

Cutting Edge: Our weekly analysis of marketing news

23 September 2020

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

Quick [links](#) to sections

Marketing trends and issues

Advertising

Beware negativity

Brand advertising early on in the pandemic tended to be fairly sombre; but neuroscience research suggests that negativity can have bad results. Many people tend to react negatively to video ads, so surely being negative can only make things worse? Sorin Patilinet, Mars' consumer insights director, has been running a huge neuromarketing study over the past five years. It has covered over 700 ads to understand which can build memories that can be recalled at the point of purchase. It reveals that using negative emotions can be tricky and should be treated with care. For example, the negativity must be short and should be resolved; the brand must not be associated with a downturn but instead brought in "as a hero at the end"; and attracting attention for the sake of it just doesn't work!

[thedrum.com](#), 9 September 2020 (Hein)

Moderate your speech rate – TV and radio ads

The speed at which someone is speaking is crucial to understanding what is being said and this also applies to advertising messages. Announcers tend to speak quickly in radio and TV ads so how much does this affect the consumer's cognitive processing? This study looked at the impact of different speech rates (160, 180 and 200 words per minute) on the effectiveness of ads. It revealed that speech rates influenced both cognitive processing and consumer's physiological responses. The commercials with moderate speech rates of 180 words per minute were found to produce the best results, an interesting finding for advertisers.

[Journal of Advertising Research](#), Vol 60(3), September 2020, pp337-349 (Rodero)

New ad targeting tool – without cookies

Watson Advertising Weather Targeting allows IBM Watson to analyse huge, complex data sets for better targeting of advertising. Now it has teamed up with Nielsen's measurement services to generate reports for marketers on advertising opportunities. The system will adhere to strict privacy standards and eliminate the need for cookies and third-party identifiers.

[research-live.com](#), 16 September 2020 (Kay)

Brands and branding

Building a precision branding campaign

As marketers plan their campaigns for 2021, they must take account of the huge shift online. Online retail sales are forecast to rise by \$108 billion this year, according to eMarketer, while US consumers are now spending one in every \$7 online. Marketers clearly can't afford to be left behind, but how much should they spend on brand advertising? There has always been a gulf between brand advertising and direct response but now both can be done at the same time in a new approach known as "precision branding". The author explains what this is, why it is important and how to build a precision branding campaign. He also sets out three steps for improving campaign planning.

[ama.org](#), 14 September 2020 (Kunz)

Naming the brand for a global audience

Whether launching a new product or rebranding an existing one, finding the right name for a brand is not easy. This is even harder if you intend to take the brand global. Here are five key considerations for launching a brand that will succeed internationally: decide how long you expect the brand to stay in global circulation; conduct research among customers in prospective international markets to see how brand names resonate in different cultural and linguistic contexts; understand



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the SEO implications in target countries; obtain advice from the legal team on trademark and IP; and, lastly, go back to your customers to check out the brand name. Following these steps could help to future-proof marketing content, domains and other investments.

hbr.org, 10 September 2020 (Kelly)

Children

Best practice online marketing principles

The International Consumer Protection and Enforcement Network (ICPEN) recently produced a white paper, entitled *Best Practice Principles: Marketing Practices Directed Towards Children Online*. Companies who actively market to children online should take note of the contents. Advertisers should by now know that they have an obligation not to make false or misleading statements to consumers. In the paper, ICPEN notes that children are more likely to be targeted by online advertising than, for example, TV advertising, and has identified four key principles for marketing online to children: advertisers should make clear what is and is not marketing; advertisers should not use marketing techniques that exploit children's naivety, credulity, or lack of commercial knowledge; advertisers should not engage in the deceptive or harmful collection and use of children's data; and advertisers should not market inappropriate products or services to children. The *Lexology* article looks at how advertisers should address each of these principles.

lexology.com, 2 September 2020 (Culp);

<https://icpen.org/news/1086>, 30 June 2020

Code for online services used by children

The UK Information Commissioner's Office (ICO) has issued an online code for services whose audience is likely to be children under the age of 18, rather than just services aimed at children. The ICO's *Age appropriate design: a code of practice for online services*, sets out 15 standards of age-appropriate design. The code came into force on 2 September with a 12-month transition period and covers entities set up both within and outside the EU. Although the code is not legally binding, the ICO will take it into account when considering breaches of data protection.

lexology.com, 1 September 2020 (Ravia et al);

<https://ico.org.uk/media/for-organisations/guide-to-data-protection/key-data-protection-themes/age-appropriate-design-a-code-of-practice-for-online-services-2-1.pdf>

BGC – new code for responsible advertising

The Betting and Gambling Commission (BGC) has announced new rules aimed at protecting children and young people from gambling advertising. The rules appear in the Sixth Industry Code for Socially Responsible Advertising. This follows findings from the ASA that over 70 age-restricted gambling ads, from four operators, had been shown on websites

likely to be seen by children. The ASA's action is the first of four quarterly monitoring exercises. Operators are advised to ensure that their ads don't target under-18s as well as observing the BGC's new code.

lexology.com, 2 September 2020 (Lamb)

Conferences and events

Meet out to help out

At the recent UKickstart Event 2020, Nigel Huddleston, parliamentary under-secretary of state for sport, tourism and heritage at the department for Digital, Culture, Media & Sport, said he has lobbied for a Meet Out to Help Out scheme, following the success of Eat Out to Help Out. Many hotels, venues and suppliers have added their support to the scheme which was suggested by Michael Begley, MD of venuedirectory.com.

eventindustrynews.com, 11 September 2020 (Parry)

Promoting your event

Some 30% of marketers say that events are the single most effective marketing channel, according to the *Event Marketing Benchmarks and Trends* report from Bizzabo. But events have to be promoted effectively in order for them to succeed. Here are 13 steps for maximising your event marketing. They include starting early, ensuring it has a strong media hook and giving publishers enough lead time to print the news.

prdaily.com, 10 September 2020 (Comocowich)

Consumer behaviour

Marketing psychology – six influencers

Marketing psychology is the reason that people buy things they don't really need, spend more on things they could obtain cheaper elsewhere and how brands can create, "a very profitable customer journey". It involves using psychological principles in marketing materials, tactics and strategies. Marketers, advertisers and businesses need to understand the difference that can be made by introducing small, almost imperceptible changes. It is also important for marketers to observe recurring patterns in consumer behaviour. The author lists six of his top marketing psychology principles that can enhance business performance.

einsteinmarketer.com, 1 September 2020 (Barney)

Consumers have been forming new loyalties

A new survey across six countries by Bazaarvoice, reveals that the pandemic has led consumers to experiment more with brand choices and methods of purchase. Some 39% of respondents worldwide said they had bought a new brand during quarantine. This willingness was more apparent among younger consumers of 18 to 24 (55%) than the 55 to 64 age group (27%). Of the consumers who said they had bought a new brand, 83% said they would continue

to buy it which suggests that they have formed longer-term loyalties. Another shift is in the use of local or online independent stores, with 72% saying they would shop this way rather than use larger retailers. It seems that brands have an opportunity to gain new consumers among people who have become more willing to shop elsewhere if they can't find what they want in stores.

marketingdive.com, 8 September 2020 (Williams)

Customer relations

Initiating engagement with novel products

Just 24% of new products are still on the market after a year and this failure rate has not improved significantly over the years despite much research into product adoption and product-brand engagement. Engaging consumers from the time of product launch still poses a big challenge for novel products (defined here as "an idea, practice, or object that is perceived as new by an individual"). This article looks at how customers and other "actors" initiate engagement with novel products and provides a conceptual framework showing the process of initiating such an engagement.

Marketing Theory, Vol 20(3), September 2020, pp299-319 (Wong et al)

The effectiveness of mCRM

As people move towards a more virtual environment, the use of mobile technology is supporting sales professionals' ability to improve customer engagement. Sales force automation tools, notably mobile customer relationship management (mCRM), are helping to increase collaboration and productivity and facilitating more efficient access to customer information. The authors develop and test a conceptual model that explains mCRM's effect on collaboration, traditional CRM adoption and individual sales performance. The results suggest that mCRM plays an important role in both traditional CRM adoption and sales performance when sales process capabilities and collaboration are involved.

Journal of Marketing Analytics, Vol 8(3), September 2020, pp137-148 (Rodríguez and Boyer)

Direct marketing

Test and trace – marketing opportunities

From 18 September collecting data for the NHS Test and Trace scheme became compulsory for certain types of businesses. When collecting data, it is essential to be familiar with GDPR and PECR, the laws relevant to how you store information and how you carry out email and SMS marketing. This article looks at the implications for marketing of the Test and Trace system and explains the "lawful and appropriate basis" for processing test and trace data. It points out that Test and Trace is an opportunity to gain marketing permissions and that it is possible to incentivise people to register for

marketing. It also suggests ways in which you can stand out from the crowd and create additional marketing opportunities.

dma.org.uk, 14 September 2020 (Watts)

Law

Nike wins trademark case for FOOTWARE

Puma has lost its UK case against Nike's trademark application for the use of "FOOTWARE". Last year Nike applied to register the term for, amongst other things, computer hardware, software, telecoms services and cloud computing. Puma objected to it on the grounds of descriptiveness, non-distinctiveness and the fact that "footware" was a common descriptor used by others. Puma also provided evidence that they were the first company to integrate electronics into sports shoes. Its opposition failed and Nike was awarded costs. However, Puma has the opportunity to appeal...

lexology.com, 8 September 2020 (Wilding)

Brexit day – ensuring a trademark transition

Britain's "Exit Day" from the EU occurs on 31 December 2020. This article asks whether your trademarks are ready and provides a checklist of things to consider as the date approaches. Existing European Union Trade Mark (EUTM) registrations will be cloned into a UK registration and given the prefix UK009 to show that it compares with the existing EUTM. However, the task for the UKIPO of importing 1.5m EUTMs during December will be daunting!

lexology.com, 15 September 2020 (Grossberg)

Marketing

Study reveals job losses and pay cuts

A new study carried out in July and August by CIM reveals that one in ten marketers have been made redundant during the pandemic, with 20% taking a pay cut and 17.5% being forced to give up their annual holiday. CIM says that if these results applied across the whole marketing profession, there would be 37,000 job losses and 83,000 on reduced pay. Despite the gloomy picture, 87% of respondents said they felt confident or very confident that marketing would "bounce back" once the pandemic was over. The study also reveals that brand reputation is the top priority for marketers when coping with the current financial downturn. Chris Daly, CIM CEO, says he is "reassured" to see reputation being ranked first and that: "Marketers have worked hard to maintain customer engagement during lockdown; as restrictions now ease it is key they make the most of this opportunity to help drive the recovery we are all hoping for."

campaignlive.co.uk, 9 September 2020 (Degun)

Moving sales online

While door-to-door sales have been declining since the 1980s, many companies still rely on some form

of offline sales. This article recounts the story of Tupperware, a company whose fortunes have risen and fallen; now it is trying to move towards a digital transformation without having to compromise its values. The author then moves on to explain how to adapt to a digital-first world, which doesn't mean rethinking who you are but rethinking how to engage. Options include empowering the sales force to go digital and going direct. Businesses in Tupperware's position should also find an agency that understands their business challenges and shares their vision.

ama.org, 3 September 2020 (Zeng)

Companies must plan for change

The AMA and Kantar have updated their *Marketing Confidence Index*, last carried out in April this year, to see how marketers have been responding since then. It reveals that marketing budgets are still significantly reduced, with 29% being hit by more cuts since the start of the pandemic. This means there is even more pressure on marketers to demonstrate ROI and to become more creative with existing assets. The good news is that fewer organisations are postponing or cancelling new campaigns (32%) compared with April (42%). Early in the pandemic many organisations were focusing on the immediate situation, but 73% now say they have started planning, while 72% are planning for a second wave of coronavirus. The authors warn that organisations which can activate fast in the face of new priorities will gain big rewards, while those that remain reactive may be left behind in the new normal.

ama.org, 8 September 2020 (Zwegers and Sheikh)

Market research

The polarity of online reviews

The authors look at the phenomenon whereby online review distributions tend to cluster at the positive end of the rating scale, with a few in the midrange and some at the negative end. They analyse over 280m reviews from 25 online platforms to reveal a high degree of polarity among ratings. However, platforms vary in review polarity according to how selective customers are in reviewing products on that platform. The authors conclude that polarity self-selection on the part of consumers, and the polarity of review distribution, reduces the informativeness of online reviews.

Journal of Marketing Research, Vol 57(5), October 2020, pp853-877 (Schoenmueller)

Trusting the algorithm

Most UK adults (53%) do not trust organisations to use algorithms for making judgements about them, according to a survey by YouGov for the BCS. Trust in the use of algorithms for education was low (7%) following the debacle over this year's A level grades. Algorithms were most trusted in the NHS (17%),

financial services (16%) and intelligence agencies (12%). The police and tech companies, such as Apple and Google, were trusted by 11% for their use of algorithms. However, older people showed less trust: 63% of over-55s vs 42% of 18- to 24-year-olds were negative about algorithms. Dr Bill Mitchell, director of policy at BCS, stresses the need for a "professionalised" data science industry.

research-live.com, 8 September 2020 (Kay)

Public relations

Rapid-response websites

Rapid-response websites can help organisations to be as proactive and prepared as possible when a crisis hits. Such websites ensure that the business is providing its own information rather than it being interpreted by third parties, enabling the website to become the most trusted source. The 2020 crises have made the need for rapid response more important than ever. The author explains the benefits of rapid-response websites and why they are better than just a tab on the homepage.

prdaily.com, 9 September 2020 (Carpenter)

How to measure PR success

The need to define and work against measurable, quantifiable KPIs helps to demonstrate the value of communications to the C-suite, which expects an ROI from every departmental budget. Placing metrics into your PR projects helps in the longer-term by providing information on what works and what doesn't work, which in turn informs the planning of future programmes. The author outlines where to start, what you should measure and when you should analyse the data.

Public Relations Strategies and Tactics, Vol 3(8), September 2020, pp1-2 (Flynn)

Sponsorship

Time to change the traditional model

There have been various estimates as to how much sport will lose as a result of the pandemic. Two Circles, a sport marketing agency, predicts that overall sponsorship spend could be reduced by up to \$17.2 billion this year, a 37% year-on-year drop. Yet this doesn't take into account new opportunities and a chance to review the whole sponsorship model that is currently underpinned by brand investment in sport. Now is the time for sponsorship stakeholders to innovate their approach and find creative solutions. Success will depend on, "putting the fan at the centre of all experiences, campaigns and services" while sports organisations should, "follow the model of all successful direct-to-consumer retail operations", says Onur Yegenoglu, head of sport at KIN Partners. He argues that a "one-size-fits all approach" to sponsorship has become outdated and it is time to change the traditional partnership model.

sportbusiness.com, 15 September 2020 (Yegenoglu)

Agriculture, fishing and forestry

Robots turn to cauliflower harvesting

Fieldwork Robotics, which created the first raspberry-picking robot, is to design a machine that will pick cauliflowers. It has just entered into a three-year collaboration with Bonduelle, the French canned vegetable producer. A prototype already exists in the form of a machine that can slice off a cauliflower head with the help of sensors, 3D cameras and machine learning. However, self-blanching varieties (consumers demand white caulis) are harder for robots to pick. Cauliflowers have experienced a resurgence in popularity as people have started using them as an alternative to rice and pizza bases. Robots are also helping to plug the gap resulting from the declining number of seasonal workers coming to Britain to pick fruit and veg.

[theguardian.com](https://www.theguardian.com), 21 September 2020 (Kollewe)

Raising awareness of sustainable seafood

Last week The Marine Stewardship Council (MSC UK) launched its first Sustainable Seafood Week following months when fresh fish counters and UK restaurants have been closed. The MSC is launching a major campaign to raise awareness of sustainable seafood in the UK. This follows a survey conducted which reveals that seven out of ten UK seafood consumers believe that we should only consume fish and seafood from sustainable sources while the majority want better information to help them make the right choices. Overfishing continues to be a global challenge: a UN report earlier this year revealed that a third of fisheries (34.2%) in the world are operating at unsustainable levels. MSC seafood is marked with a blue ecolabel.

[thefishingdaily.com](https://www.thefishingdaily.com), 10 September 2020

Building industry

The Top 100 Companies – profits down

The *Construction index 2020 Top 100* reveals that total turnover for the UK's top firms was £75.5 billion, just 2.7% up from the previous year. The leader, Balfour Beatty, is well out ahead with revenue nearly twice that of Kier, in second place. However, the 100 companies reported profits before tax of £734m, down by 38% on the previous year. This is of concern since the figures relate to the period before the pandemic hit. Construction output is likely to fall by 20.6% this year, according to the Construction Products Association. Although it expects profits to rise by 18% next year, this will not be enough offset the decline in 2020. The article examines the fortunes of the construction industry and reports on so-called "zombie" contractors who will bid very low just to cover interest on debts.

[theconstructionindex.co.uk](https://www.theconstructionindex.co.uk), 16 September 2020 (Menary)

Businesses and strategy

Rethinking your channel strategy

Most companies are badly affected by an economic downturn and their channel partners will also suffer or even go out of business. Manufacturers who are coming out of a major downturn should rethink their channel strategy rather than trying to return to how things were before. Here are three questions for manufacturers to be asking as they rethink channel strategies and seek to achieve both short-term and long-term success during the recovery.

[hbr.com](https://www.hbr.com), 4 September 2020 (Zoltners et al)

Working remotely – the productivity question

Although the coronavirus pandemic has been devastating, it has presented an opportunity for the "biggest-ever workplace experiment" which has revealed interesting insights into the way we might organise work. The authors conducted research during May and June among 12,000 professionals in the US, Germany and India who were working in roles such as analysts, engineers and health care providers. Rather surprisingly, although some reported a drop in productivity, a large number said they had maintained or even improved productivity. The research also suggested key factors that are important for maintaining and improving productivity in hybrid (remote/onsite) working conditions. This article examines the productivity question with a focus on social connectivity, mental health, physical health and workplace tools.

[bcg.com](https://www.bcg.com), 11 August 2020 (Dahik et al)

Corporate purpose 50 years on

It has been 50 years since economist Milton Friedman published his essay on corporate purpose in which he stated: "There is one and only one social responsibility of business – to use its resources and engage in activities designed to increase its profits". This is a view that has been influencing management thinking and corporate governance ever since. But more recently corporate leaders have expanded the definition to consider all stakeholders in their decision-making. This article looks at how the conversation on corporate purpose and social responsibility has moved on.

[mckinsey.com](https://www.mckinsey.com), 1 September 2020 (Borruso et al)

Transforming information into insight

Some companies have struggled to keep up with the rate of change that has taken place during the coronavirus pandemic. It can take a long time to gather together the information and insights needed to transform businesses. Responses to the crisis have been varied but it is clear that all business leaders need an effective way of capturing, interpreting and acting on information. Companies should be investing in, and enhancing, their data

and analytics capabilities. The authors set out six elements for transforming information into insight and stress that, “excellence in all six is required to realise the full value of a data and analytics transformation”.

strategy-business.com, 9 September 2020 (Khurana et al)

Charities and NGOs

Data for personalisation

Personalisation has become an important aspect of charity marketing with next generation personalisation techniques offering closer engagement with supporters. The smart use of data to create personalised messages and marketing campaigns is one of the top four trends for non-profit marketers, according to Salesforce. The author addresses some important questions, such as what data your charity needs and where you can get it from, as well as offering some personalisation data tips.

charitydigital.org.uk, 15 September 2020 (Rubens)

Durable consumer goods

When packaging is part of the product

To address the problem of the mess created by its products – bricks and figures all over the floor – Lego teamed up with Ikea to produce the Bygglek (Swedish for “build, play”), a communal box of Lego. The designers came up with a functional box that would encourage play and is intended to be “something that is part of play, not just a storage device”, according to Ikea designer Andreas Fredriksson. The solution is a series of storage boxes complete with Lego studs and a special Lego brick set, which will be on the market next month.

thedrum.com, 8 September 2020 (Watson)

Economy

UK employment

Data for August 2020 indicates that the number of employees on UK payrolls had fallen by 695,000 compared with March 2020. However, despite an increase in the unemployment rate and more redundancies, the employment rate was up for May to July 2020. Nevertheless, there has been a large decrease in the number of young people in employment and unemployment for young people has risen during the quarter. Full data from the latest ONS *Labour Market Review* can be viewed on the ONS website.

ons.gov.uk, 15 September 2020 (Leaker);

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

Retail sales exceed pre-pandemic levels

In August retail sales volumes in Great Britain rose by 0.8% compared with July, the fourth consecutive month of growth, according to the ONS’s latest

release. Retail value sales rose by 0.7% for the month compared with July and 2.5% compared with pre-pandemic levels in February. Retail volumes varied by sector, with non-store volumes up by 38.9% compared with February but clothing stores 15.9% below February’s levels. Spending on home improvements also rose in August, with volume sales in household goods stores up by 9.9%. Online retail sales were 46.8% higher than February.

ons.gov.uk, 18 September 2020 (Murphy);

<https://www.ons.gov.uk/businessindustryandtrade/retailindustry/bulletins/retailsales/august2020>

Education

Colleges – financial sustainability

This report looks at the financial sustainability of England’s further education and sixth-form colleges following an assessment made back in 2015, although it reflects the position before the onset of Covid-19. It concludes that a thriving college sector is essential to the success of the economy and society, but that funding constraints and uncertainty, as well as cost and competitive pressures, are presenting big challenges. Many colleges remain in financial difficulty and the financial health of the sector is described as “fragile”. The Department for Education is formulating a strategic reform programme aimed at addressing weaknesses in the sector but, until this is put in place, problems remain.

nao.org.uk, 16 September 2020;

<https://www.nao.org.uk/report/financial-sustainability-of-colleges-in-england/>

Energy and utilities

BP – reducing oil and gas

Bernard Looney, BP’s CEO appointed this year, wants the company to honour its old slogan, “Beyond Petroleum”. The company’s annual capital spending on oil, gas and refining projects is set to fall from \$13 billion last year to an average of \$9 billion for 2021 to 2025. Gas and oil production will remain steady in the short-term and then fall as BP increases investment in renewable energy. Its plans to reduce its reliance on fossil fuels are more ambitious than other major oil companies but this is “a low bar” says *The Economist*.

economist.com, 19 September 2020

New council to speed shift to clean energy

The UK Government has launched the COP26 Energy Transition Council to bring together leaders from different areas, including the IEA and International Renewable Agency. The Council will work with businesses to speed up the development of solutions to help achieve Net Zero and facilitate the shift from coal to renewable energy in developing countries. The announcement was made at the beginning of Climate Week. The UK is due to

host COP26 in Glasgow in November next year.

energylivenews.com, 22 September 2020 (Mavrokefalidis)

Environment

Manchester has greenest residents

People living in Manchester are the most environmentally friendly in the UK, according to new research from Honda. It is followed by Plymouth, Nottingham, Glasgow and Birmingham. London is in 14th place. The study, which is based on official figures and a survey of 2,000 adults, uses criteria such as household recycling, emissions, smart meters, commuting and attitudes. Sheffield has the lowest score for its attitude towards being eco-friendly while Norwich has the fewest smart meters.

energylivenews.com, 9 September 2020 (Mavrokefalidis)

Lego builds sustainability into its products

Lego is putting \$400m into making its products and packaging more sustainable over the next three years. It aims to make all packaging sustainable by the end of 2025 by phasing out plastic bags and replacing them with recyclable bags certified by the Forest Stewardship Council. Two years ago, Lego made its first Lego pieces out of plant-based bio-plastic using sugar cane to make more flexible items such as leaves and trees. It has since pledged to expand the use of such materials as it searches for a substitute for ABS, an oil-based plastic which it has used to make bricks since 1963.

theguardian.com, 15 September 2020 (Smithers)

The UK's plastic waste – Commons briefing

It is estimated that the UK uses five million tonnes of plastic a year, almost half of this being packaging. Under PM Theresa May, the UK aimed to "work towards all plastic packaging placed on the market being recyclable, reusable or compostable by 2025". This House of Commons Library Briefing Paper on plastic waste in the UK offers statistics and information on UK Government and devolved government plans to reduce plastic waste. It includes examples of voluntary schemes set up by the plastics industry, environmental groups and retailers.

commonslibrary.parliament.uk, 21 September 2020 (Smith);

<https://commonslibrary.parliament.uk/research-briefings/cbp-8515/>

Fashion

Luxury fashions joins TikTok

Louis Vuitton has become the latest in a line of luxury brands to join TikTok, which has an audience of 100m monthly users in the US. Others joined in July, including Fendi, Balenciaga, Dior and Stella McCartney, while Burberry and Gucci joined earlier this year. Experts believe that TikTok has become

"integral to the survival" of luxury brands which had largely ignored the platform until the onset of the pandemic when fashion needed to reach new shoppers.

businessinsider.com, September 2020 (Biron)

Fashion-on-demand

Many people lost interest in buying fashionable clothing during the pandemic, leaving brands with much unsold inventory. This wasn't the case for designer Misha Nonoo who, three years ago, switched to on-demand manufacturing. Factories in Peru and China only start making a garment after the customer places the order which means that Nonoo can adapt to changing tastes without wasting products. Making clothes on demand is unusual for the fashion industry but over the past couple of years there has been growing interest in this approach. According to McKinsey's 2019 *State of Fashion* report, made-to-order fashion could become mainstream by 2025. The pandemic could accelerate the trend especially since fast fashion brands have been declining for several years.

fastcompany.com, 12 September 2020 (Segran)

Financial services

New insurance pricing proposals from FCA

People renewing their home or motor insurance should not pay more than a new customer, says a new market study by the Financial Conduct Authority (FCA). The so-called "loyalty penalty" occurs when people who shop around get better deals than loyal customers. The FCA is looking to enhance competition, ensure consumers get fair value and increase trust in the market. It estimates that consumers have been overpaying to the tune of £1.2 billion a year and that its proposals will save them £3.7 billion over ten years. The proposals are open for comment until 25 January 2021.

bbc.co.uk/news, 22 September 2020 (Peachey);

<https://www.fca.org.uk/news/press-releases/fca-sets-out-proposals-tackle-concerns-about-general-insurance-pricing>

FMCG

Beverages

Make your own craft beer

The Greater Good Brewing Co has launched what it calls a "Nespresso for beer" kit. The home brewing machine, called the Pinter, can brew, ferment and purify beer, so that people can make their own craft beer at home. The company has also launched a subscription service, The Fresh Beer Club, which offers Pinter packs. The kit claims to be eco-friendly by using 70% less packaging and producing 50% less CO₂ for every ten pints of beer compared with shop-bought beer.

thegrocer.co.uk, 18 September 2020 (Dawson)

Lazy Sunshine Gin – best served with olive oil

Waitrose has launched a new own-label gin created by Heston Blumenthal. The difference is that the Lazy Sunshine Gin is to be served with a Mediterranean tonic, an olive and a drizzle of olive oil!

thegrocer.co.uk, 3 September 2020 (Hawthorne)

Food

Mondelez to buy healthy brands

Mondelez, owner of Cadbury, is looking to acquire brands that are “in tune with well-being” to add to its huge portfolio of snack brands. CEO Dirk Van de Put says that he wants companies which already “have the prestige and the client base”, because this is easier than developing a brand from scratch. Speaking to the *FT*, Van de Put commented on the work Mondelez has done to reduce sugar, salt and saturated fat in its products but says governments have gone “too far” with sugar taxes. He would prefer campaigns to “educate rather than restrict”.

marketingweek.com, 20 September 2020

The big cheese in the Big Apple

Cathedral City, the cheese brand, has launched in the US for the first time and its products are expected to be sold in over 2,000 stores across the country by November. The packs will display the Royal Warrant beside a Union flag to emphasise the cheese’s British provenance. In addition, a media campaign will see the cheese displayed on an 18-story billboard in New York’s Times Square.

thegrocer.co.uk, 21 September 2020 (Sandercock)

Tobacco

More information on vaping needed

According to the ONS, smoking rates in the UK have fallen to record lows yet it continues to be a leading cause of preventable death. Smoking rates have fallen from 14.7% to 14.1% year-on-year and the proportion of smokers quitting the habit is at its highest level in 50 years. Although smoking has decreased significantly in London, other areas of the country have seen it plateau or even rise. ONS statistics also show that the number of vapors across the UK is rising and that most of these are former smokers. Yet trust in vaping has been damaged by stories coming out of the US and other health issues. The author calls for better education on vaping in the UK to keep smoking in decline.

thegrocer.co.uk, 16 September 2020 (Thomson)

Health and pharmaceuticals

Private biotech – financial pressures

Before the start of the pandemic, the life sciences sector was better funded than at any other time in its history. Biotech companies typically fund their R&D and G&A costs from capital, with frequent trips back to investors to raise more funding. Now there

are serious concerns about what happens in a post-Covid-19 world and fears that private biotechs will not be able to raise their next round of investment. Commentators have been predicting larger volumes of investment into life sciences in the longer term because the pandemic has emphasised just how important the sector’s technologies and products are. This article also mentions biotech partnering with big pharma companies as an alternative way of raising capital and the fact that many biotechs are “pivoting” their products and programmes to address Covid-19.

European Pharmaceutical Review, Vol 25(4), August 2020, pp36-39

IT and telecoms

5G – no improvement in sight for mobile

People in Britain have been complaining about their mobile networks for years but last year Britain was one of the first countries to offer 5G to consumers. Yet, according to a new report from Opensignal, British 5G users spend less than 5% of their time on the network, compared with nearly 20% of American users. Britain is also in the bottom third of countries for 5G download speeds. The best performing countries in Opensignal’s ranking are either small or have a population concentrated in urban areas. In Britain only half of the 5G spectrum has so far been auctioned and operators may end up with fragmented slices of it. They will have to find a way of spending on infrastructure, controlling prices and increasing the number of connections – this is a big ask...

The Economist, 5 September 2020, pp22-23

Underwater data centre – a green alternative

Two years ago, Microsoft placed a data centre under the sea off the coast of Orkney. Now the cylinder has been retrieved and the company has discovered that the servers in it have had a lower failure rate than a normal data centre. Only eight out of the 855 servers involved in Project Natick had failed, just one eighth of the failure rate of those on land. It is speculated that this is because no humans were on board and that nitrogen rather than oxygen was used in the capsule. Data is increasingly stored in the cloud, but there are growing concerns about the amount of energy needed by data centres. All of Orkney’s electricity derives from wind and solar power so there was no problem with providing the energy needed for the underwater data centre. It is hoped that the experiment will result in more eco-friendly data storage on land or under water.

bbc.co.uk, 12 September 2020 (Cellan-Jones)

Leisure and tourism

Thomas Cook relaunch as online travel brand

Just a year after Thomas Cook stopped trading, it is being refashioned into an online-only travel

business. The relaunch is at a time of crisis for the tourism industry but the company's CEO, Alan French, says he is taking the "long view". The website will start by offering holidays to beach resorts and cities, allowing people to tailor their own holidays in countries on the UK's travel corridor. The new company, which employs just 50 people working remotely (compared with the 9,000 formerly employed by Thomas Cook) is backed by Fosun Tourism Group, a Chinese conglomerate which bought the Thomas Cook brand in November.
theguardian.com, 16 September 2020 (Wilson)

Materials and mining

Ignorance is not an excuse

When dealing with a corporate scandal, it is never enough to say that you "didn't know". Rio Tinto's decision to blow up the Juukan Gorge caves in Australia has resulted in CEO Jean-Sebastian Jacques agreeing to step down, along with two other prominent executives. The caves were not only of importance to the Aboriginal people, but archaeological excavations had discovered over 7,000 artefacts in them. Despite Rio's commitment to community agreement and investment, which feature prominently on its website, company executives claim they didn't know about the cultural significance of the cave site. As a public inquiry gets under way, Rio's social credibility and reputation are likely to take a long-term battering.

managementtoday.co.uk, 11 September 2020 (Jones)

Cornish lithium fuels regional recovery

Cornish Lithium has recently announced that it has discovered lithium, a component used in electric car batteries, near Redruth in Cornwall. The discovery could create hundreds of jobs and the company says it could even provide enough lithium to meet UK demand when the country shifts to electric vehicles. Commercial production, which could start in three to five years, might also lead to the building of battery plants in the south-west of England. Funding for the £4m pilot lithium extraction plant is being provided by the Government's Getting Building Fund.

theguardian.com, 17 September 2020 (Morris)

Media

Magazines

The Economist grows through LinkedIn

Social platforms are "funnels" for encouraging audiences to become subscribers, but conversion rates can be low compared with other platforms and formats. *The Economist* has grown its followers on LinkedIn by 39.5% over the past year to reach 11.4m. This is second only to Twitter where it has 25m followers. LinkedIn is also the magazine's third-biggest driver of subscriptions. However, Jack Lahart, head of social media at *The Economist*, says

that Facebook and Twitter are still the most effective for reach and scale when it comes to attracting subscribers. This article looks at how *The Economist* has tripled its number of subscribers driven by LinkedIn.

digiday.com, 14 September 2020 (Southern)

Radio

Digital audio – metrics not sufficient

Audio advertisers can prove that their ads have been listened to, but find it far harder to prove that listeners' behaviour has been influenced by the ads. When Autodesk, the software company, tested digital audio to attract new customers, it found that the metrics available were too limited to give an idea of who listened to its ads and then went on to make a purchase, so it decided to exclude digital audio from the media mix. Other advertisers, such as shaving brand Manscaped, found that using coupon codes and URLs to link listenership data to return on adspend has been enough to justify audio advertising. The pandemic has hit local advertising, which both traditional and digital radio rely on, but eMarketer expects digital radio advertising to rebound next year.

emarketer.com, 16 September 2020

Social media

Digital strategy – relying on social media

Can social media ads be enough on their own for a digital marketing strategy? As more businesses shift online, it is important that they understand the ramifications of a digital strategy and how their marketing budget is being spent. The author sets out a list of pros (such as cost, large audience, targeted traffic) and cons (such as ownership and trust) for using only social media ads in your digital marketing campaigns. He concludes that social media is a must for any business that wants to adopt digital marketing but that a social media-only strategy comes with risks...

einsteinmarketer.com, 7 September 2020 (Barney)

How social media reflects 1984

In his novel, *Nineteen Eighty-Four*, George Orwell effectively created the concept of "Big Brother". In the novel, "telescreens" record everybody's conversation and movements and there is a daily "Two Minutes Hate" orchestrated by the ruling party which also uses "Newspeak" to deprive people of original thoughts. Here Maelle Gavet, author of a forthcoming book entitled *Trampled by Unicorns: Big Tech's Empathy Problem and How to Fix It*, argues that Orwell's inventions reflect the way in which social networks influence the thoughts and actions of people around the world. She offers some simple solutions. Pre-order *Trampled by Unicorns* by Maelle Gavet:

<https://www.johnsmith.co.uk/product/97811197306>

[44/trampled-by-unicorns-big-techs-empathy-problem-and-how](#)

[fastcompany.com](#), 1 September 2020 (Gavet)

Television

Netflix – first global brand campaign

Netflix rarely promotes its brand; instead its marketing tends to focus on content, especially original pieces, such as *Stranger Things*. However, now the company has launched its first-ever global brand campaign entitled “One Story Away”. The TV, radio and billboard campaign was launched on 10 September in 27 countries. The ad, which features a familiar black screen and red progress bar, is narrated by director Ava DuVernay, who talks about what various shows and movies can teach about the world. The progress bar, a potential brand symbol for Netflix, is also a metaphor for the journey that each viewer takes. It is not surprising that Netflix should choose to launch a campaign at a time when other streaming platforms – Disney Plus, Amazon Prime, HBO Max, etc (already strong brands) – are growing rapidly.

[fastcompany.com](#), 10 September 2020 (Beer)

Packaging

Pringles tube to become recyclable

The Pringles tube is to be redesigned following criticism that the container is a “recycler’s nightmare”. It contains so many materials – metal base, plastic cap, metal tear-off lid and foil-lined interior – that it is difficult to separate them out for recycling. The Recycling Association believes it is the worst packaging alongside the Lucozade Sports bottle. Kellogg’s, owner of Pringles, is trialling a simpler solution using 90% paper and around 10% polyal (plastic) which will act as a barrier to protect the food. The lid may be made of recyclable plastic or paper which Kellogg’s says will still produce that distinctive “pop” when opened: this will be reassuring to Pringles fans. Simon Ellin of the Recycling Association argues that a plastic lid would continue to produce plastic pollution problems: “That plastic lid has got to go”, he says.

[bbc.co.uk/news](#), 11 September 2020 (Harrabin)

McDonald’s – reusable, returnable coffee cups

McDonald’s is to launch a new coffee cup scheme in the UK from early next year. When you order a hot drink, instead of the usual disposable cup and lid, you will receive a reusable one that can be placed in a special bin ready to be sterilised for the next customer. McDonald’s claims to be the first in the food industry to partner with Loop, which pioneered a system of reusable packaging for major consumer products. This will be a test of how Loop’s system can work with fast food. The new cups can be deposited in a Loop bin after the customer leaves

McDonald’s, so that the takeaway experience is maintained.

[fastcompany.com](#), 9 September 2020 (Peters)

Retailing

AR adoption accelerates

Retailers and entertainment companies have new reasons to explore the possibilities presented by AR and VR. In July over 20% of US retailers expected to invest in one of the technologies for their online store, up from 8% in January, according to research by CommerceNext and Exponea. Some retailers have previously experimented with AR in areas such as 3D body scanning and virtual try-on mirrors. In the current crisis, where many stores have moved to digital commerce, retailers are looking at mobile-based try-on and other features. Meanwhile, consumers are using AR more than ever. For example, the number playing with Snapchat Lenses grew by 37% year-on-year every day during Q2. AR experiences that have a marketing payoff are more likely to be prioritised by marketers than applications that are strictly playful.

[emarketer.com](#), 9 September 2020 (Williamson)

The shift to online shopping

As stores closed during the lockdown, many consumers shifted online. In this blog, Rhys Dalglish, ONS retail sales production manager, explains that people have started to move back to buying in-store but that a higher proportion have stayed online than before the pandemic. In-store sales are still almost 10% lower than pre-Covid-19 levels but online sales remain up by almost a half compared with the beginning of the year. The pandemic has clearly led to a change in consumer behaviour, and purchases are increasingly being made via websites.

[blog.ons.gov.uk](#), 18 September 2020 (Dalglish)

John Lewis staff lose bonus this year

John Lewis has axed its staff bonus this year for the first time since 1953 after reporting a £635m pre-tax loss for the six months to 25 July. Chairwoman Dame Sharon White says that bonuses will only resume when annual profits rise above £150m and debt falls. John Lewis attributes its misfortunes to store closures during lockdown and customers buying less profitable goods. Stores tend to have a “halo effect” on sales, with people browsing instore before ordering online. Before the pandemic, John Lewis said its department stores helped to generate around £6 out of every £10 spent online, but this figure has since fallen to around £3.

[bbc.co.uk/news](#), 17 September 2020

Unmanned supermarkets in rural Sweden

In Sweden some people live in remote areas where conventional shops and supermarkets have closed

down. Now, however, they can buy goods 24 hours a day in unmanned, automated grocery stores operated by Lifvs, a start-up. Consumers download an app, link it to a payment card and access the store by tapping on their screen to unlock. The goods are scanned using a barcode with payment being made via the app. The stores are housed in containers in clusters of four to six outlets which allows them to be stocked and maintained by just one member of staff.

nfcw.com, 8 September 2020 (Phillips)

Services

Houses not flats – demand for lockdown space

According to Nationwide, housing prices reached a record high in August thanks in part to pent-up demand and a cut in stamp duty. However, estate agents identify a wider issue: after weeks of being stuck indoors and working from home, people are re-examining their space requirements. Hence, price rises are happening in line with the amount of space on offer while the price of one-bed flats has been falling. Five-bedroom houses, which before lockdown would have taken on average 48 days to receive an offer, now take just 32 days. Rightmove is advising estate agents to advertise alternative aspects of a property, such as proximity to parks or access to a garden, rather than being near a tube station. This will be a challenge for London, where flats make up over a half of housing stock, compared with a fifth for Britain overall.

The Economist, 5 September 2020, p22

A quarter of licensed premises not open

Just three-quarters (76.3%) of Britain's licensed premises had reopened at the end of August, according to the *Market Recovery Monitor* from CGA and Alixpartners. This was up from 61.7% at the end of July but shows that 27,000 licensed premises have still not reopened. Restrictions on gatherings, low footfall in London and local lockdowns, are all causing concern for the autumn, according to Karl Chessell, business unit director for food and drink at CGA. Central London has just 71.2% of sites open compared with Liverpool (81.5%) and Birmingham (79.6%). The speed of recovery also varies greatly by sector, with pubs being faster to reopen after lockdown than restaurants. The next few weeks will show which businesses are "strong enough to ride out the storm", says Chessell.

bighospitality.co.uk, 14 September 2020 (McAllister)

Tesco tests drone delivery

Tesco is to trial the use of drones for the delivery of small items to customers. The drones, to be tested at the Oranmore store in County Galway, can carry up to 4kg of shopping (which is lowered to customers) and can travel up to 50mph. Orders can be received within 30 minutes of being placed.

Manna, the company supplying the drones, is already trialling a medical delivery service in Ireland.
marketingweek.com, 9 September 2020

Co-op – divorce and will-writing demand up

Demand for will-writing services increased by 69% while divorce inquiries rose by a massive 300% as a result of lockdown, according to the Co-op. While health was clearly a driving force behind the surge in will-writing, the lockdown was obviously too much for some couples, hence the rise in divorce work. The Co-op also saw a 22% increase in funeral bookings during the spring while the group's food business attracted 1.7m new shoppers.

theguardian.com, 17 September 2020 (Butler)

Transport and travel

Flights to nowhere

Qantas has launched a seven-hour flight that takes off and lands in Sydney, enabling passengers to see the Great Barrier Reef and other landmarks. The flight, which takes off on 10 October, sold out in just ten minutes with passengers eager to overcome travel restrictions. Australia is currently closed to inbound travellers except residents and family members; outbound travel is also prohibited. Qantas is also organising 13-hour, non-stop flights to Antarctica and back. However, environmental campaigners are critical of the "flights to nowhere" idea. Anna Hughes, director of Flight Free UK, argues that: "It's a real indication of our addiction to flying".

independent.co.uk, 18 September 2020 (Cofey)

Rail franchises to go

The Government has decided to abandon the system of rail franchising and is extending emergency measures to support Britain's railways which have sustained losses amid passenger numbers that are still at less than half pre-pandemic levels. The Department of Transport plans to carry out wider reforms which might include a concessions-based system whereby train companies are paid a fixed fee to run the service. The BBC's transport correspondent, Tom Burridge, considers the implications for the taxpayer and the rail companies.

bbc.co.uk/news, 21 September 2020

Who can overtake Tesla – the race for EVs

Large new businesses are ramping up to support the shift from petrol to electric vehicles. Tesla has already overtaken Toyota as the world's most valuable carmaker despite making far fewer cars. The share of EVs on the road will grow as emissions regulations become stricter, the price of batteries falls and the choice of models expands. Next year it is predicted that three in every hundred cars sold will be electric or hybrid. Tesla is the "apex

predator”, according to Morgan Stanley, because it has been selling EVs at scale for longer than any other carmaker. It is also two or three years ahead in terms of battery technology and has an edge when it comes to software. Despite problems, 60% of big carmakers’ R&D spend goes on EVs, according to one estimate. However, they must show that they have intellectual property that differentiates them, as many start-ups do. The jury is out as to who will be the winners and losers in the race.

economist.com, 17 September 2020

Written by CIM’s Knowledge Services Team

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