

# Cutting Edge: Our weekly analysis of marketing news

10 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

#### BLM – is the ad industry committed?

Brands, such as Nike, McDonald's and Adidas, have been supporting the Black Lives Matter movement; while the UK ad industry has issued an open letter, coordinated by Creative Equals, which commits to "take action" on equality. However, there have been questions about whether the ad industry is fully committed: IPA data reveal that BAME representation is not progressing in agencies, where just 4.7% of C-suite roles were occupied by ethnic minorities last year, down by 0.8% on the year before. As Mark Ritson says, "companies need to become the change they are tweeting about. Walk the walk before you tweet the tweet". L'Oréal has faced a backlash on Instagram for its post: "Speaking out is worth it". It had previously ended a deal with transgender ambassador Monroe Bergdorf, after she spoke out about racism back in 2017. (See also under Public relations)

[marketingweek.com](#), 5 June 2020

#### Taking Pride in your advertising

This is Pride month and brands looking to promote LGBT+ content, or to make their comms more LGBT+ oriented, need a "well-thought-out paid media approach". Here are some dos and don'ts for advertisers who want to engage this audience, including the warning to be very careful about where your adverts appear and to ensure that the ads target high-quality LGBT+ media environments.

[thedrum.com](#), 1 June 2020 (Daykin)

### Agencies

#### Will lockdown lead to more virtual agencies?

The office is the hub for agency creatives,

copywriters and planners and it can also serve as a differentiator for pitching and chemistry meetings. However, the lockdown has seen the dispersal of agency staff and the opportunity for them to rethink the way they work. Agency teams are still working for some of the biggest advertisers, pitches are still going ahead and M&A activity is still in evidence. But now the time is right for the rise of "a new wave of virtual agencies" which can use the lessons of lockdown to find a new way of working. Over the past decade, full-service virtual ad agencies and digital creative collectives have been forming, including players like Ogmog and Frontroom. This article looks at the rise of the virtual agency and "keeping the creative spark alive".

[thedrum.com](#), 8 June 2020

### Brands and branding

#### Internal brand endorsement

This paper looks at CEOs and employees as endorsers of brand advertising and aims to discover consumer attitudes towards internal endorsement. Using focus groups and face-to-face interviews, the authors find that CEOs and employees can be effective in enhancing the corporate brand image compared to celebrities. They also find that the CEO is someone who can be admired without the threat of "upward comparison" as is the case with celebrities. Employees also bring a certain amount of authenticity because they are grounded in real life.

**Qualitative Market Research: An International Journal**, Vol 23(2) 2020, pp214-264 (Zeitoun et al)

#### Morality in brand trademarks

Trademark laws tend to exclude trademarks that contravene public policy or principles of morality. They aim to strike a balance between the freedom of brands to use words and images that will help sales and protect their trademarks, and ensuring that the public does not encounter anything abusive

or disturbing. Yet the courts see their fair share of freedom of expression vs morality cases. In 2007 French Connection UK's "FCUK" was challenged but not refused as a trademark. Last year the UK's IPO decided against Addicted Original Ltd, which had already filed a registration showing a cannabis leaf above the word "Addicted". This followed a challenge from Adidas AG whose logo was very similar. Addicted's mark was subsequently removed from registration on moral grounds. Brand owners are advised to consider the types of objections that might be encountered when developing their brands and how best to protect provocative or controversial marks.

**lexology.com, 3 June 2020 (Hughes and Hooper)**

### **Keeping the brand visible**

After weeks of focusing their expenditure on just essential items, will consumers emerge from the pandemic with a new set of values? Will they want to acquire more "stuff" or maintain a simpler way of living? In Shanghai, Hermès' first day of trading after lockdown saw shoppers spend \$2.7m, which shows that there may still be considerable demand for goods. In the meantime, how do you keep your brand alive? Suggestions include implementing or expanding your online reach to embrace social media channels and remain visible to clients; diversifying your brand or product range; and making your IP work for you in terms of licensing or franchising.

**lexology.com, 4 June 2020 (King)**

### **Conferences and events**

#### **Overcoming video-conference exhaustion**

The future of conferences and events, at least for the time-being, is virtual. We are inundated with invitations to free webinars and virtual experiences. Yet people's ability to passively listen to content is limited and can leave them feeling more exhausted than if they had attended a physical event. So how do you engage with an audience that is "Zoomed-out and WebEx-hausted?" The old adage that "content is king" has never been more relevant. Planners and speakers should be looking at how they can make a session interactive. Making a virtual event into an interactive experience, rather than a one-way process, is key to a successful virtual event. Here are some tips for doing just that.

**citmagazine.com, 3 June 2020 (Gold)**

### **Consumer behaviour**

#### **Consumers judge brands that don't advertise**

A new study reveals that 31% of consumers believe that brands that don't advertise during the coronavirus are in financial trouble. The global research, from Berkeley Communications and Arlington Research, suggests that brands with inspiring communications are likely to be purchased again: 35% of consumers say that they are likely to

spend money in the future with brands that give them hope during this time. Last month, Facebook announced Facebook Shops, making it easier for small businesses to set up an online store that consumers can access on Facebook and Instagram. It's uncertain when this will become available to small businesses and consumers in the UK.

**marketingweek.com, 5 June 2020**

### **Social buying**

The number of social buyers in the UK is expected to rise by 13% this year to ten million, according to eMarketer forecasts. The social buyer audience is expected to reach 14.7m by 2023. The likes of Facebook and Instagram tend to launch new commerce features in other regions about a year or so after doing so in the US, which is one reason why the UK will see future growth. Encouraging shoppers to buy via social media involves a learning curve; even in the US, consumers are using social media for research and browsing but still making their actual purchases on the retailer's website.

**emarketer.com, 4 June 2020 (Kats)**

### **Customer relations**

#### **Consumer decisions – competing loyalty**

It is estimated that a US consumer belongs to more than 14 loyalty programmes. Consumer purchasing decisions can be influenced by the interplay of prices and promotions among these loyalty programmes. This study looks at how consumer purchase dynamics are affected by competing companies' loyalty programmes in the context of two airlines. It reveals that participants are generally able to realise the long-term benefits of loyalty schemes although most are sensitive to price. Participants' preferences are also found to depend on the type of competitive environment, the decision scenario and the type of optimal action. The authors develop a model which classifies participants into five segments according to performance and decision strategies.

**Journal of Marketing Research, Vol 57(3) June 2020, pp422-444 (Liu and Ansari)**

### **Direct marketing**

#### **ICO's new Direct Marketing Code**

The ICO's new Direct Marketing Code of Practice is intended to apply to all processing of data for "direct marketing purposes". This covers all data processing leading up to or supporting the sending of direct marketing material. Examples include: the collecting of personal data with the intention of targeting an individual; list brokering; data enrichment; and audience segmentation. The "New Code" will supersede the ICO's current Direct Marketing Guidance. Public consultation ended on 4 March, and the final version is not yet available, but here are some points from the draft version.

**lexology.com, 2 June 2020 (Bray)**

## Law

### **The Platform to Business Regulation**

The EU Platform to Business (P2B) Regulation takes effect across all member states from 12 July. It applies to all online intermediation services and search engines that provide services to business users and to websites that sell goods and services to consumers in the EU. This covers e-commerce marketplaces, app stores, price comparison tools and others. The law came about after traders, especially SMEs, complained about the unfair practices of the online platforms they use to sell to consumers. The Regulation focuses on three main areas: banning certain practices considered to be unfair; greater transparency (amongst other things, marketplaces and search engines must disclose how they rank goods and services); and dispute resolution.

**lexology.com, 3 June 2020 (Cunningham)**

## Marketing

### **Referral marketing**

Referral marketing is a tried and tested strategy in part because marketers often struggle to gain trust. In fact, research suggests that 92% of consumers trust a recommendation from friend and family more than they do an advert. Yet people are inundated with information and it is hard to tell what is true and what isn't. Although recommendations occur naturally, there are some things marketers can do to boost referrals. The author defines referral marketing; compares referral and affiliate marketing; and explains why referral marketing is so powerful. She then sets out eight referral marketing strategies using case studies, and concludes with suggestions for implementing referral marketing and for relevant marketing tools.

**bigcommerce.com, 8 June 2020 (O'Donoghue)**

### **Lead attribution**

Marketing has its own language, hence this series on explaining common marketing terms. This article focuses on lead attribution, the process of identifying which marketing activities have brought in a potential customer or lead. The author explains why lead attribution is difficult but extremely valuable and looks at three common types of lead attribution: first-touch, multi-touch and last-touch. There are links to more information on the subject.

**sherpablog.marketingsherpa.com, 4 June 2020 (Burstein)**

### **Agile marketing**

AgileSherpas, experts in agility, have recently released their third *State of Agile Marketing Report*. Founder, Andrea Fryrear, says the most worrying finding is the high percentage of respondents who weren't more agile because of "current processes not working well". This was found to be the second-greatest barrier to agility after a lack of education

and training. The pandemic has accelerated certain trends, agile marketing being one of them. This article elicits the views of experts on how marketing ops teams can become more agile.

**marketingland.com, 2 June 2020 (Gesenhues)**

## Market research

### **Research in the age of creativity**

Having more data does not necessarily lead to better decision-making and can in fact reduce creativity. Creative ideas are needed to discover new disruptive customer solutions, to gain competitive advantage and to provide defence against disruptive competitors. Creativity has become an essential skill in the age of Covid-19, so how does data fit into this and, more specifically, is market research needed? To be successful in an era of creativity, consumer insight managers must develop creative skills; use stakeholder management to activate insights; and be business savvy.

**researchworld.com, 4 June 2020 (Koornstra et al)**

## Public relations

### **When apologies can do more harm than good**

Some companies apologise for small mistakes, thus drawing the attention of customers to something inconsequential. An error that a customer might not notice, and wouldn't expect an apology for, is dubbed an "ambiguous failure" by Mason Jenkins, professor of marketing at Northeastern University in the US. New research from Professor Jenkins shows how apologising to customers for an ambiguous failure can actually anger customers who might not otherwise have noticed the mistake. The solution is to decide whether the mistake is bad enough to merit a proactive apology or whether this will do more harm than good...

**ama.org, 9 April 2020 (Heisler)**

### **Brands speaking out – public opinion**

Brands should be careful when speaking out on controversial issues. A survey by Atomik Research, for *PRWeek*, which asked people whether "brands should just be brands and not speak out on major issues", revealed that 54% of respondents thought that brands should stay quiet vs 29% who believed that they should make a comment. The tragedy in which George Floyd was killed by police in Minneapolis has prompted Nike, Netflix and Ben & Jerry's to speak out. Yet the survey reveals that more Britons think that brands should talk about the Covid-19 pandemic than about the Black Lives Matter movement. In both cases younger people were more in favour of speaking out than older demographics. (See also under Advertising)

**prweek.com, 5 June 2020 (Griggs)**

## Sponsorship

### **Coca-Cola – adapting to lockdown**

Coca-Cola has one of the largest sports and entertainment sponsorship portfolios in the world including partnerships with the IOC, FIFA and Major League Baseball. The coronavirus has curtailed many of the brand's 2020 sponsorship activation plans and Ricardo Fort, VP of global sports partnerships, is looking at how he can ramp up recovery. Among his recent initiatives has been a partnership with live-streaming platform #BeApp, where Coca-Cola is the title sponsor of 100 concerts performed by artists from their homes. In this interview, Fort speaks to *SportBusiness US* on topics such as how Coca-Cola's sports marketing has changed during the pandemic; the sort of opportunities to prioritise; marketing efficacy and ROI; the Tokyo Olympics; and the challenges of not being able to build relationships face-to-face.

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

### **Cazoo to be Everton's shirt sponsor**

Cazoo has signed a deal to be the shirt sponsor of Everton FC. The online car dealer will place its logo on the shirts of the first-team, the under-23s and training gear. Cazoo is regarded as a disruptor brand in the car-buying business and is said to already be worth £300m. It says the deal will help it "enhance brand awareness as we look to make Cazoo a household name". Cazoo's founder, Alex Chesterman, co-founded Zoopla and LoveFilm.

[liverpoolecho.co.uk](http://liverpoolecho.co.uk), 8 June 2020 (Kirkbride)

## Agriculture, fishing and forestry

### **New greener UK wheat for whisky production**

A new variety of wheat, made specifically for the whisky distilling market, has been developed by Rothamsted Researchers and the Scotch Whisky Research Institute. The new "greener" variety has the potential to reduce energy costs and processing problems at distilleries. It should also make UK-grown wheat more fit for whisky. Imported maize, which accounts for 15% of Scotch production, is currently more suitable because it is easier to process. Rowan Mitchell, senior research scientist, explains that the wheat "will be great for making whisky" but not so good for making bread.

[fwi.co.uk](http://fwi.co.uk), 4 June 2020 (Gillbard)

### **English and Welsh winemakers hit by virus**

According to a new report from the University of Edinburgh Business School, two-thirds of English and Welsh wine makers have cashflow problems because of the coronavirus. One third said they had supply chain issues and 30% said they had had to reduce prices. Over half said they expected their business to contract but only 20% said they were

reducing production due to the pandemic. The UK's wine industry has been growing strongly for years, with the land dedicated to English and Welsh wine more than doubling over a decade.

[thegrocer.co.uk](http://thegrocer.co.uk), 4 June 2020 (Woolfson)

## Building industry

### **Demand for concrete and bricks down**

Ibstock and Forterra, two of the largest brick and concrete product manufacturers, could cut up to 600 jobs. Ibstock, which saw brick sales plunge by 90% in April, is losing around 15% of its workforce. Forterra reports that sales of brick and concrete block have been about half what they were in the same period last year. According to ONS data, there was an 86% fall in brick deliveries, and an 82% fall in concrete block deliveries, year-on-year in April.

[constructionnews.co.uk](http://constructionnews.co.uk), 3 June 2020 (Price)

### **New-gen solar panels to any design**

TNO, a Dutch research organisation, has developed solar panels that can incorporate any pattern and be placed on the façade of buildings. Construction company BAM has installed the panels on the façade of its head office in the Netherlands. The building looks the same as before but now generates energy. The new-gen panels will also enable companies to incorporate artwork or logos while houses can also be made more sustainable by installing the panels during maintenance or renovation.

[theconstructionindex.co.uk](http://theconstructionindex.co.uk), 9 June 2020

## Businesses and strategy

### **Courageous leadership...**

Co-authors from Harvard Business School, who have written a forthcoming case study on the 1962 Cuban Missile Crisis, argue that the determining factor in the outcome of the crisis was "astute, courageous leadership". The same is true of the coronavirus where every resource for fighting it depends on "thoughtful, serious and emotionally intelligent crisis leadership". Here they offer three insights on courageous leadership from the Cuban Missile crisis that are relevant to Covid-19 leadership.

[fastcompany.com](http://fastcompany.com), 2 June 2020 (Koehn and Kogan)

### **...and managerial courage**

A good leader should have "managerial courage". This is not all about "bulldozing" people into taking up your ideas but instead doing what is right even though the outcome may not reflect well on you. It is about making principled decisions even though these could be costly. The trick is to make your identity small in decision-making; that way the focus is on the decision-making itself, rather than you. "When you make yourself big in the decision-making process, your ideas will be small".

[ama.org](http://ama.org), 1 June 2020 (Klein)

### **Commitments for racial equality**

Following the killing of George Floyd, companies are busy putting out tweets and statements of concern and support for the Black community, but what is needed most is action. Some changes cost nothing but research shows that even changes that cost money can create shared value, leading to greater long-term profitability and a more “prosperous, equitable and sustainable society”. The author sets out ten commitments that corporations can make to help achieve racial equality.

**hbr.org, 4 June 2020 (Kramer)**

### **Virtual presenteeism**

People working from home during the coronavirus are feeling under increased pressure to be “present” for their employer and colleagues, according to 46% who took part in a survey by Canada Life and Opinium. Meanwhile 35% claim they have carried on working even when feeling unwell with 26% saying they didn’t take a day off because of heavy workload and 16% because they feared redundancy if they were absent. Paul Avis, group insurance marketing director at Canada Life, says that the lockdown has exacerbated the “always on” culture of UK workplaces. Over a quarter of SME decision-makers polled by Canada Life admitted that presenteeism was a problem in their company even before the coronavirus.

**managementtoday.co.uk, 3 June 2020 (Palmer)**

## **Charities and NGOs**

### **Small charities can mine existing data**

The collection and analysis of data is essential to charities wanting to understand the needs of users and to help boost fundraising. Whereas large charities have the resources to do this, for smaller charities, using data for decision-making can appear to be an “unaffordable luxury”. They are often left behind when it comes to digital and fundraising data. Yet the rewards of effectively using data can be greater for small charities where small outcomes can make a significant difference. Here is some advice on getting started, with links to relevant documents.

**charitydigital.org.uk, 4 June 2020 (Green)**

### **How The Eve Appeal went online to fundraise**

The Eve Appeal, a UK gynaecological cancer charity, is in part funded through community and sports fundraising, so when the coronavirus hit, much of its income stopped and it became almost impossible to communicate stories that weren’t Covid-related. This raised questions about trying to run a fundraising campaign during a pandemic. Eve decided to turn to its corporate fundraising campaign, a partnership with beauty and lipcare brands, to launch the “Get Lippy and Loud” campaign about gynaecological cancers. Its adaption to online proved to be a

success. However, the wider lesson is that all charities that help to solve an unmet need are relevant, whatever else is happening in the world. A successful campaign reminds people of why a charity is still needed and why people’s support is necessary to carry on doing the work.

**charitycomms.org.uk, 5 June 2020 (Brain)**

### **Race for Life cancelled – do it at home instead**

Cancer Research UK has cancelled all of its over-380 Race for Life events. Instead it is encouraging supporters to participate in Race for Life at Home by doing a 5km or 10km run or a month-long fitness challenge. Race for Life at Home has already raised £100,000. The charity expects to lose up to a quarter of income from fundraising this year. In 2018/19, it raised £35m through Race for Life.

**thirdsector.co.uk, 8 June 2020 (Royle)**

## **Economy**

### **Business recovery – uncertain future**

The ONS has been conducting surveys to monitor the effect of the coronavirus on UK society and the economy. Grant Fitzner, chief economist and director of the ONS’s Covid-19 response, looks at its impact on UK business and the economy. The findings highlight the difficult choices that business owners will have to make over coming months. Up to the date when this was written, the surveys have revealed that just 0.5% (or less) of businesses have reported that they have ceased trading permanently. However, those who can’t start trading soon, or have limited cash reserves (of three months or less), such as the accommodation and food services industries, have an uncertain future which has implications for the wider economy.

**blog.ons.gov.uk, 4 June 2020 (Fitzner)**

## **Education**

### **New models for the future**

The university sector has made a huge effort to get online courses up and running during the pandemic but there is a big difference between “quick-fix” tools such as Zoom and Teams and the design of a “digital-first” curriculum. Universities that have made no progress in getting their courses online may find themselves getting left behind at a time when student choice is becoming increasingly important. Not all courses can be delivered online and the set-up costs for some students might be prohibitive, but there are a range of delivery modes. For example, hybrid courses could work for subjects with a practical element. Sector leaders have, “an unprecedented opportunity to reshape the entire higher education experience for staff and students”, argues by Paul Feldman, chief executive of Jisc, an edtech not-for-profit which is working on a



programme called *Learning and Teaching Re-imagined*.

[universitiesuk.ac.uk](http://universitiesuk.ac.uk), 5 June 2020 (Feldman)

## Energy and utilities

### **Covid-19 contributes to fossil fuel decline**

The value of the fossil fuel industry could decline by \$25 trillion (down by two-thirds) due to the coronavirus, according to a study from Carbon Tracker, a financial thinktank. This could affect the global economy since oil, gas and coal's combined market value accounts for a quarter of global equity markets. The findings reflect an International Energy Agency prediction that Covid-19 could lead to the greatest fall in energy demand since WW2 and to years of record low consumption of oil, gas and coal at a time when renewable energy is continuing to grow. Kingsmill Bond, author of the Carbon Tracker report, says that "fossil fuel incumbents...have put out so much bogus PR, that they risk falling victim to their own rhetoric".

[theguardian.com](http://theguardian.com), 4 June 2020 (Ambrose)

### **BP to lose 15% of workforce**

BP is to lose 10,000 employees due to the coronavirus pandemic. Chief executive Bernard Looney wrote a letter to employees this week stating that the company was "spending much, much more" than it was making and that the pandemic had caused widespread damage across the energy industry. BP plans to reduce its 70,000 employees by 15% by the end of 2020. Looney, who only took up his post in February, is working towards a new operational and leadership structure for BP, which aims to be a net-zero emissions company by 2050.

[ft.com](http://ft.com), 8 June 2020 (Raval)

## Environment

### **Investment in R&I needed**

A new report from the Valuing Nature Programme says that research and innovation (R&I) investment is needed to help businesses meet emissions targets and address biodiversity. *Towards a natural assets research and innovation agenda in support of UK business and policy* states that R&I investment requires improving research and data on natural assets as well as developing frameworks and standards to help business support the environment. Ian Cheshire, chairman of Barclays which is supporting the report, says: "Companies understand they have responsibility for their environmental footprint" but "there is still an enormous amount of confusion and uncertainty about how to do this".

[research-live.com](http://research-live.com), 3 June 2020 (Kay)

### **Guidance on environmental claims**

Last week (5 June 2020) was World Environment

Day, a UN initiative to raise awareness of the environment. The ASA issued some guidance to coincide with the event to help ensure that organisations are "100% sure" about their renewable energy claims; that they have "substantial evidence" for their green claims; that they take care with recycling claims; and can qualify emissions claims.

[asa.org.uk](http://asa.org.uk), 4 June 2020

### **Extinction Rebellion releases new animation**

A new animation, created by the same animators who made Greenpeace's Rang-Tan, has been launched by Extinction Rebellion to mark World Environment Day. *The Gigantic Change*, which is voiced by Whoopi Goldberg, warns against the dangers of not taking action on climate change as people emerge from lockdown. Extinction Rebellion has been quite active over recent weeks, having already launched *#noGoingBack*, a short film aimed at reminding the public to prioritise the environment when they go back to "normal".

[thedrum.com](http://thedrum.com), 5 June 2020 ((Watson)

## Fashion

### **Masks – the latest fashion accessory**

This is the year of the "It Mask", especially now that it will be mandatory to wear a mask on public transport. Designers are rising to the occasion. When cocktail dress maker, The Vampire's Wife, launched a line of silk face masks (at a mere £35), they sold out within six minutes of release. The British Fashion Council is producing a chic Great British Designer Face Coverings collection at £15 for a 3-pack. The project will raise funds for charity. In the US Ivanka Trump and Nancy Pelosi have led the way in showing how masks can be carried off with the same style as a scarf or handbag.

[telegraph.co.uk](http://telegraph.co.uk), 6 June 2020 (Holt)

### **Mulberry to axe a quarter of employees**

Luxury handbag maker Mulberry is to reduce its workforce by a quarter in anticipation of low demand due to the coronavirus. It expects sales to be hit badly, even when stores reopen, due to social distancing, reduced demand and fewer overseas visitors. Its actions reflect the wider retail picture and the choices retailers will have to make even when stores reopen on 15 June. Many may remain closed because of the cost of making their premises safe vs lower demand. Mulberry plans to reopen "some" of its 55 UK outlets. It was expecting this to be a big year ahead of its 50<sup>th</sup> anniversary in 2021.

[ft.com](http://ft.com), 8 June 2020 (Nilsson and Indvik)

## Financial services

### **Banking – managing climate risk**

Climate change has created opportunities and

challenges for the banking industry. The opportunity is to finance a green agenda; the challenge is to protect balance sheets from uncertainty. The green agenda requires financing in areas such as renewable energy, refurbishing plants and adaptive technologies. Some banks have already redefined their goals to align their loan portfolios with the Paris Agreement aims. This article sets out five principles for climate-risk management and three key steps that can be achieved within six months for a “comprehensive approach” to risk management.

**mckinsey.com, 1 June 2020 (Eceiza et al)**

### **Google tests out voice payments**

Google is trialling a service that will allow users of Google Assistant to confirm payment using just their voice. It will enable Google’s Voice Match to “authorise purchases in a handful of categories” through Google Assistant. However, the service will be limited depending on the types of goods and services, according to Google.

**nfcw.com, 28 May 2020 (Clark)**

## **FMCG**

### **Beverages**

#### **Yorkshire Tea 100% carbon neutral**

Yorkshire Tea, which has just become 100% carbon neutral, is marking the occasion with a social media film featuring the original artist who designed the scene on its packaging. Andrew Hutchison is shown sitting at his easel and describing how he is making the box greener, by replacing the cricketers with beekeepers and adding solar panels to the roof of a house. However, in the end he decides this is all a bit too much and instead opts simply for a carbon neutral logo on the box.

**marketingweek.com, 4 June 2020**

### **Cosmetics and toiletries**

#### **The “mascara effect takes” over from lipstick**

During times of economic contraction, the lipstick effect (buying a small expensive item such as lipstick) usually kicks in. During the 2008 recession lipstick sales rose by 11% but the coronavirus seems to have bucked this trend. In Japan, for example, lipstick sales fell by 69.7% year-on-year within the second week of May. Wearing a face mask means that lip colour is irrelevant and, as lockdowns lift, people are more likely to turn to other forms of makeup. Chris Ventry of management consultancy SSA & Co has coined the expression “the Longwear Foundation” (or Mascara). There could be a rise in demand for false eyelashes to compensate for the lack of colour around the mouth. Alibaba reported that sales of eye cosmetics rose by 150% in mid-February. Brands, such as Bobbi Brown and Dior, have seen sales growth of 40% year-on-year compared with a rise of just 2.2% for lipsticks. In

the longer term, there are concerns that, with fewer face-to-face meetings, sales of items such as makeup will not return to previous levels even after the pandemic is over.

**globalcosmeticsnews.com, 29 May 2020 (Prance-Mills)**

### **Food**

#### **Pandemic is eating sandwich-makers’ lunches**

Lunch has become an industry worth more than £8 billion a year and the sandwich sector has benefited from over 30 years’ of growth, but the coronavirus has meant that people are now making their lunch at home. This week Adelle Foods, a sandwich maker, collapsed with the loss of over 2,000 jobs. There are fears that the industry could be permanently damaged. Jim Winship, director of the British Sandwich and Food to Go Association, admits that: “We’re pretty devastated as an industry, and probably will be into next year”. Many of the estimated 12,000 to 15,000 UK small sandwich bars are struggling. It is likely that changes to workplace patterns will affect the size of the food-to-go and sandwich market, according to Patrick Coveney, CEO of Greencore, the UK’s largest sandwich maker.

**ft.com, 8 June 2020 (Evans and Hancock)**

## **Health and pharmaceuticals**

### **OHA calls for action on junk food marketing**

The Obesity Health Alliance (OHA) wants further government action on the marketing of junk food as evidence suggests a link between obesity and death from Covid-19. A survey of members by the OHA also found that 78% wanted manufacturers to reduce sugar in food and 74% wanted junk food ads not to be shown before 9pm on TV or online. The Advertising Association disputes that further restrictions on advertising would have an impact on obesity levels. Stephen Woodford, AA chief executive, argues that the ability of advertising to change public behaviour, as demonstrated during the coronavirus, “can be used to support positive messages around lifestyles and healthier food choices”.

**marketingweek.com, 4 June 2020**

### **Immunity passports – should we be worried?**

An immunity passport or health certificate could be a way of proving that you have antibodies against the coronavirus and won’t spread infection. In April the WHO warned against immunity passports because of the lack of knowledge about how immunity works with the coronavirus. Immunity passports could also give rise to a two-tier society with some people carrying on as usual while others are still in lockdown. Yet variations on the concept are already being used in Chile, while Italy and Germany are considering the idea. In the UK, health secretary Matt Hancock says the Government is working on “systems of certification”. Tech firms

have been responding by creating digital versions. Perhaps the greatest barrier is privacy since such tools would hold information about health data that is important for work and social life. There are also ethical issues and such systems would need to be very carefully deployed.

**wired.com, 8 June 2020 (Kobie)**

### **Big pharma – is vaccine a turning point?**

The pharmaceutical industry is not the most popular sector but its initiatives in developing a Covid-19 vaccine may help to change that. AstraZeneca, which has been largely absent from the \$60 billion-a-year vaccine business, is leading the charge. Under, Pascal Soiro, its CEO, the company is trying to upturn the “decade-long trend of drugmaking fatigue” in an industry which focuses on acquisitions at the expense of innovation. In a deal with Oxford University, AstraZeneca has agreed to manufacture one billion doses of the vaccine by September. It usually takes a decade for a new vaccine to be produced. In clinical trials AstraZeneca is steaming ahead of other pharma companies. However, there are various obstacles, not least being politics. Nevertheless, this could mark a turning point for the industry’s return to innovation.

**economist.com, 4 June 2020**

## **IT and telecoms**

### **IoT and smart homes**

As smart-home devices become more mainstream, there are opportunities for marketers to obtain insights through user data. Yet Rishad Tobaccowala, chief growth officer of Publicis Groupe, argues that rather than using technology to deliver ads, marketers should be considering how IoT is changing everyday life and the implications this has for consumer behaviour. In this interview, Tobaccowala talks about advancements in smart-home tech, the companies trying to dominate the market and what marketers should be doing.

**emarketer.com, 4 June 2020 (Droesch)**

### **Giffgaff to donate phones to elderly**

Giffgaff is partnering with Doro, provider of phones and communications solutions for older people, to donate 500 phones to isolated elderly people in the UK. The phones will have a preinstalled SIM and provide unlimited calls and texts. This follows Giffgaff’s announcement of its goodybank initiative to help local communities.

**marketingweek.com, 5 June 2020**

### **Huawei launches new campaign**

Huawei is marking 20 years of doing business in the UK with a newspaper and internet campaign. This comes at a time when the UK Government is conducting a security review into the use of Huawei’s 5G network kit which could result in its

ban. China’s ambassador to the UK has recently told business leaders that Beijing viewed the UK’s response as “a litmus test of whether Britain is a true and faithful partner”. Victor Zhang, head of Huawei’s UK operations, said that the ad campaign was about promoting the facts amongst the “noise” surrounding the company. The campaign also emphasises Huawei’s support of British universities and other institutions which could be badly affected by the potential ban.

**bbc.co.uk/news, 8 June 2020 (Corera)**

## **Leisure and tourism**

### **US and UK digital travel sales**

The US and UK have been among the countries hardest-hit by the coronavirus which in turn has affected business and leisure travel. eMarketer has made some predictions for recovery in the travel sector based on the assumption that lockdown restrictions will ease during Q2. However, it doesn’t expect a full recovery until 2022. Its current predictions are that digital travel sales in the US will fall by 44.7% this year; once a vaccine kicks in, growth will rise to 21% next year but not reach pre-virus sales levels until 2022 when digital travel sales are expected to grow by 49.7%. By contrast, the UK population is more wary of travel and holidaymakers are more likely to reject international travel in favour of staycations. eMarketer predicts that digital travel sales will fall by 46.2% in the UK this year but return to growth (19%) in 2021 if a vaccine becomes available. By 2022 growth will return to the same level as 2019, at 56.6%.

**emarketer.com, 8 June 2020**

### **Zoos on “knife edge”**

The Zoological Society of London has saved animal species around the world, but now it is the zoo itself that needs to be saved. London, the oldest scientific zoo in the world, derives its income mainly from visitors. But zoos and other outdoor ticketed venues remain closed to the public. The zoo, which does not receive regular government funding as other venerable institutions do, is now launching a public appeal to raise money so that it can keep functioning. Separately the BBC reports on Chester Zoo, which costs £1.6m a month to run, gets 97% of income from visitors and is on a financial “knife edge”.

**nationalgeographic.co.uk, 22 May 2020 (Ingram);  
bbc.co.uk/news, 8 June 2020**

## **Materials and mining**

### **Rio’s heritage site destruction – the fallout**

Last month Rio Tinto blew up a 46,000-year-old Aboriginal heritage site consisting of two rock caves. There has been an international outcry and calls for Australia to review its heritage protection laws. Simon Thompson, Rio’s chairman, is contacting key



investors to provide “additional context in relation to Juukan Gorge”. This comes at a time when investors are increasingly scrutinising environmental, social and governance metrics. Legal & General, one of Rio’s ten biggest shareholders, has criticised the destruction. Nick Stansbury, portfolio manager at L&G, says that: “Managing social licence to operate is crucial for all mining companies”. Rio, together with BHP and Fortescue Metals Group, make billions out of iron ore, one of Australia’s major exports.

**ft.com, 7 June 2020 (Hume)**

## Media

### Games

#### Re-releasing old games

The music business often releases remixes and re-releases well-known albums while film studios sell “director’s cuts”. Using old products may seem like a risky strategy in an industry that relies on up-to-the-minute advances in technology. Yet, reissuing old games is an established trend in the video games industry and over 30 revamped games have been released over the past year, with some reaching the top of the charts. *Final Fantasy VII Remake* (a 1997 PlayStation game) sold 3.5m copies in three days after being re-released in April. Part of this trend is down to nostalgia, but it also keeps brands in the public domain while new games are being developed. It is also a lot cheaper to re-release an old game than to create a new one!

**economist.com, 4 June 2020**

#### In-game businesses

*Animal Crossing: New Horizons* fans are running virtual-only businesses within the game. For example, Tyran Batten’s gardening company has in-game employees carrying the company’s logo “WeedCo”. When a customer calls, the virtual employees will do the weeding and gardening, time-consuming tasks that the players don’t want to do. Apart from gardening services, other people are offering in-game photographers, wedding planners and even sex work! Olivia’s, a homeware brand, offers people £40 an hour to become virtual interior designers within the game. Many *Animal Crossing* businesses are professional, using logos, ads and business plans.

**wired.com, 7 June 2020 (Tait)**

### Internet

#### Google’s cookies – are their days numbered?

Increasingly users are setting preference options which accept only essential cookies while refusing analytical, targeting and advertising-related cookies. A recent German court ruled that using cookies for marketing or market intelligence purposes requires user consent, regardless of whether the cookies collect personal data, and that this consent must be

given through active confirmation from the user rather than pre-ticked boxes. In comparison, US data protection is somewhat patchy and Google has been accused of being slow to adopt “best practice” data privacy measures. Users are often under the impression that the “incognito” mode prevents personal data from being mined. Google disputes this. Now a \$5 billion class action has been launched in California by people accusing it of illegally tracking them when they are browsing in “private mode”. The outcome will be watched closely in the UK and elsewhere. If Google is found to be wanting, “the days of near-universal analytics may be numbered”.

**lexology.com, 3 June 2020 (Wheeler)**

### Social media

#### When criticising your own product pays off

KFC’s fries were its most complained about product with about a third of complaints describing them as “soggy” or “bland”. Having changed the recipe to a “tastier, chunkier fry” in the UK and Ireland, KFC promptly faced resistance from loyal customers. The company had the task of boosting perceptions of the new chips among new customers while creating a halo effect for the brand. The answer was the “Ain’t No Small Fry” campaign, which was launched on Twitter and focused on criticism of the old chips to existing fans as well as to their critics. The campaign had three million impressions, awareness of the new fries reached 62% and taste scores rose on every measure. KFC UK and Ireland attracted 669,100 additional buyers as a result.

**marketingweek.com, 1 June 2020**

#### When to publish on social media

Social media can be a confusing place for marketers. The author sought to answer two frequently asked questions – how often and when marketers should post on social media – by analysing HubSpot customer data on Facebook, Twitter and LinkedIn. She reveals that the frequency of posting depends on a number of factors, such as how the platform works and the ecosystem on each platform. For chronologically-based social media platforms, such as Twitter, often is better since you can reach more people; for algorithm-based platforms, such as LinkedIn and Facebook, quality content is better than frequency as too much content can damage performance.

**blog.hubspot.com, 1 June 2020 (Marmer)**

### Television

#### The ultimate TV figures

Thinkbox has issued “TV advertising’s ultimate nickable charts”, a set of downloadable slides containing headline facts and figures about TV viewing and advertising. For example, it reveals that broadcaster TV accounts for 93% of the video advertising day and that each person sees on average 39 TV ads a day. TV is also the most

trusted of all media (42%), way ahead of newspapers in second place (13%), and delivers 71% of advertising-generated profit. It can also boost the effect of other channels by up to 54%.

**thinkbox.tv, 4 June 2020**

## Packaging

### **Philadelphia to have recycled plastic**

Philadelphia cream cheese sold in the UK and Europe is to have recycled plastic packaging by 2022. Parent company, Mondelez International, says the brand would "pioneer this innovation" as part of the company's recycling goals. New recycling labelling will be included on Philadelphia pots to help consumers dispose of the packaging responsibly. Mondelez is part of Ellen MacArthur Foundation's New Plastics Economy which brings together businesses, governments and others in a common vision for a circular economy for plastic. Mondelez says it is on track to ensure that 100% of its packaging is designed to be recycled by 2025.

**thegrocer.co.uk, 5 June 2020 (White)**

## Retailing

### **Shopping queues – time to test geo-targeting**

People have been buying in bulk to the detriment of smaller, profitable products. Shoppers have been taking long, well-planned trips to the supermarket to ensure that they don't have to keep going out. In fact, research suggests that 47% of people are only shopping once a week, with over 50% planning their grocery trips. Meanwhile almost 60% of people are spending up to 20 minutes standing in a queue outside the shop and most people are spending that time on their phones. This has become the "perfect" environment in which to activate digital activity, e-commerce and geotargeting. Here is an opportunity for 20 or more minutes of engagement with shoppers as they look at their phones. It is also a chance to test which ads are most effective before shoppers enter the store where your product can be found and bought. There has never been a better time to discover which mechanisms work and how audiences respond.

**thegrocer.co.uk, 2 June 2020 (Lee)**

### **May an improvement on April**

The British Retail Consortium's latest *Retail Sales Monitor* shows that total sales fell by 5.9% in May, albeit a less drastic fall than April's 19.1%. There is a big variation between retailers, with a clear gulf between essential physical/online and non-essential physical retailers. Office supplies, fitness equipment and bicycles continued to perform while clothing and beauty sales improved slightly in May compared with April. Online sales of computing equipment, toys and household goods have remained strong at a time when home-working and entertainment remain uppermost in people's minds. Overall, the pandemic

has accelerated the shift to online and there have been "historically" high levels of sales online (currently over 60%) according to Paul Martin, UK head of retail at KPMG, who believes that we, "will see the online channel continue to be more prominent going forward".

**brc.org.uk, 9 June 2020**

## Services

### **Online innovation boosts church attendance**

Church of England vicars have seen a surge in virtual congregations. The quarter of Britons who have attended an online service since lockdown started, have provided a boost to the Church which has suffered from dwindling congregations for many years. Holy Trinity Brompton (comprising four churches) has seen its weekly congregation almost double to 10,000. This trend has reinforced the gulf between clergy who believe that online services are just a temporary fix and those who want to innovate. Some clergy are experimenting with new ways of connecting with parishioners. Helen-Ann Hartley, Bishop of Ripon, has been blessing pets online. Yet conservatives believe that their more liberal colleagues are challenging traditional church worship and can't wait for churches to reopen in July.

**economist.com, 4 June 2020**

### **Cleaning up after coronavirus**

Many businesses, such as hotels, shops and restaurants, face cleaning issues, and their customers will expect extra reassurance that they are being protected from the coronavirus. One solution is to have self-cleaning surfaces. ACT, a Danish company, sells a transparent coating that is sprayed on to surfaces to break down microbes. It is activated by light, such as normal indoor light, and coatings last for up to a year. Other companies, such as Solaris Lytbot, are betting on ultraviolet radiation to kill viruses; but bigger spaces, like stadiums, are more of a problem. Lucid Drone Technologies is using its drones to spray disinfectant at the rate of 23,000 sq ft an hour. Professional cleaning firms say that "nothing beats the human touch", but many have seen declining sales or have gone out of business altogether.

**bbc.co.uk/news, 5 June 2020 (Kyte)**

### **Gardens obligatory due to lockdown**

People who are trying to sell their homes should promote their gardens in marketing photos, according to research by Rightmove for the BBC. It suggests that 49% of renters and 39% of buyers have revaluated their property priorities as a response to lockdown. Whereas pictures of kitchens had previously been considered essential, now research shows that the biggest priority in property searches for both buyers and renters is access to a

garden. Following the easing of lockdown restrictions in mid-May in England, property portals and estate agents have seen a rise in interest but many expect this to be short-term due to the state of the economy following the pandemic.

**bbc.co.uk/news, 5 June 2020 (Peachey)**

## Transport and travel

### **The bike shop boom**

There has been a boom in cycling thanks to concerns over using public transport and people's need to take more exercise. Up and down the country shops, such as Briscycle in Bristol, are selling and repairing more bikes than ever before. According to Sport England, cycling has doubled during lockdown with the number of people who say they ride at least once a week rising from 8% to 16% in the seven weeks after 23 March. Sigma Sports in London, has reported a 677% rise in year-on-year sales in April for entry-level bikes.

**theguardian.com, 9 June 2020 (Wollaston)**

### **The future of connected cars**

The ability to connect vehicles with the internet-of-things has become a major issue for the automotive sector. It provides opportunities for enhanced services and greater personalisation but there is still a way to go before cars move from being "connected" to "smart", according to Aleks Niestroj, executive director of experience strategy and insights at agency VMLY&R, who has worked closely with Ford on its connected ecosystem projects. Here he gives his views on the future of connected cars and opportunities for advertisers.

**emarketer.com, 2 June 2020 (Droesch)**

### **Luxury carmakers under threat**

Bentley and Aston Martin are losing 1,000 and 500 jobs respectively. Bentley will restart production at its Crewe factory but the shutdown in the UK has harmed the company.

**marketingweek.com, 5 June 2020**

### **Good news for river transport**

As several big transport construction sites reopen for business, Transport for London has announced options for contractors to privately hire river boats to get their workers safely into the city to sites that are "accessible from the river".

**constructionenquirer.com, 9 June 2020 (Morby)**

Written by CIM's Knowledge Services Team

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## Sources

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