

Cutting Edge: Our weekly analysis of marketing news

14 October 2020

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

Quick [links](#) to sections

Marketing trends and issues

Advertising

Slow recovery in adspend

Some 54% of advertisers are no longer postponing campaigns, although adspend has been lower than originally planned for the first three quarters of the year, according to a survey from the World Federation of Advertisers (WFA). Display advertising (up 6%) and video (up 9%) are the only two areas showing high levels of investment. Marketers said they were shifting their investment to digital, especially e-commerce, virtual activations, events and video. TV is beginning to recover although it was down by 25% for the first three quarters of 2020; outdoor was down by 39% and POS by 20%. Events and radio have suffered the most, with falls of 60% and 35% respectively. We are unlikely to be returning to "business as usual" anytime soon, says Stephan Loerke, the WFA's CEO.

[marketingweek.com](#), 6 October 2020

Addressing consumer consent

How can marketers replace the third-party tracking cookie? One way could be to educate consumers. After all, there has been little effort to explain to the public how real-time bidding (RTB) works and who processes their data, despite the huge increase in spending on targeted digital data. Research last year by the UK's ICO, Ofcom and Harris Interactive, indicated that consumer support for viewing digital advertising in exchange for free content fell from around 63% to 36% when survey participants were given some basic information about how personal data is used in RTB. Research in the US has found that consumers would like more control over their data and how it is used. The choice appears to be between using technical solutions to replicate the cookie, or get permission before collecting data, but

"Education without effective empowerment" might not be enough to make consumers comfortable.

[emarketer.com](#), 7 October 2020 (Perrin)

Agencies

In-housing vs outsourcing – striking a balance

Many big brands, such as P&G, Walmart and PepsiCo, are expanding their in-house teams. In-house staff have advantages such as greater knowledge of the brand, faster output, more control and reduced costs. Yet "going it alone" can be risky. Outside agencies can bring a different perspective as well as skillsets that are too expensive to build from scratch in-house. In addition, brands' in-house teams are often not equipped to deal with specialisms and suffer from, "a lack of shared learning and insulated thinking". So how do you strike a balance between the two, especially in an environment when everything is off-balance? Here is some advice from some of those who have succeeded. Brands mentioned in the article include Budweiser, LL Bean, Arm and Hammer and goPuff.

[thedrum.com](#), 8 October 2020

Brands and branding

Automated brand-generated content

The application of technology to advertising allows marketers to deliver brand messages that are optimised for each consumer and consumer segment. Marketers have increasingly relied on data as inputs for decision-making and for measuring the impact of the content. This has presented new opportunities but also risks because algorithms are used to generate and optimise messages. The authors introduce the automated brand-generated content (ABC) model to explore the balance between consumer and brand data. They also discuss the relationship between short- and long-term consumer and brand impacts as performance goals. The model should help brands to find the best



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way of automating content while taking into account their unique constraints and objectives.

Journal of Advertising, Vol 49(4), August-September 2020, pp411-427 (van Noort et al)

Conferences and events

Drive-through marketing

The experiential marketing industry has been damaged this year as brands have cancelled their in-person events. Now they are returning, as long as you stay in your car. Brands, including HBO Max, Impossible Foods and Uber have all held drive-thru experiences where guests wear masks, arrive at a specific time and stay in their cars. Drive-thrus have the potential to produce a positive impression for consumers who have, at best, been attending events via their laptops or phones. Last month WarnerMedia created its first "hybrid physical-virtual" premiere for its comedy film *Unpregnant*. The event was held in a roof-top drive-in theatre in LA. Some 385 guests attended physically and 916 virtually. Lizz Torgovick, co-founder of Sequence Events, warns that brands should have back up plans for physical events just in case regulations change. Communication is also vital and people need to know what you are doing "to keep them safe" while at the same time "throwing a cool experience".

Adweek, Vol 61(21), 5 October 2020, p5 (Zelaya)

Consumer behaviour

Customer journey mapping – multiple brands

Customer journey mapping is an important part of many marketing strategies, but it can have additional value for companies that have multiple brands. There is much interest in how customers move from one brand to another and businesses with multiple brands should look at the order of brands that a customer follows. For example, do they start with a brand because of its price or with one that has larger promotions or ad budgets? Another consideration is how customer journey trends have changed since the outbreak of the coronavirus. Customer journey mapping should be data driven, with data trends being compared to the ideal customer journey so that gaps can be identified.

marketingland.com, 2 October 2020 (Bradford)

Customer relations

The key to customer obsession

Only around 15% of companies are obsessed with their customers, says Shar VanBoskirk, VP and principal analyst at Forrester Research. This is because, "leaders don't know how to operationalise customer obsession at their firms". In the *How To Build Your Company's Customer Obsession Strategy* report, VanBoskirk argues that companies should build their customer obsession initiatives on expected returns. Forrester identifies three main

expressions of customer obsession: reliability, service and advocacy. VanBoskirk gives some examples of how leading companies have used customer obsession to achieve certain goals. Companies are advised to establish a blueprint for customer obsession depending on their goals.

CRM Magazine, Vol 24(8), October 2020, p8 (Britt)

Direct marketing

Dyslexia employer guide

The DMA has produced a guide entitled *DMA talent: Dyslexia Employer Guide*, to help raise awareness of Dyslexia Week 2020. Although it is targeted at the creative, data and marketing industries, much of the content applies to other sectors. The guide aims to help employers understand dyslexia and how they can make their workplaces more inclusive. It is estimated that one in ten people have dyslexia, but it is still misunderstood by many. The publication is the latest in the DMA's neurodiversity guidance series.

marketingweek.com, 8 October 2020

Law

Data protection – the Brexit checklist

The end of the Brexit transition period is fast approaching and businesses should be considering what effect this will have on their data processing activities. Here is a checklist designed for UK-based companies who are involved in cross-border processing or that are part of a multinational. It aims to help businesses plan ahead, particularly if the UK leaves the EU without a deal on 1 January 2021. It covers topics such as whether GDPR will still apply; transferring data; identifying supervisory authorities (such as the ICO); the requirement for data protection officers; and keeping documentation up to date. A second article from the same law firm (Taylor Wessing) focuses on GDPR and data flows to and from the UK following Brexit.

lexology.com, 9 October 2020 (Mackay-Temesy);

lexology.com, 9 October 2020 (Heywood)

Unregistered design protection – UK/EU

Designs first disclosed in the UK will no longer be eligible for protection in the EU as unregistered designs. Designers who want to rely on unregistered design rights will need to be very careful about where they disclose their designs. Although first disclosure in the EU will provide unregistered design protection across the EU, this won't include the UK, while first disclosure of an unregistered design in the UK will provide protection in the UK only. This could present big challenges for UK designers, especially in the fashion industry and other fast-moving sectors that require immediate protection for their unregistered designs. They will need to come up with innovative ways of getting around the problem.

lexology.com, 9 October 2020 (Rajendra et al)

Marketing

Influencer marketing in traditional media

Marketers are putting more resources into influencer marketing across more traditional media channels, such as OOH (83%), TV and radio (81%) and print (80%). This is according to new research in the UK, US and Germany by influencer marketing agency Takumi. Some 57% of marketers surveyed said they had worked with influencers on multiplatform campaigns. Most marketers (73%) have put more resources into influencer marketing over the past year showing that influencers' effect isn't just restricted to social media or video-sharing. Coty's CoverGirl, Coca-Cola and Lancôme are examples of brands that have used influencers in their multichannel campaigns. Some 41% of consumers have said that social media influencers should use their platforms for other areas, such as current affairs and "everyday activism". However, 55% of marketers in the survey said they would be concerned about working with an influencer who is vocal about political issues.

marketingdive.com, 1 October 2020 (Williams)

B2B struggles with content

Over a third (35%) of B2B marketers have struggled to find enough content to engage with their audiences, according to a survey from Finite, a body representing the B2B tech marketing community. It questioned 600 B2B tech marketers on subjects such as ROI, KPIs and SEO. Another key problem was found to be tailoring output to engage with the right people (26%) while 16% said that ROI was their greatest problem, with only 8% being able to attribute ROI to their content plan. The report also found that only 70% of respondents saw SEO as important to their marketing strategy, which is quite a low proportion considering search engines are gateways to content.

thedrum.com, 9 October 2020 (Glenday)

Purpose-driven – pushing the boundaries

The bar has become higher for purpose-driven marketing than in the past; and these days marketers are happy to court controversy with their branding strategies. P&G has launched campaigns that tackle issues ranging from racism to "toxic" masculinity. While it has received praise for its social responsibility, it is a bold strategy that could be risky since not every consumer will be receptive to such communications. P&G has a history of using its size (it is one of the largest advertisers in the world) to help drive change. As far back as 2006 its "My Black is Beautiful" Facebook page and microsite aimed to empower black women and girls. P&G has pledged to be a force for social change which means that it must demonstrate "progress, not perfection" and to move forward even when it faces criticism.

marketingdive.com, 7 October 2020 (Koltun)

Market research

Researchers – how to influence clients

The current business environment means that insights professionals are having to stretch their resources further and do more with less to provide their stakeholders with actionable insights. But researchers need to be sure that they are engaging when telling the consumer story and customer-centric when interacting with clients. Here JD Schramm, founder of the Mastery in Communication Initiative at Stanford, talks about what researchers should consider when giving a presentation to stakeholders. "Interesting" storytelling is key to delivering actionable insights, but the presentation also needs to focus on the action that the client should take. He also comments on: the importance of understanding the client when initially making a pitch for the business; achieving deeper insights; spoken vs written presentation; highlighting the recommended action to decision-makers; and measuring the effectiveness of the researchers' performance.

researchworld.com, 7 October 2020 (Joe)

Public relations

BP – an exercise in restoring reputation

The Deepwater Horizon oil spill, which occurred back in 2010, was one of the biggest marine accidents in the oil industry. It is also an example of the bad handling of a crisis that can leave lasting negative impacts on a brand (in this case BP) and its reputation. BP made serious mistakes, such as trying to "spin its ways out the crisis" and focusing on advertising during the clean-up operation. It has since used a range of PR initiatives to try to repair its reputation yet, according to the authors, its corporate brand still trails behind that of competitors such as Shell. However, since a change in company leadership, the business has adopted a more ethical comms strategy which is proving successful as this article explains.

Journal of Marketing Communications, Vol 26(7), November 2020, pp703-731 (Kanso et al)

Tesla axes PR – lessons for the industry

Tesla has reportedly closed down its PR department. Elon Musk has had a rocky relationship with the media and, according to news website Electrek, Tesla's PR department was already much smaller than might be expected for an automaker of its size. Even so, the PR team managed to create, "some great content over the years", while working for, "a boss who infamously often becomes enraged by bad coverage". Here are three lessons for the PR industry from Tesla's decision to axe its public relations Team.

prdaily.com, 7 October 2020 (Kitterman)

Top 50 PR agencies

This year's *Prolific North Top 50 PR Agencies*, a ranking of the region's PR agencies, sees Citypress in top spot, followed by Barrett Dixon Bell and Weber Shandwick. Some agencies have performed particularly well despite the difficult conditions: Hatch has risen by six places to number six, while Counter Context has entered the top 50 for the first time at number 17. The full ranking is included in this article.

prolificnorth.co.uk, 7 October 2020 (Spargo)

Sponsorship

IBM in first e-sports sponsorship

IBM has signed its first-ever e-sports agreement. It is to be the official AI, cloud and analytics sponsor of the Overwatch League, operated by Activision Blizzard, which features 20 teams from around the world. From 2021 the two partners will work on technology solutions, using IBM's natural language processing and machine learning, to improve the ranking system for the League and create in-broadcast predictive analysis. It is hoped that IBM's technology will also enhance engagement opportunities for fans and teams.

sportbusiness.com, 9 October 2020

Fans put off shirts with gambling logos

A new survey by Survation reveals that a third of football fans in the UK would be put off buying their club's shirt if it has a betting sponsor; while nearly half say they would support a ban on shirts showing gambling logos. Despite efforts to limit the gambling industry's involvement in football sponsorship, 26 out of the 44 teams in England's top two divisions have a gambling brand as a front-of-shirt sponsor. Premier League clubs Aston Villa and Everton saw a significant rise (60% and 50% respectively) in shirt sales after they stopped using betting brands as their main partners. The research was commissioned by the Coalition Against Gambling Ads and Clean Up Gambling.

sportspromedia.com, 12 October 2020 (Dixon)

Agriculture, fishing and forestry

The Agriculture Bill 2019-2021

The Agriculture Bill 2019-21 was published in January and returned to the House of Commons with Lords' amendments on 12 October. When the UK leaves the EU, it will also leave the EU's Common Agriculture Policy (CAP) and the new Bill is intended to provide the legislative framework for replacement agricultural support schemes. From January farmers in England will be paid to produce "public goods" such as environmental and animal welfare improvements. This briefing paper summarises how farmers are currently supported; what the Bill does; how it applies to the UK nations; and stakeholder

and political party views. There are links to the original sources and you can also download the full 134-page House of Commons Library report.

commonslibrary.parliament.uk, 10 October 2020 (Finlay et al)

Pushing pulled pork

This month the Agriculture and Horticulture Development Board (AHDB) has launched a national campaign to promote pork, which started on 5 October with a focus on pulled pork. It will be followed up in January with a health theme featuring pork loin medallions. As well as TV and social media influencers, the campaign has a website, loveport.co.uk, offering easy recipes and even a "butcher's kit" with recipe cards and poster.

ahdb.org.uk, October 2020

Potato crop third smallest on record

A new estimate from the AHDB suggests that this year's planted potato area in Great Britain is the third smallest on record after 2016 and 2017. There have been significant declines in regions badly hit by weather in both 2018 and 2019, particularly in the North West of the country.

farminguk.com, 12 October 2020

Building industry

FMB – State of Trade

The latest ONS construction output data shows a 35.6% rise in private repair and maintenance work for the three months to August but there is still widespread uncertainty in the industry, says the Federation of Master Builders (FMB). The FMB's latest *State of Trade* data reveals that four out of five builders expect material costs to rise over coming months. There are also concerns about Brexit and the importance of Government working with the industry to ensure that supply chains aren't disrupted. This could hurt the industry's ability to fulfil the Government's "build, build, build" goal. This article includes links to the ONS' construction output data and the FMB's *State of Trade* report for Q2 2020.

fmb.org.uk, 9 October 2020

Construction output up for August but slow

This article comments further on the implications of the latest construction output figures. The industry slowed in August with output growth of just 3%, significantly lower than that in May (9%), June (22%) and July (17%) but better than the fall of 41% seen in April. August's slowdown could reduce the chances of a V-shaped recovery, with output appearing to be more R-shaped. Overall industry output is placed at around 11% below pre-pandemic levels. Only infrastructure has recovered, standing at 0.6% above pre-Covid levels. While private new housing is growing strongly, new industrial and

commercial work is in decline. The fear is that many private investors may be deterred by the possibility of more lockdowns.

constructionenquirer.com, 10 October 2020 (Morby)

Businesses and strategy

Emerging resilient – learning from recession

Last year McKinsey examined what companies do to prepare for a recession, having no idea, of course, that the pandemic was coming. They also discussed what top-performing companies had done in the previous downturn of 2008-2009 and analysed the performance on a sector-by-sector basis of 1,500 public companies in Europe and the US. The authors refer to the companies in the top quintile during the crisis as the “resilients”. They then looked for clues among almost 1,500 earnings releases for Q2 2020, again in Europe and the US, to understand if the latest class of resilient companies can be identified from the data and what these emerging resilient companies can learn from previous ones.

mckinsey.com, 6 October 2020 (Levy et al)

Revitalising a lacklustre brand

MacKeeper, a maker of antivirus software, had seen its reputation and profitability diminishing following years with no innovation and a “lazy” growth strategy. When CEO Alun Baker took over last year, he soon identified the problem: the employees didn’t have a product they could be proud of. Within a year he had implemented a change of direction resulting in the launch of Clario Tech in June 2020. Baker says the new product has more of a “human centric” approach to cyber security. Here he gives some advice for rejuvenating a stagnant business.

managementtoday.co.uk, 6 October 2020 (Jones)

Talking vs texting

You can communicate with people in various ways using text, voice or audio-visual cues, but it is hard to know which is the best mode of communication. The authors recently conducted several studies which suggest that people undervalue the positive aspects of using voice. Some people said they preferred typing to talking because they overestimated how awkward they might feel having a conversation. Others found that being able to see another person (using video chat) did not make them feel more connected than if they simply talked to them. A sense of connection doesn’t necessarily come from being able to see the person. It appears to be the person’s voice that establishes understanding and connection. Maybe people should spend more time talking than texting!

hbr.org, 5 October 2020 (Kumar and Epley)

Global teams – maintaining relationships

Over a third (35%) of workers expect to communicate more frequently with colleagues in

other countries than they did before the pandemic. This is according to a survey of professionals in 70 countries by CEMS, the Global Alliance in Management Education. It reports that 30% of respondents were concerned that the increase in remote working would negatively impact their relationship with overseas colleagues. The survey also looked at the most valued traits of leaders in supporting teams during the crisis. Resilience was in the top three qualities, according to 34% of respondents, up from 13% before the pandemic. In contrast, the importance of strategic vision has fallen by 6% and being results focused by 9%.

People Management, October 2020, p53

Charities and NGOs

Using the brand for fundraising

There has never been a more important time for thinking about how a charity brand can work for fundraising. There are various actions that can help to optimise a brand, including establishing a good rapport between communications and fundraising teams, which have traditionally had a “strained” relationship. Another is to connect with people who have shared beliefs and values; according to Kantar’s *Purpose 2020 Study*, brands that are highly committed to purpose grow at more than twice the rate of others. Another thing to consider is brand-led innovation: using strategy and positioning to inspire new products and services. The NSPCC offers a good example of this. Other suggestions are: to review your core messaging and visual identity; and to learn from other sectors, such as the B-Corps.

charitycomms.org.uk, 9 October 2020 (Dufour)

National Trust loses jobs

The National Trust is to cut 1,300 jobs with the aim of saving £100m in annual costs. The Trust is also saving around £41m by reducing travel and office costs as well as marketing and print communication. Instead it will focus on digital communications. The charity, with its 5.6m members, has been forced to close all its facilities this year, which has affected almost every aspect of its income.

business-live.co.uk, 8 October 2020

Durable consumer goods

Luxury watch sales up despite pandemic

Consumers are still buying expensive watches and jewellery, according to Watches of Switzerland, the UK’s biggest luxury watch retailer. Its sales have risen by almost a fifth over recent weeks compared to last year, with business being boosted by a 50% rise in UK online sales for the last quarter. Strong domestic sales have offset the decline in tourist and airport trade, which generated just 9.2% of revenues this year compared with 32.5% last year. The company reports that luxury watches have “continued to outperform” while luxury jewellery has

done well in the UK and US. New product launches have also helped to increase sales.

business-live.co.uk, 7 October 2020 (Pegden)

Economy

August GDP up by 2.1%

In August the UK economy grew by 2.1% but its recovery was less than in previous months and it is still well below the 9.2% increase seen in February 2020. This is its fourth consecutive monthly increase, making August's GDP 21.7% higher than the low seen in April. Yet, compared with February, the services sector is down by 9.6%, the production sector by 6% and construction by 10.8%. Agriculture was down by 4.3%.

ons.gov.uk, 9 October 2020 (McAuley);

<https://www.ons.gov.uk/economy/grossdomesticproduct/bulletins/gdpmonthlyestimateuk/august2020>

Coronavirus crisis – intergenerational audit

There are huge variations in the way that the pandemic has been experienced by different generations. *The Intergenerational Audit for the UK*, supported by the Nuffield Foundation, is the first comprehensive assessment of the first phase of the pandemic for different generations in Britain. This new analysis examines the health and social affects of the coronavirus with a focus on generational living standards in Britain. The findings include the fact that the labour market "hit" has been U-shaped, with the youngest and oldest workers being the most affected, although during lockdown incomes fell the most among those in their late 40s. By July it became apparent that young people would be most at risk financially.

resolutionfoundation.org, 7 October 2020 (Gardiner et al);

<https://www.resolutionfoundation.org/app/uploads/2019/06/Intergenerational-audit-for-the-UK.pdf>

Education

No significant rise in deferrals

Rather surprisingly, there has been no significant rise in the numbers of UK students delaying their university courses until next year (deferrals are up by just 0.1% to 5.8%). This means that universities will have the capacity to accommodate those wishing to start next year and students can afford to be more ambitious in their choices. This year UCAS has allowed teachers to give more information on students' backgrounds so that universities can obtain a better picture of applicants. This follows a rise in the number of students from disadvantaged backgrounds accepted onto courses for 2020. Overall, young people want more information so that they can make better choices. This might, for example, include information on graduate employment rates which would help them to "recession-proof" their degrees.

universities.ac.uk, 12 October 2020

Uncertainty over NSS survey

If the National Student Survey (NSS) goes ahead next year, the results could raise major ethical questions and even damage trust in the survey, say academics. The Office for Students (OfS) has raised concerns following Government instructions to undertake a review of the survey. The contract for delivery of the survey has already been awarded so it will go ahead, but universities will not be required to promote it. This means that they may only promote the findings if they consider that their institution has performed well. It will also be "ethically difficult" to promote the survey to students since it is not clear whether the data will be of statistical use or even whether it can be used for league tables, comparison websites, etc.

theboar.org, 3 October 2020 (Johnson)

Energy and utilities

The IEA and the future of energy

The International Energy Agency (IEA) predicts that the pandemic could lead to the weakest decade of energy demand growth since the 1930s. This article looks at the IEA's *World Energy Outlook 2020*. It predicts that energy demand will be 5% lower this year than in 2019 and that energy-related emissions will fall by 7%, with consumption of the "two dirtiest" energy sources, oil and gas, falling by 8% and 7% respectively. It is unlikely that coal will recover to pre-crisis levels while solar photovoltaic is now "consistently cheaper" than new coal- or gas-fired plants. However, the environmental outlook is still bleak, with CO₂ emissions expected to return to their 2019 level by 2027. Its main forecast assumes that the virus will be, "gradually brought under control in 2021"; but it also considers a the more pessimistic "Delayed Recovery Scenario"...

ft.com, 13 October 2020, (Brower and McCormick);

<https://www.iea.org/reports/world-energy-outlook-2020>

Tonik ceases trading following Ofgem list

Tonik Energy, the Birmingham-based retailer has become the third and largest energy supplier to stop trading this year. It comes days after Ofgem published its list of retailers who owe thousands in renewables obligations (RO) and feed-in-tariff (FIT) payments. Tonik owed £8.7m. However, Ofgem has come in for criticism of its handling of the RO scheme and exits from the energy market seem to correlate with the annual publication of its "naughty list". Tonik has had various problems, not helped by the latest Citizens Advice star ratings table which placed it 40th out of 40 for customer service. Scottish Power has been appointed by Ofgem to take on Tonik's 130,000 customers.

utilityweek.co.uk, 9 October 2020 (John);

energylivenews.com, 12 October 2020 (Shrestha)

Environment

Unblocktober and cigarette-style warnings

Lanes Group, a drainage and wastewater utility specialist, is relaunching its Unblocktober campaign this month. It is designed to educate people about putting harmful materials, including fats, oils and grease (FOG), food, plastic waste, wet wipes, down drains and wants people to desist for 31 consecutive days. Last year the challenge attracted 4,500 participants with support from environmental organisations. Further support for the campaign has come from teenager Emma Greenwood who had the idea of using cigarette-style packaging for wet wipes to warn people of the risks of flushing them down the loo. The Lanes Group has created prototype packaging based on Emma's idea, with messages such as "this will take 500 years to biodegrade". Lanes wants the packaging to become an industry standard.

lanesgroup.com, 2 October 2020; metro.co.uk, 1 October 2020 (Scott)

Transparent wood – the new glass?

Scientists in the US have developed a transparent wood material which they claim is five times more thermally efficient than conventional glass. The transparent wood, which is created from the balsa tree, is more durable and lighter than glass. It can also withstand stronger impacts and bends or splinters instead of shattering.

energylivenews.com, 12 October 2020 (Mavrokefalidis)

Fashion

Committee reopens fast fashion inquiry

In 2018 the Environmental Audit Committee launched an inquiry entitled *Fixing fashion: clothing consumption and sustainability*. The report made recommendations, such as introducing a producer responsibility charge for clothing recycling and due diligence checks across supply chains to eliminate child labour. The Government has rejected most of these suggestions but now a new inquiry will follow up on issues such as reducing the environmental and social impact of the fashion industry. The Committee is gathering evidence until 13 November.

retail-week.com, 7 October 2020 (Shepard)

Petwear – an emerging market

H&M, River Island, Primark and Ralph Lauren are among the brands that have made clothing for dogs. An increasing number of brands are entering the dog market while Instagram dogs, such as Boobie Billie, have even started their own fashion lines and accessories. So lucrative is the pet clothing business that labels are springing up dedicated solely to making clothing for dogs and cats. But is this just a fad and how good is it for the animals? FashionUnited investigates the trends; looks at how

animal rights organisations have reacted; and offers some pet-owning facts and figures.

fashionunited.uk, 9 October 2020

Financial services

Growth in non-cash transactions

The number of digital wallet users is predicted to rise from 2.3 billion in 2019 to 4 billion in 2024, while global non-cash transactions will reach 1.1 trillion in 2023, up from 708.5 billion last year, according to the *World Payments Report 2020* from Capgemini. The move away from cash towards digital payments is reflected in changing consumer habits during the pandemic. However, 68% of survey respondents said that internet banking and direct account transfers were still their preferred payment method during the pandemic. Contactless cards were the second-most popular payment method (64%), while digital wallets were mentioned by 48%. Some 47% of consumers said they were interested in conversational commerce or using voice-based assistants to make purchases. In B2B transactions, the report identifies a growing interest in instant payments, API-based payments, virtual cards and B2B wallets (especially among smaller businesses).

nfcw.com, 9 October 2020 (Phillips);

<https://worldpaymentsreport.com/wp-content/uploads/sites/5/2020/10/World-Payments-Report-2020.pdf>

Fintech and the rise of Ant

Ant Group, China's biggest fintech, is due to list in Hong Kong and Shanghai in what could be the largest IPO ever. It could give Ant a similar value to JP Morgan Chase, the world's biggest bank. This reflects the huge changes taking place in financial services around the world. The pandemic has catalysed e-commerce and remote working, which has led to a boom in digital payments. Traditional banks now account for just 72% of the stock market value of the global banking and payments industry, down from 96% in 2010. Fintech business models proliferate around the world with tech players, such as Apple and Alphabet, jumping on the bandwagon. Fintech has many advantages as well as risks. Governments should take a "holistic view of financial risk that includes banks and fintech firms" and should lower the barriers to entry to aid competition.

economist.com, 8 October 2020

FMCG

Beverages

Low-alcohol – implications for brand owners

Despite higher sales of alcohol during the coronavirus lockdown, there is a wider trend for more health-conscious and low-alcohol or "nolo" drinks. Initiatives, such as Dry January and Sober

October, plus the trend for younger people to reduce their alcohol consumption, are helping to boost this category of drinks. This raises some questions for producers, retailers and IP specialists. For example, is a low alcohol drink the same as a soft drink? In shops, no alcohol products are grouped together on shelves, which aligns with the way they are marketed, but in bars and pubs they tend to be grouped with their alcohol equivalents. This article looks at the classification of low-alcohol drinks, the possibility of confusion and the changing legal position in Europe. Brand owners may need to reconsider their approach to brand coexistence, registration and enforcement.

lexology.com, 5 October 2020 (Harrow)

Carlsberg and Marston – goahead for merger

The UK's CMA is to allow the merger of Marston's and Carlsberg's UK operations which should be finalised by the end of October. The merger will result in Marston's having a 40% stake in the new Carlsberg Marston's Brewing Company. CAMRA, the Campaign for Real Ale, has expressed "serious concerns" about the anti-competitive repercussions of the merger, such as "market foreclosure for small brewers, which will reduce choice for beer drinkers and pub-goers".

thegrocer.co.uk, 9 October 2020 (Mattinson)

Cosmetics and toiletries

Smell-alikes – protecting luxury perfume

The luxury perfume market has become a \$12 billion industry but suffers from counterfeiting, with copies of famous scents appearing as "smell-alike" perfumes. From 2017 to 2018 over 2.2m smell-alike fakes were seized in the UK, "one of Europe's most targeted countries". Legal challenges have seen mixed results: in 2006 L'Oréal lost a case against Bellure, a Belgian company for making smell-alikes, but in 2008 the company's Lancôme subsidiary won its case against Dutch company Kecofa. Annabelle Gauberti, partner at Crefovi, a law firm for the creative industries, suggests a solution whereby the bottles of perfume are only sold in places that meet certain criteria so that, if they are found on eBay, brand owners can take legal action. LVMH uses technology to show the perfume buyer the full history of the product. Other firms are using RFID tags and holograms for security.

Wired, November 2020, p61 (Page)

Food

Marketing for eating preferences

There are still many high-calories foods on the market despite consumers' need or desire to lose weight. Marketers of indulgent foods face the problem of promoting attractive, low-calorie alternatives to people who want to consume less. US marketing professors Peggy J. Liu and Kelly L. Haws have examined the question of how variations

in consumers' dieting histories predict their preferences for two different calorie solutions: a lighter version of a snack, or a smaller portion of an indulgent version of the snack. They consistently found that there was a correlation between consumers who have greater dietary restraint and the preference for a larger, lighter option. Food marketers might want to design their products differently based on whether they are targeting restrained or unrestrained eaters!

ama.org, 6 October 2020 (Zeng)

Household

Low-temperature laundry sanitiser

Persil has launched a new laundry sanitiser that claims to be able to kill bugs and bacteria at temperatures as low as 20 degrees. The bottles are made from 100% recyclable materials. Sales of antibacterial products have rocketed since the start of the pandemic, with sales of bleach and disinfectant up by 32% during the first lockdown.

thegrocer.co.uk, 12 October 2020 (Woolfson)

Government and public sector

Government job ad panned for being "crass"

There has been a huge backlash against a Government-backed ad suggesting that a ballet dancer's "next job could be in cyber", with the suggestion that she should "Rethink. Reskill. Reboot". Some Twitter users have called it "patronising" and critics say that the Government is not helping the arts to get through the current crisis. Strangely, Downing Street has added its voice to criticism of the campaign. Culture secretary Oliver Dowden, who has described the ad as "crass", attributes it to CyberFirst, a National Cyber Security Centre/Government programme aiming to encourage young people to enter the tech sector. The "dreadfully timed" ad has since been removed.

bbc.co.uk/news, 12 October 2020

Health and pharmaceuticals

Pharma marketing trends

The author suggests 16 pharma trends from 2020 that will affect marketing departments in 2021. As well as mentioning Covid-19 and increased collaboration, there is an emphasis on the importance of digital marketing and of using a system that allows customer feedback that can be segmented to deliver more relevant content and marketing messages. Other trends include: personalised medicine; AI; speciality sectors that are driving M&A activity; and organisational culture.

orientation.agency, 18 August 2020 (Lawson)

Three weight loss brands chastised by ASA

The ASA has taken action against three brands

promoting weight loss products on social media. Skinny Revolution had advertised products "guaranteed" to make the user lose a stone in two to four weeks as well as posting images of a thin and fat Barbie doll. It was also told not to promote prescription-only medicines. Skinny Clinic and Skinny Jab were both criticised for suggesting that people could lose weight within a specific timeframe. Skinny Jab was also told that its promotion, in conjunction with Towie star Gemma Collins, must be "obviously identifiable as marketing communications".

marketingweek.com, 7 October 2020

IT and telecoms

Emoji inclusivity

Emojis have become an essential part of communications but often lead to miscommunication due to gender stereotypes. Doctors and police, for example, had always been depicted as emoji men. Following a series of articles and proposals, tech companies, such as Google, Apple and Facebook, began to ensure that all their emojis had both male and female versions. In 2016, Paul Hunt, a member of the Emoji Subcommittee at Unicode, which approves all new emojis, proposed a set of gender-inclusive emoji designs. These resulted in designers finding ways of creating emoji characters outside the binary and suddenly there were three gender options. Google used the colour orange and Apple used grey in their gender-inclusive emojis. Emoji options are expanding all the time, along with gender fluidity, and designers will need to stay on their toes to keep up.

Wired, November 2020, pp18-19 (Telushkin)

Leisure and tourism

A rock-solid answer to Covid-exhaustion

For US consumers who are tired of the pandemic and the presidential election, Hotels.com has come up with a new type of accommodation. It is offering a manmade cave 50ft below ground level; the first person who books it will pay just \$5 a night for a five-night stay in November during US election week! This is regarded as a "clever marketing stunt" and an antidote to the exhaustion created by the current crises.

prdaily.com, 8 October 2020 (Winchel)

US airlines prioritise leisure travellers

US airlines are battling to attract leisure travellers while business travellers, who are far more lucrative, are choosing to stay at home. Holidaymakers represent around 80% of passengers yet just 50% of revenue. United, American and Delta have been discounting fares and increasing flights to holiday destinations to attract people who are prepared to fly. Analysts believe the strategy is a "long-term loser" because it won't cover the costs of running a business network. Airline consultant Robert Mann

describes it as "a comeuppance" for companies which have been, "very focused on frequent customer relationships to the exclusion of everybody else". Leisure travellers, usually regarded as the "second-class citizens of flight", are likely to gravitate towards the airlines that have treated them "least worst" in the past.

ft.com, 9 October 2020 (Bushey)

Materials and mining

Chemical industry faces double threat

The European chemicals industry is warning of a "double whammy" from the possibility of a hard Brexit and the new *EU Chemicals Strategy*, according to Marco Mensik, director general of the European Chemical Industry Council (Cefic). He warns that some speciality chemicals may disappear from the supply chain altogether due to costs. If the UK and EU fail to agree a trade deal by 31 December, it could add around €1.5 billion in annual tariffs. The EU's Reach registration system for chemicals will also have to be duplicated in the UK, adding more costs. Steve Elliott, head of the Chemical Industries Association in the UK, points out that a "no-deal" Brexit will hit areas of northern England particularly badly and that that the chemical industry is the "UK's number one manufacturing exporter".

ft.com, 13 October 2020 (Foster and Pooler)

Cornish Lithium exceeds crowdfunding target

Cornish Lithium, a start-up mining company, said last month that it had discovered a "globally significant" grade of lithium in Cornwall. Now it has raised nearly £4m, more than twice its target, in a crowdfunding campaign. As well as the lithium deposit near Redruth, it is exploring deposits in rocks near St Austell and aims to look for other electric vehicle battery metals, such as cobalt and copper. Britain currently has no native supply of lithium, but Jeremy Wrathall, founder of Cornish Lithium, believes that Cornwall could supply Britain with all it needs.

thetimes.co.uk, 13 October 2020 (Gosden)

Media

Film

UK cinema admissions lowest on record

This year UK cinemas admissions are expected to plummet to their lowest level since records began in 1928, with the pandemic effectively reducing box office sales by nearly £1 billion. Box office takings are predicted to fall by 73% to £334m. British cinema-goers are expected to clock up 40m to 44m attendances by the end of the year, well below the previous low of 53.8m in 1984. This year has seen cinemas deprived of Hollywood blockbusters which are needed to attract movie-goers back to the big

screen, while studios are reluctant to premiere big-budget films that might not get the audience they want.

[theguardian.com](https://www.theguardian.com), 12 October 2020 (Sweney)

Games

UK games industry almost back to normal

According to Dr Jo Twist, CEO of Ukie, the games industry trade body, productivity in the UK games industry is "almost back to normal". She was speaking at Animex 2020, an international festival of animation and games. The games industry is worth \$140 billion globally and £2.8 billion to the UK economy. It is dispersed around the country, with 55% of games development jobs being located outside London and the South-East. Twist says that the games industry was operating at 80% to 90% productivity during the height of the pandemic.

prolificnorth.co.uk, 8 October 2020 (Chapman)

Silicon Spa – the Leamington games hub

Royal Leamington Spa in Warwickshire has become a significant hub for the UK video games industry with one in 50 people working for a games developer and 500 more jobs expected to be created over the next two years. The presence of two local universities and Jaguar Land Rover has had a beneficial effect. "Silicon Spa" has a reputation for making both physical cars and games about cars. There are hopes that the town can draw investment away from London, which receives more investment and job opportunities in tech than the rest of the country put together. "Places like Leamington can really help decentralise the UK economy", says Jordan Erica Webber, a games journalist and resident of the town.

[Wired](https://www.wired.com), November 2020, pp30-31 (Kersley)

Social media

Climate denial ads rife on Facebook

Climate denial ads on Facebook have been viewed by at least eight million Americans in the first half of the year, according to a report from thinktank InfluenceMap. The report coincides with the launch of Facebook's Climate Science Information Center, a fact-checking program. Yet only one of the offending ads has been removed by Facebook, despite the network employing fact checkers and banning false advertising. Brands, such as Uber and Samsung, have been caught up in the controversy by being placed alongside climate change denying videos. A study by Edelman has found that 69% of the public think advertisers should not appear on platforms that share "misleading information".

thedrum.com, 8 October 2020 (Glenday)

Television

Exposure to TV ads up during lockdown

TV viewers were exposed to 15.6% more ad time during the height of the pandemic in the UK, despite the dramatic decline in travel, cinema and hospitality advertising. This was due to a 20% rise in TV viewing hours during the period from 16 March to 2 May, according to the ASA. TV viewing increased for all age groups, including an 18.3% increase among ten to 15-year-olds. Although some ad sectors suffered, there was a rise in exposure to government and social campaigns, food-related ads, and increased responsibility messaging from supermarkets. This article includes graphs comparing TV viewing before and after lockdown and average hours watched per week for 2018 to 2020.

campaignlive.co.uk, 9 October 2020 (Oakes)

Packaging

Children's packaging design preferences

Packaging is an important strategic communication tool but has a particularly strong influence on children's preferences and buying decisions. This study examines children's preferences for packaging design in relation to the visual attributes of the package design. The study, which was based on children in the US aged from three to 12, found that their preference for curved packaging increased with age while their preference for figurative packaging tended to follow an inverted "U" pattern, depending on the subject matter. The results also showed a positive relationship between age and a preference for more complex design. There are some interesting results for marketers and designers!

[Journal of International Consumer Marketing](https://www.journalofinternationalconsumermarketing.com), Vol 32(5), October-December 2020, pp416-434 (Zhang)

Personalised packaging

Personalised packaging has become increasingly popular, with campaigns such as Coca-Cola's "Share a Coke" – involving labels with the message "Share a Coke with..." plus the person's name – being highly successful. When the campaign was launched in the US in 2014, the company enjoyed its highest year-on-year growth (over 19%). In a 2018 study from Packaging Innovations and ThePackHub, 66% of packaging professionals said they were currently implementing or considering personalised packaging with 87.9% saying it increased consumer engagement and 86.1% brand awareness. The CAGR of the global personalised packaging market is expected to be 5.1% between 2017 and 2025.

ama.org, 6 October 2020 (Steimer)

Retailing

Retail – 20% of all digital adspend for 2020

Retail will be the largest spender on digital ads this year, with lockdown consolidating its position. Retail

sector digital adspend is expected to reach £3.02 billion, up by 8.4% on 2019, giving it a fifth of all digital adspend in the UK. "The pandemic has unequivocally altered the retail landscape in the UK," according to Bill Fisher, author of the recent report: *UK Digital Ad Spending by Industry 2020*. UK retailers have had to accelerate their shift to e-commerce to survive while those reliant on physical locations, such as Debenhams, have been closing stores. Retail is expected to be a particularly strong spender in mobile and social advertising, with 77.1% of retail digital adspend going on mobile ads. Retail's social adspend will account for 23.2% of total social adspend.

emarketer.com, 8 October 2020

Christmas shopping starts early

Retailers saw their biggest monthly sales rise in a decade in September. The BRC-KPMG sales monitor reveals a sales rise of 5.6% last month compared with a decline of 0.6% in September 2019. Sales of electronics, household goods and home office products have been strong thanks to home working. Retailers are also seeing signs that people are starting their Christmas shopping earlier this year, says Helen Dickinson, BRC's CEO. Nevertheless, non-food store sales, are still seeing a double-digit decline. According to data from Barclaycard, consumer spending rose by 2% in September, with a 15.4% rise in supermarket spending.

marketingweek.com, 13 October 2020; thetimes.co.uk, 13 October 2020 (Jones)

UK retail footfall in decline again

UK retail footfall fell by 28.2% in the five weeks from 30 August to 3 October 2020, according to data from Springboard. Footfall continued to rise in September, though to a lesser extent than in August. However, the high street suffered most from the effect of the compulsory 10pm closures in the hospitality sector, with footfall falling from -34.3% to -39.4% in the second half of September.

marketingweek.com, 8 October 2020

Services

Greene King to close 79 sites

Greene King is to close 79 of its sites with the loss of 800 jobs and the expectation that around a third of closures will be permanent. The company is one of the largest hospitality firms in the UK, with 3,100 pubs, restaurants and hotels. This follows a warning from Fuller's that around a tenth of its 5,000 employees could be made redundant. Young's and City Pub Group have also warned of redundancies once the furlough scheme ends.

business-live.co.uk, 7 October 2020 (Ford)

Royal Mail promotes Click & Drop

Royal Mail aims to make the most of the rise in internet shopping by promoting its Click & Drop service for sending parcels. The ads, which use the line, "Postage that fits around you", seek to raise awareness of the service among marketplace sellers, SMEs and consumers. Royal Mail has even devised a catchy government-style three-word slogan: "Buy, Print, Drop". The boom in online shopping has boosted the company's fortunes: in the five months to 30 August it delivered 177m more parcels (up 34%) year-on-year. This follows a significant decline in letter volumes and revenues.

decisionmarketing.co.uk, 8 October 2020

Transport and travel

EV guide for London businesses

Energy UK, the trade association for the British energy industry, has launched a guide to help fleets and businesses in Greater London to use electric vehicles (EVs). *Connecting Your Fleet* offers advice on the impact of EV charging as well as costs and the complexity of upgrades. It also brings together other resources for helping businesses understand the options and includes case studies of London businesses who are already using EVs in their fleet. Although the guide focuses on Greater London, its principles can be applied across the UK. The fleet sector currently accounts for 80% of all battery EVs purchased.

energy-uk.org.uk, 8 October 2020; <https://www.energy-uk.org.uk/publication.html?task=file.download&id=7646>

Electric car sales up due to EU regulations

One in ten new cars sold in Europe this year are expected to be electric or plug-in hybrid, according to Transport & Environment (T&E), a green policy group. Car makers are racing to comply with new EU emissions standards due to take effect next year. Carmakers must reduce their average vehicle emissions to 95g of CO₂ per kilometre or face heavy fines. Several carmakers are trailing behind, which means they will need to speed up their EV sales or purchase credits from a competitor, according to T&E. Some carmakers, such as VW, have been slowed down by the pandemic and are behind with their targets. The market share of electric cars is predicted to reach 15% next year.

ft.com, 12 October 2020 (Campbell)

Written by CIM's Knowledge Services Team

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Cutting Edge: Our weekly analysis of marketing news

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