

# Cutting Edge: Our weekly analysis of marketing news

19 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 spending patterns

UK advertising growth has been downgraded for 2020 (-16.7%) as a direct result of the pandemic and changes in consumer spending patterns. Expected expenditure is now put at £21.1 billion, down by £4.2 billion from 2019. Although 2021 is expected to see a resurgence, this year remains uncertain as industries and countries come out of lockdown at different rates and advertisers start to ramp up their activities. This infographic, entitled "Ad-versity", presents data from the Advertising Association/WARC on consumer spending by industry, the yearly change in UK adspend by medium, and an analysis of search, TV, OOH and cinema.

<https://www.raconteur.net/infographics/ad-versity>

August 2020

#### Latin America – surge in digital adspend

Latin America is set to have the lowest overall regional adspend growth this year, (declining by 10%), yet its digital adspend growth will have the best regional performance, at 5%. This is because Latin America has a low share of adspend which is going to digital so any growth will appear high. It also has one of the fastest internet and mobile adoption rates in the world. While the region's traditional adspend patterns have stalled, brands have the chance to transition to digital. Latin America hosts six of the world's best-performing markets for digital

adspend growth, including Colombia, Chile and Brazil in the top three.

**emarketer, 31 July 2020 (Cramer-Flood)**

#### The ad-model body size gap

There has been a lot of controversy over the use of thin models in advertising, with advertisers facing criticism from the public and policymakers. This study looks at how the ad "model-viewer body size gap" influences the evaluation of an ad. The results suggest that participants are more likely to have a positive attitude towards an ad, and hence increased purchase intention, when they are shown ad models who have a body size that is larger than their own.

**Journal of Marketing Communications, Vol 26(6), pp596-614 (Jung and Heo)**

### Agencies

#### Agencies could become "modules"

Will agencies become more "product oriented" in a post-Covid-19 world? Some 24% of smaller agencies who responded to a recent survey by Ad World Masters believe this to be the case vs. 35% who think that broader competencies will be the way forward to gain competitive advantage. While 34% think that brands will continue bringing competencies in-house during 2020 to 2021, 28% see brands turning to freelancers more than they have done previously. The report foresees an environment in which the agency's role is "more often" secondary and functioning "like a module, easy to replace when it does not meet the client's desired criteria".

**mediapost.com, 29 July 2020 (Faw)**



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

<https://adworldmasters.com/covid-19-and-the-agency-industry-survey-report/>

## **Brands and branding**

### **Rethinking the brand portfolio**

During the pandemic demand for consumer packaged goods brands has shifted as people change their purchasing habits and try new brands. As consumers increasingly realise that they can make do without certain things, CPG companies should be rethinking their innovation strategy and brand portfolios. They will need to combine a knowledge of who is shopping where with an understanding of the emotional and functional benefits of their products. This will provide insight into specific situations or “demand windows” when consumers need to buy something. The pandemic is an opportunity to revamp the product portfolio to ensure that value propositions are right for the consumer of the future. Five actions you can take to achieve this are discussed.

**strategy-business.com, 7 August 2020 (Clausen and Egol)**

### **Brand masculinity and brand emotions**

This research investigates how gender-based stereotypes and emotional behaviours can influence consumers' response to brand emotions. Three studies suggest that consumers have the same gender-based expectations of brands as they do of human emotions. For example, masculine brands can be negatively affected by the stereotype that associates masculinity with emotional control: if consumers consider the emotional expression of a masculine brand to be inappropriate, this will negatively affect the perceived sincerity of the brand. This negativity can also affect intentions to recommend the brand.

**Marketing Letters, Vol 31(2/3) September 2020, pp247-264 (Boeuf)**

## **Conferences and events**

### **Fours ways to talk the TED**

Business presentations are a way for leaders to showcase and publicise their expertise and for audience members to access valuable information. TED and TEDx talks, which are local and independently organised events, are regarded as very high-calibre business presentations. The author offers four best practices from TED-style talks that can be applied to everyday business presentations.

**prdaily.com, 7 August 2020 (Scotti)**

### **Recovery could take 1-2 years**

A new poll reveals that 52% of event professionals believe that there will be a return to business as usual within one to two years, with just 28% expecting this to be achieved within six to 12 months. The survey, conducted by EventsCase, took place before the UK Government announced that conferences and exhibitions could reopen from 1<sup>st</sup> October, (depending on successful “pilots”), so circumstances

could change. Another poll, also by EventsCase, suggests that virtual events will retain an important role in the industry even after things return to relative normality; 56% of respondents expect them to continue “parallel to physical events” and 34% believe they will become formats in their own right.

**eventindustrynews.com, 17 August 2020 (Parry)**

## **Consumer behaviour**

### **Reinventing customer experience**

The technology, media and telecoms (TMT) sectors have been vital during this period of social isolation and home working, with pipes (telcos), platform (tech) and product (entertainment and media content) becoming interdependent. Customers of TMT companies want more innovative experiences as they look for alternative sources of stimulation. Consumers have shown that they are readier than ever to embrace new ways of doing things and companies must respond by: offering new experiences that blend the digital and human experience; redefining entertainment; and using robust digital networks. Three ways in which TMT companies can respond are proffered.

**strategy-business.com, 3 August 2020 (Sinha and Chow)**

### **Boomers have increased their online shopping**

During the pandemic consumers who would normally go to bricks-and-mortar stores have moved online for some of their spending. Boomers have been late to adopt ecommerce compared with younger generations but the pandemic has been the impetus for them to shop online for items, including groceries, despite the fact that they are the “least likely to give up familiar grocery shopping habits”, says Jana Davis of Acosta Sales & Marketing. Now that Boomers have become used to ecommerce, their new buying behaviour is likely to persist. eMarketer has produced a report called *Better be Nice To the Boomers!*

**emarketer.com, 5 August 2020**

## **Customer relations**

### **Complaining customers – recovery and loyalty**

It requires significant resources to respond to customer complaints, an activity that marketing traditionally supports to help engender customer loyalty. But is this degree of response required or does its effectiveness depend on other issues, such as economic, industry or product and service factors? The authors investigate factors that influence the complaint recovery-customer loyalty relationship through an extensive analysis of complaining customers across industries and companies. They discover that the recovery-loyalty relationship is stronger in faster-growing economies for industries with greater competition, for luxury goods, and for customers with higher satisfaction and higher expectations of customisation.

**Journal of Marketing, Vol 84(5), September 2020, pp79-99 (Morgeson et al)**

## **Direct marketing**

### **No more batch-and-blast**

Email and SMS messages are vital in allowing marketers to communicate with customers to drive loyalty and sales. But many marketers fail to differentiate between the “pleasantly persistent” and “spammy and interruptive”. Almost 45% of consumers regard communication from a brand as being like spam. So-called “batch-and-blast” messaging which contains impersonal messages generates on average just \$0.04 per spend compared with one-to-one messages that generate up to \$0.95. Personalising messages to fit a consumer or group of consumers pays off. This article examines one-to-one marketing and how to use it in email and SMS.

**ama.org, 13 August 2020 (Urban)**

### **DMA barometer – Covid-19 impact**

The fifth phase of the DMA’s barometer – *Coronavirus: July 2020 – The Impacts on Business* – looks at the concerns and effects of the coronavirus on the data and marketing industry. It reveals the first hint of recovery with DMA professionals stating that trading revenues have improved slightly. (from a fall of 44% in June to 34% in July). However, concerns about the impact on business is still high and 23% of companies say they will only be able to carry on trading for another six months or less. More concerning is the rise in the number of organisations that believe they’ll need to make permanent staff redundant in the coming months. This has increased from around a quarter of organisations in June to a third in July.

**dma.org.uk, 7 August 2020**

## **Law**

### **New brand safety body for digital advertising**

The US’s Trustworthy Accountability Group (TAG) and the UK’s Joint industry Committee for Web Standards (JICWEBS) – digital ad industry anti-fraud and brand safety organisations – are to merge next month. The aim is to enable digital advertisers to tackle brand safety and fraud on a global level and to implement a single set of standards across regions. Mike Zaneis, CEO of the new organisation, says that companies will be able to “focus their efforts on a single trusted set of self-regulatory standards that address fraud, malware, piracy, and brand protection”.

**lexology.com, 5 August 2020 (Lopyan)**

### **Take care with comparative advertising**

Last September two ads appeared for Astok, a provider of live games for the betting industry. One claimed “The Biggest Jackpots” while the other referred to the “#1 World’s Live-Games Provider”. These were challenged by BetGames.tv which said the claims were misleading and couldn’t be substantiated. The ASA concluded that the claims were indeed misleading and breached the CAP Code. It also said that the claims were unverifiable. This

case shows how advertising claims of comparative superiority must be capable of verification, including those claiming the “biggest” or “number one”.

**lexology.com, 7 August 2020 (Bray)**

## **Marketing**

### **Marketing budgets could be cut**

A new survey of 500 UK-based marketers reveals that 43.9% plan to reduce their marketing budgets in the second half of the year compared to the first half. In addition, 31.2% will reduce the number of marketing campaigns and 47.4% reduce new hires. The research, by *Marketing Week* and Econsultancy, contradicts other predictions that there will be a rebound in adspend. Some big brands, such as McDonald’s and Coca-Cola, have said they will reinvest in marketing. However, the research also suggests that some areas of marketing will fare better than others; these include strategic initiatives such as digital transformation (38.7%) and product launches (25.8%). Meanwhile, 24% of marketers say they are relying less on agencies (See also under Agencies) with just 5.5% saying they have increased their use of them.

**marketingweek.com, 10 August 2020 (Vizard)**

### **Marketing could need upskilling**

According to recent McKinsey research, 77% of business leaders believe that retraining salespeople is important or moderately important. Some companies are retraining field reps for inside sales roles such as those needing increased use of data and analytics or those providing customers with technical expertise through a chat function. The survey also found that IT, marketing and supply chain were among the most cited areas requiring upskilling.

<https://www.mckinsey.com/featured-insights/coronavirus-leading-through-the-crisis/charting-the-path-to-the-next-normal/companies-looking-to-reskill-expose-the-jobs-the-pandemic-changed-most> 27 July 2020, (Hancock and Schaninger)

### **B2B digital marketing – new book**

This new book by Simon Hall, entitled *B2B Digital Marketing Strategy*, is a guide to the most recent developments in the B2B digital marketing area. As well as providing the latest frameworks and models, it describes how they can be used to tackle account targeting, data utilisation and digital campaign management. The book also contains many case studies and examples. To buy your copy go to:

<https://www.johnsmith.co.uk/cim-shop/product/9781789662542/b2b-digital-marketing-strategy-how-to-use-new-frameworks>

**koganpage.com, 13 August 2020**

### **Google playbook for managing privacy**

Digital marketing has become more complicated due to user privacy concerns and, now, the uncertainties created by Covid-19. However, marketers can achieve their marketing goals by testing “privacy-forward”

strategies and changing their practices. Google has compiled a playbook of best practices and case studies from forward-thinking marketers. It tells you how to build direct relationships with users; to be flexible with marketing and measuring results; and how to manage data and insights using cloud technology.

<https://www.thinkwithgoogle.com/marketing-resources/experience-design/marketing-privacy-playbook/> July 2020

## Market research

### Face-to-face research resumes

When the coronavirus hit, face-to-face interviewing was one of the first casualties of the market research industry. After that, there were questions about when interviews could resume, what changes would need to take place and how this might affect the data being collected. Andrew Green and Nigel Farrer from Ipsos Mori consider the additional measures and alternative methods of interviewing now taking place. Face-to-face recruitment and data collection is regarded as "the gold standard" since it enables the highest quality probability sampling using household addresses as its foundation. Having an interviewer present also helps to prompt more considered responses, better engagement and less confusion over what the questions mean as well as allowing for longer and more complex surveys. Ipsos runs audience measurement studies for the likes of BARB and RAJAR, which require good face-to-face recruitment and data collection.

**research-live, 10 August 2020 (Green and Farrer)**

### The evolution of consumer research

This article examines the evolution of research trends in consumer behaviour, from its early days to the present day. It looks at current trends in retailing and consumption and offers suggestions about how to use these observations to generate new consumer behaviour research questions. The authors polled a sample of leading scholars to help predict where the field of consumer research is heading. They conclude that changes in consumer consumption are likely to shift according to technological advancements and shifts in consumer values and goals.

**Marketing Letters, Vol 31(2/3) September 2020, pp137-149 (Malter et al)**

## Public relations

### Horizon scanning

Businesses often don't recognise a serious threat until it is too late although some organisations are very good at so-called "horizon scanning". A Harvard Business School case study (by Professor Robert Kaplan) looked at how Swissgrid, Switzerland's energy distributor, put in place three processes for distinguishing between routine risks and new ones. The processes, which are explored in this article, are: holding a workshop with senior management from all

areas of the business to create an action plan; reporting routine risks in real time via an app so they can be assessed by "chief worry officers"; and using a crisis management platform where issues with the electricity supply can be reported and shared with the country's agencies.

**managementtoday.co.uk, 7 August 2020 (Gale)**

### Customer complaints – keep to your promises

The perception of companies tends to focus on their capability and character. Character is reflected in the way that customer disputes are handled, according to Rupert Younger of Saïd Business School. If this is undermined, it can take a long time to rebuild public confidence. Airlines have taken a hit during the pandemic due to their slowness to offer refunds. But the biggest knock to reputations has been taken by companies that have marketed themselves as treating customers better. Ryanair, on the other hand has "always marketed itself as cheap", so customers don't have high expectations, says Adam French of *Which?* The pandemic has forced many firms to put their crisis management into practice. Rupert Younger says companies should be clear about what they are offering and keep to their promises.

**economist.com, 8 August 2020**

### Integrated communications

Although there is a great deal of crossover between PR and other aspects of marketing, some teams still work in silos. In recent research by Digital Media and *PR Week* over half of respondents said their marketing and PR departments still operate independently of each other. Yet integrated communications involve aligning messages across all channels to ensure that the message delivered to your audience is consistent. The rule of seven says that a prospective buyer must hear or see a message at least seven times before they make a purchase. Different messages on different channels will not deliver this outcome. This article considers what good integrated comms looks like.

**prdaily.com, 13 August 2020 (Little)**

### Establishing backlinks to websites

Should PR professionals try to get a "backlink" to their client's webpage, a practice that is becoming increasingly common? Backlinks are an important aspect of building domain authority, a measure of how authoritative a website is. It is assessed by seeing how many websites link to your webpage as a resource. For example, a link from the *New York Times* to your research is likely to boost your domain authority. PR pros are in a good position to help their clients develop better SEO and link-building opportunities. This article looks at to what extent PRs should request links. It includes examples from Twitter.

**prdaily.com, 10 August 2020 (Kitterman)**

## Sponsorship

### **Olympics – three sponsors – three responses**

Three sponsors of the Olympic TOP Partner programme have been finding ways of adapting their marketing programmes following the postponement of the Tokyo 2020 Olympics. Airbnb, which signed a deal with the IOC only last year, shifted online in July with the creation of a five-day festival of experiences hosted by over 100 Olympians and Paralympians. Coca-Cola, the IOC's longest-running partner, has been sponsoring the Games since 1928. It believes that long-term sponsors are better positioned to deal with the consequences of postponement and that the Olympic brand will remerge stronger than before. Visa, a sponsor since 1986, has had to put its hospitality plans on hold but is in conversation with the Tokyo Organising Committee and the IOC about "bringing some of the best in Visa to touchless experiences" to the Games.

[sportbusiness.com](#), 17 August 2020 (Cronin)

### **Cadbury to sponsor Manchester United**

Cadbury is to be Manchester City football club's "official snacking partner". The arrangement between the club and Mondelez will focus on "worthy causes, individuals and businesses who have gone above and beyond the Covid-10 pandemic".

[prolificnorth.co.uk](#), 13 August 2020 (Chapman)

## Agriculture, fishing and forestry

### **The rise of the female farmer**

In 2018, around 17% of farmers were women, up from just 7% in 2007-2008, according to the ONS. There are now more women agricultural students in higher education courses than men, by a ratio of almost two to one and the president of the National Farmers' Union is also a woman (Minette Batters). Farmers Mary Quicke and Catherine St Germans hope that the recent disruptions to food and its supply will inspire consumer interest in how they get their food and lead them to be more directly engaged with farms around the country. This article profiles four women farmers whose interest ranges from edible flowers to halal farming.

[theguardian.com](#), 16 August 2020 (O'Neill et al)

### **Climate change threatening fish species**

Fish and chips could be off the menu in the future because of declining fish populations. This is according to a new study published in the *Journal of Applied Ecology* which says that rising temperatures could result in declines in major species of fish such as cod and monkfish. It reports that the English Channel, Celtic Sea, Bristol Channel and parts of the North Sea have been warming rapidly over the past

40 years. The research could help policymakers and fisheries management to adapt to climate change.

[energylivenews.com](#), 11 August 2020 (Mavrokefalidis)

## Building industry

### **Persimmon pays dividend despite profit fall**

The UK's biggest housebuilder, Persimmon, is to pay shareholders a dividend thanks to better than expected demand for its homes. The only other listed housebuilder that has been able to afford a dividend is Berkeley Group. After lockdown measures eased in May, there was a surge in interest from buyers, boosted the introduction of a stamp duty holiday. Rightmove, the property portal, reports that £37 billion-worth of deals were made in July, making it the busiest month in a decade. However, Persimmon's pre-tax profits fell by 43% for the first half of the year after it had to close sites. However, it was reportedly faster than its competitors to open up again after lockdown eased.

[ft.com](#), 18 August 2020

### **Architects positive for future**

The RIBA *Future Trends Workload Index* rose to +3 in July from -17 in June with 31% of architecture practices expecting an increase in work, 42% expecting it to remain the same and 28% expecting a fall in workloads. The private housing sector is set to rise to +17 from -3 in June while the commercial sector will rise from -32 to -15. However, RIBA head of Economic Research and Analysis, Adrian Maleson, warns that many architects face an uncertain future with current workloads mainly comprising work commissioned before the pandemic.

[architecture.com](#), 13 August 2020

### **Canopy firm benefits from social distancing**

Base Structures Ltd, which specialises in tensile architecture, canopies, netting, and mesh and cable structures, has found itself in high demand, thanks to social distancing. As well as providing tented roofing at Lord's Cricket Ground, it constructed the rope walk over the O2 Arena in London. Now it is in demand for canopies and temporary structures for leisure activities that have been forced out of doors.

[theconstructionindex.co.uk](#), 18 August 2020

## Businesses and strategy

### **Transformation – the shift to digital**

The pandemic has put paid to business as usual, forcing businesses to accelerate the move to virtual, digital and agile ways of working. In the first of a five-part series, McKinsey looks at how the best of what business leaders have learned and put into practice during the pandemic can be used over the coming

years. According to Kate Smaje, global co-leader of McKinsey Digital, "Business leaders are saying that they've accomplished in 10 days what used to take them 10 months". Large incumbents who have been successful with digital transformation are characterised by: their digital speed; their readiness to reinvent; their ability to make bolder, data-driven decisions; and their customer-centricity. McKinsey looks at how six such companies are using technology and data to transform their businesses.

**mckinsey.com, 12 August 2020 (Smaje)**

### **The evolving office – flex spaces**

In the current environment, long-term office leases and flexible workspaces that offer safety, agility and value are becoming more attractive. While working at home has benefits, it can also affect mental health. One survey found that only 5% of employees want to work remotely on a permanent basis. The pandemic could see the office evolve "from a rigid concept to one of fluidity", says Olly Olsen, co-founder of The Office Group. The problem is that traditional offices aren't set up to meet the safety requirements of this new era. The author looks at the need for tech solutions and flex spaces.

**raconteur.net, 28 July 2020 (Pickup)**

### **A third of firms to lose jobs**

A survey of over 2,000 companies, charities and public bodies has found that 33% expect to create redundancies in the third quarter of the year. This will be particularly apparent as the Government withdraws its support package which pays 80% of furloughed employees' wages, by the end of October. The survey, by the CIPD and Adecco Group, found some signs of rising confidence as the easing of lockdown has made it easier to recruit people. However, this is unlikely to make up for the large number of redundancies. An infographic compares redundancies across all sectors with those in retail, aviation and hospitality & leisure.

**theguardian.com, 10 August 2020 (Jolly)**

### **BP – downsizing and "digital inflection point"**

In a move reflecting the impact of the coronavirus, BP is considering a dramatic reconfiguration of its offices which would result in almost half its property being closed in some locations. If it goes ahead, nearly 50,000 employees would work remotely or in flexible office layouts. The move will also result in a significant reduction in staff. BP is just one of many multinational companies that are selling off or not renewing their office leases following lockdown. The reorganisation forms part of the modernisation of the company under Bernard Looney, who took over as CEO in February with the aim of creating a "net zero carbon" company by 2050. He talks of a "digital inflection point" where technology is used at home and the company is better connected than before.

**theguardian.com, 12 August 2020**

### **Motivating teams**

A 2013 TED talk by Professor Dan Ariely described an experiment involving the construction of Lego robots. It demonstrated the difference in productivity between one group, whose robots were carefully stored ("the meaningful condition"), and the other group, whose robots were dismantled upon receipt ("the meaningless condition"). It reflects the fact that people will put more effort into work they care about but that sometimes work seems futile. Over the last few months businesses have had to prioritise to keep functioning but some employees may have seen their focus narrow and their connection with the bigger picture decline. Here are three things managers can do to amplify meaning in work.

**managmentoday.co.uk, 24 July 2020 (Boyd)**

## **Charities and NGOs**

### **Repurposing old content**

A charity's website and social media pages are often the first point of contact for supporters, users and volunteers. Rather than just create new content, charities should consider turning to their archives to rediscover older stories and trends. Older content can help to keep charity stories fresh as well as to expand their digital audience. Some old stories or "evergreen content" can be tailored to extend their usefulness. The Digital Marketing Institute believes that evergreen content can help to increase traffic over time. Here is some advice for leveraging older content and repurposing success stories. It is particularly useful for smaller charities that are trying to stretch a small budget.

**charitydigital.org.uk, 6 August 2020 (Chiu)**

### **Unicef UK – 1st domestic emergency response**

Unicef UK has launched its very first domestic emergency programme which will support needy children in the UK during the pandemic. "Food Power for Generation Covid" has been launched in partnership with Sustain, the food and farming charity. The aim is to provide vulnerable children and their families with food through grants to community food projects.

**fundraising.co.uk, 17 August 2020 (May)**

## **Economy**

### **UK facing worst recession on record**

The UK has officially entered its first recession (two consecutive quarters of decline), for the first time since the financial downturn of 2008. GDP fell by 20.4% between April and June, a greater fall than that of any other G7 nation, where declines range from -7.6% in Japan to -13.8% in France. With the US and eurozone already confirmed as being in recession, the global economy is dealing with the greatest downturn since the Great Depression of the 1930s. China, which recorded growth in Q2, is the

exception. The UK decline in output was largely attributed to the closure of shops, hotels, restaurants, schools and car repair shops, according to the ONS. The services sector, which accounts for four-fifths of the economy, saw its largest quarterly fall on record.

[theguardian.com](https://www.theguardian.com), 9 August 2020 (Partington);  
[bbc.co.uk/news](https://www.bbc.co.uk/news) 12 August 2020 (Chan and Plummer)  
<https://www.ons.gov.uk/economy/grossdomesticproduct/gdp/bulletins/gdpmonthlyestimateuk/june2020>

12 August (Scruton)

### Employment down for July

In its latest *Labour market review* for the UK, the ONS reveals that there were 730,000 fewer people on UK payrolls in July than in March 2020. The decline in employment for the quarter was the largest quarterly fall since May to July 2009. The decline was driven by people aged 65 or over, the self-employed and part-time workers. Estimates for July 2020 suggest that the number of paid employees fell by 2.2% compared with July 2019. However, the overall unemployment rate is "largely unchanged" which suggests that many people out of work are not actively looking for work.

<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/uklabourmarket/latest#main-points>

11 August 2020 (Leaker)

### Social impact of coronavirus – latest findings

An ONS survey for 5<sup>th</sup> to 9<sup>th</sup> August, *Coronavirus and the social impacts on Great Britain*, reveals that the coronavirus pandemic is still the single most important issue facing Britain, according to 37% of adults, followed by the economy, according to 23%. The pandemic continues to affect 40% of respondents' well-being with 18% of them concerned about a possible job loss, slightly up from 14% in the previous week.

<https://www.ons.gov.uk/peoplepopulationandcommunity/healthandsocialcare/healthandwellbeing/bulletins/coronavirusandthesocialimpactsongreatbritain/14august2020>

14 August 2020 (Davies)

### Consumer spending plans remain low

Some 24% of consumers say they intend to spend less than usual over the next few months compared with just 11% who expect to spend more, according to research from BRC and Opinium. Categories in which spending is most likely to be reduced are: fashion and clothing (37%); small electronics (28%); large electronics (27%); and health and beauty (27%). The proportion saying they will avoid visiting shops has fallen from 32% to 23% since the start of the month.

[marketingweek.com](https://www.marketingweek.com), 10 August 2020

## Education

### The knock-on effects of this year's A levels

The *FT* looks at the implications of the A level grades fiasco in England, the Government's U-turn and the impact on universities. University leaders have been warning of an oversupply of pupils with A\* and A grades. Dr Tim Bradshaw, chief executive of the Russell Group of universities, says taking on additional students will stretch resources and could reduce the quality of education. It will also cause problems for social distancing measures. Others say they will not rescind places already offered but that in some cases a cap on numbers will prevent additional offers being made. Many students on courses such as medicine and dentistry will be forced to defer to next year. There are concerns that current events could cause problems for years to come.

[ft.com](https://www.ft.com), 17 August 2020 (Foster and Staton)

## Energy and utilities

### Virtual water hackathon

Three water companies – Anglian, SES and Welsh Water – have organised a hackathon to try to better understand consumers' water consumption behaviour and habits. The five-day online event, which takes place over two weeks, explores four main areas, including helping customers to save money. The overall aim is to reduce water usage. Data from Discover Water show that water consumption has been declining for 2019 to 2020 but is still well above the national target proposed by DEFRA in its National Framework for Water Resources.

[utilityweek.co.uk](https://www.utilityweek.co.uk), 6 August 2020 (Williams)

## Environment

### Climate – disruption in the supply chain

Global economic disruption is largely organised around complex supply chains which support the world trade in goods, currently worth almost \$20 trillion a year. While supply chains have been designed for maximum efficiency, there are questions about their resilience, not only in relation to Covid-19, but also extreme weather events. Recent McKinsey research has looked at how industry value chains are exposed to risks, including climate events and how risks from these events are likely to evolve. It argues that the more specialised the supply chain, the more serious the impact for a downstream player while, the more commoditised the supply chain, the greater the number of downstream players affected by rising prices. Here the authors focus on two case studies that illustrate how disruption may occur: the semiconductor industry for speciality supply chains and heavy rare earth metals for commodity supply chains.

[mckinsey.com](https://www.mckinsey.com), 6 August 2020 (Woetzel et al)

### Green energy scheme

The green energy industry has just received a boost with the announcement of the Government's

Green Homes Grant scheme. Homeowners will need to install one of three “primary” measures – heat pumps, insulation and solar thermal devices – which entitles them to a voucher to cover two-thirds of the cost of “secondary” measures, such as hot water thermostats or better glazing. Waterwise and the UK Water Efficiency Strategy have written to business and energy secretary, Alok Sharma, asking for water efficiency measures to be included in the scheme.

[utilityweek.co.uk](http://utilityweek.co.uk), 7 August 2020 (Grimwood)

## Fashion

### **Cartier’s self-censorship in China ridiculed**

Cartier is being criticised for censoring an ad in China that appears to show gay couples. The ad shows heterosexual and LGBTQ+ couples promoting Cartier rings. One ad features two men who are very similar in age and who Cartier claims are father and son. A caption in the brand’s online store on Alibaba’s Tmall says: “father and son, bound by love”. The ad has, not surprisingly, attracted ridicule. Cartier claims that each ad tells the story of romance, friendship, or family love. Online content about LGBTQ+ people is censored in China.

[thedrum.com](http://thedrum.com), 13 August 2020 (Lim)

### **Dr Martens sales up 50%**

Dr Martens has seen its sales rise by almost 50% in the year to June while profits have nearly doubled despite lockdowns around the world. The company has managed to open 16 new stores including five in the US and has been experimenting with branded areas in department stores. Kenny Wilson, chief executive, attributes Dr Martens’ success to “strong brand and consumer connections”.

[marketingweek.com](http://marketingweek.com), 13 August 2020

## Financial services

### **Retail banking – changing relationships**

Retail banking’s relationship with customers has changed and they now have more choices, such as how and from whom they can borrow. It is no longer just banks and traditional payment companies that are competing for customers’ attention – big tech and emerging players are also looking for a slice of the business. To survive, banks will need to redesign their relationship with the customer, deliver personalised user journeys and build on user trust. This article looks at the coming banking revolution, with particular reference to China and India, and why banks need to act and adapt to the new reality. It covers the importance of trust and consent, digital identity as a key differentiator and ends with a call to action.

[strategy-business.com](http://strategy-business.com), 12 August 2020 (Laurence and Kavadias)

## FMCG

### **Beverages**

#### **Coca-Cola Coffee**

Some people drink a can of Coke for breakfast despite knowing about its negative health effects. Now Coca-Cola may be trying to address health concerns with the announcement that it is testing a new category of “refreshment coffee”. Coca-Cola Coffee is being promoted as a “truly unique hybrid innovation” which “sips like a Coke and finishes like a coffee”. The author wonders why Coca-Cola has stopped at mere coffee and hasn’t created a cannabis drink for breakfast...

[rohitbhargava.com](http://rohitbhargava.com), 10 August 2020

### **Cosmetics and toiletries**

#### **Lifebuoy – new lease of life**

Unilever is to relaunch its Lifebuoy brand in the UK in response to increased consumer demand for hygiene products. It will release five products in the form of hand wipes, sanitiser, handwash, moisturising cream and the Classic Red Bar Soap. Unilever plans to have hand sanitiser stations in selected stores and areas of “high infection”, such as coffee shops. The launch will be supported by a £12m ad campaign. The company has launched Lifebuoy products in 50 new markets since the outbreak of Covid-19.

[globalcosmeticsnews.com](http://globalcosmeticsnews.com), 4 August 2020 (Prance-Miles)

### **Food**

#### **National Food Strategy**

The National Food Strategy report is the first independent review of UK food in 75 years. The first part of the report, authored by Henry Dimbleby, a non-exec director of DEFRA and co-founder of the Sustainable Restaurant Association, contains urgent recommendations to support the UK through the pandemic with a focus on disadvantaged children. It also covers opportunities presented by Brexit. Part two, which will be released in spring 2021, tells how the strategy can be accomplished. Yorkshire agency 10 Associates was recruited to design and print the report in a way that would communicate the vision for the future of food.

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

#### **Sales up as consumers shell out on eggs**

The pandemic has led to a huge surge in the demand for eggs. Retail value sales of shell eggs rose by 37% and volume sales by 28% year-on-year in the 12 weeks to 12 July, according to Kantar. So high has the demand been that both Sainsbury’s and Lidl have been forced to look outside the UK for sources. But shoppers, retailers and manufacturers have been looking for the “reassurance of higher production standards”, according to the British Egg Industry Council, which is why some imported eggs have

reportedly gone unsold. It believes that, as the market settles down, there will be a resumption in demand for British Lion processed eggs.

**thegrocer.co.uk, 6 August 2020 (White)**

### **Turkey Twizzler makes a comeback**

The Turkey Twizzler is back, having been discontinued in 2005 following criticism from Jamie Oliver and health campaigners. But an online petition in 2018 resulted in 27,000 signatures to bring it back. Bernard Matthews has been working to reformulate the product which now contains 70% turkey vs the previous 35% and 87 calories, down from 137. As well as the original Tangy Tomato flavour, there is now Chilli & Cheese. The brand is looking to relaunch in the education catering sector as well as in grocery.

**thegrocer.co.uk, 17 August 2020 (Woolfson)**

### **Meatless burger – £1.5m campaign**

Meat-free foods are booming and companies can afford to spend more on promoting them. The Meatless Farm Company in Leeds is running TV ads throughout August and September as well as in print, on branded electric cars, OOH and radio. The campaign, which is costing £1.5m, uses the line "Now that's a M... F... Burger". It targets meat eaters following growing demand during lockdown.

**prolificnorth.co.uk, 13 August 2020 (Chapman)**

### **Household**

#### **K-C "solidifies" investment in brands**

Kimberley-Clark has enjoyed rising sales of its products, which include Andrex toilet roll, baby wipes and Huggies nappies. Building on this success, it has decided to "solidify investment" in its brands. Matt Stone, marketing director for the UK, explains that marketing is vital for ensuring that "we are making the best products and ensuring consumers believe in them". This follows an 18-month study of baby products which has resulted in Huggies being divided into a "training phase" and a "pre-training" phase for potty training.

**marketingweek.com, 10 August 2020 (Fleming)**

## **Government and public sector**

### **Government wants digital imprint on ads**

Online political ads will have to be labelled if Government proposals go ahead. They would require a "digital imprint" showing who is responsible for the message; this would be placed on formal campaigns, as well as on "organic" content from campaigners and candidates, on sites including Twitter, Facebook and YouTube. The rules will replicate those used in offline campaigning in which print ads must include an "imprint" saying who paid for the ad. Both digital

and offline ads would remain largely unregulated in terms of content. Political ads on Facebook are already required to make a disclosure but the Government's proposals go further.

**theguardian.com, 12 August 2020 (Hern)**

## **Health and pharmaceuticals**

### **Advertising of medicines and medical devices**

The advertising of pharmaceuticals and medical devices is a difficult area because it is strictly regulated to protect the public as well as healthcare professionals. The legal framework is constantly changing and there are considerable variations between countries. The emergence of social media has meant that legislators are constantly revising advertising rules and introducing new laws. Compliance with, and correct interpretation of, these laws in different jurisdictions is essential. This extensive guide, entitled *Advertising of Medicines and Medical Devices*, offers information for 27 countries around the world. It provides a top-level summary of relevant laws and the consequences of non-compliance.

**lexology.com, 16 August 2020 (Beckett and Wagner)**

## **IT and telecoms**

### **Huawei – the chips are down**

The US has introduced tougher sanctions which will effectively mean a total ban on chip sales to Huawei, a move that will have a devastating effect on its 5G and handset businesses. Some analysts believe that this will effectively put an end to Huawei as a maker of 5G network equipment and smartphones. The restrictions will impact US chipmakers, such as Nvidia and Intel, with the loss of billions of dollars of business. There is also potential for China to retaliate by targeting the likes of Apple and Qualcomm. Analysts predict that Huawei's market share in smartphones will be taken up by other companies and that this might help to rebalance chip demand.

**ft.com, 18 August 2020 (Hille et al)**

### **O2 Priority goes green**

O2 is publicising its "Go Green" initiative with a living billboard which has been created using hundreds of pistachio stems. Located in Shoreditch, London, it will reveal a "Go Green" message during the two weeks it is located there. It forms part of O2 Priority service's "Go" campaign, which provides customers with both real and virtual experiences. These include a streamed talk with a wildlife photographer and the chance to discover how to make a living wall.

**marketingweek.com, 10 August 2020**

### **Apple's dual device accessory**

A recent patent filing by Apple involves a hinge-like accessory that can join two devices together so that they can work as one. Dual-screen devices have become increasingly popular of late, with the unveiling of various dual screen laptops and tablets and the re-emergence of the classic flip phone. This patent, entitled "Modular multiple display electronic device", could be Apple's take on the trend. The accessory would allow data transfer between the two devices, enable working across two devices or to use one as a keyboard. The catch is that you would have to own two Apple devices to use it. Moreover, Apple often files patents that never get to market – this could be one of those!

**creativebloq.com, 11 August 2020 (Coggan)**

## **Leisure and tourism**

### **In Iceland noone can hear you scream**

There aren't many places where you can scream loudly, should you feel the need, but Iceland tourism has found a solution. Its new campaign encourages people to submit their best screams so that the scream can be released into nature. The "Looks Like You Need Iceland" campaign reminds people of how therapeutic a good scream can be as well as the advantages of being in a remote place far away from other people. The initiative aims to inspire people to consider Iceland for their next holiday, when they are able to do so again.

**rohitbhargava.com, 4 August 2020**

## **Materials and mining**

### **Another coal mine closes**

One of Britain's last coal mines, in Bradley near Durham, closed on 17 August. The only remaining surface coal mine, Hartington in Derbyshire, is also due for closure. This leaves a handful of small underground mines in Cumbria and the Forest of Dean which will continue producing coal. Despite this, some miners are hoping for a revival in British coal production to supply the UK's steelworks which rely mainly on coal imports. The Government has yet to decide on an application by Banks Group to develop Britain's largest coalmine at Highthorn in Northumberland.

**theguardian.com, 16 August 2020 (Ambrose)**

### **Cornish Lithium aims for net-zero footprint**

Jeremy Wrathall, CEO of Cornish Lithium, which is undertaking a geothermal project in Cornwall, explains how the company seeks to extract lithium with a net-zero footprint. He says this is the first plant of its kind in Europe and wants to show how lithium can be extracted with minimal impact to the environment. The project is vital for the UK's

ambitions in the electric vehicle arena. If lithium can be extracted, the UK could attract battery mega-factories which will be needed for the automotive industry.

**mining.com, 16 August 2020 (Leotaud)**

## **Media**

### **Books**

#### **Reclaiming female authors**

Bailey's, which sponsors The Women's Prize for Fiction, is launching a new campaign entitled "Reclaim Her Name" which will see 25 novels that were originally published under male pseudonyms, being released for the first time under the real, female author's name. The works include *Middlemarch*, made famous by George Eliot whose real name was Mary Ann Evans. The collections can be downloaded free as ebooks. The initiative celebrates the 25<sup>th</sup> anniversary of the prize.

**adweek.com, 12 August 2020 (Zorrilla)**

### **Games**

#### **An Epic fight**

Following a legal wrangle with Apple, Epic Games, owner of *Fortnite*, has released an ad entitled "Nineteen Eighty-Fornite", a parody of Apple's "1984" ad based on George Orwell's novel. Apple's 1984 ad showed it taking on the dominance of IBM. Epic accuses Apple of having "become what it once railed against: the behemoth seeking to control markets, block competition and stifle innovation". *Fortnite* had been removed from the Apple App Store after Epic allowed players to buy in-game currency directly from Epic Games at a lower price than through Apple. Apple takes a 30% cut of sales which developers don't like. Epic Games is taking the fight with Apple out into the open at a time when the EU and Congress are scrutinising Apple's business practices.

**bbc.co.uk/news, 13 August 2020**

#### **New Horizons – some advice for brands**

*Animal Crossing: New Horizons*, launched in March 2020 during the pandemic, quickly became popular as a distraction from lockdown, selling over 13m copies in the first six weeks. The likes of Marc Jacobs, Deliveroo and Getty were able to speedily integrate their brands into the game. Yet it is possible to go beyond just tactical activations: for example, a campaign called #GlobalPrideCrossing, was the first virtual Pride festival to be hosted on *Animal Crossing*. Encouraging players to host their own Pride parades, the campaign was expanded across social platforms in the lead up to Global Pride Day on 27th June. The author offers some advice for brands and marketers who want to take advantage of the gaming environment.

**wearesocial.net, 13 August 2020 (Robin)**

## Newspapers

### Shift to digital accelerates

The lockdown has accelerated the move from print to digital news consumption, according to a survey from Press Gazette. Some paid-for titles have shown signs of recovery but free newspapers have suffered at a time when news websites have experienced rising audiences. The survey, which polled people about their newspaper consumption habits during lockdown, found 48% were reading more online than in print and expected this habit to continue, while 29% reported no change in their news reading habits. A recent Press Gazette analysis of ABC figures found that daily newspaper circulation fell by between 10% and 20% during lockdown.

[prolificnorth.co.uk](http://prolificnorth.co.uk), 14 August 2020 (Peachey)

### Manchester Evening News circulation halves

The *Manchester Evening News* has suffered a 53% fall in circulation for the first six months of the year, the worst decline in print circulation of any regional daily newspaper during this period. Other northern regional titles have also suffered steep, though far less dramatic, falls in circulation. *Manchester Evening News* is the biggest regional online paper in the country and its online audience is likely to have risen during lockdown. Last month the paper's owner, Reach, said it would cut 550 jobs (12% of its workforce) because sales and advertising had been so badly affected by the coronavirus.

[prolificnorth.co.uk](http://prolificnorth.co.uk), 7 August 2020 (Prior)

## Social media

### Influencer marketing – Forrester study

The number of social influencer campaigns, which had been growing before the pandemic, has fallen by 3%, although campaigns were almost back to normal levels by April and May, according to a Forrester study. It found that 13 out of the 15 large brands it polled expected their investment in influencers to grow. Marketers said they had used influencer campaigns for creative work and content that they couldn't get from ad agencies during lockdown. The research offers several insights on working with influencers. For example, overtly commercial posts by influencers may be perceived as "mercenary and inappropriate". To avoid damaging the reputation of both brands and influencers, posts should adopt an appropriate tone.

[marketingdive.com](http://marketingdive.com), 6 August 2020 (Williams)

### Fewer getting news from social media in UK

Ofcom's *News consumption in the UK 2019/20* report reveals that fewer people are getting their news from social media than a year previously. TV is the most popular channel for news (75%) while the proportion using social media for news consumption has fallen from 49% in 2019 to 45% in 2020. People also rate social media less highly for news on measures such as trust, impartiality and accuracy. The report covers

how adults and children aged 12 to 15 consume news across a range of media. It doesn't cover the lockdown period, however.

[ofcom.org.uk/research-and-data](http://ofcom.org.uk/research-and-data), 13 August 2020

## Television

### TV drives ecommerce

In its latest set of "nickable" slides, Thinkbox sets out the evidence for TV as a driver of ecommerce; its ability to deliver scale; its short-term sales effects; the ability to build trust and fame and its capacity for boosting the effects of other channels by up to 54%. It includes some highlights from IPA's *Effectiveness in Context* study, which shows how important brand advertising is to online advertisers. There are also case studies of "digital native" brands and their success with TV campaigns.

[thinkbox.tv](http://thinkbox.tv), 4 August 2020

### 20th Television – rebrand of the Century?

"20th Century Fox Television" is one of the most famous logo and fanfare combinations in the world but now it is set to lose the "Fox" from its title following its acquisition by Disney last year. It will now be called simply "20th Television", with a shortened version of the existing logo rather than a redesigned version. Without the word "Century", the "20th" is a little nonsensical, argues the author; we might end up imagining a room full of TVs, this one being the 20th! At least the iconic logo will remain recognisable and retain its famous fanfare.

[creativebloq.com](http://creativebloq.com), 11 August 2020 (Piper)

## Video

### Size matters – so does speed!

Digital ads often include video content in which immobile products are shown to move spontaneously. A series of studies demonstrate a speed-scaling effect whereby consumers estimate the size of an immobile product to be smaller when it moves faster in videos. This is attributed to the inverse size-speed association that people have observed when watching animals and humans. The researchers discover that, by decreasing the perceived product size, the speed of the animation can either positively or negatively influence a viewer's willingness to pay. However, this will depend on which size the consumer prefers!

*Journal of Marketing*, Vol 84(5), pp100-116 (Jia et al)

## Packaging

### Morrisons may ditch plastic for paper

Morrisons is to conduct trials of strong paper bags in its stores which, if successful, could result in the removal of its plastic "bags for life". It says that many bags for life are being used once before being thrown away. The new paper bags, which would result in 90m fewer plastic bags being used

every year, can carry up to 16kg or up to 13 bottles of wine!

[bbc.co.uk/news](https://www.bbc.co.uk/news), 17 August 2020

### **Heineken gets a green grip non its cans**

Heineken has developed a plastic-free toppler, called the Green Grip, to replace the shrink wrapping on its beer and cider cans. It will initially be used for Heineken, Foster's and Kronenbourg before being rolled out more widely. The company claims that Green Grip will do away with 517 tonnes of plastic a year, the equivalent of 94m plastic bags.

[thegrocer.co.uk](https://www.thegrocer.co.uk), 17 August 2020 (Dawson)

## Retailing

### **Amazon reduced marketing due to demand**

Amazon reduced its marketing spend by around a third in Q2, but the cutback was due to rocketing demand for its services rather than the budgetary pressures that other companies were experiencing. The company plans to return to higher levels of spending in Q3, according to CFO Brian Olsavsky. It will focus this on areas that have grown during the pandemic, such as its online grocery business which tripled year-on-year during Q2. Amazon's streaming hours almost doubled during Q2, with Prime Video leading the way. Meanwhile, Amazon's competitors, such as Walmart, and CPG companies, such as Unilever and P&G, are placing more emphasis on their e-commerce offerings.

[marketingdive.com](https://www.marketingdive.com), 31 July 2020 (Adams)

### **The disruption of a shopping model**

The mechanics of grocery shopping have scarcely changed over the years but the coronavirus has changed things. For customers, shopping during the pandemic has detracted from the value of in-person experiences. The supermarket's appeal has traditionally been the convenience of having everything in one place but this model is likely to be disrupted as online, subscription and delivery services continue to grow in popularity, especially for functional items like toilet paper. For speciality items, such as avocados, people may still go in person to speciality retailers, farmers' markets and small grocers. The authors consider how all this might play out over the short-to-medium term (1-5 years); the long-term (5-10 years); and the very long-term (10+ years).

[fastcompany.com](https://www.fastcompany.com), 10 August 2020 (Rousseau and Girling)

### **The shape of the British high street**

Even before the coronavirus, retail closures were raising concerns about the decline of the British high street. In 2019, the Office for National Statistics (ONS) and Ordnance Survey (OS) teamed up to identify the physical geography of high streets across

Great Britain for the first time. This data, for March 2020, reveals that 11% of all addresses on the British high street were offices. However, hub town high streets have kept more of their retail focus than other places, with retail accounting for 36% of addresses compared with 29% for Britain overall. High street employment had already fallen in more than three-quarters of local authorities between 2015 and 2018. However, growth in employment in high street pubs and bars was found to be 3% greater than in pubs and bars in non-high street locations.

[ons.gov.uk](https://www.ons.gov.uk), 10 August 2020; **High streets in Great Britain: March 2020 (Holgate)**

### **M&S to lose 7,000 jobs**

Marks & Spencer is to lose 7,000 jobs over the next three months due to a "material shift in trade". Despite strong online sales and home deliveries, clothing and home goods sales in-store have been significantly below 2019 levels. In the eight weeks since stores reopened, store sales have fallen by 47.9% while online sales have surged by 39.2%. Chief executive Steve Rowe has previously said that customers may "never shop the same way again" and has plans to deliver a stronger, more agile business. Dominic O'Connell, the BBC's business correspondent, reflects on the fact that M&S has been reorganising its business for most of the last two decades. Will this programme of change be enough to see it through, not just the pandemic, but longer-term shifts in retailing?

[bbc.co.uk/news](https://www.bbc.co.uk/news), 18 August 2020

## Services

### **Funeral directors have been overcharging**

Some funeral directors are over-charging consumers to the tune of £400 or more, according to the Competition and Markets Authority (CMA). The CMA named Co-op and Dignity as being up to £800 or £1,400 more expensive than smaller, family owned businesses. Its investigation concludes that some funeral businesses are offering "unacceptably low levels of care of the deceased" and that the sector, which is worth £2 billion, "is not working well". However, it "could not safely" introduce reforms because of the pandemic. According to SunLife's latest *Cost of dying* report, average UK funeral costs have risen by 62% over the past decade.

[theguardian.com](https://www.theguardian.com), 13 August 2020 (Jones)

### **Tesco offers free delivery for Clubcard plus**

Tesco has responded to competition from Amazon by introducing free home deliveries for its Clubcard Plus loyalty scheme members. Tesco has more than doubled its online capacity since the start of the pandemic so this is a timely move. This month Amazon announced that it would offer a free, faster delivery to its 15m Prime members for its Amazon Fresh service. Tesco's move will result in a two-tier

system for Clubcard members but the retention of a delivery fee for some members may result in a greater uptake of Clubcard Plus.

**thegrocer.co.uk, 17 August 2020 (Quinn)**

### **Deliveroo promotes groceries for the first time**

For the first time Deliveroo is promoting grocery products in its advertising rather than its usual restaurant and fast-food partners. It is using TV ads to raise awareness of grocery partnerships with Co-op and Morrisons through which it delivers household items from the retailers' stores. Deliveroo and Co-op have reported that customers are increasingly placing larger orders and ordering more frequently.

**thegrocer.co.uk, 11 August 2020 (Nott)**

## **Transport and travel**

### **Folding bikes on subscription**

Brompton, the folding bike maker, is introducing a subscription service next month which will enable people to hire bikes either monthly or annually. Demand for bikes has risen during the pandemic, with cycling levels up by 300% on some days, according to the Department for Transport. The company, which aims to have 1,000 subscribers six months after launch, is targeting "Millennials and Generation Xs, who want the benefits of owning something but none of the downside".

**theguardian.com, 12 August 2020 (Kollewe)**

### **Car registrations rebound in July**

New car registrations in the UK rose by 11.3% in July, the first increase this year and an improvement on July last year, according to the SMMT. However, overall registrations are still 41.9% lower than last year and the market is expected to shrink by 30% in 2020.

**marketingweek.com, 10 August 2020**

### **Manufacturers look to direct sales model**

PSA, owner of Peugeot, has introduced a direct sales model so that customers can buy its vehicles online. It hopes to deliver over 100,000 cars directly to customers' homes, removing the need for them to visit a showroom. The pandemic has enhanced manufacturers' ability to bypass expensive dealer networks and create direct relationships with customers. Daimler sales boss Britta Seeger believes that 25% of passenger car sales will be made via online channels by 2025. Previously car buyers might visit a dealership up to eight times before making a purchase. Increasingly dealerships will have to justify their share of industry profits and provide a "stellar" customer experience, says Carlos Tavares, CEO of PSA.

**ft.com, 16 August 2020 (Miller and Campbell)**

Trucking has been caught up in the disruption caused by online shopping, which has ramped up the delivery of smaller packages from warehouses operated by the likes of Amazon and Walmart. Trucking is one of the most fragmented industries in the world (in America the largest 25 freight firms account for less than 10% of industry revenue) but is under pressure to become "leaner, cleaner and more automated". Change is most obvious in the short-haul sector with UPS talking advantage of deliveries to locked-down customers while Uber Freight is developing an app to match carriers with shoppers. Tesla, meanwhile, wants to make a huge "semi" e-truck in Texas. Apart from electrification, the biggest force for disruption in the industry could be autonomous driving since jobs make up 40% of freight costs. TuSimple, a startup, has announced a partnership with truck-maker Navistar to build semi-articulated robot trucks by 2024.

**economist.com, 8 August 2020**

### **65% want earlier ban on petrol and diesel**

In a new survey by the Electric Vehicle Association (EVA), 82% of respondents said they were in favour of a ban on the sales of new petrol and diesel cars and vans before 2035, with 65% wanting the ban brought forward to 2030. Respondents to the survey chose a scrappage scheme for petrol and diesel cars, and more public charging initiatives, among measures that could help with the switch to greener vehicles.

**energylive.com, 11 August 2020**

Written by CIM's Knowledge Services Team

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## **Trucking – ripe for change**

## Sources

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