

Cutting Edge: Our weekly analysis of marketing news

12 May 2021

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

Quick links to sections

Marketing trends and issues

Advertising

Unilever and Nestlé first in green levy

Unilever and Nestlé have become the first companies to sign up to pay a green levy of 0.25% on the cost of producing an ad. The funds, which will be collected by ad agencies, will go to AdGreen, an offshoot of the Advertising Association. The aim is to help ad agencies and their production partners to input information and to measure the carbon footprint of an ad campaign. The system is based on Albert, Bafta's carbon calculator used in the film and TV industry. It will enable agencies and brands to work collaboratively to understand the impact of their activities.

[campaignlive.co.uk](https://www.campaignlive.co.uk), 5 May 2021 (Small)

The source of ad music – does it matter?

Music for advertising is big business and brands can spend millions on sourcing music for their campaigns. This research examines the effect of the source cues on the evaluation of advertising music by professionals and non-professionals. It finds that ad professionals consistently evaluate ad music more highly when they are told it is from performing artists compared with less credible and attractive sources. However, non-professionals are not affected by source cues at all. The effect of music sources could be costly for brands, especially when professionals advise clients to pay a premium for music from "real" artists, even though there may be no added benefit because it doesn't matter to the listening public. Potential solutions are suggested.

Journal of Advertising Research, Vol 61(1), March 2021, pp95-109 (Anglada-Tort)

Agencies

WPP offers first-party data services

WPP has created a consultancy called Choreograph through the merger of its data specialist units GroupM and Wunderman Thompson. The aim is to help clients with their first-party data strategies in four core areas: private identity solutions; audience insights and planning; media optimisation; and predictive analytics. This consolidation reflects the need to realign the business around data-driven expertise at a time when brands are racing to find new ways of acquiring first-party data as third-party cookies are set to disappear. Other large groups, such as Publicis, are rethinking their data operations.

[marketingdive.com](https://www.marketingdive.com), 3 May 2021 (Adams)

Brands and branding

Now is the time to build trust

As we emerge from the pandemic, there is an opportunity for brands to build trust. Corporate social responsibility has taken off and companies are increasingly sharing their sustainability data in the face of increased scrutiny from consumers. In fact, 63% of respondents in a recent Harris Poll said that a brand that loses its trust cannot earn it back. While brands don't need to be loud or provocative to build trust, they do need "to listen, innovate and deliver on their promises". With so many channels open to them, brands must actively listen to customers and respond carefully. The pharmaceutical industry's approval ratings have rocketed during the pandemic (62% in February 2021), having suffered a low pre-Covid reputation score (32%). This shows just how much a sector can boost its reputation by rising to the occasion. Brands should back their pledges with resources and actions.

[adage.com](https://www.adage.com), 5 May 2021 (Johnson)



Chartered CPD Programme

Don't forget, reading this publication can count towards your annual CPD record.
www.cim.co.uk/membership/cpd/

Place brand credibility

Brand credibility is an important part of brand management, but little is known about the credibility of place brands and their relationship with consumer loyalty. This study explores whether credible place brands affect consumers' attachment formation, word-of-mouth and intention to return to the place. The research, which is based on an Alpine winter sports resort, reveals that place credibility is a key factor in consumer attachment. Credible place brands also have a strong influence on consumers' WOM. However, credibility will only have a positive impact on consumers' intention to return if they feel attached to the place brand beforehand.

Journal of Brand Management, Vol 28(3), May 2021, pp291-301 (Reitsamer and Brunner-Sperdin)

Conferences and events

Engaging the digital audience

Virtual and hybrid events have become commonplace in pharma marketing and are likely to be around for some time. But you don't want the audience to "suffer from digital event fatigue", so how can you stand out and encourage people to register? Here are some tips for keeping your audience engaged before, during and after the event. Building interest before the event is vital because, if no one registers, there will be no event. During the event it is important to acknowledge that many people have short attention spans (after seven minutes you could lose them), so "Think TED Talks", which have an 18-minute limit, and consider breaking up the presentation using some of the tactics suggested here. Finally, after the event, don't forget to follow up in a timely, interesting and relevant way.

orientation.agency, 5 May 2021 (Lawson)

Good To Go industry standard for events

Event organisers can apply for a free UK industry standard and consumer mark to help reassure audiences that the event is compliant with Government and public health guidance. The "We're Good To Go" Covid-19 industry standard is aimed at all tourism and event business to let people know that processes are in place and the event or venue is safe. The mark can be applied for through completion of a self-assessment.

**eventsindustryforum.co.uk, 5 May 2021;
<https://goodtogo.visitbritain.com/>**

Consumer behaviour

The experiential advantage

Research suggests that consumers are happier when purchasing experiences rather than material possessions. However, little investigation has been done into experiential's limitations. To address this, the authors develop a model of consumer happiness and well-being based on psychological needs (autonomy, relatedness, self-esteem and

meaningfulness). A meta-analysis reinforces the notion of experiential advantage and suggests that the advantage may be linked to relatedness rather than to happiness and willingness to pay. It also finds that the experiential advantage is reduced by negative experiences such as lower socioeconomic status of consumers or when the experience has a similar level of utilitarian benefits to material goods.

Journal of Consumer Research, Vol 47(6), April 2021, pp855-877 (Weingarten and Goodman)

Boomers shifted online during the pandemic

Baby boomers (aged 57 to 75) are far healthier and more outgoing than they were in past. They also have a lot more money. In America boomer households account for two-fifths of consumer spending. Yet brands and retailers have long ignored older generations, instead focusing on the younger consumer. The pandemic may have changed all that with the shift online of older consumers who want to shop safely during the pandemic. Last year over-65s in Britain accounted for 30% of consumer goods purchases online, up from 20% in 2019. Companies may need to go to some lengths to retain the custom of the elderly as even more shops close. They may also have to make online shopping easier.

economist.com, 8 May 2021

Impact of mobile app adoption

Companies use mobile apps to engage with customers, provide services and encourage purchase. In general, apps are thought to have a positive effect on consumer spending. This study examines this assumption by looking at customers' multichannel spending behaviour after adopting a hotel group's app. It finds that the effect of app adoption on consumer spending is both "significant and negative". It is possible that customers who adopt the focal hotel app, also adopt competitor apps and shop around, which results in a smaller share for the focal hotel group. However, the negative effect on spending is smaller among customers who use the app for mobile check-in services than among those who use the app just for searching. App engagement is therefore an important part of reducing the negative effect.

Journal of Marketing Research, Vol 58(2), April 2021, pp246-264 (Gu and Kannan)

Customer relations

Earning trust, respect and loyalty

In her new book, *Trustworthy: How the Smartest Brands Beat Cynicism and Bridge the Trust Gap*, content strategist Margot Bloomstein sets out a three-part action plan to help companies gain consumer trust, loyalty and respect. The framework focuses on three areas: voice (the consistent way in which companies engage through all touchpoints), volume (determining the right volume of information) and vulnerability (weighing the risk of

becoming vulnerable with consumers who increasingly want companies to be transparent). She concludes that the best way to retain loyalty is to make customers feel smarter and more confident in the decisions they make.

[CRM Magazine, Vol 25\(4\), May 2021, p17 \(Klie\); Purchase Trustworthy by Margot Bloomstein](#)

Law

ASA reviews racial and ethnic stereotyping

In December 2020 the ASA began to review its decisions on ads depicting racial or ethnic stereotyping over the past seven years. Guy Parker, ASA chairman, concluded that on the whole the ASA had got it right but that there were some areas that needed more investigation. Last week some senior members of the ASA held an insight session on the work to date. They identified three themes that are often the subject of complaints: depiction and characteristics; objectification and sexualisation; and culture and sense of humour. They also set out five considerations that are used to assess ads, which are set out here and which advertisers should take note of. The research is ongoing but the codes and their enforcement are likely to reflect public opinion in the future.

[lexology.com, 6 May 2021 \(Sng\)](#)

Marketing

Narrow targeting inefficient for B2B growth

It makes sense for B2B brands to acquire new customers by targeting a group whose needs match the product or service being offered. However, a new study by the Ehrenberg-Bass Institute suggests that the best way for B2B businesses to grow is to target all customers within a category. The study shows that the marketing law of duplicate purchase applies to B2B markets as much as it does B2C. B2B brands share customers with all other brands in the market and acquire customers from all other brands. The study, which focuses on US business insurance, reveals that customer sharing declines as brand penetration declines. A business with a low penetration will share just a small percentage of its customers while brands share more customers with bigger competitors and fewer with smaller companies. Ultimately, the most efficient way to grow a B2B brand is to reach the entire market because narrow targeting is "counter-productive".

[marketingweek.com, 6 May 2021 \(Jefferson\)](#)

Market research

Insights team – building internal reputation

Market research offers "intangible value that drives decisions that make tangible positive change". Yet insight is often overlooked as a function within a business. Peter Shreeve, senior insights manager, strategy and insight at the Open University, talks about the importance of internal reputation for research and insights teams and how they can start

building a name for themselves. The article goes on to discuss the role of case studies; communicating with stakeholders through digital; and measuring success through three questions: how far-reaching are your projects; how often are you cited by senior management; and are you the "go to people"?

[researchworld.com, 5 May 2021 \(James\)](#)

ONS advised to use local insight

The Office for National Statistics (ONS) should incorporate more local insight into its population data, according to the Office for Statistics Regulation (OSR). The OSR concluded that the ONS's population projections and estimates were "fit for purpose" but that it needed more feedback from local areas. The review, which followed concerns about possible inaccuracies in population estimates, recommends improving methods, especially in cities with student populations. It also suggests incorporating local insight as well as carrying out sensitivity analysis to improve quality assurance. Household projections data is used by national and local government.

[research-live.com, 11 May 2021](#)

Public relations

Blaming the algorithm

When algorithms go wrong, such as when advertisers are seen to target offensive groups, they can turn into a PR disaster. Little is known about how consumers respond to brands following such a crisis, which is why a new study in the *Journal of Marketing* sets out to offer guidance on the use of algorithms in marketing. The research finds that consumers tend to blame brands less when an algorithm, rather than a person, has caused the error. It also discovers that when the algorithm appears more human (anthropomorphised) consumers respond to brands more negatively following the crisis. In other words, people are more likely to be forgiving if an algorithm is involved than if humans are. The study also provides insights into how to manage the aftermath of brand harm crises caused by an algorithm.

[ama.org, 4 May 2021 \(Srinivasan and Sarial-Abi\)](#)

The effective high-stakes presentation

The success of a "high-stakes" presentation, such as a big proposal to a client, is especially important at a time when speed is of the essence and messages need to resonate quickly. While digital comms and Zoom conferences are common at present, face-to-face is still the most effective way of relating to people and conveying ideas to decision-makers. Robert Petrausch, author of a new book entitled *Leveraging Your High-Stakes Presentation in the Age of Speed*, explains his LASER Blueprint Methodology which will help PR pros to prepare, deliver and accomplish high-stakes presentations. The five-step

process instructs you to: persuade; adapt; share; educate; and reveal.

Public Relations Strategies and Tactics, Vol 4(4), April 2021, pp1-3 (Petrausch)

Sponsorship

Insights for Olympics campaigns

The Olympic Games opens in July with no international fans and many new restrictions in place. This article looks at some insights to help brands make the most of their Olympic campaigns. Research from GWI Zeitgeist suggests that there is shift in the typical demographic that will be watching the Games this year. While Boomers are usually the biggest fans (70%) of the Olympics, 51% of Millennials are planning to watch it live on TV this year. Experts believe that the lack of overseas fans shouldn't damage overall engagement. Meanwhile, TV continues to be the top channel, but other channels, such as social and streaming, are likely to play a big role. Compared with other age groups, Millennials are the most likely to engage with a brand if it sponsors their favourite team (36%) and many will go on to purchase products (46%). However, positioning a sponsoring brand as innovative will also go down well with Gen Z (66%).

blog.globalindex.com, 4 May 2021 (Trifonova)

Analysing the price of sponsorship

The amount spent on sponsorship is growing rapidly which means that the investment is attracting greater scrutiny. This study involves an analysis of prices paid for sponsorships of Formula One racing teams over a number of years. The results indicate that the sponsoring company's brand equity and shared nationality with the sponsored team influence price premiums. Companies with high brand equity are advised to scrutinise sponsorship prices, particularly if they have shared nationality. Sponsors are also recommended to take into account "congruent and uncluttered" sponsorship relationships and consider high-performing teams. The model developed here looks at spending at various levels, such as title, partner, official status, etc.

Journal of Advertising Research, Vol 61(1), March 2021, pp44-57 (Jensen et al)

Agriculture, fishing and forestry

Opportunities for agri suppliers

A survey of US crop farmers by McKinsey has found that farmers are increasingly buying online, with 50% saying they are willing to buy online and many preferring online for repeat purchases. The results of the current survey are compared with the previous one conducted in 2018 to identify key trends. The advice for agriculture suppliers is to focus on three areas: increase grower engagement

through digital channels by addressing "pain points"; boost online buying and trust through personalised experiences that "delight" the farmer; and recognise the link between online and offline channels across the farmer's buying journey and optimise the touchpoints.

mckinsey.com, 26 April 2021 (Fiocco et al)

Gender could influence insect-food takeup

Insects are increasingly seen as an answer to food scarcity but Westerners tend to be quite squeamish about the idea. Before introducing them to the human diet, it might be better to use them as a source of protein for animals. This article looks at the acceptability of farmed trout fed with insects to the French consumer. Three factors emerge as relevant to the acceptability of insect-fed products: being informed; gender; and food neophobia. When consumers are informed about the negative effects of overfishing and about insect meal as an alternative to fishmeal, 76% say they would be ready to eat insect-fed fish vs 64% of uninformed participants. However, males are more likely to find the practice acceptable with 78% of the "reluctants" being female!

Journal of Consumer Behaviour, Vol 20(2), March-April 2021, pp251-270 (Bazoche and Poret)

Building industry

State of Trade – construction SMEs

In its latest *State of Trade Survey* for Q1 2021, the FMB reports that 55% of respondents had higher workloads compared with Q4 2020 and that enquiries have risen at their fastest rate in over a decade. However, 93% of respondents reported an increase in the price of materials, 38% are finding it hard to recruit bricklayers and 34% are struggling to hire carpenters. The survey claims to be the only one of its kind to focus exclusively on SME construction firms.

fmb.org.uk, 4 May 2021;
<https://www.fmb.org.uk/resource/state-of-trade-survey-q1-2021.html>

What has happened to the timber market?

The Timber Trade Federation (TTF) reveals that more softwood was imported into the UK last year than in either of the previous two years, yet the construction industry is struggling to obtain enough wood. TTF CEO, David Hopkins, argues that the shortage is down to increased demand rather than a lack of supply. In fact, softwood demand is predicted to increase worldwide until at least 2025. The TTF has issued a market statement explaining where we are now, what happened in 2020 and what lies ahead for timber.

theconstructionindex.co.uk, 11 May 2021

Hard hat stickers identify diversity training

Fortel Group has joined forces with Supply Chain Sustainability School (SCSS) to launch a campaign aimed at improving diversity and health in the building industry. Those who complete the SCSS Fairness, Inclusion and Respect ambassador programme, Mental First Aid training or Fortel's LGBTQ+ Ally training, can wear stickers on their hard hats to "highlight their expertise" as well as raising awareness of who can be approached confidentially on site. The construction industry is making headway in its aim to be more diverse and inclusive.

constructionenquirer.com, 11 May 2021 (Prior)

Businesses and strategy

Reflection can make you a better leader

A recent paper suggests that thinking about the type of leader you want to be can make you better at it. Researchers at the University of Florida argue that picturing yourself at your best can motivate how you behave in the present, something which they call "Control Theory". The results of a survey of students at a weekend MBA course suggest that there is a positive correlation between thinking about "your best leadership self", the behaviours displayed and how you feel about your role. Reflecting for a few minutes a day can help you change your focus and how you approach your work. However, the best judges of a leader's character and effectiveness will always be their teams and the best leaders will always elicit their teams' views!

managementtoday.co.uk, 29 April 2021 (Jones)

SME collaboration in dissimilar markets

Emerging markets are creating greater opportunities for European SMEs. Yet there are substantial barriers to successfully entering these markets. Collaborative partnerships with local SMEs are one way of overcoming the obstacles, but there is little information on how to collaborate in such dissimilar contexts. This research, which is based on informal partnerships between Central European SMEs and SMEs in China, reveals the importance of complementary partner resources; mutual trust and commitment; and a "balanced consideration of partner interests".

European Management Journal, Vol 39(2), April 2021, pp185-200 (Wang et al)

Closing the skills gap – during and after Covid

In a new McKinsey global survey on reskilling (*Building workforce skills at scale to thrive during – and after – the Covid-19 crisis*) the urgency of addressing skills gaps is made clear. Most respondents believe that skill building (rather than hiring, contracting or redeploying) is the best way to close the gaps. The results also reveal a shift towards social and emotional skills, such as

empathy, leadership and adaptability. Overall, the findings show that large-scale skill transformations are the most successful. The survey identifies nine practices that support a skill transformation. When companies follow all of these, they are almost certainly guaranteed success.

mckinsey.com, 30 April 2021 (Billing et al);
<https://www.mckinsey.com/business-functions/organization/our-insights/building-workforce-skills-at-scale-to-thrive-during-and-after-the-covid-19-crisis>

Charities and NGOs

Encouraging prosocial gifts

This research shows that small prosocial gifts, such as tips or small donations, can be encouraged if the act of giving is perceived as a chance to express "identity-relevant" preferences. Rather than just asking people to give, the research adopts the "dueling preferences" approach which frames the act of giving as a choice between two options. This tactic is found to increase prosocial giving by providing potential donors with more opportunity for self-expression.

Journal of Marketing, Vol 85(3), May 2021, pp204-219 (Rifkin et al)

Talking to the uber-rich

Third Sector has recently mentioned the underdeveloped nature of the UK's major donor market when compared with the US. In the US philanthropists, such as Bill Gates, often step in with major initiatives in areas where government doesn't go. The *2020 Sunday Times Rich List* records 145 billionaires in the UK which is a lot of wealth that charities could be looking at to further their cause. There is clearly an untapped opportunity for UK charities to engage with the uber-rich but how should they go about it? Here is some advice for talking to individuals who might help your charity achieve its mission.

charitycomms.org.uk, 4 May 2021 (McLaren)

Economy

UK to see economic recovery

If the UK lockdown continues as planned, the economy could grow at 7.25% this year with unemployment peaking at 5.5%, according to the Bank of England's *Monetary Policy Report* issued this month. The Bank is expecting so-called "forced savers" to spend 10% of their lockdown savings. Nevertheless, not everyone is so well off and a third of households say they will be spending less.

smf.co.uk, 10 May 2021 (Norman and Pardoe);
Monetary Policy Report

SME optimism at 7-year high

SME manufacturing output is expected to ramp up significantly over the coming quarter, with growth of 36%, according to the latest CBI *SME Trends*

Survey. Optimism among SMEs has grown at its fastest rate for seven years (+35%) in the quarter to April although optimism about export prospects continues to fall (-6%), albeit less swiftly than the -10% recorded in January 2021. Rising costs (+49% in April) and the shortage of raw materials (concerns rose to 47%, the highest on record) are key factors limiting output over the next three months.

cbi.org.uk, 5 May 2021

Education

Space – the final frontier for universities?

As private sector space research gathers pace, new academic programmes are appearing at US universities to encompass, not just space science and engineering, but also entrepreneurship, management and law. The University of North Dakota, for example, is offering online courses in space management and law, while Arizona's Thunderbird School of Global Management is to launch degrees in space leadership, policy and business. The global space industry, including the likes of SpaceX, Virgin Galactic and Blue Origin, was worth \$424 billion in 2018, a figure that is expected to reach \$1.2 trillion by 2030. The increased activity has convinced universities that there is money to be made. According to Shelli Brunswick, COO of Space Foundation, it is about: "more than rockets and spacecraft. You need marketing specialists, you need financial analysts, you need MBAs"; and the new private companies are hiring in droves. US universities tend to be at the forefront of training people mainly because they located in the right place.

timeshighereducation.com, 3 May 2021 (Marcus)

Research and business school health

Business schools regard academic research as central to their business models and allocate significant resources to it. Yet there has been much debate about whether faculty research adds value to the school. Research among marketing professors finds that research quantity contributes to research health but not to other aspects of business school health. The "r-quality" of research (rigour) contributes more than research quantity while the "q-quantity" (practical importance) does not contribute to the research health of the school but does contribute to teaching health and some other aspects of business school health. The researchers conclude that the quantity of research by itself carries too much weight while creativity, literacy, relevance and awards carry too little weight. They also identify incentive misalignments.

[Journal of Marketing, April 2021, pp1-21 \(Stremersch et al\)](http://Journal of Marketing, April 2021, pp1-21 (Stremersch et al))

Energy and utilities

Patagonia campaigns for community energy

Patagonia is well known as an activist company, identifying things that are "systematically broken" and encouraging people to protect them. One of its latest campaigns embraces the idea of community energy. The campaign is based on establishing relationships with groups in various European countries. In the Netherlands it is fairly easy to set up a renewable energy community; but the UK's outmoded regulations restrict people from selling energy to communities. Patagonia's We the Power campaign looks at the urgent need "to redefine a broken" system based on fossil fuel production "owned by big, extractive companies". This is a campaign that anyone can get involved in, says Patagonia, which insists that there will always be a need to tell stories "about what is broken".

campaignlive.co.uk, 6 May 2021 (Weller)

Environment

Who will meet their green objectives?

The pressure is on for global companies to reduce their greenhouse-gas (GHG) emissions. Last year 4,500 companies self-reported their GHG emissions with 40% of these committing to specific targets. McKinsey has analysed the data to find out which of them are on track to meet their goals and why. It identifies three types of emissions (Scope 1 to 3) according to how closely related the business is to the source of emissions. Overall, the data suggest that companies should not forget about Scope 3 emissions (not directly owned by, but related to the activities of the business) since they account for a big part of the total carbon footprint of the organisation. Businesses should also recognise that success in reaching emissions-reducing goals today is a good predictor of success in the future. Finally, companies with bold targets are more likely to achieve success. The data are analysed across 12 industries.

mckinsey.com, 3 May 2021 (Banchik et al);
<https://www.mckinsey.com/business-functions/strategy-and-corporate-finance/our-insights/on-target-how-to-succeed-with-carbon-reduction-initiatives>

Major retailers' CO₂ emission down by 49%

There has been a 49% fall in CO₂ emissions from leading retailers since 2005, according to research from the British Retail Consortium (BRC). Carbon emissions from stores and store deliveries have fallen by 46% and 84% respectively. BRC's Climate Action Roadmap involves 70 retailers which have committed to help the retail industry and its supply chain reach Net Zero by 2040.

marketingweek.com, 10 May 2021

Tea threatened by climate changes

British tea-drinking could be threatened if the climate crisis continues at its current rate. Kenya, which is the world's largest tea-growing area, produces half the tea consumed in the UK. Yet, according to a report from Christian Aid, Kenya's optimal tea-growing conditions could be reduced by over a quarter by 2050 with a further loss of 39% in medium-quality growing areas. Other major tea-growing countries, such as India, Sri Lanka and China, are also experiencing rising temperatures, erratic rainfall, droughts and new types of insect infestations. The taste of tea could also be affected so it is not surprising that PG Tips, Tetley and Twinings have all expressed concern.

[thegrocer.co.uk](https://www.thegrocer.co.uk), 10 May 2021 (Holmes)

Fashion

Amazon ahead of Asos for digital shopping

Research by eMarketer's Insider Intelligence suggests that Amazon has trumped Asos as the digital fashion buyer's favourite site: 60% of shoppers say they have visited Amazon to shop for fashion at least once over the past month, while 42% say they have purchased fashion from Asos, 39% from eBay and 33% from Boohoo.

[emarketer.com](https://www.emarketer.com), 26 April 2021 (Lebow)

Social responsible behaviour – Gen Y

Consumer awareness of environmental issues do not necessarily translate into action, especially when it comes to fashion. This study examines which combinations of consumption values can account for the presence or absence of socially-responsible consumer behaviour among Gen Y fast-fashion consumers. The results of a comparative analysis show that this type of consumer behaviour depends on different combinations of consumption values, which should be useful findings for manufacturers and retailers of fashion.

[Journal of Marketing Theory and Practice](https://www.jmt.psu.ac.jp), April 2021, pp1-22 (Pauluzzo and mason)

Financial services

93% say they will consider digital payments

A new Mastercard survey suggests that 93% of consumers will consider using at least one emerging payment method over the next year, including QR codes, biometric payments and cryptocurrency. Its *New Payments Index* identifies contactless technology as "the digital catalyst" for consumers using new payment methods during the pandemic: 63% of respondents to the survey of over 15,500 consumers in 18 countries said they had tried "new payment methods in the last year they wouldn't have tried otherwise" and 73% expect to use less cash in the future.

[nfcw.com](https://www.nfcw.com), 7 May 2021 (Phillips);
[Mastercard New Payments Index 2021](https://www.mastercard.com)

Proximity mobile payments

In 2019, even before the pandemic, around 72m people in the US were using proximity payments but many more experimented last year and the number of users is expected to exceed 100m this year. Contactless payments are no longer restricted to just credit and debit cards but are very much in the realm of mobile wallets such as Apple Pay and Google Pay. Research suggests that 13% of US internet users tried paying with a mobile phone for the first time during the pandemic while 20% said they had ordered from a mobile payment app for the first time. There are still barriers to adoption, such as older consumers finding mobile payment apps hard to use and some small businesses not being set up to accept mobile payments. However, proximity mobile payments are expected to grow, with transaction values rising to over \$500 billion by 2025.

[emarketer.com](https://www.emarketer.com), 7 May 2021 (Kats)

European banks take on Visa and Mastercard

European banks have invested €30 in the European Payments Initiative (EPI), a group of over 30 banks that is looking to develop a unified payment system to rival PayPal, Mastercard, Visa, Google and Apple across Europe. A system for electronic real-time payments between consumers could launch early next year. EPI chair Joachim Schmalzl argues that card payments in Europe are mainly processed by US companies and that, "such a dominant share could hurt consumers and merchants".

[nfcw.com](https://www.nfcw.com), 6 May 2021 (Phillips)

FMCG

Beverages

Highland teams with pantone for "pee chart"

Highland Spring, the bottled water brand, has launched an unusual promotion with Pantone enabling you to identify five different colours of pee. The "pee chart", which aims to help Britons understand their hydration levels, ranges from "Highland Spring in your step" (pale urine) to "Dry spell" (dark orange). The campaign amply illustrates the reputation of bottled water as the "marketing trick of the century", claims this article.

[nonobviouscompany.com](https://www.nonobviouscompany.com), 6 May 2021

Portman rules on Quickie brand

The Portman Group's Independent Complaints Panel has ruled against Quickie wine, made by Australian winemaker Some Young Punks, for the "objectifying and demeaning" artwork. The label depicts a woman in lingerie with a man standing in the background. The Panel considered that it "caused offence based on gender and sex" and pointed out that drinks should not "suggest any association with sexual activity". Another product, Little Pomona Cider, has

been brought to the attention of the Panel for its illustration of a "little girl" on the label and the word "little" in its name. However, on this occasion the panel ruled that it was unlikely to have "particular appeal to under-18s".

thegrocer.co.uk, 10 May 2021 (Leonard-Bedwell)

Food

Buy other chocolate says Cadbury

Cadbury has been encouraging people to buy chocolate from local shops rather than from the big brands, in an effort to help save high street shops. There have been a number of high-profile high street closures over the past year including branches of Thorntons. Cadbury, which itself started out as a single shop in Birmingham in 1824, is partnering with six independent chocolatiers around the country. On 4 May it gave away bundles of chocolate from the six chocolatiers – they have all been snapped up, needless to say!

delish.com, 29 April 2021 (Lewis)

George Clooney added to Warburtons celebs

George Clooney joins the long list of celebrities, including Robert De Niro, Sylvester Stallone and the Muppets, to appear in a Warburtons ad. Clooney has appeared in many ads for diverse brands, ranging from Nespresso to Martini, Fiat and British Airways. He only appears in this ad for four seconds and utters just 11 words while the company's owner, Jonathan Warburton, spends the other 56 seconds focusing on the bread. Clooney spent his money from his appearances in Nespresso ads to fund a spy satellite to hunt out war crimes and this money will be donated to the Clooney Foundation for Justice. It is still not clear whether he likes the products he advertises though...

theguardian.com, 7 May 2021 (Heritage)

Household

Dreamies takes on rainbow colours

Dreamies, a Mars Petcare brand, is showing its support for the LGBTQ+ community with rainbow packaging featuring the LGBT Foundation helpline. The partnership with the Foundation follows research which has linked pet ownership among the LGBTQ+ community, the positive impact of animals on mental health and abuse experienced by LGBTQ+ people during the pandemic. As well as having a reputation as a purpose-led business, Mars Petcare is following an "inclusion first strategy" aimed at creating an inclusive, diverse workplace.

marketingweek.com, 7 May 2021

Health and pharmaceuticals

A mobile, virtual and automated future....

The annual *Philips' Future Health Index 2021 Report*, a survey of over 3,000 healthcare professionals in 14 countries, says that healthcare is

shifting towards AI, machine learning and medicine with less of a focus on value-based care. A key finding is that this year will see "a fresh emphasis on partnerships, sustainability and new models of care delivery, both inside and outside the hospital". In summary, healthcare will become more mobile, virtual and automated...

nonobviouscompany.com, 6 May 2021;

[Philips Future Health Index 2021](http://www.philips.com)

...the digital healthcare transformation...

Digital technology could potentially improve healthcare around the world while reducing the cost. The McKinsey Global Institute estimates that between \$1.5 and \$3 trillion could be saved annually by 2030 thanks to technology such as remote monitoring, AI and automation. Some of these interventions have clearly been accelerated by the pandemic. In the UK the proportion of remote primary-care consultations rose threefold between February and June 2020. Yet, despite the rising prevalence of digital interventions, many medtech companies have been slow to respond to this new era of healthcare. There is a huge opportunity for both big tech and smaller start-ups, but first movers are likely to be the ones to shape the industry and capture value. To realise their digital health tech ambitions, medtech companies should take four fundamental actions, as explained here.

mckinsey.com, 7 May 2021 (Bartlett et al)

...and how Covid ramped up health innovation

In this TED Talk, physician-scientist Daniel Kraft explains how developments such as AI-infused antiviral discoveries and diagnostic tools accessible from smartphones are leading to connected, data-driven medicine and personalised healthcare.

ted.com, 10 May 2021;

[How Covid-19 transformed the future of medicine](http://www.ted.com)

IT and telecoms

Smart product security

On 21 April the UK Government published its response to a call for views on proposed regulation of consumer smart product cybersecurity. It plans to create a new scheme of regulation to protect consumers from insecure connected products including items like smart speakers, TVs, connected doorbells and smartphones. The requirements will align with international standards and an enforcement body will have powers to deal with non-compliance. The regulation will be underpinned by 12 key policy positions, which are outlined here.

internationallawoffice.com, 7 May 2021 (Owens)

Google – new rules for app data collection

Google is to introduce a section in its Google Play mobile-app store that will enable Android smartphone users to see what personal data is being collected and shared by developers. App

developers have until the second quarter of next year to declare the information. Last year Apple asked all app makers to disclose the information they gather and what they do with it. Its latest mobile software update includes an App Tracking Transparency feature where users have to opt in to personalised advertising. Google is taking a less stringent approach, but its Google Play safety section will inform users if an app encrypts data, if it adheres to Google policies on families and children and other aspects of data use.

[adage.com, 7 May 2021](#)

IBM resurrects Moore's law

Moore's Law says that the power of microchips doubles every two years but over the past decade this has not been the reality. Now IBM's research lab in Albany, NY, is returning to this concept with a new chip design that can fit 50 billion transistors onto a piece of silicon the size of a thumbnail. The 2-nanometer chips will have more processing power and use less energy, which will have implications for tech product makers. IBM already provides technology to Intel and Samsung, the two biggest semiconductor companies. The new chips, which could be used in smart appliances and self-driving cars, could start appearing in products by 2024 or 2025.

[fastcompany.com, 7 May 2021 \(Sullivan\)](#)

Leisure and tourism

The making of England Football

The Football Association (FA) has launched a new consumer brand called England Football to bring together grassroots and participation programmes under one umbrella. Here Kathryn Swarbrick, FA commercial and marketing director, explains why the football body needed a D2C brand. Alongside the brand will be Find Football, a tool for partners to find playing opportunities for their kids; and My England Football, a rewards program for fans, grassroots players and volunteers. It will also link to commercial partnerships in the form of McDonald's Superkicks or Weetabix Wildcats.

[thedrum.com, 5 May 2021 \(McCarthy\)](#)

Materials and mining

Green aluminium

Every ton of aluminium produced, emits up to 11 tons of CO₂ but a new process has been developed that could remove carbon pollutants from the metal smelting process. Elysis is a joint venture between Alcoa Inc and its rival, Rio Tinto, with investment from Apple, which is estimated to use nearly 15,000 metric tons of aluminium a year. The new venture has developed so-called "green aluminium" which emits zero CO₂. If it can be scaled up, it could be used in existing smelters to transform them from some of the dirtiest polluters to green

manufacturers. Anheuser-Busch has already bought some of Elysis's green aluminium for its beer cans.

[bloomberg.com, 21 April 2021 \(Deaux\)](#)

Media

Internet

Moving a business online

The pandemic has left many bricks-and-mortar businesses struggling to compete and, for many, there is no choice but to move online. An online business offers an opportunity to find a new audience and huge growth potential. This brief article offers advice on promoting a business online with links to further reading on search engine optimisation.

[business2community.com, 30 April 2021 \(De Silva\)](#)

Social media

Boosting social media engagement

Social media is one of the most effective forms of marketing thanks to its ability to share stories and ideas anytime, anywhere and in an engaging way. Some 97% of marketers are using social media for their business, according to CoSchedule, but this makes it all the more competitive and harder to achieve stand out. This article defines what is meant by social media engagement, discusses the benefits and then lists the top ten ways for businesses to increase their engagement. These include setting clear engagement goals using the SMART (specific, measurable, achievable, realistic and time-sensitive) goal-setting framework.

[business2community.com, 3 May 2021 \(Clanton\)](#)

Advertising avoidance

Advertising avoidance is one of the biggest challenges for marketers. This study looks at the effect of emotions on advertising avoidance in social media. It tests two types of ad avoidance – cognitive and behavioural – based on a study of Facebook users. It also identifies five antecedents to ad avoidance, namely: attitude to social networking sites as ad media; perceived clutter; negative WOM about advertising; privacy concerns; and control. These factors affect both emotions and propensity to avoid ads.

[Journal of Marketing Communications, Vol 27\(4\), June 2021, pp343-364 \(Kelly et al\)](#)

Television

ITV looks to surge in ad revenue

ITV, the UK's biggest commercial broadcaster, expects ad revenue to grow by 85% in May and 90% in June as advertising recovers from the pandemic. ITV's Q1 results show a 6% year-on-year fall in ad revenue but it has reported a rise in total ad revenue of 68% year-on-year for April. May and June spend will be helped by its coverage of the

Euro 2020 football tournament and the return of *Love Island*.

[campaignlive.co.uk](https://www.campaignlive.co.uk), 5 May 2021 (Oakes)

Sky trials Shoppable Ads

Sky Media is piloting its Shoppable Ads feature which includes a unique QR code that directs viewers to the brand's website. QR codes have become familiar to people during the pandemic as has mobile commerce. Sky says its shoppable Ads will provide a simple link between the TV ad and the brand's homepage. It claims to be "the only broadcaster that is able to link sales directly with our viewing data", with research suggesting that households subscribing to Sky are 30% more likely to buy a product online after watching a TV ad.

[marketingweek.co.uk](https://www.marketingweek.co.uk), 10 May 2021

Packaging

Tesco to cut out plastic rings and shrink wrap

Tesco is to eliminate all plastic rings and shrink wrap from its beer and cider range. This month it is to stop receiving drinks that are held together by plastic rings and shrink wrap and won't order any more drinks that still use this type of packaging. The aim is to reduce the amount of unrecycled plastic by 50m pieces a year. The plastic packaging will be replaced by cardboard sleeves or easily recycled plastic. The initiative is part of Tesco's "4R strategy" to remove, reduce or reuse and recycle plastic. Some beer manufacturers have already taken action to remove plastic from their packaging.

[thegrocer.co.uk](https://www.thegrocer.co.uk), 10 May 2021 (Woolfson)

Co-op to remove single-use bags

The Co-op is to remove its "bags for life" from its 2,600 stores because it believes that the bag has become yet another single-use item. Instead, it plans to introduce compostable carrier bags to its stores. It is calling on the UK Government to force major retailers to report on reusable bags, as well as single-use bags, in the interests of greater transparency. It also wants all single-use carrier bags to be certified compostable and to introduce a minimum price of 50p for reusable bags to encourage consumers to reuse them. According to Greenpeace, supermarkets gave out over 1.5 billion bags for life in 2019, a 56% increase on 2018.

[packagingeurope.com](https://www.packagingeurope.com), 4 May 2021

Retailing

Impulse buying – how to bring it back

Over the past year, people have spent less time in grocery queues at the checkout, where "impulse buys", such as gum and snacks, are usually placed. In the US, some of the biggest casualties of the pandemic were volume sales of gum (down by 14%) and mints (-15%) last year, according to

Euromonitor. Although some people will return to "normal" shopping, the shift to online has been hastened by three to five years, according to David Nolen, VP of shopper insights at Hershey. But impulse buys, such as the need for a candy bar, are not possible online. Manufacturers who previously relied on impulse buying, are still trying to work things out, according to Jared Koerten, senior analyst at Euromonitor. Food brands, which increased their digital advertising during the pandemic, are using data on shoppers' past purchases to offer free products or delivery. Hershey is trialling the concept of an Add a Hershey's button at the end of the grocery ordering experience.

[wired.com](https://www.wired.com), 4 May 2021 (Marshall)

Chat boosts retail experience

Accessing live chat on retail websites is important, according to 42% of US adults in a 2020 Forrester survey; this is up from 27% in 2019. Some 23% of US online adults use chat at least monthly and chat is particularly common in the hospitality, retail and travel industries. Chat is especially important in retail, according to Forrester, which says that, while customers don't buy through chat, it does influence purchases. It also helps to improve the customer experience. Julie Ask, VP and principal analyst at Forrester, recommends a number of strategies for successful chat.

[CRM Magazine](https://www.crmmagazine.com), Vol 25(4), May 2021, pp13-14 (Britt)

Russian discounter – no service or marketing

Svetofor, a Russian food discounter, has been opening stores in Europe since 2018 under the name Mere. Now it plans to open its first branches in the UK this summer. The "no-frills" model will involve suppliers delivering directly to stores which act as warehouses complete with walk-in chillers and huge freezers, allowing goods to be sold directly from pallets. It has compared its business model to the likes of Costco but there will be no membership fee, "no service and no marketing", which it says allows it to undercut supermarkets by up to 30%!

[thegrocer.co.uk](https://www.thegrocer.co.uk), 6 May 2021 (Farrell)

Services

E-commerce leads to warehouse shortage

The e-commerce boom created by the pandemic has led to huge demand for warehouses. Last year companies in Europe leased 16% more logistics space than in the previous year and a quarter of new leases signed in 2020 in Western countries were linked to online shopping, up from 12% in 2019. The value of existing warehouses is rocketing which has resulted in greater investment in the sector. But there are barriers, such as a lack of space, especially in cities. In addition, the public is none too keen on large warehouses, which are noisy, operate 24/7 and use polluting lorries. Warehouse

owners are coming up with innovative solutions such as building under a Parisian railway station (SEGRO) or using former golf courses in the US (Amazon). Others are simply raising rents...

[economist.com, 1 May 2021](#)

Ocado – new jingle, new van

Ocado has launched its biggest national ad campaign ever. It uses the strapline "The online supermarket" and has a new jingle: "There's an Ocado just for you". The ad shows the Ocado van morphing into different vehicles to reflect the diversity of products on offer. These include a Morris Minor bread van, a boat containing fish, a three-wheeler Italian deli and an ice cream van. The campaign also showcases Ocado's new branding and colour change to purple. The ad makes the Ocado van "an icon" offering "a new level of personalised service" says Alan Young, CCO of St Luke's, the agency responsible for the campaign.

[campaignlive.co.uk, 7 May 2021 \(Nelson\)](#)

Waitrose ditches Rapid in favour of Deliveroo

The food delivery industry continues to consolidate. Waitrose has just ended its Rapid two-hour delivery service in favour of extending its partnership with Deliveroo. A spokesperson said that the two services were "operating in the same market" and with substantial overlap. The Rapid service, launched in September 2018, delivers a basket of up to 25 items in less than 120 minutes but it has limited geographic coverage. The partnership with Deliveroo, launched in September 2020, will expand to cover around 150 stores by the summer.

[thegrocer.co.uk, 10 May 2021 \(Nott\)](#)

Transport and travel

BA launches first TV ad since 2019

On 7 May British Airways made a comeback with its first TV ad since 2019. The "You make us fly" ad features staff and crew and the music of the *Flower Duet* from the opera *Lakme*, which BA has been using in its ads for over 40 years. BA's passenger numbers for July to September were 85% down on the same period in 2019. Hamish McVey, head of brand and marketing, says the company has had to be "incredibly flexible and agile" and has had to create a lot of content to reassure customers about the customer experience.

[campaignlive.co.uk, 6 May 2021 \(Nelson\)](#)

Connected and autonomous vehicles

Many modern vehicles already have some degree of connectivity. Meanwhile manufacturers and tech companies are developing and testing vehicles that can make serious driving decisions and even take

full control of the journey. This paper looks at the benefits and barriers to the adoption of connected and autonomous vehicles (CAVs). It also considers the Government's approach following on from the Automated and Electric Vehicles Act 2018. Last month the Government confirmed that it would move forward with allowing Automated Lane Keeping Software (ALKS) approved self-driving vehicles in the UK as early as the end of this year.

[commonslibrary.parliament.uk, 7 May 2021 \(Hirst\);
Connected and Autonomous Road Vehicles report](#)

EVs cheaper than diesel cars by 2027

In just six years' time electric vehicles could become cheaper to buy than diesel cars, according to a new BloombergNEF study commissioned by Transport & Environment (a clean transport campaign group). Electric sedans and SUVs could be as cheap to produce as petrol vehicles from 2026. It also expects battery EVs and vans to account for all new sales by 2035 if policymakers introduce the right measures.

[energylivenews.com, 11 May 2021 \(Mavrokefalidis\)](#)

Written by CIM's Knowledge Services Team

© Copyright 2021 CIM

The views expressed in *Cutting Edge* are not necessarily those of The Chartered Institute of Marketing.

Sources

We created this edition of *Cutting Edge* from the sources listed in the next column. As a member you have access to a discrete range of them through the CIM website, some are freely available on the internet, but there will be others that we can only supply you with through our photocopying service.

To access the journals you have available to you as a member:

- Go to www.cim.co.uk/more/marketing-library/ and log in to the site.
- You will then have access to the links to Ebsco, Emerald and e-books available via Ebook Central.
- A user guide for the electronic resources is available on this page.

Please note: the titles as they appear in *Cutting Edge* are **not** the same as in the original article. If the journal is within Ebsco, you can search by publication, which then allows you to choose the date. This page will also clearly show if there is an embargo on the title or if there is a short delay.

Key

**Full text available on Ebsco – although there may be an embargo

*Abstract available on Ebsco

+Full text available on Emerald

~Available online if you register

Please contact Knowledge Services if you would like any further assistance or would like more information on our photocopying services (charges apply).

Tel +44 (0)1628 427333

Email knowledge@cim.co.uk

www.adage.com
www.ama.org
www.blog.globalindex.com
www.bloomberg.com
www.business2community.com
www.campaignlive.co.uk
www.cbi.org.uk
www.charitycomms.org.uk
<https://commonslibrary.parliament.uk/>
www.constructionenquirer.com
www.theconstructionindex.co.uk
CRM Magazine**
www.delish.com
www.thedrum.com
www.economist.com
www.emarketer.com
www.energylivenews.com
European Management Journal*
www.eventindustryforum.co.uk
www.fastcompany.com
www.fmb.org.uk
www.thegrocer.co.uk
[The Guardian](http://TheGuardian.com)
www.internationallawoffice.com
Journal of Advertising Research**
Journal of Brand Management*
Journal of Consumer Behaviour** (12-mnth delay)
Journal of Consumer Research**
Journal of Marketing**
Journal of Marketing Communications** (18-mnth delay)
Journal of Marketing Research**
Journal of Marketing Theory & Practice**
www.lexology.com
www.managementtoday.co.uk
www.marketingdive.com
www.marketingweek.com
www.mckinsey.com
www.nfcw.com
www.nonobviouscompany.com
www.orientation.agency
www.packagingeurope.com
Public Relations Strategies & Tactics**
www.research-live.com
www.researchworld.com
www.smf.co.uk
www.ted.com
www.timeshighereducation.com
Wired (selected articles available)

Contents

To fast forward click on the following links:

[Agriculture, fishing and forestry](#)

[Building industry](#)

[Businesses and strategy](#)

[Charities and NGOs](#)

[Economy](#)

[Education](#)

[Energy and utilities](#)

[Environment](#)

[Fashion](#)

[Financial services](#)

[FMCG](#)

[Beverages](#)

[Food](#)

[Household](#)

[Health and pharmaceuticals](#)

[IT and telecoms](#)

[Leisure and tourism](#)

[Marketing trends and issues](#)

[Advertising](#)

[Agencies](#)

[Brands and branding](#)

[Conferences and events](#)

[Consumer behaviour](#)

[Customer relations](#)

[Law](#)

[Marketing](#)

[Market research](#)

[Public relations](#)

[Sponsorship](#)

[Materials and mining](#)

[Media](#)

[Internet](#)

[Social media](#)

[Television](#)

[Packaging](#)

[Retailing](#)

[Services](#)

[Transport and travel](#)