



Cutting Edge

22nd April 2009

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

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Advertising

The price of advertising

Two consultants from Deloitte emphasise the need for publishers to develop a clear pricing strategy in relation to advertisers. They advocate providing accurate customer information to the sales team, developing pricing guidelines and processes to facilitate quick decisions and giving the ad sales teams the tools they require, including information about the effectiveness of the ads.

InPublishing, March-April 2009, pp10-11

Niche solutions

Getting in front of the right people at the right time is always a challenge, and this article covers a range of imaginative campaigns, and odd places, to do just that, such as the use of cabs, lorries, and in hospitals, schools and gyms. Each example gives an idea of price.

MediaWeek, 7 April 2009, pp22-25

The real deal

There is a range of companies now using real staff in their advertising campaigns; Asda, B&Q, Halifax all on the B2C side but Shell has also utilised staff on a small niche campaign. B&Q has been using its own staff since 1996 and Warren Scarr, Marketing Director, feels that it is great for "morale, motivation and engagement". Asda is now taking it much further by inviting staff to post video clips of themselves doing the famous 'pocket tap' on YouTube. The creator of the best clip will get to direct an advert later this year.

The Financial Times, 14 April 2009, p12 and The Grocer, 18 April 2009, p12

Good time for deals

Charities are benefitting from the tough time in the TV advertising world as they are being offered cut price deals on slots. As major advertisers pull in the horns, so charities are being offered special rates of up to 25% below normal. The NSPCC, Dogs Trust and Water Aid have all achieved substantial savings.

Third Sector, 21 April 2009, p3

New form of ambient?

I remember jokes about whether my own order of service would be sponsored, but there is a Romanian man who is allowing bidders to choose where on his tie they put their advert. Near the top is more expensive, lower down is cheaper!

Computer Weekly, 14-20 April 2009, p28

Agencies

PBR assistance

Not sure how to negotiate a payment-by-results contract? Well ISBA has compiled a new report for agencies and clients to help in this sticky matter.

Marketing Week, 16 April 2009, p5

Top 50 Creatives

Looking for a new creative agency? This article ranks the top 50 with their billings for the last two years, plus, for the top 25, it gives their winning ads and their losing ads.

Marketing, 15 April 2009, p26-27

Books

Well targeted at working class women

Supermarkets have done well selling the latest bestseller to "working class women doing their weekly shop" according to analyst, Robert Clark. Whilst this has pushed volume sales of books up by 10% it actually represents a 6% decline in spend in real terms. *Books and the*

consumer 2008 is the source of these figures (published by Book Marketing Limited). The bulk of the decline is put down to males with only 51% buying a book last year.

Bookseller, 10 April, p8

Brands and Branding

Changes at top for league table

Wal-Mart, which was in the number three spot has risen up to knock Coca-Cola of the top slot into second place on the Brand Finance Global 500. This still leaves Coca-Cola way ahead of Pepsi which is in 19th position. The league table is ranked by brand values which are calculated by assessing the effect the brand has on the company's bottom line. Biggest risers include Bradesco and ArcelorMittal and biggest losers include Dell and AIG.

Marketing Week, 16 April 2009, p3 and pp12-14

Branded suppliers

Suppliers of branded goods are each year put to the vote by grocery retail buyers. This article profiles the key suppliers and highlights their developments over the year. Profiled companies include: United Biscuits, Heinz, Cadbury, Kepek and Arla Foods.

The Grocer, 11 April 2009, pp37-45

Own brand suppliers

In a follow up article this week, *The Grocer* is looking at own brand suppliers. Service and price are key attributes. Profiled companies include Halewood, Greencore, Premier Foods, Tangerine, McBride and Radnor Hills.

The Grocer, 18 April 2009, pp39-43

Organic dropped for cleaner lines

Rachel's Organics is dropping the word Organic from its name to simplify the identity. However the word organic will still appear prominently in the design. The new packs will be in store this week.

The Grocer, 18 April 2009, p36

Cinema

3D development

There has been a resurgence in attendances at cinemas with figures returning to their 2005 level. The rise of 3D cinemas has also helped and there is interest from advertisers in the production of 3D advertisements to be shown alongside the 3D film. 3D relies on the development of screens but knowing that 3D films grossed two to three times more than their 2D versions will undoubtedly help.

Marketing, 15 April 2009, p17

Customer Relations

Customer satisfaction in B2B

The author looks at the impact of business downsizing on customer satisfaction. He investigates whether down-sized suppliers enjoy higher or lower levels of customer satisfaction compared with non-downsized suppliers. Unfortunately it would appear that downsized companies do a 'significantly' worse job in giving value and quality to their business customers. The result? Customers are less satisfied and less loyal.

Industrial Marketing Management, Vol 38 (3) April 2009, pp283-299

Direct Marketing

Taste the taste

Well we have had the chance to smell perfumes as sales promotion before, either in their own sachet attached to the page or part of the printed page itself, but how about taste sachets? First Flavor creates edible films that can be sealed and attached to a flyer or a page, in the same way as the smell versions. Welch's has already piloted the product sending out its juice flavour and Captain Morgan's rum used them as a give away at liquor stores.

The Economist, 11 April 2009, p66

Meerkats are king

The insurance comparison website comparethemarket.com has seen a 400% increase in unique visitors year-on-year. Much of this rise it puts down to the 'Compare the Meerkat' campaign. The whole market place for comparison sites has seen a massive increase as the economic climate worsens. Nielsen's figures show a 23% increase on price-comparison sites.

New Media Age, 16 April 2009, p6

Internet

Are you a Tweet?

Twitter, on one hand seems to have just come to light, but on the other hand it is considered past its best. If you need to know more about Twitter and how it could be used by a retailer then this could be the article. Virgin Media and Gorillaz have taken it one step further by becoming Twitter Partners. (See also PR section on measurement)

Retail Week, 9 April 2009, pp40-41 and New Media Age, 9 April 2009, pp1-2

Not just an annoyance

Besides the time wasting issues, spam has now been calculated to use up 33bn kilowatt-hours of electricity a year. The figures from McAfee also estimate that 80% of email is now spam – that I can believe!

The Guardian, 15 April 2009, p26

Experiential comes to town

The Central Office of Information spent over £16m on recruitment advertising for the Army and the Territorial Army in 2008. This year the budget is going to be using new technology in the form of interactive and experiential marketing. The 'Start Thinking Soldier' campaign is aimed at all age groups and is based at the Army Show Rooms in Dalston and Hounslow. A range of content is also online.

Marketing, 15 April 2009, p14

Same message different rules

Text messages and web campaigns should be the channel of choice for charities when it comes to lobbying for political change, according to experts. Whilst advertising that is directed towards a political end falls foul of the Communications Act 2003, this does not cover text messages or adverts that appear online.

Third Sector, 21 April 2009, p4

Pay for the right people to see ad

Rather than advertise your bistro to someone far away, Google has come up with a cunning piece of software called Urbanspoon that is a GPS-enabled mobile app. I think it basically means that if you are in Baltimore it won't come up with an advert for a restaurant in New York.

Business Week, 20 April 2009, p12

Law

Dispute over internet behavioural advertisements

The European Commission has threatened Britain with legal action over its data privacy laws, regarding concerns about not protecting users of behavioural advertising online. One example is the dispute over BT's use of Phorm's monitoring technology on internet users not being compliant with EU rules on data protection and privacy. BT use of Phorm's internet behavioural software for advertisement has been supported in Britain by Lord Stephen Carter, the Minister for Communications, Technology and Broadcasting, who sees the technology as a potential way of eroding Google's dominance in online advertising.

Financial Times, 15 April 2009, p2

Loyalty Programmes

Implementing loyalty schemes

As the recession continues, marketers are increasingly moving away from new customer acquisition and focusing on customer retention and developing relationships, on the basis that it is more cost effective to hold on to good customers than to gain new ones. Many companies are implementing loyalty schemes, the advantages and pitfalls of which are discussed here. The Logic Group is one such example of a company that has been running loyalty programmes; it has seen an increased sales volume of 17.5%. Many companies are making use of multi-channel schemes and turning to the internet, but be warned, only 73% of the population has web access.

Database Marketing, April 2009, pp16-19

Magazines

Market segmentation

This is a review of the importance of market segmentation in the magazine industry. Successful segmentation enables effective targeting and competition in what is a crowded marketplace. It identifies groups of titles that appeal to shoppers with similar characteristics and who will respond to marketing communications in a particular way. The article covers range selection, merchandising new products and thought leadership.

InPublishing, March-April 2009, pp14,16

UK version of *Wired* launched

Although it's been available since 1993 in the US, it is only now that there's a dedicated UK version of *Wired*. Not just a men's magazine, this issue has a wide range of short articles on topics such as the ingredients of new drink, *Relentless*, who is writing apps for the Apple iPhone and printing in 3D, then a range of longer articles including what futurists think will be the next big thing. Comments from Faith Popcorn and Martin Sorrell are included in this article as leading figures in the marketing and business world. Entries include energy efficient buildings, emotionally aware machines, genetically engineered diesel, lab-grown meat in fast-food restaurants, intelligent advertising posters and meal replacement patches.

Wired, May 2009, pp116-127

Market Research

Research should look to the web

Researchers are obsessed with response rates, and although these are important, internet technologies mean that the rules have changed. What is needed in market research is the application of the 'intuitive technology' that consumers are already using. Market research uses traditional quantitative research, but much of the decision-making takes place in the subconscious. Many decisions regarding brands are irrational and non-verbal. Market research should be looking to the web as a place that consumers are voluntarily going and contributing. Combining the web with re-engineered research methods can provide different types of data that cannot be provided by standard techniques.

International Journal of Market Research
Vol 51 (2), 2009, 153-161

Data, data, data

The internet is allowing companies to collect no end of data on their customers, but this article asks how many companies are then able to utilise what they know. It questions whether it is just an 'age' thing or a knowledge gap.

Marketing Week, 16 April 2009, pp25-26

Market Research special

This NMA special report looks at the rise of online market research. It highlights the use of social networking communities and investigates the use of Wikipedia and Yahoo answers,

New Media Age, 16 April 2009, pp20-27

Marketing

Marketing in the recession

In this article on marketing in the recession, the authors contend that as each recession is different, marketers do not necessarily know how to respond. By studying many companies' marketing successes and failures during economic downturns from the 1970s onwards, patterns in consumer behaviour and company strategies have been identified. In a recession, businesses need to understand consumers' changing needs and refine their communications strategies accordingly. Marketers need to segment customers according to their 'recession psychology'. Through targeted appeals brands can connect emotionally with consumers. Companies who use such marketing tactics will perform better than those that make sweeping cuts.

Harvard Business Review, April 2009, pp52-62

CIM Marketing Experience

In tough economic conditions like these, effective marketing can really prove its worth. Not only is it essential for survival but it can drive organisations of all sizes to exploit opportunities previously not considered, opportunities that enable a business to thrive and grow when others are shrinking. The Chartered Institute of Marketing is holding a special free event to support businesses located in the South East. A full seminar programme is available at www.cim.co.uk/marketingexperience

Press Release

Newspapers

Colour in print

Colour in newspapers is still a relatively recent phenomenon and not all of them are in full colour. Each paper has a different style, which is examined here. But colour is information and not simply decoration, and it's regarded as a powerful tool - if not used correctly, it can give the wrong information to the reader. At the end of the day however, who can control the colours used in ads, DHL's yellow or Npower's red?

InPublishing, March-April 2009, pp8-9

Packaging

Engaging colours

Following research that showed more than 20% of people thought that all their chocolate was dark chocolate, Green & Blacks have reviewed their packaging. Lighter colours have been brought in to reflect the flavour of the bar. Green & Blacks has further integrated into Cadbury's.

Marketing, 15 April 2009, p3

At last less packaging

Easter is the time for chocolate and egg makers to get in on the environmental front by reducing packaging. Cadbury's reduction in packaging equates to 25%, M&S by 30% and Green & Blacks by a massive 60%. It is estimated that 80m chocolate eggs were sold in a market worth £200m, and supermarkets are likely to pick up the market left free by Woolies. Posh chocolates are also doing well and seem to be copying well in the recession.

The Daily Telegraph, 10 April 2009, suppl. p1,

The Guardian, 10 April 2009, p16

Public Relations

Powerful but is it comparable?

Following along behind social media introduction are a range of tools to measure the effects. Three brands were tracked and the verdicts given on the paid for and the free tools.

PRWeek, 17 April 2009, 20-23

Regional PR review

PRWeek presents a taste of the regions in its supplement dedicated to regional PR.

PRWeek, 17 April 2009, Supplement

Radio

Waiting to move

With radio advertising rates falling by 8.5%, there has been call for the digital switchover to begin in earnest. Radio stations are paying for two different platforms as all commercial stations are now in private hands. President Nicolas Sarkozy of France has ordered French stations to switch over in 2012 but other countries are in the process of putting forward a timetable. Car companies are still debating whether to switch to entirely digital radios for economies of scale. According to insiders a digital listener is worth six to ten times as much as an FM listener.

The Daily Telegraph, 7 April 2009, p84

Social Media

Facebook strategy

A short interview with Sheryl Sandberg, the Chief Operating Officer of Facebook, on its business strategy and prospects for advertising on the site.

Business Week, 20 April 2009, p30

Sponsorship

Success of partnerships

Unsure about Olympic sponsorship? Well maybe there is another avenue – become a global partner with Disney. From the beginning, Disney developed agreements, Coca-Cola helped finance the first park giving it exclusive rights, and they now have approx. 20 global partners and many more for regional parks. The article estimates the value and importance of the partnerships.

Marketing Week, 16 April 2009, pp16-19

Cunning plan

BAA has developed 'charging stations' for mobiles and laptops in the departure lounges at terminals 1, 3 and 4 at Heathrow. These are to be sponsored by Samsung and will be free to use – there will obviously be Samsung product placement near the charging stations.

Marketing, 15 April 2009, p6

Television

Everything on demand!

The convergence of the TV and the PC has been gathering pace recently due to the programme on-demand services. The BBC i-Player is still in the lead with 35.7 million downloads in February alone. Televisions are also now coming internet-enabled to enable seamless interaction.

Media Week, 14 April 2009, pp22-25

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
John Anagnost	Ogilvy Interactive	NEO@Ogilvy	Global Director of Search Marketing Services	New Media Age
Neil Brealey	Dr Oetker	Rachel's Dairy	Sales Director	The Grocer
Rebecca Crook	Tangible	WFCA	Business and Marketing Director	Media Week
Anne Durrant	Seafarers UK	RedR	Fundraising and Communications Director	Third Sector
Catherine Gort	Salton Europe	Bauer Media	Head of Marketing and Communications	Marketing Week
Joanna Havers	Sussex Housing and Care	Printers' Charitable Corporation	Fundraising and Marketing Director	Third Sector
Martin Heaton-Cooper	NBC Universal	Discovery Communications	Head of Sales	Media Week
Roz Hunt	RED	Malaria No More	Director of Media and Comms	PR Week
Gregg Imlah		Innis & Gunn	Marketing Manager	The Grocer
Fiona McFadden	Financial Dynamics	Gyro International	UK PR Director	The Drum
Alex Marks	Microsoft Advertising	eBay Advertising	International Head of Business Marketing	Marketing
Guy North	BBC Worldwide	Victim Support	Executive Director of Marketing	Third Sector
Lewis Tucker	GQ	InStyle	Advertising Director	Media Week

Promotions

Name	Company	Previous Title	New Title	Source
Andreas Hilger	InBev	Marketing Director UK and Ireland	Marketing Director of its merged businesses	Marketing
Noam Korin	Fusion	Sales Director	VP Ad Sales Europe	New Media Age
Simon Poole	GMTV	Acting Sales & Marketing Director	Sales & Marketing Director	Media Week
Emma Wilson	Fage UK	PR and Marketing Manager	PR and Marketing Director	The Grocer

Sources

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