

17th February 2009

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

Quick [links](#) to Sections.

Advertising

Ads memorable, not persuasive

The assumption that advertising is all about persuasion is a prevalent one and the industry is built around this concept. But is there evidence out there which indicates that ads actually do persuade? This article suggests there is not enough to justify all the expenditure surrounding it. The alternative is brand salience, where advertising reinforces the consumer memory of a brand. This means the brand is more likely to be considered in a buying situation. The main aim of advertising should therefore be to make the brand as prominent as possible in people's minds.

Admap, February 2009, pp36-39

User-generated ads

There has been an increase in the amount of user-generated (UGC) ads recently, such as Walkers' 'Do us a flavour' campaign or Dorritos' 'tribe'. One of the advantages of UGCs is the two-way conversation that they initiate with the consumer, but experts are cynical, believing the creatives in such campaigns to be of poor quality. The bottom line is that if the work becomes a 'cynical stunt', it could end up costing the brand more than if it were from an agency.

Campaign, 13 February 2009, p8

Speaking of user-generated content...

How about this? 70-year-old magician, Paul Daniels, and his wife, Debbie, have posed in Emporio Armani underwear in a spoof of David and Victoria Beckham's ads. Paul even has copies of David's tattoos. The picture has been published as part of a feature in the latest issue of *Closer* magazine and has spread across various websites. There has been no comment from Armani – possibly because 'this example

of user-generated content is likely to puzzle the Milan based fashionistas'.

Brandrepublic.com [accessed 17 February 2009]

Books

Personalised books for kids

Publisher Egmont has launched two versions of a site for its *Mr Men* brand: both have games, activities, downloads and a bookshop. Phase two will see the introduction of personalised books in the next few weeks. A trial Last month's featured *Thomas & Friends* birthday story in which parents could incorporate their child's name and create a 'lookalike character' for the story.

New Media Age, 12 February 2009, p9

Google books mobile service

Google's *Book Search Service* has been launched on mobile, featuring the books of Charles Dickens and Arthur Conan Doyle; it aims to compete with Amazon's *Kindle* service.

New Media Age, 12 February 2009, p11

Brands and Branding

Emotional relationships

Warwick Cairns of BrandHouse says that understanding consumers' 'emotional relationship' with a brand is vital for the brand to survive during the recession. BrandHouse undertook a survey of 2000 UK consumers, to show exactly how they form 'emotional relationships' with 100 of the nation's 'most significant' brands. The survey was based on seven emotional principles: contentment, belonging, compassion, pride, enjoyment, excitement, and desire. Google and Sony topped the chart, followed by Heinz and the BBC, both of which have heritage and longevity in their favour. Mobile phones were the worst-performing in terms of desire, while the

automotive sector needs to connect better with women.

Marketing, 11 February 2009, pp28-29

Brands need to support consumers

Consumer spending cuts have resulted in brands producing supportive offers to consumers, which has increased their sales, at least in the short-term. For example, Vauxhall's 'You Pay, We Pay' campaign is offering buyers of some models, a 2 to 4-year 0% interest deal, while Thomson and First Choice are to offer 'redundancy cover' on holidays and flights, to encourage wavering consumers to make their summer bookings. In order to get a return on marketing investment, the advice presented here is to create an offer that both 'aligns with your brand' and meets the consumers' needs.

Marketing Week, 12 February 2009, pp14-15

Are consumers buying own-label?

When the recession bites, people trade down to own-label brands. Or do they? People keep buying the same brands for a mixture of rational reasons and emotional responses. The value of a brand is in the associations people make with it, and people are reassured by consistency and reliability. Therefore redesigning a brand is not a wise thing to do in a recession. But sales of own-label are increasing, and own label producers are getting better at copying the original brand. Nevertheless, as people stay at home more, they are prepared to spend money on their favourite products. And sales of 12-year-old whisky are apparently 'going through the roof'.

The Independent, 12 February 2009, p13

Children and Youth

Pocket money shows change in values

According to a survey by the Halifax, children received an average of £6.13 pocket money a week in 2008, compared with just £1.18 in 1987, so it has more than quadrupled over 20 years. In 1987 the post popular toys were Sylvanian families. Now 76% of children possess a mobile, 68% an iPod and 87% a games console. In 1987 children saved for holidays and sport; last year nearly half said they would spend their money on sweets and crisps. How times change!

The Daily Telegraph, 16 February 2009, p5

Blogging makes marketing sense

UK business schools are finding that blogging on their websites provides a valuable marketing tool. The blogs, though trivial in content, provide

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a taster for prospective students. Anthea Milnes, marketing manager for Oxford University's Saïd Business School says "we see blogs as an antidote to promotional literature". She has set up a Facebook group for prospective students, and uses banner ads and pop-ups. YouTube shows videos of MBA students at Oxford. The major downside is that PR is less controlled and messages could be negative.

The Times, 11 February 2009, p9

Consumer Behaviour

Customer response to ethical goods

This article examines three experiments associated with the role the consumer plays in company profitability, based on the prices the consumer is prepared to pay for ethically produced goods. It concludes that consumers will pay a premium for ethically produced and sourced products, if these aspects are promoted. It is important to select the most visible products and make these 'flagship' ethically produced. Segment the market through messaging and media, targeting those consumers with high ethical expectations of companies. Don't use goods that are known by consumers to be unethically produced or you may just 'pay the price!'

MIT Sloan Management Review, Winter 2009, pp61-68

Emotionomics

This is the title of a book by Dan Hill, who says that two of the most important tools in marketing are: facial coding, which non-invasively gauges people's emotional responses, and eye tracking – remember that someone viewing a print ad in a journal will take 1.6 seconds to assess it and move on. In direct marketing there is even less time, so try to use 'shock and awe' to attract attention to the right degree, while attending to the emotional engagement. These represent the twin opportunities of 'consideration and persuasion'.

Direct Marketing International, January-February 2009, pp30-31

Customer Relations

Consumer protection course

The European Commission is part-funding The European Masters in Consumer Affairs, which is to launch this autumn and will focus on consumer protection. The eighteen-month course has various modules, but will include consumer loyalty, managing call centres,

customer service and ethical consumerism. It will be run by three consortia, each consisting of five universities, in various member states. Brunel University is the only UK site so far.
The Independent 12 February 2009, p VI

Direct Marketing

What a difference a day makes

The Alchemy Worx Consumer Mailbox report has revealed that big consumer brands have increased their weekly email volumes by 75%. Mondays, Thursdays and Fridays are the most popular days on which to send email, each day representing 25% of the total, while weekends are less popular and Tuesdays are the least popular of all with only 12% of the total sent.

Database Marketing, February 2009, p4

Direct marketers are compliant

The Direct Marketing Commission's (DMC) first Quarterly Complaints Index of complaints received between September and December 2008 showed a high level of compliance and self-regulation within the industry. The majority of complaints related to payments, while 9% were related to 'unwanted emails' and 'poor response'; 15% of complaints related directly to direct marketing suppliers, with only 6% directed at the B2B sector.

Database Marketing, February 2009, p5

B2B Marketing, February 2009, p8

Mobile marketing

The rise of mobile marketing shows the shift of ad spend from TV and radio to more below-the-line forms, such as direct marketing, email and internet. Direct marketing via mobile needs to be personalised for the user, but benefits the marketer with customer intelligence, such as demographics, usage, channel preferences, location profiles and campaigns over multi-channels, such as SMS, MMS and WAP. Marketers can receive statistics and measure the effectiveness of the campaign.

**Direct Marketing International,
January-February 2009, p20**

Internet

Google knows where you are

Google has launched the *Google Latitude* location finder, which can actually show a mobile phone user's whereabouts on *Google Maps*, anywhere in the world. Users can invite their friends and family to join the service and it is a purely opt-in feature for mobile. However, privacy watchdogs, such as the Information

Commissioner's Office, will be monitoring it closely.

Marketing, 11 February 2009, p10

Computer Weekly, 10-16 February 2009, p7

Online advertising set to slow

According to Forester Research's report, *European Online Advertising Through 2013*, online advertising growth is set to slow 'significantly' over the next five years, because of the economy and market maturation. In 2007 growth was 30% but 2009 growth forecasts are down to 9%.

Campaign, 13 February 2009, p5

Will brands bear the cost per click?

Research by the Institute of Practitioners in Advertising (IPA) into search ad costs and response, has revealed an increase in cost per click (CPC), from 16p to 28p, and a decline in click-through rate (CTR) from 28.9% to 20.9%, on Google over the last 21 months. The question is whether brands will continue to advertise on Google, despite its dominant position in the market. But Google says the report doesn't take into account factors like consumer behaviour, seasonality and increased competition.

New Media Age, 12 February 2009, p4

Advertising with online TV

It was only around a year ago that TV started to appear online, enabling people to catch up with their favourite TV programmes. But online viewers are reluctant to accept the same quantity of ad breaks as appear on TV. There are other ways for advertisers to approach this, such as targeting, or display ads near the edges of the screen. If the online audience increases enough, it should be possible for advertisers to find routes to the consumer.

The Times, 11 February 2009, p43

Law

A pig of a decision

The Advertising Standards Authority (ASA) has banned the British Pig Executive's (BPEX) poster campaign because it claims that 'British pig farms have very high welfare standards, assured by the Quality Standard Mark (QSM)'. The ASA argues that there is no clear guidance on measuring pig welfare in Europe and some doubt as to whether their welfare is of a high standard; therefore the ad was misleading.

Marketing Week, 12 February 2009, p4

The Grocer, 14 February 2009, p36

Magazines

Economist in behavioural targeting

The Economist has appointed Revenue Science to collect and analyse data on visitors to its site, so it can better target its ads. This is the first time the magazine has used 'behavioural targeting' and comes at a time when The Economist is due to overhaul its whole site.

New Media Age, 12 February 2009, pp1-2

Magazine circulations drop

There has been a drop in the circulation of women's weeklies. Last year the sector was down by 8%, with the exception of *Bella* and *Hello! OK!* magazine dropped by 25.6%, while the more upmarket titles, *Vogue* and *Vanity Fair* held on to, or slightly increased, their circulation figures. Lads' mags also fared badly, with *FHM*, *Nuts*, *Zoo* and *Maxim*, all falling by double digits. Amongst music titles, Q Magazine experienced a 9% fall, while that mainstay of musical opinion, *New Musical Express*, lost nearly a quarter of its readers last year!

The Times, 13 February 2009, p63

Market Research

Research sector resilient...

The French research firm, Ipsos, has increased its revenues by 5.6% to €979.3m, which it says is higher than the industry average growth of 5%. Growth in Europe was 6%, with revenues of €475.8m, but was strongest in Asia-Pacific, the Middle East and Latin America. The company expects that in 2009 the research market will continue to show its resilience to the financial crisis.

Brandrepublic.com [accessed 17 February 2009]

...As Kadence thrives

Despite the economic downturn, Kadence, the global B2B research firm, has reported a 40% increase in revenues to \$7.8m for the six months to the end of December 2008. Revenue increased by 32% in the US and 71% in the UK. Results have been boosted by the gain of new clients, such as Pfizer, Unilever, CNBC, Canon, Novartis and Honda. The company even expects to increase its staffing levels by 50% over the next year.

Brandrepublic.com [accessed 17 February 2009]

Marketing

GM segments marketing

General Motors is to restructure its marketing and sales division in Europe, so that each car brand can have its own marketing strategy. This will apply to Opel, Chevrolet Europe and Saab.

Marketing, 11 February 2009, p4

Abbey's marketing direction

This is an interview with Keith Moor, who took over as director of brand and communications at Abbey last year. Thanks to demutualisation in 1989, and its acquisition by Banco Santander in 2004, the bank has a strong portfolio of brands. Moor has already consolidated media buying and brought the direct marketing account in-house. He states that the bank's multi-million pound sponsorship of F1 British Grand Prix champion Lewis Hamilton is 'at the heart of the bank's UK marketing strategy in 2009'.

Marketing, 11 February 2009, pp24-25

Newspapers

WSJ expands online

The Wall Street Journal (WSJ) is to introduce a London editorial team, as it looks to augment its online presence in Europe and increase its operations outside the US. It will go for simpler navigation, richer content, video and podcasts.

Marketing Week, 12 February 2009, p9

New Media Age, 12 February 2009, p10

The FT goes to the dogs

In a weather-related campaign, the *Financial Times* launched a team of St Bernard dogs on Canary Wharf and the City, during the snowfalls of two weeks ago. They were carrying free copies of the FT and passers-by were offered a glass of brandy to warm them up.

Marketing, 11 February 2009, p4

Circulation increases

During January the *Sun's* circulation rose above three million, while all other weekday newspapers increased their circulation except for the *FT* and *Daily Sport*. The Sunday 'red-tops' fell 7.9% year-on-year, the *People* being worst hit.

Media Week, 10 February 2009, p8

Newspaper advertising weak

The Daily Mail & General Trust company has experienced a decline of 23% in advertising revenues for January and admitted that "Visibility on future advertising performance is

very limited". It has been particularly hit by the collapse of advertising outside London. The forecast for overall newspaper advertising during 2009 is a fall of between 12% and 15%
The Independent, 12 February 2009, p51

Public Relations

Online PR favoured

According to a survey of 300 marketers in the UK, France and Germany, by Midnight Communications, the majority of in-house marketing teams used online PR campaigns. Online PR is thought to be more measurable than traditional PR because one can track web traffic; 62% said they measured PR activity for return on investment, while 91% of the 100 UK retail marketers surveyed said they used online PR.

PR Week, 13 February 2009, p11

Are new divisions PRactical?

It seems that many agencies are setting up PR divisions, believing that it is a fairly low-risk activity. PR is also seen as being relatively inexpensive as a marketing channel, so that clients may well reduce other areas of their marketing spend before axing the PR piece. However, experts advise caution – are there enough good PR people to go round and is this the right time to return to full-service agencies? – Probably not, as clients still want specialists to tackle their marketing needs.

TheDrum, 13 February 2009, p13

Omnicom down on PR

Omnicom experienced declining PR revenues during 2008, which it blamed on 'general softness' in the economy. PR accounted for 9% of its total earnings. In contrast, advertising revenues, which were expected to fall, actually rose by 5%. PR practitioners could improve their fortunes by proving return on investment, in the same way as other marketing disciplines, says Richard Hemming of analyst, Billetts.

PR Week, 13 February 2009, p2

Radio

BBC radio spend

A new report by the National Audit Office says that the BBC spends more on its radio shows than any of its commercial counterparts. 14% of the Beebs's licence fee income was spent on radio during 2007-2008, the bulk of costs going on presenters' wages.

Campaign, 13 February 2009, p5

Social Media

Twitter considers charging

Twitter is considering charging commercial brands for using its blogging site. Biz Stone, the co-founder, has stated that more companies are using the site and it creates 'revenue-generating' opportunities for them, as both a marketing and customer-service medium. Twitter has reportedly turned down a \$500m acquisition offer by Facebook. Brands, such as Dell have already indicated that they would not be happy to be charged, and may be forced to look elsewhere.

Marketing, 11 February 2009, p1, p14

Facebook should get businesslike

Facebook has reached its 5th birthday and is still as popular as ever, with 150 million users worldwide, many in the 25 to 35 age bracket. The social networking space is a bit like a consumer magazine as it segments by age group. Certainly Facebook has added value as an advertising vehicle, although it has been criticised for not taking more of a commercial approach to its business. Fan pages are set up for brands who try to drive traffic there: Coca Cola, Nutella and O2 are examples of successful and award-winning Facebook campaigns.

Campaign, 13 February 2009, p13

Bebo sorts its content

Bebo is about to relaunch its site using the concept of 'Lifestreams'. These are user timelines, which sort photos, blogs and videos into streams of content. Friends will be able to keep up with what that person has been doing on the site, but the initiator will be able to control what information goes on and who sees it.

New Media Age, 12 February 2009, p10

Sponsorship

Mastercard sponsors Rugby

Mastercard is now the official worldwide payment system for the Rugby World Cup (RWC). The RWC held in France in 2007 had a TV audience of 4.3bn and the next RWC will be in New Zealand. Mastercard also sponsors the UEFA football Champions League.

Marketing, 11 February 2009, p2

ING puts brakes on Renault

ING, the biggest Dutch financial-services company, has announced that it will end its three-year sponsorship of Renault's Formula

One team, after the 2009 season, as part of a cost-cutting move. ING's spending on Formula One sponsorship in 2009 will be cut by 40%. This is just the latest example of companies' withdrawing from motor sport sponsorships as a result of the global financial crisis. Honda announced in December that it was pulling out of Formula One, and in January Credit Suisse Group announced that it would not renew its sponsorship of the BMW team this year.

IHT.com [accessed 17 February 2009]

(International Herald Tribune)

Television

Top Gear drives merchandise

The BBC is launching a range of clothing, stationery, games and toys featuring The Stig character from its *Top Gear* programme. The Top-Gear-themed toy range will also include a Stig doll.

Marketing, 11 February 2009, p5

Nintendo gets streetwise

ITV's *Coronation Street* is to become a Nintendo DS game and a board game. Two licensing deals have been signed by the broadcaster.

Marketing, 11 February 2009, p6

BSkyB wins Premier League

BSkyB has made a £1.6bn deal with English Premier League whereby it can exclusively broadcast 80% of every weekend's live games between 2010 and 2013. Setanta, on the other hand, will show 23 fewer live games for the same period, than it does currently.

Media Week 10 February 2009, p8

Video

Kangaroo axed

The Competition Commission's (CC) decision to axe Kangaroo, the video-on-demand joint venture between BBC Worldwide, ITV and Channel 4, which promised to deliver a one-stop shop online video destination, is a let-down, at a time when traditional TV ad revenues are running short. The CC deemed the venture to be anti-competitive to the UK market. *Campaign* and *New Media Age* look at the implications for advertisers and broadcasters. The model for subscriptions is yet to be tested and users do not like paying for content. Recent research has shown that only 26% of consumers would pay for content in order to avoid advertising.

Campaign, 13 February 2009, p15

New Media Age, 12 February 2009, pp1-2

Video or social networking?

Social networking grew by 13% during 2008, while the number of online video viewers grew by 11% to reach 30.1 million. While YouTube still dominates the space, video-viewing on BBC sites has experienced huge growth, owing to the success of the iPlayer. Will online video be incorporated into social networks, or will social media be built around online video? Either way online video is an 'innovator of imagination' for the online platform, and moving pictures will remain at the cutting edge, whichever channel they appear on.

New Media Age, 12 February 2009, p7

On the Move

Name	From	To	New Title	Source
Sharon Baylay	Microsoft	BBC	Director of its Marketing, Communications and Audiences	MRWeb.com
Ross Belcher	Viacom	Telegraph Media Group	Client Strategy Director	Media Week
Declan Boyle	Lloyd James Group	IPC Media	Ad Director, IPC Innovator	Direct Marketing International
Matt Brook	Department for Culture, Media & Sport	The Department for Transport	Chief Press Officer	PR Week
Phil Chapman	T-Mobile	Kerry Foods	Group Marketing Director	Marketing Week
Tristia Clarke	Best Buy Europe	TalkTalk	Head of Sales & Marketing	Marketing
John Coppola	Nestle	Northern Foods	Group Technical Innovation Director	The Grocer
Karl Gregory	iProfile	Match.com	UK Marketing Director	Marketing Week
Shaun Gregory	Blyk	O2	Managing Director, Media	Marketing Week
Ashley Lovell	Metropolitan Police	The Make-a-Wish Foundation	PR & Celebrity Manager	PR Week
Simon Sproule	Nissan	Microsoft (Washington DC)	VP of Corporate Communications	PR Week
Tom Williamson	Conservative Party	ScottishPower	Government Affairs Manager	PR Week

Promotions

Name	Company	Previous Title	New Title	Source
Andrew Challier	Billets	Managing Partner of Marketing Effectiveness	UK Managing Director of Marketing Investment	Media Week
Nial Ferguson	Future	Group Publisher, T3	Publishing Director	Marketing Week
Nora Senior	Weber Shandwick	MD Scottish PR Operations	Chairman, UK Regions & Ireland	TheDrum
Nick Vyas	ZenithOptimedia	Group Press Director	Strategic Partnership Director, Newcast	Media Week

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Contents

To fast forward click on the following links:

[Advertising](#)
[Books](#)
[Brands and Branding](#)
[Children and Youth](#)
[Consumer Behaviour](#)
[Customer Relations](#)
[Direct Marketing](#)
[Internet](#)
[Law](#)
[Magazines](#)
[Market Research](#)
[Marketing](#)
[Newspapers](#)
[Public Relations](#)
[Radio](#)
[Social Media](#)
[Sponsorship](#)
[Television](#)
[Video](#)
[On the Move](#)
[Sources](#)

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