to shape a message of hope in a time of crisis. Charitycomms.org has put together some links to useful tools and resources for coping with the coronavirus and changing ways of working. These include: *Crisis communications for charities – Best*

Practice Guide; Digital remote working tools: sector tips; and Beyond numbers: the long-term impact of coronavirus on charities and why collaboration is so important.

charitycomms.org.uk, April 2020

Digital shift presents opportunity for charities

An increase in the use of digital by UK households as a result of the lockdown, presents charities with a fundraising opportunity. An analysis from EY of UK digital habits has found that 18% of people are using video calling for the first time while 30% are increasing their use of collaborative tools such as video conferencing and remote working tools. According to Adrian Baschnonga, global lead telecoms analyst at EY, charities can take advantage of this shift to digital through initiatives like online quizzes and home marathons for digital fundraising; counselling and advice could also be offered through video calling.

charitydigital.org.uk, 3 April 2020 (Lepper)

Durable consumer goods

Cut the loo roll – head for the bidet

Toilet paper supply has become an issue during the coronavirus, with many people hoarding it which has led to shortages. This provides a strong case for using a bidet, argues the author, a self-confessed "late-bidet-bloomer" who has installed a smart bidet seat in her new home. The Bidetmega 200 boasts three different temperature settings, a multistage wash, customised water direction and a built-in dryer. It also has a special eco-mode to reduce energy consumption. What more could you want, apart from quilted toilet paper?

fastcompany.com, 1 April 2020 (Steele)

Economy

UK labour productivity Q4 2019

The ONS has released its bulletin on labour productivity in the UK for Q4 (October to December) 2019, as measured by output per hour. It reports a small rise of 0.3% compared with the same quarter in 2018. The growth was largely caused by a strong performance from construction, but manufacturing made the greatest negative contribution to "whole-economy" productivity growth.

ons.gov.uk, 7 April 2020 (Campbell),

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

Consumer confidence in freefall

A Covid-19 release from GfK reveals that consumer confidence has fallen to levels last seen before the 2008-2009 recession. Its consumer confidence index has fallen by 25 points to -34 between the first and second two weeks of March. GfK's score for the general economic situation over the next 12 months has fallen by 29 points to -56. People's expectations

about their personal finances has declined by 20 points to -17. This is despite record grocery sales and the recent rise in sales of freezers, TVs and home office equipment, as people prepared for a lockdown.

research-live.com, 6 April 2020 (McQuater)

Education

The accelerated MBA

Some business schools allow students to obtain an MBA in a year or less which is about half the time it takes to complete a typical US programme (Europe is already offering one-year courses). Accelerated MBAs are intensive and don't allow for additional items such as internships, but they are popular with those who are keen to get on with their careers. The main reason that the courses can be shortened is that they tend to enrol only students who have already studied business. Some employers are willing to pay for a one-year MBA despite it being about the same cost as a two-year course.

Bloomberg Businessweek, 23 March 2020 p37 (Coy)

Online courses, no freshers' week

New students enrolling at universities this autumn may well miss out on freshers' week while universities will be forced to introduce online learning. Universities are already facing huge losses in the international student market but many UK students may decide to defer their studies for a year. Nick Hillman, director of the Higher Education Policy Institute think tank, warns that "Some universities will start falling over" yet they will play an important part in "pulling us out of the recession that is coming". While universities look to see if they can begin their courses online, some subjects, such as drama, do not lend themselves well to distance learning. Some universities, such as Aston, are looking to start their first year in January with the lost time being made up between June and August.

theguardian.com, 3 April 2020 (Fazackerley)

Energy and utilities

Households paid for sunny Sunday

Last weekend household customers of Octopus Energy's Agile Octopus tariff were told that they would be paid for using electricity during the sunniest hours of Sunday. Such "negative energy prices" are usually only offered overnight when demand is at its lowest. However, last Sunday morning windfarms accounted for nearly 40% of UK electricity and solar power almost a fifth, while fossil fuels contributed less than 15%. Britain's energy demand has fallen by around 10% following the shutdown of pubs, restaurants, businesses and factories and energy usage is at its lowest in ten years.

theguardian.com, 5 April 2020 (Ambrose)

Environment

British Glass calls for continued recycling

Some local authorities are cutting back on their waste and recycling services which has included the closure of recycling sites. Glass is an endlessly recyclable product and the glass packaging industry relies on recycled material to produce new glass containers. The decrease in recycling could lead to increased demand for carbon-intensive materials. British Glass is urging the Government to ensure that local authorities continue recycling.

packagingnews.co.uk, 2 April 2020 (Corbin)

Fashion

Clothing piles up in warehouses...

An estimated £10 billion-worth of clothing is being stored in warehouses during the lockdown and several retailers have stopped all deliveries to their warehouse because of a lack of space. Some brands are continuing to operate online but Next and Moss Bros are among those to have closed online activities because they say they can't protect their workers. Even those continuing to operate have seen a huge decline in orders as people choose to wear pyjamas or sweat pants during the lockdown. One retailer reports that spring and summer fashions will be cancelled and maybe reused next year but that prices will have to be reduced. With this comes the news that Cath Kidston is to appoint administrators, its ongoing problems having been exacerbated by the coronavirus. Debenhams is also expected to call in administrators.

theguardian.com, 5 April 2020 (Butler)

...as Bangladeshi workers lose jobs

Bangladeshi garment workers are being laid off without pay, according to the Bangladeshi and Garment Exporters Association which claims that western fashion brands have cancelled or postponed £2.4 billion-worth of orders due to the coronavirus. Primark, Matalan and Edinburgh Woollen Mill have between them cancelled £1.4 billion and suspended a further £1 billion. Over a quarter of Bangladesh's four million garment workers have lost their jobs or been sent away without pay. Aruna Kashup, senior researcher at Human Rights Watch, says Bangladesh demonstrates the "lack of any sort of protection for workers who make profits for international fashion brands." Western retailers have been using force majeure clauses to cancel or suspend orders. On the other hand, Next, M&S and Tesco say they will honour existing orders.

theguardian.com, 2 April 2020 (Kelly)

Financial services

New model needed for pandemics

Insurance companies warn that the state may need to intervene to cover the cost of future pandemics.

The insurance model, whereby "the losses of a few and paid for by the many" simply doesn't work in this case because there are too many people affected by the crisis. Steve McGill, CEO of McGill and Partners, warns that "The potential scale of losses created by situations like a pandemic...could overwhelm the insurance industry". The Government already supports hard-to-insure markets through a mechanism known as Pool Re where insurers pay into a shared pot. Insurers have been criticised for not paying out during this pandemic on the grounds that it is a new disease and not covered by policies.

telegraph.co.uk, 5 April 2020 (O'Dwyer)

Campaign to help students save money

DoSomething.org, HSBC and Black-ish sitcom actor Marcus Scriber, are collaborating in a campaign to mark Financial Literacy Month. It is aimed at teaching young people how to save money especially since 72% of college students say that financial problems cause stress and anxiety. The initiative, called "Would you rather?", seeks to educate them by asking five questions. They will also receive a personal digital guide.

marketingweek.com, 2 April 2020

FMCG

Challenger brands postpone product launches

FMCG brands, such as Mylk Plus (dairy-free flavoured milk) and Jimmy's (flat whites and coffee Cola), are postponing product launches and marketing campaigns because of the pandemic. Challenger brands are likely to be "further down the agenda" as retailers prioritise existing business, according to Liam White, co-founder of Dr Will's, maker of natural condiments.

[The Grocer](http://TheGrocer), 28 March 2020, p39

Beverages

Wine sales boom for Kent producer

Chapel Down, a Kent-based wine producer, has reported a significant rise in sales at supermarkets and off licences as well as a boom in online sales as consumers are drinking at home instead of in pubs and restaurants. Chapel Down believes that if the current sales rate continues, it could make up for the loss of revenue from on-trade sales. This could result in a stronger business and increased market share.

marketingweek.com, 2 April 2020

Tobacco

Canada's cannabis market not as expected

Canada's legalisation of cannabis hasn't gone according to plan with some big growers scaling down their operations and shedding workers. Meanwhile, the black market is still active, cannabis stocks have plummeted and patients can't get hold of cannabis-based medicines. The Cannabis Act of

2018 attempted to restore order to an illegal retail sector but the policy and its implementation have been overly complex. The so-called "green rush" has seen millions of dollars being thrown at massive grow sites. By contrast, there are too few retail shops to serve the expanding market. Other issues include the price of legal products which are nearly double that of illegal ones and problems over quality. The question of how best to create a legal cannabis industry could be one that the UK may have to face in the next few years.

theguardian.com, 5 April 2020 (Power)

Stockpiling nicotine and weed

Despite the respiratory pandemic, smokers have been rushing to stock up on cigarettes, nicotine patches and gum. UK sales of tobacco products rose by 9% in the third week of March compared with the same period in 2018, according to Nielsen. This compares with a 1% fall in the 12 months to March year-on-year. Tobacco is not the only substance in demand. Weedmaps, a US online marijuana vendor, has reported a rise in demand with orders up by over 400% on some days, although it says that products that can be eaten are more popular than those that are smoked!

ft.com, 4 April 2020 (Nilsson et al)

Health and pharmaceuticals

Pharma companies asked for Covid IP pledge

A group of scientists and IP lawyers are launching a Covid-19 patent pledge to ensure that any new technology aimed at tackling the pandemic will not involve IP rights which would slow the process down. They have created a template so that signatories can pledge that coronavirus-related IP would be available free. This commitment will stay in place for a period of a year after the WHO announces that the pandemic has ended. It comes at a time when life sciences companies and researchers are under pressure to focus on Covid-19. However, it is a dilemma for companies that derive a large amount of their value from IP. On the other hand, the PR risk of not committing to the pledge could result in longer-term consequences...

lexology.com, 30 March 2020 (Lloyd)

NHS campaign more hard hitting

As coronavirus cases accelerate, the Government has had to ramp up its messaging. The "Stay Home" campaign has become more direct by featuring footage of frontline NHS staff. The latest campaign, created by MullenLowe, shows an address by the chief medical officer and real clips from aspects of the pandemic such as people clapping to support the NHS, abandoned streets and food being delivered to vulnerable people.

thedrum.com, 3 April 2020 (Watson)

IT and telecoms

Big Tech can emerge stronger

During the recession of 2002-2008, many tech companies survived and eventually recovered. "Invest more during recessionary times" seems to be a saying of many successful tech CEOs. Technology is at the forefront of helping to tackle the disruption caused by the coronavirus, whether through videoconferencing, online collaborative tools, music or games. The demand for laptops with better cameras and audio is ramping up while smartphones continue to be a communication "lifeline". All this means that the tech industry is in a better place to survive a crisis. Many tech companies increase their R&D during recessions. Tech leaders are currently expecting 5G-related technology to be at the centre of next decade's tech boom along with VR, AR and mixed reality.

fastcompany.com, 2 April 2020 (Bajarin)

Apple, Tesla, Salesforce – coronavirus support

Tech companies are stepping up to the mark in the fight against the coronavirus. Apple has brought together product designers, engineers and suppliers to design, produce and ship face shields for health workers. Tim Cook, CEO, says the aim is to ship one million a week. Meanwhile Tesla is working on a new ventilator, made mainly out of Tesla car parts. It has pledged to donate ventilators to hospitals using its New York factory to produce them. Salesforce.com has teamed up with Alibaba to send goggles, face shields and protective suits to New York State.

marketwatch.com, 5 April 2020 (Murphy)

Samsung profit at near five-year low

Samsung, the world's largest maker of computer chips, smartphones and electronic displays, is expecting its first quarter profit to be nearly its lowest in five years. The company is still suffering from the pandemic, having been forced to stop production in its South Korean, Indian and Brazilian factories and to close its retail operations in Europe and the US. Samsung is one of the first big tech companies to declare first quarter results, which gives some indication of how consumer demand for electronics and their supply chains are being affected by the pandemic.

ft.com, 7 April 2020 (Jung-a and White)

Leisure and tourism

Obrist calls for 1930s-style art project

Hans-Ulrich Obrist, artistic director of the Serpentine Galleries in London, is proposing a project to support artists through the period of the coronavirus. He would like the Government to launch a programme similar to the Public Works Art Project (PWAP) led by Franklin D Roosevelt in the 1930s. The PWAP employed 3,749 artists and

produced 15,633 works of art which led to a boom in American art after WW2. Obrist believes that a similar scheme in the UK could boost the art economy. Empty museums and uncertainty over future events have hit arts and culture in the UK. However, some artists are moving online with art tutorials, virtual exhibitions and videos.

lexology.com, 31 March 2020 (Boodle Hatfield)

Materials and mining

Diamonds have rough deal from pandemic

The diamond industry, which relies heavily on an international network for its mining, trading and sales around the world, has been hit hard by the coronavirus. India, where 90% of rough diamonds are cut and polished, is in lockdown with many diamond processing centres closed and diamond exports from the country down by around 50%. The sector was already under pressure from an oversupply of smaller stones and competition from synthetic diamonds. It is possible that weaker jewellers or miners could become bankrupt.

telegraph.co.uk, 7 April 2020 (Millard)

Media

Traditional media sees rise in consumption

Consumption of traditional media has grown during the pandemic, according to Havas Media Group's *COVID-19 Media Behaviours Report*: 64% of people are consuming more live TV than before the lockdown. The BBC is benefiting the most with a 16% net increase in people watching its news than before the coronavirus; while 69% of people regard it as a trusted brand for information about Covid-19. Newsbrands are also doing well, with *The Sun* and *The Daily Mail* seeing the greatest growth in readership (both up by 5%). The results show a trend towards "trusted and meaningful media channels", according to Eva Grimett, chief strategy officer at Havas Media.

prolificlondon.co.uk, 6 April 2020 (Spargo)

Books

New chapter for online bookseller

Bookshop.org, which launched in January to enable people to buy print books directly from independent shops, started out selling \$4,000-worth of books a day. But as physical bookstores have closed and Amazon is focusing on essential items, Bookshop's sales have ramped up to \$140,000 a day. Andy Hunter, the company's founder, said he originally created the platform to challenge Amazon's dominance of the book market. Around 420 booksellers are currently signed up to his platform. The book industry has been more resilient during the current crisis than other media businesses such as cinemas.

ft.com, 5 April 2020 (Nicolau)

Games

Games display coronavirus safety ads

Three major UK video game developers are displaying coronavirus safety ads in their games, which include *Candy Crush Saga*, *Dirt Rally 2.0* and *Sniper Elite 4*. *Dirt Rally 2.0*, which has the ability to display ads within the action itself, has just been added to Sony's latest PlayStation Plus package and this will boost its profile. King, Activision Blizzard's London-based division, has donated 230 digital advertising screens to carry coronavirus related information. The Department for Digital, Culture, Media and Sport is encouraging the UK's other games companies (over 2000 of them) to join the initiative.

bbc.co.uk, 6 April 2020 (Kelion)

Newspapers

Newsworks pleads with advertisers

Following the IPA's call to advertisers not to block the word "coronavirus" online (See Cutting Edge 1 April), Newsworks, the UK newspaper publisher body, has launched a #Backdon'tBlock campaign. It reckons that brand safety measures to block words related to the pandemic could cost the newspaper industry \$50m in lost revenues. Tracy De Groose, executive chair of Newsworks, has written a letter on behalf of the industry saying: "Please remove 'coronavirus' from your blocklists. Readers are relying on us right now, and we are relying on advertising to help ensure the public receives information and advice from the very best sources".

prolificlondon.co.uk, 1 April 2020 (Austin)

Radio

Radiocentre in campaign for advertisers

Radiocentre, the body for commercial radio, has launched a campaign to encourage advertisers to invest in radio. Using the tagline "Business as usual, even when it's not business as usual", it portrays radio as a medium that is playing a key role in helping to keep the UK informed and entertained. The ad shows that, "radio ads can be made safely and remotely in a time when getting a message out is critical for both business and customers" says Lucy Barrett, client director of Radiocentre. Commercial radio has enjoyed a double-digit rise in online listening over the past few weeks.

radiocentre.org, 3 April 2020

Social media

What is Twitch and what are brands doing?

Twitch, an online live-streaming platform where you can either broadcast a live stream or watch others, is mainly devoted to gameplay, talk shows and sporting events. Fans can watch their favourite streamers or buy branded merchandise from vendors and event sponsors. This article looks at the primary audience for Twitch and ways in which brands can use it, including brand awareness; lead

generation; influencer marketing; and paid advertising. It offers examples of brands that are using the platform effectively.

blog.hubspot.com, 30 March 2020 (Carmichael)

Raising brand awareness using Instagram

Instagram has become an important channel for digital marketers, businesses and brands as social media marketing has shifted from Facebook marketing models to other social platforms. Instagram has become attractive because of its strong visual component, but how do you use it to increase brand awareness? Here are 11 tips for raising brand awareness on the platform.

einsteinmarketer.com, 1 April 2020 (Foster)

Television

Younger people turn to TV

TV viewing has risen during the lockdown and Channel 4 has produced a breakdown of its audience. A study of its "Core4 community members" found a rise in youth audiences with 44% of 16- to 34-year-olds saying they were watching even more TV; while 82% of this age group said they trust TV channels' information about the coronavirus, compared with 63% who trust newspapers and 41% social media. Young people were also more likely to binge on box-sets with 56% more likely to be doing so than the average adult.

thedrum.com, 3 April 2020 (McCarthy),
<https://www.4sales.com/covidinsight>

Video

YouTube to rival TikTok

YouTube is reported to be developing a short-form video feature called "Shorts", which users will have access to within the YouTube mobile app. It will rival TikTok, with super-short videos and users will be able to make use of YouTube's library of material when making videos. TikTok has achieved nearly two billion downloads since being launched by ByteDance in 2017.

prolificlondon.co.uk, 2 April 2020 (Peachey)

Video creators attracting big audiences

Video creators are finding that the increase in viewership during the coronavirus has helped to offset the decline in advertising. Creators are using the time to post more videos, such as live material on YouTube and Instagram, in the hope that a new audience will stick around after the pandemic and marketing money will return. Preston Arsement, a YouTube creator with more than 12m subscribers, says that over the past week or so, ad revenue has fallen by 50% to 70%, though merchandise sales have tripled in that time to make up for the advertising deficit. This article looks at what video creators are doing at a time when many marketers

have cancelled or postponed influencer marketing deals?

digiday.com, 3 April 2020 (Peterson)

Unproven Covid-19 cure videos on YouTube

A new report suggests that YouTube is allowing videos of unproven coronavirus treatments to be shown. These include videos promoting herbs, music and over-the-counter supplements as cures for Covid-19, according to a report from not-for-profit watchdog Tech Transparency Project. YouTube claims to have removed thousands of videos containing misleading or dangerous coronavirus content. It and other tech companies may have to use AI tools more extensively to help moderate content while their employees work from home. TikTok has partnered with the WHO to provide accurate information and places a disclaimer on all videos using #coronavirus.

theguardian.com, 3 April 2020 (Paul)

Packaging

Nostalgic packaging design

Nostalgia often comes to the fore among consumers in times of uncertainty and brands have been making the most of this through their packaging. Some brands have been reviving classic designs while newer brands have turned to retro styles. Nostalgic packaging can evoke positive, warm feelings towards the product which match memories from the past. Ella Veresiu, assistant professor of marketing at York University and Ana Babic Rosario, assistant professor of marketing at the University of Denver, set out five points to consider for nostalgic packaging design.

Marketing News, Vol 54(1) Spring 2020, pp14-15 (Heisler)

Paper manufacturers in environmental pact

The European Paper Packaging Alliance (EPPA) was launched recently by leading manufacturers of paper and fibre-based food packaging. The Alliance, which will have its HQ in the Hague, aims to raise recycling levels and reduce the CO₂ emissions of food and foodservice packaging while maintaining food safety. It plans to work with European policymakers to this end.

FlexoTech, March 2020, p6

Retailing

Chinese retail – an upward curve?

China has come out of total lockdown but bricks-and-mortar retailers are in a fragile state and Chinese consumers are still very wary. Retailers are launching promotions and discounts but consumers have other worries such as personal finances and job security. Nevertheless, some consumers are optimistic with 59% planning to maintain or increase their spending over coming months. Bain & Co

predicts a similar pattern to the 2002-2003 SARS pandemic when consumption of food and cosmetics recovered quickly while clothing purchases rose above pre-pandemic levels. Travel is a very different issue, however, and 45% of respondents to an Ipsos study said they would only resume their travel plans when there were “zero new confirmed and suspected cases worldwide”.

emarketer.com, 25 March 2020 (Cheung)

Shops may have to adapt to new behaviour

Supermarkets are adjusting to the new reality: as one of the few places that people are allowed to visit, they have taken on a new form of social responsibility, shifting from “finely tuned” marketing to public service broadcasting. Mood Media, an agency that provides playlist services for major retailers, is reprogramming Asda’s in-store radio station by replacing ads with Government coronavirus policies. Gareth Harvey, a lecturer in psychology at Bangor University, is looking at what the long-term behavioural impact might be on consumers. They might, for example, continue with their “lockdown-enforced” habits. Supermarkets, which are dependent on just-in-time delivery models, may have to adapt to long-term changes. Meanwhile some stores are tweaking their music playlists to help calm anxious shoppers which means that the Bee Gees’ *Stayin’ Alive* is off the agenda!

wired.co.uk, 5 April 2020 (Pritchard)

Creating an e-commerce business quickly

Consumers are shifting online in response to coronavirus restrictions which means that companies must learn how to launch an e-commerce business with the utmost speed. Although it normally takes at least six to nine months to launch a complete e-commerce solution, it is possible to do so in a shorter time. One European retail chain with 1,000 physical stores had no e-commerce presence but succeeded in creating a functioning online business in a matter of 13 weeks. It grew its revenue by almost 3%, in that geography, from the very first month while maintaining high customer satisfaction levels. The authors describe the main lessons to be learnt from this example.

mckinsey.com, April 2020 (Arora et al)

Services

Bacardi and Deliveroo in cocktail service

Bacardi has partnered with Deliveroo Editions to launch a virtual bar enabling cocktails to be delivered to customers in London and Manchester. A total of 120 bars will be involved in Bacardi’s #RaiseYourSpirits initiative which is donating £1.5m to helping the bar industry in Europe, especially smaller, independent establishments that have no corporate support.

bighospitality.co.uk, 6 April 2020 (McAllister)

Takeaways replace small restaurant business

Many restaurants across the UK have closed their doors and halted delivery services. These include McDonald’s, Greggs, KFC and Nando’s. For smaller companies this has been much harder to deal with. The Legend Deli Roastery in Southend has seen a more than 400% rise in demand for its restaurant meals to be delivered to people’s homes. Other companies, such as Spice Box in east London, are experimenting with delivery services for the first time. Fortunately, the UK loves takeaways and a typical consumer spends an average of £451 a year on deliveries. This article includes useful support contacts for small companies and the self-employed. It also summarises Government rules on which establishments are allowed to stay open for business.

telegraph.co.uk, 4 April 2020 (Uttley)

Transport and travel

Car registrations – biggest fall since 1990s

New car registrations in the UK were down by 44.4% in March. The SMMT says that the fall has been steeper than in the 2009 downturn and the worst since the late nineties when the bi-annual registration system was introduced. Steep falls in new car registrations have been seen elsewhere in Europe with Italy down by 85%, France 72% and Spain 69% in March.

telegraph.co.uk, 6 April 2020 (Live news)

eVTOL maker has racing series investment

Alauda, a flying electric carmaker, has received venture capital backing for its Airspeeder racing series of eVTOL (electrical vertical take-off and landing) vehicles which could eventually be used in Formula 1-style races. Airspeeder is to test out its 120mph “octocopters” in the Australian deserts this year. If personal flying car technology goes mainstream, the sector could be worth \$1.5 trillion by 2035.

telegraph.co.uk, 5 April 2020 (Tovey)

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/ 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

www.acenet.co.uk

www.ama.org

www.ana.net

www.bbc.co.uk/news

www.bcg.com

www.bloggingwizard.com

www.blog.hubspot.com

Bloomberg Businessweek*

www.charitydigital.org.uk

www.constructionnews.co.uk

CRM Magazine**

[The Daily Telegraph](http://TheDailyTelegraph.com) ~

www.digiday.com

www.thedrum.com

www.ducttapemarketing.com

www.einsteinmarketer.com

www.emarketer.com

www.esomar.org

www.fastcompany.com

[The Financial Times](http://TheFinancialTimes.com) ~

Flexotech

www.fwi.co.uk (Farmers Weekly)

The Grocer

[The Guardian](http://TheGuardian.com)

Journal of the Academy of Marketing Science
(www.springer.com open access article)

www.lexology.com

Marketing News**

www.marketingweek.com

www.marketwatch.com

www.mckinsey.com

www.mediapost.com

www.newsworks.org.uk

www.orbitmedia.com

www.ons.gov.uk

www.packagingnews.co.uk

www.prolificlondon.co.uk

www.radiocentre.org

www.research-live.com

www.sponsorship.org

www.sportbusiness.com

[Wired](http://Wired.com) (selected articles available)

Contents

Cutting Edge: Our weekly analysis of marketing news
To fast forward click on the following links:

[Agriculture, fishing and forestry](#)

[Building industry](#)

[Businesses and strategy](#)

[Charities and NGOs](#)

[Durable goods](#)

[Economy](#)

[Education](#)

[Energy and utilities](#)

[Environment](#)

[Fashion](#)

[Financial services](#)

[FMCG](#)

[Beverages](#)

[Tobacco](#)

[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](#)

[Books](#)

[Games](#)

[Newspapers](#)

[Radio](#)

[Social media](#)

[Television](#)

[Video](#)

[Packaging](#)

[Retailing](#)

[Services](#)

[Transport and travel](#)