

Cutting Edge: Our weekly analysis of marketing news

11 November 2020

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

Quick [links](#) to sections

Marketing trends and issues

Advertising

Protecting seasonal slogans

The run up to Christmas sees the arrival of seasonal ads and products from various brands, but there is a legal side to seasonal advertising which businesses should be aware of. For example, TV and internet ads are often accompanied by Christmas jingles based on a well-known piece of music which may require the owner's consent. However, seasonal slogans can be registered as trade marks to protect against an identical or "confusingly similar" slogan. Over time slogans can acquire a distinctiveness that is associated with a brand in the mind of the consumer. Nestlé demonstrated that the expression "Have a break" is sufficiently well known to be a distinctive trade mark through being associated with KitKat. Every seasonal slogan will need to be considered according to individual characteristics.

lexology.com, 4 November 2020 (Osipovich)

Christmas campaigns – reality vs escapism

The announcement of a second lockdown in England coincided with the start of the Christmas advertising season when brands and agencies start to ramp up their activity, the so-called "Super Bowl moment". The first batch of seasonal ads shows how brands have had to take a guess and "hope for the best". While M&S has decided to abandon TV advertising for its clothing and home ranges, most of the other major advertisers appear to be going ahead. Some ads are acknowledging the reality of the situation: Asda's festive ad concedes "I guess Christmas is going to be different this year", while TK Maxx is thought to have struck the right tone with its little goat wearing a designer outfit, the farmer remarks: "She's had such a hard year. She bloomin' well deserves it". The ad is humorous and a brand that

amuses people is likely to stand out. Overall, people welcome the entertainment provided by Christmas ads, maybe this year more than ever! We await the much-anticipated John Lewis ad...

campaignlive.co.uk, 5 November 2020 (Kiefer)

Agencies

Start-ups challenge agency model

The pandemic and the economic recession have triggered a raft of agency start-ups which could challenge the existing agency model. In October there were no less than six high-profile agency launches. Alex Burton, who oversees the IPA's Accelerator programme for new agencies, reports seeing "a huge amount" of start-up activity. There may be two motivations for starting an agency. There are those who want to work for themselves and those who have been forced into the decision, according to Victoria Fox, CEO of AAR. Many clients are keen to work with start-ups, especially if they are under financial pressure and don't want to pay the overheads of an established agency. Recent start-ups seem to be keen to disrupt the traditional agency model. The successful ones will be those that, "can meet a true gap in an industry embattled by this year's crisis" says Fox.

campaignlive.co.uk, 3 November 2020 (Kiefer)

Ad budgets and the second lockdown

The announcement of a second lockdown in England has been met with concern by the creative industries. It comes at the "most critical point in the biggest quarter of the year for advertisers, agencies, media owners and tech companies", warns the Advertising Association. Even before the lockdown, marketers were experiencing budget cuts with Christmas ad spend forecast to be down by £725m. Here *The Drum* asks media buyers which clients will continue spending and which sectors (retail, travel,



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www.cim.co.uk/membership/cpd/

luxury and hospitality) will be reassessing their adspend. Jeremy Hine, CEO of MullenLowe Group UK, says marketers should “keep pushing on with projects already in the pipeline”. However, Ciaran Deering, co-owner of The Grove Media, believes that the decline, “won’t come as a surprise to many UK agencies who have had the difficult job of forecasting client spend this year”.

thedrum.com, 3 November 2020

Brands and branding

Choosing a colour – place it in context

Up to 90% of first impressions about products can be based simply on their colour. Colour can reflect a consumer’s functional or emotional expectations of a brand or product, so being able to predict consumer reactions to a colour is more important than the colour in isolation. When choosing a colour, it is therefore important to question expectations of it in terms of the experience of the brand or product. Colour can trigger subconscious reactions and convey personality. Colour perceptions and preferences can also be dictated by culture and experience. Ultimately, the right colour can differentiate the brand. After all, if it isn’t noticed, it won’t be remembered!

ama.org, 6 November 2020 (Jura)

Children

ICO reopens personal data business support

The ICO is to relaunch its free service for supporting organisations that use personal data to develop products and services. The regulatory sandbox will help organisations to understand how they use personal data so that they don’t breach data protection law. The ICO is currently accepting applications from all organisations including start-ups, SMEs and the public and voluntary sectors. Applicants are invited to submit projects focusing on children’s privacy or data sharing, or relating to the implementation of the Age Appropriate Design Code.

lexology.com, 22 October 2020 (Bartley);

<https://ico.org.uk/about-the-ico/news-and-events/news-and-blogs/2020/08/children-s-privacy-and-data-sharing-in-focus-as-regulatory-sandbox-re-opens/>

Kids’ increased screen-time likely to remain

At a time when lockdown and home schooling have kept children at home, many parents seem to be resigned to their kids spending more time in front of screens, according to research. A poll conducted by OnePoll in August and September found that around seven in ten parents of school-age children said they were “helpless” when it came to reducing screen time. A Harris Poll conducted in August came up with similar findings: almost seven in ten parents said that screen time had increased, with 60% saying they had “no choice but to allow it”. An August poll by Morning Consult found that parents

are getting used to the increased screen-time, with 40% agreeing that they view kids’ usage of technology and devices more positively than before; just 10% said they viewed it negatively.

emarketer.com, 4 November 2020 (Dolliver)

Conferences and events

Consumer seating preferences

In the current environment, choosing a seat in a movie theatre might not be something a consumer has much control over. Yet, in normal circumstances there are a variety of motivators for picking a particular seat. To optimise their business outcomes, such as revenue and occupancy rates, event venues should take various actions to accommodate consumer preferences. In a recent *Journal of Marketing Research* article (Blanchard *et al*), the researchers developed a management approach to help operators make better seat-design decisions based on consumer preference variables. The authors’ approach is illustrated through four experiments to show how the model can optimise performance outcomes. Event operators are advised to expand their data collection beyond just ticket sales to include consumers who didn’t buy tickets. The authors have also commented on the implications of the pandemic on their research.

ama.org, 30 October 2020 (Holle and Sidaoui)

Virtual events company scales up fast

Hopin, a UK-based virtual events company, has become one of the fastest-growing start-ups ever, having gone from just four employees at the start of 2020 to over 200 employees in 38 countries and a valuation of \$2 billion. Its rate of expansion, not surprisingly, has received a boost from the coronavirus. Hopin aims to recreate every aspect of a physical meeting online, including keynote presentations, exhibitor booths and breakout sessions. Unusually for a fast-growing start-up, Hopin is profitable. It has also been able to grow quickly by scaling up a remote workforce faster than other start-ups that have had to look for office space. Investors seem confident that Hopin has created a new market for online events which could eventually be a hybrid partner to real-world events.

ft.com, 10 November 2020 (Bradshaw)

Consumer behaviour

The nature of ownership is changing

Consumption of goods and services is shifting from the ownership of private material goods to the temporary purchasing or sharing of items, such as car-sharing services, while other goods are becoming digital. An article in the *Journal of Marketing* suggests that consumption is moving in two directions: firstly, there is the shift from legal ownership (consumers buy and consume their own private goods), to temporary access to goods and services that others own; secondly, there is the

move from consuming “solid material” goods to “liquid experiential” goods. However, the reduction in ownership (the feeling that something is “Mine”) could have negative consequences for both consumers and businesses. The authors suggest that consumption changes could have three effects on psychological ownership and create a framework across three macro marketing trends. As well as showing how each trend erodes psychological ownership, it illustrates new opportunities.

ama.org, 29 October 2020 (Morewedge et al)

Customer relations

Sales – information symmetry vs asymmetry

These days, buyers have access to huge amounts of information which can make them as well-informed about a product as the seller, something called “information symmetry”. Some sectors have responded to this by turning to aftermarkets for their profits. These are product and service add-ons which might include finance, service or maintenance. Here sellers can retain a degree of information advantage or “asymmetry”. The authors contend that symmetry at the front end (main product) provides an opportunity to build trust since the customer can verify the information given to them by the seller. A study in the automotive market also shows that this can lead to significantly more spend in the aftermarket.

Journal of Marketing Research, Vol 57(6) December 2020, pp1076-1094 (Atefi et al)

Improving the consumer AI experience

Consumers interact with AI on a daily basis through devices such as Fitbit. Although AI can improve consumers’ lives, their experiences could be undermined by a failure to integrate behavioural insight into technological developments. An article in the *Journal of Marketing* aims to reconcile the two perspectives. The authors start by creating a framework that presents AI as an ecosystem with four capabilities: data capture, classification, delegation and social. They then look at the consumer experience of these capabilities and the tensions involved. They recommend steps that firms can take to design improved consumer AI experiences.

ama.org, 22 October 2020 (Puntoni et al)

Fast food digital menu boards

Digital menu boards incorporating “predictive selling” technology are being introduced at 10,000 drive-thrus across the US and Canada. Customers of Burger King, Tim Hortons and Popeyes will receive promotional offers based on their order history and other factors, such as the weather and time of day. The technology can “dynamically learn” ordering habits and trending items for your location, says parent company Restaurant Brands International. Customers scan their loyalty cards to receive menu

suggestions and rewards. Users can order and pay at the same time using contactless payment.

nfcw.com, 2 November 2020 (Phillips)

Law

ICO publishes enforcement against Experian

Last month the ICO published an enforcement notice against Experian for breaching the data Protection Act 2018. This means that Experian will have to make significant changes to its offline direct marketing. It follows a two-year investigation into Experian, Equifax and TransUnion’s use of personal data (See also Cutting Edge 4 November). The credit reference organisations had been using the data to allow commercial organisations, political parties and charities to target customers without the data subjects’ knowledge. All three had made changes to their marketing practices but the ICO found that Experian had not gone far enough. Experian intends to appeal. Information commissioner Elizabeth Denham said that the data broking sector had acted without, “consideration for transparency, giving millions of adults in the UK little or no choice or control over their personal data”.

lexology.com, 29 October 2020 (Hunton Andrews Kurth LLP)

Fake news and the Code of Practice

The Code of Practice on Disinformation was a voluntary initiative signed by Facebook, Google, Twitter, Mozilla and the ad industry in 2018. Since then others have signed up to it. It sets out commitments for preventing the spread of online disinformation and fake news. It has also been a way of avoiding the threat of compulsory legislation. Despite this there has been a deluge of fake news and conspiracy theories on social media since the start of the pandemic, which the WHO refers to as an “infodemic”. In September the EU concluded that the self-regulatory nature of the Code does not result in greater protection for users. By the end of the year the European Commission expects to deliver a European Democracy Action Plan and a Digital Services Act package. This article looks at the Code of Practice; to what extent self-regulation has worked; and the future of fake news.

lexology.com, 5 November 2020(Briggs)

Marketing

The radical marketing organisation

“The traditional B2B marketing function has been dead for a while”, argues the author. Customer behaviours and preferences have changed over the past decade, digital has become more prevalent and the importance of customer experience as a differentiator has become clear. Marketing has been the first to adopt new methods of customer engagement and to embrace new channels. One of the key roles of marketing is to help other business functions deliver “exceptional” value to customers

yet many B2B marketing teams are failing in this. "The Radical Marketing Organisation" is the answer for many of the skill-gap problems facing B2B firms. It provides a framework for creating a more relevant and effective marketing function and to help organisations to retain talent.

ama.org, 7 October 2020 (Sawhney)

The four Ps revisited

It is possible that those who haven't done any formal marketing training may not have heard of the four Ps of marketing (product, price, place and promotion). The four Ps help marketers to answer questions such as: how the product meets customer needs; where customers are looking for the product; the value of the product; and differentiating it from competitors. Considering these four aspects will help marketers to implement the right strategy for reaching customers. As well as describing the four Ps, the author offers four marketing mix templates for organising initiatives.

blog.hubspot.com, 30 October 2020 (Riserbato)

Marketing myopia and what to do about it

Marketing myopia is defined as a business's "short-sighted approach to marketing" and is a phrase first coined by Theodore Levitt in 1960. He argued that many businesses fail because they produce a product that they think will suit the customer rather than producing something the customer actually wants. His theory is often thought to mark the beginning of modern marketing. This article explains why marketing myopia happens; offers some key lessons; includes an explanation of "step-child" treatment (treating customers as their step-child); and thinking about the future of the business as a business vision rather than focusing on specific goals. It concludes with a reminder that one should maintain a constant understanding of the customer.

einsteinmarketer.com, 2 November 2020 (Barney)

Market research

Customer experience metrics

Customer experience (CX) has become a top priority for businesses but not enough is known about its true meaning and its link to company performance. Many argue that market researchers are over-reliant on measurements of CX, such as service quality and customer satisfaction, which have little relationship to customer behaviour. Some experts have put forward new measures, such as CX quality (EXQ) and the wallet allocation rule (WAR). This study compares customer satisfaction with EXQ and WAR to discover which can best explain and predict customer behaviour. The results suggest that CX quality is a better predictor of consumer behaviour than customer satisfaction. However, there is a negative relationship between CX and share-of-wallet, which is counterintuitive. Suggestions for this

finding are proposed as well as its implications for market researchers.

International Journal of Market Research, Vol 62(6) November 2020, pp673-688 (Imhof and Klaus)

Channel abundance and insights

This article, in two parts, focuses on the growing number of communications channels and what they mean for insights. Part one looks at trends in sales and communications channels which have led to a "channel abundance". It makes three key predictions: individualised data driven sales and marketing will intensify; purchase decisions will become more driven through social media and digital assistants; and the Internet of Things and wearables will intensify. Part two looks at how channel abundance will affect the future consumer landscape, and the implications for consumer understanding and consumer insights professionals.

researchworld.com, 6 November 2020 (Koornstra et al);
researchworld.com, 9 November 2020 (Koornstra et al)

Public relations

From negative perception to opportunity

The video gaming industry has over three billion players worldwide but it has many critics, particularly those concerned about children becoming addicted or being exposed to violence depicted in games. The Entertainment Software Association (ESA), which acts as the voice of the US video game industry, knew that it would have to do something to counter negative perceptions of the industry. In February, Andrew Bowins, the ESA's SVP of comms and public affairs, decided to partner with Ketchum PR to launch a campaign called Game Generation. It had four main objectives, which included improving policymakers' perceptions of the industry. The results proved positive even among detractors and the campaign engaged over 400m people. Here's how the ESA went about changing perceptions.

prdaily.com, 5 November 2020 (Madhavan)

Sponsorship

Sports marketing shifts to social causes

A number of sports personalities have seen a marked increase in their social media followings after they have used the platforms to promote social causes. Marcus Rashford's high-profile campaign for free school meals resulted in a 65% growth in his Twitter following. According to Nielsen, 50% of posts from Marcus Rashford, Lewis Hamilton, Naomi Osaka and Megan Rapinoe have referenced a social cause, such as diversity and equality. In general, people have more interest in brands that behave in a socially responsible way. In the future, it is likely that brands will align their marketing strategies to support social causes, says Samantha Lamberti of Nielsen Sports. Brands will also work closer with athletes to ensure that they have similar values and

beliefs so that they are perceived as authentic by consumers.

sportspromedia.com, 4 November 2020 (Carp)

Agriculture, fishing and forestry

Any farmer willing to grasp the nettle?

A start-up manufacturer of drinks made from nettles is looking for a farmer who is prepared to grow a field of nettles. Nuisance Drinks, based in Edinburgh, has launched a sparkling nettle pressé this year. Founder, Hugo Morrissey, currently forages for his nettles, but is looking for a farmer “crazy enough” to grow a field of them, as demand for his drinks increases. David Lawson, a grass specialist at Scotland’s Rural College, says that nettles could become a commercial crop but the challenge is to overcome the cost of establishing a commercial process to create a market.

farminguk.com, 6 November 2020

Will US farmers adopt buffers for CO₂ credits?

In the US, conservation managers would like livestock farmers to plant more “riparian buffers”, an expression used to describe trees and shrubs planted beside creeks and streams which help prevent erosion, filter out nitrogen and help prevent floods and wild fires. Buffers also help to store carbon, thereby reducing greenhouse gases, and there is potential for them to produce farm income through carbon credits. It could be hard to persuade US farmers to plant trees and, as yet, there is no formal market for farm-generated carbon credits. However, Rajat Panwar, business sustainability professor at the Appalachian State University in North Carolina, expects the market to emerge quite quickly as companies work towards their carbon-neutral pledges.

theguardian.com, 10 November 2020 (Nargi)

Building industry

Construction – a mixed picture

Construction activity registered a score of 53.1 for October, according to the latest IHS Markit/CIPS index, albeit down from the 56.8 recorded in September. Housebuilding was the best-performing sector (62.4), with survey respondents citing pent up demand and better housing market conditions as contributing factors. Commercial activity saw weak growth (52.1) while civil engineering activity continued to decline (36.4). In October construction companies saw an increase in new orders, the highest since December 2015, but the rebound in activity has increased pressure on the supply chain. Overall, construction companies are optimistic about the next 12 months, despite concerns about the economy. Around 45% of respondents thought there would be a rise in output during the coming

year, with just 14% forecasting a reduction.

constructionindex.co.uk, 5 November 2020

Freelance trades up by 7% in October

Hudson Contract, construction’s biggest payroll company, is predicting a rise in employment amid an increasing demand for workers. MD Ian Anfield says that demand for skilled workers is outstripping supply. This is despite a Construction Leadership Council survey predicting that specialist contractors were preparing to reduce their workforces. Hudson says month-on-month earnings have risen by 1.7%, with the best-performing regions being the East Midlands (up 8.9%) and the East of England (up 4%). However, Anfield admits that the outlook for 2021 is less certain.

constructionenquirer.com, 5 November 2020 (Morby)

Businesses and strategy

Managing political risk

For some time, analysts have been arguing that political risk has replaced economic risk as the main area of uncertainty even in developed markets. The pandemic may have magnified economic risk, but political risk is still here and likely to grow in the face of global economic problems. The author argues that political risk is now a mainstream concern and should be treated like any other key success or failure factor for business. Executives don’t have to be geopolitical experts but they should understand the landscape because they have to balance a wide range of complex interests.

managementtoday.co.uk, 2 November 2020 (Landsman)

The 5Ps of purpose

Purpose defines a company’s reason for being. Winning companies are driven by purpose and achieve more as a consequence. A superficial approach to achieving purpose simply doesn’t work and can lead to accusations of “purpose-washing”. By contrast, those that have a genuine purpose give out an air of authenticity which stakeholders recognise. This article describes a framework, called the “5Ps”, which can be used to make purpose real and “unlock meaningful value”. The 5Ps are defined as: portfolio strategy and products; people and culture; processes and systems; performance metrics; and positions and engagement.

mckinsey.com, 5 November 2020 (Leape et al)

Want gender equality? Call yourself Peter!

We are far from achieving gender equality in the workplace, as a new report from Equileap shows. An analysis of 100 major Dutch firms, including Unilever, Shell, ING and Heineken, found that women are underrepresented at all levels. This is particularly apparent in executive teams where just 14% are female; while 51% don’t have any women at this level. Globally the situation doesn’t improve

much, with only 10% of these companies having gender-balanced boards and 6% gender-balanced executive teams. The report highlights the fact that more CEOs are called Peter (five) in Dutch companies than there are female CEOs (just four)!

corporate-rebels.com, 8 November 2020 (Pim)

Charities and NGOs

Face-to-face fundraising and reputation

Not-for-profits often use face-to-face street fundraising as a way of gaining donors. The authors conducted research into how face-to-face street fundraising impacts organisational reputation and stakeholder support compared with fundraising by letter. They discovered that street fundraising has a "significant negative" influence on stakeholders' perceptions of the organisation. Qualitative data suggest that this negativity derives from perceived pressure, distrust and intrusion. The study concluded that there are long-term reputational consequences for non-profit organisations of face-to-face street fundraising and that they should consider their fundraising methods carefully.

International Journal of Nonprofit and Voluntary Sector Marketing, Vol 25(4) November 2020, pp1-8 (Waldner et al)

Building engagement strategies

Trust in all types of organisations has been in decline for some years and even NGOs are trusted by only 47% of people. Charities have been battered by the media as well as being restricted by new legislation such as the Lobbying Act (2014) and GDPR (2018). These and other external forces mean that charities can no longer rely on operating in the same way that they always have. While some are trying to change the way they communicate and engage, others have failed to respond to the new forces at play. In the second part of the introductory chapter to his new book, *Who Cares? Building audience-centred engagement strategies in the non-profit sector*, Joe Barrell introduces the principles of good engagement strategy.

charitycomms.org.uk, 3 November 2020 (Barrell);
charitycomms.org.uk, 6 November 2020 (Barrell)

Economy

Economic effects of Covid-19 on consumers

The latest *Global Consumer Trends: The Economy* report from Dynata, looks at major changes taking place around the world in the lives of consumers. The number of people who feel that they are just as productive or more so when working at home has risen to 70%, up by 8% since April's survey. More than half of respondents were concerned about their financial situation, although this has also fallen for most countries since April. The grocery, personal care products and household items sectors have, not surprising, seen the highest growth in online

shopping, with each rising by 7% since Spring 2020. The clothing, footwear and electronics sectors have enjoyed the highest online share of expenditure. Other areas covered by the report are: attitudes to the Gig Economy, the shift from cities, and children's remote learning.

researchworld.com, 5 November 2020 (Burge)

Education

New type of university launches next year

A new type of higher education institution is to open next autumn in London. The London Interdisciplinary School claims to be the first new institution since the 1960s with the power to award full UK degrees from the outset. Part funded by the UK Government, students will take a degree course that looks at global issues, such as climate change, as well as studying multiple disciplines. Ed Fidoe, one of the founders, says it won't replicate the model of a traditional university. Instead it will focus on real-world problems so that graduates are more attractive to employers. While traditional universities tend to focus on innovative research, there has been little change in what they offer students so this could be a bit of a disruptor...

bbc.co.uk/news, 29 October 2020 (Coughlan)

Concern over UCAS admissions proposals

Proposals by UCAS, the university admissions service, could see a radical overhaul of the admissions system. It has suggested that sixth formers could apply to university using their actual grades or that the whole application process could be moved back beyond results day so that university starts in January. The latter is unlikely to be popular with universities or government since the UK would be out of step with the rest of the world. There are also concerns that the English system would diverge from the other nations of the UK. This is just one in a long history of attempts to shift England to a post-qualification admissions system. Universities UK has been working with the Office for Students on its own review into admissions.

theguardian.com, 9 November 2020 (Weale)

Energy and utilities

Renewables to overtake coal by 2025

A new International Energy Report (IEA) says that renewable electricity installation will reach a record high this year, with nearly 90% of new electricity generation being renewable. Just 10% of electricity will be powered by gas and coal. By 2025 renewables will become the largest source of electricity generation worldwide and will supply a third of the world's electricity, according to Fatih Birol, IEA executive director. This will effectively end coal's 50-year dominance of energy.

theguardian.com, 10 November 2020 (Carrington);
<https://www.iea.org/reports/renewables-2020>

Robot – a new generation of blade inspectors

A robot has undertaken a blade walk on an offshore wind turbine off the coast of Scotland. The BladeBUG is part of a £1m-collaboration with ORE Catapult, which is partly funded by Innovate UK. The initiative is expected to reduce the cost of blade inspection techniques on windfarms by 30% which in turn could lead to savings of up to 50% on next-generation wind turbines.

[energyvoice.com](https://www.energyvoice.com), 5 November 2020 (Penman)

Environment

Why do corporations delay climate action?

Why do organisations have to be pushed (through legislation) into becoming more environmentally friendly? It is almost certainly because they are wary of rising costs and shareholder demand for high RoI. With new climate legislation on the horizon, many companies are promising to achieve zero carbon. This means that they can either design new products for a greener future or “cease to exist”. While corporations have not traditionally built their businesses on altruism, companies tend to change in line with consumer buying habits. Sustainable products accounted for over 50% of all CPG growth between 2013 and 2018, a trend that is likely to continue as Gen Z gets more buying power. In addition, products marketed as sustainable can grow 5.6 times faster than those that are not. The authors, co-founders of Impact Snacks, a healthy, environmentally-friendly snack option, describe the development of their product.

[sustainablebrands.com](https://www.sustainablebrands.com), 9 November 2020 (Nobile and Oliveri)

Oil spills – a hairy proposition

An estimated 4,000 tonnes of hair waste is produced by hairdressing salons in France every year. Now French start-up Capillium is recycling the waste hair and using the keratin in it to help the environment. Keratin is a protein that absorbs oil and is capable of absorbing eight times its weight in oil or hydrocarbons, according to James Taylor, Capillium’s co-founder. It can help with water and soil decontamination, agriculture and skincare research. It could even be used to help clear up ocean oil leaks. In October Capillium offered free haircuts to all employees at the Palace of Versailles so that it could benefit from the hair recycling opportunity!

[energylivenews.com](https://www.energylivenews.com), 9 November 2020 (Mavrokefalidis)

Fashion

How the industry is changing

This year many fashion designers have had to cancel their shows which means that there were no buyers to place orders or commentators to create excitement about new trends. The \$2.5 trillion global fashion industry has been hit hard by the

pandemic, with McKinsey predicting that the sector will contract by up to 30% this year. However, some industry experts believe that this could be a chance for the sector to “reset itself”. Some designers have started selling products online so that they can cultivate a more direct relationship with their customers. Others are looking at building more ethical and sustainable supply chains. As part of its *Shape of Tomorrow* series, Fast Company asks four fashion industry experts how they see the future.

[fastcompany.com](https://www.fastcompany.com), 30 October 2020 (Segran)

Marc Jacobs vs Nirvana – who will lose face?

In the 90s, T-shirts carrying Nirvana’s “smiley face” logo were all the rage. But now the band is facing a copyright battle with fashion designer Marc Jacobs, who claims that the logo wasn’t designed by Nirvana’s Kurt Cobain or any other member of Nirvana. Jacobs says that his shirts, which feature a similar smiley face, do not infringe copyright. This case has been carrying on for some years after Nirvana sued Marc Jacobs in 2018 for a shirt with a similar face on it. Now it is claimed that the creator of the T-shirt was art director Robert Fisher, not an employee of Nirvana at all.

[creativebloq.com](https://www.creativebloq.com), 9 November 2020 (Piper)

Clarks in rescue plan

Clarks, the struggling footwear brand, is to be rescued in a £100m deal with Hong Kong private equity group LionRock Capital. Clarks has been in the same family that founded it 195 years ago, but now the family will lose control. The company, which has 320 stores, aims to keep them open but pay no rent on 60 of them as part of a CVA involving landlords.

[marketingweek.com](https://www.marketingweek.com), 5 November 2020

Financial services

The new Financial Services Bill

This House of Commons Library briefing looks at the Financial Services Bill 2019-21 which was introduced in the Commons on 21 October and had a second reading on 9 November. The Bill amends existing laws on financial services in 17 areas. These are summarised here, grouped under three stated objectives which are to: “enhance the UK’s world-leading prudential standards and promote financial stability; promote openness between the UK and open markets; and maintain an effective financial services regulatory framework and sound capital markets”.

commonslibrary.parliament.uk, 5 November 2020 (Shalchi et al)

Digital bank apps – onboarding deters people

This year almost two-thirds (63%) of European consumers have abandoned a digital bank application during the onboarding process compared

with 40% last year. This is according to *The Battle to Onboard 2020* report from Signicat, which reveals that 26% of consumers find financial service onboarding processes “difficult” while 69% say they “consider mobile-first providers to be better than more traditional providers”. Nevertheless, the number using a mobile-first financial service has risen from 30% in 2019 to 47% in 2020. While institutions have improved their onboarding, “customer expectations continue to outpace reality”, says Signicat CEO Asger Hattel. The survey covers seven European countries including the UK.

[nfcw.com](https://www.signicat.com/battle-to-onboard), 4 November 2020 (Phillips);
<https://www.signicat.com/battle-to-onboard>

FMCG

Beverages

Hard seltzers arrive in the UK

Hard seltzers, a popular drink in the US, have come to the UK. The market is still quite small and the battle is on to see who can become the biggest brand. Total sales over the past year have been just £4.3m compared to US sales of \$2.7 billion in the 12 months to June, according to Nielsen. This means that the opportunities in the UK are huge. Michael Scantelbury, founder and director of agency Impero, suggests that the market is likely to resemble the beer category with players like Brewdog occupying the craft market alongside hero brands, niche brands, small players and local brands. This article explores how the UK market might shape up.

campaignlive.co.uk, 3 November 2020 (McGonagle)

Cosmetics and toiletries

Virtual make-up – live video

L’Oréal Paris has created a digital tool which will allow social media users to try out different looks on Google Duo, Snapchat and Instagram. L’Oréal’s “Signature Faces” tool uses augmented reality combined with live videos of the buyer. The make-up industry has suffered during the pandemic because it relies on people trying on products in person, and it is estimated that the sector could lose 30% of annual revenue this year. Increasingly it will have to find ways of reaching consumers virtually.

netimperative.com, 5 November 2020

Food

Custard and gravy – a boost for comfort foods

Premier Foods has reported strong results in the six months to September with profits up by 50% to £47.7m. It attributes this to the “exceptional demand” during lockdown for brands such as Bisto, Ambrosia, the custard maker, and Mr Kipling’s cakes, as people turned to comfort foods and “brands they recognise and trust”.

bbc.co.uk/news, 10 November 2020 (Marston)

McDonald’s to launch McPlant burgers

Next year McDonald’s is to launch a range of plant-based burgers, chicken and breakfast sandwiches called McPlant. It has previously trialled a plant-based burger in Canada in collaboration with Beyond Meat. The market for meat alternatives could be worth \$140 billion by 2029, according to a Barclays Bank forecast. However, McDonald’s has been late to the table, since other fast-food chains (Burger King and Dunkin’ Brands Group for example) have already introduced plant-based burgers.

bbc.co.uk/news, 10 November 2020

Beyond Foods – unedifying results?

Separately, the *FT* reports that Beyond Meat, maker of meat alternatives, has achieved just 3% revenue growth for Q3 results. While founder Ethan Brown attributes the slowdown to the unpredictability of the coronavirus, the company also faces competition from start-ups like Impossible Foods and traditional food companies such as Nestlé. Rather than this being a supply and demand problem, it appears that Beyond Meat’s inventory is mounting up, which means either that it is expecting a leap in sales or that there is a lack of demand...

ft.com, 10 November 2020 (Powell)

Household

Scented candles light up lockdown

Scented candles and premium food ranges are the big sellers as colder weather and lockdown encourage people to stay at home in the warm. In October sales of scented candles, potpourri and scented oils rose by 29%, according to Kantar. Consumers also spent an additional £56m on premium own-label food and drink. However, there has been little sign of panic buying. Kantar’s data reveals that UK grocery sales rose by 9.3% in the 12 weeks to 1 November but that there had been “no significant spike in demand”. Despite this, there has been significant demand for frozen food, with Iceland reporting sales up by 17.9%.

theguardian.com, 10 November 2020 (Wood)

Government and public sector

Political campaigns must invest in branding

Political campaigning often falls foul of a spoken blunder which can become a news story in itself, but even the visual brand can be subject to mistakes and missed opportunities. Here two experts on politics and design consider some of the worst political branding. The examples are drawn from US campaigns, such as Jeb Bush’s Jeb! 2016 logo. The best campaigns are those that authentically communicate the voice and style of the candidate or use a medium that is relevant for the era, such as Obama’s use of the internet, or Eisenhower’s TV campaigns. Political branding is about “a

comprehensive design system” but: “A campaign that doesn’t invest in branding, whether they like it or not, is still beholden to the rules of it”, the experts conclude.

fastcompany.com, 29 October 2020 (Merriam and Ostrower)

Health and pharmaceuticals

Cheap alcohol harming the nation

New research reveals that people can buy enough alcohol for a whole week for the price of a takeaway coffee. The study by the Alcohol Health Alliance UK claims that you can buy 14 units of alcohol (the recommended weekly limit) for just £2.68. The Alliance, which is a coalition of over 50 organisations, is calling on the Government to tackle cheap, high-strength alcohol. England is the only country in the UK not to have a minimum unit price of 50p. Doctors warn that “pocket money-priced alcohol” is causing “colossal” harm. Public Health England estimates that alcohol costs the UK at least £27 billion a year.

independent.co.uk, 10 November 2020 (Lester)

IT and telecoms

AI is encouraging you to buy

People’s shopping habits are no longer a secret thanks to loyalty cards and online baskets, but now retailers are using AI to try to predict and encourage consumer preferences and purchases. The trick is to “suggest a product before they realise it is what they wanted”, says retail consultant Daniel Burke. Firms, such as Ubamarket in Britain and Berlin’s SO1 are using AI to help retailers build up a picture of people’s shopping habits. SO1 claims that nine times more people buy AI-suggested goods than those appearing in traditional promotions. Over three-quarters of large retailers around the world already have AI systems in place or will install them by the end of the year, according to Gartner.

bbc.co.uk/news, 9 November 2020 (Wakefield)

IoT overtaking smartphones

Smart speakers are set to overtake tablets by 2021 according to forecasts from Canalys. Meanwhile the market for smart and IoT devices is already catching up with the phone market in terms of size. There were 5.2 billion smartphone connections last year and over double the number (12 billion) IoT connections, according to *The Mobile Economy 2020* report from GSMA. The smart speaker market is a small but growing proportion of this.

zdnet.com, 9 November 2020 (Samuels);

<https://www.gsma.com/mobileeconomy/wp-content/uploads/2020/03/GSMA-MobileEconomy2020-Global.pdf>

Leisure and tourism

Overseas visitor numbers plummet in Q2

The ONS’s latest release, *Overseas travel and tourism: April to June 2020*, reveals that overseas residents made 398,000 visits to the UK in Q2 this year, 96% fewer than in the same quarter last year. Travellers from overseas spent £218m on their visits to the UK, 97% less than in Q2 2019. The data are based on various sources, including the Civil Aviation Authority, rather than the ONS’s usual *International Passenger Survey* which was not undertaken because of the pandemic.

ons.gov.uk, 9 November 2020 (Horsfield)

First electric scooter race series

The very first electric scooter race series, the eSkootr Championship (eSC), is due to hold its inaugural season next year. The series will take place at specially-designed circuits in countries including Hungary, Vietnam and Japan. To raise awareness, it is launching a social media and advocacy campaign. Research suggests that the sport’s “stated principles and aspirations” are resonating with fans that appreciate its values as much as its capacity for entertainment, according to ESC CEO and co-founder Harg Sarkissian.

marketingweek.com, 5 November 2020

Media

TV and radio – strongest for emotional trust

Trust in TV and radio is significantly stronger and more automatic than trust in social media and video sharing sites, according to Thinkbox’s latest study entitled *Signalling Success*. Emotional trust tends to be deeper and more resilient than trust based on rational thoughts, which can disappear after just one bad experience with a brand. The research technique used in the study aimed to establish “emotional trust” signals given by the media channel. Magazines and news brands lagged TV and radio in this respect but were well ahead of social media and video sharing sites.

thinkbox.tv, 30 October 2020

Newspapers

News outlets a positive outlet for brand ads

Findings of a new study from IAB suggest that news outlets are an important advertising channel during a crisis. The study finds that brands who advertise in the news are perceived as 49% more relevant and 47% more customer centric. Consumers that see brand advertising on their favourite news outlets are 45% more likely to visit the brand website, 43% would consider buying from the brand and 39% would recommend it. Overall, 84% of consumers said they trust news advertisers. Perhaps most importantly, the study suggests that advertising next to controversial news content doesn’t harm brand

safety, with 31% of consumers saying they are more positive about the brand being advertised while 55% are neutral. Brands that advertise alongside news content are also perceived to be more current, caring, relevant, believable and innovative.

toolbox.com, 2 November 2020 (Nalawade)

NY Times – online subs up, advertising down

The New York Times now has seven million digital subscribers, which means that its online subscriptions have overtaken print for the first time in the paper's history. While digital subscriptions continue to grow at the rate of 34%, ad revenues continue to fall for both print and digital. Print ad revenues are down by 30% to \$79.3m. Online ad sales have fallen by 12.6%, partly because the newspaper has seen a decline in native content where it creates paid articles for sponsors.

prdaily.com, 5 November 2020

Social media

ASA's first ruling on TikTok video marketing

A video of beauty blogger Emily Canham has become the first TikTok video to contravene the ASA's disclosure requirements for commercial marketing. The post features a video of Emily Canham using a branded hairdryer and straighteners with a message offering a 20% discount on the brand website. In the UK all marketing posts should be obviously identifiable and make their commercial content clear. Canham argued that she had not been paid and the brand said that it had not approved the post. Nevertheless, the ASA ruled that the post had commercial intent and had not clarified to viewers that it was an ad. The ASA's focus on social media reflects its "emphasis on protecting children" to "ensure they are not misled". The case is a warning for brands and social media influencers that ad rules apply across all online activities, including emerging platforms like TikTok.

lexology.com, 5 November 2020 (Artinian and Rigg)

Television

Veg Power generates £63m in veg sales

A TV campaign to promote vegetable sales has achieved just that. The ITV and Veg Powers' "Eat Them To Defeat Them" initiative, which ran from February 2019 to July 2020, resulted in a 2% to 2.5% boost to veg sales during the campaign and a continued impact during the months afterwards, according to IRI Worldwide. The campaign reached 46m people and 87% of households with children aged four to nine. It is due to return next year as part of ITV's Better Health initiative to encourage people to take action for their physical or mental health. Veg Power aims to get kids to eat more veg.

marketingweek.com, 6 November 2020

Netflix experiments with linear TV

Netflix is testing a linear content TV channel which will resemble standard broadcast and cable TV. Netflix Direct, which has been rolled out in selected areas of France, is accessible on Netflix's browser-based website. It is being tested in France because viewers there like watching programming rather than having to choose what to watch next, according to Netflix. Netflix Direct means that programmes will be the same for everyone at the same time, unlike Netflix's "Shuffle Play" feature which randomly plays content it thinks you will like. It will be interesting to see if the new service catches on.

techcrunch.com, 6 November 2020 (Etherington)

Packaging

Sol brightened up to reflect solar energy

Heineken has revamped its Sol beer brand packaging to highlight the fact that it is brewed entirely using solar energy. The new packs carry the message "Brewed With Solar Energy" following the installation of thousands of solar panels at its breweries in Tadcaster, UK and the Netherlands. The packaging also has a brighter sun symbol and brand colours "to connect people to the positive energy of the sun", says Heineken.

thegrocer.co.uk, 9 November 2020 (Woolfson)

Bacardí launches cocktail pods

Bacardí has launched Nespresso-type cocktail pods in Daiquiri, Rum Punch and Mojito flavours to allow people to make their own drinks at home. Bacardí claims that the "innovative dual chamber" of the pod "delivers a fresh cocktail experience every time". The six pack comes with a shaker and strainer.

thegrocer.co.uk, 4 November 2020 (Woolfson)

Retailing

Click-and-collect – the best mix

"Big-box" retail chains that have developed click-and-collect technology have been able to benefit during the pandemic. A study in the *Journal of Marketing* looks at the rise of click-and-collect services which can be offered in a variety of ways and through different formats. Since not all formats provide the same benefits to shoppers, sales outcomes can vary greatly. This study examines three click-and-collect types: in-store, near-store, and stand-alone. It also identifies three different benefits to shoppers: access, collection and adjustment convenience. The study offers advice to grocery retailers for implementation of click-and-collect to help them find the right mix.

ama.org, 4 November 2020 (Gielens et al)

Online retail sales could be up by 45%

A new forecast by IMRG suggests that online retail sales could grow by 35% to 45% during the Black Friday period of 23 to 30 November. Online sales have risen by 34.9% so far this year compared to just 6.7% last year. Justin Opie, MD of IMRG, says that the huge online growth seen this year, together with Black Friday, will “underline retail’s rapid structural shift online” and that “no further evidence is required that this is a permanent shift”. Retailers who do not have a strong online presence “must adapt now if they are to survive”, he warns.

[marketingweek.com](https://www.marketingweek.com), 9 November 2020

M&S opts for celeb cast for its food ads

M&S has launched a new Christmas ad campaign for its food division with nine M&S Food ads. The first will feature a voiceover from actor Olivia Colman while others will feature Eddie Redmayne, Gillian Anderson, Jeremy Irons, Julie Walters and other actors. The retailer is focusing on charity this year, pledging to donate £2m to good causes.

[retailgazette.co.uk](https://www.retailgazette.co.uk), 6 November 2020 (Jahshan)

Services

Service industries – economic indicators

Last year the service industries made up 80% of UK economic output and 81% of jobs in the period April to June 2020. In terms of output, there was a rise of 7.1% in the three months to August 2020 compared with the three months to May 2020. However, services output fell by 12.5% compared with the three months to August 2019. By October UK services had a value of 51.4 on the Purchasing Managers’ index (PMI) down from 54.1 in September, its weakest performance since August. This briefing includes links to the original ONS and Markit/Cips sources.

commonslibrary.parliament.uk, 5 November 2020 (Brien)

Burger King says “Order from McDonald’s”

Burger King has created a surprising ad in which it encourages customers to “Order from McDonald’s” to help support the hospitality industry during the UK’s latest lockdown. The tweet, which said: “getting a Whopper is always the best, but ordering a Big Mac is also not such a bad thing”, has attracted thousands of replies, some in support and others suggesting that it should instead be helping small businesses or independent restaurants. Burger King had previously asked people to support the Eat Out To Help Out Government scheme.

[netimperative.com](https://www.netimperative.com), 4 November 2020

Statistics for UK pubs

This House of Commons Library briefing looks at pub numbers in the UK which have been in decline for many years. The British Beer and Pub Association (BBPA) reports that pub numbers fell by

13,200 (22%) between 2000 and 2018. Yet, according to the ONS, the number of pubs in the UK rose last year, with the North East of England seeing the largest rise (up 5%) while Wales saw a fall of 1%. Last year there were 59 pubs per 100,000 people in the UK, with regional variations (London had 40 and the South West 76). This data does not take into account the effect of the coronavirus on the sector. There are links to original sources of data, including numbers of public houses by parliamentary constituency.

commonslibrary.parliament.uk, 6 November 2020 (Foley)

Transport and travel

Rolls-Royce to cut jobs and fundraise

Rolls-Royce is to lose 1,400 jobs to restructuring plans which it says will “safeguard the future” of the company. It has been badly affected by the collapse in air travel caused by the coronavirus, and is attempting to fundraise up to £2.5 billion.

[marketingweek.com](https://www.marketingweek.com), 5 November 2020

Virgin Hyperloop conducts first passenger test

Virgin Hyperloop has done its very first journey with passengers in the desert outside Las Vegas. Two passengers, both employees, were carried along 500m of test track at 172km/h, while sitting in pods within vacuum tubes. Virgin’s ambition is to travel at speeds of more than 1,000km/h but many people dismiss this as “science fiction”. In 2018 Virgin Hyperloop’s then boss Rob Lloyd said that the technology could in theory allow people to travel between Gatwick and Heathrow airports (45 miles) in just four minutes. People have pointed out the barriers, such as getting planning permission and constructing the huge network of tubes required.

[bbc.co.uk/news](https://www.bbc.co.uk/news), 9 November 2020 (Kleinman)

Sony’s Wipeout inspires futuristic supercar

Sony’s PlayStation’s racing series game, *Wipeout*, has inspired the creation of a new supercar. Briggs Automotive Company (BAC), based in Liverpool, has released its new Mono R supercar, finished in a livery inspired by the game. The car has over 400 painted graphics to reflect team Wipeout’s team racing ship design. The car was created in partnership with Nick Burcombe, the game’s creator, and Eddie Wainright, its graphic designer. *Wipeout* was also developed in Merseyside.

[business-live.co.uk](https://www.business-live.co.uk), 10 November 2020 (Houghton)

Written by CIM’s Knowledge Services Team

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Contents

To fast forward click on the following links:

[Agriculture, fishing and forestry](#)

[Building industry](#)

[Businesses and strategy](#)

[Charities and NGOs](#)

[Economy](#)

[Education](#)

[Energy and utilities](#)

[Environment](#)

[Fashion](#)

[Financial services](#)

[FMCG](#)

[Beverages](#)

[Cosmetics and toiletries](#)

[Food](#)

[Household](#)

[Government and public sector](#)

[Health and pharmaceuticals](#)

[IT and telecoms](#)

[Leisure and tourism](#)

[Marketing trends and issues](#)

[Advertising](#)

[Agencies](#)

[Brands and branding](#)

[Children](#)

[Conferences and events](#)

[Consumer behaviour](#)

[Customer relations](#)

[Law](#)

[Marketing](#)

[Market research](#)

[Public relations](#)

[Sponsorship](#)

[Media](#)

[Newspapers](#)

[Social media](#)

[Television](#)

[Packaging](#)

[Retailing](#)

[Services](#)

[Transport and travel](#)