

# Cutting Edge: Our weekly analysis of marketing news

8 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

#### ASA and Cap – annual report

In June the ASA and CAP published their 2019 Annual Report entitled *Using Technology for Good*, which sets out statistics and complaints received. Last year the ASA resolved 34,717 complaints, around 1,000 more than the year before but there was a decrease in the number of ads being amended or withdrawn (down from 10,850 in 2018 to 8,881 in 2019). While the number of complaints has risen by 36% in the food and drink sector, they have declined in the retail sector. Interestingly around a quarter of all online complaints (4,401) related to influencer advertising. The report also covers the use of technology to monitor online ads and discusses case studies about the use of partnerships with other regulators and industry bodies. Other topics include: the educational role, protecting vulnerable people and harmful stereotypes.

**lexology.com, 16 June 2020 (Ghatey-Fard et al);**  
<https://www.asa.org.uk/uploads/assets/5d2b832d-8d12-4f28-9e9f5df54f7b93c1/ASA-CAP-2019-Annual-Report.pdf>

#### Advertising creativity

An impending recession and pressure on revenue may be stifling advertising creativity. However, a study cited in the *Journal of Marketing* explains how marketers can maximise ROI from advertising creativity. The results suggest that creativity has positive effects on consumer response and that this effect hasn't either increased or diminished over time. The study also finds that advertising creativity has a more powerful effect on attitudinal than memory outcomes; that the effects are stronger for high-involvement contexts; and that it has slightly stronger effects for unfamiliar than for familiar

brands. Overall, the results provide evidence of the value of advertising creativity, which can produce an impact through signals rather than a specific message. This is particularly important for situations where the decision-making process is complex, such as B2B and business-to-government.

**ama.org, 2 July 2020 (Taken from the Journal of Marketing, 24 June 2020 (Rosengren et al))**

#### Fall in LGBTQ+ representation

New research suggests that there has been a fall in LGBTQ+ community representation in advertising. Just 65% of LGBTQ+ people in Britain believe that there is positive representation of their community, down by 9% on last year. Only 36% of respondents thought that ads were reflective of their community, down from 48% last year. The research, by Karmarama in partnership with *Gay Times*, also suggests that marketers are unaware of the situation.

**marketingweek.com, 1 July 2020**

### Agencies

#### Will in-housing go into reverse?

Before the pandemic, there was much talk about the rising trend of companies bringing marketing services in-house and out of the hands of agencies. Now analysts are wondering whether some brands will decelerate in-housing because of the coronavirus. Goldman Sachs has recently noted that advertisers are looking towards external agencies to help reduce costs and headcount and offer more flexible options. Christian Polman, chief strategy officer of Ebiquity, comments that brands are looking at alternatives to in-housing and: "The end result may be a healthier agency ecosystem that delivers the flexibility and results brands require".

**ebiquity.com, 30 June 2020 (Polman)**



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## **Brands and branding**

### **Storytelling – dipping below the surface...**

Storytelling, an essential part of human existence, has become an important part of marketing. People like brands more when they get to know them through stories and a story can provide a more nuanced picture of a brand's attributes. Nike (meaning the Greek winged goddess of victory) provides a story that is both enduring and memorable. The best thing brands can do, during the short time in which they have a person's attention, is to provide building blocks from "archetype and cultural touchstones" that the viewer can connect with. Although there is always a story on the surface, "the more powerful, more meaningful myth is often at the layer just below that". This layer of knowledge provides deep insight into a brand's personality but shouldn't be brought too far to the surface for fear of appearing too brash.

**ama.org, 26 June 2020 (Jura)**

### **...and lessons from the Summit**

Brands often make the mistake of focusing too much on the brand rather than on the storytelling. Stories can change the way in which a consumer relates to a brand, product or service. There are many lessons to be learned about powerful brand stories through the Summit Project (a non-profit that pays tribute to fallen service members from Maine). The author suggests ways in which you can change the way you tell your brand's story, such as: inclusive storytelling, flawed storytelling, self-sustaining brand storytelling and evolving stories.

**spinsucks.com, 29 June 2020 (Petrolino)**

## **Conferences and events**

### **B2B events set to make a come-back**

A new survey of B2B marketers suggests that they expect to be able to re-engage with events by October. This follows an 80% fall in spend on B2B events during Q2 compared with the previous year. The *Post COVID-19 – The Future of B2B Events* survey, from Space Global, reveals that spending on events will be 50% lower than pre-virus levels during the initial recovery period and that a "return to normal" will not take place until February-March 2021. After the crisis, marketers expect to raise their B2B marketing budgets by 8% compared to pre-virus levels and events are likely to increase their share of this. Online events are not regarded as a sufficiently effective alternative to physical events and B2B marketers are keen to make live events even more relevant in the post-crisis period.

**eventindustrynews.co.uk, 2 July 2020 (Parry)**

## **Consumer behaviour**

### **From consumer to human experience**

Consumers feel that media technology helps them to be more connected but at the same time it makes

their lives more complicated. This is one of the findings of the GlobalWebIndex for Worldwide Partners, a network of agencies. The study also looks at new consumer experiences as a result of the coronavirus in areas such as tele-health, retail, travel and tourism. Worldwide Partners regards these changes as part of a marketing evolution from customer experience (CX) to human experience (HX). It believes that consumer marketing is on the brink of a "fundamental" shift, with a brand's human experience determining its "ultimate value".

**mediapost.com, 2 July 2020 (Mandese)**

## **Customer relations**

### **Become a consumer habit**

It is estimated that humans make 35,000 decisions every day, according to Marsha Lindsay, CEO of Lindsay Foresight & Stratagem, who believes that: "Customer loyalty is overrated". She argues that, by helping consumers to avoid having to make a decision, you can achieve "truly" sustainable competitive advantage. You can gain greater returns by identifying the habits of prospective and existing customers as many of the decisions made by humans are made when on autopilot or through habit. A company cannot afford to be ignorant of consumers' habits. It is not so hard for a brand to become a consumer habit: it just takes a "well-thought-out" strategy.

**mediapost.com, 23 June 2020 (Sullivan)**

## **M&S relaunches Sparks**

M&S is to relaunch its Sparks loyalty programme on 9 July with changes such as more personalised offers and instant rewards instead of points. It also highlights the new good causes that will benefit from the revamped scheme. M&S's online business has grown during lockdown with around 365,000 existing customers shopping on its website for the first time. The Sparks relaunch forms an important part of M&S's aim to be a digital-first business which aims to bring together its four important data sources: Sparks, M&S.com, M&S Bank and Ocado.

**retail-week.com, 2 July 2020**

## **Direct marketing**

### **Keeping your data clean**

It is a constant battle to keep abreast of changes in customer data and Royal Mail admits that it destroys about 16m undeliverable items a year. It is likely that, with the coronavirus, this number could get even bigger. As well as being a waste of money, this can be damaging to a brand. In this post the DMA Council gives practical advice on how to keep your data clean and current. An important first step is to look at regulations that affect data and marketing channels, such as PECR, and to screen lists under the GDPR, the DPA 2018, the DMA code and the CAP Code.

**dma.org.uk, 15 June 2020**

## Law

### **Be clear before launching a brand**

When deciding on a new brand, it is essential to ensure that it doesn't infringe on third party rights. This involves "brand clearance", which is the process of searching trade mark registers and other sources to discover whether a third party has prior rights to the brand. This will help you decide whether to proceed with a brand launch and give you some idea of how easy it will be to protect the brand as a trademark. This article explains what prior rights may exist; the best time to conduct a brand clearance (when you haven't invested too much!); what happens if you discover existing rights; and the cost of conducting a brand clearance search.

**lexology.com, 26 June 2020 (Hunt)**

### **Don't confuse trademarks and domain names**

A trademark is an IP right which entitles the holder to object to an infringement from a third party. By contrast, a domain name is a contractual right that is mainly used to identify a website. In most jurisdictions, there is no basis for challenging someone else's commercial use of a sign that is contained in that domain name. However, two trademarks with identical or similar names are allowed to be used for different products or services where there is no likelihood of confusion. This could lead to a clash when it comes to claiming domain names. Companies are advised to register all domain names of interest as well as registering a trademark.

**internationallawoffice.com, 6 July 2020 (De Jonghe)**

### **First investigation into price gouging**

As Covid-19 spread around the world, demand exceeded supply for certain essential items. There were reports that some businesses were taking advantage of the situation by inflating prices, a practice that often occurs during an emergency situation and is known as price gouging. Last month the CMA launched an investigation into breaches of competition law by four pharmacies and convenience stores for charging unfair prices for hand sanitisers during the pandemic. This is the first such action taken by the CMA but it will not be straightforward. The Authority faces the problem, firstly, of proving abuse of dominance in the market; and secondly, excessive pricing. The investigation will ultimately be a test of whether a company, which is able to price gouge, has market power.

**lexology.com, 22 June 2020 (Mackenzie et al)**

## Marketing

### **Digital marketing – privacy and security**

Many organisations have been undergoing a digital transformation during the pandemic. This has reinforced the need for digital marketers to consider the privacy and security of consumers who expect

fast access to products and services. There are five key strategies for marketers when implementing privacy and security during crisis situations: be open about your privacy and security; don't overpromise privacy and security; make sure you deliver value; communicate pandemic-based messaging according to the audience; and consider how the current crisis can be a catalyst for creating a privacy culture.

**ama.org, 31 March 2020 (Sachdev)**

### **Influencer marketing – how will it change?**

Influencer marketing has become the second-fastest-growing item (after content) on CMO budgets. The "career influencer" has turned into a \$10 billion industry and 20% of young people in the UK would like to become a professional influencer, according to a recent study. However, as influencers see revenue streams dry up because of the pandemic, the nature of the influencer industry has started to change. Influencer marketing is likely to be transformed, argues the author, who sets out five ways in which this is likely to happen.

**businessgrow.com, 29 June 2020 (Schaefer)**

### **CMOs place brand strategy near top of agenda**

CMOs are prioritising brand strategy over analytics, personalisation and marketing technology, with 33% of CMOs ranking brand strategy among their top three priorities, according to a Gartner survey. Some 44% of CMOs have reported midyear budget cuts due to the pandemic, with 11% expecting decreases of over 15%. However, most CMOs (73%) expect the effect of the coronavirus to be short-term and have a positive outlook for the next 18 to 24 months. While 59% expect their marketing budgets to rise next year, Gartner is concerned that this may be overly optimistic. Ewan McIntyre, a Gartner analyst, says that "Brand awareness and relevance in times of strife is more important than ever" and warns that CMOs may be out of step with how other C-suite executives are feeling. CFOs may seek to trim marketing budgets in order to deliver efficiency and ROI; CMOs should prepare to separate essential costs from those that can be cut.

**marketingdive.com, 1 July 2020 (Williams)**

## Market research

### **MRS face-to-face guidance**

The Market Research Society has launched new guidance for face-to-face research, which includes regulations for cleaning, personal hygiene, PPE, ventilation and communicating safety measures to clients, participants and employees. The Government has now said that people over the age of 70 can participate in face-to-face research.

**research-live.com, 2 July 2020 (Kay);**

<https://www.mrs.org.uk/pdf/Viewing-facilities-guidance.pdf>

### **Pricing research**

In times of uncertainty such as these, a wide data set embracing sales data, brand trackers, marketing mix models, expert opinion and consumer insight, will help to provide more reliable insights. During the pandemic, consumer purchasing habits have been disrupted and sales data on its own is not reliable enough for use in forecasting models, due to behaviour such as hoarding and changes in the frequency of shopping. Here are three recommendations for conducting pricing research and some key takeaways for pricing professionals.

**researchworld.com, 6 July 2020 (van Heeswijk)**

### **Public relations**

#### **Why are you being unfollowed?**

PR mistakes are not the most important reasons for people choosing to unfollow brands, according to a recent survey by Sprout Social. It found that 89% of consumers will buy from a brand they follow on social media and 75% will increase their spending with that brand. However, 49% will unfollow a brand due to poor service, 49% because the product quality is poor, 45% for irrelevant content and 39% for privacy concerns. Of less importance are negative press (29%) and corporate scandal (26%), but how quickly a brand responds to a user's comment does matter: 40% of respondents expect a response within an hour and 79% within 24 hours.

**fastcompany.com, 24 June 2020 (Gray)**

#### **Does PR need to change?**

Sir Martin Sorrell's recent comments that PR is all "press releases", "gin-soaked lunches" and "analogue" have, not surprisingly, infuriated PR pros. Mark Westaby, director of Metricomm, argues that "at a time when the divide between disciplines has never been more blurred, his comments seem absurd". While PR is an integral part of comms, it can still struggle to demonstrate its contribution to business outcomes: it may still need to evolve and prove Sir Martin wrong!

**prweek.com, 2 July 2020 (Westaby)**

### **Sponsorship**

#### **Italy – new ambush marketing legislation**

In May, Italy introduced new legislation on ambush marketing containing: "Urgent provisions for the organization and holding of the Winter Olympic and Paralympic Games Milan Cortina 2026 and the ATP Turin 2021-2025". This article contains an overview of ambush marketing in Italy and a summary of the provisions contained in the latest law. The latter sets out conduct that it considers to be "parasitic advertising and marketing", such as pretending to be an official sponsor of the event or creating a link, even indirectly, between brands and the event to mislead the public about the identity of official sponsors. The Italian Antitrust Authority could impose fines of up to €2.5m for this type of

behaviour.

**lexology.com, 29 June 2020 (Tardiolo and Massalongo)**

#### **Fedex calls on Redskins to rebrand**

Fedex, the headline sponsor of the Washington Redskins, has called on the football team to change its name, which is considered offensive to Native Americans. The team has already been facing pressure from investors. At the beginning of the millennium, Fedex paid \$205m for the naming rights to the Redskins' stadium in Maryland, a deal that runs out in 2025. Other sponsors – Nike and PepsiCo – are calling on companies to end their association with the team. Nike has stopped displaying Redskin merchandise on its website.

**bbc.co.uk/news, 3 July 2020**

## **Agriculture, fishing and forestry**

#### **Sustainability metrics needed says APPG**

The Government is being called on to place sustainability metrics at the centre of agricultural policy. The All-Party Parliamentary Group (APPG) on Science and Technology in Agriculture wants to measure the external impact of farming per unit of food produced, rather than per unit of area farmed, which it says will provide the "optimum balance" between food production, resource use and environmental impact. Julian Sturdy, chair of the APPG, says that "little progress" has been made in the UK to promote "sustainable intensification" in agriculture.

**farminguk.com, 6 July 2020**

#### **Tractor sales down**

Tractor sales are beginning to recover, according to the latest data from the Agricultural Engineers Association. The number of tractors sold in June was down by 15% year-on-year but this is an improvement on the decline of 51% seen in April and 42% in May. The improvement is partly due to European factories being back up and running and partly to improved delivery times. Overall, the first half of the year saw 5,195 tractors sold, 1,700 fewer than in the first half of 2019.

**fwi.co.uk, 3 July 2020 (Harris)**

#### **Online agrishow**

Scotland is usually awash with agricultural shows during the summer months but the pandemic has ended all that. *The Courier*, a Dundee newspaper, decided to hold Scotland's first online agricultural show on 3 July. It enabled farmers from around the country to enter livestock competitions, with Scottish goats facing competition from Devon and Cornwall. Competitions for dogs, cakes and farm machinery were judged by public vote.

**economist.com, 27 June 2020**

## Building industry

### **Fix, fix, fix says Balfour Beatty head**

Leo Quinn, chief executive of Balfour Beatty, argues that, rather than Boris Johnson's idea of "build, build, build" to boost the economy, it would be better to "fix, fix, fix". He has produced a 5,000-word essay entitled *Seize the day*, in collaboration with his public affairs team, which sets out how he believes the construction industry can best support economic recovery after lockdown. In it he argues that more innovation and more prefabrication are needed in the construction industry. New schemes can have long lead times, but upgrades, renewal and maintenance can be faster and less complicated.

**theconstructionindex.co.uk, 3 July 2020**

### **Housebuilding drives building recovery**

Activity in the construction sector rose at its fastest rate in nearly two years in June, according to Markit's construction PMI. The index recorded activity of 55.3 in June up from 28.9 in May, showing that some of the lost activity during lockdown is being recovered. Housebuilders benefited the most, with the largest rise in activity since 2015. On the downside, businesses have reported problems in acquiring materials, notably plaster. There have also been job losses which suggests uncertainty about the future.

**theguardian.com, 6 July 2020**

## Businesses and strategy

### **How to be resilient and efficient**

As businesses start to ramp up again, their challenge is not just one of short-term survival but about building resilience to protect themselves from future, unexpected shocks. Resilience takes many forms but this article focuses on operational resilience defined as the, "capacity of a system to absorb disturbance and retain its basic ability to function". Systems such as the Internet, electrical utilities and first-responder services are built so that they can continue to function when demand spikes, but most businesses are efficiency-first. So how can you develop a system which encompasses both reliability and efficiency? There are certain tactics that can be used to reach the top right corner of the efficiency-reliability matrix. Here are five suggestions.

**managementtoday.co.uk, 30 June 2020 (Birkinshaw and Gallien)**

### **Managing your freelance business**

Working freelance means that you are probably working extremely hard because you are no longer an employee and are running your own business. This means you are facing competition of your own, you may have to take risks and you can never stop thinking about the business. Some business owners

are successful while others fall by the wayside. Here are four suggestions for successfully managing your freelance business and four ways not to!

**clearvoice.com, 30 June 2020 (Skrabaneck)**

### **Effect of pandemic on B2B**

For B2B companies trying to recover from the pandemic, the way forward is likely to be in the digital transformation of sales and marketing. Two-thirds of B2B businesses in tourism and hospitality report significant disturbance to their business. One advantage that B2B companies have over B2C is that the shift to remote working has been easier. In a March *Marketing Week* Econsultancy survey just a third of B2C marketers said their business was proficient in working from home compared with 51% of B2B companies. The question remains as to how much of these changes will be permanent. An eMarketer report – *B2B Best Practices in a COVID-19 World* – focuses on eight areas of B2B business that have changed since the onset of the coronavirus.

**emarketer, 29 June 2020 (Ryan)**

### **Working from home the "new normal"?**

It looks as if the pandemic has changed working practices forever. Fujitsu is to halve its office space in Japan as part of its "Work Life Shift" programme offering flexibility to its 80,000 employees in the country. Fujitsu believes that increased autonomy for workers will result in improved performance and productivity. Sree Sreenivasan, a visiting professor of digital innovation, says: "This is yet another sign that everything we know about offices and the future of work is being upended". In May Twitter told its employees that they could work at home "forever" if they wanted to do so. Working from home could become the "new normal".

**bbc.co.uk/news, 6 July 2020**

## Charities and NGOs

### **The changing face of charity comms**

New research reveals that two-thirds (67%) of charities have changed the way they communicate with supporters after lockdown restrictions were announced. The *Navigating Times of Crisis to Protect Regular Giving* report, from Rapidata, shows that 49% of charities expect to continue using new channels. After 16 March the direct-debit cancellation rate rose to 3.09%, up from 2.16% in February, as charity donors became concerned about their finances. Many charities responded by shifting their focus to stewardship, with 24% offering donors options such as taking a payment holiday or reducing the sum they give. Other charities increased their use of social media (71%) and email (62%) while 46% ramped up their online advertising and events. The report concludes that lockdown has reinforced the need for digital

transformation to be a part of every charity's strategy.

**thirdsector.co.uk, 6 July 2020 (Cooney);**  
<https://rapidataservices.com/direct-debit/navigating-times-of-crisis-to-protect-regular-giving/>

### **Digital skills**

The author has extracted the key findings from the *2020 Charity Digital Skills Report* (an annual barometer of digital progress across the sector) due to be released later this month. On the upside, the report finds that 66% of charities say they are delivering work remotely; 61% say they will offer more online services; and 28% are developing virtual fundraising events. However, 21% have cancelled services because they lack the skills or technology to deliver them. There are a number of areas in which charities need skills support but one of the biggest challenges in bringing about change is funding. Only 11% of charities say they are well set up and have the guidance they need.

**charitycomms.org.uk, 3 July 2020 (Amar)**

## **Economy**

### **Effect of virus on UK economy**

The economy of London and the South East could be the worst affected by the coronavirus because of the hit taken by finance and construction, according to think tank, the Social Market Foundation (SMF). But it also believes that other areas of the country will have a greater struggle to recover from the crisis: "Evidence suggests the capital is more economically resilient and the labour market will recover quicker than the rest of the country". This will not be the case in areas of the country where unemployment rates were already above the UK average of 3.8% last year. The SMF expects younger people to be hit hard by the economic effects of the virus particularly since they are less likely to work in sectors such as health and education, where fewer people have been furloughed or made redundant.

**bbc.co.uk/news, 6 July 2020**

### **Europe to expect deep recession this year**

The European Commission warns that Europe will experience a deep recession this year. The UK economy will shrink by 9.75%, making it amongst the worst-hit in Europe. However, France, Spain and Italy could be even worse affected (-10.6%, -10.9% and -11.2% respectively). Germany, the Netherlands and Poland will experience much less severe downturns. Overall, Brussels predicts an 8.3% fall in GDP for the EU's 27 economies with 5.8% growth in 2021. The Commission believes that the situation could be worse than predicted for the UK if the EU and UK fail to reach a deal.

**theguardian.com, 7 July 2020 (Rankin)**

## **Education**

### **13 universities could be insolvent**

Thirteen universities could become insolvent as a result of the pandemic, according to a study from the Institute of Fiscal Studies. It reports that the least prestigious universities are at greatest risk and is calling for a "targeted" government bailout. This could cost £140m but would be the cheapest option, it argues. It believes that the university sector's losses could be anywhere between £3 billion and £19 billion. The National Union of Students claims that the crisis has "exposed many of the flaws inherent in running our education like a market".

**bbc.co.uk/news, 6 July 2020 (Burns)**

### **Is Big Tech moving into education?**

Online learning could become "a long-term consequence of the pandemic", with most universities offering online teaching. Big tech companies have been on the edges of education for years, with software, cloud computing and tech and maths programmes in schools. Amazon, Google and IBM have just offered their resources for a US cloud computing project that would give academic researchers huge processing power. Whereas setting up a physical campus is problematical, the move to online classes would give tech companies the scope they need to offer lectures to thousands of students. However, online education is not altogether straightforward. The Massive Open Online Courses (MOOCs), popular last decade, never really took off. But could a qualification from Google have as much value as one from a traditional university?

**telegraph.co.uk, 6 July 2020 (Rudhard)**

### **Cass Business School to change name**

The famous Cass Business School, part of City University, is to change its name because it was named after Sir John Cass, the 18<sup>th</sup> century merchant who made his money from the slave trade. The business school was given the name in 2002 following a £5m donation from Sir John Cass's Foundation, an educational charity. Until a new name has been decided upon, the school will be known as City's Business School.

**theguardian.com, 7 July 2020 (Neate)**

## **Energy and utilities**

### **Renewable electricity gen – new record**

Wind and solar power generated 8.2% of global electricity last year, setting a new record. The report, produced by think tank Ember, says that Europe generated nearly 18% of its electricity from wind and solar in 2019. More than half of Denmark's electricity came from renewable sources, followed by Ireland (30%) and Germany (29%). Dave Ember, senior analyst, says this is a critical time and that no new money should go into coal or gas-fired

generation.

[energylivenews.com](https://energylivenews.com), 7 July 2020 (Mavrokefalidis)

### **Rebuilding the economy – the role of energy**

A new report, *Rebuilding the UK economy: Fairer, cleaner, more resilient*, from Energy UK in partnership with PwC, identifies five policy areas which could provide the stimulus for jobs, investment and growth. The report says that a national programme to retrofit housing with energy efficiency measures alongside the installation of smart meters, could create employment, while reducing bills and emissions. The development and installation of low-carbon alternatives to gas boilers would also provide opportunities for jobs and training. The new technologies could in turn create "specialised industrial clusters" in different regions of the UK. (See also under Environment)

[energy-uk.org.uk](https://energy-uk.org.uk), 22 June 2020

## **Environment**

### **Green economy boom**

Green transport, such as Butternut Bikes and e-mobility firm Lime, is one sector of the British economy that is likely to benefit from the so-called "green economic boom" following the coronavirus. Steven Jennings of PwC says the lockdown has catalysed a "paradigm" shift for consumers and companies that is accelerating the move towards sustainability: as companies rebuild themselves, "it makes sense to reconfigure how it works to be sustainable". PwC has a five-pillar plan to "build back better", which includes low-carbon transport as well as low-carbon electricity generation, reducing emissions from heavy industry and helping to build a green workforce. (See also under Energy)

[theguardian.com](https://theguardian.com), 6 July 2020 (Ambrose)

### **Grants for energy efficiency upgrades**

Chancellor Rishi Sunak is to announce a "green homes" scheme in his mini-budget on 8 July. It will include £2 billion in vouchers for homeowners to enable them to upgrade wall and floor insulation, install low-carbon boilers and perform other energy efficiency measures. The Government is expected to cover two-thirds of the costs of these improvements. The so-called "Green Homes Grant" will also create jobs for plumbers and others.

[energylivenews.com](https://energylivenews.com), 7 July 2020 (Mavrokefalidis)

## **Fashion**

### **Boohoo promises action after share fall**

Boohoo shares fell by 12% this morning following the news that it could have been involved in the Covid-19 spike in Leicester alongside allegations of "slavery" working conditions. It is alleged that the fast fashion brand continued to use suppliers who were operating during lockdown, despite infected employees being on-site. A *Sunday Times*

undercover reporter has also discovered that workers making clothes in Leicester for Boohoo were being paid as little as £3.50 an hour. Boohoo has issued a statement promising to "immediately terminate relationships" with any supplier that breaches its standards of conduct.

[theguardian.com](https://theguardian.com), 6 July 2020

## **Financial services**

### **Using voice to pay at the pump**

7-Eleven is to allow iPhone owners to pay for their fuel at the pump using their voice. The pilot scheme which is taking place in the US, aims to "provide contactless payment options to reduce touch and drive instantaneous savings at the pump". Drivers have to download the 7Rewards loyalty app and link it to their payment card. To buy fuel, they simply enter the pump number and the amount of fuel and authorise the payment with the "Siri fuel now" command.

[nfcw.com](https://nfcw.com), 1 July 2020 (Clark)

### **Finance re-establishes trust during this crisis**

This will be an important year for banks as unemployment rises and many businesses struggle to survive as the recession hits. In the 2007/2008 crisis, banks were blamed for their role and a certain amount of distrust remains. However, during the current crisis both traditional banks and fintechs have provided help to businesses and individuals which has helped to restore trust. Some high street banks, such as Nationwide and Lloyds, have launched initiatives to prove that they are on the side of consumers.

[thedrum.com](https://thedrum.com), 30 June 2020 (Watson)

## **FMCG**

### **Beverages**

#### **NOSECCO application loses sparkle**

In 2018 Les Grands Chais De France made a Madrid protocol application to register the product name "NOSECCO" as a trade mark for "non-alcoholic wines, non-alcoholic sparkling wines" in countries including the UK. Now the UK designation has been successfully challenged by Consorzio di Tutela della Denominazione di Origine Controllata Prosecco because the name NOSECCO suggests a connection with the Prosecco protected designation of origin (PDO), and is likely to mislead the public as to its origin. The case demonstrates the strength of a PDO as a basis for opposition and the fact that a mark does not have to be identical to the PDO for it to be successfully opposed.

[mondaq.com](https://mondaq.com), 30 June 2020 (Keating)

### **Tenzing in first TV ad**

Tenzing, the energy drink has launched its first TV ad. The plant-based brand aims to stand out from its competitors with the "Power of nature" ad, which emphasises that "you need energy, not an energy drink". It also stresses that its recipe is "based on the energising brew Sherpa Tenzing drank" as he ascended Everest. The historical reference combines authenticity with the suggestion that it is a drink for heroes. The ad includes shots of the Sherpa himself.

**thegrocer.co.uk, 3 July 2020**

### **Food**

#### **Impossible Burger – incredible case**

Following the success of Impossible Foods' Impossible Burger, Nestlé decided to launch its own vegan burger under the name Incredible Burger. Cease and desist letters from Impossible Foods were followed by Nestlé's argument that the name Impossible Burger was lacking in distinctive character. Eventually the District Court of the Hague ruled that Nestlé's product infringed the trademark of Impossible Burger and granted the injunction. Nestlé, needless to say, has appealed. It has also changed the name of its products to Sensational Burger in Europe and Awesome Burger in the US.

**lexology.com, 29 June 2020 (de Groot)**

#### **Frozen food likely to be long-term trend**

There has been strong demand for frozen food during lockdown which could change Britain's eating habits, especially among young shoppers. This is according to research commissioned by Iceland and Birds Eye. Supermarket sales of frozen food rose by 27.6% in the 12 weeks to 16 May according to Nielsen. Gen Z consumers have been turning to frozen foods, with 26% of 18- to 24-year-olds buying frozen equivalents of their regular purchases according to One Poll research conducted in June 2020. The research also found that 33% of shoppers were using their freezer more efficiently because of cooking from scratch, while 24% said they planned to carry on buying frozen food. Cost saving was a key factor, according to 21% of shoppers who felt it was better value for money.

**thegrocer.co.uk, 2 July 2020 (White)**

### **Household**

#### **Peperami pooch spray**

Peperami is to launch a spray which it thinks could help people find their lost dogs. Pork-scented Puperami: Eau De Lurette was created after a news story reported that a couple in Edinburgh had used a salami stick to lure their dog back home. The spray, currently a prototype, will have the scent of Peperami. Although pork isn't generally suitable for dogs' digestive systems, it appears that the smell could be attractive!

**marketingweek.com, 1 July 2020**

### **Tobacco**

#### **BAT accused of "covert ad"**

A campaign of press releases that appeared to discredit the NHS and council smoking cessation services, was in fact funded by British American Tobacco, it has been revealed. The campaign, which was created by PR agency Pagefield, documented the cost to the taxpayer of such schemes in their area without factoring in the cost savings to the NHS of treating illnesses caused by smoking. BAT said the campaign aimed to encourage smokers to take up vaping. Pagefield, which has previously worked for Philip Morris, said it had been working to raise public awareness of smoking alternatives. Deborah Arnott, CEO of Ash, describes the campaign as "a covert ad for e-cigs".

**theguardian.com, 2 July 2020 (Busby)**

## **Government and public sector**

#### **Army – Nightingale recruitment ad**

The army is to launch a new recruitment campaign showing how it has supported the NHS during the pandemic. The ad is initially set in 1854 with Florence Nightingale being depicted during the Crimean War. It is then brought up to date with the army helping to plan and build the Nightingale hospitals. A central objective of the campaign is to show that the army is still recruiting, through the line: "Recruiting now and always". After years of missing its recruiting target, the army finally exceeded its goal in the 12 months to March, largely thanks to its January "Army Confidence Lasts a Lifetime" ad where it broke a record for the highest number of applications in one day.

**marketingweek.com, 1 July 2020 (Vizard)**

## **Health and pharmaceuticals**

#### **US pharma uses Covid-19 to restore image**

Since Hillary Clinton's pledge to challenge the "outrageous" pricing of some medicines back in 2015, the threat of drug pricing has hung over the US pharma industry. Now pharma companies are using the coronavirus as a way of repairing their reputations. Many companies are working on Covid-19 vaccines and antivirals, showing they are committed to finding a solution while the US Government drags its feet. The fact that the S&P 500 pharma, biotech and life sciences index has outperformed the S&P 500 index is testament to this. Companies are aware of the possibilities: Johnson & Johnson, tarnished by the opioid crisis, has promised its vaccine will be offered on a not-for-profit basis. Yet, with the US presidential election looming, the "interplay of the battle for the White House and the pricing of Covid-19 treatments" could still prove damaging to the industry...

**ft.com, 6 July 2020 (Kuchler)**



## IT and telecoms

### **Will Apple milk third-party apps further?**

The EU has recently announced anti-trust inquiries into Apple's App Store following complaints from the likes of Spotify, Tile and Kobo. They argue that Apple is abusing its power by forcing app developers to use its system for handling purchases made within the apps, for which Apple takes up to a 30% cut. Apple also takes 30% for the sale of any app in the App Store. But Apple may continue capitalising on its apps as the smartphone market matures. The number of people buying iPhones has fallen by 63% since 2016 and the company is keen to replace phone revenue with other things. It estimates that the global market for everything the App Store has created is worth \$519 billion a year. Advertising and digital goods make up just a fifth of this.

[economist.com](https://www.economist.com), 27 June 2020

### **Experts concerned over Huawei move**

Industry experts warn that removing Huawei equipment from UK 5G infrastructure could lead to mobile phone signal blackouts and cost the industry up to \$2 billion. Telecoms operators have begun discussions with companies such as Ericsson and Nokia to replace Huawei but this will not be a cheap option. The decision to remove Huawei technology from UK telecoms infrastructure came after GCHQ revised its assessment of the risk level. The move will align the UK with the US which regards Huawei as a security threat. BT has been trying to challenge the dominance of Huawei by supporting an "open source" approach to buying network equipment. It is involved in the OpenRan project with Vodafone and Facebook.

[telegraph.co.uk](https://www.telegraph.co.uk), 6 July 2020 (Cook)

## Leisure and tourism

### **Support package for arts but is it too late?**

The Government has announced £1.57 billion worth of support to help protect theatres, galleries, museums and other cultural venues, which it describes as "the biggest ever one-off investment in UK culture". Industry leaders are warning that many venues are on the verge of collapse and that it may be too late for some. Will Gompertz, BBC arts editor, says there will be winners and losers. The feeling in the industry is that there is "one rule for them, and one rule for us", a reference to the Government allowing people to sit side-by-side on planes and trains but not in a theatre.

[bbc.co.uk/news](https://www.bbc.co.uk/news), 6 July 2020

### **Socially distanced music**

A socially distanced outdoor music venue is to be launched in Newcastle's Gosforth Park, by Virgin Money in partnership with SSD Concerts. The Virgin Money Unity area allows guests to use personal

viewing platforms, all placed at least two metres apart, with their own table, chairs and fridge. Food and drinks can be pre-ordered and there is a one-way system for the loos!

[marketingweek.com](https://www.marketingweek.com), 6 July 2020

## Materials and mining

### **Peru's mines suspending operations**

In Peru mining operations are being halted as coronavirus cases in the country reach more than 300,000. Canada's Trevali Mining says that almost 30% of its workforce at its Santander mine have tested positive. Hochschild Mining, a London-based company, has stopped operations at its Inmaculada gold-silver mine and Canada's Fortuna Silver Mines has also suspended operations in the country. Many of the new infections are happening in the copper sector and Peru is the world's second-largest copper producer after Chile. The article goes on to assess the impact on copper prices.

[mining.com](https://www.mining.com), 6 July 2020 (Jamasmie)

## Media

### **Games**

#### **Minecraft delves into the past**

A Bronze Age site, Bryn Celli Ddu on Anglesey, has been recreated in the video game Minecraft. The models, created by Dr Ben Edwards of Wexham and his 11-year-old daughter, can be loaded on to Minecraft and explored to learn about prehistoric life. Dr Ffion Reynolds, who normally spends the summer giving guided tours of archaeological excavations to schools, says this is a creative way of giving people a digital experience of sites. The educational edition of Minecraft is used around the world for giving lessons ranging from chemistry to computer coding.

[bbc.co.uk/news](https://www.bbc.co.uk/news), 5 July 2020 (Herd)

### **Newspapers**

#### **CMA calls for new powers over tech giants**

The CMA is calling on the Government to create new powers to regulate the digital advertising market, which would help to preserve journalism and help fight fake news. The CMA's 400-page report reveals why newspapers are reliant on Google and Facebook for nearly 40% of visits to their sites, which reduces their share of digital ad revenues and their ability to produce valuable content. It also calls for the creation of a pro-competition regulatory regime to oversee the behaviour of big digital platforms.

[societyofeditors.org](https://www.societyofeditors.org), 2 July 2020 (Murry)

#### **Reach to lose 550 jobs**

Reach, owner of *The Daily Mirror*, *The Daily Express*, *OK! Magazine* and other publications, has announced 550 job losses. The company has

suffered an almost 30% fall in revenue in the three months to June, which it blames on the decline in circulation and ad revenue. Reach had previously become more profitable thanks to its strategy of cutting costs and attracting online readers. Although adoption of its digital products had risen in the three months to June, digital revenue fell by 14.8%.

[bbc.co.uk/news](http://bbc.co.uk/news), 7 July 2020

## Radio

### Another way to get people to pay for news?

On 29 June *The Times* newspaper launched *Times Radio*, which will be broadcast for 20 hours a day during the week and 19 hours at weekends. Newspapers have tried various ways of getting people to pay for news, including video, which has largely proved unsuccessful. Now the emphasis has changed to audio, with *The New York Times' The Daily* podcast attracting two million downloads every weekday. *Times Radio* won't use advertising but, to break even, it will have to persuade 10,000 listeners to pay a £312 annual subscription. However, it has already made several sponsorship deals for its shows. Radio listening has risen during the pandemic and live radio is more dynamic than podcasts, but *Times Radio* is likely to appeal to the older, Radio 4 type listener. Rupert Murdoch, owner of *The Times*, is a long-time critic of the BBC, but the BBC still attracts 60% of all radio listeners...

[economist.com](http://economist.com), 27 June 2020

## Social media

### TikTok highest new entry in BrandZ

TikTok is the highest new entry in the 2020 ranking of the world's top 100 most valuable brands from BrandZ. At number 79, it is ahead of Uber (85), Adidas (92) and Pepsi (99). It is also in BrandZ's top ten media and entertainment brands. TikTok has been downloaded more than 1.5m times on the App Store and Google Play and it is fast becoming a platform for brands. Its competitor, Instagram, is also doing well, having risen up the BrandZ ranking by 15 places to 29, ahead of YouTube, at 37. Instagram also has the highest growth in brand value (up 47%) among media and entertainment brands. While Facebook has lost some of its attraction over the years, especially among younger users, TikTok is fresh and unsullied by politics and other issues. Its challenge is to attract more interest from brands.

[marketingweek.com](http://marketingweek.com), 30 June 2020 (Barker)

### Should you use LinkedIn Ads?

With over 690m professionals, LinkedIn is a useful platform for B2B marketers but LinkedIn Ads has had problems over the past year which have damaged its reputation and some businesses simply don't think it is worth the investment. Having had experience of running LinkedIn Ads campaigns for various B2B businesses, the author has put together

a list of questions that you can use to help decide whether LinkedIn Ads is a good fit for your business.

[marketingland.com](http://marketingland.com), 26 June 2020 (Baadsgaard)

## Television

### "The Great High Street Come Back"

Channel 4 is inviting small, independent retailers to appear free of charge in a TV ad campaign to help promote the reopening of the High Street. The ads will also include some major brands that will be making donations to the campaign. They will feature in an ad break takeover during *8 out of 10 Cates Does Countdown* on 31 July. The aim is to encourage people to get back to shopping and support the local economy, says Jonathan Lewis, C4 head of digital and partnership innovation.

[marketingweek.com](http://marketingweek.com), 7 July 2020

## Packaging

### L'Oréal sets packaging targets

L'Oréal aims to use zero virgin plastic in all packaging by 2025 which it estimates will save 37,000 tonnes of plastic a year. It also wants all its packaging to be reusable, recyclable or compostable by 2025. Adrien Koskas, global brand president, says that "Green Beauty will transform the way we do business".

[packagingnews.co.uk](http://packagingnews.co.uk), 6 July 2020 (Queshi)

## Retailing

### The shift online

In May over a third of Britain's retail spending (33.4%) was online, the highest on record. This compares with just 19% in 2019. It has been suggested that the pandemic has accelerated the shift to online by up to five years. Other countries are experiencing similar trends. The problem is that this rise has coincided with a record fall in overall retail spending which was down by 19% in value terms in April. Despite a slight rebound in May, it remains 14% lower than pre-pandemic levels. Between February and May the share of online sales rose in all the major retail categories but the rise was greatest in the "other stores" categories (such as pharmacies, tech, books, sports and so on) which almost quadrupled.

[ons.gov.uk](http://ons.gov.uk), 29 June 2020 (Martin)

### Tackling the information deficit

In addition to the fall in retail sales during lockdown, the change in consumer behaviour during the coronavirus has resulted in a slowdown in the flow of sales information going to retailers. This is an issue because a flow of data is needed for customer loyalty schemes, AI-driven product recommendations and other business decisions. Retailers are now facing an "information deficit" which will make it more difficult to interpret and

predict customer behaviour. Businesses shouldn't assume that the data they gathered before the pandemic will help them to predict buyer behaviour. Here are some ideas to help retailers get ahead of this information deficit.

**hbr.org, 22 June 2020 (Evan and Rivera)**

### **Tesco pressure on suppliers to reduce prices**

Tesco has given its suppliers until 10 July to agree to cut their prices to everyday low pricing (EDLP) as it continues its price war against Aldi. Promotions will also be axed unless they come within Tesco's Clubcard loyalty scheme. Suppliers are not impressed by this "implied threat" with some saying the result will be "lower volume and lower margins", Ged Futter, founder of The Retail Mind, questions whether an EDLP strategy can work for brands.

**thegrocer.co.uk, 3 July 2020 (Quinn)**

### **Aldi last in human rights scorecard**

Aldi has fallen to the bottom of Oxfam's ranking of supermarkets according to their human rights policies. It has fallen two places from fourth to sixth, with Lidl now in fourth place. Morrisons, the most improved of the supermarkets, has climbed two positions to third place. Tesco is now top, Sainsbury's second and Asda has fallen to fifth place. Aldi's poor ranking is despite it having won the Thomson Reuters Foundation's Stop Slavery Enterprise Award in March.

**thegrocer.co.uk, 30 June 2020 (Farrell)**

## Services

### **Big Four to separate their operations**

The Big Four accounting firms (EY, KPMG, Deloitte and PwC) have been given until June 2024 to separate their audit practices. This follows an order from The Financial Reporting Council (FRC), the accounting regulator, which has issued a set of 22 principles. Audit reform has been a hot topic since the high-profile collapse of companies including Carillion in 2018, which led to calls for an inquiry into KPMG. The FRC has previously called on the Government to consider breaking up the Big Four. Now it wants to ensure that "no material, structural cross subsidy persists between the audit practice and the rest of the firm". Critics have been recommending this move as a way of preventing conflicts of interest between the two parts of the business.

**ft.com, 6 July 2020**

### **Takeaway takes off but can profits?**

Some upmarket restaurants have been using Uber Eats to deliver food during the pandemic. Meanwhile, Just Eat Takeaway, regarded as the veteran of food delivery services, has been joined by a raft of new services, such as US companies

Postmates and DoorDash. In April Uber Eats' revenue rose by 89%, yet it is hard to make a profit and the company made an operating loss of \$313m in Q1. This is despite the food delivery market expanding by over 100% in America. Consolidation may help to reduce costs and enable companies to charge higher prices. The downside of the current popularity of delivery services is that it has drawn public attention to issues such as the treatment of couriers and independent restaurants. Separately *Marketing Week* reports on Uber's expected acquisition of Postmates.

**economist.com, 4 July 2020; marketingweek.com, 6 July 2020**

## Transport and travel

### **UK car sales lowest since 1971**

Car registrations have fallen by 48.5% since the beginning of January, their lowest level for almost 50 years, according to the SMMT. The lowest points were in April and May, when sales fell by 97% and 90% respectively. Even in June there was a fall of 34.9% compared with 2019. Mike Hawes, SMMT CEO, warns that "this is not a recovery, barely a restart" and that many of June's registrations could be down to people collecting their pre-pandemic orders. He thinks the Government should help consumers to feel more secure and give businesses the confidence to invest in fleets.

**theguardian.com, 6 July 2020**

### **Amazon to develop to self-driving cars**

Amazon is moving into self-driving cars with the acquisition of Zoox, a Californian start-up. The takeover is believed to form part of Amazon's plans to begin developing autonomous vehicles. It previously invested in Aurora, a self-driving company. Zoox has previously focused on ride-hailing and passenger cars but autonomous vehicles could help Amazon with its delivery service.

**telegraph.co.uk, 26 June 2020 (Boland)**

Written by CIM's Knowledge Services Team

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**Cutting Edge:** Our weekly analysis of marketing news

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