

Cutting Edge: Our weekly analysis of marketing news

6 May 2020

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

Quick [links](#) to sections

Marketing trends and issues

Advertising

UK adspend down by £4.23 billion

The UK ad industry has seen ten years of consecutive growth but the pandemic will result in a 16.7% (£4.23 billion) reduction in adspend, according to the *AA/WARC Expenditure Report*. Adspend had been expected to increase to over £26 billion (up 5.2%) this year before the onset of Covid-19. The revised forecast is for £21.13 billion this year although the report expects adspend to start growing again in 2021. Stephen Woodford, chief exec of the AA, believes that most adspend (almost 85%) will still be invested this year and that businesses should ensure that they are in the best position to take advantage of the return to growth. "History shows the brands that emerge fastest and strongest are those that invest in advertising during a downturn", he says.

prolificlondon.co.uk, 30 April 2020 (Spargo)

Posters parody during lockdown

It is probably not the best time to be conducting out-of-home advertising but Emily Crisps has turned its first ever outdoor media campaign (launched in April just as lockdown hit!) to its advantage with a series of humorous posters on London bus shelters. They carry messages such as "Our first ever poster, seen by a runner and one pigeon. Typical." or "Do an ad when it's warmer, they said. More people will see it, they said. Pfft!"

adsoftheworld.com, 28 April 2020

Agencies

Publicis Pact – could it change ad industry?

Publicis has launched an initiative called The Pact in which it offers clients a full refund if it fails to deliver on business outcomes. However, it only applies to

SMEs or those with revenue of between \$10m and \$1 billion. Publicis will have to deliver on key performance indicators defined by clients, such as a rise in sales or a customer acquisition target. If it fails to deliver, then the client receives a 100% refund. However, the client will have to spend at least \$75,000 over three months. Although the initiative has the aim of attracting new business, there are longer term implications for how the ad industry could work, says Jay Pattisall, a Forrester analyst. It might lead to changes in the way that agencies and companies set up contracts which could "rewrite the economic model for the industry".

adage.com, 30 April 2020 (Slefo)

The challenge of retaining diversity

Agencies are trying to reduce costs, furlough staff, implement paycuts and close operations but will all this frenzied activity damage the progress that is being made on diversity? Some are calling on agency leaders to remember the diversity drive when it comes to deciding who will leave the business. The World Federation of Advertisers (WFA) has released a guide entitled *A Marketer's Approach to Diversity and Inclusion*. It was written before the pandemic began, but the advice is still relevant. Belinda Smith, global diversity ambassador at the WFA, warns that by losing your diverse talent you are creating "a side market of contractors who can outperform your own business".

thedrum.com, 4 May 2020 (Deighton)

Brands and branding

BrandZ top retail brands

The total value of the *BrandZ™ Top 75 Most Valuable Global Retail Brands Ranking* has reached \$1.5 trillion. Amazon tops the ranking, growing by 32% to reach \$415.9 billion, and retains its title as the world's most valuable retail brand. The coronavirus has highlighted retail's role in the global

economy and how it is tackling supply and demand challenges, which require both innovation and agility. The report gives an idea of the brands that are likely to succeed after the pandemic. The top ten retail brands outpaced the rest of the sector with an average growth in brand value of 16.4%. McDonald's remains the most valuable fast food brand in the world and Louis Vuitton the most valuable luxury brand.

<http://www.millwardbrown.com/brandz/Rankings-and-reports/reports/global-retail-brands/>, 30 April 2020

The sound of an eco-friendly brand

It is important to convey the environmental friendliness of a product. One way of doing this is through the brand name. Four studies show that brands with silent consonants are perceived to be more environmentally friendly than those with voiced consonants because they convey characteristics that are associated with eco-friendliness, such as kindness and humility.

Journal of Advertising, Vol 49(1), January-March 2020, pp61-77 (Pradnya)

Conferences and events

Running an efficient meeting

The workplace is awash with meetings and sometimes there is no time in the day for anything else. They are often convened simply to share information when an email would have sufficed. To make the best use of time, meetings should be arranged and run as if teaching a board game. Instructions should be issued beforehand; carried out with brevity; all relevant questions answered; and they should leave a "lasting impression requiring minimal follow-up". Dick Massimilian, author of *How to Lead an Effective Meeting (and Get the Results You Want)*, believes that many meetings fail because they are unproductive and go off track. This article emphasises the importance of planning, task management and cutting meeting times.

ama.org, 9 April 2020 (Heisler)

Social distancing to help large events return

The format of big events will have to change until there is mass-testing and a vaccine for Covid-19. Realistically it is unlikely that big shows will reappear before next year and social distancing will almost certainly remain in place. Here are some ideas for event organisers, venue operators and exhibitors to host a safe show. While they involve cost and may change business models, they offer the possibility of social distancing. Suggestions include extending the time-frame and staggering delegate attendance; reducing the number of exhibitors; removing seating to allow for social distancing; adopting new business etiquette without the hand shake, hug or kiss on the cheek; and adopting Japanese bidet-toilets which self-clean and don't need paper!

citmagazine.com, 28 April 2020 (Reid)

Consumer behaviour

Consumers are choosing familiar brands

What sort of campaigns should marketers be investing in right now? A new survey of US consumers by Survata suggests that people have a strong preference for established brands rather than private labels. This conflicts with the finding that 64% of consumers are trying to reduce their spending. During periods of economic uncertainty, generic products tend to perform better than brands because consumers don't want to pay a premium. Yet the poll found that in many product categories (cleaning products, frozen food, coffee and packaged goods) consumers prefer familiar brands. Consumer behaviour has become less predictable but all the evidence suggests that brand visibility may be "more important than ever" during and after the pandemic.

searchengineland.com, 30 April 2020 (Sterling)

Shifting consumer behaviour during lockdown

The author, global VP of Ads Marketing at Google, looks at broad trends in consumer behaviour related to both home and work, based on Google data, during the lockdown. For example, there has been an increase in searches related to "team building" (up by 9%) as businesses start to adjust to the new conditions. Interest in virtual travel-related topics, the arts and nature has risen as is interest in "how to help". The expression "alone together" has seen a 75% increase in interest since January and "love in quarantine" has been trending since 13 March! Links to longer articles on specific areas are provided.

thinkwithgoogle.com, April 2020 (Gulin-Merle)

Customer relations

Thinking in human rather than just terms

It's time to change the way we deal with customers on digital platforms: "to stop thinking of visitors as potential customers and deal with them like human beings". This is often the case with owned channels where quantitative data overshadows qualitative data or what really matters to customers. This means that digital marketing is all about numbers with little thought about how to engage with personality and emotional intelligence. Three particular issues that illustrate this are: failing to think in context; predefined journeys that favour the business rather than the customer; and a bias towards new customers rather than existing ones. Here are three principles you should follow to bring about change in your business.

kinandcarta.com, 20 April 2020

Law

Coronavirus leads to frustration

"Frustration" is an area of law which has developed mainly as a result of extreme conditions such as the Gulf War or the global financial crisis of 2008. Frustration means that both parties are discharged

of future obligations pursuant to a contract but they have to prove that contractual obligations have changed, "beyond what could have reasonably been anticipated at the time the contract was entered into". Covid-19 will result in a rise in the number of frustration cases. Some will be clear-cut, such as the cancellation of events. In other cases, a well-constructed force majeure clause could allow the suspension of obligations. This article examines the issues.

lexology.com, 29 April 2020 (Speechlys)

Trademark specs invalid due to bad faith

The UK High Court has taken a previous decision made by the CJEU a stage further by ruling that applying to register a trademark without any intention of using it constitutes bad faith. The case involved Sky, which had used extensive specifications to protect a wide range of products and services. It subsequently transpired that Sky had no intention of using its trademarks for these services. Consequently, large tranches of its specifications have been ruled invalid. This will be of concern to brand owners but will not affect a trademark's ability to protect core goods and services or those that brand owners intend to use.

lexology.com, 29 April 2020 (Mark and Mountain)

Marketing

Seizing the opportunity to invest – not easy

The general view is that brands which invest more during a recession will emerge stronger. Yet 10% of marketers believe that asking for more money from their finance and executive teams would result in a refusal: 46% say they would be told there is not the money available, and 32% say they would be asked to prove the link between the investment and its return before they would get more money. This is probably why only 7% of marketers "seize the opportunity" to invest more in marketing during the pandemic.

marketingweek.com, 1 May 2020; marketingweek.com, 28 April 2020 (Vizard)

Smart marketing decisions

The author argues that marketing is all about knowing your audience and having empathy; this means, therefore, that digital marketing must be all about "data-driven empathy". But what is data-driven marketing and how do you apply the data? Here are seven charts which illustrate the process for using data to make better marketing decisions.

orbitmedia.com, April 2020 (Crestodina)

Marketing during the coronavirus

There is no rule book for how to market during the coronavirus but here are some actions you can take to re-evaluate your digital marketing strategies during the pandemic and to make decisions on how to move forward. These are to: reanalyse your

marketing campaign in the context of Covid-19; retain and grow your customer base; use content marketing as a way of adjusting to the changing situation and evolving customer needs; keep paid ads running if you can afford it; maintain a presence on social channels; offer discounts and promotions; use email marketing as a way of keeping in touch; and optimise your e-commerce store.

bigcommerce.com, April 2020 (Fryer)

Market research

Beware how you read facial expression

It is easy to misread someone's mood from their facial expression yet academic research has for years assumed that it is possible to do so. Market researchers have traditionally assessed a consumer's response to a product or service by looking at their facial reactions. But new research suggests that emotions are expressed in a far more complex way. Previous research has focused on the six "universal" or "basic" emotions but the latest scientific data suggest that there are many more emotions and that people tend to experience a mix of these. Researchers at the University of California, Berkeley have mapped expressive behaviour and emotion to come up with 28 different types of emotion, most with a degree of overlap. This has significant implications for consumer research, technology, law and "emotional intelligence" in general.

research-live.com, 28 April 2020 (Hollingworth)

The market research quandary

Market research is an important tool for businesses but the coronavirus has raised questions about its future. These days companies bombard people with "tell us what you think" surveys which are neither scientific nor proper market research since they are not based on a valid sample. What clients paid for in the past, they expect to get for free now, with many asking people to give their feedback for nothing, often with the incentive of a prize draw or vouchers. The outlook isn't rosy for either telephone or face-to-face research, but will people tire of online surveys and requests for free feedback and will the role of the traditional market researcher disappear altogether? It is likely that marketers will find other ways in which to conduct research but there could be some big changes coming, which will be accelerated by the current crisis.

businessnewswales.com, 30 April 2020 (Latimer)

Public relations

Matching apologies to responsibility

In a crisis, businesses are torn between their ethical responsibility to respond to victims and their responsibility to protect shareholder value. The authors studied 223 non-financial crises over a period of years to investigate how corporate apologies affect stock prices. They found that the stock price response depended on the company's

level of responsibility for the crisis. It seems that to protect shareholder value, businesses must match their formal response strategy with their degree of responsibility for the crisis. A mismatch can be harmful to shareholder value.

Journal of Business Ethics, Vol 163 (3), May 2020, pp485-505 (Racine et al)

Reaching actionable insights

PR professionals know that data-informed communication is important and many PR departments and PR firms employ dedicated data scientists. The goal is to achieve actionable insights for better business decision-making. But what is an actionable insight? It is something that, "requires consideration, compels action and enables measurement for continual improvement". Here are eight steps to help communicators get to some actionable insights. They include: "measure and measure right", looking at executive preferences and priorities; and building a solid optimisation plan (define, measure, analyse, improve and control).

PR News, 2 April 2020, p1

Sponsorship

ESA monitors health of industry

The European Sponsorship Association has launched the *ESA Sentiment Tracker*, a regular industry survey that will measure the health and confidence of sponsorship organisations in Europe. The disruption caused by Covid-19 to the sport and entertainment sectors has lowered confidence levels which score just 5.5 out of ten, although brands are slightly more positive than rights holders. Some 72% of brand sponsors say they plan to extend their sponsorship rights while 48% are looking for additional assets to fulfil their sponsorship contracts. Just 30% of respondents said they thought that the pandemic would have a major long-term impact on sponsorship. Three trends that will define how sponsorship recovers in the future were identified as: the switch to digital; the rise of e-sports; and community and sustainability.

sponsorship.org, 29 April 2020

BP not to judge portrait award

For the first time, BP will not be on the judging panel for the National Portrait Gallery's portrait award. Last year a campaign supported by 78 artists called on the Gallery to end BP's sponsorship of the £35,000 portrait award. The Gallery claims that this has nothing to do with the recent campaigns calling for an end to oil companies' association with the arts. Last year the National Theatre and Royal Shakespeare Company ended their sponsorship arrangements with Shell following pressure from actors and campaigners. BP has sponsored the portrait award since 1997.

marketingweek.com, 4 May 2020

Agriculture, fishing and forestry

Food glut hits farmers

There is a glut of food produce across Europe due to the closure of restaurants, hotels and eateries because of the coronavirus. Farmers and food manufacturers are trying to persuade people to increase consumption of products in their home countries. European farmers are seeing the return of the butter and beef mountains and wine and milk lakes, last seen in the 1980s. It is estimated that European winemakers will see a 35% decline in sales volumes during the lockdown. The UK's Royal Association of British Dairy Farmers reports a two million-litre-a-day milk surplus. Meanwhile the AHDB has launched a #steaknight social media campaign to encourage people to eat more expensive cuts of meat. The food and agricultural sectors are also asking for EU and government support. Most agricultural operations are not set up to withstand sudden fluctuations in demand.

ft.com, 1 May 2020, (Terazono and Evans)

Digging for Britain

Statistics suggest that 45% of Britons have taken to gardening during the lockdown, more than are cooking or reading. Around eight or nine out of ten people in Britain have a private garden, many more than in some other European countries. Studies suggest that gardening is associated with a reduction in anxiety and depression. In fact gardens are so important to the British psyche that they have become a political issue and there were calls to keep parks open during the lockdown.

economist.com, 2 May 2020

Wefarm to rebrand following funding

Wefarm acts as a knowledge-sharing service with the aim of enabling every small-scale farmer to connect with the people and resources they need. To date it has helped over two million farmers to "buy smarter and sell better" and to establish a better position in economies and supply chains. Now it has recruited agency BMB to update the brand, having raised \$13m in Series A funding last year.

prolificlondon.co.uk, 1 May 2020 (Spargo)

Building industry

Demolition profits subside

Two years ago, the demolition sector was thriving but uncertainty over Brexit means that revenue growth has since stalled. The average turnover of the top 20 contractors barely grew last year and profitability fell. This year has seen turnover rise by 6% but pre-tax profit has fallen by over 7%, the second year of decline. The ranking for the top 20 contractors is included. Keltbray, which heads the list, is one of the world's biggest demolition

companies, but even it has seen a fall in both turnover and profit.

theconstructionindex.co.uk, 4 May 2020 (Taylor)

World's tallest octagonal residential building

Argent, a developer, is to build what it claims is the world's first (and tallest) pure octagonal residential building, in Birmingham. Designed by Glenn Howells Architects, it will have 49 stories, contain 346 flats and will create a "a true landmark" for the city, according to Rob Groves, Argent's regional director.

constructionenquirer.com, 5 May 2020 (Morby)

Businesses and strategy

Achieving culture change

Over recent years business strategy has increasingly focused on purpose, culture and values but such factors are difficult to define, identify and measure. The author examines how companies can effectively manage and monitor their progress towards achieving their desired corporate culture and sets out eight steps on the culture journey: assessing the current climate; setting the strategy; identifying areas for change; setting targets and goals; building in flexibility; establishing metrics; identifying data sources; and reviewing, revising and resetting.

lexology.com, 10 March 2020 (Kerr-Davis)

The winners post-coronavirus

The global economy is under pressure and many countries are likely to suffer an "unprecedented" recession. This will lead to big changes with few industries emerging unscathed. "Agility, scalability and automation" will be key to success and businesses which have these capabilities will emerge as winners. Businesses that use cloud computing and those that use automation and AI to improve the resilience of supply chains will hold up. The combination of resilience and agility will be key to the short- and medium-term success of all sizes of business. But the crisis is likely to eliminate a lot of outdated practices and many normal activities – eating out and entertainment, for example – will change. These may not be delivered by the same brands or in the same way as we are used to.

weforum.org, 20 April 2020 (Joshi)

Don't put your eggs in one basket

A few months ago, Dixons Carphone issued a second profit warning in two years with profits for the year ending April 2019 down by 22%. In contrast, Primark posted operating profits of £913m for the year ended September 2019. The pandemic has dramatically changed the fortunes of the two companies. Primark, which has never embraced e-commerce, has had to close all its stores. Quarterly sales have fallen from £650m a month to zero and it has furloughed 68,000 employees. In comparison, Dixons Carphone, which has ramped up its e-

commerce operation at the expense of physical stores, has seen sales rise by 166% in the five weeks to 25 April. The lesson is that what might once have been regarded as a successful model may not last forever. Primark excels at what it does but one "black swan" event like the coronavirus demonstrates the danger of over-focusing and its leaders may just be considering some form of diversification...

managementtoday.co.uk, 29 April 2020 (Jones)

Showing compassion for a post-crisis future

The pandemic has affected people emotionally and had a negative impact on mental health so now is the time for leaders to show compassionate leadership. Studies have shown that in normal times compassionate leaders perform better and engender more loyalty and engagement from their teams. Four business leadership qualities are essential for caring for people during the crisis: awareness, vulnerability, empathy and compassion. In this way leaders can build resilience and position their organisations for a post-crisis future.

mckinsey.com, May 2020 (Nielsen et al)

The post-pandemic office

In the future offices may have fewer desks and some chief executives have even indicated that they are about to reduce their property portfolios. This is according to a survey from PwC which revealed that a quarter of CFOs were considering reducing their real estate. Some chief execs say they have felt more connected to their employees since the lockdown while others predict that many employees will remain as home workers. Sir Martin Sorrell, head of S4 Capital, says that working from home has been "energising" and he has started to end leases on some sites. This trend is bad news for commercial property executives. Meanwhile other bosses are looking at ways to get their employees back into the office safely. Ultimately there has to be a balance, but many people like going into the workplace as it is an important community for them.

ft.com, 1 May 2020 (Thomas and Morris)

Charities and NGOs

Digital fundraising – something for everyone

Last week we reported on how charities could lose out if they didn't embrace digital fundraising. Digital fundraising is possible for all charities regardless of size and many have already launched digital campaigns. This article showcases some of the creative ideas emerging from the sector. One answer is to raise money through digital auctions as Bonhams did with an online auction to support the NHS Charities Together Covid-19 appeal. Having been forced to abandon the physical event, London Marathon looked at alternative ways to raise money for charity. Its 2.6 Challenge, which encouraged

runners to participate in any event that involved the number 26, has raised £6m so far. Small charities, such as The Fire Fighters Charity, launched a "lockdown" challenge to raise money for its cause. Others, such as the Charity Film Awards, are using existing content to promote themselves.

charitydigital.org, 1 May 2020 (Chiu)

Volunteering down, donating intentions up

The number of people wanting to do face-to-face volunteering dwindled during April but the number interested in making financial donations rose according to a YouGov poll. YouGov's *Coronavirus Tracker* for March to April, found that, by 27 March, the numbers wishing to volunteer to help those affected by Covid-19 hit a peak of 16% but that this had fallen to 9% by 17 April. By contrast, those wanting to make financial contributions to coronavirus-related charities rose from 8% to 14% and the number considering giving to non-Covid-19 related causes also rose, from 7% to 10%. People who have spent less money online recently are more likely to donate to charity, according to the report.

thirdsector.co.uk, 1 May 2020 (Burt)

Economy

Impact of coronavirus – economy and society

The ONS's latest Covid-19 bulletin, *Coronavirus, the UK economy and society, faster indicators: 30 April 2020*, relates to the period 6 to 19 April 2020. It reveals that 24% of businesses in the UK which were continuing to trade, reported that turnover had fallen by over half the usual level for the period. The Coronavirus Job Retention Scheme was the most popular Government scheme, with 66% of responding businesses applying for it. Meanwhile 84% of adults in Great Britain said they had not left home or only done so for permitted reasons (shopping, medical, exercise) over the past seven days.

<https://www.ons.gov.uk/releases/coronavirustheukeconomyandsocietyfasterindicators30april2020>, 30 April 2020

Wellbeing in Britain

The ONS's *Personal and economic well-being in Great Britain: May 2020* bulletin reveals that all measures of personal well-being, including anxiety and happiness, are at their lowest levels since data was first collected in 2011. Some 49.6% of those aged 16 and above in Britain reported "high" anxiety for the period 20 to 30 March 2020 (over 25m people). The greatest concerns stem from the pandemic and are related to people's well-being, work, and finances.

<https://www.ons.gov.uk/releases/personalandeconomicwellbeingintheukapril2020>, 4 May 2020

Consumer sentiment in the age of corona

McKinsey's latest consumer coronavirus survey - *UK consumer sentiment during the coronavirus crisis* -

shows that there is strong sentiment around how long the crisis will last as well as concerns about public health and the economy, among 58% of consumers. Consumers have become marginally more optimistic that the economy will rebound in two to three months (17%) for the latest survey period (18-19 April 2020) than they were in the previous one (15%) for 2-5 April. However, 25% are pessimistic that Covid-19 will have a lasting impact on the economy. The results of the survey can be viewed on 12 slides which cover the impact on jobs, household income and savings and digital and other activities. With regard to switching brands and retailers, some 16% of consumers say they have changed their primary grocery store and 65% of these expect to continue to do so.

[mckinsey.com](https://www.mckinsey.com), April 2020;

<https://www.mckinsey.com/business-functions/marketing-and-sales/our-insights/survey-uk-consumer-sentiment-during-the-coronavirus-crisis>

Education

IP filing among UK HE institutions

A new study entitled *The IP filing habits of UK Higher Education Institutions* analyses the intellectual property filing habits of HE institutions (HEIs) in relation to patents, trademarks and registered designs. It reveals that 1.1% of published patent applications, 0.3% of trademark registrations and 0.1% of design registrations with the IPO from 1999 to 2018 were from the HE sector. Out of 165 UK HEIs, 121 had at least one published patent, 140 had at least one trademark registration and 39 had a design registration during the period. Meanwhile collaborations between HEIs and businesses rose by 17% and international collaborations by UK HEIs were up by 62%.

[gov.uk](https://www.gov.uk), 29 April 2020;

<https://www.gov.uk/government/publications/ip-filings-habits-of-uk-higher-education-institutions>

Online courses won't be discounted

Universities minister Michelle Donelan has rejected the idea that university students in England should pay less for their tuition fees if their courses are being taught online. She says students should not get a discount if they "are really getting the quality" and a course that is "fit for purpose". Some students find it unacceptable that they should pay full whack for access to facilities they aren't receiving and the National Union of Students has emphasised how hard it can be for students to study online. Some university applicants are reconsidering their plans to go to university this year especially since there is so much uncertainty over A level grades. The Government has rejected the university sector's request for a £2 billion support package.

bbc.co.uk/news, 4 May 2020 (Coughlan)

Universities – will there be a shake out?

Even before the pandemic, some university finances were shaky with some of the smaller, less prestigious institutions building up large debts. The universities had hoped for a bail-out (See previous article) while Chancellor Rishi Sunak had promised to almost double R&D investment. However, there is a feeling in Downing Street that the university sector has become too large. Michell Donelan, universities minister, has promised to tackle “low-quality” university courses. The Government may decide to target the universities who produce the fifth of graduates (identified by the IFS) who would have been financially better off had they not attended university. However, the IFS now says that the post-coronavirus labour market may need very different skill sets from that preceding it.

economist.com, 30 April 2020

Energy and utilities

GB has longest coal-free time on record...

On 28 April Britain exceeded its record for the longest period of coal-free electricity generation of 18 days, six hours and ten minutes in June 2019. In April, coal accounted for 0.7% of electricity generated in Britain compared to over 57% for low-carbon sources: nuclear (21%), onshore wind (10%), offshore wind (8.7%) and solar (8.6%). This represents huge progress towards the UK’s target of generating electricity entirely from zero carbon sources by 2025, says Fintan Slye, director of the National Grid Electricity System Operator.

utilityweek.co.uk, 28 April 2020 (Wallin)

...demand for fossil fuels will plummet

The International Energy Agency (IEA) believes that Covid-19 could effectively eliminate demand for fossil fuels. In a report, the IEA concludes that the greatest fall in energy demand since WW2 could lead to years of “multi-decade lows” for oil, gas and coal. Meanwhile clean electricity will play its greatest ever part in the global energy system this year. Renewable energy is predicted to grow by 5% in 2020 to account for nearly 30% of electricity demand.

theguardian.com, 30 April 2020 (Ambrose)

Environment

The 1.5-degree challenge

The authors argue that we can avoid the next crisis by planning for greater environmental resilience through “investing in both climate-resilient infrastructure and the transition to a lower-carbon future”. The study looks specifically at the amount of change that would be required in each sector of the economy to limit global warming to 1.5 degrees Celsius. It concludes that the “1.5-degree pathway” is “technically achievable” but that it would need significant incentives in order for businesses to

invest fast enough and at scale. This paper sets out the challenges before examining the changes that would be required in food and forestry; electrification; adaptation of industrial operations; and the need to decarbonise power and fuel.

mckinsey.com, April 2020 (Henderson et al)

Recycled plastic – can it stay on track?

Will the coronavirus damage the chances of eliminating single-use plastic? Defra has already decided to postpone the UK ban on plastic straws, stirrers and cotton buds until October and the charge on single-use plastic bags for grocery delivery has been lifted. Wrap says the industry is still “committed” to the UK Plastics Pact but experts believe that the pandemic will limit the industry’s ability to meet other targets. The crisis in the recycling industry will make it very difficult for the industry to reach its target of 30% recycled content for plastic packaging by 2025.

thegrocer.co.uk, 1 May 2020 (Perkins)

Fashion

AR helps with social distancing

Asos, the online retailer, is using augmented reality to simulate real-life model photography so that there is no need for models to enter its studios while social distancing. Its AR tool, “See My Fit”, which was successfully trialled earlier this year, shows customers a simulated view of a product in different sizes and using different body types. The AR technology will show people a simulated view of up to 500 products a week with each product being digitally mapped on to the model.

fashionunited.uk, 5 May 2020 (Wightman-Stone)

Financial services

New contactless transaction limit takes off

Some 43% of in-store transactions in the UK valued at between £30 and £45 are contactless, according to Barclaycard. This follows the increase in the contactless limit from £30 to £45. Barclaycard, which handles half of all contactless transactions in the UK, has processed over seven million payments in the £30 to £45 range. The new limit is aimed at reducing queuing times and enabling people to pay without touching card terminals or handling cash.

nfcw.com, 28 April 2020 (Clark)

FMCG

PepsiCo reduces nonessential marketing

Prior to the coronavirus PepsiCo had been increasing its marketing spend which was helping it to drive sales. Now it is, “reducing nonessential advertising and marketing spend to reflect the realities of the current environment” according to CFO Hugh Johnston. However, the company is boosting advertising in the snacks and Quaker oats categories

to help retain new customers after the crisis ends and is shifting some budget to its e-commerce operation as customers increasingly place orders online. The situation for snack foods and beverage companies has not been straightforward. While consumers have been stocking up at supermarkets, there has been a decline in sales at petrol stations and restaurants, which has outweighed other gains. PepsiCo plans to use marketing to boost sales and loyalty where it sees key opportunities.

marketingdive.com, 29 April 2020 (Christie)

Cosmetics and toiletries

Condom sales down but shortage concerns

Durex has reported that condom sales have fallen as the lockdown takes "a toll on the number of intimate occasions" around the world. Reckitt Benckiser, owner of Durex, says it expects demand to recover once lockdown ends and reports that condom demand is already back to its usual levels in China. There have been concerns that there would be a condom shortage because of lockdown rules in Malaysia which is one of the top rubber producers in the world. The UN has warned that a shortage of condoms could have "devastating" health and social problems for the world.

theguardian.com, 30 April 2020 (Neate)

Food

Meat-free marketing – will the UK follow EU?

In April the ASA banned Burger King's ad for its "100 percent" plant-based burger, the Rebel Whopper, and banned it from using advertising which suggested that the burger is vegetarian or suitable for vegans. Currently EU law is strict when it comes to the marketing and advertising of products derived from animal milk. For example, "plant cheese" or "tofu butter" would not be permissible. Now it is proposing to expand the rules to ban meat-related names from products that do not contain meat. The UK market is one of the largest markets for plant-based foods but it is unclear whether it will follow the EU's proposal regarding the marketing of meat-free products post-Brexit. However, there has already been a shift in meat-free marketing, with some brands avoiding the use of meat-related terms altogether.

lexology.com, 30 April 2020 (Salmon)

Foods affected by the coronavirus

The Grocer looks at the impact of the coronavirus on ten food categories. They range from dairy, whose situation is "desperate", according to the NFU, to flour which has run out of packaging and fruit and veg which is facing a seasonal worker shortage. Rice is suffering from export restrictions while lockdowns in India and Kenya are disrupting the flow of tea from plantations. Meanwhile British exports of pork collapsed when China closed its ports.

thegrocer.co.uk, 29 April 2020 (Holmes)

Household

Toilet paper – a soft sell

In the US, demand for toilet paper has risen by 27% compared with pre-pandemic levels and many supermarkets still have empty shelves. Suddenly toilet paper brands are in the spotlight, "consumers will never be more engaged with our categories than they are now" says Jason Ippen, VP of brand building at Quilted Northern. Quilted has often used humour in its ads and its 2015 "designed to be forgotten" campaign was considered one of the funniest toilet paper ads ever. However, a crisis is perhaps not the best time for jokes. Quilted's March ad used the reassuring message "We're on it". Meanwhile Bippy, a start-up which makes toilet paper out of bamboo filters, has seen search results rise by 800% without it even having to advertise. It has just sent out an email blast to its waiting list, entitled the "ButtDrop", telling recipients they can buy a 24-pack.

fastcompany.com, 2 May 2020 (Beer)

Government and public sector

Local councils shoulder coronavirus burden

Local councils, which fund care homes, deliver food parcels and find accommodation for needy people, are doing some of the "heavy" work when it comes to the pandemic. This means they are spending more but their revenues are falling at a time when financially-strapped families may not be able to pay their Council Tax bills. Bath, for example, which should have raked in £9.6m from tourism this year, is predicting a 10% fall in council tax revenue. Communities secretary Robert Jenrick has announced a £3.3 billion support package for English councils but the Local Government Association says that three to four times this amount could be required. More services may have to be cut...

economist.com, 2 May 2020

Health and pharmaceuticals

ASA has to be proactive during crisis

The ASA has ruled that online adverts for face masks from two companies (Novad OU and Easy Shoppin) were "misleading, irresponsible and scaremongering" because they implied that the masks would protect people from the virus despite this not being the advice from Public Health England. The ads also used alarmist language. The cases demonstrate the ASA's regulatory role in the current crisis where it has to be proactive in tackling advertising that exploits the coronavirus crisis or could undermine public health advice. The ASA has introduced an anonymous reporting form which enables consumers to make complaints related to the virus. For their part, companies wishing to

promote their products should be aware of public health guidance, the Cap Code and ASA actions.

lexology.com, 30 April 2020 (Scott-Lawler)

Tackling obesity – the drive for healthy food

The Daily Mail has reported that over three-quarters of critically ill coronavirus patients were overweight or obese. One in three adults in the UK is obese, with rates doubling among the poorest communities but there are ways in which this situation could be improved. This article is written by James Toop, CEO of Bite Back 2030, an organisation of young people trying to tackle the unhealthy food that appears in supermarkets and on the high street. As part of its campaign, it has launched *Cook with Jack*, a daily YouTube show that shows families how to make nutritious lunches for just £15 a week.

thegrocer.co.uk, 4 May 2020 (Toop)

IT and telecoms

Virgin Media and O2 could merge

The Guardian has reported that Virgin Media and O2 are collaborating to create a TV and mobile business. This would bring together O2's 34m customers with Virgin Media's 5.3m. Liberty Media, owner of Virgin Media, holds a 10% stake in ITV and there is speculation that ITV could be involved in a deal. A previous attempt to take over O2, by telecoms company Three, was blocked by the European Commission. This time around Telefonica, owner of O2, is focusing on the UK market.

marketingweek.com, 4 May 2020

Apple sales flat in Q1

Apple reported just a 1% rise in revenues for the first quarter of the year as sales of the iPhone and manufacturing were hit by the coronavirus. Apple was forced to close stores in March and suffered a slump in China at the start of the year, but the decline has been partly offset by the growth in sales of digital services and software and other products such as the Apple Watch and AirPods. Apple plans to unveil its new iPhones, the first to have 5G technology, in the second half of 2020. The iPhone still accounts for about half of Apple's revenues but sales have been gradually flattening and growth is coming from other services and accessories.

telegraph.co.uk, 30 April 2020 (Titcomb)

Voice rises up the agenda

Experts believe that there will be a rise in hands-free, voice-activated technology to avoid viruses which can survive on surfaces. If consumers no longer want to swipe or click, then visual brand cues could become redundant. It is known that sonic messaging is important for building a brand identity but now it may become essential. Chinese tech firms are already using voice-activated technology to help tackle the coronavirus. The voice tech community

has been predicting a rise in the use of such technology for some time. Now they are expecting an acceleration in demand. For brands it looks as if the solution will be "heard and not seen".

thedrum.com, 1 May 2020 (Duda)

Leisure and tourism

CAP advice on e-sports gambling ads

The UK Committees of Advertising Practice (CAP) have published an Advice Note to British gambling operators about ads on social media for e-sports betting advertising. It reinforces the message that this type of promotion must comply with the rules applying to other types of gambling advertising. This is the first such advice on e-sports betting to come from CAP and it responds to GambleAware's 2019 report on the effects of gambling and advertising on young people. It is particularly appropriate at the moment when the lockdown means that e-sports betting may be replacing conventional sports betting. This article examines the scope of the advice note.

lexology.com, 30 April 2020 (Wilks);

<https://www.asa.org.uk/uploads/assets/f08a1429-1e0b-45ab-857bfd085549f0fb/Advice-Notice-The-marketing-of-Gambling-on-eSports-on-Social-Media.pdf>

Faroe Islands campaign attracts thousands

A tourism campaign for Visit Faroe Islands, is attracting the attention of thousands of people. People have been logging on to a microsite to watch a local guide showing off the islands' scenery with a livestreaming camera attached to her hat. They can also use a virtual controller to control the guide's movements. Although the work has received plenty of publicity, its original goal was primarily to give something back to a group of volunteer geographers who were supposed to be helping out on the islands but have been prevented by the coronavirus. The Faroe Islands have been fairly innovative in their marketing over the years despite a small budget of less than £1.8m.

thedrum.com, 30 April 2020

Materials and mining

First Cobalt to produce for EV batteries

First Cobalt, a Canadian miner, is expected to start production of cobalt sulphate later this year or early next. This would make it North America's only primary producer of the key material needed for electric vehicle batteries and high-tech devices and it would help North America to reduce its reliance on China which currently dominates the supply chain for lithium-ion batteries. By the end of 2021 First Cobalt could be producing 25,000 tonnes of cobalt sulphate, giving it a substantial share of the global refined cobalt market. However, cobalt's importance in EVs may not last as auto makers, such as Tesla, have been trying to find ways of reducing or eliminating it from the equation. It is the most

expensive component of the battery. General Motors has already reduced its use of the metal to just 10% of the battery's cathode, down from 20% to 33%.

[mining.com](#), 4 May 2020 (Jamasmie)

Media

Books

Ladybird assists in online babysitting

Ladybird, the children's book brand, is launching a campaign to help children share their reading with family members who don't live with them. The "Little Big Moments" campaign involves Ladybird sending a pair of matching books to separate households so they can read together on the phone or through a video call. Research by Ladybird found that 81.6% of parents in the UK with nursery age children were looking at "digital babysitting" with another family member; 52% thought online storytelling would be the most beneficial.

[prweek.com](#), 29 April 2020 (Harrington)

Film

Vue hopes to open by mid-July

Tim Richards, chief executive of Vue Cinemas, hopes that the cinema chain can reopen by 17 July in time for the launch of the action movie, *Tenet*. He argues that cinemas are able to control how many people enter them at any one time, unlike sports events and concerts which are much harder to control. He says that film-going is one of the main activities people are looking forward to when the lockdown ends. The closure of cinemas has meant that some movies have been released on streaming platforms. The release of *Trolls World Tour* in cinema outlets that are still open and on streaming platforms has led to a major row between Odeon Cinemas and Universal studio for, "breaking the business model and dealings between our two companies".

[bbc.co.uk/news](#), 5 May 2020

Games

As video games take on TV...

TV advertising is in decline, only 33% of Gen Z watch it, but video gaming is in the ascendancy. Netflix's CEO recently commented that video gaming is its biggest competitor when it comes to screen time. The growing gaming and e-sports industry offers massive opportunities for brands. This article looks at three major benefits of advertising in video games: viewability, targeting and authenticity.

[thedrum.com](#), 1 May 2020 (Benedy)

Internet

Google's ad growth slowdown not so bad?

Alphabet, Google's parent, has announced slower ad revenue growth for Q1 due to the pandemic. A rise of 9% in search ad revenues worldwide was described by CFO Ruth Porat as an "abrupt" decline

in the search ad business. Google's programmatic display business, Google Network, grew by just 4%. eMarketer says that Google's Q1 results are actually in line with its more optimistic expectations and that it is expecting a better outlook for Q2. On a brighter note, YouTube ad revenues rose by 33% in Q1, which is considerably higher than pre-pandemic growth expectations.

[emarketer.com](#), 29 April 2020 (Perrin)

Social media

Using third parties in social media advertising

Social media marketing has become a powerful medium for brands but there has been a blurring of lines between what is private and personal and what is commercial. This becomes harder when an individual, or an influencer, posts both personal and commercial content on the same social media account. This article provides an overview of the rights that might be relevant for a brand owner (under trademark law, passing off and advertising rules) if a third party is using their brand without permission in advertising. It also offers advice for third parties who wish to use brands in their communications.

[lexology.com](#), 27 April 2020 (Swaine et al)

Television

ITV Covid-19 ad most liked by viewers

ITV's ad has sparked the most positive emotions of all the campaigns created specifically for the Covid-19 outbreak, according to research from Unruly. Its "Apart. But Never Alone" campaign, featuring Gordon Ramsay and Davina McCall, emerged top with 40.5% of viewers "intensely moved" by it. Rebecca Waring of Unruly, said that people found the familiar faces in the ad "reassuring" even though over half of respondents didn't remember the brand. The NHS's "Stay at Home" and Jack Daniels' "With Love, Jack" came in second and third places. The NHS's ad topped the ranking for creating the most favourable perceptions of the brand, according to 53.7% of viewers. Waring warns that many coronavirus ads feature similar messages which may lead to "viewer fatigue and low recall". Warmth and happiness are the main emotions that people want from brands at this time.

[prolificlondon.co.uk](#), 1 May 2020 (Peachey)

Packaging

The new plastic packaging tax

The UK plans to introduce a new tax on plastic packaging manufactured in, or imported into, the UK if it contains less than 30% recycled plastic. The tax, which would take effect in April 2022, is undergoing a period of consultation which has been extended due to Covid-19. This article examines the proposed tax, the definition of plastic, what constitutes packaging and what "recycled" means. It also

discusses the ramifications for businesses.
lexology.com, 29 April 2020 (Lloyd and Almond)

Retailing

Supermarkets must adapt for online future

People have changed the way they shop due to the coronavirus. Online sales made up 10.2% of grocery sales in April compared with 7.4% in March, according to Kantar. The over-65s have adapted particularly fast by increasing their online grocery spend by 94% year-on-year. Supermarkets have also had to adapt rapidly, with Tesco increasing its online capacity by 103% while Aldi has launched its first online grocery service. Sainsbury's boss, Mike Coupe, believes that many new online habits will "stick". Almost a third of its sales are through its Smart Shop scan-as-you-go technology which means that people may not go back to the usual checkout. Grocers must be considering the future of the sector and how they can innovate to gain a competitive advantage in the longer term.

marketingweek.com, 1 May 2020

Q1 adspend on Amazon

Amazon has been experiencing volatile shopping conditions as stockpiling has led some stocks to run out while lower prioritisation of nonessentials has meant that advertising in many categories has slowed. Nevertheless, Q1 client spending on Amazon's Sponsored Product ads rose by 67.3% and on Sponsored Brand ads by 118.3% compared with Q1 2019, according to marketing agency Merkle. Ad reporting for Amazon varies depending on the source, but this is likely to be because the effects of the pandemic vary hugely according to the type of product being sold. While categories, such as auto and clothing "have just fallen off a cliff in terms of both demand and thus [ad] spending", others, such as DIY, tools and consumer electronics have seen increased demand, says Melissa Burdick of tech company Pacvue. The toy category has seen brands triple their average daily ad spending in March.

emarketer.com, 30 April 2020 (Perrin)

Services

Back-to-work software for social distancing

Salesforce has developed a set of online tools for employers who want to bring their employees back to work after the lockdown. The company's new "crisis command centre", known as Work.com, allows managers to track the safety of reopening offices, factories and shops. Even when people go back to work, they will have to observe social distancing. This might include reserving a time for travelling in the lift and for lunch breaks. Workers might also have to fill in daily health surveys. The Salesforce technology can be integrated into companies' own apps and internal websites.

telegraph.co.uk, 4 May 2020 (Titcomb)

Autonomous hotel allows social distancing

Southern Grove, a developer, is to build its first autonomous city centre apartment hotel in Sheffield. Named "The Workshops", it is a brand-new concept that has similarities to Airbnb in that it offers short-term city lets. Guests can book online, receive a code and access the apartments without having to speak to a receptionist. The company emphasises that when the concept was first proposed, social distancing was not an issue but that the scheme will help guests to avoid human contact.

constructionenquirer.com, 2 May 2020

Transport and travel

Public transport use will fall post-lockdown

According to a new poll, the number of people using public transport in Britain's cities could fall by 20% after the coronavirus lockdown ends, while buses and tubes in London could see a 40% fall in commuter use. The survey, by transport consultants SYSTRA, looks at changes in people's attitudes about returning to work. It does not make good reading for public transport operators which will see a sharp downturn in income. However, 24% of people who said they would reduce their public transport use indicated that they would work from home more, which would be better for the environment. Videoconferencing will do well too, with 67% of people saying that virtual meetings could replace some or all business trips.

bbc.co.uk/news, 25 April 2020 (Harrabin)

Fewest cars sold in UK since 1946

Just 4,321 new cars were registered in the UK in April, the lowest since 1946. In April last year 161,064 cars were sold. According to the SMMT, 70% of cars were bought by companies as fleet vehicles. The closure of car dealerships has exacerbated the problem. Theo Leggett, business analyst, says what really matters now is what happens when the lockdown eases and customers can go back to the showrooms. One would expect pent-up demand but then many people are struggling financially and the country is likely to enter a recession.

bbc.co.uk/news, 5 May 2020

Written by CIM's Knowledge Services Team

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