

Cutting Edge: Our weekly analysis of marketing news

14 April 2021

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

Quick [links](#) to sections

Marketing trends and issues

Advertising

US ad revenue up by 6.4%

Total ad revenue in the US is predicted to rise by 6.4% to \$240 billion this year, according to the Magna's latest *Advertising Forecast*. This is 2.3% higher than it predicted back in December 2020. Total adspend for this year, including cyclical events, is forecast to grow by an average of 7.25%, which could range from growth of 2% in Q4 to 15% in Q2. The strongest adspend will come from sectors such as travel, automotive, drinks and entertainment but other sector spending, notably retail, may not be as strong. Meanwhile, digital formats will generate at least two-thirds of all ad sales, growing by 13% to \$161 billion.

Advertising Age, Vol 92(4), 5 April 2021, p19 (Craft)

Agencies

Time to reinvent the model?

The pandemic has put the spotlight on how the industry operates, particularly in relation to agency compensation models. A recent Harris poll suggests that agencies didn't adapt fast enough during the pandemic and failed to provide, "the type of proactive strategic thinking their clients needed". While clients were busy trying to reinvent themselves, agencies were looking inward, consolidating their brands and reducing costs. The problem with agency compensation models is that they are conditioned to sell time and materials so the incentive is to become cheaper. The author argues that we are due for a change of model and that "true reinvention" of the industry will come from those delivering, "tangible value to client business and tying compensation to business outcomes".

thedrum.com, 9 April 2021 (Hammond)

Big Five lost 5.8% of manpower in 2020

During 2020 the world's largest agency holding companies (WPP, Publicis, Omnicom, Interpublic and Dentsu) reduced their collective workforces by 22,000 (5.8%), according to an analysis by *Ad Age's* Datacenter. These ranged from a 2.8% headcount reduction at Dentsu to 8.4% at Omnicom. As marketers reduced their spend during the pandemic, worldwide organic growth for the five companies averaged out at -8.3% last year. Manpower cuts are not surprising considering that labour is the largest cost for agencies. Nevertheless, the Big Five ended 2020 with employment that was 35% above the level at the end of 2009, at the end of the financial crisis.

Advertising Age, Vol 92(4), 5 April 2021, p1 (Johnson)

Brands and branding

Brand activism

Research suggests that nearly half of consumers (49%) regard brand activism as a positive trend, while just 17% view it negatively. Activism, by brands such as PepsiCo, P&G, Mars and Hasbro, might take the form of logo and product name changes in response to social issues such as racism and gender-neutrality. The survey of US consumers, by market research firm Piplsay, also reveals a mix of opinions, with some consumers saying brands are giving in or cashing in (31%) or that such actions will (31%) or won't (17%) bring about change. However, 58% of consumers say that brand activism has influenced their purchasing behaviour or brand impression. The variations in opinion across gender and generations, also highlighted by the survey, suggest that brand activism is an important strategy but must be approached with care.

marketingdive.com, 25 March 2021 (Kelly)



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

Harnessing the power of brand nostalgia

This research, which investigates the power of brand nostalgia, finds that nostalgic brands receive stronger ratings among consumers for the brand personality dimensions of sincerity, excitement and competence. Nostalgic brands are also found to have other attributes, such as stronger brand attachment, relationship quality and brand engagement behaviours on social media than non-nostalgic brands. The research provides insights into ways of channelling nostalgia in retro-marketing campaigns by emphasising brand personality. (See also under Fashion)

Journal of Consumer Behaviour, April 2021, 15 pages (Youn and Dodoo)

Conferences and events

Adapting to the post-pandemic experience

The experience economy must prepare to be flexible and evolve as we come out of lockdown. While 21 June has been designated "Freedom Day" because of the opening of nightclubs, festivals and theatres, there is still a great deal of uncertainty for live events over the coming months. Brand experiences must be ready to react to a shifting landscape and consumer expectations. Here are ten important considerations when hosting post-pandemic live experiences.

campaignlive.co.uk, 6 April 2021 (Umfreville)

New global exhibitions coalition

A new global exhibitions coalition, led by the Global Association of the Exhibition Industry, UFI and various industry associations, has been created with the aim of bringing live event platforms back to market. The coalition is the result of industry-wide collaboration which includes the new Exhibitions and Conferences Alliance (ECA) consisting of eight industry associations. Events are expected to play an important role in economic recovery around the world. The coalition says that feedback from a range of industries across several regions indicates that communities are keen to return to in-person experiences. The sixth annual Global Exhibitions Day (globalexhibitionsday.org), which takes place in June, celebrates the role of trade exhibitions in economic growth around the world.

eventindustrynews.com, 9 April 2021 (Parry)

Consumer behaviour

South Africa – the constrained consumer

A new NielsenIQ study suggests that 78% of South African consumers have changed their purchase behaviour since the pandemic began, and it is unlikely that they will return to 2019 consumption levels in the near future. The *Unlocking Consumption in 2021* study also identified a fast-growing group of "newly constrained" consumers which make up 66% of South African shoppers compared with 46% globally. The groups are

named: Existing Constrained, Newly Constrained, Cautious Insulated and Unrestricted Insulated. According to Global Intelligence Unit Executive Director, Ailsa Wingfield, the "newly constrained" and "cautious insulated" consumers make up 84% of consumers who are "scrutinising their budgets and changing their consumption behaviour" according to the impact of the pandemic on them personally.

Journal of Strategic Marketing Newsletter, March 2021;
<https://imm.ac.za/the-impact-of-covid-19-on-income-and-consumer-habits-in-africa/>

Celebrity endorsement and price-quality

Low prices can lead to negative consumer perceptions of the quality of goods, but can celebrity endorsement offset such perceptions? The results of three studies suggest that celebrity endorsements can indeed help to promote low-priced goods and services. Celebrity endorsers' level of expertise can improve perceptions of low-priced purchases and even increase purchases!

Journal of Marketing Theory and Practice, April 2021, pp1-17 (Bennett et al)

Customer relations

Aim for exceptional rather than just "OK"

An interaction between a company and a customer is a journey but every journey is different and some customers prefer the personal touch while others opt for the digital route. People often expect their service encounter to be painful so are relieved when it is "just OK", but an OK experience won't create buzz and attract new business. Here are four lessons for designing an exceptional customer journey: start by discovering what the customer journey entails; find the right balance between self-service digital options and human interaction; focus on the customer rather than designing a process that just improves efficiency for the company; and remember the "big three" (make the journey easier, faster and personalised).

CRM Magazine, Vol 25(3), April 2021, pp4-5 (Gibbons)

Direct marketing

Email strengthened as marketing tool

Last year email engagement rates were higher than they have been in the last six years, averaging a 3.51% click-through rate and 15.23% click-to-open-rate. Meanwhile, new functionality and data analysis tools have made email into a far more strategic and personalised communication channel. While it is useful to form an integrated campaign along with PR and social media, email is valuable for forging relationships and retaining customers. This article, written from the perspective of trends in South Africa, and also touches on the need for regulatory compliance with the country's new data protection law, the Protection of Personal Information Act

(POPIA) which is due to come into force on 1 July 2021.

Journal of Strategic Marketing Newsletter, March 2021 (Strybos); <https://imm.ac.za/the-rebirth-of-email-as-a-marketing-tool/>

Law

Think before making an eco-claim

Consumers are increasingly interested in sustainability, with 57% willing to change their purchasing habits to reduce damage to the environment, according to a study by IBM and the National Retail Federation. It is therefore financially beneficial to businesses to market their products as environmentally-friendly but they should not make fraudulent or misleading claims. Regulators have been investigating businesses who make misleading environmental claims when advertising their products. Both the CMA and ASA have responsibility for regulating environmental claims in advertising. This blog provides a brief overview and identifies five points to consider before making an environmental claim.

lexology.com, 26 March 2021 (Sanders and Sloan)

Influencing legally – it's up to brands too

In a recent study, the ASA revealed that many social media influencers have made a habit of breaking advertising laws (reported in Cutting Edge 24 March). Despite the requirement for social media influencers to make it clear to consumers that they are advertising a product, the number of complaints to the ASA has been rising. Last year complaints rose by 55%, with 61% of those relating to disclosure on Instagram. In September 2020 the ASA monitored the Instagram accounts of 122 UK-based influencers, focusing largely on Instagram stories. It found that one in four stories were marketing but that just 35% were clearly labelled. Its findings are summarised here. This is a reminder that brands are equally responsible for not disclosing the ad content of the influencers they associate with. In fact, as well as writing to the influencers, the ASA has contacted the main brands involved.

lexology.com, 7 April 2021 (Phippen)

Marketing

Marketing enablement

With the growth of digital-only engagement, many B2B marketers struggle to create enough content to assist sellers as they move customers through the buying journey. This "content-demand gap" is often exacerbated by the misalignment of sales and marketing. It is estimated that 80% of content created by marketers doesn't get used by B2B sellers while many sellers don't understand how marketing content is relevant to the sales cycle. Marketing teams are under pressure to bridge the gap between marketers and sellers. Marketing enablement can help to make marketing teams

more efficient by measuring the impact of their work. It involves technology and practices that help marketers to improve alignment with sellers. This article explains how marketing enablement works, what its benefits are and the key components of a marketing enablement solution.

business2community.com, 24 March 2021 (Aponovich)

Marketplace literacy – subsistence consumers

Marketing success in emerging markets is linked to subsistence consumers and microentrepreneurs who face obstacles such as poor infrastructure and a lack of material resources. Yet some of these markets are extremely fast growing and many multinational companies are marketing their products to subsistence consumers. Much of subsistence consumers' purchasing power depends on their success in microenterprises which in turn rests on their ability to effectively participate in marketplaces. A new study in the *Journal of Marketing* suggests that subsistence consumers' "effective and beneficial" marketplace participation depends, not just on material resources, but also on marketplace literacy, enabling them to participate both as entrepreneurs and consumers.

ama.org, 30 March 2021 (Viswanathan et al)

Marketing strategy for a changing economy

Major challenges, notably the pandemic, protests such as Black Lives Matter and political frictions around the world, mean that economies are suffering and consumers are spending less. Businesses have to face up to the challenges this presents and marketers must reconsider their strategies to help the business survive. The author describes seven tips for rethinking a marketing strategy which are to: learn more about your audience; perform a marketing audit; create a new marketing plan; recognise the value of social media; set KPIs; run SEO campaigns; and update the website.

business2community.com, 31 March 2021 (Hausman)

Market research

Market sizing from survey data

By employing the right survey data, it is possible to use market sizing to tailor advertising and marketing campaigns so that "the right message reaches the right people at the right time and in the right way", which is essential in the current environment. In this blog, the author explains why you should do market sizing and recommends a bottom-up (calculate your market size by looking at realistic demand) rather than a top-down approach. He then defines the steps involved in calculating market size using survey data, and expands on the use of survey data using an imaginary coffee brand. A case study of Blizzard Entertainment is included.

blog.globalwebindex.com, 9 April 2021 (Ernest-Jones)

Rethinking research post-pandemic

The changes brought about by the pandemic have forced researchers to rethink their approach to research. Clients too are reconsidering what questions they need researchers to answer in the light of changing consumer behaviour and social movements. The research industry has been reliant on traditional methodologies for many years but increasingly small agencies are using new platforms and technology that enable deeper understanding of the human psyche. Researchers need to be storytellers rather than just data collectors because people are more interested in stories than numbers. A compelling narrative will lead to more curiosity and questioning. There should also be more diversity within organisations because different experiences will help to challenge biases and lead to different conversations and experiences.

research-live.com, 7 April 2021 (Ginai)

Public relations

Connecting with media on social media

Social media and faster communication have led to an instantaneous news cycle and changing dynamics between PR and media. Platforms such as Facebook, Twitter and LinkedIn, have created forums that allow PR professionals and journalists to build stronger relationships and deeper insight into issues. PR pros must therefore understand the most effective ways in which to engage with media. Some 74% of PR pros use social media to promote content, according to Smart Insights; this means that “eye-catching” content is a must. Here are nine ways in which PR pros can connect with media pros on social media.

prdaily.com, 9 April 2021 (Stefanski)

When PR meets advertising

PR agencies are often asked to cover an advertising campaign, usually at the end of the process when all the creative aspects have been completed. Yet it is not always a good idea to use advertising strategy for PR creative, says the author, who argues that: “Advertising strategy is conceived in a fully branded vacuum, argued and articulated in the language of the brand, rather than reality”. This is good, for advertising, but PR has “to be realistic” and “find the creative truth”. Whatever its relationship with advertising, PR has a different kind of creativity and should have a different kind of strategy!

prweek.com, 9 April 2021 (Dada)

The fallout from VW’s April fool

VW’s April fool’s stunt in which it claimed to be rebranding to “Volkswagen” in the US, has not gone down well, especially among reporters. Having been assured by company executives that the rebrand was genuine, they then felt “duped”. While some thought the joke was fun and harmless, other observers saw it as an example of “Volkswagen

caught lying again” in reference to the emissions-cheating scandal. The new name was meant to reflect VW’s shift to electric vehicles but it also shows the lengths to which brands will go to attract attention at a time when traditional advertising doesn’t always have an impact. In recent times brands have increasingly had to apologise for their stunts. VW may have upset the business press, but it achieved its goal of reaching consumers and raising visibility, and there is unlikely to be any long-term damage to the brand, say experts.

Advertising Age, Vol 92(4), 5 April 2021, p1 (Schultz)

Sponsorship

Premium sports – sponsorship trends

Premium sports have shown greater resilience in attracting sponsorship during the pandemic, but their success has not just been attributable to their prestige and big audiences because they have also adapted to market conditions. Sponsorship demand has fallen overall because some of the traditionally high-spending sectors have suffered, but other brands that have benefited from the crisis have taken their place and spent money at all levels. One trend to emerge during the pandemic is for B2B brands to take on branding assets previously held by B2C companies, such as the shirt deal between Manchester United and German software company TeamViewer. B2C new economy companies, such as used-car sales portal Cazoo which has become Everton’s shirt sponsor, are also entering the sponsorship arena. In addition, a rise in tech company sponsors has been noted both in Europe and the US.

sportbusiness.com, 7 April 2021 (Glendinning)

Foodie sponsorships

Birds Eye is to be the official plant-based partner of Team GB at this year’s Tokyo Olympics. Its Green Cuisine brand will have a new look union flag and the sponsorship will be publicised at the end of TV ads. Birds Eye says it hopes the tie up will see meat-free becoming mainstream. Its announcement follows that of Yoplait Kids, which has partnered with Team GB for the next three Olympic Games, while McVitie’s and Aldi have also become official food partners of the Team.

thegrocer.co.uk, 12 April 2021 (Sandercock)

Agriculture, fishing and forestry

Valuing farmers and milk production

When the food service sector shut down last year, thousands of litres of milk had to be thrown away, which put more pressure on the UK dairy sector where farmer numbers fell by two-thirds between 1995 and 2019. Milk has long been undervalued, often costing less than a litre of sugary drink. Apart from a fair price, there are other ethical issues

facing the dairy sector, such as animal welfare, climate change impact, biodiversity loss and more. Some changes are being brought about by farmers, dairy processors and retailers. Farmers are experimenting with different farming systems and direct selling. The Food Ethics Council is coordinating a dairy project to bring together dairy farmers so that they can learn from each other and overcome challenges.

thegrocer.co.uk, 9 April 2021 (Crossley)

M&S introduces bees as part of innovation

Marks & Spencer is to place over 30m bees on 28 of its supplier farms to help increase pollinator numbers and improve product quality. This forms part of a five-year "farming with nature" programme aimed at becoming more eco-friendly. As part of the programme, M&S has created 17 "Indicator and Innovation Farms" in the UK covering various sectors. These will trial new ways of farming and measure environmental improvements.

farminguk.com, 12 April 2021

Vending machines

Egg vending machines were first seen in the UK back in 2015 as an alternative to honesty boxes but their popularity has risen dramatically over the past five years and many now act as self-service farm shops where they dispense a variety of produce. This article explores the development of farm vending machines and their increasing sophistication.

farminguk.com, 10 April 2021

Building industry

Construction continues to build momentum

The UK construction sector saw output rise by 1.6% in February, the second month of growth this year and the highest level of growth month-on-month since September. It was also the fastest-growing part of the economy. New work was still 7.8% below that of February 2020. However, new commercial work rose by 4% in February while of private sector house building output has risen by almost 141% since its low point 12 months ago.

constructionenquirer.com, 13 April 2021 (Morby)

Laing O'Rourke targets net zero and diversity

Laing O'Rourke has set a target of making its operations net zero by 2030. The company has already starting the transition to biofuels as it moves towards full electrification of all operations. It is currently working on converting all offices and project sites to renewable energy; moving to an all-electric car fleet; and investing in solar panels at its factory in Worksop. The company has also included diversity in its sustainability strategy and aims to employ an equal number of men and women by 2033. This will be supported by more offsite

construction, flexible working and a corporate wellbeing strategy.

theconstructionindex.co.uk, 13 April 2021

Businesses and strategy

Disruption is a way of thinking

Disruptors, such as Steve Jobs and Elon Musk, have something in common: they think in a completely different way from the people they disrupt. In order to create something new, entrepreneurs "must see things as they should be, rather than simply as they are". However, there are things that we can learn from them that can be repeated. To do this, they have to be observed while they are in the process of disrupting, rather than as a historical entity. Here the author shares what he has learned from three disruptors: to "focus on inputs rather than outputs" (Nabil De Marco, general manager for Amazon Business in Europe); "automate first, hire later" (Michael Birdsall, founder of TwoSigmAs); and "change your narrative" (Mark Gerhard, founder of Ascendant Digital).

Entrepreneur, Vol 49(3), April-May 2021, pp20-21 (Mudassir)

Challenges for virtual sales coaching

Gartner's Seller Skills Assessment concludes that just 23% of B2B sales reps believe they are as effective at selling virtually as they are in physical settings. Yet, despite 58% of sales reps having dedicated coaching sessions on effective virtual selling with their managers, 93% are experiencing difficulties and most are unsure about what to do differently to be more effective. Gartner's *State of Sales Manager Coaching* reveals that sales managers play an essential part in helping sales reps to adapt and improve and that effective coaching can lead to an 8% improvement in sales performance. But sales managers also struggle in a virtual environment. Gartner has identified "the three root causes" of sales manager struggles as being: an inconsistent coaching culture; inexperience with virtual selling and coaching skills; and a lack of investment in coaching technology.

CRM Magazine, Vol 25(3) April 2021, p13 (Klie)

Charities and NGOs

Marketing strategies for raising awareness

It is essential for charities to create awareness and convince their target audience to support or donate to the cause. Although charities often have tight marketing budgets, there are ways of raising awareness without breaking the bank. Here are some strategies for increasing awareness, including building the website; increasing traffic with content marketing; making the most of social media; using email marketing; networking at events; PR and media relations; and donor recognition programs.

charitydigital.org.uk, 7 April 2021 (Martin)

HSI targets animal testing

Many major beauty brands still test their products on animals. Animal cruelty charity Humane Society International (HSI) has launched an animation which shows how a lab rabbit called Ralph spends his day. "Save Ralph", a short film using the voices of well-known stars such as Taika Waititi, Zac Efron and Ricky Gervais, is presented in the form of a "darkly funny" but very powerful documentary following the working day of Ralph who stoically insists that his job is "essential", as he sustains injuries inflicted by humans.

thedrum.com, 7 April 2021 (Watson);
<https://www.hsi.org/saveralphmovie/>

Economy

Key economic indicators – signs of optimism...

This paper summarises the latest business and consumer confidence indicators. The ONS survey of businesses for the two weeks ending 4 April 2021 shows that 79.1% of respondents had moderate or high confidence that their business would survive over the next three months. Meanwhile the *CBI Industrial Trends* survey for March 2021 found that more manufacturers thought that output would rise over the next three months than thought it would fall. Finally, the GfK *Consumer Confidence Index*, conducted for the European Commission, produced a reading of -16 in March 2021, up from -23 in February. In general, it looks as if things are moving in the right direction. There are links to the original sources.

commonslibrary.parliament.uk, 8 April 2021 (Brien)

...as stores reopen

There seems to be considerable business optimism about the UK economy as non-essential retail, hospitality and other outlets reopen this week. The Centre for Economic and Business Research (CEBR) predicts that £314m will be spent this week in the hospitality sector, with savers using some of the £192 billion they have saved during lockdowns. Meanwhile, according to a Deloitte study, there is record optimism among CFOs who expect a, "strong recovery in profits over the next 12 months". Further positivity is indicated by the BDO's market tracker and by Federation of Small Businesses members.

marketingweek.com, 12 April 2021

Education

Building remote learning capabilities

Companies need to use the lessons they have learned during the pandemic to enhance operational performance and achieve end-to-end (E-to-E) digital transformation. This means embracing new capabilities including ones that will serve in the longer term, not just during a crisis. This involves training and leadership-building programs. This can

be done remotely, according to McKinsey. Its work with enterprises shows how it is possible to replicate "tried-and-true" learning methods in a remote environment and how remote capability building has bonus benefits. Companies can build new capabilities through adapting digital tools, technologies and interactions to five well-established principles in adult learning. These so-called "prism" principles can be used in a remote environment but there are misconceptions surrounding them, as well as benefits, which are explored here.

mckinsey.com, 8 April 2021 (Dutta et al);
<https://www.mckinsey.com/business-functions/operations/our-insights/everyone-is-within-learning-distance-building-skills-remotely>

CIM issues badges to show achievements

CIM has launched a digital badge scheme so that marketers can prove their qualification, experience and whether they are a Fellow or have Chartered status. The badges will assist in career development and recruitment as well as enabling employers to identify individuals who are committed to CPD. CIM CEO Chris Daly says that differentiation on social media platforms such as LinkedIn, is "essential" and that the badges should help to give marketers a competitive edge. Now marketers "can stand out and demonstrate their individual achievements instantly on any device". According to recruitment firm Hays, 67% of marketing employers plan to hire this year while 60% of marketing professionals aim to move jobs.

fenews.co.uk, 7 April 2021

Energy and utilities

Water poverty in England and wales

A new report commissioned by Water UK suggests that the cost of plugging the "water poverty gap" could be up to £720m. The report by CEPA reveals that the number of people living in water poverty in England and Wales is greater than previously calculated, with over four million households struggling to pay their bills. In 2019 the industry made a Public Interest Commitment (PIT) to, "make bills affordable as a minimum for all households with water and sewerage bills more than 5% of their disposable income, by 2030".

utilityweek.co.uk, 7 April 2021 (Williams);
<https://www.water.org.uk/publication/water-poverty-analysis/>

UK power emissions down by 7.6%

UK power-related carbon emissions have fallen by 7.6% over the past 12 months as electricity demand fell during lockdowns and coal plants closed. A ranking of electricity sector carbon reductions, by Finnish power tech company Warstillia, reveals that Spain followed by Austria, had the highest fall in emissions in Europe thanks to the closure of coal power plants. Overall emissions across Europe fell

by 7% for the 12 months. However, Tom Menski a senior analyst, warns that emissions are likely to grow as energy demand rises again. There are also concerns over the slow decarbonisation progress in some countries, such as Germany. Belgium was last in the ranking, with power-related carbon emissions up by 4%.

businessgreen.com, 13 April 2021 (Keating)

Environment

Consumers search for sustainability imagery

Emissions from transport have fallen dramatically over the past year and people have become more interested in sustainability and being eco-friendly. This is according to Getty Image's Visual GPS research which compares consumers' image searches for this year with those at the same time last year. The research suggests that nine out of ten consumers believe that how we treat the planet now will impact the future, and that seven in ten expect brands to be aware of their environmental impact in all aspects of their advertising. Getty also discovered that certain search terms have been trending over the past year. For example, "solar panels on roof" saw a 295% rise year-on-year while "sustainable finance" was up by 270%, "hydrogen energy" by 224% and ESG by 217%. An infographic ranks other popular search terms.

Adweek, Vol 67(5), 5 April 2021, p11 (Ortiz)

Budweiser promotes renewable energy

Budweiser is announcing the fact that "Every Budweiser is now brewed with 100% renewable energy" through an ad set to Bob Dylan's "Blowin' in the Wind". A dalmatian dog is featured with its ears and muzzle being blown by the breeze before the scene pans out to reveal the canine sitting on a horse-drawn Budweiser cart travelling through a field of barley. Pulling back further, the camera shows a landscape of wind turbines.

thegrocer.co.uk, 9 April 2021 (Dishman)

Fashion

Marketing helped Asos with record results

Asos achieved record sales in the first half of its financial year to 28 February. It increased its marketing investment to £108.9m over the period to make the most of the shift to online spending during the pandemic. This is a rise of £40m compared with the same period in 2020 which ended before Covid-19 hit the UK. By responding to changing consumer behaviour, Asos aimed to raise awareness, customer acquisition and engagement as well as driving traffic to its platform using "more efficient" social and digital channels. Sales rose by 24% compared with the previous year to over £1.9 billion, with gross profit of £890m. Asos regards its marketing as being a key contributor to its performance. This article also

discusses the integration of Arcadia's brands into Asos' portfolio.

marketingweek.com, 8 April 2021 (Jefferson)

Can 1990s brands benefit from nostalgia?

Gap and Benetton are examples of brands that were popular in the 1990s and are now struggling, but could they benefit from the Gen Z appetite for nostalgia? Stars such as Jane Fonda, Diane Keaton and Goldie Hawn have become popular on TikTok among the under-25s while "Y2K dressing" is a trend identified by *Vogue* as a Gen Z "throwback fashion movement". The popularity of some fashion items has led to the 90s being called "the new vintage era". Some brands, such as Lee and Kickers, have been tapping into this trend. This is also a good opportunity for struggling heritage brands, but there are a few points to consider about Gen Z before going down this route. (See also under Brands and branding)

campaignlive.co.uk, 6 April 2021 (Maduako)

Toms – a change in giving and visual identity

Footwear brand Toms, which gives away one pair of shoes to a needy person for every pair it sells, has switched to a pledge to give away at least a third of net profits annually. The change in giving model coincides with the brand's 15th anniversary. Founded in 2006, it has given away over 100m shoes. Now it aims to invest in particular issues such as promoting mental health, increasing access to opportunity and ending gun violence. Alongside this initiative, comes a relaunched website and marketing campaign that targets Gen Z and focuses on working with community agents rather than models. Magnus Wedhammar, Toms CEO, says that it is of "utmost importance" that Toms "represents the highest standards of corporate social responsibility".

uk.fashionnetwork.com, 8 April 2021 (Braun)

Financial services

D&I in financial services

There has been a growing focus on diversity and inclusion (D&I). In March FCA CEO Nikhil Rathi delivered an address at HM Treasury's launch of the *Women in Finance Charter Annual Review 2021*. This paper looks at the Charter as a model for D&I initiatives and the groundwork that has been laid for regulated firms as they face greater scrutiny. The FCA's own *Ethnicity Action Plan* may also provide insights for firms in their own approach to D&I. However, D&I is just one aspect of Environment, Social and Governance (ESG) and firms should be responsive to the expectations of all stakeholders.

lexology.com, 7 April 2021 (Stainsby et al);
[Women in Finance](#); [Ethnicity Action Plan](#)

Facial recognition use to rise to 1.4bn by 2025

The number of consumers using facial recognition to authenticate payments will rise to 1.4 billion by 2025, up from 671m in 2020, according to Juniper Research. This shows just how widespread facial recognition software has become, largely thanks to low barriers to entry. The use of FACE ID by Apple has accelerated the facial recognition market, according to Juniper. However, it also predicts that only 17% of smartphones will have hardware-based facial recognition capabilities by 2025.

nfcw.com, 12 April 2021 (Phillips)

FMCG

Beverages

"Reassuringly Expensive" as pubs reopen

Stella Artois is to mark the reopening of pubs and restaurants in the UK with a campaign that taps into the growing trend for nostalgia (See also under Brands and Fashion). The "Stella Tips" campaign aims to support the hard-hit hospitality sector by giving a £1 tip for every pint of Stella sold in the month following 12 April. The ads, which appear on TV and OOH, will use some of the brand's advertising back catalogue, which will include the return of the "Reassuringly Expensive" tagline.

marketingweek.com, 6 April 2021 (Valentine)

Frosts will affect French wine

Grape harvests in France could be reduced by as much as 90% because of late frosts across the country. The frost has been particularly damaging to buds and flowers. Some wine domains could be in serious trouble following other problems such as US wine import tariffs and the closure of restaurants and bars. French farmers have been blaming global warming for the shorter winters and hotter summer weather while faster ripening has led to changes in the character of French wine vintages.

ft.com, 9 April 2021 (Mallet)

Food

M&S to launch 73 ads

M&S is to introduce its "biggest ever quality" campaign for food with the launch of 73 ads over the next few months. The Fresh Market Update campaign commences with an introductory film followed by four different ads a week for the coming 18 weeks. Each week will centre on a different food and supplier, such as salmon or the Davidstow creamery. M&S food marketing director Sharry Cramond says the aim is for 50% of the population to see the campaign at least 18 times. The TV campaign is backed by email and direct communication with M&S's ten million Sparks loyalty card customers.

campaignlive.co.uk, 9 April 2021 (Farey-Jones)

Household

Lovebug cat food made from insects

Mars Petcare has launched the very first 100% insect-based dry cat food in the UK. Lovebug, as it is called, is made from black soldier fly larvae insect meal, essential nutrients including amino acid and has a vegan coating. Mars is promoting the innovation as a more sustainable option than those of its competitors. The insects, which come from a farm powered by renewable energy, have been fed on surplus vegetables.

thegrocer.co.uk, 30 March 2021 (Woolfson)

Tobacco

New York – legalising cannabis

New York has become the 15th US state to legalise cannabis. This will allow licensed businesses to flourish as investors and distributors rush to get a piece of the action. New York is likely to give loans, grants and launch incubator programs which will help start-ups and minority communities. Meanwhile, agencies will be helping to promote cannabis brands, especially agencies that have already worked on campaigns in states where cannabis has already been legalised. A big surge in advertising is predicted as brands battle for awareness in a market where loyalties have yet to be established.

adage.com, 1 April 2021 (Sherwood)

Health and pharmaceuticals

Microsoft acquisition for healthcare expansion

Microsoft is planning to buy Nuance Communications in a deal worth \$19.7 billion, making it the second largest acquisition in Microsoft's history. Nuance, based in Massachusetts, was a speech recognition pioneer but has since focused on software for the healthcare industry. It "provides the AI layer at the healthcare point of delivery" says Microsoft CEO Satya Nadella. Almost 80% of US hospitals already use Nuance's software. The acquisition will help Microsoft to expand in the healthcare industry. The growth of "telehealth" and remote consultations has risen during the pandemic and this growth is forecast to continue post-pandemic.

bbc.co.uk/news, 12 April 2021

Big Pharma – more agile and innovative

Prior to the pandemic, Big Pharma was criticised for spending more on marketing than research, for failing to produce new therapies and for alleged price-gouging. Pharma was also hit by the pandemic as supply chains and clinical trials were disrupted and hospitals focused on treating Covid-19. However, as economies have reopened, drug sales have recovered and some firms have produced effective vaccines. Pfizer estimates that sales of its vaccine will exceed \$15 billion this year. One pharma boss recently described the pandemic as "a

significant inflection point for the industry” and it seems that a more agile, innovative business is emerging. Perhaps more importantly, public approval of the industry has risen, from around 30% last year to over 60%, according to a recent Harris Poll.

economist.com, 10 April 2021

IT and telecoms

Samsung targets Gen Z

Samsung is turning its attention to Gen Z in a campaign for its Galaxy A smartphones. The “Awesome for everyone” campaign, which emphasises the phone’s features and price, features collaboration with young creators who use their smartphones to achieve their creativity. They include a group of Nigerian teenagers called The Critics who make sci-fi movies on their phones.

marketingweek.com, 9 April 2021

LG to exit smartphone market

LG has said it is to stop making smartphones so that it can focus on growth areas, such as electric vehicle components, smart homes, robotics, AI and B2B solutions. LG’s smartphones have struggled to compete with rival South Korean smartphone maker Samsung and Chinese companies. To attract attention, LG has released a number of “eye-catching” devices with unusual forms, such as dual screens. The latest to be unveiled (at CES this year) was its “rollable” phone. LG is just the latest in a line of device makers to exit the smartphone market, although some brand names, such as Nokia and BlackBerry, have remained on devices made by third-party manufacturers.

theverge.com, 4 April 2021 (Porter)

Leisure and tourism

UK GDP loses £148 billion

The World Travel and Tourism Council’s (WTTC) annual *Economic Impact Report* reveals that the collapse of the UK’s travel and tourism sector has wiped out a colossal £148 billion from the UK economy. Sector GDP fell from £238 billion in 2019 to just £90 billion in 2020 with the loss of 307,000 jobs. SMEs, which account for eight out of ten businesses in travel and tourism, have been the most affected as have women, young people and minorities who work in this diverse sector. The report also reveals that UK domestic visitor spending fell by 63.2% due to lockdowns. On a more optimistic note, the WTTC forecasts that if international travel were to resume by June this year, the industry’s contribution to global GDP could rise by 48.5% year-on-year.

wttc.org, 7 April 2021;

<https://wttc.org/Research/Economic-Impact>

Media

Film

“Peak drive-in” for cinemas

Outdoor cinema is expected to reach “peak drive-in” this summer as restrictions are lifted and bookings rise. Outdoor cinema is among the first tranche of entertainment options being allowed from 12 April and Eventbrite, the ticketing site, has seen listings for drive-in events surge by 300%. Drive-in cinemas will also benefit from the warmer weather and current restrictions on other types of attractions, although from 17 May cinemas will be allowed to reopen and audiences will be allowed back to larger events.

theguardian.com, 11 April 2021 (Sweney)

Internet

Ethical perceptions and revenue models

Consumers perceive online platforms that use an advertising-based revenue model to be less ethical than those that use a service-fee-based model because those that use advertising are considered to be less motivated to serve the consumer, according to this study. The negative feelings induced by the ad-based model also lower consumers’ intentions to disclose personal information and to generate positive WOM. Allowing consumers to skip ads does not improve less favourable ethical perceptions although using public-service ads does.

Journal of Business Ethics, April 2021, pp1-15 (Su and Jin)

Amazon grabs over 10% of US digital market

Amazon has benefited hugely from the growth in its e-commerce business during the pandemic but its advertising business has also seen double-digit growth. Ad growth rose by 52.5% last year, giving it over 10% of the US digital ad market for the first time and strengthening its number three position behind Google and Facebook. Amazon’s increased market share was at the expense of Google from whom it is expected to continue taking share, especially in search. Google and Facebook have both indicated that they want to compete with Amazon in e-commerce but they have a lot of catching up to do.

emarketer.com, 6 April 2021

Social media

The effectiveness of social media ads

This article reports on global research by GWI into the role of social media and its effectiveness for advertising. Media has become more fragmented than ever but global social media ad spend has risen by 50% over the past year. So how does a brand’s social media fit into the consumer journey and how can brands get the most out of their ads on social platforms. While social networks have become the

second-most prominent research channel after search engines, reasons for using social media differ widely by age and region. However, for the ads to be engaging, they must be relevant, which makes personalisation key. This can make social media ads more entertaining and memorable than other digital ads. Here are some ways to make the most of your ad budget.

blog.globalwebindex.com, 25 March 2021 (Gorman)

TikTok – influencer spend the way to go

TikTok is seeing a rise in spending on influencers which isn't surprising given the popularity of the platform. Now it is trying to strike a balance between being accessible to brands (monetisation) and keeping its users happy. The key to this appears to be influencer marketing. Last year the platform saw an 164% rise in sponsored posts from beauty influencers and a 481% increase in engagements. This is in contrast to Instagram, YouTube and Facebook whose paid-for cosmetic posts all declined last year. TikTok's ad packages are regarded as expensive so it is a good idea to use the platform to collaborate with creators and their communities. TikTok is still very much an experimental platform which allows a certain degree of creative freedom for content and brand stories.

thedrum.com, 8 April 2021 (Stewart)

Television

Commercial audience retention

Programme audience ratings are often considered when placing and pricing TV ads. However, there can be a discrepancy in audience size between the programme and the ads, which makes programme ratings less reliable. Here the authors suggest a new metric called commercial audience retention (CAR) to measure how much the programme is capable of keeping its audience during the ad break, and develop a model to predict CAR. Their study reveals that some factors influencing programme ratings or ad avoidance, have no significant effect on CAR.

International Journal of Advertising, March 2021, pp1-27 (Song et al)

Dave launches flat-pack pub

UKTV's Dave channel has designed a flat-pack pub to help people who have not been able to book a place in a beer garden after pubs reopened on 12 April. The Flat Pack Pub also marks the return of TV series *Meet the Richardsons* in which comedian Jon Richardson has his own pub called The Dog and Bastard. Richardson features in a video showing how to assemble the flat-pack pub. The pub was created after research by Dave found that 53% of adults surveyed said they were more excited about a trip to the pub than they were about reuniting with their family!

campaignlive.co.uk, 9 April 2021 (Douglas)

Packaging

Plastic waste in the UK

Five million tonnes of plastic are used every year in the UK, with almost half being packaging, it is estimated. There have been concerns during the pandemic about the increased use of plastic products and delayed environmental legislation. Meanwhile packaging manufacturers are keen to see a green recovery involving greater sustainability and a more circular economy. This House of Commons Library briefing provides a useful overview of plastics: environmental problems and benefits; UK Government targets and proposals; EU strategy; the marine environment; plastics exports; terminology; and voluntary initiatives. There are links to original sources.

commonslibrary.parliament.uk, 13 April 2021 (Smith);
<https://commonslibrary.parliament.uk/research-briefings/cbp-8515/>

Morrisons to axe all plastic bags

Morrisons plans to remove all plastic carrier bags from stores over the next year following a trial in eight stores last year. Instead, it will sell reusable paper bags which are recyclable, water and tear resistant and strong enough to carry the equivalent of 13 bottles of wine. It will also sell string, jute and cotton bags. David Potts, CEO, says removing the plastic bags "is a significant milestone in our sustainability programme".

marketingweek.com, 9 April 2021

Retailing

Retail technology – don't get left behind

As part of its *The Next Normal* series, McKinsey examines the future of shopping and retail technology. The most successful retailers will be the ones that use digital, omnichannel and in-store technology to connect with consumers in new ways. According to a McKinsey analysis, technology will double profitability for the "store of the future". It will also lead to better customer experience and employee engagement. The technology is here and retail leaders are advised to act now or risk being left behind.

mckinsey.com, April 2021;
<https://www.mckinsey.com/featured-insights/the-next-normal/shopping>

E-commerce still not a big revenue driver

The pandemic has accelerated the importance of e-commerce for some organisations but its role is less clear for others. An AMA and Kantar survey of marketers in mid-2020 found that the number of organisations who regard e-commerce as a top priority had only risen slightly since 2019. For those perceiving it as a top priority for their leadership, the pandemic has boosted its importance. However, for most organisations using e-commerce, the rise in activity has been modest (from 51% to 57%), with

contribution to revenue remaining relatively small. In contrast, among the more active e-commerce users, 73% of respondents said there had been a slight to significant rise in its contribution to revenue growth.

[ama.org](#), 22 March 2021 (Sheikh et al)

The post-pandemic channel dilemma

Online orders rose during the pandemic, with e-commerce activity having, "compressed the equivalent of several years of growth into just a few months", according to McKinsey. Now leaders must decide whether the pandemic-driven surge in online shopping is just a blip or a much larger, permanent shift. This will affect how they allocate their investments. While it is impossible to predict the future, it is possible to break down knowledge into the "knowable and unknowable".

[hbr.org](#), 5 April 2021 (Cespedes)

Compost and lingerie? – Next and Homebase

Next is joining forces with DIY retailer Homebase to open mini-Homebase garden centres in selected Next stores. Gardening advice, plants, pots and tools will be offered alongside Next's clothing and homeware. Damian McGloughlin, Homebase chief executive, says the aim is to offer both experienced and new gardeners, "products in more locations across the country". Homebase is also planning to open more small-format kitchen and decorating stores.

[theguardian.com](#), 11 April 2021 (Brignall)

Services

Tesco campaign to support pubs...

Tesco is running a campaign across multiple media to encourage people to support their local pubs as they reopen in England. The ad refers to pubs having "had it tough this year" and says it is "using this space to ask you to support them instead". This may be in response to the fact that supermarkets have been criticised for cashing in on the closure of the out-of-home sector. The initiative also reflects Burger King's November campaign in which it encouraged people to order from competitors such as McDonald's and KFC.

[thegrocer.co.uk](#), 12 April 2021 (Quinn)

...while Morrisons offers outdoor café

Morrisons has launched outdoor areas for over 100 of its cafés to coincide with the 12 April relaxation of lockdown rules. Consumers will be offered a "Big Breakfast", fish and chips or afternoon tea. People can also use its "Order and Pay" app to order and pay from their tables.

[thegrocer.co.uk](#), 12 April 2021 (Quinn)

Transport and travel

When is a brand British?

The ASA has ruled that Vauxhall had not misled people over its claims of Britishness in its advertising. This was after it received four complaints about Vauxhall's claims of being a "British brand since 1903". The complaints were based on the argument that the brand had been owned by French car group PSA since 2017 and before that by General Motors. Vauxhall pointed out that "Vauxhall Motors Ltd" is a UK trademark, that the vehicles are sold exclusively in Britain and that Vauxhall had always built vehicles in Britain. The brand is also named after an area of London. The ASA decided that the ad was not misleading on the basis that you can only buy a Vauxhall-branded car in the UK and it is called Opel in other countries.

[campaignlive.co.uk](#), 7 April 2021 (Oakes)

Digital strategy helps Volvo outperform

The first quarter of 2021 saw a 15% rise in sales of new Volvo cars despite an overall market decline of 12% for the period. Volvo has been ramping up its online sales and marketing as it introduces electric models and this has resulted in its highest market share for 30 years. Volvo Car UK MD Kristian Elvefors says that car showroom retailers have been working with the company to adapt to new methods and maintain "a great service" to customers. This, combined with Volvo's digital strategy and its Care by Volvo subscription service, have enabled it to trade online and outperform the market.

[marketingweek.com](#), 8 April 2021

UK business travellers will fly less

A new YouGov poll suggests that most UK business travellers will fly less because they are adopting new ways of working such as video conferencing. Just a third say they will resume the same level of flying as before the pandemic. The poll also reveals that the lack of air travel hasn't had a negative impact on the productivity or work life of most business flyers. In fact, one in five report a positive impact. There has also been a positive impact on the environment because business travellers cause more carbon emissions per person due to the larger space occupied by business-class seats. Yet business seats are where most of the airlines' revenues come from. In September the UK's climate assembly revealed that people would support a levy on frequent flyers.

[theguardian.com](#), 12 April 2021 (Carrington)

People mobility challenges carmakers

In the "moving-people-around" industry, legacy carmakers are facing challenges which will make them rethink how their cars are sold, used and owned. So-called "new transport" could be worth \$400 billion in revenues by 2030, according to HIS Markit while KPMG predicts it will be worth \$1

trillion. Although individually owned cars will remain an important part of the mobility ecosystem, city centres are where the traditional car ownership model is threatened. Here people can use services ranging from peer-to-peer car-sharing to bike-sharing, and there is even the prospect of flying taxis! Meanwhile, specialist journey-planning apps help people to use a combination of transport types. Legacy carmakers have been trying to get in on the act, either by investing in newcomers or producing their own solutions, which are not always successful.
economist.com, 11 April 2021

Written by CIM's Knowledge Services Team

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