

Cutting Edge: Our weekly analysis of marketing news

30 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

Ad revenues plummet

Data compiled by Nielsen shows that during the worst of the lockdown (23 March to 30 June), 21 out of 24 sectors cut their adspend. Travel and transport fell by 90% while clothing and accessories, household and DIY and drinks were down by around 70%. The only two categories to show significant growth were: government, social and political organisations (up by nearly 94%) and online retail (up 20%). Overall adspend fell by 48% (over £1.1 billion). Public Health England saw a surge in spend (up 5,000%) due to messaging related to the pandemic. Unilever was the second-biggest spender but McDonald's saw the biggest reduction (down by 97%) followed by Sky (down 60%). Both had been top-spending advertisers in 2019 so this was a big blow for media owners. Barney Farmer, Nielsen's UK commercial director, says that with a better outlook, "we will hopefully see some remarkable creative executions emerge to get customers excited about brands again". This article contains graphs including a breakdown of figures for media types.

Campaign, September 2020, pp10-11

Campaign to promote UK ad industry

The UK Advertising Export Group (UKAEG) is a partnership between the ad industry and the UK Government. Now it is launching a sector-wide campaign, entitled "Made Global", which includes a film featuring work by UK firms for global brands. The aim is to show that the UK ad market is "open for business". UK ad exports reached £7.9 billion in 2018, up by 15% on the previous year, according to the ONS. Janet Hull, chair of UKAEG, said: "We wanted to find a way of expressing how UK advertising is uniquely positioned to support

companies around the world with their growth ambitions".

thedrum.com, 29 September 2020 (Glenday)

Agencies

Student attitudes to ad industry

While current students are interested in pursuing a career in marketing, they display little knowledge of how ad agencies work. The majority (87%) were aware of ad agencies but over half (53%) were unable to name one. Saatchi & Saatchi and WPP had the highest awareness among students but even they were named by just 4%. Women are more likely to join the ad industry than men (32% vs 24%) while BAME respondents showed a greater interest in it than white respondents (34% vs 27%). Michael Brown of the IPA's Talent Leadership Group, says this raises questions about why there are not more people from BAME backgrounds entering the profession.

decisionmarketing.co.uk, 28 September 2020

Marketers take tactical approach to agencies

According to recent research from LinkedIn, 45% of B2B and B2C marketers questioned in the UK say they will take a more tactical approach to working with agencies, with 35% saying they will be reassessing their marketing team's role as brands turn to in-house resources for some aspects of their marketing. As well as the obvious need to review costs, there is also a cultural shift taking place. Agencies should be on "high-alert" mode to respond rapidly, says Helen Edwards, director of Passionbrand. Tim Clyde, founder of creative agency Kitchen, has formed a coalition of marketing agencies who can share skillsets and resources to offer "a more flexible approach to agency work". Revlon UK has been working with a roster of small agencies to create locally relevant campaigns while WaterAid has been working across different



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disciplines with around 20 different agencies. Both agree that they can adopt a more agile approach by working with smaller agencies.

Marketing Week, September 2020, pp27- 28 (Barker)

Q2 – a bad time for the big ad groups

Campaign has estimated that the Big Six agency groups suffered a combined decline in revenues of £1.8 billion during Q2, the worst period of lockdown. Nearly 12,000 jobs disappeared at WPP, Omnicom and IPG with many more likely to have been cut at other groups. Omnicom was probably hit the hardest, with organic revenues down by 23%, while IPG fared better with organic revenue down by just 9.9% thanks to a strong healthcare business. Publicis and WPP saw revenue falls of 13% and 15.1% respectively. Meanwhile, Denstu Group reported a revenue decline of 17.9% and Havas 18.3%.

Campaign, September 2020, p11

Brands and branding

Going up against a dominant brand

Most categories have one or more dominant players who have advantages such as brand strength and visibility and huge marketing budgets. One context in which to observe this is e-commerce where Amazon is the dominant player. Successful e-commerce-first brands coming up against Amazon can provide a model for any company that is competing with a dominant brand in any category. E-commerce brands can exploit Amazon's weaknesses, such as its impersonal and functional image, but successful strategies must include two strategies: create a new subcategory that changes what consumers are buying; and go beyond functional benefits. Use these to provide a customer relationship experience that is "different and better". The author describes eight strategies that define game-changing subcategories that enable brands to win against a dominant firm.

Journal of Brand Strategy, Vol 9(2), Autumn/Fall 2020, pp103-112 (Aaker)

Online sales rise benefits DTC brands

Brands with direct-to-consumer models will benefit from the rising trend for consumers to buy online. A recent survey of 1,000 consumers by BBH London found that 65.6% are more likely to buy online, citing convenience (57.4% mentioned the ease of search) as a key factor rather than price (cited by 32%). The brands that are likely to be the winners are those that can set the same standards across product, brand and experience, regardless of whether consumers are buying in-store, online or direct.

marketingweek.com, 25 September 2020

Conferences and events

Events industry at 1% to 5% of capacity

The UK events sector has never returned to work to the same extent as some other parts of the economy. The Government has announced a Jobs Support Scheme for industries that are operating at 30% to 50% of normal capacity but the events sector is currently working at just 1% to 5% of normal capacity and therefore doesn't qualify for the scheme. The industry plans to take the question directly to the Government using a socially distanced protest. The #WeMakeEvents campaign statement, which is set out in this article, also includes an infographic illustrating the value of outdoor events to the UK economy by region.

eventindustrynews.com, 25 September 2020 (Parry)

Consumer behaviour

Events enhanced when consumers comment

A new study in the *Journal of Marketing* looked at user-generated content during experiences. It examined the effect of generating content on people's feelings of immersion during an ongoing experience and whether it can enhance experiences. The researchers found that people enjoy the experience more because it increases engagement and makes it feel as though time is "flying". This contradicts the conventional view that technology is detrimental to the enjoyment of an experience. In fact, generating content relevant to that experience complements rather than detracts from it. Companies often encourage people to comment on their events and experiences, so the researchers also tested two strategies to inspire content creation (an incentive and a "norm nudge"). Overall, the results showed that consumer content creation can be mutually beneficial to both marketers and consumers.

ama.org, 23 September 2020 (Tonietto and Barasch)

Ignore the grey pound at your peril

Over the past six months 58% of people aged 65 and over have increased their use of technology by purchasing food and clothes online, according to a survey by Savanta. While this age group is less likely to use their mobiles for making purchases, 4% said they had used their smartphone for buying food and clothes for the first time. This is quite a change from last year when 29% of over-65s said they had never even used the internet, according to ONS data. Another promising area is online education; 5% having taken part in virtual learning using their laptops for the first time ever. The "grey pound" should never be overlooked: Saga estimates that the sector makes up £320 billion of annual household spending and the over-50s hold three-quarters of Britain's wealth. Companies should ensure that their designs are inclusive and that technology is an enabler rather than a deterrent.

thedrum.com, 28 September 2020 (Glenday)

Customer relations

Customer compassion

Customer complaints are an important aspect of a company's performance since they enable service recovery and also offer feedback for new product development. This research looks at the impact of customer compassion on face-to-face complaints and online review posting behaviours following a service failure. Two studies were conducted among respondents primed with either compassion or a neutral emotion (after reading a service failure scenario) in a hotel and restaurant setting. The second study showed that individuals were equally likely to post a negative online review regardless of which emotion they had been primed with. The results suggest that companies might consider diversifying their customer complaint channels to deter compassionate customers from using social media to air their complaints.

Journal of Hospitality Marketing and Management, Vol 29(7), October 2020, pp848-868 (Hwang and Mattila)

Direct marketing

DM code on hold

The UK Direct Marketing Code of Practice, first compiled by the ICO in November 2018, was put out for final consultation in January 2020 but attracted so many suggestions and objections that there has been a further delay and the finished product may not be published until next year at the earliest. The DMA argues that, in its draft form, the code will give more power to the big online companies, create consumer confusion and put an end to the third-party data market which could set the marketing industry back by two decades. Yet the new rules are meant to explain the law and present good practice recommendations. The ICO is snowed under with investigations (last year it admitted to having over 10,000 active cases) so is unlikely to be able to do anything about the DM code in the near future...

decisionmarketing.co.uk, 24 September 2020

Law

ICO, ad tech and cookies – changing scene

Last year the UK Information Commissioner's Office (ICO) began an inquiry into how cookies were being used by ad tech vendors and advertisers to target individuals with messages. This was due to concerns about people's rights and freedoms. In September 2019 it published some guidance stating categorically that "GDPR-level" consent was needed for third-party cookies. This meant that many sites' cookie policies became non-compliant with immediate effect. The ICO has now focused its attentions on matters related to the current pandemic and investigations into ad tech have taken a back seat. Nevertheless, the market is continuing to develop a more ethical approach to advertising. The author considers five changes taking place.

dpnetwork.org.uk, September 2020 (Porter)

Banksy loses trade mark

Banksy, the artist, has lost his well-known Flower Thrower trade mark on the grounds of bad faith. In 2014 Pest Control Office Ltd, which acts on Banksy's behalf, registered "The Flower Thrower" at the EUIPO. In 2019 a UK graffiti cards company (Full Black Colour) applied to have the mark ruled invalid, and the EUIPO decided in its favour. A major factor was that Banksy had never intended to use the mark for commercial purposes. This was despite his having set up a pop-up shop to allow customers to buy his products online. The problem was that he had previously stated that the shop had been set up solely to deal with the trade mark dispute. The court ruled that this did not constitute genuine use. It will be interesting to see whether Banksy appeals.

lexology.com, 22 September 2020 (Arnold and Cafora)

Trade marks – a matter of perception

The Royal Family has won a case in which a former butler of Prince Charles tried to register "The Royal Butler" as the trade mark for his etiquette training firm. The Royal Chamberlain argued that Grant Harold (the butler) had not been given permission to use the name. Harold argued that "royal" and "butler" are words found in the dictionary and that he was not in any case using a Royal Emblem or insignia. Nevertheless, the Registrar decided that the trade mark would suggest that the user had been given Royal authorisation. The case highlights the importance of public perceptions of a trademark.

lexology.com, 22 September 2020 (Cafora)

Marketing

Using data to achieve the human touch

Data is essential to today's marketing, but it can be tricky to use it to connect with an audience. It is important to strike the right note between messaging that is predictable, or even oblivious to what is happening in the world, and something that resonates emotionally with people. Here are some tips for achieving the right balance between data and the human touch.

ama.org, 7 August 2020 (Martens)

Should small businesses own instead of rent?

Many small business owners are reluctant to recruit marketing people internally. They often have "someone looking after their marketing" rather than a dedicated marketer but relying on random people can limit the bottom line. The other option is to "rent" rather than "own" marketing by hiring an outside consultant or advisor but this strategy can limit growth. Yet it is possible to find the optimum balance between "owning" and "renting" your marketing. This is where an internal marketing hire who knows the complexities of the business, works with a marketing consultant who can help with strategic components of the organisation. In this

way you can build up a long-term marketing asset for the business.

ducttapemarketing.com, September 2020 (Jantsch)

When to use the left-digit bias

Many prices end in “.99” but why aren’t prices rounded up to the nearest whole figure? Such pricing strategies are successful because they take advantage of the left-digit bias, a phenomenon in which the consumer’s perceptions are influenced by the left-most digit of the price. In recent research published in the *Journal of Marketing Research*, the researchers found that by placing a reference price next to the focal price, the left-digit bias has a stronger effect on consumers. A major takeaway for marketers is that “just-below” pricing is more likely to work when consumers can see multiple prices rather than relying on memory for a reference price. On the other hand, consumers would do well to stop comparing prices digit-by-digit!

ama.org, 22 September 2020 (Li and Sewak)

Market research

The Laughing Cow – more customer-centric

The Laughing Cow, an iconic brand with its red cow wearing earrings and triangular shape, has been around since 1921. When sales started to decline in 2012, owner Bel Brands had to work out whether to make some major changes or to continue with minor tweaks to the brand’s positioning and communication. Bel collaborated with research company Buzzback on a mixed-methods research approach covering all aspects of the product, from communications and positioning to packaging and in-store merchandising. Here is how The Laughing Cow moved from research to relaunch in just a matter of months. The exercise, which resulted in “massive and consistent growth”, demonstrates just how important it is to understand consumer needs and to reposition accordingly.

researchworld.com, 24 September 2020 (Cathey and White)

Public relations

New PR evaluation agency

PR agencies are currently working “in the dark” without knowing which aspect of their work is having the most impact. This makes it difficult for PR to demonstrate its worth, says Mark Westaby, head of a new company called Metricomm which has been set up to “elevate the standing of PR in boardrooms”. The media evaluation firm aims to provide an answer to questions such as how many people who read the coverage generated by PR go on to take action in terms of visiting a website or searching online for the company.

prolificnorth.co.uk, 25 September 2020 (Chapman)

Three ways of communicating internal change

Communicating to employees about change within a company is difficult especially if the changes impact them directly. Communicating change effectively involves many factors to ensure that the right information goes to the right people who can take the right action. There are three things about change within an organisation that employees need to know and there are three effective techniques for ensuring that they will read the message and take the appropriate action.

prdaily.com, 24 September 2020 (DesRochers)

Sponsorship

Co-op Live to be UK’s biggest arena

The Co-op is has signed a 15-year sponsorship deal for a brand new arena in Manchester; it is set to be the biggest arena in the UK with a capacity of 23,500. This is fitting for the Co-op which opened its first offices in Manchester in 1863 and is headquartered in the city. Around £1m from the stadium, named Co-op Live, will be given to good causes in the UK and distributed by the Co-op Foundation. The arena could become one of the “most sustainable and socially responsible buildings of its type” in Europe.

business-live.co.uk, 26 September 2020 (Houghton)

Lionel Messi most marketable athlete

Lionel Messi of FC Barcelona has overtaken Cristiano Ronaldo of Juventus and basketball player LeBron James to become the world’s most marketable athlete in SportsPro’s 2020 ranking of the *World’s 50 Most Marketable Athletes*. Virat Kohli, the Indian cricket captain, and Canadian tennis player Bianca Andreescu are in fourth and fifth places. The ranking enables sports marketers to make sponsorship decisions faster and more intelligently. The data, which is based on Nielsen’s Influencer Selection and Measurement Framework, draws on vast quantities of social media data to create an Athlete Influencer Score based on four data points: relevance, reach return and resonance.

sportspromedia.com, 28 September 2020

Agriculture, fishing and forestry

Showcasing British farming

A new video, produced by the AHDB, showcases UK food and farming and aims to position British agriculture as a “producer of high-quality premium products”. It has just been shown at SIAL China 2020, a huge international food exhibition which took place in Shanghai on 28 September. The video, which appeared on the British meat stand, depicts scenes on farms around the country. It will also be distributed in China on Weibo and WeChat.

farminguk.com, 28 September 2020

First industrial-scale insect farm in UK

The UK Government is to invest £10m in the UK's first industrial-scale insect farm. Entocycle, which is building the farm, will breed up to five million black soldier fly larvae which can be used as protein for animal food and the insect's excrement will be sold to the horticultural industry for fertiliser. The company reckons that insects are 300 times per square metre more efficient for protein output than soya, the second-biggest cause of deforestation. The insect protein market could be worth up to \$8 billion by 2030, according to a Barclays report. The European Food Safety Authority says that eight types of insect are likely to be approved for human consumption by the end of the year.

ft.com, 27 September 2020 (Hancock and Evans)

Building industry

Buy new, not a "fixer upper" says Redrow

House builder Redrow has launched a two-year campaign to encourage people to buy a new home rather than a "fixer upper". The campaign commences on digital before moving to TV next year. Simon Allman of branding agency Absolute, which created the campaign, says: "We're a nation obsessed with home renovation – from TV programmes to magazine supplements to influencers on social media". Redrow hopes the idea of stylish modern interiors will fire up people's imaginations instead.

prolificnorth.co.uk, 24 September 2020 (Chapman)

Green homes scheme – but training needed

The green homes grant scheme starts in England this week and the UK Government is allocating £6.9m for training to ensure that there are enough skilled people to do the work. The Green Homes Grant Skills Competition is for training organisations to help train people in the necessary skills, and there could be up to 5,000 training opportunities. In July 2020 the Chancellor announced £1.5 billion in funding for the Green Homes Grant Voucher Scheme through which the Government will fund up to two-thirds of the cost of home improvements for over 500,000 homes in England. This could support around 100,000 jobs in the construction sector.

theconstructionindex.co.uk, 25 September 2020

Businesses and strategy

Sales forecasting

A key part of making important decisions for a business is the ability to be able to predict future performance. This is particularly vital for the sales function when making sales forecasts. Quantitative data used to create forecasts should be based on good data analysis. This study, which examines how sales professionals are achieving this, includes perceptions of some sales force automation tools, notably enterprise resource planning (ERP) and

customer relationship management (CRM) software. The study indicates the need for a better understanding of how to integrate CRM, ERP and other technologies to take advantage of the opportunities offered by them. Sales professionals (sales managers and salespeople) should use the capabilities of such tools to improve corporate metrics and outcomes.

Journal of Marketing Analytics, Vol 8(3), September 2020, pp127-136 (Hoyle et al)

Beyond great – achieving business advantage

A new book from the Boston Consulting Group, *Beyond Great: Nine Strategies for Thriving in an Era of Social Tension, Economic Nationalism, and Technological Revolution*, explores how the world has been transformed by three disruptive forces: social tension, economic nationalism and technological revolution. In this environment great business performance is no longer enough. To move beyond twentieth-century growth strategies and achieve business advantage, leaders will need to make changes in three major areas. To discover the leaders who are doing this well, the research examined over 50 companies from around the world. It revealed that companies which have built the strongest business advantage are those that "make savvy use of different combinations of nine strategies". The book sets out the nine strategies for "Going Beyond Great". Pre-order *Beyond Great* by Arindam Bhattacharya et al: <https://www.johnsmith.co.uk/cim-shop/product/9781529341393/beyond-great-nine-strategies-for-thriving-in-an-era>

bcg.com, September 2020 (Bhattacharya et al)

Creating value from sustainability efforts

Companies' sustainability reports, including environmental, social and governance (ESG) data, are widely used by investors but this is often insufficient to satisfy investors. Instead, companies should integrate their ESG initiatives into strategy and operations. George Serafeim of Harvard Business School makes five recommendations for creating real value with ESG strategies.

Harvard Business Review, Vol 98(5), September-October 2020, pp38-48 (Serafeim)

Record number of business formations in June

There was a record-breaking number of business formations in June according to the Centre for Entrepreneurs. The 47% rise in formations, which was significantly higher than the same period last year, offset falls in the previous three months. London and the Midlands led the way in entrepreneurial formations (both up by 60%). A key trend has been the emerging "Covid economy" with sectors related to the virus experiencing a surge in company formations. Businesses related to disinfecting services were up by 400%, the

wholesale of pharmaceuticals rose by 196% and biotech by 69%.

London Business Matters, Issue 168, September 2020, p30

Charities and NGOs

Digital – an opportunity for charities to adjust

Over the past months, the UK charity sector has faced challenges, not least because charities' traditional models have made it hard to continue with their usual mode of operating. Many charities have had to postpone or abandon projects and furlough or lay off staff. However, opportunities offered by digital technologies are enabling new channels for service delivery and fundraising. Charities that have adopted digital approaches report greater reach as online delivery enables them to contact hard-to-reach demographics and wider audiences. However, before charities embark on digital services, they should prepare for the cultural shift within the organisation. Here is some advice for doing this. This article also mentions how Amazon Web Services (sponsor of this article) can help.

charitydigital.org.uk, 23 September 2020 (Paterson)

Economy

Business and consumer confidence

The *Business and Consumer Confidence: Key Economic Indicators* release from the House of Commons Library provides top-level information on business and consumer confidence surveys. These can indicate changes to the economic outlook and turning points in the economic cycle. This report cites the *EC Economic Sentiment Indicator* which states that UK sentiment fell by 0.4 points to 75.1 between July and August 2020; the *CBI Trends Survey*, which shows that more manufacturers believe that output will fall over the next three months than think it will rise; and the *GfK Consumer Confidence Index*, which measures a range of consumer attitudes, including expectations of the general economic situation and households' financial positions. The index was -25 for September, up from -27 in August.

commonslibrary.parliament.uk, 25 September 2020 (Brien)

Services output

The service industries accounted for 81% of jobs for April to June 2020. However, by September 2020 the UK services Markit/CPS PMI was 55.1, down from 58.8 in August. This was its weakest performance in three months and the first setback since May when the turnaround began. This *Service Industries: Key Economic Indicators* release was produced by the House of Commons Library.

commonslibrary.parliament.uk, 23 September 2020 (Tyler)

Manufacturing output

The manufacturing Markit/CIPS PMI for September 2020 was 54.3, down by 0.9% on August but above the value of 50 which separates expansion from contraction. Total manufacturing output for the three months to July fell by 4.4% compared with the three months to April; it also fell by 15.7% compared with the same period in the previous year. On the up side, manufacturing companies report "steady" business optimism during September. The *Manufacturing: Key Economic Indicators* bulletin was produced by the House of Commons Library.

commonslibrary.parliament.uk, 25 September 2020 (Tyler)

Education

Universities in uncomfortable position

Around 40 UK universities now have coronavirus cases resulting in thousands of students being forced to self-isolate. In many cases this has led to the suspension of face-to-face teaching in favour of online lessons. But many universities had promised a mix of in-person and online teaching and there have been calls for a refund if teaching is only offered online. Online teaching means even more online recordings and "academic versions" of Zoom meetings. This leaves universities squeezed between pressure from lecturers on the one hand, to switch to online and get students to go home, and the consequent student demand for the return of fees and accommodation costs on the other.

bbc.co.uk/news, 28 September 2020

Adults to be offered free college places

PM Boris Johnson is announcing a new "lifetime skills guarantee" for adults in England who do not have A levels or equivalent. They will be offered a free place at a college on an approved list of vocational courses. Higher education loans will also become more flexible so that adults can do their study when they need to retrain for new careers. The college places will be paid for out of the £2.5 billion National Skills Fund.

ft.com, 28 September 2020

Energy and utilities

Green gas levy for companies of all sizes

The Department for Energy and Industrial Strategy (BEIS) is to impose a new levy on gas suppliers aimed at funding biomethane in the national grid. The consultation paper, issued on 22 September, says that all gas suppliers, no matter how small (since it is expected that they will pass costs on to customers), will be liable for the Green Gas Levy. There will be no exemption for suppliers who offset their carbon footprint but those supplying only green gas will be exempt. The Green Gas Levy is expected to commence in autumn 2021.

utilityweek.co.uk, 22 September 2020 (Blackman)

Renewables – 44.6% share of electricity in Q2

Renewables accounted for 44.6% of electricity generated in the UK, according to recent data from BEIS; this is the second highest proportion in the published data series. There was also a fall in the share of electricity generation deriving from fossil fuels between April and June. Meanwhile, coal generation has fallen to record lows following a 67-day coal free period between March and June, the longest such period since the 19th century.

energylivenews.com, 25 September 2020 (Mavrokefaldis)

Environment

M&S goes 'shwopping' again

This week sees the return of Marks & Spencer's "shwopping" scheme where customers can donate unwanted clothes and accessories (regardless of brand) in M&S stores. Launched in 2012, the scheme is part of M&S's Plan A programme and an extension of its partnership with Oxfam. The clothes are sent to Oxfam to be sold in shops or online, reused through its social enterprise in Senegal or recycled. A recent report from the environmental audit committee suggests that 300,000 tonnes of clothing is thrown away every year, 20% of which ends up in landfill and 80% incinerated.

theguardian.com, 28 September 2020 (Smithers)

Facets of climate change in graphs

In its *Charting the path to the next normal* series, McKinsey offers daily charts on various aspects of climate change over the past week. These include: a warning that by 2050 extreme heat could ground 23 times more airline passengers; CO₂ emissions would need to reach net zero by 2050 to avoid the worst effects of climate change; true zero-emission cars would only be possible if carmakers and customers are willing to bear the cost; and the that companies need to "weatherise" their supply chains.

mckinsey.com, 21-25 September 2020

Fashion

Nike – shift to digital could be permanent

Nike has revealed an 82% rise in digital sales for the first quarter. CEO John Donahoe says the shift to digital could be a permanent trend and this is one of three trends that is to Nike's advantage. The other two are the new definition of sport to include all aspects of health, wellness and fitness; and the concept of "deeply connected authentic brands with scale". Donahoe says the company's digital business has already met its goal of being 30% of business almost three years ahead of schedule and that he is, "focused on how we leverage consumer data insights in our digital ecosystem to understand and serve consumers better". The digital focus will also guide how Nike creates: "the future of retail".

just-style.com, 23 September 2020 (Russell)

Financial services

Admiral top for coronavirus comms strategy

Admiral, the insurance group, received the highest ratings from consumers for its ads during the lockdown. Research from YouGov found that eight out of ten consumers rated Admiral positively for its Covid-19 comms strategy followed by Sainsbury's (71%) and Domino's (70%). However, while 60% of consumers thought it appropriate to email coronavirus information or advice, 28% did not think companies should do so. Admiral's "coronavirus refund" proved very popular and it received positive coverage on both the news and social media.

marketingweek.com, 25 September 2020

Kids can use Apple Watch to make payments

iPhone owners can now transfer cash to their children's Apple Watch so that they can pay for items using Apple Pay. The new Family Setup feature for the Apple watchOS 7 allows family members to pair watches for children and older family members who don't have an iPhone, with a family member who does own one. Parents who use Apple Cash Family can also receive a notification so they know when their child has used the service and what they have spent the money on!

nfcw.com, 23 September 2020 (Phillips)

FMCG

Beverages

Craft brewers suffer falling sales, higher taxes

The Society of Independent Brewers warns that independent craft brewers have reached "breaking point" due to falling sales and imminent tax rises. By July, craft beer sales had fallen to just 51% of what they would be in a "normal year". Some 64% of brewers said they expected the pandemic to have a, "strong negative impact on the business throughout 2020-2021". The Government is due to cut the Small Brewer's Relief, a progressive tax system which allows fairer competition between small brewers and bigger brands.

thegrocer.co.uk, 28 September 2020 (Woolfson)

Cosmetics and toiletries

Shower blocks – plastic-free showers

Shower Blocks, a personal care range that is completely plastic-free, has been launched by Neil Whippy who also founded Eat Grub, the insect-snack brand. He has created shower bars that are made from natural products and sustainable palm oil. Packed in recyclable cardboard, each bar is equivalent to 1.5 standard plastic bottles of shower gel, claims Whippy, who says that the UK market alone contributes 200m plastic shower gel bottles a year, 80m of these going to landfill.

thegrocer.co.uk, 24 September 2020 (Selwood)

Food

Uncle Ben's rebrands

Back in June Mars said it would rebrand Uncle Ben's following criticism that it was perpetuating racial stereotypes. Now it has changed its name to "Ben's Original" and has removed the image of a black man in a bow tie from its packaging and marketing. The company has backed up the rebranding with the launch of a \$2m scholarship fund for black chefs in the US. In the home of Ben's, Greenville, Mississippi, the brand is helping over 7,500 students to obtain better education and access to food. This makes the rebranding much more than just a simple rebranding or PR exercise.

marketingweek.com, 25 September 2020

Why pretty food is perceived as healthier

Every year consumers see nearly 7,000 ads for food and restaurants in which food is generally made to look as attractive as possible. In a new study in the *Journal of Marketing*, researchers conducted a series of studies to see if food is perceived as healthier when consumers think it looks pretty. They used classical aesthetics, such as symmetry and systematic patterns as seen in nature, to make the food appear attractive. They found that consumers tended to rate the prettier version of the food (slices of avocado arranged on toast rather than a mashed-up version) as healthier. Such health judgements affect human behaviour. For example, consumers will pay more for a pretty pepper than a deformed one. Even though this "pretty=healthy" effect is limited to classical aesthetics, there are implications for marketers and public health advocates.

ama.org, 17 September 2020 (Hagen)

Attitudes to confectionery

New research undertaken by Harris Interactive and commissioned by *The Grocer*, presents ten charts explaining the UK's confectionery-eating habits during lockdown. Rather surprisingly, it shows that healthier consumers were most likely to eat confectionery or chocolate frequently. It also found that chocolate bars were the most popular format, with those concerned about health tending to opt for dark chocolate, while eight in ten Britons believe that chocolate lifts their mood. The survey also revealed an interest in portion-controlled chocolate, nutritional information and ethics. The report was sponsored by Mondelez International.

thegrocer.co.uk, 25 September 2020

Health and pharmaceuticals

Why government health stats just got easier

The ONS has just published a new tool which brings together a range of health statistics from across government departments. This means that anyone can find the information they need more easily without having to visit multiple websites. This blog

explains how the tool came about and the improvements that have been made following feedback.

blog.ons.gov.uk, 24 September 2020 (Joloza);

<https://qss.civilservice.gov.uk/dashboard/tools/health-and-care-statistics/database.html>

Flying paramedics trialled in lake District

The Great North Air Ambulance Service (GNAAS) is trialling a jet suit for paramedics which could allow them to reach patients in a difficult location within a matter of minutes. The project, the result of collaboration between GNAAS and Gravity Industries, has seen the first test flight being carried out in the Lake District, the scene of many rescues. The suits are equipped with two mini engines on each arm and one on the back. The flying paramedics will be able to carry a medical kit, strong pain killers and a defibrillator.

bbc.co.uk/news, 29 September 2020 (Barbour)

IT and telecoms

Would you wear Facebook on your face?

Facebook is looking to use augmented reality (AR) glasses to integrate its social apps with the real world. This might, for example, involve being able to chat with a friend's avatar that is sitting across the table from you. The development would also mean that Facebook will be able to control the whole hardware and software experience. Having not produced its own smartphone, Facebook has relied on Apple, Google and others to deliver its offerings but AR glasses will enable it to own the entire user experience. In this article Facebook's chief scientist, Michael Abrash, talks about the challenges involved.

fastcompany.com, 25 September 2020 (Sullivan)

Nokia to replace Huawei in BT deal

Nokia has entered into a deal with BT that will make it the telecom company's largest equipment provider. It will provide additional base stations and antennas allowing EE customers to make calls and transmit data through BT's 5G "radio access network". In July the Government announced that the UK's mobile providers would no longer be allowed to buy new Huawei 5G equipment after the end of this year and that they must remove all Huawei kit by 2027. BT has had a relationship with Huawei since 2005. Nokia will also replace Huawei in BT's 2G and 4G networks. The new deal will see Nokia accounting for around two-thirds of BT's radio access kit. However, it is expected that BT will also buy kit from a second vendor so that it isn't completely dependent on Nokia.

bbc.co.uk/news, 29 September 2020 (Kelion and Cellan-Jones)

Leisure and tourism

Holiday allowances are not used up this year

This year many workers decided to postpone taking their holiday allowances until things started returning to normal but now it may be too late. Those who aren't allowed to roll their annual leave into next year will be forced to take their vacation in the last quarter. Last year people in the UK took an average of 3.9 holiday breaks, opting for a mix of staycations and overseas holidays but a report from BrightHR suggests that 28% of UK workers have cancelled their holiday this year. There is little research into the effects of zero vacations on productivity, mental or physical health during times of crisis. Research from the University of Helsinki suggests that regular holidays can be more important than exercise or a healthy diet. Professor Timo Strandberg, who led the study, says that concentrating all your holiday into the last three months of the year can't be good. Companies are warned to show some flexibility with their employees in the current climate.

Wired.co.uk, 18 September 2020 (Bernal)

Materials and mining

Steel – facing up to overcapacity

The steel sector is already suffering from the effects of global trade wars as well as economic disruption caused by the pandemic, but its biggest obstacle to prosperity is overcapacity. The industry needs to have a credible plan for coming back, "as an industry which is clean and necessary in the industrial supply chain of Europe", says Roland Junck, President and Interim CEO of Liberty Steel Europe and UK, one of Europe's five biggest steel producers. The EU's aim to have a "net zero" economy by 2050 is a challenge for a sector that is one of the biggest sources of global greenhouse gas emissions. It is hoped that steelmakers could become leaders in producing steel more cleanly. This may not happen until the industry can shrink to a more manageable size, say experts.

ft.com, 28 September 2020 (Pooler and Miller)

Media

Games

Cloud computing vs the console

Could cloud computing mean the end of the video game console? Big tech groups think so: Microsoft has just acquired creative content studio ZeniMax and Amazon has announced the launch of streaming games service Luna. These companies are prepared to pay big money to attract gaming subscribers. Yet nobody dominates this fast-growing market and none of the big tech companies have gaming as their primary business. Total gaming revenue, including consoles and mobile gaming, is predicted

to exceed \$160 billion this year, eight times as much as global recorded music revenues. For now, the console is the main driver of revenue per user but cloud computing will start to disrupt hardware sales over coming years, says Piers Harding-Roll of Ampere Analysts. This article includes some useful graphs and infographics.

ft.com, 25 September 2020 (McGee)

Newspapers

Reach upbeat despite declining revenues

Reach, owner of the *Mirror* and *Express* newspapers, has seen profits fall for the first six months of the year, following a significant decline in print sales year-on-year. At one point 80% of its regional advertisers had withdrawn their business. Print revenue fell by 20.1%, circulation revenue by 11.5% and print advertising by 31.9%. Digital fared better, with a decline of just 1%. Jim Mullen, chief executive, said: "We have seen a strong recovery in the digital advertising market since the worst impacts of COVID-19 in April...assisted by increased customer engagement and loyalty". Reach is looking to its next phase of customer value strategy, "with increased efficiency and agility in our advertising and editorial operations".

dailybusinessgroup.co.uk, 28 September 2020 (Murden)

FT launches News School

The *FT* has teamed up with The Brooklyn Brothers to launch News School, a nightly education programme aimed at giving young people a chance to learn about the news industry. The two-week programme will tell 28 young people about the business side of news media, using interactive sessions to cover a range of areas including: business models; technologies; advertising and marketing measurement; and storytelling. Work experience and internships will also be available.

ft.com, 28 September 2020

Social media

Facebook worst for digital trust

Facebook scores lowest in terms of protecting US users' personal information and security, according to the latest *US Digital Trust Survey* from Insider Intelligence. LinkedIn came out on top as the most trusted platform overall. The survey evaluated consumer perceptions of nine major social networks across the five categories: security, legitimacy, community, ad experience and ad relevance. Digital trust is especially important for brands and advertisers: 79% of US social media users say that whether a platform protects their privacy and data will influence their decision to engage with ads.

emarketer.com, 24 September 2020

Television

Media signalling – TV is out on top

Signalling is a powerful behavioural principle. In media signalling, the perceived cost and scale of an ad channel can alter consumer perceptions of a brand. Thinkbox wanted to understand how signals differ between ad channels and how they can be used to optimum effect, so it commissioned a new study by house51 on whether TV can make brands appear high quality, successful and popular. It found that TV drives the strongest “fitness” and “social” signals in all the categories tested, outperforming both social media and online video. Additionally, brands which advertised on TV were more likely to be seen as financially strong and of high quality and confident. TV ads also help brands to give an impression of popularity and success more than any other medium, while brands advertising on TV, magazines and radio are perceived to be the most trusted to deliver on promises. The findings and charts for *Signalling Success* can be downloaded.

thinkbox.tv, 24 September 2020

Packaging

Colour consistency – a complex issue

Colour variations in packaging may lead the consumer to assume that there is something wrong with the product, that it has expired or is even a counterfeit. It is essential that print production develops beyond colour management as practiced by a few experts, to a more exact science that encompasses every part of the print operation. The consistency of brand packaging is important for consumer recall, trust and loyalty, so even a subtle change in tone or shade could result in questions about the product’s authenticity. Over recent years brands have sought to increase market share through shorter production runs for more targeted campaigns, brand extensions and limited editions. Now there is demand for longer runs of core ranges. This article examines the flexo printing process in relation to colour management.

FlexoTech, Issue 193, September 2020, pp21-22 (Lodej)

Retailing

A mixed picture for retail

According to the CBI’s September poll of major retailers, sales of household furniture (39% higher than normal), DIY (up 20%) and groceries (up 10%) have helped the volume of items sold by retailers and wholesalers to reach their highest level in 18 months. Despite this, clothing sales fell by 40% and department stores lost almost a quarter of their sales. While Kingfisher, owner of B&Q and Screwfix, performed so well that it plans to hand back furlough money to the Government; John Lewis has seen sales fall by 10%. It and fellow department stores, Debenhams and House of Fraser, are all closing stores. Restrictions on weddings, events and

clubs have affected all clothing chains, including New Look and Topshop.

theguardian.com, 24 September 2020 (Butler)

The five trends of Christmas – for 2020

This year’s Christmas won’t be like any other. According to M&S, it will be shaped by five trends: mini-mases (small but more frequent gatherings with easy meals and alternatives); scratch cooking (the new skills people learnt during lockdown will be put to the test); the joy of not stressing out (buying products that save time and effort in the kitchen); stocking up (15% of consumers say they will stock up on food earlier); and the gin-dex (like the lipstick effect where people allow themselves to buy small luxuries during times of uncertainty). M&S hopes that customers will buy its gin. It has upped the stakes by producing Elderflower glitter gin liqueur, which it claims has the UK’s “first and only” light-up gin bottle. It is filled with edible gold leaf gin liqueur!

thegrocer.co.uk, 22 September 2020 (Hawthorne)

Services

Hospitality sector, contact details and GDPR

Restaurants, bars and other hospitality outlets are required to keep a record of customers for 21 days to support the NHS test and trace service. Businesses have been using a variety of systems, but they must ensure they have updated their privacy notices to tell customers that their data will be shared with the Government. Guidance includes the use of apps that enable customers to order and pay, as well as submitting their contact details. Using an app raises privacy issues because the app provider will usually pass the responsibility for privacy on to the business using the app. The collection of contact details could be a useful marketing tool as long as you are not in breach of GDPR. You should ensure that you obtain the necessary permissions before using contact details for marketing.

London Business Matters, Issue 168, September 2020, p43 (Bygrave and Thorley)

OS – high awareness but not understood

OS (rebranded from Ordnance Survey in 2015) is well-known for its maps but not for any other services. Yet its maps division generates just 5% of company revenues. Now it wants to publicise its full range of location services which include critical data for governments and emergency services. Rebecca Paterson, marketing and customer director, has a challenge on her hands to promote an organisation that is “known but not understood”. Marketing will play an important role in changing people’s perceptions.

marketingweek.com, 25 September 2020

The milkman returns

During lockdown the number of people using milkmen rose from 527,000 to 716,000 and demand often exceeded supply, according to data from Kantar. As restrictions gradually lifted, the number of customers fell, but many carried on using doorstep delivery. Traditionally, customers have been older or retired but new customers tend to be younger people and families. A recent survey suggests that the key reasons for using milkmen is to support local businesses (70%), convenience (54%) and quality (39%). However, the sustainability element (non-plastic packaging and electric vehicles) is an important factor for younger people. This article contains stats on consumer use of milkmen.

ahdb.org.uk, 28 September 2020 (Stannard)

Housing market shifts to movers

For over a year, first-time buyers accounted for the highest proportion of housing market sales but now all this is changing and they are less likely to buy a home than movers, according to property portal Zoopla. Lockdown has led many people to reconsider their current living arrangements while first-time buyers have been squeezed due to stricter rules on mortgages and the need for secure employment. Zoopla's research suggests that demand from first time buyers is falling after a post-lockdown peak, while demand from movers is 37% higher than pre-pandemic levels.

bbc.co.uk/news, 28 September 2020 (Peachey and Jones)

Transport and travel

Auto industry – 21% fall in global adspend

Global automotive adspend is expected to fall by 21% this year, according to Zenith's automotive adspend forecast. The auto industry tends to announce new models in October so this should be an important time of year for advertising. Some brands have already released new ads. The Kia K5, for example, was launched during the recent 72nd Emmy Awards. US brands still focus most of their media budgets on linear TV (47%) rather than digital (31%). This compares with global auto brands which put 42% of their budgets into digital channels last year. Jonathan Barnard, Zenith's head of global forecasting, says that consumers who have not bought cars before may do so because they don't want to risk using public transport but that brands will need to instil trust. Zenith predicts that auto ad spend will rebound, rising by 10.5% in 2021 and 11.4% in 2022.

campaignlive.co.uk, 24 September 2020 (Underwood)

ASA orders removal of Black Cars Matter ad

Ling's Cars, a Gateshead car leasing company, has been ordered by the ASA to remove a Facebook ad

for the Audi A4 "Black Edition" which featured a raised black fist, the words "Black cars matter" and a reference to a "Big gearknob"! Following complaints about the ad, the ASA ruled it to be offensive and socially irresponsible "on the grounds of race", and said that: "Marketing communications must be prepared with a sense of responsibility to consumers and to society". The company argued that the slogan was simply a pun on "Black Lives Matter". If this ad had run in the US it is unlikely that the National Advertising Division (NAD) would have acted because its jurisdiction relates to "truth-in-advertising". However, the NAD is due to consider whether the US advertising system should be updated to cover wider concerns.

lexology.com, 23 September 2020 (Greenbaum)

Aircraft orders at record low

Commercial aircraft orders have fallen to a record low due to the pandemic. In August only nine planes and 52 deliveries were made, which is the lowest month on record, according to ADS, an aerospace body. The figures show a 59% fall compared with August 2019 and a 91.3% fall since 2018. Both Rolls-Royce and Airbus have been looking for financial assistance. The ADS reports that this year will see the lowest number of global aircraft deliveries for more than a decade.

business-live.co.uk, 28 September 2020 (Baker)

The first hydrogen-electric passenger plane

The first hydrogen fuel cell-powered flight, using a six-seater passenger jet, has been completed at ZeroAvia's R&D facility at Cranfield Airport in the UK. A world first, it forms part of the HyFlyer project, a programme supported by the UK Government and part of scientific research into commercial zero-emission aviation. In the final stage of its development programme, ZeroAvia plans a 250-mile zero-emission flight from an airfield in Orkney.

energylivenews.com, 28 September 2020 (Mavrokefalidis)

Written by CIM's Knowledge Services Team

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Cutting Edge: Our weekly analysis of marketing news

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