

Cutting Edge: Our weekly analysis of marketing news

19 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

AR vs traditional advertising

Augmented reality (AR) is increasingly being used in advertising but there is limited knowledge about how consumers respond to it and how their interaction differs from standard print advertising. AR ads are immersive, interactive and lifelike which helps companies to form an emotional connection with consumers. The results of two studies suggest that replacing traditional advertising with AR ads enhances consumers' physiological responses and produces a higher willingness to pay. This could have implications for customer segmentation and marketing communication.

Marketing Letters, May 2021, 16 pages (Pozharliev et al)

Ad spend disclosures

Companies use advertising to gain advantage for their products in the market and increase their valuation in financial markets but, by divulging their adspend, they might be influencing others. This is because companies can learn from their peers when making their own advertising disclosure decisions. The authors investigate information-based "organisational herding" in the context of adspending disclosure. They look at whether a firm relies on information from benchmark leaders and other peers to resolve uncertainty about this disclosure. They also find evidence for herding effects and show that firms are likely to resolve their uncertainty over adspend disclosure using information from similar peers rather than from benchmark leaders.

Journal of Marketing Research, Vol 58(3), June 2021, pp515-538 (Shi)

Positive ad associations benefit brands

The best ads evoke strong emotions, whether it is to make people laugh or cry, but these feelings tend to be linked to TV or even OOH ads and are rarely felt with digital ads which are often regarded as a nuisance or irrelevant. The past year has seen consumers engage more with content that makes them feel positive and this behaviour applies to how they engage with online advertising. Insights from Pinterest suggest that six in ten adults agree that they are more likely to remember brands online when they feel positive, trust the brand that advertises in a positive space and purchase the brand when they see it in a positive space. It seems that the environment your ad shows up in can produce a happier response towards the ad and media platforms can play a role in fostering this connection.

mediatel.co.uk, 14 May 2021 (Naul)

Agencies

Global new business up 22% in Q1

Global advertising came back strongly in the first quarter of the year, reaching \$13.2 billion, up from \$10.8 billion in the same quarter last year, according to *Campaign's Advertising Intelligence* tracker. Business volumes were also up, with 1,928 account moves in Q1 compared with 1,257 in 2020. The most active new business in Q1 was in FMCG, retail and automotive.

campaignlive.co.uk, 13 May 2021 (Iu)

Brands and branding

Merging brands – Currys

Which brand do you choose when you are merging your business under one name? Dixons Carphone Warehouse is to merge its four businesses under the Currys name in a group rebrand. By the end of October, Currys PC World, Dixons, Carphone Warehouse and Team Knowhow will all be known as



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Currys. According to YouGov's BrandIndex brand health tracker, Currys (Currys PC World) comes out significantly ahead (23.7) of Carphone Warehouse (3.4) for overall brand health. Claudia Struzzo, a marketing consultant, says the Currys rebrand will, "help in securing the lion's share of voice in market, as well as eliminating internal cannibalisation". However, she warns that one of the biggest challenges in merging brands is internal, especially when there are cultural barriers to overcome.

marketingweek.com, 13 May 2021 (Jefferson)

Tracking brand reputation in real time

A new study in the *Journal of Marketing* shows that it is possible to use AI-text analysis of social media to monitor the rise and fall of brand reputation over time. The researchers analysed millions of Twitter tweets to show that its AI brand reputation tracker accurately reflected major brand events in real time. To discover why brand reputation is changing, the tweets were analysed according to the Rust-Zeithami-Lemon customer equity drivers, the three main drivers being value, brand and relationship. The result is that the brand reputation tracker can be used to reflect the impact of brand events in real-time as well as to connect them to drivers of brand reputation.

ama.org, 11 May 2021 (Rust et al)

Conferences and events

HBAA relaunches Covid safety campaign

HBAA (Hotel Bookings Agents Association) has relaunched its Meet Safe, Meet Smart (#MSMS) campaign which emphasises venue safety as the events industry gets under way again. It showcases safety protocols for meetings and how hotels and venues have updated their Covid safety features. The campaign aims to provide facts and boost confidence among both event planners and delegates.

mitmagazine.co.uk, 18 May 2021

Consumer behaviour

What do consumers mean by "authentic"?

Consumers like authenticity but marketing is often considered to be inauthentic. This means it must learn to be authentic in a way that consumers find credible but how do you discover what consumers mean when they talk about authenticity? A new study in the *Journal of Marketing* defines authenticity as a, "holistic consumer assessment determined by six loosely related judgements". These are: accuracy, connectedness, integrity, legitimacy, originality and proficiency. Knowing this should help marketers to construct strategies for positioning their offerings in their markets. The research also helps in deciding which of the six judgements to emphasise in marketing and comms.

ama.org, 6 May 2021 (Nunes et al)

Customer relations

CRM during and after the pandemic

Businesses have faced considerable challenges over the past year and many have significantly increased their digital marketing spend. However, it all comes down to, "having the right data to advance your sales objectives in a predictable way", and CRM has that benefit. CRM also helps to connect internal networks of people that need to collaborate. This article looks at the pandemic's impact on CRM investment and what it means for the future. It covers topics such as best practice, setting up portals for customers and organising data. It also mentions individual silos; unshared contacts; and pipeline and funnel management.

CRM Magazine, Vol 25(4), May 2021, p6 (Estrada)

Direct marketing

Data privacy framework

The DMA has set out seven key principles for the global data and marketing industry which act as an ethical framework and best practice guide. The "Global Privacy Principles" provide aspirational commitments for marketers and aim to help brands and organisations to provide, "a better customer experience built on accountability, transparency, trust and respect for privacy". It follows research by the DMA which suggests that better trust in the industry encourages consumers to share their data and insights into their preferences.

marketingweek.com, 12 May 2021

Law

Online safety bill – too many loopholes?

The UK Government's online safety bill, which was included in the Queen's speech, could open people up to scams, according to experts. The bill, which is intended to "lead the way in ensuring internet safety for all" aims to help to protect people from financial harm, but the Government "should now consider including fraud facilitated through advertising, emails or cloned websites", according to Debbie Barton, a financial crime expert at Quilter. Meanwhile, UK Finance, the industry body for banks, says that the bill will address some areas of fraud but will not protect people from all online scams because criminals are good at finding loopholes.

theguardian.com, 15 May 2021 (Osborne)

Gambling advertising – a particular appeal

The Gambling industry should take note of reminders from the ASA about protecting children and animals when advertising. The ASA recently issued a warning on the use of animals in advertising and the "particular appeal" of animals to the under-18s. Its position on this is illustrated with reference to various rulings relating to gambling and alcohol. This year the ASA also plans to provide an update on its *Annual Report on Protecting Young and Vulnerable People*. This follows a public

consultation on proposals for stronger rules and guidance for protecting children and vulnerable people from harm related to gambling. It is likely that the test of the appeal of a gambling ad will shift from a "particular appeal" to a "strong appeal". This could present challenges for endorsement deals with sportspeople and celebrities.

asa.org.uk, 29 April 2021;
internationallawoffice.com, 14 May 2021 (McLeish)

Hasbro loses trade mark dispute

The EU General Court has rejected an appeal by games maker Hasbro after it had appealed the decision that repeat trade mark filings for "MONOPOLY" amounted to bad faith. Back in 2010 Hasbro had applied to register additional EU trade marks for "MONOPOLY". Croatian company Kreativni Dogadaji challenged this on the grounds that the applications were "broadly" for the same products and services and hence constituted bad faith. The decision is a reminder to brand owners that the EUIPO is aware of the tactic of using repeat applications to create a situation where a business, "would not have to prove genuine use of its earlier marks for the goods and services". Trade mark owners should be aware of this when filing applications that are broadly the same as previous registrations.

lexology.com, 13 May 2021 (Mountain and Coppard)

Marketing

Overcoming egocentric decision-making

This research looks at how marketers can avoid the tendency to project their personal preferences onto consumers, something called the "false consensus effect". Two studies reveal that marketers are aware of this bias and try to avoid it. However, marketers' approach to avoiding the consensus effect is to try to "suppress" their personal preferences when predicting consumer preferences. Additional studies show that this tactic can backfire and increase marketers' propensity to use the consensus effect. This negative effect generally occurs among marketers with a low level of preference certainty. The article goes on to explore how marketers can avoid the false consensus effect regardless of their level of preference certainty and with a lower risk of it backfiring.

Journal of Marketing Research, Vol 58(3), June 2021, pp456-475 (Herzog et al)

Digitising industrial companies

Digitisation is new to some industrial companies but some have set about transforming their businesses through digital solutions and many are focusing on the digitisation of sales and marketing. B2B customers are increasingly moving online: research suggests that new or repeat orders made through digital B2B channels rose from 40% in 2016 to 50% in 2019. Yet few industrial companies have made significant inroads into the digitisation of sales and

marketing and they often struggle with its implementation. McKinsey analysed 350 industrial companies to determine their digital competence. Just a few stood out in terms of driving performance improvement through digitisation. The authors identify some common success factors for digitisation and look at the benefits of a strong digital sales and marketing function.

mckinsey.com, 13 May 2021 (Angevine et al)

Market research

The Youth Materialism Scale

As global material wealth rises and young people are increasingly exposed to advertising across a range of channels where material goods are flaunted as symbols of success, there are concerns about the effect of materialism on people's well-being. To date no research has addressed how youth materialism can be generalised across different countries and cultures. This study explores whether the Youth Materialism Scale (YMS) can be used across China, France, Belgium, Poland, the UK and US. It shows that a 5-item version of YMS applies across countries and that it correlates with six aspects: self-esteem, life satisfaction, attitude to advertising, parental support, TV use, and internet use. It concludes that researchers and policy makers can use the 5-item scale for research in international contexts.

International Journal of Market Research, Vol 63(3), May 2021, pp317-334 (Zawadzka et al)

Public relations

Country stereotypes can reduce negativity

Corporate crises can lead to condemnation and retaliation towards the company in question. Consumers naturally make judgements about the motives of a company when that company causes a negative event. However, attitudes can vary according to consumers' perceptions of the country of origin of the company. Three studies show that country stereotypes associated with warmth (but not competence) can help to diminish negative emotions and retaliatory intent towards an offending company. They also reveal that the type of crisis is a crucial factor that facilitates or reduces the positive effect of country warmth.

Journal of International Marketing, Vol 29(2), June 2021, pp26-44 (Barbarossa and Mandler)

Internal audiences matter

Last year, most communicators would have been faced with some kind of crisis response, especially a demand for communications from public sector professionals to provide information on Covid-19. But you shouldn't forget to communicate with "our most important stakeholders", namely people with whom you work. In the public sector, poor internal communication can lead to poor external communication which in turn can inflict the same

kind of damage on the organisation as it does on brands and companies. Here are five lessons from the public sector which can apply to anyone who communicates with an internal audience.

Public Relations Strategies and Tactics, Vol 4(5), May 2021, pp1-4 (Duran)

Sponsorship

Sponsorship falls short of expectations

Just 15% of rights holders are giving sponsors a "substantial analysis" of their fanbase, such as habits, interests and preferences, according to a new study from Seer. The report also argues that brands are underutilising their sponsorship assets and that some sponsors are interested in more flexible platforms than those offered by traditional products. In fact, 58% say that opportunities to create their own content are more attractive than they were five years ago. Seer proposes a three-point plan to address the growing "misalignment" between the expectations and objectives of rights holders and brands, and to increase return on sponsorship investment.

sportspromedia.com, 13 May 2021 (Carp); [Press Reset: Sponsorship Now and Next](#)

Agriculture, fishing and forestry

The England Trees Action Plan

The Government wants to increase tree-planting rates in England to 7000ha a year by May 2024 as part of its England Trees Action Plan. The annual target will be about the same as the entire area of trees planted between 2016 and 2020, according to the Forestry Commission, so this will represent a substantial increase. The action plan, to be unveiled by Defra secretary George Eustice, is likely to include initiatives to help tree health and create more woodland and green jobs. New funding will also be available for tree nurseries to help domestic tree production and boost biosecurity. The NFU has expressed concerns about the amount of land shifting from agriculture to woodland. It warns of losing productive farmland and sustainable food production which could lead to more food imports from other countries.

fwi.co.uk, 17 May 2021 (Davies)

Goatmeat – a growing trend

Chris Dickinson, a farmer near Penrith, Cumbria, manages the Tailored Goat Company, having started rearing goats five years ago. Farming goats for their milk is relatively commonplace but few farmers are producing goatmeat on a commercial scale. He believes that goatmeat, which has a very low-fat content, will become more popular as consumers focus on the health benefits of what they are eating. Goats are such a unique product that there is a lot of opportunity for marketing. Dickinson hopes the

industry will expand to the point where people are focusing on different parts of the process, such as rearing, finishing and marketing.

farmington.com, 17 May 2021

Building industry

Great Britain construction output Q1 2021

Construction output rose by 5.8% in Great Britain in March 2021, which was 2.4% (£334m) above February 2020's pre-pandemic level. This is the largest monthly growth since July 2020 when output rose by 17.8%. Q1's output grew by 2.6% compared with Q4 2020 thanks to growth in new work and repair and maintenance. New orders also rose in Q1 2021; they were up by 12.2% compared with Q4 2020, when they fell by 7.8%.

ons.gov.uk, 12 May 2021 (Allcoat); [GB Construction Output Q1 2021](#)

Stacked farmhouses – only in China?

Skyscrapers are usually an idea for the urban landscape but what if they applied to rural communities as well? China's Hmong farming communities in the Yunnan province are being displaced by modern planning. Many houses have been demolished or are due to be. Now a team of architects have proposed that farmhouses should be lifted up by crane to form a tall wooden structure forming vertical communities. Mobility between the units is achieved using a system of cable-car type "human-sized birdcages"!

core77.com, 11 May (Noe); nonobviouscompany.com, 13 May 2021

Businesses and strategy

Why so few global digital platforms?

There are very few truly global digital platforms, even among those considered to be successful in the digital world, argues Wharton management professor Mauro Guillén in his new book, *The Platform Paradox: How Digital Businesses Succeed in an Ever-Changing Global Marketplace*. Here he discusses his book with Brett LoGiurato of the Wharton Business Press. The conversation also covers how the pandemic has accelerated digitisation and forced companies to adapt quickly, as well as the possibilities and limits to global expansion. It mentions Airbnb, Tinder, Uber, Zoom and Skype as illustrations.

knowledge.wharton.upenn.edu, 11 May 2021

Decentralising – three organisational models

Most pioneering firms have moved beyond traditional hierarchies to models without a formal middle management, or "middle managerless organisations" (MMLOs). MMLOs decentralise the workforce into "loose hierarchies" consisting of just two layers, using models based on entrepreneurial units. However, they still have a top management

team which has the ultimate authority to make decisions and to delegate to the lower levels of the firm, with autonomous employees making most day-to-day decisions. Technology now enables MMLOs to scale up massively. Based on discussions with various MMLOs, the author has come up with three alternative organisation models “to decentralise your company – radically”.

corporate-rebels.com, 13 May 2021 (Joost)

Charities and NGOs

Non-profit brands, the volunteer lens and B2V

Not-profit organisations (NPOs) rely on volunteers, but brand has been shown to be a powerful influence on the decision to volunteer. Here the authors explore the role that brand plays in the choice of NPOs. They identify three drivers of volunteer choice of NPO: source of brand knowledge; level of brand engagement; and the behavioural process of choice (brand discovery). By looking at the relationship between these three, the study reveals significant implications for NPOs in terms of their volunteer recruitment, importance of brand presence and competitive aspects. They call for a new perspective for non-profit brands when viewed “through a volunteer lens”, describing this as Business to Volunteer (B2V).

Journal of Marketing Management, Vol 37(5-6), May 2021, pp464-487 (Mitchell and Clark)

Dementia action

To mark Dementia Action Week (17-23 May), Alzheimer’s Society has produced a short film calling on the Government to “Cure the Care System”. It wants the Government to provide support for the thousands of people who have dementia by getting people to sign a petition calling for action. The ad shows a woman struggling to care for her husband who has dementia and ends with the powerful line “dementia is killing me”.

marketingweek.com, 17 May 2021;

<https://www.alzheimers.org.uk/get-involved/dementia-action-week>

Economy

Consumer services boost services

Last year the service industries made up 81% of total UK economic output and accounted for 82% of employment for October to December 2021. However, in the three months to March 2021 there was a decrease of 2% in the *ONS Index of Services* compared with the previous three months. By April this year the *UK Markit/CIPS PMI* for services had reached a value of 61 compared with 56.3 in March, its fastest growth since October 2013. This was in large part thanks to consumer services which have improved as the pandemic recedes.

commonslibrary.parliament.uk, 13 May 2021 (Brien)

Manufacturing recovering from pandemic

Total UK manufacturing output for the first quarter of 2021 fell by 0.7% compared with the final quarter of 2020. Manufacturing output in March alone rose by 2.1% compared with February, representing the biggest monthly rise since July 2020. However, it was still below the February 2020 pre-pandemic level of 2.2%. Meanwhile, the *UK Markit/CIPS PMI* for manufacturing in April 2021 was 60.9, up from 58.9 in March. It is almost a record high and shows that manufacturing is recovering from the pandemic. Rising output, employment and new orders were all contributory factors although there are still supply chain delays and shortages.

commonslibrary.parliament.uk, 12 May 2021 (Hutton)

UK business activity – output rises

UK business activity rose in April thanks to the easing of lockdown restrictions, according to the latest NatWest PMI which tracks the monthly change in output of goods and services in the private sector. Output rose across all 12 regions of the UK for the first time in seven months. The highest growth was in the West Midlands, with a PMI of 65.0, followed by Yorkshire and Humber (64.3). The lowest growth was in the North East (55.2) and Scotland (55.4). Eleven out of the 12 regions reported higher employment for April, up from ten in March. However, “with the upturns in activity and employment comes a further increase in cost pressures on businesses”, especially in Northern Ireland and the North East, warns Sebastian Burnside, NatWest chief economist.

business-live.co.uk, 17 May 2021 (Houghton)

Most prosperous areas are in the south

Only two areas in the north of England appear in the top 100 of the Legatum Institute’s *UK Prosperity Index* which covers 379 areas. The highest rankings are around London and the South East while the North occupies six out of the bottom ten places in the prosperity table. The scores are based on factors such as economy and business; safety and security; health; education; and the environment. Wokingham in Berkshire is ranked as the most prosperous place in the UK followed by five areas in the Home Counties. Blackpool comes bottom. The report says that, “it is appropriate for the levelling up agenda to target more deprived areas”. The Government has just published a “levelling-up White Paper” which it says will meet pledges made to voters.

business-live.co.uk, 13 May 2021 (Whitfield);

<https://li.com/reports/uk-prosperity-index-2021/>

Education

22% of students turn to tech career

Some 22% of 16- to 17-year-olds have decided to follow a career in technology since the pandemic, according to research from Talent Works. The survey, conducted among students and young professionals, also found that most tech professionals were encouraged by their academic institutions to join larger organisations (46%), while many graduates are encouraged to bypass smaller organisations and 23% receive no career advice at all. Other findings are that women are more likely to find it hard (31%) to get their first role compared with men (21%). In addition, women are less likely to rate their tech education as good (17%) compared with men (26%).

[fenews.co.uk](https://www.fenews.co.uk), 17 May 2021

Business innovation and Covid-19

This blog summarises a new report from the National Centre for Universities and Business (NCUB). The findings are set out in a report entitled *Innovation and Resilience in a Crisis: the Impact of Covid-19 on Business R&D*. The Government sees research and innovation as having a significant role in the nation's economic recovery and research suggests that companies that innovate are more resilient in a crisis and more likely to expand into new markets during periods of disruption. Two surveys, one of business leaders and one of university leaders, were conducted to investigate how the pandemic has impacted business R&D and innovation activities and their interactions with universities. A parallel report looks at the ability of universities to contribute to innovation.

[ncub.co.uk](https://www.ncub.co.uk), 17 May 2021 (Soetan);
[Innovation and Resilience in a Crisis](#)

Energy and utilities

Campaigners warn against use of hydrogen

Climate groups, such as E3G, Greenpeace and WWF, have written to business secretary Kwasi Kwarteng warning that using hydrogen as a new clean energy risks locking the UK into fossil fuels. Climate campaigners want the Government to focus on "green" hydrogen made from water using renewable energy, which is seen as a way of reducing the UK's carbon emissions. So-called "blue" hydrogen, made using natural gas, causes pollution. Most of the £171m allocated for hydrogen projects is allocated to blue hydrogen.

[energyvoice.com](https://www.energyvoice.com), 14 May 2021

Largest biomethane refuelling station to open

The "world's largest" public access biomethane refuelling station for HGVs is to be opened near Bristol by the end of the year. The facility, which is owned by CNG Fuels, will refuel 80 HGVs an hour and the company aims to open another 22 stations

by 2022 following demand from major brands. All the fuel supplied by the company is renewable, sustainable biomethane, which is a cost-effective alternative to diesel for HGVs and reduces emissions by 85% to 90%. The refuelling stations are also set up to support electric and low-carbon hydrogen powered HGVs in the future.

[circularonline.co.uk](https://www.circularonline.co.uk), 14 May 2021

Environment

ACM investigates sustainability claims

The Dutch Consumer and Market Authority (ACM) is investigating 170 companies in the energy, dairy and clothing sectors regarding misleading sustainability claims. The regulator can fine the companies up to €900,000 or a percentage of their turnover if they have been found to mislead consumers with their sustainability claims. Consumers increasingly regard sustainability as an important factor when making choices about purchases, but sustainability claims should be accurate and verifiable. In September 2020 the ACM publish five guidelines for sustainability claims. Companies are advised to check their claims against these guidelines.

[pinsentmasons.com](https://www.pinsentmasons.com), 11 May 2021

20 companies make 55% of single-use waste

Just 20 companies account for 55% of all single-use plastic items that are thrown away globally, according to a new study by the London School of Economics. The companies include ExxonMobil, Dow and Sinopec. The study found that the UK is fourth in the ranking of countries that generate the most single-use plastic waste per head of the population. Australia is top followed by the US. Previous studies have focused on the effect of plastic on the natural world and the consumer companies who make and sell the products packaged in plastic. This analysis differs in that it tracks plastic through the supply chain, starting with the manufacturers of the polymers which go into single-use plastics.

[bbc.co.uk/news](https://www.bbc.co.uk/news), 18 May 2021 (Shukman)

Fashion

Burberry notes rising brand strength

Despite seeing reduced profit and revenue in its financial year to 7 March, Burberry says it has been able to attract new and younger customers thanks to the strength of its brand. It has been targeting "localised consumer segments" by using "innovative selling formats" during lockdown. These have included opening a social retail store in Shenzhen Bay, China. The brand said its recovery has accelerated in the fourth quarter, with sales rising by 63% thanks to China, Korea and the US. CEO Marco Gobetti says the company has built a "new Burberry" and "revitalised" its brand image.

[marketingweek.com](https://www.marketingweek.com), 13 May 2021

The spectral side of branding

Many brands have struggled, especially with the so-called “death of the high street”. This study applies French philosopher Jacques Derrida’s concept of “hauntology” to fashion brand Hollister, which has been in decline and “a ghost of its former self”. This study reveals that Hollister’s hauntology consists of four components: mortality, anxiety, liminality and retroactivity. At a time when the pandemic is diminishing retail branding, the authors consider Derrida’s claim that: “the future belongs to ghosts” – an interesting angle!

Journal of Marketing Management, Vol 37(5-6), May 2021, pp417-436 (Brown et al)

Financial services

Upskilling and reskilling

The pandemic has led to many innovations in financial services businesses and accelerated their digital transformation. The industry has had to respond with agility and focus on one of its most important assets, namely its people. Yet the sector is struggling to keep abreast of the need for new skills and capabilities. According to the *Future of Work 2020* report from the World Economic Forum (WEF), one in five financial services jobs are at risk of disappearing and many jobs are set to change. Here are three “no-regrets” moves that will help financial services to thrive and plug the skills gap: collaborate; understand the data; and understand the correlation between reskilling, productivity and automation.

strategy-business.com, 8 March 2021 (Wakefield)

SCA for online payments not a key concern

A new survey suggests that just 12.8% of UK merchants regard the introduction of strong customer authentication (SCA) for online payments as a key issue as the country comes out of the pandemic. Signifyd’s *State of UK Commerce Report 2021* reveals that 28% of respondents “anticipated a decline in conversion rates because of SCA”, while 31% “expect to see greater conversion rates”. However, in a December 2020 poll 46% of consumers said they were likely to abandon an order because it involved a two-factor authentication. Nevertheless, UK retailers ranked the effects of Covid-19 (43%), the fallout from Brexit (40.8%) and the profitability and financial health of the brand or business (30.4) as their top concerns.

**nfcw.com, 13 May 2021 (Phillips);
[State of UK Commerce Report 2021](#)**

FMCG

Which behavioural changes will last?

YouGov’s recent *International FMCG/CPG Report 2021* looks at how the uptake of consumers goods has changed over the past year. Not surprisingly it finds that most global consumers say their shopping

habits have changed although it is hard to discern which changes will last and which will revert to “normal” as the economy recovers. However, 54% of consumers have indicated that they want to make their buying habits more sustainable in the future. Most people (81%) are still using supermarkets but people intend to use click-and-collect more. Some 38% of people in Britain say they plan to use delivery and click-and-collect more, one of the highest rates in Europe. Overall, home delivery seems the most popular option for people who don’t want to spend time in shops. The highest uptake is in China, where almost 60% of those surveyed use a delivery option. It has yet to be seen how people’s intentions translate into actions in the future...

**prolificnorth.co.uk, 13 May 2021 (Spargo);
[International FMCG/CPG Report 2021](#)**

Beverages

Guinness campaign is black and white

Guinness is marking the reopening of pubs after lockdown with a nostalgic campaign set to the song *Always on My Mind*. The memory of a pint of Guinness (black liquid topped with a foamy white head) is evoked by a variety of images in its ads. These include a fluffy white cat sitting on a black rain barrel and seagulls standing on a black chimney breast. Guinness is also encouraging people to submit their own images using the hashtag #LooksLikeGuinness. This campaign follows Guinness’ £30m-pledge to support UK pub and hospitality businesses over the past year.

campaignlive.co.uk, 13 May 2021 (Nelson)

Miller genuine Draft and space advertising

Brands have become obsessed with sending things into space. Miller Genuine Draft recently introduced a stunt in which it planned to launch a seltzer into space. The initiative signalled its disdain for the carbonated beverage which has become so trendy. Other beer brands have jumped on the seltzer bandwagon but Miller claims: “The only seltzer launch we’re planning is this launch into oblivion, so yes, Miller will remain dedicated to beer and beer only”; and the space launch was just a spoof! Coke and Pepsi have both been into space while Pizza Hut paid around \$1m to have its logo on the side of a Russian Proton rocket in 1999. But if brands persist with space-related gimmicks, then it may longer be such a commercial novelty...

fastcompany.com, 15 May 2021 (Beer)

Cosmetics and toiletries

Dove ramps up activism

Dove’s “Campaign for real beauty” was launched 17 years ago in response to the way that women’s beauty was viewed and how it damaged women’s self-esteem. Here Allesandro Manfredi, EVP at Dove, talks about how the brand is ramping up its activism to influence the entire social ecosystem and

encourage change. Brands and companies need a purpose but “a purposeful ad must be backed up with action”, he says. This year Dove has stepped up its real beauty conversation with is “Let’s change beauty” platform where every commitment is “matched with an action driving change”.

campaignlive.co.uk, 11 May 2021 (Manfredi)

Food

Hellmann’s in TV show to reduce waste

Hellmann’s is launching a branded food series on Channel 4 starring Prue Leith and Dr Rupy Aujla. *Cook Clever, Waste less with Prue and Rupy* aims to educate viewers and bring about change by showing people how to plan meals, batch-cook and re-use leftover food to reduce waste. It claims to be the first branded entertainment show to focus on sustainability. A short film, which airs in the ad break, features Aujla talking about Hellmann’s mission to reduce waste.

campaignlive.co.uk, 17 May 2021 (Nelson)

Tobacco

Philip Morris doubles Iqos sales force

Philip Morris is looking to boost sales of its Iqos heat-not-burn device by doubling the size of its sales force. The newly-trained reps, who were recruited in the first quarter of this year, will help to increase sales through grocery retail channels. This marks a change of direction for the company, which had previously only made the devices available online and in specialist outlets and Iqos branded stores.

thegrocer.co.uk, 14 May 2021 (Hegarty)

Health and pharmaceuticals

Advertisers dismayed at HFSS ad restrictions

The Government is to go ahead with a total online ad ban on HFSS food and drink and a ban on HFSS TV advertising before the 9pm watershed. Advertisers and heads of industry have expressed “dismay” at the decision. The new rules will also restrict promotions on HFSS in retailers from April 2022. NHS research reveals that one in three children leave primary school overweight or obese while almost two-thirds of adults in England are overweight or obese. Stephen Woodford, Advertising Association CEO, argues that the ban, “will not reduce obesity levels, but will damage business and innovation and put jobs at risk.” The heads of IAB UK and ISBA have also argued against the decision.

campaignlive.co.uk, 11 May 2021 (Nelson)

Is marketing culpable? – the opioid crisis

Is the opioid crisis in the US a marketing issue? The opioid problem has been caused by doctors who have overprescribed medication. However, there has also been a recent court case, brought by the state of Massachusetts against Publicis Health, covering the period 2010 to 2019, when Publicis created

marketing campaigns for Purdue Pharmaceutical. There are some incriminating emails such as when a PR executive seeks to, “tell the brand team what we WANT to say and see if their medical services group can come up with anything to support it.” These types of conversations probably take place all the time but this case is likely to be watched very closely by the marketing industry...

nonobviouscompany.com, 13 May 2021; adage.com, 7 May 2021 (Bonilla)

Vaccine campaigns

A campaign by some of the UK’s largest employers, including Asda, Ikea and Procter & Gamble, is designed to encourage their staff to have the Covid-19 vaccine. The Government wants all UK organisations to support the programme by launching internal awareness campaigns. Separately, YouTube has launched an ad campaign in partnership with the NHS to encourage young people in the UK to have the vaccine. The ads, which will appear on buses, bus stops and billboards, as well as YouTube (which is paying for them) will use the slogan “Let’s Not Go back”. YouTube, which has been criticised for being slow to ban coronavirus vaccine misinformation, claims to have removed 900,000 videos that have broken its rules.

thegrocer.co.uk, 14 May 2021 (Quinn); bbc.co.uk/news, 17 May 2021

IT and telecoms

5G – consumers need a reason to upgrade

Delivering 5G is taking too long and consumer interest in it is slowing, according to a new report from telecoms company Ericsson. Its survey of 1.3 billion smartphone users across 26 countries concludes that 5G uptake is on the rise but pressure is on the providers to start delivering the innovative services that have long been promised. On average, just 4% of consumers owns a 5G smartphone. This is partly down to the lack of clarity in its marketing which has left consumers confused about what the technology is and what it can do. In the UK just 25% of consumers plan to upgrade to 5G, down from 27% in 2019. Ericsson has identified various benefits that consumers are expecting from 5G, such as improving productivity and creativity, new ways of connecting and socializing and “inspiring feelings of thrill, surprise and discovery”.

zdnet.com, 13 May 2021 (Leprince-Ringuet)

MVNOs on the rise due to pandemic

Transtel, BT Wholesale’s partner, is supporting seven entrants to the mobile virtual network operator market (MVNOs) in the UK. According to Transtel, changes caused by the pandemic have driven the rise of MVNOs. One example is PopIT, which aims to become Yorkshire’s local mobile operator; while UK TELL targets the Bangladeshi

community in the UK. According to the new *World Mobile Virtual Network Operator (MVNO) Market Report 2021-2029*, migrant MVNOs are attracting a lot of interest since they can offer customised services to consumers of the same ethnicity. Last year Europe was the largest MVNO market but Asia Pacific has the fastest growth thanks to the growing number of mobile subscribers.

mobileeurope.co.uk, 18 May 2021

Leisure and tourism

Travelsupermarket becomes standalone

Moneysupermarket will combine TravelSupermarket with Icelolly.com, a Leeds-based company, to create a standalone holiday comparison business. Peter Duffy, CEO of Moneysupermarket Group, says the combined business will, "benefit customers of both brands with a richer and more diversified offer as the travel and holiday markets recover".

prolificnorth.co.uk, 13 May 2021 (Chapman)

On the Beach – beached until September

While most travel companies are desperate to sell as many holidays as possible, On the Beach is taking a different stance. It believes this is not the "right time" to sell holidays "that are unlikely to happen" and that its business model puts customers first. It plans to postpone sales until September and will only include countries on the green list, such as Portugal. EasyJet and TUI are to offer holidays on both the amber and green lists. Some 2.6m people have already booked with TUI for the peak season, albeit 69% lower than at the same time in 2019. Jet2 says that bookings to Faro in the Algarve and Madeira rose by more than 600% in the 24 hours after Portugal was placed on the green list.

marketingweek.com, 13 May 2021

Media

Books

Indies – competing with Amazon

It's hard for independent bookstores to compete with Amazon. Many are small businesses without the digital skills required for an e-commerce operation. In January 2020 Andy Hunter set up US profit-sharing platform Bookshop.org, by June it was selling \$1m-worth of books a day. It enables independents to set up online shopfronts, receive 30% of the cover price commission and a portion of the platform's direct sales. So successful has the venture been that it was launched in the UK in November 2020, offering customers a chance to support local bookstores and an alternative to Amazon. The pandemic may have helped, since UK book sales grew to £2.1 billion last year, a rise of 7%.

managementtoday.co.uk, 14 May 2021 (Jones)

Film

Campaigns to boost cinema and theatre

Cinemas and theatres are finally reopening and they will be supported by two new campaigns. The "Remember Cinema" campaign, which runs from 17 May across a range of media, is being provided free of charge by TBWA\London and MG OMD, who say they, "hope this campaign gives cinema the boost it needs and truly creates the difference that matters for them". At the same time, an outdoor ad campaign, #BackOnStage, in partnership with The Society of London Theatre (SOLT) and Global, will run on the London Underground to support the reopening of theatres.

adweek.com, 17 May 2021 (Lepitak)

Games

Life-sized Monopoly

Games company Hasbro has launched a new Monopoly location-based experience (LBE) called Monopoly Lifesized. The immersive activation, due to open in London's Tottenham Court Road in August, allows players to choose between a Classic, Vault, City or Junior Monopoly board. The game lasts 75 minutes and presents escape-room type challenges. Players will be able to pass Go, go to jail and pick up a Chance card. Matt Proulx, VP of location-based entertainment, says that "live and location-based experiences are a key growth category" for the company whose global brands put it "in a unique position" to expand LBE business.

campaignlive.co.uk, 14 May 2021 (Douglas)

Magazines

Magazines – £3.74 billion in GVA

The consumer magazine and business media sector contribute £3.74 billion of gross added value to the UK which represents 35% of UK publishing, according to a new report from the PPA. The sector consists of a diverse range of media brands, says the report, with most PPA members being multi-platform (96%) and 75% being present across five or more platforms. Despite the growth in digital, print accounted for an estimated 700m consumer products and over 50m B2B products in 2019. In addition, 1,493 advertisers spent over half their media budget in the sector in 2019.

ppa.co.uk, 14 May 2021

Music

Music takes off as lockdown eases

Monday 17 May marked the penultimate stage of lockdown restriction easing prior to a full return to social activity on 21 June. A survey by Music Venues Trust (MVT) reveals that over 28,500 shows are due to take place in grassroots music venues across the country. The MVT has created a virtual map guide to events occurring across the UK.

eventindustrynews.com, 17 May 2021 (Parry);
<https://musicvenuetrust.com/qig-guide/>

Social media

Gen Z – the TikTok challenge

By the end of this year, TikTok is predicted to have more US Gen Z users (37.3m) than Instagram (33.3m). According to eMarketer Insider Intelligence analyst Debra Aho Williamson, "Instagram's user base is steadily aging" and its user growth is slowing among teens and young adults. Nevertheless, Gen Z will still account for 28% of Instagram users this year so advertisers will still find the platform useful in this respect. However, Snapchat is the leading social network in the US for Gen Z, with 42m users this year, but TikTok is narrowing the gap and is expected to exceed Snapchat's user numbers by 2023. Gen Z uses TikTok, not just to be entertained, but to learn about more serious topics such as climate change and politics, says Williamson. Its video style is "strongly appealing to young people".

emarketer.com, 11 May 2021

Television

Product placement – Corrie and Purple Bricks

ITV has agreed a product placement with estate agent Purple Bricks which takes the form of a "For Sale" sign on *Coronation Street's* Rovers Return pub. The agreement links with one of the soap's major storylines, and adds "a little bit of realism to a relatable story between two of our best-loved characters", says Ian MacLeod Coronation Street producer.

prolificnorth.co.uk, 14 May 2021 (Chapman)

AT&T close to Discovery merger

AT&T is reportedly to merge with Discovery to create a \$150 billion streaming operation. AT&T already owns CNN, HBO and Warner Bros. While AT&T needs to increase its content, according to analysts, there is some doubt as to whether it has acted in time due to the highly competitive nature of the market. HBO and HBO Max have about 64m subscribers but they are overshadowed by Netflix, with 208m and Disney+, which has over 100m.

bbc.co.uk/news, 17 May 2021

Packaging

Fast food moves to reusable containers

Fast service and single-use packaging give fast-food diners the convenience of nothing to clear up afterwards, but this model no longer aligns with increased awareness of the environment and the impact of waste. In a recent survey by *Adweek* and Harris Poll, 81% of consumers said they were concerned about littering and pollution from quick service restaurants while 55% said they would consider a reusable or returnable container. Now the likes of Burger King, Starbucks and McDonald's are starting to introduce reusable containers. They are working with Loop, a division of recycling company Terracycle, and Ridwell, another closed-loop system,

to enable consumers to pay a small deposit for a sturdier, returnable container.

Adweek, 10 May 2021, pp6-7 (Lundstrom)

The plastic packaging tax

It is just under a year until the plastic packaging tax (PPT) takes effect in the UK. From next April, £200 will be charged for a tonne of plastic packaging containing less than 30% recycled content, which the Government estimates will affect as many as 20,000 packaging producers and importers. Reactions have been mixed. On the one hand experts argue that the tax will be a heavy burden for small firms and will lead to higher prices in the short to medium term. On the other, the tax could encourage innovation. Another concern is that there won't be enough recycled content available for all types of packaging. Others argue that the tax policy doesn't distinguish between plastics that are easy to recycle and those that aren't. City to Sea, a campaign group, dismisses the tax as "just another drop in a very plastic-polluted ocean."

raconteur.net, 14 May 2021 (McClelland)

Retailing

Digital transformation

Digital transformation programmes are changing the way in which retailers interact with customers and suppliers. E-commerce platforms need to be managed and delivered safely as does the entire supply chain. Protecting the brand is most important for reputation, consumer experience and revenue. Retailers must be prepared to react quickly, whether in response to a crisis or to proactively protect their brand. This article, written from a legal perspective (by law firm Patton Briggs), offers a checklist for retailers to help them assess the impact of their operations and commercial risk factors that affect their digital transformation.

lexology.com, 3 May 2021 (Lewis et al)

Morrisons fast tracks entrepreneurs

Morrisons has launched an accelerator programme to fast-track entrepreneurs so that their goods can appear on its shelves and online. It has gathered a team of experts to find brands that they can help to scale up, including providing help with production, packaging and marketing. The Growing British Brands programme follows Morrisons CEO David Potts' "call to arms" to British food entrepreneurs. He says that Brexit and the pandemic have brought national food security and British produce to the fore.

thegrocer.co.uk, 13 May 2021 (Quinn)

Services

Selfridges to conduct in-store weddings

Wedding plans have been disrupted during the pandemic but now Selfridges is offering a wedding service in its Oxford Street store. It has acquired a wedding license which will permit it to hold ceremonies in a dedicated Wedding Suite for a limited period this year. The service includes three "micro-wedding packages": "Just the Two of Us", "Earth Lovers" and "All-Out Extraordinary". As part of its aim of looking at circular retail trends, Selfridge's Wedding Shop will offer a collection of vintage and pre-loved womenswear, menswear and accessories for weddings.

marketingweek.com, 12 May 2021

The future of call centres

Prior to the coronavirus, just 3.8% of call centre workers in the UK were based at home, according to research from ContactBabel, but by November 2020 around three-quarters of those surveyed were working at home. A recent poll has found that just four call centre managers and directors expect a full return to the office. This shift could have significant consequences for people employed in the sector, for commercial landlords and for customers accessing these services. According to the ContactBabel survey, working from home improves staff morale but leads to concerns over performance. This article explores issues including privacy, handling sensitive data and customer service.

ft.com, 14 May 2021 (Barnes and Hammond)

Transport and travel

National Express – a taste of normal

National Express is celebrating coming out of lockdown with the launch of limited-edition travel sweets with unusual flavours. They are inspired by the flavours of classic British foods inspired by locations visited by the coach company, such as the Cornish pasty (Cornwall), pork pie (Leicestershire), Eccles cake (Manchester) and Wensleydale cheese (Yorkshire)! The "Tastes of Normal" sweets come in the traditional round metal tins that one would associate with boiled travel sweets.

campaignlive.co.uk, 12 May 2021 (Hickman)

Narrow jet widens Airbus advantage

JetBlue, a successful US low-cost carrier, is to fly across the Atlantic for the first time this summer. However, it is the plane (the Airbus 321LR) with its single-aisle that is noteworthy. Airbus's A320 jets have helped to give it a 60% share of the single-aisle plane market. The market for cheaper, more agile single-aisle planes is heating up and Airbus competitor Boeing does not have a plane to compete with the A321. The long-range version of the aircraft is "creating new routes" but "in smaller quantities" with just 180 to 200 passengers, says Airbus CCO Christian Scherer. Meanwhile Boeing is still grappling with the fallout from the grounding of its 737 Max. Boeing is not in a good financial position to develop and launch a new, narrow-body plane and now environmental pressures are becoming a key factor in any new aircraft design.

ft.com, 18 May 2021 (Pfeiffer)

Ryanair makes loss but optimistic

Ryanair has reported a €815m loss with traffic down by 81% for the year to March, but the airline's boss, Michael O'Leary, claims that "recovery has already begun". Bookings have risen from 500,000 a week in early April to 1.5m now. He predicts a particularly strong recovery for the airline between October this year and March 2022 as Europe is gradually vaccinated. However, despite 12 countries being on the UK government's green list, most tourist destinations remain on amber or red lists, which require travellers to quarantine.

bbc.co.uk/news, 17 May 2021

Written by CIM's Knowledge Services Team

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