

Cutting Edge: Our weekly analysis of marketing news

29 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

Global ad spend falls by 9.1%

Global ad spend will decline by 9.1% this year but return to 5.8% growth in 2021, according to Zenith. To place this in context, there was a shrinkage of 9.5% during the financial downturn of 2009. Since the pandemic has led to higher spending online, online advertising is expected to reach 51% of global spend this year, rising to 55% by 2022. The US, where advertising has benefited from “record” political spending in the lead-up to the presidential election in November, will see ad spend fall by 7% this year. Meanwhile, ad spend across Asia-Pacific will decrease by 8%, leaving Western Europe the hardest hit with a contraction of 15%.

marketingweek.com, 27 July 2020

WOO in biggest global digital OOH campaign

This month the World Out of Home Organization (WOO) launches #OurSecondChance, a global digital out of home campaign. The campaign, created by New Commercial Arts, will be supported by out of home media owners around the world as well as national trade associations, and will amount to around \$25m of inventory. The campaign aims to remind advertisers and agencies that, “as the world reopens for business, Out of Home remains the only true global broadcast medium”, says WOO president Tom Goddard.

worldooh.org, 23 July 2020

Should you go to the left or right?

Is your advertising heading in the right direction? The authors conducted four studies which revealed that when consumers view an ad where the object is moving from left-to-right, rather than right-to-left, their trust in the brand increases. This effect is influenced by the sense of “feeling right” due to the fit between how consumers usually envisage action and information (from left-to-right). The research also showed stereotypical gender associations. For example, the favourable impression of the left-to-right motion on brand trust was boosted by a strong association with masculine characteristics!

Journal of Advertising, Vol 49(3) June 2020, pp250-269
(Monahan and Romero)

Agencies

Publicis results better than expected

Publicis Groupe has reported a global organic fall in revenue of 13% year-on-year for the second quarter of 2020 and a 23.5% decline in Europe, but stresses that the effect of the pandemic on business has not been as bad as expected. For the six months to 30 June global net revenue rose by 9.7%, which Publicis claims is “significantly better” than the 23% decline in global adspend that has been predicted by Zenith for Q2. Arthur Sadoun, chairman and chief executive, argues that the group’s model of, “combining creative, media, data and technology has helped it to reduce the impact of Covid-19”. It has also won some new business, such as McDonald’s, in China. The rollout of Marcel, a system used to connect employees, has helped them to share



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www.cim.co.uk/membership/cpd/

expertise and to learn and collaborate on client assignments.

prweek.com, 23 July 2020 (Degun)

Brands and branding

Brands behaving well – pandemic winners

According to new research, 79% of people say they are more likely to buy from brands who have responded well during the pandemic. Consumers favoured brands that offered clear and frequent communication while paying attention to safety. IAB UK and YouGov also found that 80% of people would be less likely to buy products and services from companies that have appeared insensitive or have been seen to taken advantage. Tesco was the brand that consumers responded to most favourably during lockdown, followed by Asda and Morrisons. Amazon and Boots also appeared in the top ten, the only non-supermarket brands to do so. Overall, it is brands that have kept consumers “informed, reassured and continued to deliver a reliable service” that will benefit says Elizabeth Lane, IAB head of research and measurement.

marketingweek.com, 24 July 2020

Brand equity – is change needed?

Brands often perform best when they take on the distinctive behaviours and personalities of people, but now some longstanding labels are reappraising their strategies. The likes of Aunt Jemima, Uncle Ben’s and Eskimo Pie have been unacceptable for many years yet have continued in the same vein. The fact is that the more valuable the brand equity, the more likely it is that this equity will be preserved through the years. Yet brands exist in a dynamic society where people’s feelings, perceptions and culture evolve. It is important to consider three basic aspects of a brand’s relationship with the consumer when looking at brand equities: recognisability; identification and relevancy.

marketingdive.com, 21 July 2020 (Lipman)

Conferences and events

All Secure Standard for conferences

Last week PM Johnson announced that conferences and exhibitions will be allowed in the UK from 1 October. Three industry associations – The Association of Event Organisers (AEO), the Association Event Venues (AEV) and the Event Supplier and Services Association (ESSA) – have launched safety guidance for exhibitions, trade fairs and consumer shows. The “All Secure Standard”, which aims to ensure best practice in Covid-19 safety standards, has been approved by the Department of Digital, Culture, Media and Sport (DCMS). The guidance will be used as the structure for the pilots mentioned in the PM’s announcement.

mitmagazine.co.uk, 22 July 2020;
<https://www.aeo.org.uk/covid-19>

Consumer behaviour

The great British queue

The British are well-known for their queuing habits but now, the length of queues forming outside stores due to social distancing, have put some people off shopping altogether. A survey by behavioural insights firm Emotional Logic found that, apart from safety concerns, 22% of respondents didn’t want to stand in lines while 21% said that shopping wasn’t a good experience. Adrian Furnham of University College London suggests that people are unwilling to queue to get into a shop because they associate queues with bus stops and tubes. In one study he found that people were on average willing to wait in line for 5.5 minutes and were reluctant to join a queue if there were more than six people waiting. People feel that they are wasting their time when they have no idea how long they will have to wait and there is nothing to distract them. All this has contributed to the decline in footfall in the high street because, as one shopper put it, it is “just no fun anymore”.

wired.co.uk, July 2020 (Lee)

Customer relations

Watch your tone!

An ongoing study on consumer perceptions during the coronavirus by AMC Global, has revealed some interesting insights into what consumers want from brands and businesses. Almost nine out of ten said they wanted to know that companies are protecting their employees’ health and jobs; 90% said they wanted to know that businesses are protecting their customers; and 73% wanted to know what brands are doing to support their communities. Clear communication about such issues can help to produce positive perceptions of a brand. Respondents were also asked about their “preferred tone of message” from brands. The study revealed that consumers want brands to have a “serious, informative and heartfelt” tone and to try to show empathy for what matters to consumers right now.

ama.org, 21 July 2020 (Trentacosta)

Direct marketing

Acquiring new data

This case study addresses the subject of “compliant data acquisition” in the context of GDPR, a subject about which there has been some confusion. Clarity is key for marketers and for consumers who are increasingly aware of their rights, the transfer of data and how to stop the data flow if they wish. This study focuses on an international aid charity who wanted to acquire prospects for their database while maintaining compliance with the law. Here are the five steps they took to achieve this.

dma.org.uk, 21 July 2020

Law

The Moon Boot loses trade mark

The 3D shape of the iconic "Moon Boot" can no longer be registered as a trademark, following action brought by a competitor and a decision by the EUIPO First Board of Appeal. The Moon Boot has been around a long time in the fashion and sports fields so why has its legal protection been removed? The EUIPO decided that the boot's shape is not distinctive enough to be identified as one particular company's product and that many other companies sell similar products. This means that the trade mark owner cannot retain its legal monopoly. This should not deter brand owners from registering 3D products, but it is a useful reminder about how they might protect their 3D brand. Trade mark protection is not a static thing and it is the customer's perception of the product that may decide how strong the legal monopoly is...

lexology.com, 21 July 2020 (Caporuscio)

Why companies could lose their logos

When a company rebrands and creates a new logo it will need to protect that logo as a trade mark. A new logo may have been designed by an employee, agency or other third party, who automatically owns the logo's copyright even though they have created it at the company's request. In order to ensure that they own the copyright of the logo, the company must have a transfer document or a clause in the contract of the designer. If this is not done, the designer will have the right to reuse the logo for other companies or even challenge the commissioning company's use of it!

internationallawoffice.com, 20 July 2020 (De Grauwe)

EU turns to market dominance of big players

The lockdown has accelerated the move to digital but some high-profile mergers have caught the attention of regulators with concerns that a few large digital platforms will have dominant market power. The Google-Fitbit and Amazon-Deliveroo tie-ups are cases in point. Privacy International, a UK data protection charity, has warned that Google's acquisition of Fitbit would be, "giving a green light to our most intimate data being used for the profit of a tech giant which, in 2018 only, generated more than \$80 billion (€71 billion) in revenue from delivering targeted advertisements to users". The European Commission is launching an inquiry into the Internet of Things, while legislation, such as a Digital Services Act, New Competition Tool and Market Definition Notice, shows that the EU is getting serious about tackling dominant market power.

lexology.com, 24 July 2020 (Meyring); euronews.com, 17 June 2020

Marketing

Why marketing departments don't change

It is quite common for organisations, especially large ones, to suffer from inertia when it comes to changing old marketing habits which don't work anymore. Yet, changing a marketing culture is extraordinarily hard because of the infrastructure keeping the old habits in place. To tackle this, you must first look at why things can't move forward which means dissecting the "scaffolding of marketing disfunction". Here are the main obstacles that might prevent you from transforming your marketing department.

businessgrow.com, 20 July 2020 (Schaefer)

Sales and marketing misalignment...

Sales and marketing misalignment can negatively affect revenue, the quality of customer service and even company culture. This post explains what misalignment is and what the downsides are; what alignment should look like and what the benefits are (for example, alignment can boost annual revenues by 8.2% and brand awareness by 8%); and sets out four steps for aligning sales and marketing. The author concludes with a warning not to jump into consumer-facing work until you have agreed a target audience; identified messages that will resonate with them; and aligned on internal definitions.

cxl.com/blog, 22 July 2020 (Howe)

...and strategies for alignment

Sales and marketing alignment or "smarketing" can be hard to get right. The author has talked to various marketers about their experiences in this area but found that none of them had the same advice or used the same processes. She decided to compile a set of best practices. Here she proposes a few alignment strategies before providing ten of the best tried-and-tested "smarketing" tips.

blog.hubspot.com, 23 July 2020 (Samsing)

The halo effect

The halo effect is a cognitive bias where one particular quality provides a "halo" for one's view on a person, organisation or brand. This makes it an important phenomenon in marketing for everything from branding to crisis comms and product launches. Apple offers an excellent case study of the marketing halo effect but the same effect can be observed in other industries such as TV, radio and restaurants. It's about promoting the most popular product: the one that can set the tone for how people view the rest of the brand. Here are some ways in which the halo effect can be put to use in marketing.

spinsucks.com, 20 July 2020 (Petrolino)

Marketing for manufacturers

Some manufacturers, such as fashion and lifestyle brands, have been marketing to businesses in the supply chain and to the public for years. In general, however, manufacturing marketing hasn't been in the

public space, the emphasis having mainly been on lead generation and referrals, which is the role of the sales department. Now, however, content marketing, social media and other inbound marketing strategies have made it possible for manufacturers to expand their business in new ways. This blog looks at the distinction between consumer and manufacturer marketing; challenges for manufacturer marketing; seven manufacturing marketing strategies; and steps for adopting these strategies.

bigcommerce.com, July 2020 (Henery)

Market research

The importance of cultural insight

Cultural insight, once a nice-to-have, has become a necessity in the research industry. It is essential that brands engage with culture and behave proactively rather than reacting to pressure. Cultural research helps brands to future-proof and lead the conversation rather than follow it, says the author, an associate director at insight agency Sign Salad. Brands that have set out to be ahead of the curve include Condé Nast, publisher of *GQ* magazine. Since 1957 the magazine has been a leading fashion brand for men but masculinity has changed as has the way in which men consume content. Sign Salad used semiotic and cultural insight to help *GQ* discover how concepts of masculinity have shifted across seven markets. It identified two important shifts and assisted local teams in actioning the research. As a result, *GQ España* recorded its best-performing reach with unique users rising by 78% year-on-year.

research-live.com, 20 July 2020 (Porter-Salmon)

Public relations

The CEO might not be the right spokesperson

CEOs and company heads often represent the face of the business and it is important that they take responsibility when the going gets tough, yet they are not always the best messengers for the brand. There are various things to take into account when putting forward a spokesperson, including your goal, the audience, the messenger's skills and qualities and, perhaps most importantly, their authenticity. Audiences are smart and will know if the spokesperson is not genuine. The message is to think carefully about whether you have the right messenger. Your CEO might not be it!

prdaily.com, 22 July 2020 (Sharp)

From writing to effective speaking

Many writers aren't natural speakers but PR professionals have to be proficient at both writing and speaking when communicating with journalists, clarifying messages or speaking to prospective clients. Three key pieces of advice examined in this article are to: prepare for conversations; stick to crucial points; and convey emotion.

Public Relations Strategies and Tactics, Vol 3(7), July-August 2020, p19 (Hall)

Sponsorship

What do you know about sponsorship?

Sponsorship is a critical aspect of marketing for engaging consumers through both traditional and experiential marketing strategies. It has also become more relevant to stakeholders as evidenced by increased spending, the focus on engagement and the importance of digital and social media. In the light of these changes, sponsorship needs to be redefined. In this review the authors present a conceptual framework to highlight emerging sponsorship issues. They start by offering a definition of sponsorship and describe a three-step consumer-centric model of sponsorship effects. They also set out factors identified in past sponsorship research and a roadmap for future research.

Journal of Advertising, Vol 49(3), June 2020, pp320-343 (Lane et al)

Redskins rebranding but need to act fast

The Washington Redskins NFL team is to lose its Redskins brand which has caused so much controversy, especially among sponsors who have threatened to withdraw their support (See also Cutting Edge, 8 July) The Redskins name and logo are to be axed. Yet this has happened over a relatively short period of time. Other sports rebrands have had more time to apply for trademarks and copyright and to work with sponsors on merchandise before announcing a new name, points out James L. Bikoff, of law firm Smith, Gambrell & Russell. The NFL team will be in a rush to secure brand rights and unveil a new identity in the time for the new season. Here are seven important lessons in the fields of trademark, licensing and rebranding.

lexology.com, 17 July 2020 (Little)

P&G renews Olympics sponsorship

Procter & Gamble is to continue its sponsorship of the Olympic and Paralympic Games through to the Los Angeles 2028 Olympic Games. The sponsorship was due to expire after Tokyo 2020. The new deal also includes global marketing rights to the International Paralympic Committee for the first time. General Electric and Dow, the chemicals company, are the only TOP (The Olympic Partnership) sponsors who haven't renewed their deals beyond Tokyo 2020. The IOC and P&G said their "citizen-driven partnership" will focus on equality and inclusion; environmental sustainability; and community impact.

sportspromedia.com, 22 July 2020

Agriculture, fishing and forestry

The virtual farm tour boosts agritourism

A series of "virtual farm tours" organised during lockdown by Go Rural, an agritourism group, has inspired people to want to stay on Scottish farms. Starting in April, the campaign showed a group of farmers streaming daily live footage on Facebook from their lambing sheds (the "Lambathon"). It was so popular that people as far away as the US, Europe and Australia started watching. A follow-up initiative called "Welcome to my farm" covered a wider range of farming topics. There has subsequently been a surge in holiday bookings and demand for Scottish food.

fwi.co.uk, 24 July 2020 (Clarke)

Rapeseed exports decline

UK production of oilseed rape has fallen to its lowest level in 15 years following an EU ban on insecticides which have been linked to declining bee populations. This means the UK is no longer a net exporter of the crop but is having to fall back on imports from countries such as the Ukraine, where pesticides are allowed. Farmers are concerned that such anomalies will occur after Brexit if food, which has been produced using chemicals and techniques that are banned in the UK, is allowed to be imported. Meanwhile, arable farmers are working out how to grow the crop without the use of insecticide, but this could take a few years.

ft.com, 28 July 2020 (Evans)

Building industry

The three pillars of growth

The Government has outlined plans to support the rebuilding of schools and hospitals across England. Chancellor, Rishi Sunak, has announced the Treasury's commitment to support job creation in the construction sector and Transport Minister, Andrew Stephenson, has announced a £120 billion investment in the Transport Infrastructure Pipeline and the creation of the Transport Infrastructure Efficiency Strategy Living Lab, an information sharing platform to deliver infrastructure. The three "pillars" highlighted by Government strategy – healthcare, education and infrastructure – are also the three sectors forecast to grow over the next three years, according to Glenigan's *UK Construction Forecast 2020-2022*.

constructionnews.co.uk, 23 July 2020 (Gandy)

The construction equipment market

The UK market for construction and earthmoving equipment declined by 39% in unit sales for the first six months of the year compared with 2019. Unit sales fell by 54% in Q2 but the lowest point was in

April with sales down by 800. However, by June the market had started to recover, with sales of just over 2,000 units as the construction industry returned to work. A graph compares the data for 2019 and 2020 for the major equipment types.

theconstructionindex.co.uk, 27 July 2020

Are we about to see consolidation?

Margins in the UK contracting market are low because of the high level of fragmentation and numbers of competing firms. The largest business in terms of UK revenue is Kier but it accounts for less than 3% of annual output for the industry. Until now there has not been much consolidation but now conditions could be right for it to take place. This could happen in two ways: firstly, through the collapse of contractors as government support is withdrawn; secondly, in the form of M&A activity. Morrisoe, a concrete business, has acquired a controlling stake in Cantillon, a demolition business. This is a smart move, not least because clients are increasingly looking for contractors that can deliver more than one service. Other cash-rich firms may take the same route while firms doing less well may merge to strengthen their businesses. Some well-known names may disappear...

constructionnews.co.uk, 24 July 2020 (Price)

Businesses and strategy

Large brands adopt direct selling

Larger companies are beginning to see the benefits of selling directly to consumers. This business model was once associated mainly with young, start-up companies that won brand loyalty and the support of investors. Now offline retailers and large e-commerce companies have been building their own direct-to-consumer (D2C) operations or relying more heavily on their existing e-commerce operations. Start-ups tended to focus on niche markets, such as spectacles (Warby Parker) or razors (Dollar Shave Club). Nike and Lululemon are among the larger outfits that have benefited from the rise in "athleisure", both companies enjoying a recent spike in sales. Big food companies, such as PepsiCo with its PantryShop.com, are also getting in on the act. However, the real prize is consumer data, which can be hard to collect when shoppers are buying from a supermarket.

economist.com, 26 July 2020

Complex continuous innovation

Digital imitators are often the winners because they are more agile and creative than first movers. Snapchat, for example, was highly successful among teenagers and young adults, so much so that Facebook tried to buy it. When it failed, it created its own version in the form of Instagram. Although Snapchat has since regained its mojo, this example shows how low barriers to entry are in the digital world. So, is there any way that a first mover

innovator can win when faced with copycats? The authors propose a system called “complex continuous innovation”, using TikTok (which outmanoeuvred Facebook) and Spotify (which staved off competition from Apple) as examples.

hbr.org, 21 July 2020 (Davis and Aggarwal)

The loungewear economy

Many businesses have responded to the pandemic by expanding their working from home capabilities. The months of being at home has led many employees to enjoy a lifestyle that “offers more loungewear and flexibility”. A survey by Cebr and L&G found that 32% of workers (around 10.7m Britons) expect to work from home at least partially after restrictions have been lifted but the effect is more pronounced in London, where 44% expect to work remotely to some degree in the long run. However, employers will need to be convinced that productivity can be maintained in this new working environment. A compromise might be reached whereby workers spend part of their week in the office and part at home. Cebr estimates that when the ‘new normal’ emerges in 2021, between 25% and 30% will be working at home on any one day compared with 11.9% in 2019. As with so many things, the coronavirus has accelerated a trend that was already in evidence. As a result, we are likely to see changes in the world of property, transport, retail, leisure and, of course, fashion!

cebr.com, 20 July 2020 (Shah)

Women leaders linked with higher margins

New research suggests that London-listed companies, where at least a third of leaders are women, achieve a profit margin over ten times greater than those who don't have women bosses. Yet just 14 of the FTSE-350 companies are led by women and 15% have no female executives at all, according to the *Women Count 2020* report by gender diversity business The Pipeline. It reports that London-listed companies with no women on their executive have a net profit of 1.5%, while those with more than one in three women at executive level achieve a net profit margin of 15.2%. The sectors with the lowest number of female executives are construction and retail.

bbc.co.uk/news, 27 July 2020

The art of self-promotion

We are generally told not to boast and it is hard to shout about our success at work but failing to self-promote could be costly. People who were more confident and self-assertive had a 25% greater chance of having a higher-earning job, according to a Sutton Trust analysis of BBC data. This can be a problem for women who self-rate their performance 33% lower than men who are at the same performance level, according to another study. The advice is to take time to assess and analyse your

achievements before going to your boss for a promotion or pay-rise. If you don't ask you won't get but be sure that your “bragging” is centred on what you can do for the business rather than just on yourself...

managementtoday.co.uk, 23 July 2020 (Royle)

Charities and NGOs

Learning from social movements

The pandemic has shown that people are stronger when they come together and brands are inspiring people with shared values. Over the past few years, charities, such as We Are MacMillan Support, Scope and British Red Cross, have been taking on the attributes of social movements while corporate brands want to partner with them to show their social purpose. In a recent event by charitycomms.org (Brand Breakfast - The power of Many), participants considered some of the biggest social movements of modern times and what charities can learn from them. Examples include: Occupy; #MeToo; Extinction Rebellion and Black Lives Matter.

charitycomms.org.uk (Dufour)

New register for charities

The Charity Commission plans to launch a new online register of charities to replace the existing two, and “to make it easier for the public to find the information on registered charities they need”. The new register, which is being designed in line with user feedback, will include more interactive financial history graphs as well as some new features.

civilsociety.co.uk, 23 July 2020

Durable consumer goods

EC inquiry into Internet of Things

The European Commission has recently launched an antitrust competition inquiry into the Internet of Things for consumer-related products and services in the EU. The internet is embedded in many daily objects, as executive Vice-President Margrethe Vestager pointed out when announcing the inquiry. It will focus on products and services used by consumers which are connected to a network and can be controlled from a distance using a mobile or voice. These might include wearables or smart home devices such as fridges, TVs and lighting systems. The inquiry will also cover services, such as music and streaming. A preliminary report is expected in spring 2021. (See also under Law and IT and telecoms)

lexology.com, 16 July 2020 (Maldoom)

Dyson to axe UK jobs

Dyson is to lose 900 jobs which include around 600 (15%) of its British workforce. By contrast, only 3% of its 10,000 non-UK employees are expected to be affected. Dyson says that: “The Covid-19 crisis has accelerated changes in consumer behaviour and

therefore requires changes in how we engage with our customers and how we sell our products". The company aims to become faster, more agile and more sustainable. However, there are criticisms of James Dyson (the richest man in the UK) whose personal increase in wealth last year would be enough to make everyone affected by redundancy a millionaire with £3 billion left over!

[theguardian.com](https://www.theguardian.com), 23 July 2020 (Davies)

Economy

UK economy recovery might not be until 2024

UK GDP is set to contract by 11.5% this year according to the *EY Item Club Summer Forecast 2020*. This is a much greater fall than the 8% forecast in its mid-June forecast. However, EY believes that GDP will expand by 6.5% in 2021 after returning to growth in Q3 this year. Dr Howard Archer, chief economic advisor, says that the "UK economy may be past its low point" but that "the climb back is going to be a lot longer than expected". Although there is plenty of scope for growth, the economy is starting from a very low base and GDP is not expected to return to its 2019 level until late-2024 as there is unlikely to be a V-shaped recovery.

[ey.com](https://www.ey.com), 27 July 2020 (Gregory);

https://www.ey.com/en_uk/growth/ey-item-club/uk-economy-past-the-worst-but-challenges-remain

Consumer confidence flatlines

Consumer confidence has been badly hit by concerns over unemployment and health, according to the GfK barometer which shows that confidence in July has remained at the same level as June (-27) albeit better than the -34 registered in April. In February, the last full month before lockdown, it stood at -7. Jonathan Haskell, a senior Bank of England policymaker, has cast doubt on the possibility of a V-shaped recovery. However, a separate survey, the *Coffer Peach Business Tracker*, reports that trade at hospitality groups reached nearly 70% of normal levels in the second week after lockdown was eased.

[theguardian.com](https://www.theguardian.com), 24 July 2020 (Inman and Davies)

Education

The virtual freshers' week

University freshers' week is an important opportunity for brands to connect with new students. This year digital marketing agency Raptor has developed "The Digital Welcome" which will allow brands to get in front of students at Freshers' Week 2020. It consists of a virtual replica of the campus of each participating university. Students will be able to move around in it to discover areas of interest. Brand partners will provide embedded immersive experiences including AR and web games, 3D modelling, free merchandise and discounts. David Burgman, CEO of Raptor, says: "Research shows that the connections made by brands with students at Freshers' Weeks are deep

and meaningful and form the basis for brand loyalty for many years to come".

[eventindustrynews.com](https://www.eventindustrynews.com), 27 July 2020 (Parry)

Energy and utilities

UK the biggest market for offshore wind

The UK leads the way with a pipeline of offshore wind energy projects that equates to a quarter of the global total, according to the *Offshore Wind Project Intelligence* report from Renewable UK. China is in second place followed by the US and Germany, which has slipped from 2nd to 4th place, and Taiwan is in 5th place. The report also reveals that the global pipeline for offshore wind energy projects has risen by 30% over the last 12 months. Melanie Onn, Renewable UK's deputy chief executive, says that next year's auction for renewable power in the UK could lead to £20 billion in new investment while the value of the UK's offshore wind exports could increase fivefold to £2.6 billion by 2030.

[utilityweek.co.uk](https://www.utilityweek.co.uk), 22 July 2020 (John)

Environment

Electricity grid target for negative emissions

A report from National Grid suggests that Britain's electricity system could achieve negative carbon emissions by 2033 if it combines carbon capture technology with bioenergy sources. National Grid has set out a vision for an "emissions negative" grid which would include 30m electric vehicles on the roads and eight million heat pumps to replace gas boilers in homes. However, the report warns that the UK will not meet its target of reducing CO₂ emissions to net zero by 2050 without "immediate action" from the Government.

[theguardian.com](https://www.theguardian.com), 27 July 2020 (Ambrose)

Apple commits to carbon neutrality by 2030

Apple has pledged to become carbon neutral by 2030 through various means, such as low-carbon product design and using recycled materials and techniques, such as a carbon-free aluminium smelting process. The initiative will cover the company's entire supply chain and the lifecycle of products. Most of the work will be done by reducing carbon emissions directly, but 25% will derive from "carbon removal solutions" such as forest planting. CEO Tim Cook says: "With our commitment to carbon neutrality, we hope to be a ripple in the pond that creates a much larger change."

[marketingweek.com](https://www.marketingweek.com), 22 July 2020

Climate-friendly plant-based Ikea meatballs

Ikea is to introduce a plant-based version of its meatballs called Plant Balls which will be available in its food markets and bistros. It claims that the new product will have the same taste and texture as the meatballs but just 4% of the "climate footprint". This

forms part of the company's aim to become "climate positive" by 2030, which includes making a fifth of food sales plant-based by 2022.

thegrocer.co.uk, 22 July 2020 (Sandercock)

Fashion

Consumers attitudes to sustainability

During the pandemic, consumers have become more focused on sustainability, with European consumers expecting fashion businesses to act responsibly, especially with regard to their social and environmental actions. An April 2020 survey of 2,000 UK and German consumers examined their attitude towards sustainability. It revealed that 57% had already made changes to their lifestyles to lessen environmental impact. While 75% of consumers believed that a trusted brand was an important factor when purchasing, younger consumers (Gen Zs and Millennials) were more likely to experiment with smaller or relatively unknown brands. As well as shifts in purchasing behaviour, the report examines the consumer mindset on fashion cycles and circular business models. The conclusion is that the Covid-19 crisis could be an opportunity for fashion players to strengthen their sustainability commitments and accelerate change.

mckinsey.com, 17 July 2020 (Granskog et al)

Financial services

RBS changes name to Natwest

Royal Bank of Scotland has rebranded to Natwest Group although chief executive Alison Rose says there will be no change to customer brands. The bank is hoping that the change of name will help it to focus on new targets and forget the scandals of the past, including its near-collapse in 2008, when it had to be rescued by a Government bailout. RBS, which was founded in Edinburgh in 1727, will retain its HQ in the city.

marketingweek.com, 22 July 2020

FMCG

Working from home boosts tea and biscuits

Britons have been spending heavily on tea, coffee and biscuits while working from home, according to data from Kantar: in the four weeks to 12 July, an additional £24m was spent on tea and coffee and £19m more on biscuits compared with the same period last year. In the 12 weeks ending in July, supermarket sales rose by 16.9% year-on-year, the fastest increase since records began in 1964. Since then, supermarket sales have slowed as consumers have been gradually returning to bars and restaurants.

news.sky.com, 21 July 2020 (Ford Rojas)

Beverages

Coca-Cola to retire "zombie brands"

Coca-Cola is to axe some of its so-called "zombie brands" so that it can focus on its more profitable products following the "toughest and most complex" period in history. Coca-Cola has around 400 master brands while admitting that over half are small country brands which account for just 2% of total revenue. CEO James Quincey plans to redirect resources to brands that have the potential for growth. Coca-Cola is hoping to emerge strongly from the coronavirus, having been hit hard by the closure of bars and restaurants. The company reduced marketing spend in Q2 but is looking to ramp this up again with its first campaign, "The Great Meal", part of the wider "Together Tastes Better" initiative.

marketingweek.com, 21 July 2020 (Fleming)

Cosmetics and toiletries

Ice cream freezes out personal care products

Working from home has resulted in people eating more ice cream, with sales rising by 26% in the three months to June, according to Unilever. However, remote workers have been neglecting their grooming, with sales of shampoo and deodorant declining over the period. By contrast, sales of cleaning products, such as hand sanitiser, have rocketed as people respond to the coronavirus. Unilever brands Magnum and Ben and Jerry's have benefited the most but personal care sales have slumped as people wash their hair less, don't shave or even neglect to use deodorant!

bbc.co.uk/news, 23 July 2020

Food

Peperami goes for gold

The "world's most expensive Peperami" is made from 18-carat gold, weighs 295g and costs £1,500. It takes the form of a pendant with an opening at the back allowing the wearer to store the snack to eat later. The pendant is made to order but can also be won via a competition on social media called #MeatTheBeat. Alternatively, you can purchase a mini-version of the pendant for just £75!

thegrocer.co.uk, 24 July 2020

Vegan Carnation milk

Nestlé plans to launch a vegan version of its Carnation condensed milk. Made from a blend of oat and rice flour, it will launch in Ocado in September. The company says it is suitable for home baking such as in fudge, brownies and cheesecake. This comes at the same time as Nestlé begins a £1m partnership with social enterprises Community Shop and FoodCloud to help provide meals for vulnerable families.

thegrocer.co.uk, 24 July 2020 (Woolfson)

Tobacco

Chinese state monopoly vs vape makers

Sales of e-cigarettes reached \$2.7 billion in China last year and the market value of Smoore, the biggest Chinese e-cigarette maker, has almost tripled since its IPO in Hong Kong on 19 July. This has made it the most valuable vape firm in the world at around \$24 billion, a fact that has displeased China Tobacco, a state-owned cigarette monopoly. In November state regulators banned the online sale of e-cigarettes and editorials in newspapers have been claiming that vaping is more harmful than traditional smoking. The Electronic Cigarette Industry Committee in China is blaming the online ban on the bankruptcy of smaller players. Now China Tobacco poses a further threat by opening a lab in Shanghai to research e-cigarettes.

economist.com, 23 July 2020

Government and public sector

Could Covid-19 lead to more smart cities?

The current pandemic will help to accelerate the creation of the smart city, according to Klaus R. Kunzmann, a professor and former head of the Institute of Spatial Planning at the Technical University of Dortmund in Germany. In a recent article he argues that the pandemic will make it easier for local government to impose smart city solutions in areas such as traffic control, crime prevention and data sensors. The coronavirus has meant that government guidance has become more visible, creating more openness and acceptance of suggestions and plans from city leaders. This will open the way for efficiency-focused solutions from the likes of IBM or Siemens while: "Individual convenience will outweigh privacy concerns". In Europe in particular, a "new trust in the public sector" could accelerate these developments.

fastcompany.com, 23 July 2020 (Berg)

Health and pharmaceuticals

Government to open two vaccine plants

The Government is to acquire a manufacturing site in Essex (formerly used for fish vaccines) and will convert it into a facility to produce a Covid-19 vaccine. The new Cell and Gene Therapy Catapult Manufacturing Innovation Centre will open in December 2021. Another centre, the Vaccines Manufacturing and Innovation Centre, is due to open in Oxford in 2021. The sites together will be able to produce enough vaccines for the whole of the UK.

theguardian.com, 23 July 2020 (Partridge)

Obesity – new marketing restrictions

The Government's new drive to tackle obesity in England will involve a ban on "Buy-one-get-one-free" deals on unhealthy food. There will also be

restrictions on where foods high in fat and sugar can be promoted in shops and rules for displaying calories on menus. In addition, junk food ads will be banned from being shown on TV or online before 9pm. There is mounting evidence of the relationship between obesity and the risk from the coronavirus, with statistics showing that almost 8% of critically ill patients have been very overweight compared with 2.9% of the general population. The BBC's health editor, Hugh Pym, says the proposals will mean "radical changes to the way food is marketed". The Food and Drink Federation has reacted negatively to the initiatives as has adland. (See below)

bbc.co.uk/news, 27 July 2020

Ad industry unimpressed HFSS ban

The advertising industry is scathing about the Government's plans to ban junk food ads before 9pm. Advertising Association executive director of public affairs Sue Eustace says the measures against advertising are, "misguided, unfounded and will be totally ineffective in the fight against obesity". She claims that research shows that a 9pm watershed for HFSS advertising reduces a child's calorie intake by just 1.7 calories a day. IPA director-general Paul Bainsfair points out that the Government is encouraging people to eat out ("Eat Out to Help Out") but at the same time is banning food ads. "Advertising fuels the economy and should be used as a key enabler in getting the country's economy back on its feet. Ad bans will do the opposite", he argues.

decisionmarketing.co.uk, 27 July 2020

IT and telecoms

Vodafone wants to change brand perceptions

Vodafone, known largely as a mobile and broadband provider, has set its sights on the smart device market after years of "dabbling" in the Internet of Things (IoT). Pamela Brown, CMO of Vodafone Smart Tech, acknowledges that there is a lot to be done to change brand perceptions but that the company has a role to play in the predicted 41 billion smart devices that will be in circulation by 2027. Vodafone has recently introduced the first of its "Design and Connected by Vodafone" smart tech products: Curve is a tracking device that can help users locate objects such as keys or bags, as well as pets! (See also under Durable consumer goods)

thedrum.com, 28 July 2020 (Watson)

Indian IT may be overtaken by change

Many multinationals rely on a few big Indian firms, such as Tata, Infosys or Wipro, for their IT services. They have seen considerable growth (the "big five's" combined market capitalisation exceeded \$200 billion last year) and are a big success story for India. However, as with the financial downturn, corporate clients are reducing their budgets and the sales of the Indian IT companies have hardly grown over the last

quarter; this compares with growth of 20% in the 1990s and 2000s. The pandemic has occurred at a time when these companies are already slowing due to the pace of technological change, which has made corporate software easier to use, while the legacy mainframe business is making way for the cloud. Moreover, multinationals are becoming more reluctant to outsource their IT, with many creating subsidiaries in India to do the work in-house.

economist.com, 23 July 2020

Leisure and tourism

Travel brands can tap into social media

The author argues that travel brands are, "facing a game-changing moment – and social media holds the key for winning or losing the game". Some 86% of prospective travellers, regardless of generation, turn to social media for travel inspiration. Since the travel ban, there has been a change in travel-related social content, mainly because much of the travel-story content has disappeared. This gives travel brands a chance to fill the gap left by user-generated content by providing compelling imagery and ideas that travel-starved consumers crave. Here is some advice for tapping into that mindset.

prdaily.com, 23 July 2020 (Goldberg)

ZSL launches survival campaign

The Zoological Society of London, operator of both London and Whipsnade Zoos, is launching a campaign to raise funds. This is the first time that London Zoo has been closed in its 192-year history except for two weeks in 1940 during WW2. The two zoos house 20,000 animals yet have received no grants or funding. The first phase of the campaign will be fronted by Sir David Attenborough, while celebrities, such as Jonathan Ross and Catherine Tate, will act as voiceovers for zoo animals in the style of "Johnny Morris Animal Magic". The public will be invited to donate through the Just Giving website. The campaign was created by Wundermann Thompson which has donated its creative services and production for free.

decisionmarketing.co.uk, 22 July 2020

Materials and mining

Looking for a non-Chinese rare earths supply

In retaliation for the US decision to sell missiles to Taiwan, it is possible that China will cut off supplies such as rare earths, a group of 17 metallic elements that are used in high-tech products, and are essential for advanced weapons production. A restricted rare earths supply could trigger efforts to create a non-Chinese supply chain. The European Commission is already working on a raw materials strategy that will reduce dependence on China. Australia and the US have signed an agreement to look at a new source of supply. Experts believe that greater industry collaboration is needed to

create a viable non-Chinese supply chain. The alternative is that China could force the rest of the world to buy rare earths already embedded in products made by Chinese domestic manufacturers (original equipment manufacturers).

ft.com, 28 July 2020 (Smyth)

Media

Newspapers

Daily Mail moves to promotion of social good

In May, *The Daily Mail*, dubbed "the voice of middle England", became the top-selling daily newspaper in the UK for the first time in 42 years. Although the decline in print sales has slowed under new editor Geordie Grieg, the newspaper is now turning to a marketing initiative to help it maintain its market position and create a more positive attitude towards the brand. Creative agency St Luke's won the brief to develop a new positioning. The first tranche, entitled, "Mail Force – A Big Hand" shows how the *Mail* helped to acquire £10m-worth of PPE for the NHS. This is an indication of how the newspaper is shifting towards longer-term brand-building and away from purely tactical and promotional initiatives.

thedrum.com, 22 July 2020 (McCarthy)

Radio

Radio offers speed and impression

Radiocentre, the industry body for commercial radio, has developed new ads aimed at inspiring brands to invest in the medium. The two new 30-second radio spots focus on "Speed" and "Impression". The former promotes radio as a medium in which you can "write your ad today, record it in the morning and be on air by the evening". "Impression" reminds advertisers that radio ads can always be heard because they are "unskippable and unblockable".

radiocentre.org, 27 July 2020

Social media

Twitter considers subscription

Despite reporting strong growth in "Monetizable" daily active users in the second quarter (up 34% to 186m year-on-year) Twitter's revenues have fallen by 19% with ad revenues down by 23% year-on-year. The uncertainty of the ad revenue stream has led Jack Dorsey, CEO, to consider introducing subscriptions. However, he says that any new revenue stream must be "complementary to our advertising business".

marketingweek.com, 24 July 2020

Television

Lockdown TV

TV has been a constant while so many changes have taken place during the pandemic; its role during the crisis has been revealed in *Lockdown TV*, a study of TV habits conducted during lockdown. During

lockdown, linear viewing rose by 21% with news viewing up by 45% and broadcaster VOD also up by 45%. TV has become an “emotional crutch” and viewing “almost ritualistic”. For those working from home, it was an opportunity to switch off. It was also a means of escape. For parents, it helped with education and bonding with kids. People cited TV as one of the more positive aspects of lockdown with shared TV viewing rising by 30%.

thinkbox.tv, 22 July 2020

Video

UK digital adspend up thanks to video

UK digital adspend is expected to rise by 0.3% this year to account for 71.7% of total ad spend, according to eMarketer. Although it doesn't expect much progress next year, by 2024 digital is likely to have 75.6% share of adspend. Growth this year has been aided by a 15% rise in video, which is predicted to account for an increasing proportion of display spending. Double-digit growth is expected through to 2024 when video will make up 60% of total display spend. This growth is initially based on the strong performance of YouTube and broadcaster video-on-demand (BVOD) platforms. The lockdown will have helped the upward trajectory of BVOD revenues.

emarketer.com, 20 July 2020 (Fisher)

Packaging

Loop reusable packaging trialled in UK

Loop, the zero-waste shopping platform, has just launched a pilot e-commerce programme in the UK. It enables consumers to order a range of products in customised, branded and private label, refillable packaging. Consumers place their order through loopstore.co.uk and pay a deposit on each piece of packaging which is refunded when the packaging is returned. Loop then cleans the packaging so that it can be safely refilled with the product. Loop has enlisted various companies in the scheme, including Heinz, Coca-Cola, Danone, Beiersdorf and Unilever. Tesco has partnered with Loop as part of its closed loop strategy of “Remove, Reduce, Reuse and Recycle”.

packagingtoday.co.uk, 27 July 2020

Retailing

Retail sales up in June

Retail sales improved in June, growing by 13.9% compared with May, as non-essential stores were allowed to reopen. According to the ONS, sales were almost back to pre-lockdown levels although they were 1.9% lower than June last year. Non-food and fuel sales grew by 45.5% and 21.5% respectively but are still not back to pre-pandemic levels. However, food sales reached a high, up by 5.3% compared with February, the last full month before lockdown. Richard Lim, CEO of Retail Economics, says that the

recovery has been uneven, with clothing retailers “under significant pressure”.

marketingweek.com, 24 July 2020

Western European e-commerce sales

Retail e-commerce, already healthy before the pandemic, is expected to expand faster than expected. Overall retail is expected to decline by 9.9% this year but e-commerce sales will rise by 16.9%, higher than eMarketer's pre-pandemic forecast of 8.8%. The surge in e-commerce is expected to slow in 2021 as physical stores recover and regain some share. Retail e-commerce is forecast to make up 13.2% of total retail in Western Europe this year, up by 3% on last year. Spain will increase its sales at the fastest rate (22.9%) followed by the Netherlands at 21.9%. The UK and Nordics, both mature markets, will rise by 14.7% and 16.2% respectively. Many bricks-and-mortar retailers have managed to pivot rapidly to e-commerce, which in turn has helped to boost the number of online users.

emarketer.com, 20 July 2020 (Cramer-Flood)

Services

Amazon to challenge supermarkets

Amazon wants a bigger share of online food sales which have almost doubled during the pandemic. Amazon Fresh currently offers same- or next-day deliveries covering London and part of the Home Counties to subscribers of Amazon Prime who also have to pay a fee. Now the service is to be free to subscribers for orders over £40 and the company expects to roll out the service to “multiple cities” by the end of 2020. According to Richard Hyman of Mintel, Amazon wants to be the biggest player in all the markets it goes into but the most threatening aspect for other players is that it doesn't need to make money out of it. However, many people don't link Amazon with food and it will need to build brand awareness which takes both time and money.

bbc.co.uk/news, 28 July 2020

Trolley cleansing machine trialled by Asda

Supermarket Asda is trialling a trolley washing machine which claims to “thoroughly sanitise” the item within 15 seconds. The machine coats the trolley in fine particles of anti-microbial solution and is powered by electricity. Asda claims it is the first supermarket to trial the technology which has been developed by WasteCare Group, a UK company.

thegrocer.co.uk, 24 July 2020

Touch-free machines to launch in UK

Last week (22 July) we reported that Coca-Cola had launched its touch-free dispensing machines in Atlanta pending their rollout across the US. Now it has confirmed that the machines will be available in the UK later this year. The system works by scanning a QR code enabling the user to select brands and

flavours from their phone and then instruct the machine to pour out the drink. Coca-Cola says it is working to “maintain a safe and hygienic dining environment”.

thegrocer.co.uk, 24 July 2020 (Nott)

Transport and travel

Ryanair continues flights to Spain

Despite the new quarantine rules for travellers returning from Spain, Ryanair says it will continue flights to and from the country. Ryanair suffered a loss of €185m for the April to June quarter compared with a profit of €243m last year. In May the airline said it would lose 3,000 jobs across Europe. Ryanair has criticised competitor airlines for managing to stay in business because of “illegal state aid”. It expects air travel to be depressed for at least the next two to three years but hopes that this will allow it to take advantage of “lower airport and aircraft cost opportunities that will inevitably arise”.

bbc.co.uk/news, 27 July 2020

Written by CIM’s Knowledge Services Team

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