



Cutting Edge

18th March 2009

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

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Advertising

Measurement system for online

Mark Hunter, the new president of advertising trade body, ISBA, has spoken about the need for a common currency for online advertising. Advertisers need a standard audience measurement system upon which to base decisions. ISBA director general Mike Hughes says metrics need to be 'user-centric' rather than 'site-centric'. The online industry needs to work more closely with other measurement bodies, such as BARB and Rajar.

New Media Age, 12 March 2009, p4

Well, is there or isn't there?

The Advertising Standards Authority (ASA) is not going to investigate the claims of the Christian party's ads, displayed on 50 London buses, that 'there definitely is a God', despite its being the fourth most criticised ad of all time, attracting 1,045 complaints. The ASA said the ad was considered to be 'electioneering material' for the party. The ads were launched in response to the British Humanist Association's bus ads, which stated that 'There's probably no God. Now stop worrying and enjoy your life'.

The Guardian, 12 March 2009, p9

Ads improve TV viewing

According to Mark Ritson, TV advertising is generally considered to be a nuisance factor which spoils TV viewing – but is this true or not? A paper in the *Journal of Consumer Research* entitled: 'Enhancing television-viewing experience through commercial interruption', suggests that ads actually improve the TV viewing experience. Researchers in the US divided students into two groups to see if they derived more enjoyment from watching a programme with or without ads. The sample that watched without ads did not enjoy it so much, so advertising might actually improve the

'perceived quality' of TV shows. But is this because by interrupting the programme viewers are taken somewhere less pleasant, so that when the programme resumes they enjoy it more? And is this enough to stop people resenting the intrusion of commercials?

Marketing, 11 March 2009, p18

Vodafone reducing outdoor ads

Vodafone, which acquired exclusive use of 1000 outdoor advertising sites back in 2007, is talking about cutting back on its use of branded poster sites. Vodafone says it is "currently looking at the best way to use this key medium" but wants to combine this with "flexibility of sites and timing". Vodafone is looking to cut costs by £1bn by 2011. During 2008 there was a fall in spend in the outdoor sector of 3.8%, according to the Outdoor Advertising Association.

Marketing, 11 March 2009, p6

Age

Infantilism

Iain Murray discusses the 'obsession' with youth and the general belief, that in order to survive, a business must appeal to the young. But Britain has an ageing population and older people tend to have larger disposable incomes. He contends that various sectors, notably, pubs, newspapers and ITV, have suffered through not broadening their appeal. The worst aspect however is the 'cult of infantilism' – the fact that people are loath to grow up!

Marketing Week, 12 March 2009, p50

The over-50s

Half of all grocery spend is made by the over-50s. Consumer analysts recognise that retailers and manufacturers should start meeting the needs of the older shopper, and in some cases this has started happening. For example last month Waitrose launched organic eggs in a

smaller pack of four instead of six. Older shoppers are segmented into five groups: experimenters, convenience seekers, traditionalists, bargain driven and uninterested.
The Grocer, 14 March 2009, pp40-43

Agencies

Chime

Chime Communications experienced a rise of 19% in its pre-tax profits, which rose from £13.8m in 2007 to £16.3m in 2008. Success has been attributed to its PR and sports marketing operations. PR and digital, which Chime is strong in, are areas of marketing that are holding up, while in traditional advertising Chime benefits from having a list of blue chip clients.

The Daily Telegraph, 12 March 2009, pB5

Dentsu

This article looks at what Dentsu, the 'world's biggest agency brand' is planning. It is the largest agency in Japan, has 15,000 staff and \$22bn in revenues. Dentsu's international aspirations are reflected in its acquisition last year of MCGarryBowen of the US; it has now appointed its first non-Japanese executive officer, Tim Andre, of Dentsu America. But Dentsu's overseas sales account for just 10% of global sales, and the pressure is on for the overseas markets to deliver some growth. This article also includes a guide to competing with Dentsu 'in its own backyard'.

Campaign 13 March 2009, pp22-23

Havas

Havas, which owns Media Planning Group and Arena BLM, outperformed the market in 2008, by increasing revenues by 4.7%, to Euros1.57bn.

Media Week, 10 March 2009, p8

Books

Words at risk

Collins wanted to publicise its 2009 edition of *Collins English Dictionary*, which is due to be published later this year. Deliberate PR handled the campaign, which involved the use of a list of words that were at risk of being omitted from the new edition. Well-known people were then asked to adopt a word and use it as much as possible in public. So Andrew Motion adopted 'skirr', Stephen Fry 'fussy', Vince Cable 'niddering' and so on. The campaign was partnered by *The Times*, which ran a poll asking people which words they would like

saved. The favourite word was 'embrangle', followed by 'fussy'.

PR Week, 13 March 2009, p16

Espresso book anyone?

Bookseller Blackwell claims to be the first bookshop to launch the Espresso Book Machine in the UK. The machine allows customers to select a book from a huge range of titles and to print it on-demand within three minutes. The machine is to be piloted on 27th April at the Charing Cross branch, with a roll-out to other branches once the machine's 'robustness' has been assessed.

The Bookseller, 13 March 2009, p3

Brands and Branding

Employer branding

Brand identities used to be fairly consistent so that companies like Woolworths or Northern Rock were seen as solid employers. But now employer branding has been undermined. The *Sunday Times* 'Best companies to Work For' list, which is topped by KPMG for the third time in four years, measures employee engagement: this is an integral part of the employer brand as it measures how proud people are to work there. Some companies are synonymous with their brand, such as Microsoft. Others, such as McDonalds have a strong consumer brand but are perceived negatively as an employer brand. Iceland's employer and consumer brands both have a 'family feel', but there is a danger that the low-cost consumer element of the brand may convey the impression that the company is a budget employer.

People Management, 12 March 2009, pp12-13

How semiotics helps brand strategy

Semiotics is the study of human cultures, and particularly of communications; futurologists are using this to look at how cultural change can contribute to a brand's understanding about future behaviour, by using the 'twig-to-branch' approach. For example, if consumers are concerned about having white teeth, this forms a twig growing on a branch that is 'visual culture'. Other twigs on this branch might be cosmetic surgery, Heat! Magazine and YouTube. The macro-trends are the thickest branches and make for the long-term success or failure of the brand.

Marketing Week, 12 March 2009, pp24-25

Cinema

Not stupid

A new climate disaster movie, *The Age of Stupid* premiered in Leicester Square last weekend in a cinema specially constructed to be solar-powered. The film was also beamed to sixty-five other cinemas around the UK, in what is claimed to be the largest ever film premiere. All proceeds will go to the climate campaign 'Not Stupid' and the film hopes to make people into 'climate activists'.

PR Week, 13 March 2009, p8

Customer Relations

CRM success

This academic article details research undertaken to look at the impact of customer relationship management (CRM) on organisational effectiveness and to identify barriers to CRM success. Five hundred financial services institutions in the US were surveyed to examine their CRM practices. Businesses generally considered that they were good at customer relations, but although they have seen improvement in customer responsiveness and performance, they have not improved as much as one would expect from CRM.

Journal of Strategic Marketing, Vol 17 (1), pp75-96

Digital

Direct mail down but check the sector

Research from the REaD Group shows that the volume of direct mail was down by 8.5% in 2008, with the financial services sector being the hardest-hit, down by 29% on the previous year. The areas of growth were mail order (7%) and charities (8%), while government and utilities remained level. REaD predicts that marketers will favour a mix of direct mail and digital for their multi-channel campaigns.

Database Marketing, March 2009, p4

Targeting the self-employed

B2B marketing consultancy, Information Arts, is launching BASE, a new segmentation system, which enables targeting of the self-employed. The system defines seven segments with their own purchasing, personality and lifestyle attributes. Traditionally the self-employed have been difficult to target, with over a million micro-enterprises in the UK, but Information Arts' research reveals that this sector behaves more like consumers than businesses. Businesses

can use BASE on its own, or with other filters, in order to develop customer profiles to refine their targeting.

Database Marketing, March 2009, p7

Bluetooth marketing guidelines

The Direct Marketing Association Mobile Marketing Council has published its first set of best practice guidelines aimed at the Bluetooth marketing sector. The potential of Bluetooth to deliver rich content is widely recognised by marketers but the guidelines mean that marketers can contact consumers only if they have received their consent. Mark Brill, Chairman of the DMA Mobile Marketing Council believes that the guidelines will be of "practical help to brands and agencies considering using this medium and looking to navigate through the many issues surrounding its use."

Dmweekly.mad.co.uk [accessed 16 March 2009]

Direct Marketing

Charities overdoing the DM

David Hasted kept the 311 direct mailings he received from 85 charities last year, so that he could analyse them; he discovered that several had mailed him more than ten times. He reports on how he would like to donate to certain charities but feels his money would be wasted on postage and printing. *Third Sector* invites some of the charities to respond, while Stephen Pidgeon of the Institute of Fundraising registers his disappointment that charities can be so 'lazy with data'.

Third Sector, 10 March 2009, pp14-15

Zurich in marketing overhaul

Zurich Financial Services has appointed OgilyOne to undertake its digital marketing, e-mail, CRM, database marketing, data analytics and direct mail. It is also to redesign and build a new website for the service.

Campaign 13 March 2009, p6

Internet

Ad-funded content not working

A disagreement between YouTube and PRS for Music has seen the latter taking down its catalogue of music from the site. Similarly Warner Music removed its content from YouTube in January. Warner Music argued that artists and publishers had to be compensated fairly. YouTube argues that the more popular the videos become the more money will be generated via advertising, which can then be distributed to the likes of PRS. There is a

discrepancy between what advertisers want to pay and what the music industry will accept. You can see their point - Radio 1 apparently pays up to £20 per minute for music. So one is left wondering just how sustainable can ad-funded content be?

New Media Age, 12 March 2009, pp1-2

Vevo music

Google and Universal Music will launch a music site powered by YouTube and possibly to be called Vevo. It will host videos and 'high-end' content from Universal Music's artists. Hulu is in fact a similar venture, which was set up between NBC Universal and News Corp.

New Media Age, 12 March 2009, p11

Law

L'Oreal keeps copycats at bay

L'Oreal is taking court proceedings against eBay as it wages war on counterfeiters and 'copycat brands', which appear on the website. The company has brought action against eBay in four other countries prior to do so in the UK.

Marketing Week, 12 March 2009, p43

LVMH unhappy with Google

LVMH, which makes the luxury Louis Vuitton luggage, has accused Google of violating its trademarks by selling them as search terms to its competitors, who may be selling rival or counterfeit products. The case has now been passed to the European Court of Justice.

News.bbc.co.uk/today 17 March 2009

[accessed 17 March 2009]

Loyalty Programmes

Barclaycard considers loyalty scheme

Barclaycard wants to launch a loyalty scheme in the next year, by offering its 12 million credit-card-holders monetary rewards, if they use the card to purchase from retailers who are working with Barclays. Chief Executive Antony Jenkins wants to make the scheme simple and convenient, without vouchers, coupons or adding to the "points mountain". It claims that it will also help to give retailers a competitive edge.

Retail Week, 13 March 2009, p16

Tesco mobile scheme

Tesco Mobile is integrating its Clubcard scheme with mobile services. Clubcard members will be offered up to 200 points by registering for products on the Tesco Mobile portal and then buying them in-store. It works by clicking on a

brand's mobile page before entering the customer number to obtain extra points. The trial will run until May when the service will be reviewed.

New Media Age, 12 March 2009, p7

Magazines

New mag shortlisted

ShortList Media, the men's magazine publisher, is to launch a free weekly women's magazine later this year, focusing on celebs and fashion. It will be targeting the affluent stratum of ABC1 women of the 25 to 40 age group. The free weekly men's mag, *ShortList*, increased its distribution by 56.1% in the second half of 2008 and has taken a chunk out of the market for titles such as *Arena*, the men's mag which has just been forced to close.

Campaign, 13 March 2009, p1

Market Research

Twitter to use antenna?

A competition organised by Silicon Alley Insider blog asked for ideas on how Twitter could make money from market research. Albert Kim, of Chicago firm Denuo's came up with the winning idea, called Twitter Antenna. It involves setting up an opt-in panel of Twitter users who can be segmented and then targeted by brands who want quick and cheap feedback. Feedback from the panel can be stored in a special 'client dashboard' where it can be analysed in detail. Twitter could charge \$10,000 to \$20,000 to set up the dashboards and clients could pay an additional \$1.25 for each reply to a question. Twitter has yet to comment on this!

Research, March 2009, p8

Desk research online

There has been a resurgence of desk research recently, initiated by the mass of data generated as consumers interact on the internet. This article investigates the use of consumer data for research purposes. The article reviews three main sources of consumer data: search data - the terms consumers use to conduct their searches, site analytics - numbers of visitors to a website and finally forums, blogs and review sites. Although this type of data does not replace primary market research, 'it should become a normal part of an analysis of marketing activity'.

Research, March 2009, pp38-41

Marketing

Reader survey

Here are the results of *Marketing's* reader survey into how marketers are thinking. It appears that nearly 60% of marketers in the UK have plans to cut marketing spend, and 58% are cutting back because of the economy and associated uncertainty. Nearly 60% are also expecting to pay agencies less over the next year. Despite this, 68% of marketers are hoping to change jobs and progress their careers in the next two years. Apple is the most admired brand, named by 15%, while Virgin follows a close second with 13%. Tesco and McDonalds emerge as the most hated brands, each mentioned by 7% of respondents.

Marketing, 11 March 2009, pp24-26

Newspapers

Ad change tool

Newsquest Media Sales has developed a process that will enable clients and agencies to quickly see how to improve the effectiveness of their press ads. A 'unique' 2,000-strong panel has been set up which will supply feedback within 48 hours of the ad being published, enabling clients to change the creative part should they wish to. Comet has already trialed the method, to test its ad for a laptop. It turned out that panellists were more interested in specification than price, so Comet changed the ad accordingly.

Media Week, 10 March 2009, p5

Will print last?

At the ISBA Conference recently Richard Eyre, chairman of the Internet Advertising Bureau, predicted that print newspapers will not be able to last and that within the next 18 months at least one national UK paper will go exclusively online.

Media Week, 10 March 2009, p8

Public Relations

PR grows

In the wake of good results from both WPP and Chime Communications in their PR businesses, Lord Bell of Chime claims that below-the-line marketing performs better than traditional advertising. Financial PR is the main part of the PR industry to be hit by the recession, but other areas, such as geo-political and public affairs are growing. Sir Martin Sorrell considers that the growth of social media has benefited PR but not advertising.

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PR Week, 13 March 2009, p3

No hidden extras!

On Sunday Aer Lingus recruited 999 people to strip down to shamrock underwear in central London for a publicity stunt, in order to promote its £9.99 fares from Gatwick to eight new destinations in European and of course it coincided with St Patrick's Day. Aer Lingus is publicising its move to cheap flights and will compete with the likes of Ryanair and Easyjet.

Brandrepublic.com 16 March 2009 [accessed 16 March 2009]

Radio

Magic show

More Than, the direct insurance company, has renewed its sponsorship deal with Bauer Radio's Magic 105.4. The sponsorship is to include an hour-long programme on Sunday nights, with no ads, but to be called the *More Than Indulgence Show*. The show will include guests Annie Lennox, Lionel Richie and Ronan Keating. Magic kept its position as London's top commercial radio station for the last quarter of 2008, according to Rajar figures.

Marketing Week, 12 March 2009, p6

Radio advertising

Industry figures reveal that spend by national advertisers on radio fell by 21.2% in the last quarter of 2008 compared with the previous year. Overall advertising, including local, fell by 14.5% in that quarter. However the sponsorship and promotions sector performed better, with spend rising by 4.3% for 2008. According to Stuart Taylor of Guardian Media Group Radio the figures for sponsorship and promotion show that clients value new ideas and radio needs to "boost the premium on good ideas".

Media Week, 10 March 2009, p5

Social Media

Social network aids brand memory

Research from MySpace into how users interact with brands on the site, indicates that a third of social network users click through to third party websites and services. Forty percent of users claim to remember advertisers in the high street after having looked at its social network profile.

New Media Age, 12 March 2009, p10

Social networking becoming dominant

According to Nielsen, about two-thirds of those who go online spend time on social networking sites, such as Facebook and MySpace. Social networking comprises nearly 10% of total time spent on the internet, and it is the fourth most popular online sector. There has also been an increase in users coming from the 35 to 49 age bracket. No wonder advertisers are so keen to target this medium.

Campaign 13 March 2009, p5

Ryanair unsociable but good PR

Ryanair has denounced bloggers as “idiotic” and “lunatic” after some of its staff engaged online with a blogger who thought he had found a loophole in the company’s website. However, through this incident Ryanair has managed to get masses of virally-driven, albeit negative PR coverage, showing that it doesn’t really care what its customers think, and also reinforcing the proposition that its fares are so cheap that people will use it anyway. In general, if company staff engage in online chat, and speak about their brand, they need appropriate guidelines. This could serve as a way of breaking down the corporate barrier and ‘revealing the personalities behind the brand’. But remember - don’t say anything that you wouldn’t want broadcast on the ten o’clock news!

The Drum, 13 March 2009, p13

Sponsorship

Emmerdale needs a sponsor

ITV is looking for a sponsor for Emmerdale, to replace Reckitt Benckiser, which has been sponsoring the soap since 2005. The deal would include sponsorship on ITV1, ITV2, ITV3, online and mobile, with branding on ITV’s marketing.

Marketing Week, 12 March 2009, p6

New formula needed

The Formula One (F1) motor racing season begins in ten days time in Melbourne, but is fraught with worry this year. For one thing F1’s largest sponsors, Royal Bank of Scotland and ING, are gradually removing themselves from the sport, in order to cut costs and distance themselves from the perceived image of lavish spending associated with the sport – not considered good PR at the moment. Secondly ticket sales have slumped as people feel the effects of the recession. The Belgian Grand Prix in September made a loss of £3.5m. Of the total

\$1,254m in F1 revenues in 2008 over half, \$700m, comprised TV rights, trackside advertising and corporate hospitality.

The Financial Times, 17 March 2009, p20

Television

Government rejects product placement...

The Government has rejected plans to allow TV to use product placement in its programmes, despite the extreme downturn in advertising revenues. But Culture Minister Andy Burnham said a UK ban would continue. Product placement already exists in the UK via imported US programmes such as *Lost* and *American Idol* and this type of advertising will be allowed to continue. Andy Duncan, chief executive of Channel 4, agrees with the Government’s decision: he is afraid of “confusing the lines between editorial and advertising”. The Government says it will review the decision to ban product placement in 2011 or 2012.

News.bbc.co.uk [accessed 16 March 2009]

Campaign 13 March 2009, p2

...But doesn’t make the Grade

Michael Grade, ITV chairman, wants a judicial review of the Government’s decision to continue with the ban on product placement on UK TV. He said he would write to the chief executive of Ofcom to ask what measures he would be taking to “protect” viewers from programmes that have contained product placement and have been broadcast for years.

The Guardian, 12 March 2009, p10

Women

Recession gets women noticed

In the US women make 80% of all discretionary purchases, so companies have started to tailor their products and messages to women. Snack company Frito-Lay’s campaign, ‘Only in a woman’s world’, is trying to convince women that crisps and popcorn are not just for the men, while OfficeMax is redesigning its stationery so that women can, make their office cubicles more colourful. Women are valuable customers for three reasons: they are loyal, they are more likely to spread information about products through word-of-mouth and social networking and in the US most lay-offs have been in male-dominated industries - so women may be bringing home the dough in future. Amazing that it has taken a recession to drive this marketing focus on women!

The Economist, 14 March 2009, p70

On the Move

Name	From	To	New Title	Source
Fiona Cunningham	British Chambers of Commerce	Shadow Home Secretary Chris Grayling	Press Secretary	PR Week
Lee Daley	Various	McCann Worldgroup	McCann Worldwide EMEA Chief Strategist	Campaign
Simon Eyles	McCain Foods	Asda	Head of Brand Marketing	Marketing
Anna Gibbons	GlaxoSmithKline	Packer Forbes	Deputy MD	PR Week
Alan Gilmour	Lloyds TSB	The Identity & Passport Service	Director of Marketing	Marketing
Kurt Jacobs	Insider Magazine	Marketing Birmingham	Head of Public Relations	The Drum
Rachel Jackson	Stansted Airport	BAA	Communications & Public Affairs Manager	PR Week
Dean Keeling	Procter & Gamble	British Gas	Brand Director	Marketing
Claire McGowan	Haemophilia Society	Ataxia UK	Marketing & Communications Manager	Third Sector
Niamh MacMahon	Prescription Medicines Code of Practice Authority	Novartis	Senior Corporate Comms Manager	PR Week
David Osbourne	easyJet	Moneysupermarket.com	Marketing Director	Marketing Week
David Pullan	Aegis Media	Manchester City Football Club	Brand & Marketing Officer	Marketing
Cherry Read	Munro & Forster	Electrical Safety Council	Head of Comms & Campaigns	PR Week
Jonathan Rigby	FCB London	NetPlay TV	Brand Director	New Media Age
Mark Sinnock	Fallon	Asda	Marketing Director	Retail Week
Steven Toole	Environmental Services Association	The Royal Geographical Society	Manager of Policy & Public Affairs	PR Week

Sources

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