

# Cutting Edge: Our weekly analysis of marketing news

5 August 2020

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

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

## Marketing trends and issues

### Advertising

#### UK ad spend down by 15.6%

UK ad spend for 2020 is expected to fall by 15.6% compared with 2019, according to the latest Advertising Association/WARC Expenditure Report. The fall, a revision of the 16.7% decline previously predicted, reflects the effect of the pandemic and the state of the UK economy. Although the report forecasts a return to growth next year, this will not be in evidence until the second quarter, especially if there is a second Covid-19 wave and an increase in unemployment.

**[marketingweek.com](#), 30 July 2020**

#### Global adspend trends

The US, which is the biggest market globally for both total and digital advertising, will continue to lead the way. China's growth has been slowing and its CAGR over the next few years will not be enough to catch up with the US. Japan is still in third place for overall adspend, with a market 2.5 times smaller than that of China. The top ten markets have been fairly stable over the past few years with just one change expected this year when South Korea displaces Italy in number ten spot. Indonesia, Mexico, Brazil and India will be the worst-performing countries in 2020.

**[emarketer.com](#), 28 July 2020 (Cramer-Flood)**

#### JCDecaux suffers 63.4% revenue slump

JCDecaux has reported a 63.4% fall in organic revenue for the second quarter of the year with sales of just €351.9m, down from €1 billion last year. It is the largest out-of-home advertising company in the world and the decline shows just how much the lockdown has hit the OOH sector which has been the worst affected after cinema. In

the UK, where JCDecaux, has the Transport for London bus-shelter contract, revenue fell by 42.7%. The company refers to the decline as a "temporary historic drop" in audiences. However, while urban audiences have started to recover for street furniture and billboards, transport is still lagging, notably at airports.

**[campaignlive.co.uk](#), 30 July 2020 (Degun)**

#### People like ads to make them laugh

Funny ads are becoming harder to find, according to Dom Boyd, Kantar UK MD for insights. He argues that people don't want ads reminding them of how tough things are. Having looked at 200,000 ads from around the world, he reckons that you are twice as likely to see an add lacking in light-hearted humour than you were 20 years ago. People are hardwired to respond to humour. It not only gives brands a chance to stand out, but is also one of the most powerful ways of creating an emotional connection which in turn triggers memory associations. Laughter is also one of the best medicines in times of crisis so brands should be bold and not be afraid of making people smile and laugh!

**[thedrum.com](#), 27 July 2020 (Boyd)**

### Agencies

#### How do you price agency services?

Setting pricing for a business can be difficult, especially in the case of agencies. There is a danger that clients could defect if they don't like the rates while setting up a new pricing structure can also be problematical. The author has collected some basic data on various agency pricing structures, with a calculation breakdown and the advantages and disadvantages of each. These are: hourly; flat-rate or project-based; retainer; performance-based; and points-based pricing.

**[digitalmarketer.com](#), 30 July 2020 (Zieber)**



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**[www.cim.co.uk/membership/cpd/](http://www.cim.co.uk/membership/cpd/)**

### **Omnicom revenues and profits down**

Omnicom has reported a 23% year-on-year fall in Q2 organic revenue, with operating profit down by 89% to \$62.5m. The group reduced its 70,000 staff by 6,100 at the beginning of 2020 and cut office space by more than one million square feet. Both actions have produced \$500m in savings. Its worst-hit sectors have been events, field marketing and merchandising and media, but it gained the Peugeot and Air France accounts. Chief executive John Wren says he believes that “the worst is behind us” but that industries such as travel and entertainment and the events business will “likely continue to be challenged”. Others, such as retail, food and beverage, autos and media buying should see improvements.

**thedrum.com, 29 July 2020 (McCarthy)**

### **Brands and branding**

#### **Creating a sticky brand**

Some of the world’s top leisure brands are “sticky” enough to keep their customers hooked. Athletes are “obsessed” with CrossFit while gamers are hooked on Pokémon Go for hours on end. A new generation of media companies, such as Netflix, TikTok and Spotify, has transformed the TV, radio and video industry. The secret to success of these media brands is to create a “sticky” journey that goes beyond the usual “hyperrational” rules of marketing. It is no longer enough to offer satisfying customer experiences; instead they need to be thrilling and unpredictable. In other words, the customer journey should be “exhilarating” or “sticky” because customers can’t pull away. At the centre of a sticky journey is an “involvement spiral” that keeps customers hooked. Here are three steps to creating that sticky journey.

**ama.org, 6 July 2020 (Siebert et al)**

#### **Are brand racial justice initiatives authentic?**

The Black Lives Matter (BLM) movement has caused companies to change some brands that might be considered racist and reposition others, while some have donated money to racial justice causes. The question is whether consumers regard these strategies as authentic, since many of the companies aren’t Black owned and have very little history of Black leadership. The other issue is whether such actions result in long-term brand loyalty. The authors outline a framework of brand actions that will allow organisations to assess their level of authenticity. They conclude that the most authentic actions brands can take is to proactively advocate anti-racist actions. This may be risky but should attract real consumer loyalty.

**hbr.org, 31 July 2020 (Menon and Kiesler)**

#### **Be careful how you use face masks in ads**

Including face masks in TV advertising can be perceived as insensitive unless they are an essential

part of the brand messaging. Most consumers will not notice the absence of face masks in ads because they are looking at other creative elements, according to a study by Ace Metrix. It found that, when ads were subtle in their mention of masks, 48% of viewers reacted positively towards the brand vs 33% who reacted negatively and 19% who were neutral. However, when ads showed people without masks, fewer than 1% of viewers noticed their absence, although this small group reacted negatively towards the brand.

**marketingdive.com, 27 July 2020 (Williams)**

### **Conferences and events**

#### **Industry issues Red Alert**

Leading live events bodies and businesses in the UK have teamed up to highlight the dire circumstances in which the live events industry and its supply chain finds itself. The industry, which has issued a “Red Alert”, is to come together on 11 August to raise awareness of the #WeMakeEvents movement which has been campaigning for financial support from the Government. Some 70% of event related companies intend to make employees redundant by the end of 2020 while a fifth expect to lose 70% of staff. The UK is considered a global leader in large, complex events but, without the support of the Government, the art and culture sector is in danger of closing down with the loss of £100 billion to UK GDP. European and US production companies may take over some of this business.

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

### **Consumer behaviour**

#### **Consumer behaviour in the next new normal**

Companies hoping to bring about behavioural change by challenging consumer beliefs, may struggle. However, the pandemic has forced many consumers to change their behaviours and their beliefs about all sorts of daily activities, such as shopping, exercise and socialising. When consumers are “surprised and delighted” by new experiences, they may be more willing to change their beliefs. This offers companies the chance to shape behavioural shifts and better position their products and brands for the next normal. Here are five actions that can help companies to influence consumer behaviour in the longer term.

**mckinsey.com, 24 July 2020 (Charm et al)**

#### **Masks could lead to healthier shopping**

Shoppers now have to wear face masks in shops and supermarkets or risk being fined up to £100. The author has identified two consequent shifts in shopping behaviour that retailers need to look out for. Firstly, masks could lead to more shoplifting because they give shoppers a certain amount of anonymity. Psychologists put this down to the “deindividuating” effect which means that a mask wearer feels less responsible for their actions. The

second is that shoppers will buy healthier products. This is down to “enclothed cognition”, which refers to the effect that clothes have on how people think and act. The mask reminds shoppers about the pandemic and their shopping basket could reflect this “elevated health anxiety”.

[thegrocer.co.uk](http://thegrocer.co.uk), 3 August 2020 (Marsden)

## Customer relations

### Business relationships during a crisis

In a stable environment, companies can usually create reliable B2B relationships that provide increased efficiency and profitability. However, uncertain times, such as a major pandemic, can cause major disruptions. During such periods, one must re-evaluate a company's business relationships. Long-term partnerships are good when it comes to handling incremental changes during stable times, but disruptive environmental conditions may require disruptive changes to the business. A pandemic may provide opportunities for establishing new relationships as there may be other partners or suppliers who are better equipped to help the company address short-term needs as well as to capitalise on long-term opportunities. In this paper, the authors design a new relationship audit template to help B2B firms get through the immediate crisis and position themselves more strategically for the future.

**Industrial Marketing Management, Vol 88 July 2020, pp247-254 (Obal and Gao)**

## Direct marketing

### Door drops volumes fall but spending up

Annual door drop volumes have fallen from 5.4 billion last year to 4.8 billion this year, according to the *DMA's Annual Door Drop Industry Report*. Yet annual spending on the activity has edged up slightly, from £258m in 2018 to £259m this year. The medium has become more efficient thanks to brands' use of data-driven door drops. According to Jicmail's *Mail Media Metrics*, 105 people are reached for every 100 items dispatched and each item is read by almost three people (2.8). Tim Bond, DMA head of insights, says that it is uncertain what the coronavirus means for door drops, but it could prove to be an opportunity, either to engage new customers or generate loyalty in existing ones. Door drops are an “effective, tactile and scalable channel”, he says.

[decisionmarketing.co.uk](http://decisionmarketing.co.uk), 30 July 2020

## Law

### Amazon not guilty for storing infringing goods

The CJEU has ruled that Amazon is not liable for unknowingly stocking goods which infringe the trademarks of third-party sellers. This follows a case brought by Coty Germany against Amazon in which it claimed that Amazon had infringed its DAVIDOFF trademark by storing Davidoff Hot Water perfume

on behalf of third parties. When goods are sold on Amazon, the contractual relationship is between the third-party seller and the purchaser although Amazon stores third party goods in its warehouses. The CJEU decided that simply storing infringing goods does not constitute an infringement. Brand owners, who have been trying to tackle counterfeit goods for years, have been scrutinising the role of online marketplaces. However, even if the marketplace operator itself isn't guilty of infringement, there are other avenues through which brand owners can tackle infringing products on major sales platforms.

[lexology.com](http://lexology.com), 31 July 2020 (Chaplin)

### Seeing red – colour registration is hard

Registering a colour as a trademark can be difficult even though colour may be a strong identifier for a brand. It was easier to register a colour as a trademark 15 years ago than it is now, as European law has gradually tightened up on what is and isn't eligible for registration. Even Tiffany, whose turquoise blue used in bags and boxes was created as a custom colour for the company by Pantone, has been unable to register it as a trademark in the EU. The author considers the ramifications of registering a colour trademark.

[lexology.com](http://lexology.com), 28 July 2020 (Chenain)

## Marketing

### CMOs optimistic despite budget cuts

While pre-pandemic marketing budgets have remained fairly constant year-on-year (at 11% of company revenue) everything changed when Covid-19 hit. Over 44% of CMOs have reported reduced mid-year budgets, according to *Gartner's CMO Spend Survey 2020*, and 11% of these expect budget cuts of more than 15%. Yet 73% of CMOs consider that the negative effects of the coronavirus will be short-term and 57% believe that performance will return to “near-normal” within 18 to 24 months. Unfortunately, marketing is likely to be the function that CFOs target when reducing expenses even further, and CMOs should plan for future budgetary pressures. To ensure that they stay in step with the realities of business, marketing must adopt a more collaborative and agile approach to budgeting and planning, advises Gartner.

[researchworld.com](http://researchworld.com), 28 July 2020 (Mcintyre)

## Market research

### Most people concerned about data sharing

Seven out of ten people are concerned about sharing their personal data with businesses, according to a new study from ESOMAR and the World Independent Network for Market Research (WIN). Globally there is a disconnect between businesses and the public when it comes to data collection and use. ESOMAR believes that this lack of trust stems from the widespread misuse of data in

spam, phishing, leaked personal details, etc. Fewer than half of people globally believe that sharing of personal information is “necessary”. The study is of concern for those who need to collect data, but it points out that people’s views about sharing data can change if they trust the organisation collecting it and it is possible to build trust, says Finn Raben director general of ESOMAR.

**researchworld.com, 29 July 2020 (Crowther)**

### **Qual research evolving post-pandemic**

Those conducting research during lockdown will have been presented with a range of online platforms, some of which have been around for years. These platforms have played an important part in research which should otherwise have been conducted face-to-face. However, designing a good online user experience, and asking questions in new ways so as to obtain the right data, is quite a skill and presents a steep learning curve for both researchers and participants. New approaches have led to the possibility of greater diversity, such as varied geographical locations. Some platforms, not originally designed for research, allow more nuanced interactions, such as “blending video calls with app-based ethnography”. But remember that the platform alone is not the answer: as research evolves, the human touch remains all important in quality qualitative research.

**research-live.com, 29 July 2020 (McNaughton Nicholls)**

### **Public relations**

#### **PRs should aim for equal footing with CMO**

While there are plenty of CMOs, how often have you seen a chief public relations officer in the boardroom? CMOs are clearly regarded as more valuable than PROs but should PR professionals be worried? The author, who believes this is something to be concerned about, offers some suggestions for raising the status of PR execs within a company by, for example, working out how to add more value to business leaders or linking PR to sales generation. Ultimately it is all about PRs delivering value to the business and demonstrating this with hard evidence. With more influence comes more respect...

**prdaily.com, 29 July 2020 (Hartley)**

### **Sponsorship**

#### **LEC axes Saudi sponsorship deal**

League of Legends European Championship (LEC), has terminated its partnership with Neom, a Saudi Arabian smart city, within a day of announcing the deal. The Saudi deal attracted significant criticism because of Saudi’s anti-LGBT laws and fans have threatened to boycott the league. LEC uses a rainbow version of its logo in support of German Pride. Riot Games, which developed the LEC, has been quick to respond: “As a company and as a league, we know that it’s important to recognise when we make mistakes and quickly work to correct

them”, said Alberto Guerrero, director of e-sports, EMEA, at Riot Games. Other e-sports League sponsors include Alienware, Kia and KitKat.

**sportspromedia.com, 30 July 2020 (Dixon)**

### **How rugby sponsors should get creative**

Professional rugby returns to England in mid-August, but rugby clubs are still largely reliant on matchday revenue which means that they must keep fans and sponsors engaged. Now is the time for rugby rights-holders and their sponsors, “to be creative and engage with their audiences in new and unique ways”, argues James Thompson, senior account manager at Cake. He discusses ways in which sponsors can get involved in the sport, such as through live music and pre-match entertainment, using video conferencing to interact with brand ambassadors and leveraging the power of digital platforms.

**sportbusiness.com, 30 July 2020 (Thompson)**

## **Agriculture, fishing and forestry**

### **Fields of lavender – Bulgaria overtakes France**

Lavender is usually associated with Provence in France. In the past few years, however, Bulgaria has knocked France off its perch to become the world leader in lavender oil production. By contrast, over the past decade French lavender has suffered huge losses because of a bacterial infection. Some 99% of Bulgaria’s lavender production is exported because the country doesn’t have a sufficiently well-developed cosmetics industry to use it. While the US is the biggest consumer of lavender oil, Bulgaria’s main markets are Germany, France and Austria.

**bbc.co.uk/news, 30 July 2020 (Mihala)**

### **Dairy farmers dismiss competition**

Dairy farmers are not impressed by a competition aimed at encouraging producers to switch to crops for making alternative milks. The initiative is backed by Deborah Meaden of *Dragons’ Den* fame who has teamed up with animal rights group Peta. She has offered her expertise to the winning farmer, claiming that it could be a, “lifeline for struggling dairy farmers” and “the right thing to do for animals and the planet”.

**fwi.co.uk, 31 July 2020 (Henderson)**

### **Raspberries growing under solar panels**

Following a pilot project last year, a Dutch farm is using 10,250 solar panels to grow raspberries as a way of providing a more sustainable growing environment and to provide renewable energy for the area, enough to power almost 1,250 households.

**energylivenews.com, 2 August 2020 (Mavrokefalidis)**

## Building industry

### **Building allowed without planning permission**

Robert Jenrick, housing secretary, says that all land is to be designated either “for growth”, “for renewal” or “for protection”. The land labelled “for growth” will gain automatic planning permission for development so that builders can go ahead without approval. Jenrick says: “Land designated for growth will empower development – new homes, hospitals, schools, shops and offices will be allowed automatically. People can get going”.

[theconstructionindex.co.uk](http://theconstructionindex.co.uk), 3 August 2020

## Businesses and strategy

### **Impact of crisis on a business model**

The pandemic has created a range of challenges for B2B companies in what is a complex and fast-changing environment. The authors present a five-step approach for analysing the impact of such a crisis on a business model. Having tested this approach on eight B2B firms, they discover some very different impacts of the coronavirus on B2B firms. They argue that understanding these differences is important, not only for strategising during this crisis, but also for navigating successfully into the future. They describe six different types of crisis impacts on business models.

**Industrial Marketing Management, Vol 88 July 2020, pp214-224 (Ritter and Pedersen)**

### **Returning to work – what are sectors doing?**

From 1 August big companies in England could discuss with employees whether they could safely return to work. Until now, the Government has told people to work at home if at all possible and to avoid public transport wherever possible, advice which has also been abandoned. Yet many large businesses are in no great hurry to go back to their offices and many may wait until September, when the schools go back. This article looks at how some sectors (banks, accountancy and insurance, pharmaceutical, energy, law and multinationals) are approaching the issue of going back to the office.

[theguardian.com](http://theguardian.com), 31 July 2020 (Partridge et al)

### **How to shift mindsets – the influence model**

The pandemic has shown that people can quickly change their behaviour, especially during acute phases of a crisis, such as lockdowns, but maintaining this behavioural change can be hard in the longer-term. McKinsey’s research suggests that compliance and enforcement isn’t necessarily the biggest motivator for human behaviour. Leaders now have the opportunity to get “underneath the iceberg” of what motivates individuals to act by addressing their thoughts, feelings and beliefs. The authors explore the “influence” model which consists of four practices that drive people’s mindset and behaviour change. Decision makers can use this

model to promote public health, employee safety and customer confidence. The authors explain how to apply the model.

[mckinsey.com](http://mckinsey.com), 28 July 2020 (Craven et al)

## Charities and NGOs

### **Live streaming**

The demand for video is growing, with Cisco predicting that by 2022 video content will account for 82% of all internet traffic. Charities of any size can take advantage of livestreaming on social media. According to social media management platform Hootsuite, going live on social media generates real-time feedback; generates a sense of urgency; creates authenticity; and attracts more attention. Charities are looking at ways to live stream and fundraise at the same time. One example is the One World: Together At Home concert series, created by US charity Global Citizen and the WHO, in response to Covid-19, which attracted 20m viewers worldwide. Here are some practical tips for charities to make the most of live streaming.

[charitydigital.org.uk](http://charitydigital.org.uk), 30 July 2020 (Chiu)

### **Born Free – Aardman a good fit**

The Born Free Foundation, the wildlife charity inspired by the 1966 movie about Elsa the Lion, has launched a new film focusing on the plight of wild animals in captivity. *Creature Discomforts: Life in Lockdown*, is a play on the *Creature Comforts* films of Aardman Animations. Created by Aardman and agency Engine, it uses real-life interviews of people recorded during lockdown to recount the stories of animals who are kept in captivity all their lives. The animal characters were designed to match the voices of the people. While Aardman has worked with many brands in advertising, the view is that this particular initiative, “actually chimes with the organisation it is trying to help”.

[decisionmarketing.co.uk](http://decisionmarketing.co.uk), 31 July 2020

## Durable consumer goods

### **Barbie for president?**

In the US, Barbie owner Mattel has launched a set of dolls (the Barbie Campaign Team) which includes a Black candidate running for President, a fundraising manager, campaign manager and a voter. Mattel has been promoting diversity and inclusion within its product line for several years but this particular release includes a partnership with She Should Run, a not-for-profit which is working to increase the number of women standing for public office. Mattel says its goal, “is to remove barriers to leadership by giving girls the tools to imagine and play out their future roles”.

[prdaily.com](http://prdaily.com), 28 July 2020 (Winchel)

## Economy

### What shape is the recovery?

Howard Davies, chairman of NatWest Group, considers what shape Britain's economic recovery might take. Bank of England governor, Andy Haldane, believes the recovery is "so far so V" as some types of spending have recovered well. Some individuals have spending power, should they choose to use it, which is reflected in higher levels of consumer interest at car dealerships and estate agents, while a "higher-than-usual" proportion of mortgage applications are being completed, but Davies argues that there is no guarantee that the spending recovery will last. This, coupled with a, "psychological resistance of many people to a full resumption of social and employment activity will make this an unusually shaped V, at best".

[theguardian.com](http://theguardian.com), 30 July 2020 (Davies)

## Energy and utilities

### BP in record quarterly loss

BP has posted a record quarterly loss of \$6.7 billion due to the pandemic reducing demand for oil. The company, which warns that demand could be nine million barrels a day lower than last year, is to lose 10,000 jobs, with 2,000 of those in the UK. It has also halved its shareholder dividend which is bad news for private investors and pension funds. BP says it wants to "pivot" from being a traditional oil company to an "integrated energy company" and aims for "net zero" emissions by 2050. It has forecast that oil and gas production will fall by 40% over the next decade compared with 2019.

[bbc.co.uk/news](http://bbc.co.uk/news), 4 August 2020

## Environment

### Think tank calls for end of SUV advertising

According to the IEA, the rise in the number of sports utility vehicles (SUVs) is the second-largest contributor to the rise in global emissions since 2010. Yet advertisers are spending millions on promoting the vehicles and increasing their share of the market, according to a new report from the New Weather Institute, a think tank, and Possible, a climate charity. SUVs account for over 40% of new cars sold in the UK while full electric vehicles make up just 2%. The report, *Upselling Smoke*, draws parallels between smoking and SUVs. It says SUVs are marketed in terms of the protection they provide drivers but, "their physical size, weight and pollution levels create a more dangerous and toxic urban environment for both drivers and pedestrians". It is calling for an end to "misleading" advertising. (See also under Transport)

[theguardian.com](http://theguardian.com), 3 August 2020 (Laville);  
<http://www.newweather.org/2020/08/03/badvertising-stop-adverts-fuelling-the-climate-emergency/>

### Business bosses more environmentally aware

Some 59% of bosses of companies with over 250 employees say the pandemic has increased the importance of sustainability; but that the need to get their business back on track is impeding efforts to improve sustainability. This is according to a new survey commissioned by B2B energy suppliers Haven Power and Opus Energy (owned by Drax). Three-quarters of those surveyed said they would need to run their businesses differently, with new ways of working, while 60% are planning to offer a working from home option. Paul Sheffield, MD of Drax's Customer's Businesses, says that it is, "more important than ever to make sure sustainability is at the heart of their operations".

[energylivenews.com](http://energylivenews.com), 4 August 2020 (Matyjaszek)

## Fashion

### Racism among Italian fashion brands

Black fashion designers in Italy have written a letter to leaders of the Italian fashion industry calling on them to eliminate racism from the industry. In "Do #BLM in Italian fashion?", Stella Jeana and Edward Buchanan point out that there will be no black-owned fashion brands at Milan Fashion Week on 22 September. They want a plan of investment, education and monitoring to tackle the issue. Many well-known fashion houses have a history of racist imagery, such as Gucci's notorious "blackface" jumper last year. This week Marni's SS20 collection was criticised for using colonialist-style imagery with the phrase "jungle mood" placed next to a black model. Jean and Buchanan argue that there would be less cultural insensitivity if more black people were in senior decision-making roles.

[theguardian.com](http://theguardian.com), 31 July 2020 (Elan)

### Are you Misty Jade?

Mint will be the most popular colour this autumn, according to trend forecasting company Heuritech and Pantone, the colour authority, as they reveal the "must-have colours". Heuritech's report, *Must Have Colours for Fall 2020*, based on colour trends spotted on social media, identifies five Pantone colour themes for the autumn: mint, pastel, earth tones, blue tones and pink. The report uses design AI to attribute colours to styles: "Misty Jade" will be worn by "edgy people" while "Pink Lemonade" will be the preserve of "trendy people"!

[creativebloq.com](http://creativebloq.com), 30 July 2020 (Piper)

### Burberry partners with Tencent

Burberry has teamed up with Tencent to launch a "social retail store" – a luxury concept store with social media interactions – in Shenzhen, China. This is the first stage of the partnership which aims to position Burberry as an innovator in China. Chinese shoppers make up around 40% of Burberry's sales. WeChat, which is owned by Tencent, will play a big

part in the new customer experience, allowing shoppers to gain access to exclusive content which they can share. However, Burberry could face problems due to the growing tensions between the UK and China.

[bbc.co.uk/news](http://bbc.co.uk/news), 31 July 2020

## Financial services

### Finger vein biometrics for payment

A cocktail bar in Manchester is to use a new finger vein biometrics service for payment identity, age verification and contact-tracing. The technology, which was developed by FinGo, uses the unique vein pattern in the finger to enable secure, identity-enabled transactions. Manchester City Council becomes the first city in the world to use FinGoID for age verification purposes. The tech also captures and stores users' contact details securely, enabling it to contact users in the case of a Covid-19 outbreak.

[nfcw.com](http://nfcw.com), 29 July 2020 (Clark)

### Data advice for financial services

The Decision Marketing Data Clinic, which provides advice on data-driven marketing strategies, turns to the financial services sector this week. It tackles questions about how to ensure that one's customer data is correct; communicating clearly with customers in the future; and what approach to take when contacting vulnerable customers.

[decisionmarketing.co.uk](http://decisionmarketing.co.uk), 30 July 2020 (Logie)

## FMCG

### Beverages

#### Transportative drinks

Consumers want to return to travel and enjoy a bit of escapism but are confined by fewer travel options and social distancing. Drinks companies can make the most of this mindset with "transportative drinks". These are drinks that come from a particular destination or help consumers to imagine that they are there. This blog looks at how brands can use transportative drinks to make consumers feel better despite the lack of travel. It touches on exotic drinks with a "value-for-money" appeal; the role of aroma; and combining multi-sensory appeal with functionality, such as immunity-boosting drinks and botanicals.

[mintel.com](http://mintel.com), 30 July 2020 (Beckett)

#### Reversing shrinkflation – it can be done!

Instead of reducing the size of its kombucha bottles, startup Fix8, has increased the size from 250ml to 330ml (up by 37%) but with no price rise! It has achieved this by creating a bottle that can go down the automated filling line, while the previous bottle needed to be filled by hand and was more

expensive. The change follows consumer demand for larger bottles.

[thegrocer.co.uk](http://thegrocer.co.uk), 3 August 2020 (Dawson)

## Cosmetics and toiletries

### Fragrances move online

Fragrances have been amongst the hardest-hit categories in the beauty industry, especially since they are "notoriously difficult to sell online". However, as retail footfall declines, fragrance brands may have to focus their efforts online. Many consumers tend to go online for repeat purchases rather than discovering new fragrances so brands will need to do more to engage them, perhaps learning from other direct-to-consumer brands in adjacent categories. Products that will resonate most with consumers will be those offering emotional and wellbeing benefits or ones with eco-friendly and ethical claims. Fragrance brands may also end up moving into adjacent categories, such as home fragrances, which reduces their reliance on one category and increases the number of consumer touchpoints.

[mintel.com/blog](http://mintel.com/blog), 22 July 2020 (Dover)

## Food

### Outcry over HFSS promotion and ad ban

Food companies warn that the "draconian" measures recently announced by the Government (including a ban on in-store promotions and a 9pm advertising watershed for HFSS products) will result in £700m in lost revenues while retailers could lose £500m. The promotions ban is set to impact all biscuits, cakes, chocolate and confectionery, including low-sugar and low-fat versions. The Food and Drink Federation (FDF) warns that this could be the end of the voluntary sugar reduction programme since manufacturers won't see the point of developing products that they can't advertise or promote.

[thegrocer.co.uk](http://thegrocer.co.uk), 31 July 2020 (Quinn)

## Household

### Unilever to renew investment in marketing

Unilever expects to plough "significant investment" into marketing campaigns and innovation in the second half of the year, having deliberately held off on brand and marketing spend during Q2, according to CFO Graeme Pitkethly. Despite areas such as out-of-home sales falling by 42%, sales through e-commerce rose by 62% in Q2. There have also been new opportunities to invest in brands as consumers adjust their habits. Unilever's brands have been communicating with people digitally and marketing will be a key tool in ensuring that consumer interest is maintained over the long-term. Pitkethly believes that it should be possible to reuse existing advertising assets by modifying them according to the situation. CEO Alan Jope says that more effort

will be put into marketing that is “explicitly purposeful” for the current environment.

[marketingdive.com](https://www.marketingdive.com), 23 July 2020 (Adams)

### **GSK partners with Gay Times**

“We believe good marketing starts by putting the consumer at the heart, and that also means reflecting the diversity of modern society,” says Jerry Daykin, senior media director of GSK Consumer Healthcare. GSK, which wants its workplace to be inclusive, has achieved a top ten placement in Stonewall’s *Equality Index*. Now *Gay Times* has partnered with GSK to advertise various brands. Sensodyne’s first “queer-focused” campaign features a range of LGBTQ+ people, including a drag queen drinking an ice-cold cocktail.

[gaytimes.co.uk](https://www.gaytimes.co.uk), 30 July 2020

## Health and pharmaceuticals

### **Healthy eating plans may be hard going**

Boris Johnson wants Britons to become healthier by losing weight and taking up cycling. This would reduce the pressure on the NHS at a time when Britain has the second-highest Covid-19 death rate in the world, which obesity has contributed to. The UK Government has recently announced bans on the advertising and promotion of unhealthy food on TV before 9pm and a blanket ban online. The move has the support of over two-thirds of people, according to YouGov, and has had a positive response from public health experts although they believe it is unlikely to make much difference. Children are watching less broadcast TV so the online ban could be a good move, but online advertising is hard to regulate and the likes of YouTube are not responsible for the ads they carry.

[economist.com](https://www.economist.com), 1 August 2020

## IT and telecoms

### **Towers of strength – valuable assets**

In Europe mobile towers holding radio antennas once represented a telecom company’s competitive status. However, as networks have gradually started to share infrastructure to reduce costs, the masts have become more valuable as assets in their own right. While some groups have been selling their masts to specialist companies, others are retaining their towers or making them into separate companies under their control. Much restructuring and consolidation is expected as European governments expect more towers to be built amid the roll-out of 5G. Vodafone’s Vantage Towers will be the fifth-largest tower business in the world, with 68,000 towers in nine markets. The market remains very fragmented but experts expect more consolidation, either by established players or new ones, such as Cellnex.

[ft.com](https://www.ft.com), 2 August 2020 (Fildes)

### **Security top of the agenda**

The top three tech priorities among British firms are: network security (73%), data security (71%) and cybersecurity awareness among employees (69%), according to a new study from security firm Netwrix. It found that 60% of British firms are more focused on data privacy now than before the pandemic (30%). Rather surprisingly, the number considering digital transformation as their top priority has fallen from 57% before the pandemic to 20% now and the importance of cloud migration has declined from 52% to 22%. Netwrix believes that cybersecurity has taken a top seat for UK organisations, “since remote work has required them to address the human factor as one of the major cyber risks to sensitive data”.

[decisionmarketing.co.uk](https://www.decisionmarketing.co.uk), 3 August 2020

## Leisure and tourism

### **TUI to close 166 shops**

TUI, the travel company, is to close 166 high street outlets although around 350 shops will remain open. The decision has been made because of changes in consumer behaviour, such as the shift online, according to a company statement. Currently 70% of the company’s bookings take place online with the coronavirus accelerating the change in purchasing habits. Andrew Flintham, MD for UK and Ireland, says the aim is to provide “excellent” customer service regardless of whether that is in-store, by telephone or online”.

[bbc.co.uk/news](https://www.bbc.co.uk/news), 30 July 2020

### **British Gymnastics wins trademark case**

The British Amateur Gymnastics Association (“British Gymnastics”) the national governing body (NGB) for gymnastics in Britain, has won a case for trademark infringement against UK Gymnastics Ltd for using the sign “UK Gymnastics”. The Court said there was likely to be confusion between the word sign for “UK Gymnastics” and that for “British Gymnastics” because of the similarity of the services offered by the two organisations. It also considered that UKG was using British Gymnastics’ reputation to generate business because consumers would think there was a link between the two. This is an important judgement for Sport England and UK sport-funded NGBs because it shows how to deal with entities whose signs misleadingly suggest that they are NGBs. It also shows that a trademark can enjoy protection even if it appears to be generic.

[lexology.com](https://www.lexology.com), 29 July 2020 (Charalambous and Burke)

### **Surge in crafts during lockdown**

The British turned to crafts in a big way during lockdown, with many making their own protective masks. Sales of jigsaw puzzles and board games have surged while wool shops have reported a revival in knitting, particularly among younger people. Hobbycraft has enjoyed a more than 200%



rise in online sales since the pandemic began. During lockdown the company's online craft classes reached over 15m customers. Hobbycraft claims to have emerged from lockdown in a strong position and, "well placed to withstand the longer-term impacts of the pandemic".

[theguardian.com](#), 3 August 2020 (Brignall)

## Materials and mining

### UK chemical companies look at £1bn in costs

From 1 January 2021 the safety registrations for UK chemicals, which are currently registered in the REACH registration database run by the European Chemicals Agency, will need to be reregistered in the UK. Smaller chemical companies, such as Cornelius Group in Suffolk which has around 2,000 chemicals, says it will struggle to register all of them within the two-year deadline. Reregistering just one chemical in the new UK Reach database could cost up to £300,000. Steve Elliott, CEO of the Chemical Industries Association, says that the new system could add over £1 billion in costs to companies even though they are simply duplicating existing registrations. There are concerns that some companies might not survive "the regulatory storm".

[ft.com](#), 3 August 2020 (Foster)

## Media

### UK adspend falls by £1 billion

UK adspend fell by over £1 billion year-on-year during the lockdown, according to data from Nielsen. UK adspend across traditional media was down by 48% from 23 March to the end of June with many companies having frozen their marketing budgets. Adspend fell from £2.3 billion to £1.2 billion year-on-year. TV suffered the most in terms of the amount spent, which was down by £500m (a fall of 37%), while newspapers and magazines fell by 42% and radio by over a third. Proportionately cinema suffered the most with zero adspend compared with £80m last year. By contrast, the Government has increased its spending: Public Health England shelled out £44m, a 5,000% year-on-year rise!

[theguardian.com](#), 4 August 2020 (Sweeney)

## Games

### Age Appropriate Design Code

The Age Appropriate Design Code (AADC), which contains guidance on age-appropriate design for information society services, has been approved by the UK Parliament. It will affect video games which are played on, or downloaded from, the internet; this will impact games developers, publishers and gaming platform operators. The AADC includes 15 provisions setting out the requirements that online services must meet for their services to be suitable for children. This article examines the implications, including the avoidance of online grooming, nudge

techniques and peer pressure. There is a 12-month implementation period for the AADC.

[lexology.com](#), 28 July 2020 (Joyce)

## Internet

### Google tags Black-owned businesses

Google will help people to identify Black-owned businesses using a new design feature which it has added to maps and listings. It has reported a rise in searches for Black-owned business over the past few months. The tag, in the shape of an orange circle with a black heart in the middle, is part of a wider initiative to help support such businesses online. Other icons that you might find in a Google search listing include "Women-led" and "LGBTQ+-friendly".

[creativebloq.com](#), 31 July 2020 (Coggan)

## Music

### Spotify ad revenues down but paid users up

Spotify also suffered a coronavirus downturn with a fall of 21% in ad-supported revenue for Q2. It has been saved by its revenue model which is split between ad-supported revenue and paid subscriptions, the latter having reached 138m worldwide, up by 27% year-on-year. The company has invested heavily in an "audio-first" strategy and its podcast engagement is on the rise, with 21% of monthly active users, up from 19% in Q1. It has just introduced a video feature to its podcasts but insists it won't become "another YouTube".

[thedrum.com](#), 29 July 2020 (Watson)

## Radio

### Global gets boost from lockdown

Global, the radio group, has enjoyed a 40% rise in connected listening sessions across its stations and a 59% increase via its Global Player. Audience numbers rose as people began to work from home. Smooth, A Global music station, has reported a rise in listeners who are looking for comforting, nostalgic music.

[marketingweek.com](#), 30 July 2020

## Social media

### TikTok signs copyright deal with NMPA

In July, TikTok signed a copyright licensing agreement with the US National Music Publishers' Association (NMPA). TikTok is based on users creating and sharing 15-second video content together with a sound clip. While this has resulted in the music being promoted, it has also caused copyright disagreements. TikTok's Ts&Cs state that when users upload content, they allow other users to re-use it. By contrast, other social media platforms, such as Instagram, state that users must either use their own content or content that they have permission to use. TikTok is effectively evading copyright and the music industry isn't happy. This

article considers copyright infringement and whether TikTok videos can be thought of as parodies.

[ipkitten.blogspot.com](http://ipkitten.blogspot.com), 30 July 2020 (Bosher)

## Video

### The perfect product video

Consumers like to see a product in action and if they can't get to a shop, an online video is a good substitute for the in-store experience. A good product video is one that answers all the questions that a prospective customer might want to ask, says Hope Horner, CEO of video production firm Lemonlight. However, whatever you put in the video, it should be entertaining. He also suggests several metrics that you might track, such as click-through and view-through rates as well as social media shares. This article links to a white paper entitled *8 steps to making killer videos*.

[prdaily.com](http://prdaily.com), 30 July 2020 (Kitterman)

## Packaging

### Packaging – who gives a ....?

People feel less guilty when they buy something with low-waste packaging but most people will choose a product based on quality and price. It is only after they've made the purchase, and have to dispose of the packaging, that they express regret and guilt at the amount of waste, says Karen Page Winterich, marketing professor at Penn State University. However, a reduction in guilt, even after the product has been purchased, can make the consumer feel more positive towards the brand. Here is: "The anatomy of low-waste packaging" in five stages, with illustrations from eco-toilet roll brand, Who Gives a Crap!

[ama.org](http://ama.org), 6 July 2020 (Steimer)

## Retailing

### Argos to stop printing its catalogue

The Argos catalogue is to cease publication after nearly 50 years as it becomes yet another casualty of online shopping. Since launching in 1973, over one billion copies have been printed, making it Europe's most widely-printed publication at its peak. The most recent edition, printed in January, ran to 3.9m copies, down from around ten million a decade ago. The catalogue, "has charted the nation's changing tastes and trends in everything from must-have toys to the latest gadgets and devices" says Mark Given CMO of Sainsbury's, which owns Argos. Argos will instead offer, "exciting and inspiring digital shopping experiences to meet the changing needs of our customers". *The Guardian* offers a pictorial history of Argos catalogue covers from 1975 to 1999.

[theguardian.com](http://theguardian.com), 30 July 2020 (Sweney)

## Sainsbury's to trial virtual queuing

The British are good at queuing but now supermarkets are launching apps that allow people to wait in a virtual line while sitting in their cars. Sainsbury's is to trial a new app that enables people to book a place online in a socially-distanced queue and receive an alert when they get near the front. John Lewis is planning a similar system in three of its department stores and six Waitroses. Charities are concerned that the system will exclude older people without smartphones. Age UK wants a separate manual remote queuing system that allows people to be alerted via a phone call. It reasons that older consumers are more likely to need this support than younger ones. (See also Cutting Edge 29 July, Consumer behaviour)

[telegraph.co.uk](http://telegraph.co.uk), 27 July 2020 (Wright)

## E-commerce trends

E-commerce has been the success story for retail during the pandemic. Thanks to China, Asia-Pacific has led the way in e-commerce sales with 62.6% share compared to North America (19.1%) and Western Europe (12.7%). In its *Global Ecommerce 2020* report, eMarketer looks at how countries and regions are faring in retail e-commerce sales. Some of the key findings are that: over half of the UK e-commerce sales will come from mobile, especially smartphones; platforms, such as Amazon, have seen a rise in sales during the pandemic but slower delivery times in some countries (eg Canada) have allowed other retailers to take share; in countries such as the US and France, e-commerce has been revised upwards; and China will overtake the US as the largest retail market this year.

[emarketer.com](http://emarketer.com), 30 July 2020 (Samet)

## Amazon sales up 40%

Amazon's sales rose by 40% to \$88.9 billion during the second quarter of the year as people shifted to e-commerce during lockdown. The company's marketing spend rose to \$3.1 billion, while third-party sales grew faster than its first-party sales. Since March, Amazon has created more than 175,000 jobs and invested \$9 billion in capital projects related to delivery fulfilment, transportation and Amazon Web Services.

[marketingweek.com](http://marketingweek.com), 31 July 2020

## Services

### The Clink – prison take-away menu

Brixton prison in London is cooking and delivering take-away meals as a way of keeping its training restaurant running during the pandemic. The Clink, the prison's professional restaurant, teaches cooking skills that lead to City and Guilds catering qualifications, so that prisoners have a better chance of getting a job when they are released. Since guests can no longer go into the prison to eat, the

restaurant is supplying take-aways delivered by a van with "The Clink" blazoned across it.

[bbc.co.uk/news](https://www.bbc.co.uk/news), 31 July 2020 (Coughlan)

### **McDonald's has a "sizable" marketing budget**

McDonald's, which has reopened "nearly all" of its restaurants, has adopted the so-called 3D model of "drive-thru, delivery and digital". Q2 earnings have fallen by almost a third and net income is down from \$1.52 billion in the previous year to just \$483.8m. However, chief executive, Chris Kempczinski, says the company has "amassed a sizable marketing budget"; it plans to invest \$200m in marketing in the US and other markets during the second half of the year "to accelerate recovery".

[thedrum.com](https://www.thedrum.com), 28 July 2020 (McCarthy)

### **John Lewis expands into new areas**

John Lewis, which is to close eight of its 50 stores, may turn its vacant property into affordable housing as part of plans to turn its business around. It says the private rented accommodation would be a way of putting its stores "to good social use". John Lewis, which is looking to expand into areas outside its core retail business, is also considering financial services, a gardening business and renting and reselling products. These ideas, which have been selected from employee suggestions, show just how much retailers are having to reinvent themselves in order to survive.

[independent.co.uk](https://www.independent.co.uk), 31 July 2020 (Chapman)

## **Transport and travel**

### **IAG – recovery not until 2023**

IAG, owner of British Airways and Aer Lingus, has reported a €4.2 billion loss for the first half of the year, with passenger numbers plummeting by 98% for April to June. With IAG predicting that it will take until 2023 for passenger levels to recover, it plans to cut up to 12,000 jobs from its existing 45,000. IAG CEO Willie Walsh says that business has been picking up as travel restrictions are loosened, but that things will never be the same again: "This will be a structurally changed industry".

[bbc.co.uk/news](https://www.bbc.co.uk/news), 31 July 2020

### **eBussy – is it a car or van?**

Some people settle for a crossover vehicle which will do the job of both car and van but now you can buy a car that could be transformed into a van or truck. That is the intention of eBussy, made by German manufacturer Electric Brands. It is a customisable, modular EV where seats and storage space can be configured to suit the user. eBussy was developed using the "Lego principle" which means it can be adapted quickly and easily, provided that you own the right components. Customers are increasingly wanting to be able to customise their vehicles. The new Ford Bronco, recently rereleased, offers various

configuration options. eBussy is due to launch in the UK next year.

[fastcompany.com](https://www.fastcompany.com), 31 July 2020 (Wilson)

### **Northern Ireland included in EU car emissions**

All major carmakers selling cars in the EU must reduce their average CO<sub>2</sub> emissions to under 95g per kilometre during 2020 and 2021 and the UK has agreed to similar rules. Carmakers not meeting these targets could be fined millions of euros with equivalent fines in the UK. Yet, from 1 January, due to a quirk in the system, cars sold in Northern Ireland will be counted as EU sales for the purposes of the new CO<sub>2</sub> emissions rules. The effect of the new regulations on business and consumers is as yet uncertain although the SMMT has warned that carmakers may remove bigger cars from sale in the UK in order to avoid fines. (See also under Environment)

[theguardian.com](https://www.theguardian.com), 2 August 2020 (Jolly)

### **Sustainable supersonic travel**

Virgin Atlantic has released the first images of its supersonic passenger jet which can fly at three times the speed of sound yet uses sustainable fuel. The company has partnered with Rolls-Royce to develop the engine propulsion technology for the aircraft, which can carry up to 19 passengers and flies at above 60,000 feet. It is currently working with regulators, such as the Federal Aviation Administration (FAA), to ensure compliance with safety and environmental standards.

[energylivenews.com](https://www.energylivenews.com), 4 August 2020 (Mavrokefalidis)

Written by CIM's Knowledge Services Team

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