

# Cutting Edge: Our weekly analysis of marketing news

3 June 2020

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

**Quick [links](#) to sections**

## Marketing trends and issues

### Advertising

#### How ad investment is impacted by Covid-19

The latest *Global Ad Trends* report from Warc looks at the effect of Covid-19 on ad investment. Ad investment is predicted to fall by 8.1% worldwide this year but the downturn will be less extreme than in 2009 when it fell by 12.7%. Traditional media, not surprisingly, will do worse than digital media but almost all product sectors will suffer. The worst affected will be travel and tourism, down by 31.2%; leisure and entertainment (-28.7%); financial services (-18.2%); and retail (-15.2%).

**[content.warc.com](http://content.warc.com), May 2020 (McDonald and Clapp)**

#### WFA – guide to data ethics in advertising

The World Federation of Advertisers (WFA) has launched a guide on data ethics in advertising to encourage brands to go beyond simply complying with data privacy rules. The *Data Ethics - The Rise of Morality in Technology* guide sets out four key principles: that all data usage should respect the people behind the data and businesses must use consumer data to improve people's lives; data usage should be inclusive, embrace diversity and remove bias; brands should be accountable; and brands should be transparent with open and more honest data practices. This follows a WFA survey revealing that 74% of CMOs expect data ethics to be more important to their role over the next five years and 82% of marketers would consider leaving their employer if their approach to data was not ethical.

**[marketingweek.com](http://marketingweek.com), 1 June 2020**

#### The rules of advertising during Covid-19

The rules on advertising and marketing haven't changed since the onset of the coronavirus but the

circumstances have. Since lockdown, both the ASA and CMA have published guidance and rulings setting out revised priorities and policies. In general, the regulators are reminding businesses about key areas of compliance so the guidance will be valid beyond the pandemic. This article looks at what the ASA is saying about gambling; promotions; subscription services and free trials; and the advertising of coronavirus-related products. It also considers what the CMA is doing; the problem of online disinformation; influencers; and the fact that advertisers should not be seen to be taking advantage of the crisis or, indeed, "coronawashing".

**[lexology.com](http://lexology.com), 28 March 2020 (Jupp and Heywood)**

#### How effective is multi-screen advertising?

Previous research into simultaneous multi-screening has shown that it distracts consumers and hampers their cognitive processing. Here the authors investigate whether, and how, simultaneous multi-screening can harm advertising effectiveness. They also test the conditions in which an additional mobile advertising impression can impact the effect of multi-screening on advertising effectiveness. The results suggest that multi-screening decreases advertising effectiveness. However, an additional mobile advertising impression of the same brand can lessen the effect, but only when the additional mobile ad does not lead to high levels of distraction from the desktop ad.

**[Journal of Interactive Marketing](http://Journal of Interactive Marketing), Vol 50 May 2020, pp81-99 (Hoeck and Spann)**

#### Humour and female-disparaging ads

The study looks at whether advertising strategies that use themes that are disparaging towards females are perceived as ethical, and what effect this has on ad and brand attitudes. In particular, it investigates the impact of humour on ethical evaluations of female-disparaging ads. The findings,



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based on 336 British respondents, suggest that non-disparaging and non-humorous ads are considered the most ethical while disparaging ads (regardless of the level of humour) are the least ethical. In general, female-disparaging ads are perceived as unethical and to be avoided. Advertisers should also avoid using female-disparaging advertising themes, even tongue-in-cheek ones, since they are risky for both the ad and the brand.

**Journal of Business Ethics, Vol 164(1) June 2020, pp1-16 (Grougiou et al)**

## Agencies

### Top 50 digital agencies in the North

The 2020 *Prolific North Top 50 Digital Agencies* has been unveiled. It covers the north of England's leading digital agencies in the fields of SEC, PPC, web, content, mobile and e-commerce. A webinar of the *Top 50* release, in which CEOs of two of the top agencies discussed the opportunities and challenges of running an agency during Covid-19, is available to watch. Top of the ranking is Stickyeyes (Leeds), followed by Visualsoft (North-East) and Dept (Manchester). And Digital is the highest climber, rising 18 places to 11<sup>th</sup>. Six Leeds agencies appear in the top ten.

**prolificnorth.co.uk, 22 May 2020 (Prior);**  
<https://www.prolificnorth.co.uk/news/digital-agency-news/2020/05/prolific-north-top-50-digital-agencies-2020>

## Brands and branding

### Brands should assure rather than reassure

Brands should offer assurance, rather than reassurance, to consumers as they come out of the pandemic. Assurance is more than just providing a warranty; it should at the very least involve leniency and flexibility because people are uncertain of their economic future. People are also looking for safety, especially in retail environments. Brands should also maintain good communications with consumers during this time. A *Harvard Business News* article argued that consumers expect a lot from brands, regarding them as "critical partners" with a "powerful platform" to deliver information. Yet brands can't just adopt new messaging for the sake of it. They should first undertake some consumer research to prevent mistakes. Here are some steps that brands can take to start assuring consumers.

**ama.org, 22 May 2020 (Johnson)**

### Achieving a social purpose

Some global health problems can be prevented by persuading people to change their behaviour, something marketers are rather good at. Brands have a key role to play in this, according to Myriam Sidibe, Unilever's first social mission director. In this article she sets out a five-part framework for brands who want to achieve a social purpose. This involves: inspiring individuals to change behaviour; winning internal support; measuring performance at multiple

levels; partnerships; and inspiring a broader movement. Unilever's Lifebuoy and Knorr brands have made progress in reducing disease and bad nutrition in the developing world but at the same time have succeeded in boosting profits and growth.

**Harvard Business Review, May-June 2020, pp134-144 (Sidibe)**

## Children

### Advertising and marketing rules

Children often see marketing campaigns that are designed for adults, hence the rules aimed at protecting children from inappropriate advertising material. Children are usually defined as under-18s but in some regulated situations they are under-16s and children are very different from each other in terms of development. This makes the regulation of advertising and marketing difficult and businesses can find it hard to know when they've crossed the line. This article considers the ramifications of the CAP code; unfair commercial practices (The Consumer Protection from Unfair Trading Regulations 2008); and the future regulatory landscape. It looks at the ASA's use of online avatars, which simulate a child's online profile, to discover the type of ad they may be exposed to. The ASA has already taken action against HFSS and gambling ads served to these avatars on children's websites and YouTube.

**lexology.com, 20 May 2020 (Jones)**

## Conferences and events

### Rethinking communication

The event industry, which thrives on face-to-face communication, has had to shift to remote communication. Exhibition organisers in particular have had to rethink their business and their offerings to exhibitors. There has been a rise in "permission selling" during lockdown, according to Raoul Monks of Flume Training, with pre-booked conversations taking priority over un-scheduled sales pitches. "What should have always been the way people sell now has to be the way people sell", argues Monks. According to Mike Seaman, CEO of Racoon Events, it's a question of updating the client about what is happening and prioritising the long-term relationship, rather than trying to upsell. Now is the time for exhibition organisers to innovate and look critically at the exhibitor experience. Since the way clients make decisions has probably changed forever, organisers should change their sales approach. Right now, their job is to provide a connection for buyers and sellers, brands and audiences, thought leaders and communities.

**citmagazine.com, 26 May 2020 (Macdonald)**

### European conventions – recovery scenarios

The Strategic Alliance of the National Convention Bureaux of Europe has released the results of its study, *The Impact of Coronavirus on Europe's*

*Convention Sector.* It aims to provide a constructive way forward for the meetings and conference sector through the crisis and towards recovery. It sets out three scenarios (baseline, upside and downside) to reflect the possible range of outcomes from the crisis. The baseline scenario sees all planned events across Europe being cancelled up to August, with up to 75% going ahead in September and October and a full recovery by November. The upside and downside scenarios offer two very contrasting forecasts with business convention tourism falling between 36% and 77% this year.

**eventindustrynews.com, 29 May 2020 (Parry)**

### **Publishers switching to virtual events**

Thousands of publisher-planned events have been cancelled due to the pandemic, which has left them with the choice of shifting to a digital format or cancelling everything. Here the director of Next Web (owned by the *FT*), the CCO of Bloomberg Media, MD of FT Live and the CMO of Verizon, explain how they are tackling the pivot to digital and what it means for a return to physical events.

**thedrum.com, 28 May 2020 (McCarthy)**

### **Consumer behaviour**

#### **Pandemic product revival**

Over the years Millennials have been blamed for “killing” off a variety of products that have since struggled with sales. But the coronavirus has changed both consumer behaviour and their purchasing decisions due to factors such as availability, price and durability. For example, as consumers are visiting shops less often, they tend to choose products that have greater longevity. They don't want to be confused by too much choice, says Greg Portell, a partner at Kearney, who refers to a “simplification of the consumer perspective”. Experts believe that marketers have an opportunity to highlight categories that have gained ground and to focus on these in their promotions. Some of the categories that had previously been in decline but have revived during the pandemic (from a US perspective) include: napkins for the dinner table, American cheese, golf, cereal and beer.

**adage.com, 20 May 2020 (Pasquarelli)**

#### **Consumers – more emotional with brands**

Working at home during Covid-19 has led to changing consumer habits. Analysts at BrightEdge reviewed consumer behaviour between March and mid-May. It then organised industry insights into four sections: Rebounding, Accelerating, Stabilising and Recovering. It found that consumers are having more emotional experiences with brands as they search online for products and services. The customer journey has changed in response to this changing behaviour and marketers need to reconsider the marketing mix and the role of digital.

**mediapost.com, 22 May (Sullivan)**

### **Customer relations**

#### **Segmented customer experiences**

It's unlikely that you will have a homogenous customer base which is why it is useful to create unique user experiences on your website to suit each segment of your audience. Here is some advice for creating personalised, segmented user experiences on a website. It includes creating target market personas; allowing customers to self-select the appropriate segment; designing unique landing pages; offering content that is relevant to each segment; and investing in hub pages which can establish thought leadership in specific areas. By identifying different customer personas and journeys, you can build trust and move new prospects towards a sale.

**ducttapemarketing.com, May 2020 (Jantsch)**

### **Direct marketing**

#### **Reopening operations – opening messages**

As the pandemic subsides, businesses are left wondering about the best way to reopen while at the same time considering the wide-ranging attitudes of their audience to the pandemic. The optimal way forward is to pick the approach that aligns closest with customers and website visitors. Your opening communication strategy should involve a set of coordinated statements that are modified according to the channel, whether it be email, social media, video and so on. This enables you to convey that all-important empathy. Here are three steps that can help you to find ways of tailoring the message in a way that is appropriate to the company, market and customers.

**marketingland.com, 18 May 2020 (Phelan)**

#### **Animation and real-time content in email**

Animation and real-time content are effective marketing tools and an important part of creative email campaigns. The DMA's Email in Practice Hub has produced a report entitled *Animation and Real-Time Content* in which it looks at how you can create interactive content for your email campaigns. It includes guidance on when and why you should use animation and real-time content and how they can boost profits and lead to higher returns. It also presents five case studies illustrating their effective use.

<https://dma.org.uk/article/email-in-practice-animation-and-real-time-content>, 30 April 2020

### **Law**

#### **Explaining AI for businesses**

The ICO, in collaboration with the Alan Turing Institute, has published guidance for businesses on explaining decisions made with AI in three areas: the basics of explaining AI (for DPOs and compliance teams); how it works in practice (for tech teams); and internal considerations (for senior management). The guidance should help businesses

to achieve transparency and accountability in what is a difficult area. The guidance also references legal considerations with regard to AI.

**lexology.com, 22 May 2020 (Gates);**  
<https://ico.org.uk/for-organisations/guide-to-data-protection/key-data-protection-themes/explaining-decisions-made-with-artificial-intelligence/>

### **Nestlé's burger no longer incredible**

Nestlé's plant-based Incredible Burger has been forced to rebrand after Impossible Foods, the meat substitute producer, launched a legal challenge against it. A court in the Netherlands decided that Nestlé's burger had infringed trademarks held by Impossible Foods and would cause confusion. The judge said that Nestlé had "tried to frustrate Impossible Foods' entry into the European market by offering its own plant-based foods under a similar name". Nestlé, which has just four weeks in which to remove the old product from the shelves or be fined €25,000 a day, says it is appealing. Meanwhile its burger has been rebranded to Sensational Burger.

**marketingweek.com, 1 June 2010**

## **Marketing**

### **Three ABM myths**

Delivering an exceptional customer experience is the basis for success and customers will gravitate towards companies that offer the best experience. But why is the buying experience for B2B companies so patchy? B2B still lags far behind the B2C experiences that consumers have come to expect. ABM was meant to be the answer to delivering a personalised buying experience for businesses but many marketers have yet to see the benefits. ABM has led to three myths that are hindering companies in their ability to deliver a successful strategy: that it is exclusively for marketers; that it is for big companies only; and that it can't coexist with inbound marketing.

**blog.hubspot.com, 19 May 2020 (Orfanos)**

### **What should marketers do for their clients?**

During this difficult period, marketers should do what they do best and that is to be creative. Clients need insight and resources to help them get their businesses through. Seven key things that marketers can do to help their clients are: offering resources and content for free; increasing communication and community outreach; encouraging transparency; offering virtual experiences; looking at new partnerships; pivoting when needed; and campaigning for the future.

**digitalmarketer.com, 19 May 2020**

### **What should marketers be doing now?**

As economies open up again, organisations must refocus their products and services as well as the value they offer to customers. Marketing teams that

do this successfully need to start by asking some basic questions: do you and your customers understand the company's "shared purpose"; do your products and services focus on driving profitable revenue; do your CRM and marketing automation systems help you to target likely buyers; and are you creating content that differentiates you and inspires your audiences to act? Here is some advice for using your marketing activity to drive revenue today and to grow your customer base and its lifetime value in the future.

**brandculture.com, May 2020**

### **More US CMO roles held by women and BAME**

The number of women holding the title of chief marketing officer (CMO) has risen significantly in the US: 43% were women in 2019, up from 36% in 2018, according to a survey by Spencer Stuart. Among all CMOs who took up their post last year, 19% were from BAME backgrounds up from zero in 2018. The study was based on the CMOs of 100 of the most-advertised US brands. These figures indicate that some progress has been made, but it contrasts with *Marketing Week's 2020 Career Salary Survey* which shows that there is still work to be done on improving diversity in the UK boardroom, which tends to be white, middle class and male.

**marketingweek.com, 28 May 2020 (Hammett)**

### **Adapting to changing marketing environment**

Marketers are having to adapt quickly to a constantly evolving field as new tools and platforms appear on the scene. There are eight steps you can take to help you adapt to the many changes that marketers face on a daily basis. These have been developed by the author and other marketers with experience in events, field marketing, email marketing and marketing strategy.

**themuse.com, May 2020 (Kearl)**

## **Market research**

### **Instability of customer satisfaction scores**

Customer satisfaction is often used as a business performance metric yet little is known about the stability of individual's satisfaction scores. Unstable scores have significant implications for market research design and managerial actions. This study seeks to test the stability of satisfaction scores using a survey in which the same respondents were interviewed six weeks apart. The results suggest that those who give a low or high score the first time tend to regress up or down towards the overall average score the next time. The implications are, firstly, that interventions aimed at low or high-satisfaction customer groups need to take regression to the mean into account; secondly, that attempts to relate individual's satisfaction scores to future behaviour (such as loyalty and brand switching) should use scores averaged over two surveys; and, thirdly, that the common belief that dissatisfied

customers will tell more people about it compared with satisfied customers, is not necessarily valid.

**International Journal of Market Research, Vol 62(3) May 2020, pp262-271 (Dawes et al)**

## **Public relations**

### **Limiting social media firestorms**

United Airlines' stock price plummeted after a disgruntled customer, who didn't receive compensation after his \$3,500 guitar was smashed by baggage handlers back in 2008, posted a video about the incident on YouTube. The airline finally sought to make amends but the reputational damage was done. Researchers at KEDGE Business School in France have been looking at the lack of a coherent strategy among companies for managing social media posts and the "firestorms" that can occur when someone posts a complaint and others wade in. They have developed several recommendations for identifying posts at risk of going viral; preventing potential firestorms; and limiting the damage if a negative post goes viral.

**Harvard Business Review, Vol 98(3) May-June 2020, pp19-22 (Bower)**

### **Dominic Cummings – a PR disaster?**

Dominic Cummings' coronavirus road trip and his ensuing press conference has prompted negative responses from the PR community on one hand, and more positive ones from those aligned with the Conservative Party on the other. Most PR pros are in agreement that Cummings broke the "rules" of crisis communications, which are to be "quick, clear, consistent, empathetic, apologetic" according to Tim Toulmin, MD of Alder. HP's UK and Ireland comms director, George Baggaley, says the press conference has made "large swathes of the public confused and enraged" and will damage its faith in the Government's coronavirus comms. As Hannah Patel, EMEA director of Red Lorry Yellow Lorry so succinctly put it, the press conference was "a poor attempt at polishing a turd!"

**prweek.com, 26 May 2020 (Hickman)**

## **Sponsorship**

### **Brands can use their Olympics partnerships**

The Tokyo 2020 Olympics has been postponed until next year which leaves sponsors in uncharted territory with regard to their association with the event. Most Olympic partners, such as Samsung have responded to say they remain, "fully committed to supporting the Olympic Movement globally". Others, such as Visa, have reinforced their commitment to the athletes who were due to take part in the 2020 Games. Toyota's "Heroic Medal" campaign for frontline workers during the pandemic, reflects its belief that the Olympics is sufficiently compelling without actually having to take place this year. The Olympics promotes values, such as respect and unity, which is what people need more

than ever at the moment. This provides an opportunity for sponsors to consider purpose-driven campaigns or working with athletes to make people's lives happier. Advertisers who remain active are likely to recover faster from the crisis and this summer the Olympics offers a platform for doing just that. A campaign that aligns with how people are feeling can create more impact and value for brands ahead of the actual event in 2021.

**sportbusiness.com, 1 June 2020 (Venn)**

### **Kappa to sponsor Rugby League World Cup**

Kappa, the sportswear brand, is to sponsor Rugby League World Cup 2021 (RLWC2021) which includes supplying kit to all match officials and staff. It will also create a merchandise range which will be sold online. The Kappa "Omini" logo represents gender equality and community which aligns with Rugby league values, according to RLWC2021 commercial director Jonathan Neil.

**marketingweek.com, 26 May 2020**

## **Agriculture, fishing and forestry**

### **Vending machines a new channel for farmers**

More farmers are investing in vending machines which can open up the market for them by providing contactless sales to consumers. JSR is a supplier of fresh produce vending machines to farmers. Stuart Retson, the firm's sales and marketing director, says that, while people working with honesty boxes are being "overrun", vending machines contain "Everything you get in a farm shop", from ready meals through to Wagyu beef steaks and dairy products. The machines use software that tracks sales and tells the farmer when to restock.

**fwi.co.uk, 29 May 2020 (Henderson)**

### **Watercress season kicks off**

The UK watercress season is under way despite the absence of the annual Alresford Watercress Festival. The watercress beds, split between Hampshire and Dorset, allow up to six crops a year with an expected 600 tonnes between now and late October. The Watercress Company has had to recruit a range of workers from different industries due to a lack of seasonal workers from overseas. Sales of watercress have been slow this year mainly due to changing shopping habits but there are signs that things are ramping up.

**farminguk.com, 28 May 2020**

## **Building industry**

### **Buildings as "transformers"**

Built-environments can take on new roles during a crisis, as in the case of the Nightingale hospitals and Ikea car parks being used as testing centres. The

current pandemic will make developers and government reconsider the flexibility of buildings and their intended use. The author argues that the repurposing of a building should be designed into their original structures and that new-builds from governmental bodies should be required to have flexible design and use. For existing buildings, project teams will need a communications structure that connects all parts of the chain.

**constructionnews.co.uk, 29 May 2020 (van de Rijdt)**

### **Output down by 25% this year**

UK construction output is expected to fall by 25% this year but recover strongly in 2021, according to the Construction Products Association (CPA). However, it will still finish 6% lower than last year because of the effect of the pandemic. This is the most optimistic of three scenarios and is based on a "V-shaped" recession for March, April and May followed by a recovery from June. The greatest impact of the lockdown has been seen in the private housing sector, according to CPA economics director, Noble Francis. He warns that productivity on sites has fallen significantly due to social distancing and other safety measures. This means that construction will take longer and cost more.

**constructionenquirer.com, 27 May 2020 (Morbey)**

### **Guide to boost women in construction**

Sir Robert McAlpine, along with Construction Scotland Innovation Centre, Equate Scotland and City of Glasgow College, has launched a free online tool aimed at helping employers to attract more women into the construction industry. The *Inclusive Value Guide* helps to identify where equality and inclusion efforts should be focused, provides practical advice and highlights areas of good practice across the UK.

**theconstructionindex.co.uk, 28 May 2020;**  
<https://inclusivevalue.co.uk/>

## **Businesses and strategy**

### **Using sales data across the organisation**

Technology has disrupted B2B sales, with technology and data being more important than ever. Generic targeting simply doesn't work anymore since buyers respond to just one out of 18 sales calls and open one in four emails. This means that sellers must target the right lead at the right time and offer a differentiated message. Doing this at scale requires a focus on quality and it also requires data. A data-driven sales organisation creates value for other business functions, from marketing through to corporate strategy. Leaders should act to put sales data and analytics into action across the entire organisation. This includes closing the data gap between sales and marketing.

**hbr.org, 20 May 2020 (Merwin)**

### **The value proposition**

A value proposition is a statement that explains why a customer should buy your product or service, what differentiates your offering and why it is unique and the best choice. Value is a word that has been over-used by brands but it is brands that can offer real value to customers, and communicate it in a meaningful way that will survive economic downturns. Despite many brands having established value propositions, 69% of B2B firms, 54% do not optimise their value propositions. Now is the time to do something about it. This article explains what a value proposition is (and isn't) and sets out the four elements of a value proposition that instil trust. It also gives some real-life examples.

**clearvoice.com, 26 May 2020 (Skrabenek)**

### **Gender pay gap rises amid lapse in reporting**

Over the past year the number of UK organisations doing gender pay gap reporting has halved leading to concerns that the pandemic will affect equality in the workplace. In the year to April, the average pay gap rose from 11.9% to 12.9% but only half of the UK's eligible employers submitted data. The UK Government had relaxed rules on reporting the pay gap this year because of the coronavirus. A report from the Equality Trust, a UK charity, says that eliminating the gender pay gap among FTSE 100 companies could take almost 200 years at the current rate of progress.

**ft.com, 28 May 2020 (Wisniewska and Thomas)**

### **Smallest firms shift exports away from EU**

A new report from Aston University suggests that the UK's smallest firms are diverting exports away from the EU and instead focusing on sales to countries in South America and east Asia. Small businesses are taking action to avoid the possible collapse in Brexit talks at the end of this year. The researchers reckon that micro-firms have shifted more than £10 billion a year in exports to other markets since the Brexit vote in 2016. Official figures show that the share of UK exports to the EU has fallen over time as businesses have ramped up sales in other regions.

**theguardian.com, 1 June 2020 (Partington)**

## **Charities and NGOs**

### **Digital challenges and their solutions**

The current crisis has focused attention on the importance of digital and the digital obstacles that charities might need to tackle. Here are some of the more significant problems that charities could face and suggested solutions to them. The obvious one is digital fundraising, absolutely essential in the face of increased demand for charity services at a time when face-to-face collecting, charity shops and mass participation events are off the agenda. Other obstacles are: digital service delivery (in many areas

it can't replace face-to-face); digital technology skills (having to adopt a range of new technologies while working from home); and developing a digital strategy (*The Charity Digital Skills Report 2019* revealed that 52% of charities still don't have a digital strategy).

**charitydigital.org.uk, 28 May 2020 (Rubens)**

### **Brand – charity best practice guide**

The *Brand 360: a charity best practice guide* aims to help charities make their brands seen and heard. The guide covers: understanding the brand, assessing the brand, creating a strong brand and activating the brand. There are nine case studies highlighting successful charity rebrands, including Fight for Sight, Parkinson's UK, British Heart Foundation, Samaritans and CrimeStoppers.

**charitycomms.org.uk, 20 May 2020 (du Bois and Dufour)**

## **Durable consumer goods**

### **Pandora aims for recycled silver and gold**

Pandora, the world's largest jeweller, plans to use only recycled gold and silver in its products and to replace mined precious metals by 2025. It already uses recycled silver and gold in most of its own products but now wants all of its suppliers to reach the 100% recycled target with the aim of becoming carbon neutral by 2025. The company hopes to extract silver from sources, such as electronic waste, where only 35% of silver is currently taken out. However, it realises that it may have to persuade customers that there is no difference between mined and recycled precious metals.

**ft.com, 2 June 2020 (Milne)**

## **Economy**

### **Public sector finances**

The Covid-19 pandemic is expected, not surprisingly, to have a significant effect on UK public sector finances. This release gives provisional estimates for the year April 2019 to March 2020, while stressing that the extent of the impact of Covid-19 is as yet unknown. It is estimated that borrowing in the latest financial year was £62.7 billion, up by £22.5 billion on the year before. Debt (public sector excluding banks) reached £1,887.6 billion (97.7% of GDP) at the end of April, up by £118.4 billion, or 17.4%, on April 2019 and the biggest year-on-year rise in debt as a percentage of GDP on record.

**ons.gov.uk, 22 May 2020 (Munro);**

<https://www.ons.gov.uk/economy/governmentpublicsectorandtaxes/publicsectorfinance/bulletins/publicsectorfinances/april2020>

### **Social impact of coronavirus**

The ONS's latest release on the effects of the coronavirus on people in Great Britain, reveals that the most common impact is the lack of freedom, with 65% citing this. Although 80% said they had

enough information to protect themselves, 14% of adults said they had not left their home over the past seven days, while 33% of those with an underlying health condition had gone out. Some 41% of adults said they felt unsafe when leaving home, 39% said they had visited a park or green space over the past seven days and 17% said they had met up with friends or family outside their household. The data relate to a survey undertaken between 14 and 17 May.

**ons.gov.uk, 22 May 2020 (Davies);**

<https://www.ons.gov.uk/peoplepopulationandcommunity/healthandsocialcare/healthandwellbeing/bulletins/coronavirusandthesocialimpactsongreatbritain/22may2020>

### **Record savings while others struggle**

The coronavirus has forced people to save their money "on an unprecedented scale". The Bank of England says that deposits rose by £13.1 billion in March, a record monthly rise. Stockbroker Peel Hunt estimates that UK households will save £120.8 billion this year compared with £38.2 billion in 2019. However, those benefitting are at the top end of the income bracket while lower-income workers have suffered from job losses and reduced hours. The question is whether people will go back to normal spending patterns after the pandemic? It is likely that people will head off to the shops with their savings when they reopen in June, although this will not be the case for the more hard-pressed half of the population.

**theguardian.com, 29 May 2020 (Collinson)**

## **Education**

### **HE brands and brand architecture**

Corporate branding is a strategic issue for universities as the global higher education marketplace is becoming increasingly competitive. It is unclear how universities develop and manage brand strategies, and whether they can utilise any meaningful connections with the various stakeholders and sub-cultures engaged with a university's brand. This study, based on qualitative data from an established UK university, revealed that the faculties and university had competing brand identities and images. It found that a strong faculty brand was co-created through the "shared teacher related values of staff and external partners". The authors propose a new brand architecture model which more accurately reflects the management of sub and corporate higher education brands.

**Journal of Strategic Marketing, Vol 28(4) June 2020, pp336-349 (Spry et al)**

### **Controversial cap on student numbers**

On Monday the Government placed a temporary cap on UK university enrolments, a move aimed at preventing Welsh, Scottish and Northern Irish universities from recruiting too many students from

England. This has led to fears that English universities would be able to “raid” Welsh universities for students although, in fact, the cap applies to England as well. The fall in international student numbers may mean that universities try to recruit more UK-based students than usual. The cap, which aims to prevent over-recruitment to make up for lost revenues, will see numbers restricted to 2019-20 levels plus 6.5%. Welsh Education Minister Kirsty Williams has expressed her concern at a decision made “in and for England” and wants a solution “compatible with devolution”. Around 40% of Cardiff University’s undergrads come from England.

[bbc.co.uk/news](http://bbc.co.uk/news), 2 June 2020

## Energy and utilities

### **Gas operators invest in first zero carbon grid**

Britain’s five network gas operators have plans to invest over £900m over the next five years to “lay the foundations for the world’s first zero carbon gas grid”. Most of the money (£446m) will be allocated to developing new networks needed to deliver hydrogen to homes and businesses, including carbon capture and storage networks. Coinciding with this, the Energy Networks Association has produced a report stating that the £182 billion in investment needed to decarbonise gas networks could be paid back through benefits to consumers by 2045.

[utilityweek.co.uk](http://utilityweek.co.uk), 28 May 2020 (Grimwood)

### **Approval for UK’s biggest solar park**

Last week Alok Sharma, secretary of state for BEIS, granted approval for the biggest solar farm in the UK. The Cleve Hill Solar Park, to be located near Faversham in Kent, will be the first to be designated as “Nationally Significant” because of its sheer scale with 880,000 panels. The park has inevitably received much opposition from local groups concerned about its impact on the countryside. Over the years the variable nature of UK support for the solar sector has led to it being dubbed “solarcoaster”. The implications of the latest development are discussed.

[solarpowerportal.co.uk](http://solarpowerportal.co.uk), 1 June 2020 (Lempriere)

## Environment

### **Virus hampers single-use plastic reduction**

Reusable cups are banned from coffee shops for hygiene reasons which means that disposable cups are back on the menu. The fear of being infected by Covid-19 has driven consumers back to disposable packaging. Buying food to eat at home, rather than eating out, has also ramped up the amount of packaging in use. Meanwhile the UK ban on plastic straws and stirrers has been delayed by six months. The economic downturn of 2008 hindered progress on climate change action. Now there are fears

among campaigners that the coronavirus will have the same effect on the reduction of single-use plastic.

[ft.com](http://ft.com), 31 May 2020 (Evans et al)

### **Businesses believe they will get to net zero**

A survey of businesses by *Energy Live News* reveals that 73% believe that the Covid-19 has not pushed back their plans of reaching net zero emissions while 78% say that this is the right time to be capitalising on their net zero plans. Some 22% said that the virus had delayed their net zero targets. The conclusion is, firstly, that many businesses see the current situation as a business opportunity to use technologies like biomass; secondly, that many believe the coronavirus has forced behaviour change; and finally, that the pandemic has encouraged us to think more about the wider society and the planet. The full results of the survey are set out in this article.

[energylivenews.com](http://energylivenews.com), 1 June 2020 (Bose)

## Fashion

### **Adidas and Allbirds in low carbon partnership**

The footwear industry is responsible for emitting 700m metric tonnes of CO<sub>2</sub> a year. Now shoe brands Adidas and Allbirds are collaborating to address the problem with the aim of creating the lowest ever carbon footprint for a sport performance shoe. The collaboration will involve innovation in manufacturing and supply chain processes as well as renewable materials.

[marketingweek.com](http://marketingweek.com), 26 May 2020

### **Boohoo accused of fake promotions and sales**

Lawyers in the US are mounting a £100m lawsuit against Boohoo with accusations that it has misled shoppers through fake sales and promotions. The law firms say that the company is using fake “original” prices on products so that the new “sale” prices appear to be low. The company’s subsidiaries, PrettyLittleThing and Nasty Gal, are also involved in the case. Since its foundation in 2006, Boohoo has grown rapidly by acquiring struggling fashion brands such as Karen Millen and Coast.

[fashionunited.uk](http://fashionunited.uk), 2 June 2020 (Hughes)

## Financial services

### **110m more contactless cards this year**

The number of contactless payment cards issued this year will rise by 110m, bringing the total in circulation to two billion. Covid-19 is the driving force behind this rise, according to analysts at ABI Research, because cards are regarded as a more hygienic solution for close proximity payments. This message is being reinforced by major players who are changing their marketing messages from the convenience of contactless transactions to the



health and safety aspects. Worldwide, contactless adoption is predicted to increase by 6% to 8% compared with pre-coronavirus expectations. This comes hand-in-hand with changes in consumer spending habits and a greater reliance on online retail channels. The coronavirus could also help to spur the development of next-gen payment factors, such as biometric cards, which offer a solution for a contactless card experience without limits.

[nfcw.com](http://nfcw.com), 14 May 2020 (Clark)

### **Mortgage holidays could affect credit rating**

Nationwide Building Society has seen pre-tax profit fall to £466m in the year to April, down from £833m the year before. The Society said it was already facing pressure on profits before the coronavirus. People have been taking mortgage holidays during the pandemic which has hit profits by £101m. While mortgage holidays allow people to defer payments without hurting their credit rating, Nationwide warns that taking a second mortgage holiday could mean that a borrower's credit file might be marked. According to data from UK Finance, the UK banking sector has approved 1.8m mortgage holidays.

[bbc.co.uk/news](http://bbc.co.uk/news), 29 May 2020 (Peachey)

## FMCG

### **Beverages**

#### **Alcohol – the new normal?**

Sales of alcohol for home consumption have been booming but when lockdowns end, "the golden age of booze is probably over", argues the author. The primary reasons will be social distancing and a lack of money. Economic hardship amongst consumers may hurt brewers more than other drinks companies but it is the craft firms that will be most exposed and some will either be sold or disappear. Other threats to the drinks industry are demography – Gen Z is less likely to consume alcohol than older generations – and cannabis use, which is an emerging alternative to alcohol for the young. This could also present an opportunity for drinks companies to innovate with e-commerce and new, direct to-consumer models.

[economist.com](http://economist.com), 23 May 2020

#### **Carlsberg and Marston's – mutual support**

A joint venture between Carlsberg and Marston's, announced last week, should be good for both brands. Carlsberg has been struggling over the past few years despite a rebrand and reformulation but the JV will broaden its offerings to include Marston's Pedigree and Old Empire beers. For its part, Marston's will benefit to the tune of £273m which will help its pub estate to stay viable during the coronavirus and cope with the coming recession.

[thegrocer.co.uk](http://thegrocer.co.uk), 29 May 2020 (Woolfson)

## **Cosmetics and toiletries**

### **Estée Lauder launches AI-based skin advice**

Estée Lauder is launching a skincare experience on WhatsApp to circumvent the problem of consumers not being able to get over-the-counter, face-to-face advice. Consumers will be able to talk to "Liv", an AI-based chatbot that will help them with a personalised skincare regime.

[marketingweek.com](http://marketingweek.com), 26 May 2020

## **Food**

### **Pandemic has boosted alternative proteins**

The US meat industry has suffered during the coronavirus with meatpacking facilities closing and farmers having nowhere to send their animals. Many animals have had to be disposed of. This reflects the complex nature of the supply chain with its many middlemen. Companies like Impossible Foods and Beyond Meat, who offer meat alternatives, are stepping in to cut out the middlemen. In the nine weeks to 2 May, sales of alternative meat products in US grocery stores rose by 264%, according to Nielsen. Even before the pandemic, these foods were making headway. These companies are able to quickly ramp up production in their factories in response to market conditions, compared with farmers who have to wait until their animals are the right size. Many of the big meat companies have launched plant-based options over the past year which also helps to boost industry incumbents.

[wired.com](http://wired.com), 19 May 2020 (Sneider)

### **Big food brands go direct**

Some big food brands, such as PepsiCo, have started to sell directly to consumers during the pandemic. Most grocery delivery operations don't make money but companies will be using the experience to discover what works in e-commerce and to gather data about customers. In the past, big food companies' initiatives to go direct have been mainly related to marketing. For example, Kellogg opened a cereal café in Times Square while Nestlé tried to deliver premium KitKat bars directly to UK households. There has been some friction between CPG and retail as supermarkets' own-brands have taken market share so the current situation presents an opportunity for food brands. Consumer desire for packaged food has ramped up during the coronavirus, but it is questionable whether they will find it as appealing after the crisis has passed. It is likely that food companies will benefit more from the data, testing and learning than from scaling up the commercial proposition, according to Steve Chantry of Kraft Heinz.

[ft.com](http://ft.com), 29 May 2020 (Gray)

### **Frozen ready meals out of favour**

Value sales of frozen ready meals have fallen by 15.4% in the four weeks to 19 April, as Britons have

turned to cooking from scratch during the lockdown, according to Kantar. However, ready meals have been in decline for some time: in the year to September 2019 they fell by £12.5m in value. By contrast, Iceland has seen growth of over 100% in frozen products which can be used for scratch cooking. Iceland has also benefited from selling Greggs' frozen snacks: sales have risen by over 100% year-on-year during the period of Greggs' closure.

**The Grocer, 30 May 2020, p30**

## **Tobacco**

### **The menthol cigarette ban**

The ban on menthol cigarettes took effect in the UK on 20 May, to conform with the new EU Tobacco Product Directive which makes menthol cigarettes illegal. The move aims to discourage young people from smoking by banning cigarettes with a "characterising flavour". Skinny cigarettes will also be banned under the same law. An appeal against the law by Philip Morris was previously rejected by the ECJ.

**inews.co.uk, 25 May 2020 (Schofield)**

## **Government and public sector**

### **Social networks – political misinformation**

The misinformation and disinformation about Covid-19 that has been seen on social media presents a problem for Facebook, Google and Twitter. All three platforms have been working to help promote suitable sources of health information while removing information that could be harmful. They have traditionally been reluctant to get involved with false information of a political nature. However, as health information becomes increasingly politicised, they may be forced to make a stand. The situation in the US has been exacerbated by President Trump's "false or misleading" statements on the coronavirus and its treatment. A Knight Foundation and Gallup Poll survey revealed that 54% of respondents perceived Donald Trump as one of the top two sources of Covid-19 misinformation along with social media.

**fastcompany.com, 29 May 2020 (Reader)**

## **Health and pharmaceuticals**

### **Watchdog criticises Covid-19 testing data**

Sir David Norgrove, chairman of the UK Statistics Authority, has criticised the way in which the Government has handled coronavirus testing data, accusing it of showing "the largest possible number of tests, even at the expense of understanding". On Sunday health secretary Matt Hancock boasted that the UK had exceeded its target of increasing testing capacity to over 200,000 a day, yet there are no data on how many of the tests posted out to people

have been successfully completed. Writing to Hancock, Sir David said that the statistics and analysis do not help the understanding of the epidemic or the management of the testing programme. The key message seems to be that public confidence will be undermined if the numbers are not transparent.

**bbc.co.uk/news, 2 June 2020**

## **IT and telecoms**

### **China aims to be the next 5G leader**

5G is in demand for emerging technologies such as autonomous driving, health tech, VR and AR. China appears to be leading the way in 5G deployment. This article sets out five reasons why China is in a good position to be a 5G leader: its consumers are more willing than other countries to pay more for 5G services than other respondents in a global GSMA study; its Government is investing heavily in 5G infrastructure; the country has begun launching new 5G-based initiatives, such as service robots to use during the coronavirus; 5G mobile connections are due to exceed those in the US fivefold this year; and all major Chinese smartphone brands have already launched 5G models.

**emarketer.com, 27 May 2020 (Cheung)**

### **AI is becoming emotionally intelligent**

Technology has no cognitive intelligence or IQ, which wasn't a problem back when it simply performed back-office functions. These days it is expected to act as a digital assistant and to interact with humans across a range of environments. This has led to the emergence of Emotional AI, which aims to respond to human emotions by reading facial expressions, scanning eye movements, analysing voice and identifying emotions expressed in emails. It is being used across industries such as advertising, call centres and insurance. Gartner predicts that by 2022 some 10% of all personal devices will include some form of emotion recognition technology.

**ft.com, 2 June 2020 (Thornhill)**

## **Leisure and tourism**

### **Virtual events – rights clearances**

Live entertainment events in front of an audience are likely to be one of the last things to reopen to the public. Creators and brands have responded by holding virtual events online, which has created an advertising opportunity for brands. Brands are using virtual events, such as recorded home performances, for advertising at a time when conventional video production remains unviable. Whatever the source, it is still necessary to obtain the necessary rights clearances for use of the content. The authors provide an overview of the rules on rights clearances for virtual events.

**lexology.com, 28 May 2020 (Zhu)**

### **Firms call for 14-day quarantine to be axed**

Over 200 travel and hospitality companies have joined the aviation sector in calling on the Government to relax quarantine rules. The new rules, due to be introduced on 8 June, require anyone entering the UK to quarantine for 14 days. The companies have proposed instead that "air bridges" should be created to allow travel between the UK and countries where coronavirus risks are low. The companies fear that other countries will impose reciprocal rules on UK visitors. They are also calling on the Foreign Office to review its advice to avoid all non-essential travel.

**theguardian.com, 1 June 2020 (Topham)**

## Materials and mining

### **Plastic roads ready for industrial production**

The world's first plastic cycle path, located in the Netherlands, has celebrated its millionth cyclist. The team, who installed the PlasticRoad in 2018, say it is now ready to be launched on to the wider market and the first deliveries are expected to be made early in 2021. The product, which is based on a circular model using recycled plastic, can take heavy loads and withstand a range of weather conditions. Meanwhile, in Australia, New South Wales has approved Downer's Reconophalt road surfacing material, which incorporates recycled soft plastics.

**theconstructionindex.co.uk, 30 May 2020**

## Media

### **Rise in broadcast and gaming audiences**

There has been a huge increase in the number of people watching TV, listening to radio and playing online games, according to the *Toluna and Harris Interactive Covid-19 Barometer*. It reveals that 89% of people are watching broadcast TV, 79% catch up TV and 74% broadcast radio; 49% are playing video games on a smartphone or tablet, 37% on a console and 39% on a PC. The coronavirus has also boosted reading, with 73% of people saying they are reading printed books, 44% e-books and 30% audiobooks. Steve Evans of Toluna and Harris says it will be interesting to see if the spike in gaming carries on after the virus.

**prolificlondon.co.uk, 29 May 2020 (Chapman)**

### **Film**

#### **A stately drive-in**

UK stately homes are to host drive-in movie theatres this summer in the absence of conventional cinema. Warwick Castle, Blenheim Palace and Knebworth have agreed to allow up to 500 cars at a time to drive on to their land to watch films on giant screens. George Wood, a drive-in entrepreneur and founder of Luna Cinema, Britain's largest outdoor movie business, believes that drive-in movies could be the saviour of cinema as people need to regain their confidence before going back into a theatre or

cinema. The stately home drive-ins will involve each car being given a wireless speaker box while pre-ordered food and drink will be placed on car bonnets by waiters on roller skates and scooters, a bit like 1950s US drive-ins. South African businessman Alan Crofton has lined up movie drive-ins at 12 sites in Britain, including Newcastle Airport and Edinburgh Zoo.

**theguardian.com, 1 June 2020 (Walker)**

### **Newspapers**

#### **Monthly sales figures need not be reported**

The ABC says that monthly newspaper sales figures need no longer be made public following calls from publishers, agencies, advertisers and trade bodies. This will allow publishers to decide whether their reporting is made public or kept private amid concerns that the ABC circulation reports "provide a stimulus to write a negative narrative of circulation decline". However, agencies and advertisers will still have access to ABC data to support their investment in print advertising.

**prolificnorth.co.uk, 21 May 2020 (Chapman);**

<https://www.abc.org.uk/newslink/113-abc-news/928-abc-introduces-new-reporting-options-for-newsbrands>

### **Social media**

#### **Marketers held hostage by social media**

A new report from Forrester Research argues that marketers misunderstand the function of social media and how brands should relate to it. It concludes that brands shouldn't be held "hostage" by the belief that they must be on social media. In fact, they should only participate if they have a genuine strategy that benefits customers. Forrester analyst Jessica Liu, a contributor to *It's OK To Break Up With Social Media*, says that social media is "littered with marketers shouting at consumers and contributing to societal degradation online." Over the past four years CMOs have seen social media contribute too little to company performance, with 32% of CMOs unable to show its impact on business and just 30% able to do so.

**mediapost.com, 19 May 2020 (Mandese)**

#### **Lead generation using Facebook ads**

Lead generation is an essential part of the sales process of many businesses. In a digital environment it is easy and inexpensive to generate leads but the real challenge is in the quality rather than quantity of leads. The author provides a guide to creating high-quality qualified leads using Facebook ads and stresses that the leads are only as good as the lead magnet (a resource your audience can have in exchange for contact details) which must appeal to the target market.

**einsteinmarketer.com, 25 May 2020 (Meredith)**

## Television

### SVOD up by 53% in Q1...

UK household subscriptions to at least one SVOD service – Netflix, Amazon Prime Video or now TV – rose by 53% during the first quarter of 2020. Some 15m homes now access at least one service, up by 5.2% on Q4 2019 and 12.6% on Q1 2019, according to Barb data. Netflix is still the largest service with over 13m homes, up by 13.4% year-on-year, but Amazon Prime has grown by 32% to 7.9m. Now TV remains stable at just over 1.6m.

[marketingweek.com](http://marketingweek.com), 26 May 2020

### ...while Disney benefits most from lockdown

Some six million households in Britain (one in five) signed up to an online video service during the lockdown, according to Kantar. However, Disney+ has probably benefited the most, attracting 52% of sign-ups even though it only launched on 24 March. While Netflix continues to be popular, AppleTV+ has struggled to attract viewers, lagging behind competitors in terms of TV screen viewing. However, Dominic Sunnebo, senior VP of Kantar, says that Apple's strategy is to slowly build an audience of people who are happy to buy its hardware, such as the Apple TV media player.

[bbc.co.uk/news](http://bbc.co.uk/news), 28 May 2020

## Packaging

### Nostalgic packaging

In times of uncertainty, consumers are attracted to nostalgia. Some brands have been capitalising on this emotion in their packaging. For older brands, this could mean bringing back classic designs and for newer ones it could be developing retro styles. Nostalgic packaging can induce feelings of warmth and positivity. Here are four examples.

[ama.org](http://ama.org), 9 April 2020 (Heisler)

### Carlsberg developing first paper beer bottle

The Paper Bottle Company (Paboco), an initiative started by paper packaging developer BillerudKorsnäs in 2013, is supported by the likes of Coca-Cola, L'Oréal and Absolut. The aim is to help manufacturers and distributors replace single-use plastic with bottles made from degradable plant sugars. Carlsberg, a long-term partner, has been working on the world's first "paper" beer bottle made from sustainably-sourced wood fibres that are 100% bio-based and recyclable.

[mymodernmet.com](http://mymodernmet.com), 20 May 2020 (Cooper)

## Retailing

### The post-pandemic shopping experience

There are more consumers shopping online than ever and it is likely that digital shopping habits will stick. As stores start to reopen, there will be social

distancing and consumers may be reluctant to return to busy outlets. This means that e-commerce will become an even more essential part of business. This article argues that a compelling digital experience is what is needed to strengthen a retailer's market position as the pandemic recedes. It offers six steps to boost online presence and to help create the best digital experience for the brand, including the exhortation to "Personalise, personalise, personalise", whether through email marketing, e-commerce product pages or paid ads.

[bigcommerce.com](http://bigcommerce.com), May 2020 (Fryer)

### Online and telephone retailers, dos and don'ts

England is moving to "level 3" of lockdown but more and more suppliers are shifting to online or telephone sales to get their businesses up and running again. Consumers still feel more comfortable shopping online than in-store and many have now become accustomed to doing so. Government directions impose various restrictions on suppliers, couriers and consumers. A supplier who wants to sell online or by telephone to consumers during lockdown, should beware of some of the "dos" and "don'ts" which are set out here.

[lexology.com](http://lexology.com), 28 May 2020 (Isaacs and Govender)

### Shopper numbers rise by 31%

Monday saw a deluge of shoppers returning to high streets and retail parks as car showrooms, markets and some Ikea stores reopened on 1 June. The number of shoppers rose by 31% in England, compared with the same day last year, according to Springboard. Overall shopper numbers in the UK rose by 28% showing that at least some people are ready to go back to bricks-and-mortar outlets.

[theguardian.com](http://theguardian.com), 2 June 2020

### Shoppers pay more if discounts hidden

Creating obstacles to finding discounted items in online stores can boost retailer margins. This is according to a field experiment described in the *Journal of Marketing Research*. The authors investigated how adding "search frictions" – removing navigation links to discounted areas of the website – can benefit retailers. While these additional frictions come at no additional cost to the company, they can lead to higher gross margins. Without the frictions, high-value customers who might otherwise pay full price for an item, will receive discounts. As well as a rise in gross margin for each product sold with increased frictions, the researchers discovered a higher conversion rate and larger basket sizes.

[ama.org](http://ama.org), 9 April 2020 (Zeng)

### Morrisons – first clothes and homeware store

Morrisons is to open its first standalone clothing and homeware store with a view to expanding its

Nutmeg clothing range. The new store, which is being trialled in Bolsover, Derbyshire, is to be dual-branded as Morrisons Home and Nutmeg.

**The Grocer, 30 May 2020, p6**

## Services

### **Professional services and digitisation**

Digitisation can disrupt service industries, something that is clear from B2C service businesses and becoming increasingly apparent in knowledge-intensive B2B services. Little is known about how this type of service work has changed as tasks are increasingly performed by robots or AI. This study looks at how frontline workers in auditing and PR/communications consulting carry out their service work in response to digitisation. The study reveals that auditing firms embrace digitisation more than PR/communications firms. It also finds that frontline service work is affected by the fit between technological innovation and the type of intelligence the firm is based on, the occupational identities and the firm's service environment.

**Journal of Service Research, 21 May 2020 (Pemer);**  
<https://journals.sagepub.com/doi/full/10.1177/1094670520916801>

### **Warehouses – growing trend**

The formation of logistics hubs – big warehouses – is part of a global trend. The lockdown has accelerated the expansion of e-commerce, which now accounts for 40% of Prologis's (Amazon's biggest landlord) warehouse space compared with around a fifth before the pandemic. Two challenges for warehouse developers are: maintaining customer loyalty and a regular stream of finance; but the pandemic could make the warehouse business increasingly attractive. Warehouses are likely to move closer to urban and suburban areas as online retailers shorten delivery times. Struggling shops and hotels may help to free up space while higher unemployment will encourage people to take up logistics jobs.

**economist.com, 28 May 2020**

## Transport and travel

### **UK produced 197 cars in April**

In April the UK car industry produced just 197 cars, down from 70,971 in April 2019, due to the closing of factories. This was the lowest output since WW2, according to the SMMT. Jaguar, Land Rover, Nissan and BMW were some of the manufacturers to close their plants in March due to the lockdown and a shortage of parts. Some large plants reopened at the beginning of May. Mike Hawes, chief executive of the SMMT, says he expects that ramping up production will be a gradual process but it is hoped that demand for new vehicles will return quickly as happened in China.

**theguardian.com, 29 May 2020 (Jolly)**

### **Car showroom sales will be up for short-term**

The opening of car showrooms in England this week is expected to result in a flurry of sales. According to a *What Car?* survey, almost one-in-five buyers want to buy a car this month. This could be in part due to commuters looking to avoid public transport due to the coronavirus. In May sales of new cars in the UK fell by 97% as factories and showrooms remained closed. The SMMT predicts just 1.68m new car registrations this year, the lowest number since 1992. However, according to Mintel analyst Chris Hadley, car sales were slowing even before Covid-19 and low levels of consumer confidence are likely to result in delays in the purchase of new cars. Price will be a key factor and this will benefit the used car market in the short-term while stronger new car sales may not be seen until 2021.

**theguardian.com, 1 June 2020 (Doward)**

Written by CIM's Knowledge Services Team

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