

Cutting Edge: Our weekly analysis of marketing news

26 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

Programmatic is 41% of digital media

Programmatic trading now makes up 41% of global digital media, according to the World Federation of Advertiser's (WFA) *Programmatic, data and Technology Global Survey 2020* of its members. Trends identified this year include a rise in the use of independent trading desks to buy media programmatically, which is up from 46% in 2017 to 71% in 2020. Ranji David, WFA director of marketing services, Asia Pacific, says that many advertisers are taking more control of the process using a mixture of in-house, hybrid and agency models. He stresses the importance of transparency in the supply chain so that advertisers can see which parts are contributing to business growth.

marketingweek.com, 21 August 2020

Google-Facebook – UK digital ad market

Google and Facebook together accounted for 67.8% of the UK digital ad market last year; eMarketer predicts that this will fall to 65.9% this year but rise again in 2021 to 69.1%. The pandemic is likely to affect Google's ad business, with a significant fall in search revenues. However, its display ads will continue to grow thanks to it being more suited to the direct-response advertising that marketers have adopted during the pandemic. By contrast, Facebook's ad revenues will grow by 5.6% this year, albeit down from the previous forecast of 19.2%. However, it is unlikely to grow its share of the display ad market (currently at 60%) because of competition from fast-growing digital companies.

emarketer.com, 19 August 2020 (Goetzen)

Advertising regulation – the ASA

In the UK all advertising, including that on websites, is regulated by the ASA. The ad regulatory system is a mixture of self-regulation for non-broadcast advertising and co-regulation for broadcast advertising. All advertising is expected to be "legal, decent, honest and truthful", with rules being regularly reviewed and updated by the ASA. This House of Commons briefing paper, *Regulation of Advertising by the ASA*, considers the regulations and offers an overview of the functions and remit of the ASA.

commonslibrary.parliament.uk, 20 August 2020 (Conway)
<https://commonslibrary.parliament.uk/research-briefings/sn06130/>

Agencies

Clients and agencies closer during pandemic

Client-agency relationships have strengthened during the coronavirus, according to *The Impact of Covid-19 on UK Marketing* report from Achemis. The survey of senior marketers and CEOs in the UK reveals that there is now pent-up demand for marketing, with 62% saying they intend to spend the budget they had held back in Q2. It seems that the bonds with agencies have been strengthened as a result of the pandemic, with almost three-quarters of clients showing no intention of reviewing their accounts. Many said they had grown closer to their agencies with some citing examples of agencies having gone above and beyond what was required of them. Some 24% of clients said they would outsource more, with the study indicating that there are opportunities for agencies who have particular skills and experience or who can offer something different.

decisionmarketing.co.uk, 19 August 2020

Brands and branding

Luxury brands – grotesque imagery works

Two studies look at the role of grotesque imagery in luxury brand advertising. The results suggest that grotesque imagery actually enhances consumers' brand experiences and their purchase intentions by drawing them into the narratives depicted in the ads. This is explained by the perceived fit between the grotesque imagery and luxury branding, which leads to better consumer processing and "transportation" to the ad.

International Journal of Advertising, Vol 39(6), September 2020, pp783-801 (An et al)

Achieving a strong brand presence

Luxury brands will often run marketing campaigns all year round and consumers are willing to pay a premium price because of this strong brand presence. The pandemic may slow down the purchase of luxury goods but people will maintain their belief in the brands. This reasoning applies to all brands, not just luxury ones. Strong brand recognition boosts sales, attracts loyalty and engenders conversations about brands in the long term. Jenny Stanley, founder of Appetite Creative, offers five tips for raising your brand's profile.

thedrum.com, 24 August 2020 (Stanley)

Conferences and events

Germany trials crowded concerts

As long as there is still a risk of infection, concerts, trade fairs and other events cannot take place, so it is important to discover the best way of minimising the risks. Germany has been experimenting with indoor mass events to investigate the risks involved. The study, entitled Restart-19, involved three indoor pop concerts using healthy volunteer attendees aged 18 to 50. One concert had no safety measures, one had some hygiene and social distancing and the third involved fewer people and stricter safety measures. The results of the study, which are expected in the autumn, may give hope to event planners.

eventindustrynews.com, 24 August 2020 (Parry)

Academic venues – pros and cons

Academic venues offer a completely different proposition from standard hotel meeting spaces. They are often set in parkland while providing modern conference facilities. They may also offer a link to academics within the institution who are relevant to the content of the meetings. Here are examples of some academic venues, with a case study of the PA Forum Learning and Development Conference at Aston University – all done without once mentioning the "C" word.

mitmagazine.co.uk, 18 August 2020

Consumer behaviour

Hope and anxiety – consumer goal alignment

While new products may give consumers the chance to achieve positive outcomes if the products align with their goals, they may also create anxiety when they are incongruent with people's goals. This study looks at levels of hope and anxiety about the outcomes from new products and how they affect product adoption. It discovers that strong anxiety about outcomes actually enhances adoption intentions towards, and adoption of, the new product when hope is also strong. Overall, the findings suggest that when bringing a new product to market, new product adoption may be at its greatest when hope and anxiety are strong. The authors recommend that marketing communications should focus on the product's relevance to consumers' goals rather than trying to downplay their anxiety.

Journal of Marketing, Vol 84(5), September 2020, pp60-78 (Lin et al); ama.org, 21 July 2020 (Lin et al)

Customer relations

How AI will impact CRM – AI-CRM

The authors conduct an analysis of how AI is likely to affect the fundamental nature of CRM. They survey the AI capabilities that are likely to transform CRM into AI-CRM and how that transformation will impact customer acquisition, development and retention. They conclude that AI-CRM will improve the ability to predict customer lifetime value which will lead to adapted treatment of customers. This in turn will result in greater customer prioritisation and an increase in service discrimination.

Journal of Interactive Marketing, Vol 51, August 2020, pp44-56 (Libai et al)

Direct marketing

SMS – still effective

There was a time when SMS was just one of a few marketing channels. Now consumers are bombarded with messaging from all over the place, yet SMS remains one of the most personal marketing channels and allows marketers to establish one-to-one connections with consumers. Vasa Martinez, CMO of food brand Outer Aisle, advises a "balanced blend" of segmentation, automation and linking SMS with other growth and retention initiatives, such as email and subscription. This article considers SMS as a customer acquisition tool, with reference to catalogue retailer Uncommon Goods and D2C brand Peace Out Skincare. It emphasises the need to have a "concrete" strategy and to be aware of the frequency of SMS messages.

emarketer.com, 24 August 2020 (Kats)

Decline in door drops but better targeting...

Every year the DMA works with industry bodies, such as Royal Mail, to assess the state of door drops. It has extracted data from its *Annual Door*

Drop Industry Report 2020 to create an infographic revealing the top-line figures. It shows that annual volumes fell from 5.4 billion in 2018 to 4.8 billion in 2019. This decline is attributed to Brexit, the General Election and the coronavirus. The AA/Warc predict that the overall decline for this year could be as high as 19%. Last year's decline could be attributed to better quality data and improved targeting resulting in fewer door drops. Some 65% of door drops are looked at as soon as they are received, with 10% resulting in a commercial action. Three outstanding door drops from 2019 are highlighted.

dma.org.uk, 25 August 2020

...while direct mail and door drops effective

Despite fears to the contrary, lockdown has resulted in an 11% year-on-year rise in the number of times a piece of direct mail has been interacted with (4.58 times) according to data from Jicmail. Overall mail interaction, including door drops and business mail, was up by 14%. Government door drops have outperformed the market with interaction up to 4.21 times for each piece, leading to a 45% rise in media impressions compared to Q2 2019, according to Whistl Doordrop Media. Charities also increased their use of door drops during lockdown (up 4%), with one charity receiving £37,000 in donations in the first week of its campaign.

decisionmarketing.co.uk, 20 August 2020

Law

JLR loses shape mark application

After Jaguar Land Rover (JLR) applied to register the shape of its Land Rover Defender, it was challenged by Ineos Industries which plans to release its own four-by-four (the Grenadier, said to have been influenced by the Defender's design), in 2022. JLR's application and subsequent appeal has been rejected by the UKIPO and the UK High Court on the grounds that elements of the designs were not distinctive enough. JLR would have had to demonstrate that a "significant proportion" of relevant average consumers would perceive the trademark as originating from JLR. Despite the company providing a survey of consumers, the court said that it did not have to consider the survey as evidence. This shows just how difficult it is for brand owners to register shape marks as trademarks. The Land Rover Defender is regarded as an iconic design and well-known among the UK public. Yet it is still not considered legally distinctive enough to receive UK trademark protection. This case is also a reminder that the hearing officer is not obliged to take survey evidence into account.

lexology.com, 20 August 2020 (Jewson and Shaw)

IP and 3D printing

This EU study, entitled *The Intellectual Property Implications of the Development of 3D Printing*, aims to clarify how the existing framework allows for the protection of IP rights holders. The purpose is to help the competitiveness of the advanced manufacturing (AM) sector in Europe, with a focus on seven industrial applications of AM: health, aerospace, automotive, consumer goods/electronics, energy, industrial equipment and tooling, and construction and building.

<https://op.europa.eu/en/publication-detail/-/publication/e193a586-7f8c-11ea-aea8-01aa75ed71a1/language-en/format-PDF/source-124493516> 15 April 2020 (Mendis et al)

Data protection when selecting suppliers

An average company shares sensitive information with 583 third parties but just 34% of organisations keep a comprehensive list of these companies, according to the Ponemon Institute. The incidence of breaches occurring with third parties from 2018 to 2019 rose by 35% year-on-year, which illustrates the risks involved. Yet, two years on from GDPR and many organisations have still to get to grips with their supplier contracts. The ICO provides guidance on what should be included in contracts but companies must also demonstrate accountability. Here are some suggestions for what to include in your supplier questionnaires; some questions to consider when conducting a supplier audit; and a six-point checklist.

dma.org.uk, 4 August 2020 (Porter)

Marketing

Marketers underestimate creativity

Marketers are overestimating the importance of brand vs performance and multimedia, and underestimating the role of factors such as creativity and brand size, according to a new global survey of marketers by Kantar. Marketers believe that multimedia is the biggest driver of brand profit followed by brand vs performance strategies. Duncan Southgate, global brand director of media at Kantar, says that marketers should constantly check to see what the actual drivers of profit are and that larger brands across countries, or companies with multiple brands, should invest in brand strength. It is a reminder that CMOs and media managers "should continually question how their media investment decisions are made". Previous research has suggested that marketers' perceptions do not match the reality of the situation.

marketingweek.com, 25 August 2020 (Fleming)

Market research

Product testing needs to adapt

A product is at the centre of the marketing mix and the “physical manifestation of a brand’s promise”. The pandemic has changed the future in many ways which means that companies will need to adapt the way in which they test products. Each stage of the product lifecycle must be supported to identify new opportunities, adapt to changing market dynamics and to extend the product’s life. This means continued product development and evaluation to improve the chances of customer satisfaction and repeat purchases. Traditional product testing methodologies will have to adapt to new realities in three major ways, argue the authors.

researchworld.com, 18 August 2020 (Weil and Reynolds)

Public relations

50 ways communicators can influence

In this era of the “new normal” (or “next normal” as Edelman calls it), communications have never been more important, so how can PR professionals help shape the new reality and prove their value to leaders? In a new guide, Ragan Consulting Group sets out 50 ways to get started by providing five tips in ten categories including: strategic comms; measurement; diversity, equity and inclusion; leadership comms; manager comms; crisis comms; storytelling; visual comms and video comms. *50 Ways Communicators Must Influence the Post-Pandemic Era* can be downloaded here:

<https://www.ragan.com/white-papers/50-ways-communicators-must-influence-the-post-pandemic-era/>
prdaily.com, 20 August 2020 (Shaeffer)

Sponsorship

Brand feelings and brand attitude formation

Many companies use sport to provoke strong emotions in consumers by associating their brands with events, teams or athletes. In traditional advertising, consumer brand attitudes are partly determined by the information in the ad, but sponsor messages contain very little brand information and the feelings evoked by the sport event are not necessarily directly linked to the brand. This study examines the role of brand feelings, including those related to the sponsor brand, the sponsored event and other sponsors, in brand attitude formation for sponsors. The findings indicate that, to create favourable brand responses, sponsors should consider the feelings associated with their brands, the event and concurrent sponsors.

International Journal of Sports Marketing and Sponsorship, Vol 21(3), pp513-526 (Boronczyk and Breuer)

Spotify’s first global paid sponsorship

In its first global paid sponsorship deal, Spotify is to become the official and exclusive streaming partner

for all League of Legends events around the world. It describes the partnership with Riot Games, the video games developer, as a “first-of-a-kind” deal. Spotify has launched a League of Legends Esports hub containing music, podcasts and playlists “inspired by the gaming community”. The League of Legends World Championship starts in Shanghai next month.

sportspromedia.com, 24 August 2020 (Long)

Agriculture, fishing and forestry

Grass-fed beef – geographical indications

Ireland has applied to have the name “Irish Grass-Fed Beef” registered as an EU Protected Geographical Indication and to obtain Protected Designation of Origin (PDO) status for “Achill Island Sea Salt”. Ireland has been slow to embrace the PDO/PGI regime, when it comes to the registration of food products, compared with other EU member states. There are currently only three Irish PDO registrations and five PGIs although others are pending. Yet the scheme provides a powerful tool for promoting and protecting food products in export markets around the world.

lexology.com, 20 August 2020 (Gallagher and Sumner)

Coconuts and climate change

BANELINO is an organisation of family farmers and producers of Fairtrade organic bananas for export, in the Dominican Republic. As an island that is vulnerable to climate fluctuations, the farmers have suffered from adverse weather conditions, with hurricanes, droughts and flooding. The co-operative decided to adopt a sustainable solution, namely to diversify crops by adding coconuts, which will boost both their resilience and incomes. This article explains how the organisation uses a lead-farmer model; in this case the lead farmer is a woman (Maria Genao), who can share her knowledge with other women.

International Trade Forum, Issue 1, 2020, pp32-33 (Charles and Seltier)

Cow yoga stunt backfires

Yoghurt brand Lancashire Dairy Farms has apologised after its publicity stunt – “The UK’s first cow yoga class” – was criticised by US Hindu statesman Rajan Zed. The class was held in front of the farm’s free-range cows as “a great way to enjoy the countryside and roam with these wonderful animals”. Mr Zed argued that cows are sacred and shouldn’t be used as a “prop for human entertainment” alongside the “sacred and ancient discipline of yoga”. Lancashire Dairy Farms said the cows were a source of inspiration for people to exercise, since they can walk up to 10km a week.

thegrocer.co.uk, 18 August 2020 (White)

Building industry

Building back smarter

The pandemic provides an opportunity to fix some of Britain's problems, such as levelling up economic disparities and improving productivity levels. Now is also the time to "build back smarter", says Richard Robinson, CEO of engineering group Atkins. The construction industry is one of the least digitised in the world, according to McKinsey, and this is probably a factor in its poor productivity. Now Covid-19 has forced the industry to embrace digital. A recent survey by Atkins of 400 senior decision makers in the infrastructure sector, revealed that 95% believed that digital innovation will become more important in the post-pandemic period. There was also general agreement that the adoption of digitally-enabled ways of working would be essential to speeding up growth.

constructionnews.co.uk, 21 August 2020 (Robinson)

Designing places to go – Tokyo

The pandemic has been awkward for many people, not least because they have been unable to get access to a toilet when out and about, as the usual options, such as cafes and libraries, have been closed. According to Lezlie Lowe, author of *No Place To Go: How Public Toilets Fail Our Private Needs*, cities have never had enough places of convenience. Now the Nippon Foundation in Japan has launched the Tokyo Toilet project. They have commissioned well-known architects to design restrooms for 17 locations in Shibuya City. The Foundation has also partnered with Daiwa House, a prefabricated housing builder, and toilet maker Toto. One restroom is made of clear glass that turns opaque when the toilet is in use. The new designs may act as a template for how other cities can enhance their own facilities.

fastcompany.com, 21 August 2020 (Berg)

Businesses and strategy

M&S – successful until it wasn't...

The British high street has been struggling for years so it was inevitable that the pandemic would hit it hard. When things start to settle down there will be much to learn from the firms that have survived and those that haven't. In particular, the fortunes of Marks & Spencer will be in the spotlight. It has been partly protected from the worst of the lockdown by its food business. Although it is due to reduce its workforce by 7,000, it is unlikely to disappear completely. Yet M&S's woes have little to do with Covid-19 and more to do with decisions taken in the 1990s and 2000s. When a business is going well, it tends to see no need for change and carries on in the same way, which is what M&S did. But success does not last forever; fashions change, as do consumers and technology disrupts. M&S might just

emerge stronger, but CEO Steve Rowe will need to be "radical".

managementtoday.co.uk, 18 August 2020

Building political capital – remotely

Remote working is forcing people to learn the new rules of organisational politics. A key challenge is to build and maintain your political capital, which involves the "intersection" of three assets: social capital, intellectual capital and psychological capital. Overall political capital rests on your reputation for displaying all three and harnessing your external brand. This will define your long-term employability and success. Until now, the main way of cultivating your brand and enhancing political capital has been at work where you can build person-to-person connections. Now, with 82% of companies planning to allow some degree of remote working, is the time to build political capital. Here are three ways in which you can do this.

fastcompany.com, 21 August 2020 (Clark and Chamorro-Premuzic)

Worker footfall low

Despite PM Boris Johnson trying to encourage people to go back into the office, only one in six workers have returned to offices in the cities this summer. Worker footfall in British cities has been just 17% that of pre-lockdown levels, according to the Centre for Cities, a think tank. It seems that the PM's advice has had no effect on average worker footfall in the 63 biggest cities in the UK. Worker footfall has been at its lowest in the capitals: London (13%), Cardiff (14%), Edinburgh (14%) and Belfast (18%). However, since July, when pubs and non-essential retailers have been allowed to re-open, there has been a recovery in overall footfall.

marketingweek.com, 21 August 2020

Charities and NGOs

BrewDog goes to the dogs

BrewDog, the Scottish craft brewer, is joining forces with dogs' charities Dogs on the Streets and All Dogs Matter. The brewer has launched Street Dog: limited edition Punk IPA and its beer cans display images of dogs in need of homes. The initiative follows Ricky Gervais' inadvertent endorsement of BrewDog on Twitter. Now the comedian has posted a video encouraging businesses to donate to charity rather than paying for celebrity endorsements. BrewDog has responded by donating money to animal charities.

thedrum.com, August 2020

Content principles key to content strategy

Content is a key part of user experience yet often gets overlooked. Websites often have a lot of information but they can suffer from "untidy desk" syndrome. If it is too hard to find information on the

site, people may just walk away. A good content strategy should include developing a “user-centred” culture within the organisation which means sharing skills, tools and values. Developing a set of “content principles” is also useful for getting content production and management under control and focusing on what is important. Here are some content principles to help charities decide what works well and what doesn’t. (See also Cutting Edge 19 August – repurposing old content)

charitycomms.org.uk, 25 August 2020 (Saunders)

Economy

Consumer price inflation, July 2020

In its latest release on consumer price inflation, the ONS reports that the 12-month inflation rate for consumer prices (including housing costs) was 1.1% in July, up from 0.8% in June. The greatest contribution to this came from recreation and culture (0.33%). Clothing and furniture and household goods also made large contributions to the rise but July also saw the biggest monthly increase in petrol pump prices for a nearly a decade. The report also comments on the rising prices for private dental treatment, physiotherapy and haircuts which are in part attributed to the need for PPE.

ons.gov.uk, 19 August 2020 (King);

<https://www.ons.gov.uk/economy/inflationandpriceindices/bulletins/consumerpriceinflation/july2020>

Consumer confidence not recovering

Consumer confidence has not bounced back despite the easing of lockdown and the Government’s “Eat Out to Help Out” scheme. According to GfK’s consumer confidence index, consumer confidence has stayed at -27 in August, with the score for the general economic situation over the next 12 months declining to -62, 28 points lower than August last year. The major purchase index, despite rising by one point to -25, is still 26 points lower than last year. According to Joe Staton, GfK’s client strategy director, consumer confidence has not improved as expected, while the bad news coming from household names, such as John Lewis and M&S, has led to further uncertainties.

marketingweek.com, 21 August 2020 (Fleming)

Education

Young people change education plans

The pandemic has led 73% of teenagers to change their education plans, with 41% choosing not to go to university. This is according to Samsung’s *Alternative Careers Guide*, launched last week, which lists the top ten alternative careers. Social media influencer heads the list, followed by app developer, video game developer and smart home designer. The eighth most popular is drone pilot! Almost half said they expected to have more than one career, but most were concerned that the

coronavirus would leave them with mass unemployment. Meanwhile 55% said they wouldn’t do a job that involved working nine to five while 78% said they would prefer a job with a work/life balance rather than one with a high salary.

marketingweek.com, 20 August 2020;

<https://news.samsung.com/uk/high-flying-career-ill-become-a-drone-pilot-say-todays-teens>

Grades U-turn – impact on universities

After working to a plan whereby they would only take limited numbers of students, universities suddenly find themselves being forced to welcome thousands of additional students who have had their A levels upgraded. Many universities will be in a difficult position due to factors such as staffing numbers, accommodation, teaching rooms, lab benches and work placements. Added to this, their financial position has been exacerbated by the fall in the number of international students. While some universities will be overloaded, others may find themselves losing students. Universities UK is calling on the Government to provide additional support.

universitiesuk.ac.uk, 20 August 2020

Environment

Companies to be fined for illegal deforestation

UK businesses will be fined unless they can prove that their supply chains are not involved in illegal deforestation. A new Government law means that large companies will have to know where commodities, such as palm oil, beef and cocoa, come from and ensure that they were produced in line with local laws. Defra has launched a six-week consultation but Greenpeace argues that the plans are flawed. Deforestation generates around 11% of global greenhouse gas emissions and many consumers are concerned about the link between food and illegal deforestation.

thegrocer.co.uk, 25 August 2020 (Holmes)

First project to produce hydrogen from plastic

The construction of the UK’s first plastic-to-hydrogen facility is expected to commence at Thornton Science Park in Cheshire this year. The hydrogen, created from plastic waste, could be used to fuel cars, buses and heavy goods vehicles. The facility will form the first part of a “plastic park”. Developer Peel L&P Environmental plans to develop 11 such facilities across the UK.

energylivenews.com, 25 August 2020 (Mavrokefalidis)

TRAID launches completely sustainable shop

TRAID, a charity which aims to stop clothes being thrown away to reduce their environmental impact, has opened a sustainable charity shop in Lewisham, London. TRAIID’s twelfth shop, it includes recycled mannequins, non-solvent paints, sustainable materials such as cork and bamboo, low energy

lighting, reclaimed glass and steel and, of course, there are no plastic bags. The charity, which launched in 1999, has diverted 170m garments from landfill by reusing and reselling them.

fundraising.co.uk, 25 August 2020 (May); traid.org.uk

Fashion

Online video – environmental claims

Two studies investigated how consumers respond to fast-fashion and luxury-brand online video ads involving environmental claims. It found that consumers who are heavily involved in environmental issues will respond better to substantive than to associative claims and that luxury brands benefit more from this preference than fashion brands.

International Journal of Advertising, Vol 39(6), September 2020, 858-887 (Teona et al)

NFC patch gives history of upcycled denim

Love Letter, an upcycled denim rental range from Ganni and Levis, will enable customers to find out about the clothing's history by tapping on an NFC-enabled patch on the item. It will also allow them to hear stories from previous wearers of the garment! In May, Levi's and The R Collective, a Hong Kong upcycled clothing company, launched the Denim Reimagined project, which also gives the wearer information via a QR code on the label.

nfcw.com, 20 August 2020 (Phillips)

Biodegradable handbag

Designer Vicki Von Hozhausen's latest handbag collection looks and feels like leather but is in fact made from recycled water bottles that will biodegrade in landfill. Many leather alternatives currently in use are made from materials that don't decompose. Having noted the damage done to the environment by cattle farming, Von Holzhausen says she wants "to make leather extinct". She plans to sell her proprietary plastic material, "Technik-Leather", to other companies if she can demonstrate that consumers are willing to buy luxury products not made from leather. Von Holzhausen previously spent time designing upholstery made from leather for Audi and Mercedes Benz, who might benefit from her new material...

fastcompany.com, 21 August 2020 (Segran)

Financial services

Japan running out of credit card numbers

The rise in online shopping during the pandemic has led to a surge in demand for credit cards to the extent that Japan's credit card companies are running out of original 16-digit numbers. The increase in card use is attributed to a government campaign aimed at shifting people towards cashless payments. Credit card use is expected to grow as

the country moves away from its fondness for cash, the aim being to double the ratio of cashless payments to 40% by 2025. The ratio currently stands at 20%, compared with South Korea at 96% and China at 66%. The solution to the credit card numbering problem would be to add an extra digit but this would be a costly solution.

theguardian.com, 24 August 2020 (McCurry)

Nearly half of consumers want contactless

A new global survey has found that 48% of consumers are no longer willing to shop at a store that doesn't offer contactless payments. *The Visa Back to Business Study* reveals changes that consumers are making, such as 49% shopping online when possible, 48% using contactless payments and 46% reducing their use of cash, while 67% said they would switch to another business if they offered contactless payment options. Among the small businesses surveyed, 28% have used targeted advertising on social media; 27% have sold online; and 20% have adopted contactless payments. The survey also reveals regional differences between countries.

nfcw.com, 19 August 2020 (Phillips)

FMCG

Beverages

First "drinkable" TV ad

Camden Town brewery has launched a new TV ad which it claims is the very first "drinkable" TV commercial. The ad includes QR codes which customers can scan to obtain a free beer. The brewery had continued with its marketing during lockdown and now it aims to expand its audience and promote new beers. André Amaral, marketing director, says the company had to "find creative ways to be a bit more frugal" and "to do things that were more meaningful and relevant to consumers". Ideas included rebranding its Camden Hells lager to Camden Heroes in support of NHS staff.

marketingweek.com, 17 August 2020 (Fleming)

Cosmetics and toiletries

Estée Lauder to cut 2,000 jobs globally

Estée Lauder is to close up to 15% of its stores with the loss of 2,000 jobs. The company's net profits fell by over a half to \$680m in the year to June. It has already made \$800m-worth of savings including a reduction in advertising. Although online sales were up during the pandemic, Estée Lauder has been hit by the reduction in air travel which has affected trade at airports. Sales of makeup, haircare and fragrance have all fallen due to the closure of beauty counters and salons. Its fortunes are reflected across the industry, with Boots planning to lose 4,000 jobs (7% of its workforce) while L'Oréal says

sales fell by more than 11% during the first half of the year.

[theguardian.com](https://www.theguardian.com), 20 August 2020 (Butler)

Food

Block butter popular during lockdown

Butters and spreads have enjoyed strong growth with volume sales up by 25.9% and value sales by 28.4% year-on-year, (in the 12 weeks to 12 July), according to Kantar. Block butters were the most popular, adding 40% to their value during the period. The number of people buying block butter has risen by 25% compared with last year, with blocks being used 84m more times to prepare meals and savoury snacks than last year.

[thegrocer.co.uk](https://www.thegrocer.co.uk), 19 August 2020 (Sandercock)

Classic products brought up to date

Last week we reported on the return of the Turkey Twizzler. This week *The Grocer* takes a look at some equally iconic classics that have been given a facelift: as well as the Twizzler, there are Spam Fritters, first made popular during WWII but now being sold frozen by Iceland; Fray Bentos, a traditionally meaty brand which has produced its first vegan and vegetarian pies; Crispy Pancakes, once marketed under the Findus brand but now given a modern makeover by Nomad Foods; and Fish Fingers which now boast a range of varieties.

[thegrocer.co.uk](https://www.thegrocer.co.uk), 24 August 2020 (Maynard)

Health and pharmaceuticals

Achieving behavioural change

It is difficult to change behaviour through public health messaging, especially when it comes to trying to persuade people to wear masks. Mistakes in communication can lead to the undermining of trust and credibility which could have disastrous implications for getting people to have a vaccine when one finally becomes available. Here are some lessons for communicating health messages in the pandemic era. An important one is to “sell” the story by putting yourself in your customer’s shoes, as any good salesman would do, because one must understand why people might be resistant. After all, “When barriers are understood, they become addressable”.

[prdaily.com](https://www.prdaily.com), 20 August 2020 (Goodman)

IT and telecoms

Telecoms – comparing customer service

Ofcom has published its fourth annual report on telecoms service levels which is aimed at helping people to make informed decisions about the UK’s providers. The report covers customer experience in 2019 and customer satisfaction levels in January 2020 for the main mobile, broadband and home phone providers. It found that customer satisfaction

with all three services was roughly the same as in 2018 although some areas, such as complaints to Ofcom about telecoms companies, have continued to fall. One area that did not see an improvement was call waiting times, which increased even though phone calls remain the most common way in which people contact providers. Mobile users tended to be happier with their service than broadband or landline customers and more likely to recommend the provider to a friend. The full report is available here.

<https://www.ofcom.org.uk/phones-telecoms-and-internet/advice-for-consumers/quality-of-service/report>

21 August 2020

Blackberry is back

Blackberry has made a number of comebacks over the years. Now it is working with security startup Onward Mobility to develop a Blackberry 5G smartphone with a physical keyboard, due to launch next year. Onward mobility is likely to target enterprise workers who value productivity and security more than normal consumers. In February Blackberry’s partnership with TCL ended. Although TCL made some “interesting” smartphones, most people did not want a physical keyboard back in 2017, when the KeyOne was announced. So, can Onward Mobility do for the Blackberry brand what HMD Global has done for Nokia?

[androidheadlines.com](https://www.androidheadlines.com), 19 August 2020 (Maxham)

Leisure and tourism

ABTA calls for Government support

Some 39,000 jobs have already been lost in the travel industry with more to come, reports ABTA, the travel industry body. It is calling for “tailored support” from the Government to prevent many more jobs being lost as the furlough scheme is phased out. Last Friday, STA Travel, well-known for its long-haul trips for young people and students, ceased trading. Hays Travel says it will cut 900 jobs and Tui, the UK’s largest tour operator, announced in July that it would close 166 high street stores. ABTA is asking for a package of measures which would include a temporary suspension of Air Passenger Duty for next summer.

[bbc.co.uk/news](https://www.bbc.co.uk/news), 24 August 2020

Tourism, women and sustainability

Some 70% of global travellers would be more likely to book accommodation if they knew it was eco-friendly. This is one of the stats on this double-page infographic (constructed before the onset of Covid-19), which defines sustainable tourism and what it should stand for. It also gives top-level figures for global tourism, the proportion of women in the industry and the proportion of firms owned by women.

International Trade Forum, Issue 1 2020, pp8-9

Materials and mining

Glencore backs Fair Cobalt Alliance

Glencore has joined the Fair Cobalt Alliance to support small-scale mining of cobalt in the Democratic Republic of Congo (DRC). The aim of the alliance is to eliminate child labour from mining sites and improve working conditions in the DRC. The country currently supplies 60% of the world's cobalt, a key material in batteries. Human rights abuses may well have accelerated initiatives to replace the metal in lithium-ion batteries used in electric cars. CATL, China's largest battery maker has said that it is developing a battery without nickel or cobalt. This year Glencore made a deal with Tesla to supply it with cobalt.

ft.com, 24 August 2020 (Sanderson)

Media

Covid-19 – news consumption

Every week since late March, Ofcom has been surveying people to discover how they are getting their news and information about the coronavirus. They have combined the findings with data from the likes of BARB and Comscore. Here Ofcom shares the key findings from week 20 of the survey. It reveals that among adult internet users, 82% say that traditional media sources (broadcasters, radio and TV) continue to be the most-used for sources of news about Covid-19, while 62% say it is their most important source of information on the subject. However, the role of social media as a source of information has declined, from 49% in week one to just 29% in week 20. The survey also covers misinformation about Covid-19 and attitudes and behaviour related to it. More details of this and previous surveys can be found at:

<https://www.ofcom.org.uk/research-and-data/tv-radio-and-on-demand/news-media/coronavirus-news-consumption-attitudes-behaviour> **18 August 2020**

Games

Apple can ban Fortnite

A US court has ruled that Apple can ban *Fortnite* from its App Store but that it mustn't prevent Epic Games from providing its "Unreal Engine" software to other companies that would be hurt if Epic did not have access to iPhone's development ecosystem. Epic had angered Apple by finding a way to avoid *Fortnite* players having to spend money within the game; normally Apple would receive 30% of the proceeds. However, the judge also said that "serious questions do exist" for Apple in relation to antitrust abuses in the app store. *Fortnite* is one of the highest-grossing apps ever, with revenues of around \$34m a month from in-app purchases.

ft.com, 25 August 2020 (McGee)

Television

Streamers outbid traditional TV

There is a global shortage of new TV programmes and Netflix has been outbidding British channels for the new shows. TV audiences may have risen during lockdown but new material has not been widely available and traditional broadcasters may have to find new ways of filling their schedules in the coming years. The UK's commercial TV channels are also facing a shrinking TV ad market thanks to the recession. John McVay, head of Pact, the voice of Britain's independent TV production companies, says the environment in which streamers "are buying everything" poses a threat to traditional channels but that the health of traditional public service broadcasters is important for maintaining a distinctive TV industry.

theguardian.com, 24 August 2020 (Waterson)

Packaging

Focus on the lifecycle, not the materials

For years sustainability has been a key aspect of packaging. At the moment consumers are most concerned with hygiene and safety as evidenced by the fact that more packaged goods are being sold than loose products in supermarkets. For now, food safety will be a factor in driving the use of most types of packaging around the world. Some consumption patterns will remain but, in the short term, safety and supply chain security may take precedence over sustainability. This will lead to new measures for the collection and recycling of packaging, and it is likely that Covid-19 will speed up the circular economy. In the future, sustainable development may be less about what the packaging is made from and more about the "total lifecycle impact of the materials of choice" says industry consultant Michael Ferrari.

Digital Labels & Packaging, Issue 48, July-August 2020, pp15-17 (Pittman)

Retailing

Never knowingly undersold promise to go

John Lewis is expected to withdraw its famous "Never knowingly undersold" price promise, which has been in use since 1925, due to tough competition from online retailers. Sharon White, the new chief executive, said that the promise was important "because it signifies being fair to society", but that it was under review. John Lewis says that "fair value" is still central to its ethos but "in a more modernised form". The new slogan is expected to be launched in October.

bbc.co.uk/news, 23 August 2020

Morrisons in same-day delivery with prime

Morrisons is making its full range of groceries available on Amazon, with the service initially launching in Leeds before being rolled out to around 15m Prime members in the UK by the end of the year. Morrisons' fresh, chilled and frozen goods are already being sold using same-day delivery on Amazon Prime.

prolificnorth.co.uk, 19 August 2020 (Austin)

John Lewis opens online Christmas shop

John Lewis has opened its online Christmas shop four months before Christmas, the earliest it has ever offered Christmas products online. It claims to be responding to a 370% rise in searches for festive goods on its website during August compared with last year. Searches for "Christmas" have risen by 42% during July and August year-on-year, Christmas pudding searches are up by 75% and there has been a 400% rise in searches for "mincemeat". People are clearly looking forward to Christmas this year!

thegrocer.co.uk, 25 August 2020 (Calnan)

Services

Hermes partners with what3words

Delivery service Hermes has partnered with location app service what3words to provide "more accurate deliveries". Customers will be allowed to give a what3words address to help drivers deliver to within a 3-metre square. What3words has divided the world into 57 trillion 3mx3m squares, each one having a unique three-word combination. "Traditional street addresses aren't accurate enough to deliver your online orders smoothly every time" but this year has highlighted the importance of ecommerce, says Clare Jones, CCO at what3words.

prolificnorth.co.uk, 20 August 2020 (Chapman)

Benidorm – rethinking its offering

The Spanish resort of Benidorm is heavily reliant on tourism which has been badly affected by the pandemic. In mid-July it was able to welcome back visitors, but shortly afterwards British tourists were told they would have to quarantine for two-week upon returning to the UK. For hoteliers, the coronavirus marks changes to a system that has been running in pretty much the same way for years. The Presidente, a family-run hotel chain, is adapting its business to offer double rooms rather than the big rooms that would formerly have accommodated families or groups of friends. Even when a vaccine is available, it is likely that people will want more space, although prices will almost certainly have to rise.

Bloomberg Businessweek, 17 August 2020, p34

Working remotely – in hotel rooms?

Office spaces are changing as people continue to work from home. Now Accor has just launched a new "Hotel Office" concept allowing people to book a hotel room for the day (9am to 6pm), to get them out of the home for a better remote working experience. It also offers access to bars, restaurants and wellbeing rooms. The downside is that you still have to travel to get there plus you miss out on the office banter.

mitmagazine.co.uk, 14 August 2020 (Harvey)

Transport and travel

Car dealerships see sales rise

Car dealerships saw sales surge during July as people looked for alternatives to public transport. Lookers has reported a 17% rise in sales of new and used cars compared with 2019, following a decline in revenue of 38% during the first half of the year. Vertu, the fifth largest dealership in the UK, has reported an 18% rise in new car sales and 14% rise in used cars. The car industry hopes that pent-up demand will aid its recovery and 95% of UK car dealers have expressed confidence in the survival of their businesses. A survey by Close Brothers Motor Finance suggests that cheaper, used car sales are seen as offering the biggest opportunity. However, the key time will be September, an important month for new sales as number plates change. The SMMT has warned of more job losses if September sales aren't up to scratch.

theguardian.com, 20 August 2020 (Jolly)

Airports – grounded

Many airports have transformed themselves into upmarket retail and leisure hubs for travellers. In Singapore, Changi airport's Jewel playground has 1.5m sq ft of stores, a rainforest, a maze and the world's largest indoor waterfall. Now that the pandemic has destroyed a business model that relies on a constant stream of passengers, airports are trying to find new ways of attracting customers. Changi is offering three-month admissions packages to the non-flying public. California's Ontario International is using a parking lot for a drive-in movie theatre while Edmonton International in Alberta is to turn unused land into a solar farm. Meanwhile, most airport construction projects are on hold.

Bloomberg Businessweek, 17 August 2020, pp12-14

Rimac – small could be better in EV tech

Rimac, a Croatian electric-car-technology start-up, partners with some of the world's big carmakers even though the country has little history of making cars. In 2018 its 150 C Two electric hypercars sold out as soon as they were announced, despite a price of over €2m. The cars, due to be on the road next year, have attracted investment from Porsche as well as mass-market makers such as Kia and Hyundai. In future years Rimac's main business is likely to be supplying electric-vehicle technology. The firm is small and nimble, unlike its bigger competitors which can often only achieve small, incremental improvements in efficiency. Newcomers like Rimac will have endless opportunities for leaps in efficiency since electric-vehicle technology is still fairly new.

economist.com, 19 August 2020

Written by CIM's Knowledge Services Team

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