

Cutting Edge: Our weekly analysis of marketing news

24 February 2021

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

Quick [links](#) to sections

Marketing trends and issues

Advertising

Regulating targeted advertising

This month the European Data Protection Supervisor (EDPS) published opinions on the EC's proposals for the Digital Services Act and Digital Markets Act. These included the recommendation that the DSA should be clearer about the information that advertisers need to give individuals about who owns the ad and how it has been selected. The EDPS is also recommending that the EU should consider additional rules to reduce invasive targeted advertising. Although the DSA will not be introduced in the UK, any business operating in the EU will need to comply with it and it is likely that the UK will introduce its own legislation.

[lexology.com](#), 17 February 2021 (Cregan)

Agencies

Omnicom organic growth down

Still suffering from the effects of the pandemic, Omnicom has seen organic growth decline by 11.1% for the full year. Organic growth was negative across all Omnicom's markets for the year: the US and North America was down by 10%; the UK by 11.5%; the rest of Europe by 12.8%; and APAC 8.5%. The company's CRM groups struggled due to the pandemic's impact on sport and live events, with consumer experience down by 15.8% for the year. Omnicom is focusing on CRM; performance marketing; e-commerce; data and analytics; and consulting, as clients speed up their digital transformations, a trend which it says is here to stay.

[campaignlive.co.uk](#), 18 February 2021 (Weissbrot)

Brands and branding

The Feminine Brand Name Advantage

Linguistically speaking, Nike, Coca-Cola and Disney all have feminine names. The highest-ranking companies among Interbrand's *Global Top Brands* over the past 20 years have, on average, more feminine names than lower-ranked companies. The brand name is very important because it is usually the first thing that consumers learn about it. Creating a good first impression is crucial and brand-naming services can command high fees. A new study in the *Journal of Marketing* looks at the linguistic aspects of a name that can impact brand perceptions at a subconscious level. It reveals that brands with linguistically feminine names appear warmer and can increase purchase intentions, an effect known as the Feminine Brand Name Advantage.

[ama.org](#), 16 February 2021 (Pogacar et al)

Social tool tracks real-time brand reputation

The Brand Reputation Tracker is a tool for implementing a framework aimed at assessing brand reputation both in real-time and over a period of time. The Tracker mines social media text on Twitter by using 11 different measures to assess how users feel about individual brands. Measures such as "coolness", "social responsibility" and "trustworthiness" are aggregated into three scores: value driver, brand driver and relationship driver. The researchers found that changes in a brand's stock valuation reflected real-time changes in the brand's reputation. The research has been published in the *Journal of Marketing*.

[brandequity.economicstimes.indiatimes.com](#), 22 February 2021



Chartered CPD Programme

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

Conferences and events

Brand events – an evolved future?

The Australian Open tennis tournament has enabled spectator levels that haven't been seen in the UK since before the pandemic. Yet, although Australia hasn't suffered from Covid-19 as badly as the UK, IRL brand experiences are happening far less frequently than they were in 2019. At the same time, the pandemic has speeded up much-needed change in the brand experience sector. This article mentions the *Vogue* American Express Fashion's Night In and the Google 5G Pixel hybrid experience. It discusses the future of events in Australia where the pandemic has led to "great development in the world of virtual and digital content" and investment in brand centre experiences, and cautions that even it is unlikely to return to business as usual...

campaignlive.co.uk, 19 February 2021 (Douglas)

Accor launches hybrid meeting platform

Accor, the international hotel group, has launched a hybrid meeting platform supported by Microsoft Teams. All Connect will eventually enable people to combine physical in-hotel meetings with virtual meetings at other locations, with a focus on smaller meetings of between eight and 50 people. Research by Accor suggests that 50% of physical meetings planned by its customers will change to virtual formats while 70% expect hybrid meetings to be more important in the future.

marketingweek.com, 18 February 2021

Consumer behaviour

Consumers perceive effort favourably

Consumers tend to perceive the amount of effort put into a product or service as a measure of its worth, something known as the "labour illusion". Past research has backed up this psychological bias as has research showing that transparency is key: in other words, the effort has to be visible. For example, Dyson's ad mentions that over 5,000 prototypes have been tested in order to come up with the perfect appliance; while Domino's allows customers to see a live feed of the effort that goes into making its pizza. This can work in the real world too, such as restaurant diners seeing their food being cooked. But be sure to have a good product because this bias doesn't work for a poor one!

marketingweek.com, 18 February 2021 (Shotton and Hanmer-Lloyd)

Customer relations

Changing from transactional to personal

Humans can't maintain more than 150 friendships and five close friendships at any one time due to the limitations of brain size, attention span and the time needed, according to Robin Dunbar, an Oxford professor. This is reflected in a crowded, competitive marketplace, where customers may not wish to develop personal, loyal relationships with brands.

Instead, they may conduct a rapid search to find a high-quality product at the lowest price. This "transactional mindset" presents a challenge for marketing and sales. So, what is the best way of trying to make the interaction authentic and personal? Here are five ways of improving your customer relationships.

CRM Magazine, Vol 25(1), January-February 2021, p6 (Vickers)

Direct marketing

Email tracking – "spy pixels"

Some major companies have been using "invisible" technology to track whether their email marketing comms have been opened, the device used and the user's location. The investigation by the BBC and messaging service Hey has found that two-thirds of emails sent to Hey users' personal accounts contained a "spy pixel". Tracking pixels, used to check the performance of email campaigns and create better customer profiles, are a feature of automated email services, but are often hard to disable. The PECR and GDPR require organisations to inform recipients about the pixels and obtain unambiguous consent. Even the ICO has been known to use pixels to track email performance but insists that it is removing them from future activity.

decisionmarketing.co.uk, 17 February 2021

Law

Big tech to be scrutinised by new DMU

The UK's Competition and Markets Authority (CMA) plans to investigate the big tech companies this year using its new digital markets unit (DMU). The latter will have the legal powers to police internet companies and impose huge fines. The DMU will enforce a code based on "fair trading, trust and transparency" which will apply to all companies thought to have "strategic market status". These are likely to include companies like Google, Facebook and Amazon. Silicon Valley companies are increasingly being investigated by regulatory bodies around the world.

theguardian.com, 22 February 2021 (Sweney)

UK embraces GDPR but some take issue

Last week the European Commission said it would approve the "adequacy" of UK data protection laws. This means that businesses can continue to share data across the EU. Some would argue that the UK is making the wrong decision by choosing Europe's data protection regime over that of north America and China. Barnabas Reynolds, global head of financial services at Shearman and Sterling, argues that Britain has been given the chance to ditch GDPR, which he describes as "prescriptive, inflexible, opaque and voluminous". He cites California's new regime, which enables an environment of innovation to flourish. However, the UK Government is unlikely to abandon EU legislation, a move that would be

unpopular with big UK businesses that have grown used to EU rules.

lawgazette.co.uk, 22 February 2021 (Cross)

Marketing

Digital marketing strategy

This article, which focuses on internet-based digital marketing, starts by giving a brief history and talks about its significance for business now. Then it sets out digital's key benefits to a marketing strategy: as well as increasing brand awareness and generating customer leads, it is accessible, targeted, cost-effective, easily measurable, adaptable and creates a permanent online presence. It points out that, when planning a digital marketing strategy, you need to start by looking at broader business goals. At the heart of any strategy should be quality online content to attract customers. Finally, the author describes 12 components of digital marketing that can be used to promote businesses.

business2community.com, 11 February 2021 (Hopper)

The full-funnel marketing strategy

Marketing is sometimes said to be split between traditional brand-building and performance or data-driven marketing. Yet the difficulty in measuring brand building's value, either in the short or long term, has detracted from its importance. This is why CMOs often shift much of their marketing spend towards the bottom of the funnel, rather than the more expensive, but less tangible, option of generating customer demand at the top. To try to redress the balance, marketers are moving towards "full-funnel" marketing which combines brand building and performance marketing through linked teams, measurement systems and KPIs. This will help marketers to develop a fuller, more accurate picture of marketing's effectiveness and create more value. A full-funnel marketing strategy can achieve a 15% to 20% rise in marketing ROI. The idea of full-funnel marketing has been around for years but a number of factors makes it necessary right now. Here are four essentials of full-funnel marketing.

mckinsey.com, 12 February 2021 (Ader et al)

Inbound selling

With face-to-face visits to customers out of the question during the pandemic, inbound selling in call centres has acquired a new importance. In a new study, researchers have analysed millions of calls, the way in which salespeople handle the conversation and whether it results in a sale. The study reveals four behaviours that play the biggest part in converting callers to buyers: disqualifying callers who shouldn't be talking to a salesperson; finding a solution to the customer problem; analysing objections; and reducing the perceived risk of purchase so that callers don't go away to "think it over". The researchers found that just 1%

of calls contained all four behaviours. Of those that did, 70% of calls led to a sale.

hbr.org, 16 February 2021 (Dixon et al)

Survey reveals pandemic impact on marketing

The *2021 Marketing Week Career and Salary Survey* reveals that the pandemic has had significant effects on the sector: a tenth of the 2,453 respondents have been made redundant over the past year and 12.7% have been furloughed. Some 11.7% have had a promotion put on hold and 20.3% have taken a pay cut or a reduced bonus. Meanwhile, the year has seen restructurings, departmental mergers and additional specialisms to cope with the disruption. Progress in addressing issues such as diversity has been slow, with 84.6% of respondents identifying as white, down from 88% reported in 2020. The report also reveals imbalances in geography, class and age within the industry.

marketingweek.com, 22 February 2021 (Rogers)

Women better as marketers?

Women are the principal shoppers in both the consumer and business markets and, as such, represent the most significant market opportunity, according to Martha Barletta, author of *Marketing to women*. The article explores the gender divide, including attitudes, buying behaviours and selling to women. It discusses women as marketers and their ability to collaborate with customers and reach solutions for addressing customer needs, which is more critical to sales success than men's "outcome-oriented persuasion capabilities". As we emerge from the pandemic, women's capabilities "align perfectly" with the new world of marketing. Purchase [Marketing to Women](#) by Martha Barletta.

brandequity.economicstimes.indiatimes.com, 14 February 2021 (Sharma)

Market research

A model for consumer purchase decisions

This article describes research conducted by Google and The Behavioural Architects to understand what consumers look for when they search for a new product. They wanted to see how decisions could be influenced and what techniques companies could use to help consumers make the decision. The research involved a screen capture video and audio of shoppers. Participants were asked to provide a "stream of consciousness" of their thoughts via the video, which could then be analysed. The data was used to create a model of how people make a purchasing decision. The team identified six biases that influenced shopper decisions and which were tested with the shoppers. The model, which is a starting point for marketers, highlights three key implications for brands.

research-live.com, 15 February 2021 (Kay)

Agile research

Agile research has been around a while but now it seems to be coming to the fore again. Agile research was originally thought of as a new type of methodology that would enable faster insights and decisions. In reality, agile processes are designed to make more successful products because consumer feedback is integrated throughout, instead of at the end of the process. Agile is therefore not all about being the fastest or cheapest, but about being “focused, adaptive, and inclusive”. Here are some tips for making your research as agile as possible.

researchworld.com, 19 February 2021 (Lavoie)

Public relations

Applying theory to persuasive writing

“Know your audience” is a better mantra than “raise awareness” when it comes to public relations, especially when writing, but any campaign should have an intended outcome or public reaction as a goal. Writing is more successful when persuasive theory is used. Some examples of the type of theory that can make your writing more persuasive are: social-judgement theory; cognitive-dissonance theory; reasoned-action theory; and the elaboration likelihood model. Using these theoretical insights could make your writing more focused as well as more understandable, convincing and motivating for readers.

Public Relations Strategies and Tactics, Vol 4(2), February 2021, p11 (Penning)

Build trust – actions for PR to take this year

The pandemic has elevated the role of communicators but in this new environment they can no longer rely on what worked for them previously. Brands need to develop confidence at every touchpoint and PR must drive the strategy and the experience while building trust. Here are five tactics to help build trust in 2021.

prdaily.com, 19 February 2021 (Cies)

Sponsorship

Sports sponsorship trends

E-sports have become more important to sponsorship over the past year due to the lack of live events while e-sports sponsorship revenue is predicted to reach \$824m by 2025, according to Nielsen Sports. The research also predicts that overall sports sponsorship in China is set to grow significantly and the Chinese market could generate a third of global sponsorship growth over the next decade. Last year, 95% of top-tier athletes generated \$324m worth of QI media value (a sponsorship measurement), a figure that is predicted to rise to \$1.2 billion by 2023. Nielsen expects top athletes, such as Lewis Hamilton and Marcus Rashford, to use their influence to engage with social issues. Meanwhile, 53% of fans say they may favour brands that improve the way they view

sports at home. This presents opportunities for rights holders to deliver a world of merged live and virtual experiences.

marketingweek.com, 17 February 2021

Agriculture, fishing and forestry

Farm-plus-housing projects

Vertical farms are to be found in old warehouses, former factories and other sites within cities. Now a series of projects in the US will see multisensory greenhouses being built directly inside affordable housing developments. Vertical Harvest is the company behind the scheme that is set to introduce a vertical farm to affordable housing in Maine, with similar “farm-plus-housing” projects being planned elsewhere. At each location residents will be able to buy fresh produce on-site and the farm will also sell to supermarkets. As well as food and cheap housing, the schemes will provide jobs.

fastcompany.com, 18 February 2021 (Peters)

Arla benefits from lockdown baking

Farmer-owned co-op Arla says its 2,240 producers are due to receive an additional payment thanks to an increase in revenues during the pandemic. Its UK revenues rose from £1.95 billion in 2019 to £2.12 billion in 2020. Lockdown produced a significant increase in demand for dairy products, particularly own-label milk and cheese. Ash Amirahmadi, Arla Foods UK MD, said consumers turned to food they trusted during lockdown and that: “This was seen most significantly in branded butter when the nation searched for quality ingredients for baking”. However, Arla warns that the year ahead could be rocky due to the impact of the Brexit deal and continued uncertainties due to the coronavirus.

fwi.co.uk, 15 February 2021 (Davies)

Britain’s islands tap into medicinal cannabis

Last month the Isle of Man approved a plan to sell licences for growing and exporting cannabis for medical use; and in December, Jersey issued its first cannabis-production licence. Legal cultivation of cannabis has risen 200-fold globally since 2000; research firm Brightfield Group predicts that the British medical-cannabis market will increase from £9.6m in 2020 to £292m in 2025. Britain already exports more medical cannabis than anywhere else, but GW Pharmaceuticals and its suppliers, which make drugs for MS and epilepsy, are the only firms allowed to grow cannabis for medical use. The UK Government tends to be hugely risk-averse but the Isle of Man and Jersey are hoping to create more business-friendly environments...

economist.com, 20 February 2021

Building industry

The first chief inspector of buildings

The Health and Safety Executive has appointed Peter Baker as Britain's first chief inspector of buildings. In this role he will head up the new Building Safety Regulator which will be responsible for the new regime for high-risk buildings. It will also work to raise the competence of professionals and oversee the entire building safety environment.

pbctoday.co.uk, 17 February 2021

Playmobil to design medical spaces

To help architects design medical spaces, engineering firm Stantec has developed a toy-based design toolkit. The idea is based on the need for a common language between architects and medics; in this case it is one that people learn as children, namely playing with toys and building blocks. By using Playmobil human figurines and scaled-down 3D-printed furniture and equipment, the toolkit enables doctors and clinicians to set out a model procedural room on a gridded floor plan to ensure that the space will work for them.

fastcompany.com, 19 February 2021 (Berg)

Businesses and strategy

The importance of sales and the right hires

Frank Cespedes, Harvard lecturer and author of *Sales Management that Works: How to Sell in a World that Never Stops Changing*, talks about the effect of Covid-19 on buying behaviours, the biggest myths around big data in sales, and the problems with sales hiring practices and performance appraisals. He points out that many executives make it to C-suite without having a background in sales and marketing which means they lack the necessary knowledge of the activities of their customer-facing colleagues. Yet sales affect resource allocation and often determine investment.

managementtoday.co.uk, 17 February 2021 (Bassett)

The future of work post-pandemic

The future of work after Covid-19, a report from the McKinsey Global Institute, is the first of three to examine the post-pandemic economy. This one looks at the lasting effect of the pandemic on labour demand, occupations and the workforce skills required in eight countries which, together, account for nearly half the world's population and 62% of global GDP. Major conclusions are that: jobs with the highest amount of physical proximity are likely to be the most disrupted; remote working and virtual meetings will continue but with less intensity; there will be faster adoption of automation and AI; and the mix of occupations will change with the largest negative impact being on low-wage, less-skilled roles. McKinsey believes that, "as many as 25% more workers may need to switch occupations than before the pandemic". A graph illustrates the

growth or decline in share of total employment of occupations in the eight countries by 2030.

mckinsey.com, February 2021 (Lund et al);
<https://www.mckinsey.com/featured-insights/future-of-work/the-future-of-work-after-covid-19>

Charities and NGOs

Gaming for good

Online gaming has become an important tool for charity fundraising and awareness. This third instalment of the *Gaming for Good* podcast (sponsored by salesforce.org) examines the need to secure buy-in from stakeholders as organisations decide to embark on online gaming. This episode showcases some charities that are using gaming to support their fundraising initiatives. The Norwegian Refugee Council (NRC) starts by explaining how showcasing results can help secure organisational buy-in. Other organisations mentioned in the article include Gaming without Borders, Women Win, No Kid Hungry and Play to Save Summer.

charitydigital.org.uk, 18 February 2021 (Paterson)

Charity retail moving online

Charity shops were hit hard by the pandemic, with sales down by 26.2% even in December, according to BDO's Charity Retail Sales Tracker. Fiona Coudron, charity retail partner at BDO, says that many charities are rethinking their retail strategies and looking at ways of trading online. A BDO poll suggests that 85% of charity retailers are planning to expand their online sales operations while 8% are trading online for the first time. However, Robin Osterley, chief executive of the Charity Retail Association, says he is optimistic that charity shops will "quickly return to pre-Covid levels" once the shops are allowed to reopen.

civilsociety.co.uk, 18 February 2021 (Hargrave)

Economy

More than half UK firms will hire in Q1

Around 56% of firms plan to recruit staff in the first three months of 2021 according to a CIPD survey. The strongest hiring intentions are in the healthcare, finance and insurance, education and ICT sectors. Gerwyn Davies from the CIPD says the findings suggest that "unemployment may be close to peak". The survey also reveals that the number of companies planning redundancies has fallen to 20% in Q1 2021 compared with 30% the previous three months. Data from the Insolvency Service suggest that 292 British employers planned to make job cuts in January 2021, which is the lowest since the start of the pandemic.

bbc.co.uk/news, 22 February 2021

Education

UK ditches Erasmus for Turing

The Erasmus programme, launched in 1987 by 11 EU member states including the UK, provided funding for students to study in another country. Now the UK Government has decided to leave the scheme and replace it with the Turing Scheme, which will allow around 35,000 students in universities, schools and colleges to go on placements or exchanges from September 2021. It was launched this month and bids will open in March. Projects must focus on four objectives: global Britain, levelling up, developing key skills and value for taxpayers. The education sector has welcomed the new scheme but there are concerns that it will not fund inward mobilities and that there will be a decline in the number of students coming to the UK.

commonslibrary.parliament.uk, 18 February 2021 (Lewis)

Changing attitudes to apprenticeships

Business leaders' attitudes to apprenticeships have changed significantly since the onset of the pandemic, according to the *Build The Future Apprenticeship Survey* from the Open University. Some 70% of employers polled say that apprenticeships will be essential to recovery from the pandemic while 72% aim to take on more apprentices over the next 12 months. This seems to be the right approach since 66% of employers who supported apprenticeships during the pandemic say that it has helped them to recover faster. Nevertheless, there is still some nervousness and around half of respondents say they can't commit to apprenticeships right now. However, 50% of those that don't have apprentices, plan to take on more in the near future. Those who believe that apprenticeships are vital to their recovery are split equally between SMEs and large businesses.

trainingzone.co.uk, 19 February 2021 (Norman);
<http://www.open.ac.uk/business/build-the-future-report>

Investment, takeover, multi-university groups

Struggling British universities could look for investment from, or sales to, foreign institutions and private equity firms. India's Amity University, which has a London campus, has made it clear that it is open to takeover. The impact of the pandemic, especially on revenue from international students, has left some English universities in need of alternative finance. For foreign buyers and investors, the attraction lies in the "brand prestige" of a UK university. But English universities are charities and their degree-awarding powers cannot be directly sold, although there are ways around this and more institutions could move from the public to private sector. Matt Robb, head of education at EY-Parthenon, suggests that we could see multi-

university groups that would allow unified corporate governance, while retaining "separate brands" and enabling synergies in cost, revenue and research.

timeshighereducation.com, 18 February 2021 (Morgan)

Energy and utilities

The rise of solar power

A boom in solar energy ended in 2015 when government subsidies were cut, but now solar is on the increase again thanks to the fall in the cost of technology, the climate crisis and the desire for councils to promote renewable energy. Some big companies, such as Budweiser and Anglian Water, are demonstrating how green they are by building solar farms. Huge solar farms make more economic sense than smaller ones. Cleve Hill Solar Park, which will cover 900 acres in Kent, is regarded as a "nationally significant infrastructure project" but there is much opposition from local residents to such large developments. The problem, apart from their effect on the landscape, is that they need little maintenance and therefore don't even provide jobs for locals.

economist.com, 20 February 2021

Environment

Ikea enables you to dismantle furniture

Ikea has published guides to allow people to take apart some of its self-assembly furniture as it continues with its efforts to "take circular consumption mainstream". Six products, including the well-known Billy bookcase, can now be taken apart using a guide in the style of the original "wordless" assembly manual. The initiative forms part of the company's goal of being a "climate positive business" by 2030. The company has also launched "Buy Back" which enables customers to sell their Ikea furniture back to the company once stores reopen.

campaignlive.co.uk, 19 February 2021 (Farey-Jones)

Bangladesh – a leader in fashion recycling?

Bangladesh, the second largest clothing producer in the world, has for years been the centre of low-wage clothing manufacture. Global Fashion Agenda, a Swedish not-for-profit, has brought together players in the field of fashion and companies that are involved in recycling technology, with the aim of making Bangladesh the world leader in recycling. Fashion brands that manufacture in the country, including H&M and Target, are also collaborating in this new clothing recycling system. The aim is for recyclers to work in Bangladesh manufacturing facilities and for recycled materials to be included in new collections. Sustainability experts warn that fast-fashion brands are still producing billions of garments every year. For things to change, consumers must buy less and wear each garment for longer. For their part, brands should design and

market clothes so that they are more durable.

fastcompany.com, 16 February 2021 (Segran)

Fashion

How much customisation is too much?

To attract more consumers and accommodate their changing values, luxury brands are using online platforms and technology to allow consumers to customise their products. But how much customisation should a brand enable? In research published in the *Journal of Marketing Research* (Moreau *et al*, 2020), the researchers tested four hypotheses across four experiments. The results suggest that when customisation is offered for luxury products, consumers try to balance the luxury dimensions with their own desire to be unique. They also reveal that too much customisation can reduce brand identity and the value it signals. Brands can address the risk that brand identity will be diminished by too much design freedom, by putting a brand logo, rather than signature, on the product.

ama.org, 11 February 2021 (Campagna and Yoo)

Adidas to sell Reebok

Adidas is to sell the Reebok brand so that it can focus on strengthening the Adidas brand in the sporting goods market. Adidas bought Reebok in 2006 as it attempted to compete with Nike, but net sales of Reebok have been falling. Reebok sales fell by 20% in the nine months to 30 September, a faster decline than Adidas' core brand.

theguardian.com, 17 February 2020

Financial services

Digital-first banking

With so many digital channels available, many financial institutions have embraced digital-first solutions but now "digital-first" is shifting to "mobile-first" as consumers increasingly handle their money via their phones. This in turn has attracted the big tech companies to the sector while fintechs continue to make incursions. There are now over 100 challenger banks, with primarily digital operations, around the world so traditional institutions need to speed up their shift to digital. This article considers what a digital-first approach means for financial institutions; a framework for digital banking; and a future roadmap for digital banks.

financialbrand.com, 20 January 2021 (Agrawal)

Users to pay for parking via Google maps

Google is to enable users in the US to pay for parking and transit tickets via Google Maps. Google Pay users will be able to pay for parking in over 400 US cities and for public transport fares with participating authorities. The Google Pay wallet is linked to Google Maps on an Android device and the user pays by tapping the "Pay for Parking" button

on Maps, removing the need to touch the meter. The pay for transit feature is due to roll out globally over coming weeks.

nfcw.com, 18 February 2021 (Phillips)

FMCG

Beverages

LVMH takes share in Jay-Z champagne

Luxury group LVMH has taken a 50% share in rapper Jay-Z's Armand de Brignac champagne company. His brand has grown "through savvy marketing tinged with hip-hop glitz" to sell 500,000 bottles in 2019. They are priced at \$300 to \$950 but special vintages can cost \$100,000. This is the latest in a series of deals between celebrities and spirits and wine companies who are anxious to make inroads into the premium end of the market. Jay-Z argues that this is not a "celebrity-helmed brand" but has been built through "passion and integrity". For its part, LVMH is looking at new ways to expand the market for luxury goods.

ft.com, 22 February 2021 (Abboud)

Cosmetics and toiletries

Building a brand with empty carrier bags

After the success of her first store in London, in 1998 perfume entrepreneur Jo Malone travelled to New York where she had been offered a concession in a Manhattan store. Having absolutely no marketing budget, she came up with an ingenious way of attracting attention without having to spend money on advertising. Having noticed how rich and fashionable women tended to walk around carrying branded carrier bags, she contacted 50 people and asked them to take her empty bags for a "walk" whenever they went into fashionable areas. The bags raised awareness and a year later Estée Lauder acquired the Jo Malone brand. By the time Malone's second brand was launched in 2011, it didn't need the empty bag stunt to attract publicity...

managementtoday.co.uk, 9 February 2021 (Mousinho and Lury)

Food

IP for food and drink

Food and drink producers have access to a wide choice of intellectual property rights to protect their brand investment and heritage. As consumers become increasingly interested in food provenance and manufacturing processes, geographical indications, labels and certification marks can give producers a competitive edge. This article looks at the options for the food and drink sector in protecting their IP. It examines trademarks, geographical indications (PGI, PDO and TSG), the new UK GI labels, collective marks and certification marks.

lexology.com, 17 February 2021 (Coccia)

Walkers, KFC and a Colonel Sanders lookalike

KFC has joined with Walkers Max to offer KFC-flavoured crisps. This was after Walkers noticed the resemblance between its brand ambassador, Gary Linekar, and KFC's Colonel Sanders. The campaign ad captures the coming together of the two brands by featuring people eating the crisps and KFC, a joint MAX/KFC billboard and a KFC restaurant. It ends with a Colonel Sanders-style suit in a shop window which is superimposed on to Gary Linekar. Walkers has previously teamed up with restaurants such as Nando's, Pizza Express and Yo! Sushi.

thedrum.com, 13 February 2021 (Watson)

Household

Petcare trends for brands to be aware of

One of the areas where we have seen significant change in buying habits during the pandemic has been in the pet owner market. A third of adults aged 24 to 35 now have a pet, making Millennials the largest segment of pet owners. The author looks at what trends are likely to emerge as a result of this shift in pet ownership. Research suggests that Millennials tend to shop with brands that have a dedicated purpose, such as supporting a cause and we are likely to see many pet brands embracing this concept. Other trends include: digital subscriptions; the "humanisation" of pets; and pet owner education.

thegrocer.co.uk, 22 February 2021 (Foster)

Tobacco

Tobacco sales are up – why?

A global pandemic with respiratory complications should have a dampening effect on tobacco sales but this doesn't seem to be the case. Sales of factory-made cigarettes have risen by 7.3% in the year to 9 January and rolling tobacco sales are up by a colossal 36.3%. Some of this can be put down to inflation due to the duty on tobacco, but volume sales are up too. While the lockdown might have provided the impetus for some to give up smoking, others are smoking more, maybe due to stress, boredom or working at home. This category report looks at the factors that are driving tobacco sales and how the leading cigarette brands and roll your own have fared.

thegrocer.co.uk, 19 February 2021 (Hegarty)

Health and pharmaceuticals

Humans as machines – healthy eating

Governments and marketers often try to encourage healthy food choices among consumers to help tackle obesity. One way of doing this is to portray humans as machines since machines make decisions rationally and make healthier choices. Nestlé's "Working like a machine? Have a Kit Kat" tagline takes the opposite approach by encouraging people to be more human and eat chocolate. Consumers

encounter "human-as-machines" portrayals in many aspects of daily life. A new study in the *Journal of Marketing*, which examines how these representations affect consumer behaviour, finds that only a few consumers benefit from this and that it can have a "backfire" effect. This can be overcome if you accompany human-as-machine visuals with a reassuring message that machine-like food choices are attainable. Placing this message in a cafeteria resulted in consumers' choice of healthy food rising by 22% in some cases.

ama.org, 10 February 2021 (Wehrauch and Huang)

IT and telecoms

Apple back in the lead...

Apple is back at the top of the global smartphone rankings for the first time since 2016, thanks to the launch of its 5G model, according to Gartner. The company sold nearly 80m phones in the last three months of 2020 after the launch of the iPhone 12, allowing it to overtake Samsung. By contrast, Huawei sales fell by 41% mainly due to US sanctions. It was pushed into fifth place for the quarter, behind Xiaomi and Oppo, also Chinese brands. Overall, the new iPhone has helped to offset a general fall in smartphone sales which were down by 12% in 2020.

ft.com, 22 February 2021

...but iPhone gains in the US, not in UK

eMarketer has increased its forecasts for iPhone usage in the US to 116.3m for 2021 to give it 46.9% share. This comes at the expense of Android, which is now projected to have 52.9% share this year. Despite a lacklustre global economy, Apple has exceeded expectations thanks to its iPhone 12. However, in the UK, Android is gaining share. With 28.9m people expected to use an Android smartphone this year, it will have 59.4% share of smartphone users, while the iPhone trails at 40.4%. eMarketer predicts that the number of UK Android users will exceed 30m by 2023, giving it 60% share while Apple's share will fall slightly to 39.9%.

emarketer.com, 19 February 2021

Leisure and tourism

Holiday bookings up following unlocking plan

Following PM Boris Johnson's announcement about the easing of lockdown, airlines and travel companies have reported a sharp rise in holiday bookings. EasyJet, Tui and Thomas Cook have all seen a surge in bookings to places such as Greece and Spain. EasyJet reports that flight bookings are up by 337% and package holidays by 630% compared with the previous week. Johnson said that a travel taskforce would set out plans on 12 April for a return to international travel but that this would not resume until 17 May at the earliest.

theguardian.com, 23 February 2021 (Kollewe)

Live music left behind in lockdown easing

The live music industry is “at the back of the queue to reopen”, according to Greg Parmley, CEO of Live, the live music trade body. He is calling on the Chancellor to provide the economic support to help the industry get through the next few months. From 12 April we could see the return of outdoor hospitality, such as drive-in cinemas, but it won't be until 17 May that limited indoor mixing will be allowed. Venues such as cinemas, theatres and other indoor experiences could then reopen with social distancing.

bbc.co.uk/news, 22 February 2021

Materials and mining

Animate materials are on the way

Some “animate” materials are already in use, such as self-repairing paint, but more applications are coming, according to a new report from the UK's Royal Society. Prof Mark Miodownik, co-chair of the report, says we are moving from “an inanimate view” of materials in which we make them and then they fall apart, to a “a more biological view of the stuff we are going to make”. Self-healing concrete has already been trialled on roads in the UK; other applications for self-healing materials could include self-repairing phone screens and electronics that can grow back damaged circuits. Medicine using microscopic machines that can be injected into the bloodstream and smart clothing are other options. However, the Royal Society warns of the safety, ethical and practical issues of smart materials.

bbc.co.uk/news, 18 February 2021 (Rincon);
<https://royalsociety.org/topics-policy/projects/animate-materials/>

Media

Games

Video gaming legal update

In its *Video Gaming/E-Gaming Law Update* for February, law firm Skadden Arps Slate Meagher and Flom considers 2020 as being a “turning point” for the games industry. This is due to a number of factors including: e-sport's huge popularity, in part due to lockdown measures and the loss of traditional entertainment; the huge increase in the number of players; growth in the number of downloadable games; and the emergence of the next generation of games, with the introduction of the PlayStation 5 and Xbox Series X and S. The major legal issues that are likely to affect the video game industry in 2021 are discussed. Topics covered include: data privacy and security; social influencers; video game regulation; and e-sports.

lexology.com, 12 February 2021 (Dreyer et al);
<https://www.lexology.com/library/detail.aspx?q=c15715f3-228c-40be-8b83-7fe579756528>

Altered trade marks and third-party patches

Football video games developers often use the names of sports teams which can involve complex global licensing agreements. Where IP rights are not obtained, publishers and developers sometimes produce something as close as possible to sports teams without using their trade marks. This is what has led to a dispute between Manchester United and Sega over its game, *Football Manager*. Manchester United, the club, objected to *Football Manager's* use of “Man U” or “Manchester United” together with a simplified red and white striped logo. However, Manchester United's attempt to expand its claim to cover third party game patches was rejected. Developers are advised to be careful when using real-life sports. They should also exercise caution in the use of patches because these could pose the risk of trade mark infringement.

lexology.com, 16 February 2021 (Guthrie)

Internet

Sustainable websites

Recognising that web site designs can affect the amount of energy a site uses, Formafantasma, an Amsterdam design studio, has redesigned its website to become more environmentally-friendly. The site is very plain, with lots of white space, few images and just two typefaces (Arial and Times New Roman) in blue and black. In this case, Times New Roman and Arial are standard default typefaces, which means they are the most sustainable. There are other ways of reducing the environmental impact of a web site, such as using smaller images, says Ben Kiel of XYZ Type. This can improve the user experience because pages don't take so long to load. Smaller file sizes are also cheaper for users who are paying for their data and a simple website is easier to navigate.

fastcompany.com, 18 February 2021 (Smith)

Television

Netflix's intellectual property

Netflix, distributor of content and producer of a huge amount of original programming, has a vast intellectual property portfolio, as one might expect. But did you know that the Netflix algorithm that picks out recommendations for you, is described in a patent application dating back ten years? Netflix has clearly been interested in learning patterns of behaviour for a long time. This article considers Netflix's use of patents, trade marks and registered designs and copyright over the years. It then identifies some key points in the “Netflix story” which could be relevant to tech start-ups and scale-ups.

lexology.com, 22 January 2021 (Lally and Ambroz)

Packaging

Tackling flexible packaging waste

The Flexible Packaging Consortium (FPC), a group of four FMCG companies, has teamed up with recycling specialist Suez to tackle flexible packaging waste. This includes items such as crisp packets, bread bags and petfood pouches. Around 215 billion items of flexible packaging arrive on the market every year but less than 20% of local authorities collect it for recycling so most is sent to energy recovery or landfill. The FPC has produced a report with the aim of providing a roadmap for tackling the problem and encouraging other businesses to join.

thegrocer.co.uk, 19 February 2021 (Woolfson)

Retailing

Great Britain retail sales

In January 2021 Great Britain's retail sales were £6.7 billion a week, down from £9.7 billion in November. In the year to January total retail sales volumes fell by 5.9%. While the volume of sales in food stores rose by 5.3% in the three months to January 2021 (year-on-year), non-food sales volumes fell by 12.3% for the period compared to the previous year. By contrast, the average value of internet sales in January 2021 rose by 72.7% year-on-year to £2.6bn. It represented 36.3% of all retail sales and was a record high.

commonslibrary.parliament.uk, 19 February 2021 (Hutton)

Amazon struggles to tackle fake reviews

An investigation by Which? has found that fake Amazon reviews are being bought in bulk from dedicated businesses. Product reviewers are being paid and offered free or discounted products in return for leaving fake reviews. Which? investigated ten such businesses, five of which have over 702,000 members. The sites can be "found easily" on the first page of a Google search, with some companies clearly paying to appear high up in Google's search results. Which? says that Amazon is facing an "uphill struggle" to combat fake reviews that are misleading consumers.

marketingweek.com, 16 February 2021

Duty-free – moving away from airports

When people finally return to airports, duty-free shopping is likely to have undergone a transformation. It is estimated that duty-free shopping shrank by two-thirds last year and Bain forecasts that travel-retail sales won't reach former levels until the second half of the decade. Duty-free shops used to be one of the "few bright spots" in bricks-and-mortar retailing, with sales growing eight-fold since the late 1980s. Apart from Covid-19, various trends have diminished airports' status as duty-free zones. Not least is the emergence of tax-exempt outlets in China. Hainan, an island off Hong

Kong, has become a centre for duty-free shopping. The Chinese have been the world's biggest luxury consumers for years. If they decide to buy goods at home, business will disappear from duty-free operators at non-Chinese airports.

economist.com, 21 February 2021

Services

Olive wants to shift away from fast shipping

Recycling can be quite an ordeal, with lots of cardboard boxes to break down and put in bins. Now a new start-up called Olive wants to make online shopping more environmentally friendly. The app and Chrome extension enables people to combine their fashion purchases into a single shipment. These are sent in a reusable box once a week, eliminating the need for multiple unboxing and waste disposal. The idea was dreamt up by Nate Faust, after seeing Amazon Prime "normalise" two-day shipping and forcing other businesses to do the same or lose out. Now he believes it is time to approach deliveries differently.

fastcompany.com, 19 February 2021 (Segran)

Transport and travel

Car dealers can expect spike in demand

Car dealerships should see a surge in demand for new and used vehicles following lockdown, according to research from BuyaCar.co.uk. It found that 86.4% of survey participants plan to carry on using their own car after lockdown while only 4.4% says they won't. BuyaCar said it saw a spike in demand after the first lockdown last year but expects pent-up demand to be even higher this year. Many people prefer to use their own cars to maintain social distancing rather than use public transport.

marketingweek.com, 18 February 2021

Electric cars – aspirations rather than targets?

Established carmakers are racing to catch up with Tesla and start-ups that are unfettered by the internal combustion engine (ICE). Among them is VW which wants a fifth of the cars it sells to be electric by 2025. Some analysts believe VW could overtake Tesla. However, unlike Ford Europe, JLR and GM, which all aim to become fully electric by 2035 at the latest, VW CEO Herbert Diess is not setting a date. He expects many markets to be unprepared for electric cars by 2035. In fact, the ICE may persist longer than one might think: Bloombergnef, an energy-analysis firm, believes that more than one in three cars sold in 2040 will be still be petrol or diesel.

economist.com, 20 February 2021

Drivers to be given credits for giving up car

A trial scheme in Coventry will give drivers "credits"

in return for giving up their cars and using public transport or other options such as bicycles or electric scooters. The scheme is targeted at owners of diesel and petrol cars built before 2016 and 2006 respectively. The programme, which will last for two years, forms part of a £22m government-funded initiative. Both Mike Hawes, CEO of the SMMT, and Edmund King, AA president, believe that more investment should be put into providing charging points for people with electric vehicles.

energylivenews.com, 22 February 2021 (Mavrokefalidis)

Written by CIM's Knowledge Services Team

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