



Cutting Edge

11th March 2009

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

Quick [links](#) to Sections.

Advertising

It's a roll-over

A new type of performance-based advertising is being trialled by The Brighton Port Authority, which is a band formed by the DJ Fatboy Slim. This is a banner ad campaign in which Southern Friend, the band's record label, only pays the publishers when consumers roll over to view an online display ad, rather than paying per page view.

Campaign, 6 March 2009, p5

Marketing, 4 March 2009, p4

Peak versus off-peak effectiveness

Research conducted by Kinetic on London Bridge's Titan Outdoor screens, assessed people viewing the ads. It concluded that people paused to look at the static screens for an average of 4.7 seconds and at the digital screen for 7.4 seconds. However, audience research body Postar found that digital is more effective during off-peak. Outside peak hours 38% of people looked at the digital screen for more than a second and 13% looked at the static screen. During the peak period only 30% looked at the digital compared with 18% the static.

Media Week, 3 March 2009, p5

Affiliate Marketing

Affiliate is cost effective

New Media Age devotes three articles to affiliate marketing, which it says is an appropriate technique for those experiencing tight budgets and falling consumer spend. Affiliates only get paid when they have made a sale so that advertising budget does not go to waste. The tracking and reporting technologies are such that marketers can monitor, analyse and adjust campaigns accordingly. Affiliate marketers have been early adopters of

techniques. In fact pay-per-click and 'content-focused' affiliates are effectively becoming digital agencies with a 'cost-per-acquisition' payment model. Vouchers and cashback are both incentivised shopping models that have seen a growth in use, as consumers increasingly expect to receive them.

New Media Age, 5 March 2009, pp23-34

Agencies

Interpublic

Interpublic has posted a 6.2% rise in revenues for 2008. Revenue for the year rose by \$6.96bn and income by \$344.3m. However revenues for the fourth quarter actually fell by 2.2%, reflecting the economic downturn. Chairman Michael Roth considers the group to be "well positioned for the downturn".

Campaign, 6 March 2009, p6

WPP

WPP, the world's second-biggest advertising group, has reported a 3.8% rise in profits, of £747m, for 2008. Despite major events, such as the Olympics and the US presidential election, client spending had only risen by about 2% to 3% last year. With no big events in the offing, and the effects of the recession, the group has revised down its forecasts for this year and now expects revenues to actually fall by 2%.

News.bbc.co.uk, 6 March 2009

[accessed 9 March 2009]

Brands and Branding

Protected brands

Professor Gerard Hastings, of Stirling University and the Open University Institute for Social Marketing, has come up with the idea of 'protected brands' – these are what consumers will still buy, even when the recession bites. He considers that if marketers position their brands

in the right way, almost any of them could become a protected brand. *Marketing Week* looks at six steps to becoming a protected brand. It concludes that while heritage brands, such as Kellogg and Heinz are on the protected list, clever marketing can mean that relatively new brands can find their way on there, such as iTunes and iPod. Marketers need to find out exactly what is 'essential value' about their products and services.

Marketing Week, 5 March 2009, pp14-17

Successful brands

The era of cost-cutting amongst consumers is not all bad news for brands, and some companies have managed to take advantage of the situation and own brands that are thriving. *Marketing* looks at the keys to success of four such operations. Online dating service *Match.com* experienced a 26% rise in traffic during January, while interest in the recession has seen *The Economist* increase its circulation by 2.4% in the last six months of 2008. LoveFilm has benefited from people staying at home and watching DVDs, rather than spending more on an evening out and MTV.co.uk, which relaunched its site in January has seen a rise of 97% in visitors during 2008.

Marketing, 4 March 2009, pp 26-27

Children and Youth

Not just Bricks...Lego bricks

Lego has created an online playroom, aimed at two-to-five-year-olds, to promote its Duplo brand as a learning toy for children. It will appear on Johnson's parenting portal, The Babycentre, and will provide parents with playtime ideas. Two hundred parents will also receive product sets and are invited to share their ideas about the brand on a blog. Lego wants to emphasise that Duplo is more than just a set of bricks.

New Media Age, 5 March 2009, p7

Conferences and Events

Corporate events

For that great corporate team-building event *Tourismreview.com* brings you some of the 'World's Quirkiest Camps for Grown-Ups', which include Gladiator Training in Rome, Ghost Hunter University in New Orleans, Space Camp in Alabama, Elephant Mahout Training in Thailand, Crossword Puzzle Creation while on a Caribbean cruise, or Gondolier Training - in Venice of course.

Meetings & Incentive Travel, March 2009, p68

Consumer Behaviour

Emerging tastes

Many examples of 'emergent behaviour' come from the natural world, such as ant colonies and shoals of fish. This article argues that emergence helps us to understand how, amongst millions of products, with consumers exchanging views and being exposed to advertising, one brand will attain more market share than another. In the business context the Apple iPhone emerged and changed customers' expectations of not only future products, but their perceptions of existing ones.

Admap, March 2009, pp40-42

Direct Marketing

Cold-calling a thing of the past?

In a new report, *Pharma 2020: Marketing the Future*, PricewaterhouseCoopers (PwC) has said the policy of cold-calling, sending out sales reps and product sampling in the pharmaceutical industry has become an 'obsolete' model and that there should be a new focus on building brands and customer relationships. AstraZeneca claims that face-to-face contact is still the most effective marketing method, and direct methods are still very popular amongst pharmaceutical companies in general. However some commentators consider the 'foot-in-the-door' approach to be past its sell-by date.

Marketing Week, 5 March 2009, pp18-20

Film

More than just a film

The film industry has seen a huge rise in movie promotions and is one of the most innovative and sophisticated sectors of marketing. Marketing no longer consists of merely a pre-release trailer; Warner Brothers' *Watchman* was promoted via downloadable content, followed by games, and blue condoms were handed out on Valentine's Day. And when the film leaves the cinemas there will be the drive for DVD sales and to promote the next film in the series. This is part of the process of increasing the longevity of a film.

Campaign, 6 March 2009, p9

Leeds United and Brian Clough

Sony Pictures' British film, *The Damn United*, is to be promoted in *The Sun*, *The Times*, and their online equivalents. The film is about Brian Clough's 44-day management of Leeds United in 1974, which ended in revolt. The campaign

will include adverts and editorial features about one of the matches that took place during that period, when Leeds were Division One champions. The film is due to be released on 6th March and stars Martin Sheen.

Marketing Week, 5 March 2009, p6

Internet

Spot the music

Spotify, the Swedish online music streaming site, is to launch a mobile service this year. Spotify enables people to stream music for free in exchange for listening to ads.

Marketing, 4 March 2009, p10

Guardian launches mobile site

This month *Guardian.co.uk* is launching the mobile internet site *M.guardian.co.uk*. It will be 'optimised' on phones including iPhone and BlackBerry and the site will be ad-funded.

Media Week, 3 March 2009, p8

Price-comparison doesn't pay

Price-comparison sites have done well in terms of visitor numbers, with people looking to cut their spending by seeking the best deal, but the sites themselves do not seem to be thriving. There are various factors involved: consumers are going directly to the site recommended - where they may get a cash-back deal - rather than via the comparison site, thereby depriving the site of its commission. Banks have also withdrawn lots of products from the market. *Moneysupermarket.com* has just announced an earnings drop of 9%, and Chief Executive Peter Plumb is responding by cutting the marketing budget, even to the point of pulling out of TV advertising. The site spent £84m on advertising last year!

Marketing, 4 March 2009, p16

The Daily Telegraph, 2 March 2009, pB5

Behavioural targeting

The Internet Advertising Bureau (IAB) has drawn up a code of practice for behavioural advertising. Companies that have signed up to it include Google, AOL and Microsoft. Behavioural advertising delivers ads to the consumer based on their browsing activity, and is therefore quite targeted. The new self-regulatory principles state that consumers must be informed when data is being collected and being used for behavioural targeting; they should be given the chance to opt out and, where possible, consent should be sought; consumers should also receive clear information about the use of data for this

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purpose and how they can decline it. Forrester Research claims that 26% of European online advertisers used behavioural systems during 2008. Furthermore the IAB estimates that behavioural advertising could generate an income of £200m for UK online advertisers. It has launched a website for consumers, telling them what behavioural targeting is.

<http://www.iabuk.net/en/1/onlinebehaviouraladvertising.html>

New Media Age, 5 March 2009, pp1-2

Magazines

Arena closing

Men's magazine, *Arena*, is to close after twenty-two years. It was considered a 'pioneer' in the men's magazine market when first launched in 1986 and at one time had a circulation of 90,000. July to December 2008 ABC figures revealed a circulation of just 29,374.

Campaign, 6 March 2009, p5

Newsweek repositions

US publication *Newsweek*, which is currently losing money, is repositioning itself to be more upmarket. It will be printed on heavier paper and there will be a shift in editorial emphasis from just reporting on the news to delivering insights. It hopes to attract new advertisers, including luxury goods brands, and to lessen the dependence on financial services, pharmaceutical companies and car manufacturers. Both *Newsweek* and its competitor, *Time*, depend largely on domestic sales, unlike the UK *Economist*, which has expanded overseas.

The Observer, 1 March 2009, p9

Market Research

Emerging tastes

Many examples of 'emergent behaviour' come from the natural world, such as ant colonies and shoals of fish. This article argues that emergence helps us to understand how, amongst millions of products, with consumers exchanging views and being exposed to advertising, one brand will attain more market share than another. In the business context the Apple iPhone emerged and changed customers' expectations of not only future products, but their perceptions of existing ones.

Admap, March 2009, pp40-42

Marketing

CIM/Accenture best practices study

The Chartered Institute of Marketing and Accenture have released the findings of their global benchmarking survey of best practices in the marketing profession: *In search of a Strategic Role for Marketing*. Interviews with 50 senior marketing executives revealed a 'disconcerting disconnect' between marketing and strategy in major organisations - 57% of marketing functions are divorced from a strategic role within the organisation, 82% of marketing leaders are dissatisfied with the role and positioning of marketing within their organisation and less than 25% of marketing heads felt their capabilities lay in strategic, cross-functional marketing activities. The study includes in-depth case studies from Coca-Cola, Rolls-Royce and Thomson Reuters. CIM's Research Director, David Thorp, says: "The study throws much needed light on how large organisations can get the most from their marketing teams and ensure they make a significant strategic impact."

Chartered Institute of Marketing Press Release, 18 February 2009

Newspapers

Conditional selling

Claims have been made that News International is conditionally selling ad space in its newspapers, which include *The Times* and *thelondonpaper*. The IPA's legal department has apparently been contacted by a media agency regarding this. Conditional selling is the practice by publishers of only accepting advertising in a newspaper, if other papers published by that company also receive the ads. Otherwise the advertiser is charged excessively for that ad space.

Campaign, 6 March 2009, p5
Media Week, 3 March 2009, p5

Trinity ads down

Trinity Mirror has reported that its ad revenues for January and February were down by 30% - 37% on regional and 16% for national newspapers. However digital revenues rose by 27.1% and now account for 5% of the Group's revenues.

New Media Age, 5 March 2009, p13

Guarding its lead

The latest ABCE results have indicated that *The Guardian* increased its online readership to 29.8 million in January and remains the most

visited newspaper website, in front of *The Telegraph*, with 25.9 million unique users and the *Times Online*, with 22.9 million. Growth in visitors to online newspapers has been attributed to the economy and global events, such as the presidential inauguration.

New Media Age, 5 March 2009, p11

Public Relations

Lobbying regulation

Rumour has it that the Government is considering introducing clauses into the Constitutional Renewal Bill, which will set the scene for the statutory register of all lobbyists plus the establishment of an external regulatory body. Cabinet Minister Tom Watson is in Paris at the OECD this week to look at international systems in place for regulating lobbying. A statutory register would affect public affairs organisations working for charities, trade unions and so on. The Association of Professional Political Consultants, the Chartered Institute of Public Relations and the Public Relations Consultants Association have agreed to form a 'working party' to try to persuade the minister to retain self-regulation.

PR Week, 6 March 2009, p1, 5

PR rankings

The Hemscott financial PR rankings named FD as the top agency, with 175 listed clients, followed by Buchanan with 130 and Brunswick with 87. However Brunswick is at the head of the FTSE 100 financial PR rankings, with Finsbury second and FD in third place.

PR Week, 6 March 2009, p6

Social Media

Asda more sociable

Asda has just launched its own TV channel on YouTube, called *Saving You Money TV*, which offers suggestions from customers, plus short films from Asda, on how to save money. Now the retailer is planning to launch an interactive social forum to interact with customers, as part of its 'absolute transparency' initiative. The aim is to be able to respond to customers immediately.

Retail Week, 6 March 2009, p10

Women on social media

A study by IPC Media has revealed that the number of UK women who use social networking sites is up by 53% compared with 2007. Two-thirds of women say that social

networking is a regular online activity, while only 43% said that this was the case last year.
Marketing, 4 March 2009, p10

Social replaces email

Research from Nielsen Online has indicated that social networking is no longer just the pastime of technophiles and the young, but is being used by the majority of internet users, including businesses. In December more people logged on to social sites, such as Twitter and Facebook, than they did to an email service. The latter does not include business emails.

The Daily Telegraph, 10 March 2009, p15

Sponsorship

Williams sponsorship crashes

Due to the financial crisis, Royal Bank of Scotland is to end its sponsorship of Williams Formula One at the end of 2010 when the contract ends. It will also review other contracts, such as ties with tennis player Andy Murray, cricketer Sachin Tendulkar and golfer Jack Nicklaus.

Marketing, 4 March 2009, p4

RBS continues sponsorship

The Royal Bank of Scotland, which had to be bailed out by the Government to the tune of £20bn, has renewed its £90,000-a-year sponsorship deal with Zara Phillips. The article points out that in contrast, Sir Jackie Stewart has agreed to honour the rest of his deal with RBS for free. As a brand ambassador for RBS Zara has to attend events, wear the RBS logo on clothing, and so on. Let's hope RBS has worked out its return on investment this transaction!

Brandrepublic.co.uk, 9 March 2009 [accessed 9 March 2009]

Television

The future's tough for ITV...

Following on from the steep fall in its advertising revenues, ITV is to make about 600 people redundant across its whole business and cut £65m from its programme budget. Michael Grade, executive chairman, said ad revenues for the first three months of 2009 were down by 17% and similar falls are expected for the following three months. He also confirmed plans to sell the online enterprises, *Friends Reunited* and *Scout*.

Campaign, 6 March 2009, p2

Media Week, 3 March 2009, p4

...But good for STV...

STV Group, which owns the Scottish ITV franchise, has revealed TV ad revenues were up by 11% during 2008. It now controls 22% of the Scottish ad market! It also experienced a 50% increase in broadcast sponsorship revenue, so isn't doing too badly.

Campaign, 6 March 2009, p6

...And ironically TV is on the up

Fewer people are going out to restaurants and more prefer to stay at home with a takeaway and the TV. Research from KPMG says that people watched an average of 3.75 hours a day in January, while BSkyB acquired another 171,000 subscribers in the second half of 2008. Pay TV is perceived as being good value for money as a form of entertainment, and set-top box companies, such as NDS and Pace, are prospering. The internet is the largest threat to the Pay TV model because of the free content, but set-top boxes could be turned into an integrated 'hub' for internet and TV.

The Daily Telegraph, 3 March 2009, pB4

Tories to allow more ads

The Conservatives have indicated that they would allow ITV to increase the overall amount of advertising shown and increase the number of permitted ad breaks. They have also said that they would allow the introduction of product placement. Michael Grade, ITV's executive chairman, has been campaigning for the regulatory structure to ease as it has "been totally superseded by technology", and the fall in advertising revenues is seriously affecting broadcasters.

The Daily Telegraph, 4 March 2009, p6

Women

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Marketing, 4 March 2009, p10

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On the Move

Name	From	To	New Title	Source
Mike Barnes	Direct Marketing Association	British Eventing	Commercial & Marketing Director	Marketing Week
James Boulton	HSBC	British Airways	Global Marketing Director	Marketing
Lisa Frost	The National Magazine Company	IPC	Advertising Director, Woman & Home	Media Week
Jens Hofma	KFC	Pizza Hut	Chief Executive	Marketing Week
Andy Jex	Mother	Saatchi & Saatchi	Creative Director	Campaign
Rick Jones	Greenbee	WhiteLabeldating.com	Marketing Director	Marketing
James Lousada	Fosters EMEA	Constellation Europe	Senior VP of Marketing & Business Development	Marketing
Amanda McCrystal	Bramdean Asset Management	Harbourvest Global Private Equity	Head of Investor Relations & Comms	PR Week
Rob Potts	Mother	Saatchi & Saatchi	Creative Director	Campaign
Olivia Streatfield	McKinsey & Co	Talk-Talk	Marketing Director	Marketing
Phil Taylor	TravelOwl	Sea France Dover-Calais Ferries	Ecommerce Marketing Manager	New Media Age
David Wilding	Mindshare	PHD	Head of Planning	Media Week

Promotions

Name	Company	Previous Title	New Title	Source
Julia Conroy	Kitcatt Nohr Alexander Shaw	Marketing Manager	Head of Marketing	New Media Age
Tim Krieglstein	Red Bull	Marketing Coach, Austria	UK Marketing Director	Marketing
Micky Pant	Yum! Brands	Chief Marketing Officer, Yum Restaurants	Global Branding President	Marketing
Rupert Thomas	Waitrose	Head of Innovation & Brand Development	Director, Marketing & Brand Development	Marketing

Sources

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