



Cutting Edge

15 July 2009

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

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Advertising

Consumer trust

According to a new report, the *Nielsen Global Online Consumer Survey*, which questioned 25,000 internet users from 50 countries, 90% of internet users trust recommendations from people they know and 70% trust opinions posted by consumers online and brand websites. Since 2007, when the trust in advertising part of the survey was introduced, brand sponsorship has seen the greatest rise in consumer trust (up 15%), with cinema ads a close second, up by 14%. Newspaper ads were the only media to fall in terms of consumer trust, but were more trusted than magazine ads.

Media Week, 7 July 2009, p7

The Financial Times, 10 July 2009, p21

Low attention can build brands

More than 10 years ago research revealed that 40% of people left the room when the ads came on TV, while 70% would fast-forward recorded material. More recent research puts the figure at nearer 100%. However analysis has shown that there is 'little evidence' to support the hypothesis that TV ads are becoming less effective. Further research by the author of the article has revealed that in fact campaigns work better when people are engaging at 'low attention'. So how does TV advertising engage with consumers? Robert Heath explores the contradictory findings.

Admap, July/August 2009, pp28-31

Budweiser gets it together

Diageo Ireland's Budweiser campaign will feature a cover version of *All Together Now* by The Beatles. The TV and cinema ad shows people on a train spelling out *All Together Now* in time to the song.

Marketing, 8 July 2009, p5

Age

Driving school BSM is revamping its brand to appeal more to young people and to persuade them that learning to drive is affordable. The campaign strapline is: 'BSM: Because your success matters'. As BSM approaches its 100th anniversary in 2010 it aims to differentiate itself against rivals the AA and Red Driving School, as well as taking market share from local operators.

Marketing Week, 9 July 2009, p8

Agencies

Hegarty rubbishes advertising

While participating in a BBC debate with Sir Martin Sorrell of WPP, Maurice Lévy of Publicis and Piyush Pandey of Ogilvy India, Sir John Hegarty, chairman and creative director of Bartle Bogle Hegarty, said "I have seen an enormous amount of advertising that's rubbish – that's insulting to people's intelligence". He further claimed that 90% of creative work is not "engaging and enduring". *The Insider Debate on Advertising* took place on 11th July.

Campaign, 10 July 2009, p3

Large brands dictating production

Procter & Gamble is planning to control which production companies its US agencies use, by pre-selecting them. It is believed that Reckitt & Benckiser in the UK is also drawing up a shortlist of preferred production houses. Clearly this will affect the agencies' autonomy, but will it become a trend?

Campaign, 10 July 2009, p5

Books

Another thing launches

A new site is being built for Penguin's launch of *And Another Thing*, by Eoin Colfer, the sixth instalment of *The Hitchhiker's Guide to the Galaxy*, originally created by Douglas Adams. The site will bring together communities from *Twitter* and *Facebook*.

Marketing, 8 July 2009, p4

Romancing the ebook

Mills & Boon, the romance novel publisher, says it sold 10,000 ebooks during May. This follows a relaunch of the publisher's website earlier in the year. Mills & Boon has recently offered all its publications in both paper and digital format. It is currently celebrating its 100th birthday.

New Media Age, 9 July 2009, p10

A puzzling launch

Dan Brown, author of the *Da Vinci Code*, is launching his new book, *The Lost Symbol*, via a series of puzzles. The book, which is due for release in September, will use social networking sites like *Facebook* to release codes, puzzles and teasers. The front cover image of the book has been revealed as a key and symbol hanging over the Washington DC skyline.

News.bbc.co.uk, 8 July 2009

Brands and Branding

Data visualisation

Today's technology allows the representation of data in innovative ways, which can be altered in real time by users. A good visualisation can be passed around and holds more interest than the average ad. One example is Nokia's Vine application that allows users to map where they've created content with their N series phones. Experts warn that brands must consider what they want to show with data visualisation. It shouldn't be used just to demonstrate a brand's 'fashionable credentials'.

New Media Age, 9 July 2009, pp16-17

Naming the brand

A brand name sums up the company, should be easy to remember and pronounce and conjures up some benefits associated with the product and the company image. It should also stand out from the competition. The Post Office's attempt at rebranding as 'Consignia' back in 2001 was a notable disaster, but there are lots of unusual success stories: 'Häagen-Dazs', for example, comprises two made-up words that are meant to appear 'European' to the Americans, while 'Cisco' originates from the last three letters of San Francisco. Richard Branson reportedly named 'Virgin' because he was a virgin when he created the business!

The Marketer, July/August 2009, pp6-7

Brand loyalty

This paper looks at brand loyalty and other metrics in the UK sportswear market. The key

findings are that sportswear brands have 'polygamous loyalty' from buyers, while smaller brands have smaller loyalty. Consumers tend to switch between sports brands roughly in line with their market share and these brands exhibit equal performance levels among demographic sub-groups. The bigger brands are big in all demographic groups and the smaller brands are smaller, but still present in all the demographic groups.

International Journal of Market Research, Vol 51 (4), pp449-463

Cinema

Cinema admissions up

The Cinema Advertising Association reports a 24% year-on-year increase in cinema admissions for May 2009. This has been helped by films such as *Star Trek* and *X-Men Origins: Wolverine*.

Marketing, 8 July 2009, p6

A better Vue

Agency Clarion has been recruited to raise awareness of Vue's recently introduced 3D, Mystery Movies, Superior Seating and Over 18s initiatives. Vue also has plans for at least five new sites within the next three years as well as initiatives with external brand partners.

PR Week, 10 July 2009, p4

Conferences and Events

Convention centres

The annual *Meetings & Incentive Travel* survey asked convention centres to quote for two 'hypothetical' conferences to be held next year. Most of them quoted prices that were cheaper than last year, or with only very small increases. There is still a huge differential between those at the top and the more affordable venues. The ranking for the two briefs are presented: the 1,000-person conference brief sees the Birmingham International Convention Centre at the top at £67,570 compared with Llandudno's Venue Cymru at £23,530.

Meetings & Incentive Travel, July/August 2009, pp31-33

Customer Relations

A warm campaign

Nissan Europe has launched a personalised CRM campaign in the form of a book entitled, *Keep Warm*, with the aim of minimising cancellation of car orders and increasing sales of their sports car, the Nissan GT-R. The glossy book shows photos of the car amongst which the recipient's name is written into the image of the race track, their personalised car

specifications are included in the introduction copy and a picture of the customer racing the GT-R is also shown. The GT-R website has already registered 12,000 expressions of interest.

Dmweekly.mad.co.uk, 13 July 2009

Digital

Visit London is to increase its search, social media and mobile marketing as it continues to promote London as an affordable destination. Director of Digital, Jose Adams, admits that Visit London is “fairly traditional” in its marketing, so is looking to develop a “solid social media plan”. A mobile trial was conducted earlier in the year and the possibilities surrounding smart phone development are also being looked at.

New Media Age, 9 July 2009, p7

Direct Marketing

New head of DMA...

According to Postcomm 4.3 billion items of direct mail were sent to consumers in 2008. Robert Keitch, new head of the Direct Marketing Association, has a tough job as he tries to defend the role of direct marketing. As he says: “one man’s junk is another man’s valuable offer”. He regards opt-out as a “blunt axe” and considers consumers to be far more marketing-literate than they were 20 years ago.

The Times, 13 July 2009, p45

...says it needs to get dangerous

The Direct Marketing Association (DMA) announced details of its new strategy last week, which include the launch of more services, products, a broadening of its representation and the creation of new policy groups including a new business development service and new accreditation schemes for mobile marketing and data security. Robert Keitch said the changes will aim to reflect the DMA’s new mindset and “stop being risk adverse and get a bit more dangerous with what it’s prepared to do”.

Dmweekly.mad.co.uk, 13 July 2009

Film

This article takes a look at product placement in the context of Ruben Igielko of Geneva-based Propaganda Global Entertainment Marketing, an expert in product placement in films. He says that product placement should not appear like a billboard as no one will notice it, while an obvious product placement that looks like a commercial will “turn viewers off”. Last year’s *Transporter 3* was a huge success – actor

Jason Statham drove an Audi A8 for most of the film.

Business Week, 13 & 20 July 2009, pp68-69

Internet

Online brand bullies

A survey by eBay amongst 900 small online retailers has revealed that 49% of those in the UK have been banned by brands from selling products online and 45% have been prevented from offering unauthorised discounts. eBay is lobbying the EU to amend European competition law to make it illegal for brands to ‘blanket-ban’ internet sales and make it illegal for them to block the resale of goods that have been previously purchased.

New Media Age, 9 July 2009, p3

The Independent, 9 July 2009, p41

E-commerce returns

E-commerce may sound a trifle passé but it seems that companies which sell goods and services are in favour with venture capitalists, rather than those simply hoping to profit from advertising. Revenues from social networking sites are still a long way behind the growth in their user bases and even Google is still wondering how to make money out of *YouTube*. E-commerce offers the traditional business model of selling goods for more than they cost to make. Venture capitalist Fred Destin’s vision is that of “super-niche high quality sites” which sell a wider range of products and services in their niche than can be found in the high street. The perception is that there is just not enough advertising money to subsidise the free offerings.

The Financial Times, 10 July 2009, p13

BT drops phorm

BT has dropped the behavioural tracking technology supplied by Phorm, after carrying out trials last year. The technology is currently at the centre of an EC investigation. BT is to focus on its £1.5m investment in super-fast broadband.

Campaign, 10 July 2009, p5

Law

Behavioural advertising

In the US new regulations may be introduced making it compulsory for web users to opt-in before companies can track their online behaviour across multiple sites. A better understanding of user preferences allows better targeted ads and higher ad rates for web companies. It is feared that without the back-up of data online ads would quickly lose their

attraction for advertisers. Google's search ads would remain unaffected as would companies that have already accumulated data on their customers. Consumers may have to be rewarded in return for data collection, as they are in the offline world, but the direction the law will take remains uncertain.

Business Week, 13 & 20 July 2009, p84

EC says yes to BOGOFs

The European Court of Justice has overturned the Belgian ban on the practice of offering a free product when another is purchased. Marketers are naturally relieved that there will be fewer restrictions on their promotions and campaigns.

Incentive & Motivation, July/August 2009, p8

Loyalty Programmes

Loyalty is not dead

In May five major retailers launched or relaunched their loyalty programmes. Yet industry analysts are claiming that price, convenience and quality are more important to customers than a loyalty scheme. Loyalty practitioners are optimistic about their offerings. The latest loyalty offerings from Tesco, Barclaycard, Play.com, M&S, Waterstone's, Homebase and HMV are summarised.

Retail Week, 10 July 2009, pp34-35

Magazines

Economist goes to the flicks

The Economist is to widen its scope by advertising in cinemas, including Odeon and Cineworld.

Marketing, 8 July 2009, p6

Dinner tonight

IPC is launching a new magazine, *Dinner Tonight*, as it tries to gain a foothold in the home-cooking market, competing with BBC Magazines and H Bauer. Initially it will be a sub-brand of *Woman & Home*, containing recipes, advice and celebrity content. Food magazines have apparently held their own during the recession, with circulation up more than 5% year-on-year.

Media Week, 7 July 2009, p5

Market Research

Market research – the issues

This supplement presents the views of a panel of market researchers, who report that business is good despite the recession. Topics include the value of using segmentation, what influences customer choice and loyalty, making your market research budget go further,

consumer questionnaires, advocacy and conventional versus online research.

Marketing, 8 July 2009, Supplement pp1-18

London 2012

The London 2012 Olympics has appointed The Nielsen Company as the official provider of market research services. 2012 Chairman Sebastian Coe says that Nielsen will "assist us in the decision-making process by testing our ideas in the marketplace". The company will undertake tracking studies, online panels and surveys. Nielsen is a 'tier three' provider to the games and will supply £10m to £20m-worth of services. This is the first time the Olympic Games will have had an official provider of market research.

Research, July 2009, p4

Openings in Asia

Here are the results of a survey conducted by Asia Research in April 2009 into corporations that use agencies for market research, mainly in south and south-east Asian markets. A significant finding is the apparent openness of the market to new research agencies: around 70% of corporations would consider new suppliers while 28% said they were "very open" to the idea. The most open sectors are automotive and the public sector. The survey also asked what corporations are looking for when they select new agencies. Some of the results are presented here.

Research, July 2009, pp28-32

Marketing

Marketing budgets – the trends

The second quarter Bellwether report indicates that business confidence is improving, with marketing budgets falling more slowly than during the previous quarter. This is the second quarter in a row that has seen a slowdown in the decline. All marketing sectors suffered downward revisions, with internet search marketing falling by just 5.4% and media dropping by 18.4%. The 'other category', which covers events and PR, recorded a fall of 23.8%. The report showed a marked optimism among marketing executives regarding their companies' financial prospects.

Brandrepublic.com, 13 July 2009

Resilience in marketing

In a recession customers will often reduce spending and companies will make cuts, especially in their marketing budgets. This paper by Philip Kotler asserts that great marketers respond to crises by reinventing

business models and marketing strategies so that they are able to adapt as circumstances change. Marketers must 'master resiliency' so that they can 'engage the marketplace forcefully' and connect with customers and consumers. Marketing budgets must reflect strategic thinking; six questions are posed that must be answered before cutting the marketing budget.

Journal of Customer Behaviour, Summer 2009, pp187-191

Newspapers

New Friday paper

The Telegraph Media Group (TMG) is to launch a free newspaper called *The Friday*, sponsored by Gordon's Gin. This is the first time TMG has launched a free paper, and it aims to attract high-spending people aged 30-55. The paper will have an initial trial distribution of 150,000 and be handed out at 25 UK railway stations.

Media Week, 7 July 2009, p3

Public Relations

The recession

The PR Week/Brands2Life survey of 102 communications heads reveals how the recession has been affecting PR departments. Half of communications directors claim to have lost more than 10% of their budgets over the last year, while 41% have had to lose staff. It is not surprising therefore that 'doing more with fewer people' is cited as the most pressing issue by 52% of respondents. In-house departments are now spending an average of 15% of their budgets on digital work, while 69% of PR departments have responsibility for social media.

PR Week, 10 July 2009, pp20-23

Radio

Online radio audience increase

According to figures from Rajar, the online radio audience has risen by 5%, from 16.1 million in the third quarter of 2008 to 16.9 million in the second quarter of 2009.

Marketing, 8 July 2009, p6

Suntalk heads south

News International's online-only radio station, *Suntalk*, is to expand to include Spain, in order to take advantage of holidaymakers and expats living there. It will feature on Spain's *Bay Radio* and *Spectrum FM*. News International aims to reach 150,000 listeners by the end of the year and to launch in other countries.

Media Week, 7 July 2009, p5

Social Media

Marketing on Twitter

Agency Immediate Future looked at how 140 UK and global businesses are using *Twitter* for marketing purposes. It discovered that the majority of non-media brands update tweets between seven and 150 times a week. But only a handful of brands use *Twitter* for more than just communicating news. Dell successfully engages with its audience and claims to have made more than US\$3m in sales since 2007 via *@DellOutlet*. Innocent Drinks is also an 'effective' *Twitter* user, and produces around 900 Tweets a week.

PR Week, 10 July 2009, p3

Fruitful campaign

A recent *Twitter* campaign for Moonfruit, a website builder, resulted in 400 tweets a minute, when it offered 10 MacBook Pro laptops to followers who tweeted its brand name. The campaign celebrated the company's 10th birthday and resulted in it acquiring 23,000 followers.

New Media Age, 9 July 2009, p10

Local community sites

A series of 23 social networking sites for local communities has been launched in the UK by Associated Northcliffe Digital. The pilot launch, taking place in the South-West, and including Bideford People, Falmouth People and Clifton People, will allow people to discuss local issues and news as part of the 'Local People' network. The content will come only from people living in the area. Users will be driven to the site through search and online display ads.

New Media Age, 9 July 2009, p11

PR Week, 10 July, p11

The Chinese YouTube

US multinationals such as Nike and Coca-Cola are reportedly increasing their adspend on Chinese video-sharing websites like *Tudou* and *Youku*. Honda, Nokia and Universal Pictures have also placed ads on *Youku*, while *Tudou* has benefited from ads by Pepsico, Intel and MTV. Online adspend in China is forecast to grow by 30% this year.

Admap, July/August 2009, p7

Social media blunders

Here are *Computer Weekly's* top ten 'marketing blunders' that have been posted on *Twitter*. This shows that sometimes companies have very little control over their brands on social media sites. An employee at Dominos Pizza was filmed sneezing on food and stuffing

cheese up his nose. The video was posted on *YouTube* and viewed over a million times.
Computerweekly.com, accessed 14 July 2009

Sponsorship

EDF and 2012

EDF Energy is relinquishing its title sponsorship of Rugby's Anglo-Welsh Cup after three years, in order to concentrate on its role as 'sustainability partner' of the 2012 Olympics. EDF has built most of its marketing strategy around its green credentials. Its recent 'Green Britain Day' encouraged people to take action on climate change.

Marketing Week, 9 July 2009, p10

Naming the club

Scottish football club Stirling Albion is looking for partners to take naming rights for both the club and its Forthbank Stadium with the aim of obtaining the capital to buy the club from its current chairman. Although stadium naming rights do occur in Britain, notable examples being Bolton Wanderers and Arsenal, with Reebok and Emirates respectively, it is rare to hand over a club's name to a sponsor and the practice is more common in the US.

Marketing Week, 9 July 2009, p11

FIFA sponsorship research

This paper looks at the effectiveness of event sponsorship and the role of ambush marketing, in the context of the FIFA World Cup held in Germany in 2006. The research found that whereas sponsorship was effective for Adidas, McDonalds and Coca-Cola, other sponsors only received low 'recall values' amongst the survey sample of 2,000 teenagers. However other companies, who were not official sponsors, were able to improve their recall and image values by ambush marketing. The implications are discussed.

Journal of Sponsorship, Vol 2 (3) pp241-249

Television

Pet awards boomerang

A digital marketing campaign will underpin Turner Broadcasting's Boomerang Pet Personality Awards, where the winning pet will be made into a character in a new cartoon series. A virtual pet application will allow children to look after their own pet online and enter the Best Looked After Virtual Pet category of the award. The awards are seen as a 'natural brand extension' and a good way of engaging with children.

Marketing Week, 9 July 2009, p10

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
Penny Baldwin	Consultancy role	Yahoo!	Senior V-P, Global Integrated Marketing and Brand Management	Marketing
James Bilefield	OpenX	Condé Nast	President, New Media	New Media Age
Kate Burns	Bebo	AOL	Head of European Sales	New Media Age
Paul Brindley	Various	Airport Express	Commercial Director	Marketing Week
Vicky Edgecombe	Freshwater Healthcare	The Prescription Medicines Code of Practice Authority	Head of Communications	PR Week
Vick Kipling	Anheuser-Busch	BP Lubricants	Global Marketing Communications Manager	Marketing Week
John Ledger	Yorkshire Post	The Rugby Football League	Media Manager	PR Week
Dr Adam Marshall	Centre for Cities	The British Chambers of Commerce	Director of Policy & External Affairs	PR Week
Raegan Matthews	Goldfish Bank	House of Fraser	Business Incentives Manager	Incentive & Motivation
Marco Ottonello	Online consultant	Motorola	Regional Interactive and Digital Manager	Marketing Week
Genevieve Shore	Penguin	Pearson	Director of Digital Strategy	New Media Age
Helen Wood	Bolton Wanderers Football Club	Get Connected	Head of Marketing & Communications	PR Week

Promotions

Name	Company	Previous Title	New Title	Source
Tina Finch	Bauer	Head of Magazine Marketing	Marketing & Communications Director, Magic 105.4 and Kiss	Media Week
Ben Page	Ipsos Mori UK	Head of Public Sector Practice	CEO of Ipsos Mori UK	Research

Sources

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