

Cutting Edge: Our weekly analysis of marketing news

1 July 2020

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

Quick [links](#) to sections

Marketing trends and issues

Advertising

Pandemic effect on advertising and research

A new report from Oxford Economics entitled *The Projected Economic Impact of Covid-19 on the UK Creative Industries*, predicts that the creative industries will suffer a combined £74 billion decline in turnover this year compared to 2019 and warns of a “cultural catastrophe”. Along with the tourism sector, creative industries are among the most affected by the coronavirus. The report predicts that the advertising and market research sector will lose £19 billion (down 44%) in turnover this year compared with 2019. It quotes AA/WARC figures which show that, while UK adspend rose by 6.9% year-on-year in 2019 to reach £24.4 billion, the figure for 2020 is expected to be £21.1 billion, down by 17% year-on-year. The steepest decline will be during Q2 with improvements expected for Q3 and Q4.

<https://www.creativeindustriesfederation.com/publications/report-projected-economic-impact-covid-19-uk-creative-industries>, 15 June 2020

Ad business moves steadily online

Despite this being a bad year for advertising, ad spend may fall by less than the 11.2% decline which followed the financial downturn of 2009. Spending levels may even return to pre-coronavirus levels by next year, according to research firm MoffettNathanson. The reason for this is the Internet. While traditional ad formats will suffer hugely this year (print is likely to be down by 32%), digital will be flat or even rise slightly. The Internet attracts new advertisers and small companies can afford to experiment with it. It is also attractive because it aligns with people’s media habits. Yet, if online adspend continues to rise, it may reach “a

point of saturation” according to eMarketer; then it could move to other media, such as gaming, or even video streaming (even though Netflix claims it will never run ads). Meanwhile, the big tech companies are stealing business from the ad agencies. In Britain just 13% of online search ads and 44% of display ads are put through the five biggest ad agencies that handle TV advertising, according to Enders Analysis.

[economist.com](#), 27 June 2020

Agencies

Digital transformation

A new webinar by *The Drum* in collaboration with Delttek looked at: *The digitised workforce: How are agencies preparing for the future of work?* One of the positive developments is the “freedom to produce quality work” instead of the “clocking in and clocking out” culture, according to Sera Holland of The Fawnbrake Collective, who argues that we need to take a step back from how we used to do things. The answer is to use digitisation and to make workers feel “as comfortable as possible”. Christopher Onderstall of FleishmanHillard says he hopes that things won’t just return to normal and that agencies will adapt following the lessons they have learned during lockdown. “We all need to keep this momentum going after lockdown ends, and ensure we’re giving agency workers the parameters to work as efficiently as possible”, he says.

[thedrum.com](#), 19 June 2020 (Hobbs)

New apprenticeship scheme for creatives

The IPA is coordinating a new apprenticeship scheme developed by a group of agencies. The Level 3 Junior Creative Apprenticeship Standard aims to encourage diversification in the creative department which tends to be dominated by the “white, male, middle class”. The 14-module apprenticeship will be taught over 18 months, with



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agencies being able to use their Apprenticeship Levy to fund a new starter or upskill an existing employee.

[marketingweek.com](https://www.marketingweek.com), 29 June 2020

Brands and branding

Building a strong brand identity

A strong brand identity consists of elements such as colours and logos that distinguish it from competitors and allow it to be recognised. Marketing has the important task of deciding which elements to invest in, protect and build. The authors propose a new measure, namely "Competitive Intensity", as a way of evaluating brand identity elements on their potential for uniqueness. A study among 13 CPG categories in 19 countries shows that character, logo and logotypes have the greatest potential for unique brand ownership. However, colour is a challenging element to develop as a unique brand identifier because of high levels of competitive sharing.

Journal of Brand Management, Vol 27(4) July 2020, pp393-407 (Ward et al)

Secrecy in brand relationships

There is widespread demand for transparency, yet there are occasions when keeping a secret can be beneficial to a brand. This study explores three types of "secretive" relationships in marketing: between the brand and customers who know the brand secret (insiders); between the brand and customers who don't know the secret (outsiders); and between insiders and outsiders. It finds that secrecy creates value for insiders because it reinforces their connection to the brand; it also stimulates outsider curiosity, especially when the secret relates to a well-known brand. Secrecy can also make insiders into an "aspirational reference group" for outsiders.

Journal of Marketing Management, Vol 36(7/8) June 2020, pp682-704 (Fedorenko et al)

Conferences and events

Industry bodies concerned over lack of action

The UK Government has given the go ahead to reopen restaurants, pubs and hotels in England on 4 July but has offered no specific support for events. Despite much planning having been done by the industry over the past weeks, the lack of information about when events can resume has been disappointing. Simon Hughes, chair of The Business Visits and Events Partnerships (BVEP) warns that the sector is at risk of businesses failing and substantial job losses. The BVEP has previously said that if the industry does not reopen quickly, it could lose over £50 billion in direct spend and over 500,000 jobs.

[citmagazine.com](https://www.citmagazine.com), 24 June 2020 (Kahn)

Consumer behaviour

Consumer behaviour will change

Although people will eventually return to face-to-face interactions, there is likely to be lasting change in consumer behaviour. Before the pandemic, we were already, "a world ripe for radical change" argues the author. Last year 84% of consumers were already saying that the experience created by a brand is just as important as the physical product or service. But many brands have yet to embrace the idea of experience because they don't recognise that the consumer has changed. These days people adopt new behaviours overnight and many of these behaviours will become habit. Even if people return to their previous habits, "the fear of change is gone". Consumers value their time and experiences that help them gain time will be the ones that win. Marketing is about experiences more than ever before and businesses that make those experiences better will be the winners.

ama.org, 4 June 2020 (Sweezy)

Negative reviews can produce empathy

This research shows how negative reviews, when perceived as unfair, can actually produce feelings of empathy towards a company. A series of studies and experiments reveal that this empathy can motivate positive consumer responses such as paying higher prices. The research identifies factors that can both increase and decrease consumer empathy towards a company. The authors discuss the implications in relation to the better management of consumer reviews.

Journal of Marketing, Vol 84(4) July 2020, pp86-108 (Allard et al)

Customer relations

Personalisation is good – but do it properly

Research suggests that many people like the brands they interact with to know something about them so that they can receive relevant offers and services. But businesses need to strike a balance between being helpful and being "creepy". It is all about giving a good customer experience and building brand reputation. If customers like and trust you, they are more likely to share information. You should allow your customers to take control over what information they provide. Here are a few points to consider, including staying within the law.

dpnetwork.org.uk, June 2020 (Donn)

Marketers should engage with boomer fears

Baby boomers, born between 1946 and 1964, have benefited from economic security, consumer choice and more discretionary spend than previous generations. But the accelerating rates of change have led to greater uncertainty amongst this generation. Research suggests that boomers react positively to authentic, clear communication. They

also want to be acknowledged, respected and listened to. As the world changes yet again, marketers should face boomer fears directly and engage them in issues. Here are four tips for engaging baby boomers in the current environment.

ama.org, 15 June 2020 (Murtell)

Direct marketing

Younger do audiences interact with mail

There is a common belief that marketing to younger people should be digital but this audience is getting harder to reach. The Lettershop Group conducted research to see if mail could be the solution. They found that younger audiences (17- to 24-year-olds) receive much less mail than other age groups, regardless of sector, but that their interaction rates are not so very different from those of older audiences. When the researchers checked to see how likely people were to interact with and keep mail, they found that 17- to 24-year-olds had the highest rates for the majority of commercial actions, including discussing it with someone (19%) and visiting the sender's website (10%). It appears that mail has a real value in driving response from younger audiences. Here are five tips for targeting this age group.

dma.org.uk, 13 June 2020 (Ezzy)

Law

Foldable bike retains copyright

The CJEU has ruled that, in certain circumstances, copyright can exist in designs whose shape is necessary to achieve a technical result. The case concerns the Brompton folding bike, which is favoured by commuters because of its small size and ability to fold into three positions. The mechanism was previously protected by a patent but in the past few years a rival has emerged in the form of the Chedech, a foldable bike from Korean company Get2Get. So similar was it to the Brompton, that the latter sought a court ruling. EU law now seems to have decided that designs, even functional ones, can have copyright protection as long as they constitute "works" under EU copyright law. Product designers should welcome the decision.

lexology.com, 17 June 2020 (Mark and Cerri)

Addressing fake reviews and likes

In June the Netherlands Consumer and Markets Authority (ACM) announced that it would investigate fake accounts, reviews and likes. It aims to identify businesses that sell fake reviews to companies for use on platforms like Facebook, Instagram, YouTube and Google. As well as misleading consumers, the damage caused by this practice to advertising companies globally is estimated to be €1.2 billion. The ACM initiative follows a previous one from the UK Competition and Markets Authority in May 2020. Misleading consumers online has become a "hot" topic especially since the amount of shopping done

online has increased during the pandemic. Regulators across Europe have started to monitor websites and platforms to identify such practices. It is expected that further investigations will be launched into online B2C practices by national agencies across Europe in the near future.

lexology.com, 26 June 2020 (Abbing and Selie)

Marketing

The CMO Survey

A special edition of *The CMO Survey* reveals that optimism about the economy has fallen to 50.9% among US CMOs, compared to 62.7% three months ago, but optimism about their own company is higher, at 68.8%. However, marketing leaders report a 9% loss in marketing jobs, with 24% saying they do not expect these jobs to be reinstated. On the upside, marketers have noted that customers are more open to new digital offerings (85%) and acknowledge companies' efforts to "do good" (79%). Most respondents (62.3%) said that the marketing function has increased in importance during the coronavirus. More findings and infographics are included in this article.

ama.org, 17 June 2020 (Steimer)

CMOs and the presence of other C-suite execs

This research investigates the relationship between the CMO and company performance by looking at how the relationship is affected by the presence of three other functional heads. A study of US manufacturers confirms that there is a link between the presence of a CMO and company performance. However, it also reveals that this relationship is strengthened by the presence of a chief sales officer, a chief technology officer and a chief supply chain officer, in certain circumstances. The study underlines the importance of appointing CMOs and for the CMO to work across organisational silos.

Journal of the Academy of Marketing Science, Vol 48(4) July 2020, pp670-694 (Nath and Bharadwaj)

Market research

The majority willing to go back to face-to-face

Two new studies reveal that people are prepared to return to face-to-face research after the end of lockdown. Around 72% of people feel comfortable with going back to this type of research, according to a survey from People Research, with 88% in favour of one-to-one sessions and 52% comfortable with focus groups of up to eight people. However, the 2-metre gap remains a priority. A second survey among existing panellists or potential panellists, reveals that 77% of people would participate in face-to-face research. The research by Criteria, which focused on those living in or around cities or towns, found that incentives for people to take part in central London may have to rise.

research-live.com, 29 June 2020 (Kay)

Building agility for the insights profession

Three themes have been dominating business strategies during the pandemic: e-commerce; changing customer expectations; and the need to be agile. Although all three have been around a while, Covid-19 has acted as a catalyst to make them more urgent. This article focuses on agility, which is an enabler of success for the other two themes as well as being a key skill-set for insights professionals. The authors recommend four initiatives for building agility for the insight professional.

esomar.org, 29 June 2020 (Mabey and Huisman)

Public relations

Facebook boycott

The number of organisations supporting the #StopHateForProfit boycott is growing. While some brands, such as Starbucks, Unilever, Coca Cola and Verizon, have stopped marketing across some or all social media platforms, it is Facebook that is probably bearing the brunt of the reaction. Mark Zuckerberg, who has announced various steps to combat hate speech, says he wants to ensure that "Facebook is a force for good on this journey". As organisations face increasing pressure to do the right thing, PR and marketing professionals should think hard about their paid social media strategy and "be prepared to answer critics". (See also under Social media).

prdaily.com, 29 June 2020 (Winchel)

Sorrell – social media is the new PR

Sir Martin Sorrell has dismissed the idea of adding a PR firm to his S4C group because "it wouldn't fit". However, he is open to having a social media specialist, especially in the healthcare industry, which is a growing area for S4C. He believes that, to be relevant today, one shouldn't have the type of "analogue" PR that "conjures up images of writing press releases"; instead it should "conjure up social media communications and integration".

prweek.com, 30 June 2020 (Rogers)

Better communication to embrace diversity

In the wake of the George Floyd killing, businesses are making fresh pledges to enhance diversity and inclusion but others are holding back. Experts say that such reticence is a mistake. The first step, according to Courtney Newell, founder of Crowned Marketing and Communications, is to own up to past mistakes. It is important for communications "not to play it safe" and to offer statements of support that are linked to measurable action. Employers should be actively seeking feedback from "diversity-minded" employee groups. How can PR pros ensure that they are connecting with those outside their normal spheres of influence? One suggestion is to take on the role of facilitator for a wider conversation about race, equality and inclusion.

prdaily.com, 29 June 2020 (Kitterman)

Sponsorship

E-sports sponsorship – emerging trends

E-sport sponsorship is still in its infancy but many brands have launched major campaigns around the genre. These include endemic sponsors (those who sell products related to e-sport) and non-endemic (unrelated to the sport). This study looks at e-sport sponsorship from the perspective of the industry's practitioners with interviews with two groups in the Simulated Professional Sports (SPS) genre. It identifies six emerging trends associated with e-sports sponsorships: the generational challenge; the SPS community's bond; converging digital assets and sponsorship; authenticity and SPS sponsorship; endemic and non-endemic sponsorship; and the potential of e-sports athletes.

Journal of Brand Strategy, Vol 9(1) Summer 2020, pp59-74 (Finch et al)

Sponsorship wrapped up for Premier League

Premier League football was suspended in March because of the pandemic but has since been allowed to play behind closed doors. The matches have been characterised by the addition of lower-tier stadium wraps, which have featured in every Premier League game since restart. Their aim is to enhance the broadcast by allowing clubs "to express their personalities" using club colours and branding. There is also a section for sponsors, which makes up 25% of surface area.

sportbusiness.com, 26 June 2020 (Glendinning)

Agriculture, fishing and forestry

Hop growers could go out of business

The UK hop industry could collapse due to the closure of pubs and the reluctance of brewers to buy next year's crop. Just 40% of 2021's crop has been spoken for by brewers who already have a surplus because of the fall in beer consumption this year. The British Hop Association fears that some growers will leave the industry if they have no contracts. UK farmers produce 1,500 to 1,700 tonnes of hops a year, which are used in bitters, stouts and IPAs. The craft beer boom has helped to boost the hop industry.

ft.com, 19 June 2020 (Evans and Hancock)

Waitrose pledges to maintain food standards

Waitrose has promised never to sell chlorinated chicken or hormone-fed beef if Britain enters into a trade deal with the US. James Bailey, the supermarket's new chief exec, says Waitrose will not lower its standards with food that doesn't meet the high standards offered by UK farmers. Over a million people have signed an NFU petition calling on the Government to support British farmers and not to enter into trade deals that would result in imports of

food that would be illegal to produce in Britain. According to a Which? survey, 86% of consumers are concerned about the lowering of standards.

fwi.co.uk, 25 June 2020 (Case)

Building industry

Schools and prisons to get building boost...

The UK Government is to recommence a school building programme that was paused during the years of austerity. The ten-year programme will consist of 50 projects with over £1 billion in funding. The first construction will commence in September 2021. A further £560m will be spent on school repairs and upgrades this year. The Government has also announced plans to build four new prisons over the next six years.

theconstructionindex.co.uk, 29 June 2020

...as part of £5 billion fund

Boris Johnson has announced Government investment of £5 billion in some key infrastructure projects across Britain. The so-called "New Deal", positions construction as a key player in economic growth and national renewal; it covers roads, hospitals, schools, court rooms and "shovel ready" local projects. The Government's delayed National Infrastructure Strategy, which will be published in the Autumn, will also set out a clear direction for basic infrastructure, such as energy, roads, flood defences and waste.

constructionenquirer.com, 30 June 2020 (Morby)

Businesses and strategy

Working from home – SME productivity

A survey of workers at small and medium-sized UK businesses reveals that 67% say their productivity has been affected by working from home during lockdown. The poll, which was conducted by business telecoms provider Onecom, found that 39% thought their level of productivity had fallen, 28% said it had increased and 28% said it had been unaffected. Meanwhile, 42% said they felt less motivated when working at home, 25% more motivated and 29% reported no change. Some 83% are using technology more often than before, with the use of email, telephone, video conferencing, social media and web-based research all on the rise. The report highlights how important it is for work teams to stay in touch.

businessmag.co.uk, 16 June 2020

Focus on performance, not outcomes

There is a perception that life revolves around winning and achieving results, but this constant focus on outcomes can hold one back in business, just as it does in sport, education and politics. Increasingly, psychology and organisational studies highlight flaws in this way of thinking. An obsession

with outcomes can result in unforeseen circumstances and poor results. In elite sport there are moves to refocus the culture on a performance-focused mindset. In business it is also possible to develop a performance mindset by, firstly, focusing on what is lost when we over-focus on results; secondly, learn from the shift in sports psychology over the past 20 years; and lastly, recognise that performance relates to a wider set of criteria than those used to measure results.

mangagementtoday.co.uk, 15 June 2020 (Bishop)

Redesigning the organisation for speed

The global pandemic has meant that businesses have had to change by speeding up the process of decision-making, improving productivity, using technology and data in new ways and accelerating the rate of innovation. Many organisations have achieved difficult goals in record time. Examples of successful actions by companies show that speed is central to their achievements. An organisation designed for speed will enjoy positive outcomes. Here are nine actions that can help businesses achieve sustainable speed. The first three focus on the need to "rethink ways of working"; the second three prompt you to "reimagine the structure"; and the last three to "reshape talent".

mckinsey.com, 26 June 2020 (de Smet et al)

Achieving serial innovation

In its latest report on the 50 most innovative companies (*The Most Innovative Companies 2020: The Serial Innovation Imperative*) the Boston Consulting Group says that the world's most innovative companies are getting bigger; but that size doesn't mean much unless you can build on it for success. In fact, just eight companies have made the top 50 list in each of the 14 years that the report has been compiled. Successful serial innovators do three things right: they "walk the talk" by not just making innovation a priority, but putting serious investment into it; they use the benefits of scale to invest in developing winning products, services and business models; and they "calibrate their innovation systems for success", ensuring that they embrace best practices and are consistent across all dimensions.

bcg.com, June 2020 (Ringel et al)

Charities and NGOs

CRUK – marketing takes prominent role

The charity sector has been hit hard by the coronavirus which has overshadowed public awareness of other diseases. Cancer Research UK (CRUK) estimates that it will lose £150m in funding this year. Much of its income has been lost through the closure of its 600 shops and the cancellation of events such as Race for Life and Stand Up To Cancer. Executive director of fundraising and

marketing, Philip Almond, believes that Covid-19 will give the charity a chance to refocus on what is working and to reduce costs. This has made the role of marketing more prominent because the charity has been forced to communicate about the whole brand rather than focus on particular products.

marketingweek.com, 25 June 2020 (Vizard)

Tell the brand story – reshape the future

Things are beginning to open up following lockdown but things have changed and there is an opportunity to reshape the future. This can be done by telling your story: where you are from, your heritage and values, what you've achieved and where you are heading. The brand story is a powerful way of shaping how people see the organisation and can create a strong emotional connection that will inspire supporters and keep your charity relevant. The National Trust has successfully evolved its brand throughout its 125 years. Here is some advice for shaping the future of your organisation by telling your brand story.

charitycomms.org.uk, 30 June 2020 (Neale)

Embracing Digital fundraising

Charities have been discovering new ways of digital fundraising. This article looks at how they have built up resilience and launched some effective digital fundraising events. Charities shops, such as those of the British Heart Foundation, have boosted their online selling with new channels and audiences. Others, such as Storyhouse in Chester, have adopted digital streaming. Its New Story Campaign includes a £4 subscription to streaming services for UK theatres. Other charities have formed digital fundraising partnerships, such as Herts Domestic Abuse with Energie Fitness Hatfield and Hatfield Town Council.

charitydigital.org.uk, 26 June 2020 (Chiu)

Economy

Social impact of coronavirus

The ONS's latest report on the effect of the coronavirus on the British public, *Coronavirus and the social impacts on Great Britain: 26 June 2020*, reveals that 43% of adults felt that some aspects of their lifestyle had changed for the better since the onset of the pandemic. Of these, 56% said they could spend more quality time with people they lived with, 50% enjoyed the slower pace of life and 47% preferred to be spending less time travelling. However, among those aged 70 and over, only 24% reported any positive lifestyle changes. The report relates to the period 18 to 21 June 2020.

ons.gov.uk, 26 June 2020 (Davies)

Education

Gender pay gap starts after graduating

Some 15 months after graduating, the gender pay gap is in favour of men who earn on average 10% more than women. Even among those with similar qualifications there is a wide pay gap. The figures, produced by the Higher Education Statistics Agency (HESA), show that only 16% of women with a first degree earned over £30,000 compared with 28% of men. There were also gaps between black university graduates (only half of whom were in full-time employment over a year after graduating) and white students, where the figure is 60%.

theguardian.com, 18 June 2020 (Adams)

LBS – pay cuts all round

London Business School was ranked number 20 in a study of 178 providers of higher education in Britain which assessed how vulnerable they were to the current crisis. LBS has been a beneficiary in the rise of business education, with *The Economist* placing it 25th in an MBA ranking last year. LBS is unusual in that it is not part of a larger entity and does not use its cash pile to subsidise less popular degrees. The problem for the School is not its investment in property, or a lack of international students, but its executive education programmes (for individuals and corporate clients), which do not lead to degrees but which make up 30% of revenues. Demand for these has nose-dived as companies cut training budgets. LBS expects turnover to fall by 20%-25% this year. Staff are responding by taking pay cuts...

economist.com, 27 June 2020

Energy and utilities

Ofgem proposals to raise supplier standards

Ofgem has finalised its proposals for suppliers to improve customer service standards, reduce the risk of supplier failure and provide a safety net for customers should a supplier fail. Suppliers will also be required to "demonstrate readiness for growth" and the ability to comply with regulatory requirements. The proposals are based on more stringent entry requirements for new suppliers and aim to ensure that consumers benefit from competition and innovation in the market.

ofgem.gov.uk, 25 June 2020

Renewable energy – records levels

Renewable energy broke its own record by accounting for nearly half (47%) of electricity generation in Britain during the first quarter of 2020. The rise in total renewable energy output was largely driven by growth in electricity generated by solar panels and wind farms. New wind farms, combined with storms at the beginning of the year, have helped to produce record wind power for the UK. Meanwhile, fossil fuel plants reached a record

low in energy generation for the first quarter of the year: gas-fired power accounted for 31.4% and coal just 3.8%.

[theguardian.com](#), 25 June 2020 (Ambrose)

Environment

UNESCO – The Next Normal

Although health and economic concerns are probably at the top of people's minds, many people are also worried that "a rush to get back to normal" will lead to a setback for the social and environmental gains which have occurred as a result of the coronavirus. A new campaign from UNESCO aims to encourage people to slow down and consider what the best way to move forward is. UNESCO's "The Next Normal" asks people to think about what is normal (such as air pollution causes eight million early deaths a year) and what is not normal (such as during the coronavirus Himalayan peaks became visible for the first time in 30 years) and suggests that we have accepted the "unacceptable" for too long.

[sustainablebrands.com](#), 26 June 2020

CCC – climate schemes in post-Covid-19 plan

The Committee on Climate Change (CCC) wants the Government to incorporate climate change schemes into its Covid-19 economic recovery plan. For the first time, the Committee has set out recommendations for each government department. These will help the UK to make progress ahead of the COP26 climate summit in Glasgow next year. Its report includes: low-carbon retrofits and buildings that are designed for the future; tree planting, peatland restoration and green infrastructure; moving energy networks towards net-zero energy; infrastructure to facilitate walking, cycling and working remotely; and moving towards a circular economy.

[climateaction.org](#), 26 June 2020 (Figueira)

Fashion

Boohoo acquires online Oasis and Warehouse

Boohoo has added to its portfolio of brands by acquiring the online operations of Oasis and Warehouse for £5.25m, reflecting the trend for fashion to move from the high street to online. Oasis and Warehouse went into administration in April. Meanwhile Boohoo reports strong trading with sales in the three months to 31 May up from £254m to £367.8m. John Little, CEO, says the group is "well-positioned to continue making progress towards leading the fashion e-commerce market globally".

[prolificnorth.co.uk](#), 17 June 2020 (Austin)

Financial services

Testing behavioural biometrics for SCA

NatWest is developing a behavioural biometrics

solution for Strong Customer Authentication (SCA) that could replace banking passwords. It works by "analysing the unique ways a customer interacts with their device when making an online purchase", according to the bank. NatWest, which is working with Visa on the technology, will be the first bank to test it for SCA compliance. Behavioural biometrics has already been used successfully in the area of fraud prevention. It has now been approved by regulators and industry as a second layer of security alongside one-time passcodes.

[nfcw.com](#), 18 June 2020 (Clark)

Reverse ATMs launch in Canada

DCBank of Canada, in collaboration with tech provider XTM, is to provide shopping malls and entertainment venues with "reverse ATMs". Instead of using a card to draw out money, the kiosks enable people to insert up to \$1,000 in cash, which is then converted into a prepaid Mastercard that can be used to make payments at cashless sales points.

[nfcw.com](#), 12 June 2020 (Clark)

HSBC – pivoting and resetting

Speaking at Cannes Lions Live on 22 June, HSBC's global head of marketing, Leanne Cutts, said that Covid-19 offers a "real reset moment" for marketing which will not switch back to being as it was before the virus. The coronavirus has shown how quickly HSBC could pivot and work faster than previously. Key reasons for the bank's success over this period include its business transformation programme which has seen the business move to more agile ways of working over the past three years. HSBC also has a framework in place to cope with the pandemic which it calls the "three Rs": react, respond and rebuild.

[marketingweek.com](#), 23 June 2020 (Vizard)

FMCG

Beverages

Is Coca-Cola moving into alcohol?

Coca-Cola could be moving into the UK alcohol market for the first time. It has recently registered the brand name EH Canning Co with the Intellectual Property Office. Experts believe that this could be the western equivalent of chu-hi, a Japanese hard seltzer (sparkling water and spirit). Coke has previously dabbled in the US alcohol market and still has a presence as a "generic spirit mixer". EH Canning could be different as a drink without Coke branding but it would "have to be exceptional" to succeed, according to experts.

[thegrocer.co.uk](#), 25 June 2020 (Selwood)

Cosmetics and toiletries

Beauty – a virtual try-on

Beauty brands rely on consumers to physically test out their products, such as lipsticks and mascara, so the concept of social distancing is problematical. However, brands have been experimenting with digital alternatives over the past few years. Now their task is to make this the main way in which consumers sample products before purchasing. Ultra Beauty's virtual tool, GLAMlab, has seen a fivefold rise in average monthly usage compared to pre-pandemic times. Consumers can access the tool from their personal device while in-store. MAC introduced try-on tech last year while Aveda and Estée Lauder are both seeing greater consumer engagement with their virtual try-on services, which they are promoting through websites, email and social channels.

Adweek, Vol 61(14) 22 June 2020, p5 (Hiebert)

Fairness – skincare brands respond to BLM

Recently L'Oréal said it would stop using words such as "fair" or "whitening" on its skincare products. Hindustan Unilever has also said it will stop using the word "Fair" on its "Fair and Lovely" skincare product while Johnson & Johnson announced last week that it will discontinue two skincare products that use the word "fairness" on their labels. The companies have been responding to increasing consumer pressure for brands to help tackle racism as the Black Lives Matter movement continues.

prdaily.com, 29 June 2020 (Winchel)

Food

Novel food introduction in the UK

"Novel foods", as defined by The Novel Foods Regulations of England and Wales, are "any food that was not used for human consumption to a significant degree within the Union before 15 May 1997". Such food must have market authorisation before being marketed in the UK. The EU has a list of authorised novel foods, which include items such as magnolia bark extract or plum kernel oil. This article looks at what novel foods are and the authorisation process required. It has a separate section for cannabidiol based foods which have different requirements.

3pb.co.uk, 5 June 2020 (Wyard)

Uncle Ben's – a change of image

Uncle Ben's, the rice brand, is to axe its famous black farmer image in response to the current concerns over racial equality. Mars, which owns the brand, says that Uncle Ben is a fictional African American Texan farmer who has been in use since 1946. The image is in fact that of a Chicago chef and waiter called Frank Brown. Mars, which says the character was "out of step with the times", is also considering a change of name for the brand. This

follows a move by Quaker, which plans to change its Aunt Jemima pancake and syrup name and logo which it has used for 130 years. (See also under Household)

theguardian.com, 18 June 2020 (Sweney)

Household

Colgate reviews Darlie brand

Colgate-Palmolive is reconsidering Darlie, its Chinese toothpaste brand, which features an image of a man with blackface make-up. The name translates as "black person toothpaste" but was originally known as "Darkie" before the name was changed in 1989. Colgate acquired 50% of Hong Kong-based Hawley & Hazel, makers of Darlie, in 1985. Other brands featuring African-American characters, such as Uncle Ben's and Aunt Jemima, are reviewing their logos (See also under Food)

bbc.co.uk/news, 19 June 2020

Tobacco

PMI wins injunction against Chinese copycat

Philip Morris International (PMI) has won a UK High Court injunction to ban Shenzhen Shunbao Technology Co Ltd, a Chinese company, from putting a rival tobacco heating product on the market in the UK and EU. This is because it infringes the Registered Community Design of PMI's IQOS tobacco heating product. In 2018 Shenzhen Shunbao had marketed a product with a very similar appearance to IQOS in China. It intended to launch the product in the UK but PMI applied for an urgent interim injunction. Design rights, which provide valuable protection for shapes, patterns and colours of products, can be easier to obtain than other forms of IP.

lexology.com, 17 June 2020 (Morris)

Health and pharmaceuticals

Bra medical claim ad deemed misleading

The ASA has banned an ad for a bra which claims to "Reduce the risk of breast cancer". The ad appeared as a paid-for post on Facebook together with an x-ray image of a breast. The company who posted it, Lemongrassrice Ltd, did not respond to a request for clarification from the ASA which subsequently ruled the ad to be misleading. It also considered that the company had made a medical claim but that, "we had not seen any evidence to demonstrate that the product was a CE-marked medical device."

telegraph.co.uk, 24 June 2020 (Meadows)

IT and telecoms

Tap to unlock and start – iPhone car keys

Apple will enable iPhone users to lock, unlock or start a vehicle using its new NFC CarKey. The new service starts in July with BMW the first car manufacturer to adopt it for its 2021 BMW 5 Series.

Users simply tap the iPhone to unlock the car and then place it on the charging pad to start it up. Digital keys have the added security benefit of being located in the secure part of the iPhone and, if it gets lost, the keys can be turned off via iCloud. They are also much easier to share than physical keys.

[nfcw.com](#), 23 June 2020 (Clark)

Leisure and tourism

Travel restrictions lifted for some countries

From 6 July The UK will lift restrictions on non-essential overseas travel which means that people can take holidays in some European countries without having to quarantine for 14 days. Travel companies have already begun to see the effect; TUI has seen bookings rise by 50% in just one week, with holidays to Spain and Greece among the most popular. Lastminute.com reported an 80% rise in holiday sales compared with the previous week. The latest set of rules will involve a traffic light system with countries being designated red, amber or green depending on the risk of coronavirus.

[bbc.co.uk/news](#), 27 June 2020

Drive-in events

Live Nation Entertainment plans a series of drive-in events this summer. The Utilita Live From The Drive-In series allows people to attend concerts, theatre performances, comedy shows and other experiences safely across 12 venues in the UK. Each vehicle will have its own designated, socially distanced space.

[marketingweek.com](#), 19 June 2020

Materials and mining

Digitalisation – industry catching up fast

Mining & Metals Forecast 2020: Industry Trends from law firm Baker McKenzie explains how digitalisation is providing “the latest significant technological advancement” in the mining sector due to the use of AI, advanced data analytics, 3D modelling, wearables, drones and the Internet of Things. Mining has tended to be a laggard in terms of digitalisation but it is fast catching up. The global smart mining market was valued at \$6.8 billion last year and is expected to reach \$20.31 billion by 2025. This is despite the coronavirus which, if anything, will reinforce the need for the sector to automate and digitise rather than be reliant on manual processes.

[lexology.com](#), 25 June 2020 (Baker McKenzie)

Media

Books

Waterstones apologises for book displays

Waterstones has apologised to book cover designers after it started displaying books with just their back cover showing. The move was intended to allow

people to read about the book without having to pick it up. Suzanne Dean, head of the design team at Vintage, says that “The front cover is a mini-poster for the book” whose job is to grab the reader’s attention. Bookstores, which were allowed to reopen on 15 June, have seen a 30% rise in sales year-on-year. Waterstones allows customers to touch the books but, if they do so without buying, then the book has to be quarantined for 72 hours.

[theguardian.com](#), 24 June 2020 (Brown)

Film

Cinemas to have worst year since 1996

Cinemas in England are allowed to reopen from 4 July but will be hampered by safety measures such as two-seat spacing and a ban on self-service pick ‘n’ mix sweets. This is expected to be the worst year for UK cinema since 1996, with box office takings predicted to fall by 58% (from £1.25 billion in 2019 to just £525m). Cinemas have also suffered from a lack of advertising revenue which was predicted to grow by 9% this year to £249m. Now Group M says it expects UK cinema advertising to fall to £114m, less than half that of 2019.

[theguardian.com](#), 28 June 2020 (Sweeney)

Internet

Google’s first fall in US digital ad revenues

By the end of this year Google’s net US digital ad revenues will fall by 5.3% giving it a 29.4% share of the market, down from 31.6% last year. This represents the first drop in Google’s ad revenues since eMarketer first began its forecasts. The other members of the “tripoly”, Facebook and Amazon, will continue to see revenues grow, but at decreased rates. Facebook’s US digital ad revenues will rise by 4.9% thanks to Instagram, while Amazon’s will rise substantially more, by 23.5%. Overall, the US digital ad market will grow by 1.7%. Google’s declining ad revenues are attributed to the fall in travel advertiser spending.

[emarketer.com](#), 23 June 2020

Newspapers

News brands – varying fortunes

News brands have enjoyed record readership numbers during the pandemic as people have been checking the news on a daily basis. For some titles, lockdown has been a boon while for others it hasn’t been so good. *The Wall Street Journal* has managed to break through the three million subscriber mark. CMO Suzi Walford believes the coronavirus has accelerated a “flight to quality” news sources. The *FT* has also enjoyed “an acceleration of subscribers”, according to David Buttle, commercial marketing director, and it is fast approaching the two million mark. By contrast, Reach (parent company of the *Express*, *Mirror* and *Daily Star*) doesn’t rely on user-generated revenue and has suffered through

advertisers blocking Covid-19 news from their media buying.

[thedrum.com](https://www.thedrum.com), 18 June 2020 (McCarthy)

Social media

Facebook advertising boycott

This month Facebook will suffer its biggest ever advertising boycott as some of the biggest brands in the US (such as The North Face, Patagonia and Ben & Jerry's) remove their advertising in response to the social network's handling of hate speech. Campaign group Stop Hate for Profit, set up after the killing of George Floyd, is driving the boycott. The crisis was exacerbated by a tweet posted by Donald Trump which was later removed by Twitter for being abusive, while Facebook appears not to acknowledge the presence of abusive language. The campaign group is also supported by ad agencies and smaller advertisers. Facebook, which makes almost \$70 billion a year in ad revenue, says it remains focused on removing hate speech.

[theguardian.com](https://www.theguardian.com), 24 June 2020 (Hern)

Coca-Cola pauses Facebook advertising

Coca-Cola has said it will cease all advertising on social media for at least 30 days as advertisers put pressure on social networks to take action against hate speech. Coca-Cola CEO, James Quincey, says he expects "greater accountability and transparency" from social media firms. The campaign #StopHateforProfit (See previous article) says that the "small number of small changes" which Facebook proposes to make won't "make a dent in the problem". Over 90 companies have put their Facebook advertising on hold to support the campaign. (See also under Public relations)

[bbc.co.uk/news](https://www.bbc.co.uk/news), 27 June 2020

Television

Branded entertainment and brand perceptions

Branded entertainment significantly boosts brand engagement and positive viewer perceptions, according to a study by Channel 4. Its key findings were that: branded entertainment approval is high; it particularly appeals to younger people; the brand should have a good fit with the programme; it can increase brand perceptions by 29% compared with a traditional ad spot; and viewers have positive associations with a brand when it supports programming they enjoy. Some case studies are mentioned, such as the link between Uber and the programme *Where to Britain?* which resulted in the perception that Uber has friendly drivers increasing by 95%.

[advanced-television.com](https://www.advanced-television.com), 25 June 2020

Video

TikTok launches business ad product

TikTok has launched TikTok for Business aimed at attracting brands to its advertising products at a time when they are moving away from other platforms. TikTok already has various advertising options (in-feed video ads, branded AR content and custom influencer packages) but the platform may be a bit of an enigma to those over the age of 25. This initiative will actively help brands with advice on how to use the platform. At the beginning of the year, TikTok became the most downloaded non-gaming app; this puts it in a good position to attract ad spend at a time when Facebook is facing its largest-ever advertising boycott.

[thedrum.com](https://www.thedrum.com), 25 June 2020 (Watson)

Packaging

Sustainable packaging driving change

Packaging has traditionally been about presenting products to best advantage but now it is all about sustainability. Packaging is one of the things customers notice first and is one of the most visible symbols of sustainability. Recent research commissioned by Smurfit Kappa reveals that 55% of customers have purchased a product because it has reusable or biodegradable packaging. Brands recognise that packaging has a serious impact on purchasing decisions, which is why Nestlé has created an Institute of Packaging Sciences and launched a packaging venture fund. Research suggests that for around a third of companies packaging is driving R&D (37%) and new product development (33%).

[ft.com](https://www.ft.com), 15 June 2020 (paid post, Smurfit Kappa)

Origami bottles...

The new Origami Bottle is a reusable water bottle that folds up so that it can fit into a bag or pocket due to its geometrical structure. Radian Popova, cofounder of DiFold which has developed the bottle, says that consumers report that one of the main reasons they don't like reusable bottles is the space they take up. Similar foldable containers could be used in refill systems such as Loop, a service which takes back and reuses packaging. Foldable packaging would take less space and weigh less, reducing its carbon footprint.

[fastcompany.com](https://www.fastcompany.com), 26 June 2020 (Peters)

...or paperboard wine bottles?

Frugalpac, a packaging supplier, has developed a paper wine bottle made from 94% recycled paperboard with a food-grade liner. The Frugal Bottle is five times lighter than a conventional wine bottle and can be recycled. Cantina Goccia, an Italian wine producer, has already agreed to use the bottle.

[thegrocer.co.uk](https://www.thegrocer.co.uk), 30 June 2020 (Woolfson)

Retailing

Retail winners and losers

Two consequences of the lockdown for consumer behaviour are that consumers buy less and have become used to buying online. Online retail winners have been the home and garden sector while cosmetics, luxury goods, jewellery and clothing have been suffering from declining revenues. It can be hard to know how consumers will react as the lockdown eases. Although fashion sales will rise, albeit from a low base, affordable luxury may continue to struggle. Global brands will no doubt survive the course, but other retail brands will need to focus on "creativity, relevance and authenticity" in order to stand out in a busy digital environment. The author says, "there has never been a better time for bright new retail brands that appeal directly to new consumer behaviours"!

lexology.com, 10 June 2020 (May)

UK retail post-pandemic

A new report from Law firm Squire Patton Boggs and research consultancy Retail Economics, entitled *Unlocking UK Retail*, sets out the results of recent research by the two organisations. This includes the impact of Covid-19 on the retail sector, the "unlocking" of stores and the challenges faced by the physical part of the sector. It also considers shifts in consumer behaviour (for example 46% of consumers have switched to buying products online that they previously only bought instore) and looks to the future of retail and the timeframe for recovery. Retailers are ranked the highest in terms of the way they have responded to the pandemic, ahead of public, government and private businesses.

lexology.com, 15 June 2020 (Lim and Lewis);

<https://www.lexology.com/library/detail.aspx?q=aa32dd7c-2f90-42f1-aeef-8c5528f56a65>

China's retail market overtakes US

It was inevitable that China's retail market would overtake that of the US in terms of size, but this has happened sooner than expected. The US economy is likely to have fared worse during the coronavirus than that of China. China is predicted to have \$5.072 trillion in retail sales this year compared with \$4.894 trillion for the US. However, eMarketer reckons that the US could reclaim pole position in 2021 and 2022 after which China will be back on top, where it could stay for several decades. However, Ethan Cramer-Flood, eMarketer analyst, warns that China is "deeply reliant" on globalisation and may suffer if the rest of the world goes into recession.

emarketer.com, 23 June 2020

Curry's launches video service

Currys PC World is launching a campaign to promote its ShopLive personal shopping service. The service connects shoppers to in-store staff via video. The aim is to replicate the retailer's traditional personalised in-store consultations with consumers to ensure they buy the right technology. "People prefer to get their tech advice from real life people", says Dan Rubel, Dixons Carphone customer comms and brand director.

marketingweek.com, 19 June 2020

Transport and travel

Carnival to sell some ships

Unsurprisingly the cruise industry has been suffering during the pandemic. Carnival has lost \$4.4 billion in just three months (March to May) after being hit by the coronavirus on board its ships. P&O and Cunard, its British subsidiaries, plan to pause sailings until the autumn but Carnival hopes for at least some business by late summer. The company expects initial services will be from homeports rather than resumption of the "fly-cruise" market. A quarter of its crew (21,000 employees) are still on ships, with just 61 out of more than 100 having managed to reach harbour. It also plans to sell six of its cruise ships to try to recoup some of its ongoing costs.

theguardian.com, 18 June 2020 (Topham)

Virgin Atlantic needs rescue deal

Virgin Atlantic, which has already announced over 3,000 job losses, is seeking a rescue deal of up to £900m. The company believes that it could be three years before flight numbers return to normal.

marketingweek.com, 29 June 2020

Written by CIM's Knowledge Services Team

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