



Cutting Edge

20th January 2009

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

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Advertising

Pepping up inauguration

The inauguration of Barack Obama is 'an adman's dream'. TV channels have huge schedules associated with the event. It is compared with the Super Bowl in terms of attracting millions of viewers. Pepsi will use the event to launch its 'Pepsi optimism project' campaign: buses and train stations in Washington DC will carry slogans such as 'hope' and 'yes you can', with a red, white and blue slogan, a bit like the Obama campaign itself. An oval office has been created by Ikea in Washington's Grand Union Station featuring a 'fiscally responsible furnishings' slogan.

Financial Times, 15 January 2009

Well done U!

Marketing's survey of most irritating ads is always an amusing read. For the second year running it is headed by *InjuryLawyers4U*. In second place come Iceland's Kerry Katona ads, while *Halifax* and *Confused.com* are in third place, with *Phones4U* and *Picture the Loan* in fourth. Sadly people are getting fed up (excuse the pun) with the M&S food ad. Amongst agencies, WCRS has the most entries.

Marketing, 14 January 2009, p1, pp26-27

Agencies

Agencies not facing up?

The Institute of Practitioners in Advertising 'Social Media Futures' report, to be published this week, asserts that two-thirds of advertising agencies are not prepared for the industry changes associated with social networks, such as Facebook and YouTube and the emerging digital media. Agencies could grow by as little as 1.2% a year if they don't change!

Financial Times, 15 January 2009, p4

Agency ranking

The annual survey on the financial performance of the UK marketing services sector, by Kingston Smith W1, shows Young & Rubicon at the top of the table as the country's largest ad agency, with M&C Saatchi in second place. Digital Marketing Group is the biggest digital business, while Aegis Media is at the top of the media independents, and Proximity heads the direct marketing/sales promotion list. Advertising remains one of the more profitable marketing sectors, but what will next year bring?

Campaign, 16 January 2009, p3

Books

Random advertising

The *Good Pub Guide* is to be launched online by publisher, Random House, the aim being to expand readership, and introduce ad revenue. *Thegoodpubguide.co.uk* will inform visitors about 55,000 pubs, compared with the 5000 in the book format. It will be supported by a search facility and Google maps. This is a first for Random House, as it moves to third-party advertising.

New Media Age, 15 January 2009, p8

Brands and Branding

Mum's the word

Mums are important in the household-expenditure process, and their approbation is critical to brand success. A survey by Joshua G2 of 1000 mums has revealed that 31% find brands patronising, 21% think them too pushy and 13% regard them as unclear or misleading about nutrition & health. A further 8% were disappointed in their marketing to children. Many mums don't favour mainstream media and prefer the advice of their peer groups.

Marketing Week, 15 January 2009, pp30-31

Burberry brand threatened

Burberry, the luxury clothing brand, has announced the closure of its plant in Rotherham, South Yorkshire, resulting in 290 job losses. The company is also to close its Thomas Burberry brand line in Spain, with the loss of a further 250 jobs. Full year sales figures are expected to be lower than expected.

bbc.co.uk, 20th January 2009

Celebrity Endorsements

Beef up your campaigns

Choosing the right celebrity can define the campaign, or damage it if the chosen celeb misbehaves him- or her-self. Jamie Oliver is good for family-friendly, food and social justice brands, but not anti-swearing! Joanna Lumley matches upmarket and luxury car insurance brands, but nothing downmarket, while Ian Botham is associated with charity and beef-based brands - definitely nothing vegetarian.

PR Week, 16 January 2009, pp22-23,25

Country Marketing

Kenya ties in with Barack

Kenya is trying to repair its damaged image, caused by recent election violence, by promoting its ancestral ties to Barack Obama. It aims to be Africa's first choice tourist destination, with a campaign that emphasises the culture and people and encourages you to 'make the journey'.

Campaign, 16 January 2009, p27

Ireland plans for tourism

Tourism Ireland (TI) is to promote the country as a holiday location via a new campaign called 'Kickstart'. It is the first campaign since TI's brand positioning: 'Go where Ireland takes you'. Direct marketing activity will promote a microsite where visitors can download a holiday planner and have a chance to win a holiday.

Marketing, 14 January 2009, p10

Children and Youth

Olympics targeting the young

The London Organising Committee of the Olympic Games and the Paralympic Games (LOCOG) is launching some major social networking activities. These will comprise digital activities and events leading up to 2012, sponsored by the likes of BT, Visa and British Airways. The objective is to attract a younger audience to the Games. LOCOG is working particularly with Adidas, and taking advantage of its AdiZones campaign, which aims to get more young people back to sport.

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New Media Age, 15 January 2009, pp1-2

Cinema

Digital ad revenues

There is still no definite timescale for the implementation of digital cinema, and films will continue in traditional 35mm reels for some time to come. Growth in cinema ad revenues has slowed and is expected to flatten this year. It is considered that digital technology will have no impact on ad revenues until 2010, with test packages being introduced later in 2009. The technology needs to settle down before advertisers can fully exploit it.

Marketing, 14 January 2009, p30-31

Cinema admissions

The Cinema Advertising Association has revealed that cinema admissions increased slightly, by 1.1% during 2008 compared with the previous year. During the summer there was the highest number of admissions for 40 years, with *Mama Mia* the highest-grossing film in the UK. It would appear that consumers still see the cinema as an essential form of entertainment.

Media Week, 13 January, 2009, p7

Database Marketing

Obama thinking ahead

President Barack Obama created an email database of millions of voters leading up to his inauguration; this is also intended for use leading up to the 2012 election.

Mad.co.uk, 19 January 2009

Direct Marketing

Directly affected

The financial services (FS) industry collapse has affected the direct marketing industry – in fact by the end of 2008 FS marketing spend had shrunk by between 20% and 40%. Indeed, 25 out of the top 100 spenders on direct marketing are in the FS sector. However, companies like Currys and PC World still require finance-sector work from their agencies. They derive substantial revenues from warranties and finance packages and these tend to be promoted through direct marketing.

Precision Marketing, January 2009, pp17-19

Direct mail trends

Last year direct mailings fell by 5% on both the consumer and business side and it is expected that there will be a good deal of consolidation within the direct mail industry this year. Mailing houses will also need to get slicker as they compete with online. It is not all bad however,

as the entertainment, retail, travel, tourism and Government sectors have actually grown slightly.

Precision Marketing, January 2009, pp21-22

Royal Mail targets sustainability

The Royal Mail's new bulk mail service, 'The Sustainable Mail', is to be offered at lower prices for all direct mail that complies with new environment standards. The three key criteria for eligibility are: improved sustainability, minimised waste and increased recyclability. The service will be launched in April.

Precision Marketing, January 2009, p4

Email Marketing

Email marketing survey

According to the *Online Customer Engagement Survey* by cScape, nearly 70% of companies consider email marketing to have improved customer engagement. Nearly 60% of those surveyed said that they would spend more on email marketing next year.

Precision Marketing, January 2009, p5

Brands favour email

According to marketing agency Alchemy Vox, which undertakes monthly monitoring of email volumes amongst 100 major brands, there has been a weekly increase in email of 75%. Brands include HMV, Boots, Tesco and M&S.

Marketing, 14 January 2009, p10

Internet

Broadband for all

Lord Carter, communications minister, is expected to propose a 'universal service commitment' in his report, 'Digital Britain', for which an interim report is due to be published this month. This means that every household in Britain would have access to broadband internet, enabling them to watch video online and BBC iPlayer and so on. Last year 40% of homes still did not have broadband.

Financial Times, 15 January 2009, p3

Audience measurement

The internet is crying out for an agreed audience measurement system, as more disputes regarding web traffic hit the industry. Contractor UK, a web publisher, has fallen foul of the Advertising Standards Authority (ASA), by claiming that it is the 'UK's most visited' site in its sector. Contractor UK claimed to have derived its figures from Google Analytics, but the ASA states that statistics have to be audited

by the Audit Bureau of Circulation electronic division (ABCe).

Financial Times, 15 January 2009, p4

SMEs in digital advertising

Many smaller companies want to get into online advertising but are deterred by the cost. Facebook, Google and MySpace are just some of the online enterprises targeting SMEs with DIY ad-tools, such as Google's Display AdBuilder. This is logical considering the number of businesses moving away from banner ads towards social media, search and content sponsorship. However, if small advertisers spend money creating their own ad badly, and get little or no response, they could be put off digital advertising completely.

New Media Age, 15 January 2009, p23

Law

Interflora vs M&S

Interflora is to sue Marks & Spencer (M&S) for damages and a court injunction, to stop M&S bidding on its protected trademark name on Google, using Google's *AdWord* programme. This is an interesting case, which would set a precedent for trademark laws in relation to keyword advertising.

Precision Marketing, January 2009, p5

Loyalty Programmes

Brand loyalty

Are people deserting brands that they have hitherto been loyal to? Joint Gyro International/YouGov research into buyer behaviour has revealed that 88% of the British public have switched from their favourite brands owing to the recession, and that 50% of people are buying own-label products. It is important in this climate to emphasise a brand's quality, and consumer rewards are important in incentivising people's buying decisions. Loyalty differs according to people's ages and older consumers often experience 'emotional engagement' with a brand.

Precision Marketing, January 2009, p12

Waitrose in loyalty drive

This month Waitrose is to launch a loyalty-style customer club, which, according to MD Mark Price, will "ensure key customers have a greater affinity with Waitrose". The loyalty club area is new to Waitrose and will focus on aspects of enjoying food in line with the 'good food, honestly priced' message. No details of the club are currently available.

Marketing Week, 15 January 2009, p3

Magazines

Have e-zine this?

Manchester United's Rio Ferdinand is to launch a 24-page e-zine relating to his interests in film, music and style. It is targeted at 16-35-year-old men.

New Media Age, 15 January 2009, p13

Marketing

Salary survey

Want to check out what you should be earning? Then read the *Ball & Hoolahan Marketing Salary Survey*, which reveals that salaries of online and DM and CRM marketing managers remain on a par, while male marketers earn substantially more than their female counterparts. Leaving aside marketing directors, there appears to be little correlation between salary and a company's marketing spend. Automotive, retail and financial services are the highest-paying sectors.

Marketing Week, 15 January 2009, pp22-27

Viral marketing

Viral marketing is a cheap solution during the economic downturn. Viral content can be anything that self-propagates via word-of-mouth. This article investigates its rise, how to seed it and measure the success, but beware of the risks. Examples are the IBM 'Fight carbon' campaign and Borland's *Tuffrunner* website.

B2B Marketing, January 2009, pp20-22

Premium vs value marketing

This feature explores in some depth the consumer ability to 'trade down' to items of a lower price. In the previous recession there was no Primark, Aldi, Netto, Lidl or Travelodge, which all appeared in the 1990s. Value brands have been extremely successful in terms of gaining market share. However, there are distinctions between classical marketers, who focus on features and benefits, and value marketers, who plug lower prices.

Market Leader, January 2009, pp26-31

'Forward Thinking'

B2B: buyer behaviour is changing and research has shown that 87% of business buyers use online more than any other source. The new environments necessitate new approaches to the traditional B2B marketing

Experiential: this is likely to be one of the biggest growth areas in marketing, but how do you know when consumers are thinking of switching brands?

Field marketing: agencies and FMCG

companies need to work together more effectively.

Advertising: 'the internet has shrunk the knowledge gap between the experts and the public'. Advertisers need to research communities, not individuals.

Online advertising: the message is to make your brand 'live up to its promises because your company is now transparent, whether you like it or not'.

Market research: marketing directors have a roster of agencies to deal with and this is an opportunity for research agencies to create a 'brand experience framework that crystallises the ideas and perspectives driving the brand', a process called 'master-planning'.

Call centres: companies who are outsourcing their customer management are seeing improvements in efficiency and effectiveness.

Marketing Supplement, 14 January 2009

Newspapers

...and so does the FT

The FT is to make 80 people redundant, as it continues to integrate its print and online teams within its commercial and editorial operations.

New Media Age, 15 January 2009, p13

Public Relations

PR sees reductions...

The PR sector is experiencing job cuts as a result of the recession. WPP-owned Cohn & Wolfe have confirmed that redundancies are taking place, but are not divulging the scale of this. Other agencies making cuts are: Lexis, Borkowski, whose clients included Zavvi, and Brando. Brando MD, Paul Lucas says that agencies often 'realign headcount' in the winter. That's an interesting way of putting it!

PR Week, 16 January 2009, p1

...as it loses clients

The PR industry has definitely been hit hard by the demise of some of the well-known high street names. This article discusses the effects of the big brand collapses upon agencies.

PR Week, 16 January 2009, p2

Social Media

Social media is the new word-of-mouth

Barack Obama's success is put down partly to his marketing organisation, 'built from the bottom upwards'. No less than ninety-five web staff were employed to help people to receive and pass on key messages. This is perceived as going back to a time when brands succeeded through word-of-mouth. It appears

that social media will be a 'hot topic' for 2009. In a new report entitled 'Social Media Futures – The Future of Advertising in a Networked Society', the Institute of Practitioners in Advertising says that in relation to social media, most agencies 'aren't getting it'. Agencies need to connect with consumers in new ways or clients' budgets will suffer.

Campaign, 16 January 2009, pp22-23

Bloggers beware

Professional blogging is changing, and although Technorati's 'State of the Blogosphere 2008' annual report shows that blogging is alive and kicking, many of the early US blog businesses are turning to B2B publishing, while others are changing their business models. The biggest blogging community is now China rather than the US. A huge decline in advertising revenues is forecast amongst the larger blog businesses and brands are likely to desert the 'blogosphere' in favour of other channels.

New Media Age, 15 January 2009, p19

Sponsorship

UEFA sponsorship

UniCredit Group, the Italian bank, will replace MasterCard as principal sponsor of the UEFA Champions League. MasterCard has been associated with UEFA since 1994.

Marketing, 14 January 2009, p1

Television

ITV in health push

ITV has launched a dedicated website to help viewers lose weight and exercise more. This 'health hub' will support 'The feel-good factor', a forthcoming TV series, and the Government's *Change4Life* anti-obesity campaign. The show features a number of well-known TV faces, who have decided to lose weight and change their exercise practices. The website encourages visitors to sign up to the 'Pound for pound' charity campaign, where people are sponsored for every pound they lose.

Marketing Week, 15 January 2009, p12

CNN moves to free-to-view

CNN has launched on the terrestrial Freeview, in time for Barack Obama's inauguration. Although it will face big competition from the likes of the BBC and Sky, CNN considers that its brand will achieve higher visibility amongst advertisers, and will also boost its online and mobile audience figures.

Marketing Week, 15 January 2009, p13

Media Week, 13 January 2009, p5

All-singing, all-dancing TV

In the wake of TiVo, introduced 10 years ago, TV manufacturers are now launching broadband TV that allows access to the internet for movies, TV shows and just about anything else. The technology will be built into TVs, so additional set top boxes won't be necessary. This year Samsung Electronics will build TVs that include the extra 'widgets' and LG Electronics said it intends to offer 'web-connected sets'. Manufacturers hope that the move will increase TV sales, as many people have already upgraded their TVs to HD flat panels.

Business Week, 19 January 2009, p54

Women

Figures in advertising

Women are none too impressed by the predilection of the advertising industry for young, white and skinny models. According to research undertaken by Cambridge University's Judge business school, people react more favourably to brands that show models which represent them in age, size or background. The Dove skincare ad, 'Campaign for Real Beauty', featured models that were older and larger than usual. The Cambridge has elicited the opinions of 2000 women in the UK, US, China and other countries. Most women felt more positive towards brands that feature varied models. Interestingly Chinese women preferred the ultra-slim models. Either way brands should take note of the spending power of older women.

Guardian, 10 January, 2009, p13

On the Move

Name	From	To	New Title	Source
Paul Bainsfair	TBWA\Europe	Iris	European Chief Executive	Campaign
Graham Biggs	Rolls-Royce	BMW	Corporate Communications Director	PR Week
Ben Clapp	Tribal DDB	Elvis	Joint Creative Director for Elvis & Spike	Campaign
Simon Daghish	GCap Media	Fox Interactive Media UK	Vice-President, Commercial	Campaign
Jeff Dodds	Callaway Golf	Virgin Media Television	Brand & Marketing Director	Marketing
Stephen Jenkins	PIAS Entertainment Group	MEF	Global Marketing Director	New Media Age
Paul Johnson	Reed Midem	Endemol	Global Head of Marketing & Brand Partnerships	Campaign
Spencer Livermore	Saatchi & Saatchi Fallon Group	Blue Rubicon	Head of Strategy & Planning	Campaign
Alex Michael	Sprite Interactive	The Direct Marketing Group	Group Digital Director	New Media Age
Lindsey Oliver	CNBC Europe	Bloomberg TV	Commercial Director, EMEA	Media Week
Matt Phillips	BPI	BBC	Head of Comms for Future Media & Technology	
Andrew Roberts	Land Rover	Mercedes-Benz	Corporate Communications Director	PR Week
Julia Smith	Mirror Group Newspapers	Internet Advertising sales Houses	Senior Manager	Marketing
Charlotte Soussan	Xfm	Iris Experience	Brand Entertainment Director	Marketing Week
Stephen Taylor	Yahoo	Qype	CEO	New Media Age

Promotions

Name	Company	Previous Title	New Title	Source
Louise Brown	Channel 4	Head of Operations for New Media	Head of Cross-Platform Commissioning	New Media Age
Simon Collinson	Motorola	Director of Marketing Strategy, EMEA	Western European Marketing Director	Marketing
Sergio Cravero	Alfa Romeo	Head of Marketing	Chief Executive	mad.co.uk

Sources

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