



Cutting Edge

29th April 2009

Welcome to CAM's weekly analysis of the most useful marcomms news.

Quick [links](#) to Sections.

Advertising

Global adspend

The latest ZenithOptimedia report predicts that global adspend will fall by 6.9% during 2009, compared with the 1% fall seen in 2008. UK adspend will decline by 8.7% but will recover in 2010 with a 2.3% rise.

Campaign, 24 April 2009, p5

That shock factor

This article examines whether shock advertising still works, or if we are becoming desensitised. It notes that there has been a trend towards emphasising the emotional outcome of an issue and how this affects our conscience or those around us. People no longer want to be scared into acting upon a message. However, for charities, where the budget may be small, the shock factor is perhaps the only way to get a message across,

Campaign, 24 April 2009, p11

Getting to the competition

In general brands attack their competition in an indirect way, by suggestion or implication. But recently Coke in the US upset Pepsico by featuring half a Gatorade bottle in an ad along with the words: 'Don't settle for an incomplete sports drink'. This article contends that advertisements directly attacking brands' rivals don't go down well with the consumer. British Airways dealt with the constant attack advertising from Virgin Atlantic and easyJet by simply ignoring them and concentrating on promoting its customer offerings. After all, informative ads allow consumers to make up their own minds.

The Guardian, 20 April 2009, p7

Agencies

Taking HP into account

Publicis has won Hewlett-Packard's (that barometer of the IT industry) estimated £100m EMEA advertising and digital account for its Personal Systems Group, the PC and laptop division. Saatchi & Saatchi Geneva will undertake the advertising business, while Publicis Modem will handle all the digital campaigns in EMEA.

Campaign, 24 April 2009, p6

Aegis

Aegis has cut 780 jobs across 40 countries, as a "regrettable but necessary" way of reducing costs. Market research arm Synovate spent £900,000 on severance pay, according to the group's fourth quarter results.

Research, April 2009, p5

WPP

WPP has experienced a fall in revenue of 5.8% for the first three months of 2009 compared with the previous year. This has been attributed to cuts in client spending as the financial crisis continues. Sir Martin Sorrell has said that "Any recovery, of sorts, will probably come in 2010." The markets which suffered most are Western Europe and the US. Asia Pacific, Latin America, Africa and the Middle East were the least affected by the downturn.

News.bbc.co.uk. 28 April 2009

Books

Random ebooks

The Random House Group is to make ten ebooks available with enhanced content, such as games, photos, author interviews and graphics. These include books by James Patterson, Danny Wallace and Jacqueline Wilson.

New Media Age, 23 April 2009, p11

A different way of expressing books

From the beginning of this week you will have been able to print bound copies of books, including rare books, on demand. The Espresso Book Machine, which has access to over 40,000 publications, is available at Blackwell's book shop in Charing Cross, London. It is estimated that a 300-page book can be printed and bound in just five minutes - not even time for an espresso!

The Daily Telegraph, 24 April 2009, p16

Meatball sundae

Meatball Sundae: how new marketing is transforming the business world, a book by Seth Godin, describes how in the old world the meatballs or products and services were marketed via TV and mass media, a formula that worked well. The internet has changed the rules, yet marketers are trying to apply new marketing techniques to old business models; this is like putting a sundae topping on meatballs. Godin looks at fourteen trends that are redefining the business world.

B2B Marketing, April 2009, p12

Brands and Branding

Brand communities...

The main contention of this article is that although there is a strong need for a sense of connection with the customer, building a strong brand community with customers should not be the sole preserve of the marketing department. Instead it should be part of a high-level business strategy. The brand community experience should be central to the company's business model. By managing these communities well businesses can build on customer loyalty, marketing efficiency and brand enhancement.

Harvard Business Review, April 2009, pp105-111

...Or community brands

Strong brands are a great corporate asset, but internet user communities are starting to create their own brands. Last year a working paper entitled *Costless Creation of Strong Brands by User Communities: Implications for Producer-Owned Brands* by Fueller and Von Hippel, suggested that traditional brands should pay more attention to this area. Fueller points out that there is not only a possible threat from community brands, but there is a lot of 'synergy' potential between commercial and community brands.

MIT Sloan Management Review, Spring 2009, pp18-19

London banks on rebrand

Mayor Boris Johnson wants to rebrand London in the same sort of way as New York is promoted as NYC. Dan Ritterband, director of marketing, means to move away from the poor image created by London bankers. A £2m budget will be devoted to looking at which industries and aspects of London should be included in the marketing. There will be a new logo and slogan and the four bodies: Visit London, Think London, Study London and Film London may be merged.

The Times, 24 April 2009, p8

Pepsico rebranding – is it enough?

CEO of Pepsico Americas, Maasimo d'Amore, has been busy rebranding all the company's products, with very mixed reactions in the US. In general consumers have started to think more positively about some of the company's brands, and Pepsi has actually gained market share against Coke. But sales of cola in general have fallen in the first quarter and Pepsi is losing market share to private-label brands, as indeed is Coke.

Business Week, 27 April 2009, pp32-36

Forensic Service to re-brand

The UK Forensic Science Service (FSS) is starting on a major global re-branding and marketing campaign. The company is now part of a competitive marketplace and has had to reassess its brand positioning.

The Drum, 24 April 2009, pp9

Children and Youth

Researching teenagers

This article addresses the problems of trying to conduct research amongst teenagers. It can be hard to get young people to express their views in front of others and it is even more difficult to find common ground within a demographic that changes 'dramatically' from one year to the next. Ethnographic methodologies can be useful. Accompanying and observing teenagers in different environments helps to provide more subtle details that cannot be provided in the context of a focus group.

Admap, April 2009, pp12-13

Children's media habits

Children are big business and understanding their media habits has become crucial to targeting them effectively. Here are some interesting statistics about kids' habits across the UK, China and US. For example in the UK children are adept at multi-tasking - 28% of 7 to

12 year-olds watch TV while surfing the net at the same time. Interesting news for marketers is that 36% like to buy things they have seen in TV ads, while 15% think the ads are truthful.

Media & marketing, April 2009, p17

Cinema

Observe and report

The Warner Brother Film, *Observe and Report*, is being promoted via MySpace, which is the official partner of last week's UK premiere of the film. Users were offered the chance to win tickets to the film and to the party afterwards.

Marketing, 22 April 2009, p4

In-store cinema

HMV is testing out a new cinema concept in partnership with Curzon Artificial Eye (CAE), operator of the Curzon Cinema chain. The hmvcurzon cinema will be tested out in the HMV store in Wimbledon this autumn. The cinema will use the space on the store's second floor and could have up to three screens. It will be accessible via the shop during the day and have its own entrance outside trading hours. If successful other locations may be found for more cinemas.

Marketingmagazine.co.uk, 27 April 2009

The Daily Telegraph, 27 April 2009, B2

Conferences and Events

Meetings and events provide best ROI

EventView 2009, a survey of corporate sales and marketing executives, has revealed that meetings and events provide the highest return on investment (ROI) amongst marketing activities. In Western Europe 23% of respondents cited event marketing as providing the best ROI, followed by PR with 19%. In addition event marketing was considered to be the marketing discipline which most helps to enhance relationships. The survey also showed that companies that measure ROI are far more likely to receive an increased marketing budget than those that didn't.

Meetings & Incentive Travel, April 2009, p13

Purpose-built vs luxury

Corporate brands are being sensitive about holding events at venues that could create negative publicity amongst shareholders and the public. Purpose-built, business-focused venues are therefore well-positioned to gain market share from luxury hotels and resorts. However competition is hotting up...

Conference & Incentive Travel, April 2009, p37

Consumer Behaviour

Creating a persona

This article discusses the benefits of persona-based marketing. A persona describes who a prospect or customer is by looking at everything known about them. A business-to-business marketer can create a picture of a company's best prospects and then create a marketing message that's appropriate to them. Three types of persona are: the marketing persona on how customers decide to purchase a product or service, a design persona on how they use the product, and an organisational persona, which describes the organisation and attributes of the company being marketed to.

B2B Marketing, April 2009, p45

Customer Relations

Mass customisation

Mass customisation is desirable in that customers want products tailored to their particular needs. But the concept is harder to achieve than first anticipated, as seen in Levi's failed attempt at manufacturing customised jeans. This article nevertheless is a strong advocate of mass customisation. Findings of research indicate that three capabilities are required: identifying the product attributes 'along which customer needs diverge', reusing existing resources to fulfil customer needs and helping customers build or decide their own solutions.

MIT Sloan Management Review, Spring 2009, pp71-78

Direct Marketing

Environmental best practice

The Direct Marketing Association (DMA) and TNT Post have signed a 'letter of understanding' showing their commitment to responsible use of direct mail. At least two projects will be undertaken over the next twelve months by a joint strategy group, aimed at all sizes of businesses. This follows the recent launch of PAS 2020, the first environmental standard for the direct mail industry.

Marketing Week, 23 April 2009, p9

Email marketing

Email marketing has the advantages of low cost and speed, but badly targeted communications are an annoyance and can be siphoned off by spam filters. This article sets down some useful guidelines and presents the top ten trends for B2B email marketing. Examples include the use

of multimedia within emails, such as video and podcasts and 'pull' tactics, including useful content and social networking.

B2B Marketing, April 2009, pp22-24

New chair for DMA Agencies Council

The Direct Marketing Association (DMA) has announced that Shaun Bailey, MD of Jacob Bailey, is its new elected chair of the DMA Agencies Council. Former Chair Chris Arnold stepped down in March after four years' service.

DMweekly.mad.co.uk, 27 April 2009

Chugging along in-store

WH Smith is to permit chuggers, charity collectors who approach people on high streets, into its shops. The chuggers, from The British Red Cross, will be allowed to talk to shoppers as they enter the shops. WH Smith Chief Executive Kate Swann has endorsed the practice in stores where there is sufficient space, but will not permit behaviour that proves to be unpopular with customers.

Marketingmagazine.co.uk, 24 April 2009

Retail Week, 24 April 2009, p3

Sustainable mail

Standard Life and Lloyds Banking Group's Black Horse Personal Finance are the first advertisers to sign up to Royal Mail's new environmentally friendly direct mail service, Sustainable Mail. The direct mail campaigns will launch in May. Sustainable Mail was created to increase the use of environmentally-friendly materials in business mailings, while reducing the amount of mail in the waste stream.

Dmweekly.mad.co.uk, 27 April 2009

Internet

Paid-for search marketing

According to research carried out by Efficient Frontier, paid-for search marketing has suffered a first-ever reduction in spend, of 6%, during the first three months of this year. Google, which has an 81% share of the search market, saw its UK revenues for the same period fall by 9% to \$733m. Analysts have reasoned that the drop is explained by advertisers becoming more savvy when it comes to targeting consumers. A further study by the Internet Advertising Bureau has found that branded pages on Facebook and Twitter are ineffective.

Marketing, 22 April 2009, p2

Natural search budgets

In contrast the *UK Search Engine Benchmark* report has revealed that 55% of companies surveyed plan to increase natural search budgets, while 45% will increase paid search investment. The report also indicated huge growth in social media, with 65% of companies claiming to use it as part of the marketing mix.

New Media Age, 23 April 2009, p4

Ask Jeeves ...again

Ask.com has gone back to its original brand name, Ask Jeeves, last seen in 2006. The rebranding is an attempt to differentiate the search engine from Google and Yahoo! But, says Alan Twigg, this brand has had 'more makeovers than Madonna' and can a butler look contemporary?

PR Week, 24 April 2009, p12

Poor phorm?

Amazon has recently opted out of Phorm's behavioural targeting technology, as has Wikipedia. Phorm's ISP-based targeting allows websites and service providers to track customers' surfing habits across the web and to target them accordingly with ads. Phorm's technology has been at the centre of a storm ever since BT's controversial trial of it, and the subsequent legal action by the European Commission. Now Virgin Media may be linking up with Audience Science, which serves targeted ads based on searching habits using publisher data.

Campaign, 24 April 2009, p5

New Media Age, 23 April 2009, p4

Islam

Marketing to Islam

The Muslim market is one of the largest and fastest-growing, and gives an opportunity for advertisers looking for growth areas. This article discusses this diverse market, which should not be stereotyped, and looks at attempts by brands to tailor their services accordingly. Nokia, for example, advertises on portals such as *Maktoob.com* and *Jeeran.com*, while financial services have for some time been customising their services to accommodate Muslim beliefs. Digital marketing for Shariah-compliant products is minimal however.

New Media Age, 23 April 2009, pp17-18

Loyalty Programmes

Tesco – the future is RFID?

Tesco is to reinvest in, and relaunch, its Clubcard this year. Despite announcing record annual profits last week of £3.13bn, and maintaining its leading market share position, market share growth has actually slowed down. In response to this trend, it is conjectured that the supermarket will extend its Clubcard marketing to digital channels and make more use of customer purchasing behaviour. Tesco may become the first retailer to use Radio Frequency Identification (RFID). The latter can be installed in mobile phones and could replace plastic cards for retail transactions.

Marketing Week, 23 April 2009, p5

Loyalty at Waterstone's

Waterstone's, the bookseller, created its loyalty scheme with the aim of better understanding its customer base. Over the last 14 months more than 2.5 million cardholders have been registered. The marketing database is regarded by Waterstones as one of its greatest assets in understanding and communicating with its customers. A promotion offering cardholders double points over a limited period showed that customers with the fewest recent transactions were most likely to respond, thus promoting re-engagement with lapsed users.

Data Strategy, April 2009, p13

Magazines

Take five

A new bi-monthly sports title, #5, has just been launched under licence from Manchester United player Rio Ferdinand's management company, New Era. Rio is the editor-in-chief. It is considered that he will have sufficient 'pull' with the advertising community and already has deals with big brands such as Nike and email distribution deals with MSN and MTV.

Marketing Week, 23 April 2009, p12

Hello in shopping spree

Hellomagazine.com is launching an online shopping channel in partnership with *LynkU.com*, a search engine for fashion shopping. Designer and high-street fashion brands will be offered via the *Hello!* site.

Marketing, 22 April 2009, p6

Market Research

MRS code-benders

The Market Research Society code of conduct dictates that research remains anonymous and the names of participants cannot be fed back to the client. But companies don't want to know why their customers are leaving; they need to stop them doing so. Why discover a problem when it is too late to fix it? There are a growing number of research firms that are making use of market research techniques to give personalised feedback, so engendering better customer service. Enterprise Feedback Management (EFM) software is an area showing immediate and measurable returns.

Research, April 2009, pp25-26

Research spend

During 2008 companies spent \$30.6bn on market research, an increase of 4.6% on 2007, according to ResearchRatings. Founder Stuart Butler-Smith has described the first quarter of 2009 as "ugly", with spend on information declining by between 5% and 10%. However overall spend is predicted to increase by 1% or 2% for this year, so it's not all bad news.

Research, April 2009, p4

Marketing

Marketing Zurich

After sustaining massive losses seven years ago, Zurich insurance has achieved a comeback and is celebrating 27 consecutive profitable quarters. Chief Marketing Officer Arun Sinha claims Zurich is now a "marketing-led organisation". Advertising runs in 12 languages and across 140 countries, while in Zurich visitors can immerse themselves in a 'brand development centre', where light-up brand DNA delivers the company's values. This article also includes some useful facts and figures for the industry.

Marketing Week, 23 April 2009, p27

Newspapers

Back to basics

The Independent is producing a series of 10 booklets, called *The New Good Life*, based on the UK sitcom *The Good Life*. They were available from 25th April and cover topics aimed at helping households save money, such as *Kitchen Basics*, *Making and Mending Basics* and so on.

Marketing Week, 23 April 2009, p13

Newsquest gets very local

Newsquest is introducing 'hyperlocal' websites for seven of its news titles in the Midlands. It is looking for members of the public to write articles for them in an unpaid capacity. The first will be The Kidderminster *Shuttle*.

Marketing, 22 April 2009, p6

Outdoor

Vacant advertising

Outdoor media company Streetskins has found a way of putting ads onto metal shutters of empty shops. The ads are claimed to be graffiti-proof and easy to apply. The company has 55 shutter sites. Some of them advertise the vacant premises, while local businesses are advertising on others.

Marketing, 22 April 2009, p1

Hawkins trials new medium

Hawkins Bazaar is trialling a series of outdoor ads, in order to increase brand awareness in shopping centres and claims to be using a new medium. Its 'Because life's too serious' campaign will be displayed on signs in parking spaces at eye level, in order to target people sitting in their cars. It is hoped to 'hit' the customer immediately upon their arrival, so driving them to the store – excuse the pun. The trial will take place at the Worcester store and if successful, will be rolled out nationally.

Retail Week, 24 April 2009, p16

Public Relations

Bad PR for agencies

Essex County Council is launching its own consultancy, Essex Communications, with the intention of selling PR services to public bodies and private companies. Eleven new posts are being created. Needless to say private agencies are not happy.

PR Week, 24 April 2009, p1

Top PR

PR Week's *Top 150 PR Consultancies* for 2008 reveals that last year top agencies kept up their double-digit growth for the fourth consecutive year. However average growth in fee income was 10% compared with 22% in 2007. Top PR outfits are inevitably part of the larger groups: Omnicom (US), WPP (UK), Publicis (France), Interpublic (US) and Havas (France). They report that their PR divisions are the best-performing of their marketing services.

PR Week, 24 April 2009, p1, Supplement

Radio

Digital radio head

Tim Davie, director of BBC Audio & Music, is to be the first chairman of The Radio Council, a joint venture to promote digital radio in the UK. The Radio Council comprises the BBC, GMG, Global Radio, Bauer Media and RadioCentre. It will orchestrate the development of a BBC iPlayer-style online radio player to stream live radio stations across the UK

Marketingmagazine.co.uk, 27 April 2009

Social Media

Song chart

We Are Hunted is a new site that monitors songs being discussed on social media, such as *Twitter*, *iLike* and *Last.fm*. A chart is created based on the popularity of the songs, 99 of which are hosted on the site every day. Users can click-to-play via YouTube or the artist's own site.

New Media Age, 23 April 2009, p10

YouTube an official channel

A House of Lords Information Committee has announced that people can now submit their views via YouTube. This is the first time that submissions have been permitted to a parliamentary committee in an alternative format to the written word.

PR Week, 24 April 2009, p5

Ad dispute about to Boyle

ITV has been unable to agree an advertising deal with *YouTube* for the video clips of Susan Boyle, the *Britain's Got Talent* performer who has been viewed more than 75 million times on YouTube. ITV wants to introduce 'pre-roll' adverts that play before programmes, while YouTube prefers Google-style text ads that sit at the bottom of the screen while the video plays. It is estimated that a video such as this could generate around £13m in ad revenues.

The Times, 23 April 2009, p45

B2B needs to be more social

According to a Forrester survey: *The Social Technographics of Business Buyers*, 77% of business technology decision-makers are using social media at work, but most B2B marketers do not use the information to effectively target and influence their customers via marketing strategies. The report gives statistics for active, passive and non-users of social media.

B2B Marketing, April 2009, pp16-17

RAF roles out in social media

The RAF is launching a recruitment campaign across Bebo, YouTube and its own recruitment site, through a series of videos and video diaries. The aim is to show the variety of roles available.

New Media Age, 23 April 2009, p11

Sponsorship

London Marathon

Flora has sponsored the London Marathon for 14 years, but last Sunday saw its final association with the event. Virgin Money is to take over from 2010 in an £18m sponsorship deal. Other sponsors are Vittel, Fuller's and Adidas.

Marketing, 22 April 2009, p4

Williams Formula One

As part of its sponsorship strategy of the AT&T Williams F1 team, Philips Consumer Lifestyle has signed up to create a second series of its ad-funded TV programme, *The Factory*, on *Eurosport*. The programme will cover the working life of the team as it prepares for 17 Grand Prix races.

Marketingweek.co.uk, 24 April 2009

Television

A whale of a tin

Discovery Channel is promoting its series, *Whale Wars*, which features the Sea Shepherd Conservation Society, set up to combat illegal whaling. Last week's campaign saw tins of whale meat, over three metres high, being placed at London Victoria, Leeds and Manchester Piccadilly stations. They were wrapped in a Japanese-themed label. Special travel card holders were also be handed out featuring the issues associated with whaling.

Marketing Week, 23 April 2009, p13

Customers like TV ads

Virgin Media is to introduce advertising slots on its on-demand TV service. This follows a trial with brands such as Kellogg and John Lewis, showing targeted ads around selected shows. Virgin claims that 54% of customers researched reacted positively to the ads. An increase in spontaneous awareness of the brands and products was experienced by 62% of those trialled.

Marketing, 22 April 2009, p10

Campaign, 24 April 2009, p5

BBC in commercial co-operation

The BBC is to put forward proposals for co-operating with commercial radio and newspaper companies at a 'local media summit' of the newspaper, radio and TV industry. Andy Burnham, the culture secretary called the summit in order to address the threat of falling ad revenues, which he fears will negatively impact journalism in the regions.

The Financial Times, 28 April 2009, p4

Written by The Chartered Institute of Marketing's Research and Information Team

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On the Move

Name	From	To	New Title	Source
Matt Batchelor	Titan Outdoor	The Evening Standard	Head of Strategy	Media Week
Sharon Bayley	Microsoft Online Services UK	BBC	Director of Marketing, Communication & Audiences Division	Research
Tim Douglas	Reckitt Benckiser	The Oxford Research Agency	Research Director	Research
Rob Farmer	Freeview	ITV	Director of Viewer Marketing	Brandrepublic.com
Jon Fish	Phones4U	Chessington World of Adventures	Marketing Director	Marketing Week
Srini Gopalan	Capital One Bank	T-Mobile	Chief Marketing Officer	Marketing Week
Catherine Gort	Salton Europe	Bauer Radio	Head of Marketing & Communications, Big City	The Drum
Steve John	Pepsico	Bupa	Corporate Comms Director	PR Week
Vanessa Kingori	Esquire	GQ	Head of Fashion Advertising	Media Week
Peter Lewtas	IPG	TBWA Manchester	Executive Creative Director	Campaign
Ash Makkar	Teletext	BBC	Head of Marketing for BB2, BB4, BBC Knowledge	Marketing Week
Andy Moffitt	Cello	McCann Erickson Manchester	Managing Partner	The Drum
Jakob Nielsen	Microsoft	Group M	Managing Director Group M Interaction	Campaign
Ben Russell	The Independent	The Local Government Association	Interim Head of News	PR Week
Bhawani Singh Shekhawat	Reckitt & Benckiser	The Coca-Cola Company	Director of Strategic Planning & Insights	Research

Promotions

Name	Company	Previous Title	New Title	Source
Aaron Ferstman	YouTube	n/a	Comms and Public Affairs Manager for EMEA	PR Week

Sources

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Contents

To fast forward click on the following links:

[Advertising](#)
[Agencies](#)
[Books](#)
[Brands and Branding](#)
[Children and Youth](#)
[Cinema](#)
[Conferences and Events](#)
[Consumer Behaviour](#)
[Customer Relations](#)
[Direct Marketing](#)
[Internet](#)
[Islam](#)
[Loyalty Programmes](#)
[Magazines](#)
[Market Research](#)
[Marketing](#)
[Newspapers](#)
[Outdoor](#)
[Public Relations](#)
[Radio](#)
[Social Media](#)
[Sponsorship](#)
[Television](#)
[On the Move](#)