



# Cutting Edge

13 January 2009

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

Quick [links](#) to Sections.

## Advertising

### Funny bones at the ready

Even though Ladbroke's latest advert, showing people "quenching their thrill buds", was cleared by Clearcast, a single complaint made the ASA rule that it had breached the CAP TV Advertising Standards code. Ladbrokes consider this to be "an example of political correctness gone too far" and that a precedent has been set that no humour can be used in gambling ads. They have asked for it to be reviewed by the Independent Reviewer of ASA Adjudications. They have however 'made hay', as they ran an ad in the *Sun* asking for the complainant to come forward so they could send them some flowers and give them a big hug!

[mad.co.uk](#), 8 January 2009

### Budget cuts expected

The Institute of Practitioners in Advertising (IPA) Bellwether Report has revealed that greater cuts in marketing budgets are to be expected in 2009. It is the first time that budgets will be lower than the previous year in the report's nine-year history. The report indicates that there will be no fast return to growth for advertising and "adland in 2009 will be no place for the faint hearted".

[mad.co.uk](#), 12 January 2009

### Online ad growth falls

Market researcher eMarketer has forecast that UK online advertising spend growth will drop by 50% this year. It further predicts that UK internet media will not recover until the London Olympics in 2012, when it will increase by 14.6%. The good news is that online is doing better than traditional media.

[Campaign](#), 9 January 2009, p5

### Experiment with those ads

In former years 'wacky campaigns' were all the rage. Agency Crispin Porter & Bogusky has helped Burger King promote its chicken sandwiches via a web site, where visitors can boss around a man in a rooster suit. Now the economy is making chief marketers reluctant to go with unproven advertising strategies. Unilever managed to persuade media companies to supply free experimental marketing in return for buying a block of ads. So the Food Network produced online cooking videos for Unilever featuring mayonnaise. Agencies which buy ad time for clients are keen for the experimenting to continue. A popular theme is for ads to be placed next to online videos.

[Business Week](#), 12 January 2009, p48

## Agencies

### Bigger may be better

Analysts have forecast massive job losses amongst marketing services agencies, as they attempt to cut costs. Interpublic is considering 2000 losses, WPP is rumoured to be losing several thousand worldwide and BBDO Worldwide has already made reductions in North America. Since employees comprise about 80% of costs for these marketing groups, one can see the logic. A counter-argument is that organisations need to retain their most effective staff. The economic climate should speed the change to digital technology in some cases, while other companies will be repositioning to take advantage of growth areas. The big multinationals are likely to weather the storm and could emerge fitter as a result, while smaller media companies, focused on just one country, may be casualties.

[Marketing Week](#), 8 January 2009, p8

## Brands and Branding

### Country branding

Countries need to maintain that flow of money coming in, which makes nation branding very important. Important issues are: tourism and investment, the economy, reputation and longer-term strategies. The assumption behind nation branding is that its image can be planned and brand value demonstrated through products, services and policies. The top five nation brands, according to Simon Anholt are: Germany, France, UK, Canada and Japan.

**Media & Marketing, January 2009, pp 16-18**

### NPD spreads at Marmite

Marmite has had no shortage of new product development, ranging from the Champagne-enhanced offering on Valentine's Day to the squeeze pack. They've even got Paddington Bear to forsake marmalade for marmite TV ads. Marmite is described as an "encouragingly resilient" brand. This is compared with peanut butter, where own label has 55% share of the market, but although market leader Sun Pat admits that innovation has taken a back seat, overall volume sales are up.

**The Grocer, 10 January 2009, p56**

## Children and Youth

### Cynical and awkward – surely not!

Despite the wealth of communications technology available, targeting the youth market is tricky. The sector is fast-moving, highly fragmented and used to easy credit. The marketer's first port of call, traditional market research, is not necessarily effective with this critical and media-savvy audience. They need to be distracted while participating in the research. For example, locations have included beaches, and go-karting conventions. This demographic is one of the most lucrative but has the 'kids getting older younger' (KGOY) factor, so the right approach is essential.

**Marketing Week, 8 January 2009, pp21-22**

### Pushy in pink

It is feared that young girls have been socially conditioned to favour the colour pink. Experts reckon that the pink toys, clothes and other products available on the high street have reinforced the gender stereotype and created a generation of "pushy princesses". I can identify with that!

**The Daily Telegraph, 3 January 2009, p19**

## Conferences and Events

### Sustainable events

David Stubbs, head of sustainability for the London 2012 Olympics, gives top ten recommendations for event planning. Central to his policies is of course sustainability. For example, he advocates that travel to the event should be by public transport, catering should be locally sourced and fair-trade products used, while printing, hand-outs, gifts and plastic bags should all be avoided. He says that these policies can apply to any sized event. So forget those corporate gifts!

**Conference & Incentive Travel, January 2009, p6**

### Just a small event?

The pharmaceutical industry is in good shape with regards to its meetings and events budget, albeit opting for product launches in the UK rather than overseas, but it is likely that they, together with the financial, automotive and construction sectors, will hold far less 'extravagant' events in 2009. This is according to an EIBTM report. No prizes for predicting that!

**Conference & Incentive Travel, January 2009, p6**

## Consumer Behaviour

### Traditional media still an influencer

According to a survey by Ketchum and Bournemouth University, well-known media brands such as the BBC, as well as friends and family, are the greatest influencers of consumer decision-making. In fact a poll of 500 UK consumers revealed that blogs and web sites do not reduce the effectiveness of traditional journalism.

**PR Week, 9 January 2009, p5**

## Customer Relations

### A nappy exchange!

In the US Procter & Gamble and Google are conducting an employee swap programme, with the aim of helping their employees to understand better how to reach consumers and meet their needs. Three exchanges have taken place, including one to Tide and Pampers nappies.

**Research, January 2009, p8**

## Direct Marketing

### DM has key strengths

This article argues that the nature of direct marketing leaves it well-placed to survive the recession. It is efficient, with highly targeted

communications, and it is measurable. Despite bad press, DM can create messages that are acceptable to consumers. Digital provides even more opportunities: it is cheaper, faster and better targeted.

**Marketing Week Supplement 2009, p1**

### **Direct marketers should consult**

Many direct marketers are optimistic that their field can provide greater immediate return on investment. The growth of Digital and its use in direct marketing will provide that competitive edge. Agencies should be working with clients as consultants. Key issues are: direct mail versus environmental concerns, data security and creativity.

**Marketing Week Supplement 2009, p2**

## Home Entertainment

### **A slowdown in Time**

Time Warner has reported that advertising revenues have declined at both its AOL and publishing divisions. It is expecting an overall annual loss for the fourth quarter.

**The Economist, 10-16 January, p7**

### **Game for anything?**

The market for games expands as the entire family now wants access to the Wii, while older people are opting for the likes of *Brain Training*. Sales of computer games rose by 23% last year in contrast to music sales, which fell by 10%. Even DVD sales fell by 0.4%. The games market is forecast to grow again in 2009, despite the economy and the collapse of Woolworths and Zavvi. The market is also looking a bit more hopeful for DVDs as consumers choose Blu-ray high-definition products over the others.

**The Times, 7 January, p39**

### **Zavvi no longer entertaining**

Zavvi has just closed 22 of its home entertainment stores, having suspended its online shopping in mid-December. The remaining 92 stores will continue trading, but with heavily discounted goods.

**mad.co.uk, 8 January 2009**

## Internet

### **A push for 'search calls'**

Google and Yahoo want brands to include a search call to action in their ads, on the basis that it is easier for consumers to remember a phrase than a phone number or URL. Orange has been successfully using search prompts and intends to increase their use in advertising

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during 2009, after seeing 15% increased web traffic from its *I Am* campaign. Compare the Market has also launched its compare *the meerkat* campaign and consumers are picking up on this memorable phrase. Mobile devices lend themselves readily to searching via key words and phrases.

**New Media Age, 8 January 2009, p4**

### **Bid to ban ivory**

As of 1<sup>st</sup> January eBay has banned all ivory products from sale on its site. This includes antique jewellery and all items made before the introduction of the international trade ban of 1989. The International Fund for Animal Welfare (IFAW) has been pressing for the total ban and is looking to internet organisations to take responsibility for the impact of their dealings on endangered species.

**The Independent, 1 January 2009, p6**

### **Consumers more online than off**

A survey of 1,957 people, conducted for *New Media Age*, has revealed that 36% plan to shop more online and less on the high street during 2009. This figure was higher amongst 18 to 24 year-olds and 25 to 34 year-olds. Online consumers are looking for a wider range of products, lower prices, ease of access and cost comparisons. CDs and DVDs are considered the cheapest buys online, followed by video games, personal electronics, books and large electrical items. Robin Goad of Hitwise says that companies that have collapsed recently have not necessarily had a good web presence.

**New Media Age, 8 January 2009, pp1-2**

### **Wiki rejects advertising**

The free online encyclopaedia, Wikipedia, has managed to raise sufficient money to ensure that it won't have to use advertising on the site or, indeed, charge to use it. Jimmy Wales, the site's founder, published a personal appeal resulting in some large donations, including \$100,000 from London-based Arcadia.

**The Independent, 5 January 2009, p11**

## Marketing

### **Opinion**

Campaign has taken a group of marketing and media big shots and asked for their opinions of the year ahead across the board for: global groups, creative agencies, creativity, production, account planning, media agencies and planning, content, digital, DM, TV, newspapers, magazines, outdoor and radio.

Maurice Levy, chairman of Publicis believes that there will be redundancies and recession, but this does not mean the end of consumerism. Richard Hodgson, commercial director at Waitrose, says that those marketers who speak directly to their customers will benefit.

**Campaign, 9 January, pp11-29**

### **Don't panic!**

Many marketers see the recession as presenting an opportunity to change and thrive. Here, some leading marketers voice their opinions. James Murdoch of News Corporation says marketers need to ask themselves whether they will simply survive or "see pain as a catalyst for transformation". Amanda McKenzie advocates a "relentless focus on customers". All are agreed that the marketing industry could emerge from the recession stronger.

**Marketing Week, 8 January 2009, pp14-15**

### **A history lesson?**

Despite the economic downturn of the 30s, this was the decade of greatest technological innovation, which ultimately led to financial growth. It saw new materials such, as Nylon and Teflon, huge steps forward in car technology, innovative suburban housing and retail outlets with car parks. The UK national electricity grid came into being and increased R&D led to financial success for IBM, Dupont and GM, to name but a few. This article asks if there are any patterns to be seen. For one thing necessity leads to increased creativity. Marketing strategies need to be both reinvented and innovative in order to add consumer value and reduce costs.

**New Media Age, 8 January 2009, pp1-2**

### **Shopper marketing**

Shopper behaviour is changing fast with the credit crunch. Consumer marketers are urged to take up the opportunities offered by shopper marketing. This is defined as 'the capability to drive growth through insight-led, shopper-based demand creation and fulfilment'. Research has shown that shopper marketing's value will rise dramatically during a downturn.

**Market Leader, January 2009, pp40-43**

## **Newspapers**

### **Newspapers – threat or opportunity?**

Chis Ingram recalls writing about "The death of newspapers". People can obtain the news freely elsewhere, via online, podcast, mobile and so on. Now he comments on the continuing decline of circulation figures and ad revenues. Online versions of the newspapers are growing, with unique users from 6 to 40 times that of the print version. However, revenues from internet ads are not enough to recoup the losses from print advertising. He concludes that newspapers ought to regard this as an opportunity and confront these challenges.

**Marketing Week, 8 January 2009, p9**

## **Public Relations**

### **FD capitalises**

PR firm FD has experienced redundancies recently, but now claims to have formed Europe's first dedicated restructuring and recapitalisation communications practice. It is building on its experience with Northern Rock, AIG, SG and INEOS. This is expected to represent a big new source of revenue for the group.

**PR Week, 9 January 2009, p5**

### **Hedging its PR strategy**

The Alternative Investment Management Association (AIMA), trade body to the hedge fund industry, has given its PR account to Hanover Communications. The perception of the industry has been much damaged recently; it is seen as being greatly to blame for the economic crisis. The industry is hoping to promote a more positive message.

**PR Week, 9 January 2009, p2**

## **Social Media**

### **Gym market to fit consumers**

People join gyms as part of their New Year's resolutions and January is a peak time for marketing. Online search and sign up has become essential to gym marketers. A key change is in mobile advertising, which both LA Fitness and Fitness First are to debut this month. In addition a battery of CRM techniques is being utilised, such as email to offer exercise suggestions or the assistance of a personal trainer. Social media has helped reduce churn, and 2009 could be the year that gyms launch their own social networks. This has fitted well with the increased use of social media by Nike,

Adidas and Reebok. Useful figures are included for number of locations and unique users of the top gym chains.

**New Media Age, 8 January 2009, pp19-21**

### **Top ten for social media**

The top ten social media sites worldwide for unique users in September 2008 were: Blogger with 216.6m users, followed by Facebook, MySpace, Wordpress and Windows Live Spaces, all with over 100m users. Yahoo Geocities, Flickr, Hi5, Six Apart and Baidu Space occupied the other placings.

**New Media Age, 8 January 2009, p11**

## **Television**

### **Wiinning channel?**

Not satisfied with taking over the TV screen, Nintendo now intends to launch its own TV channel. However you will need a Wii console and an internet connection in order to access the Wiinoma channel. The latter will supply cartoons, quizzes, cookery, educational and lifestyle programmes. It will be rolled out in Japan in the Spring. Will it succeed? Well, previous forays into non-games content have failed. However, audience numbers will be attractive to advertisers as home-based entertainment is on the increase.

**business.timesonline.co.uk, 2 January 2009**

### **Five doesn't ad up...**

Five is reportedly experiencing difficulties closing its advertising deals. Five's acquisition of the soap, *Neighbours* is no longer an influencing factor and advertisers are looking for more value. Sources predict a downturn in

total TV revenues of between 12% and 15% compared with last year. Revenue is better than expected for Channel 4, possibly down just 5%.

**Campaign, 9 January, p3**

### **...but 4+Five=**

Mark Thompson, the BBC director-general has voiced his support for the proposed merger of C4 and Five. He felt that the merger would give benefits such as cost savings and economies of scale in advertising sales and programme acquisition. He said that major restructuring in the industry was essential in order to allow it to compete internationally.

**mad.co.uk, 12 January 2009**

### **O2 tackles Rugby TV**

O2 is to fund a new Rugby TV show featuring former England player Austin Healey. Called *The Big Tackle with Austin Healey*, it will start in March and show Healey troubleshooting various clubs around the country. This will build on O2's sponsorship of the England rugby team.

**Campaign, 9 January 2009, p2**

### **France emulating the Brits!**

From 8pm on the 5<sup>th</sup> January advertising was banned on all state-owned TV in France. In contrast private channels will be allowed up to nine minutes of advertising an hour instead of six. This is an attempt, on the part of President Nicolas Sarkozy, to create TV to "rival the quality of the BBC". Praise indeed!

**The Independent, 5 January, p19**

## On the Move

Name	From	To	New Title	Source
Michael Crow	STV	Scottish Conservative Party	Director of Strategy & Communications	PR Week
Mark Devane	Department of Environment, Food & Rural affairs	BBC Trust	Head of Comms	PR Week
Dan Evans	Royal Bank of Scotland	AstraZeneca	Government Relations & External Affairs Manager	PR Week
Amy Fisher	Google	Policy Exchange	Director of Communications	PR Week
Nick Garland	Beam Global	Whyte & Mackay	Global Sales & Marketing Director	The Grocer
Nigel Gilbert	Lloyds TSB	Lloyds Banking Group	Chief Marketer	Campaign
Mark Giusti	GT	Leo Burnett Group	Group Chief Digital Officer	Campaign
Mike Hoban	BA	Directgov	Director of Communications and engagement	New Media Age
Gerry Human	Ogilvy Group	Unilever	Worldwide Executive Creative Director	Campaign
Ted Katagi	Vodafone Japan	Picisel Technologies	Global Chief Operating Officer	New Media Age
Kathryn Marshall	Mind	Breakthrough Breast Cancer	Community Fundraising Manager	Third Sector
Rory O'Neill	Sovereign Strategy	Gardant Communications	Partner	PR Week
Richard Parker	Pfizer	Barclays	Deputy Head of Events	Conference & Incentive Travel
Jonathan Ray	University of Nottingham	Russell Group of Universities	Head of Comms	PR Week
Michael Crow	STV	Scottish Conservative Party	Director of Strategy & Communications	PR Week
Mark Devane	Department of Environment, Food & Rural affairs	BBC Trust	Head of Comms	PR Week

## Promotions

Name	Company	Previous Title	New Title	Source
Colette Bowe	Ofcom	Board Member	Chairman	Campaign

Marielle De Jong	Campina	n/a	UK Marketing Manager for Yazoo	The Grocer
Nigel Gilbert	Lloyds TSB	Marketing Director	Group Marketing Director	Marketing Week
Michael Patten	Diageo	Corporate Relations Director	Global Public Policy Director	PR Week
Joe Petyan	JWT	Group Business Director	Joint MD	Campaign
Tom Vick	JWT	Global Business Director	Joint MD	Campaign
Philip Waring	Mazda Motor Europe	Vice-President of Sales	Chief Operating Office	Marketing Week
Evelyn Webster	IPC Media	n/a	Chief Executive	Campaign

## Sources

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Business Week\*\*

Campaign

Conference & Incentive Travel

The Daily Telegraph

The Economist \*\*

The Grocer

The Independent

Mad.co.uk

Market Leader

Marketing Week \*\*

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