



Cutting Edge

25th February 2009

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

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Advertising

Pick your time of day carefully

A survey by the Interactive Advertising Bureau (IAB) and Lightspeed Research has revealed that 51% of people are more receptive to advertising after 6pm, while only 5% are receptive before 9am and 19% from 2pm to 6pm. 'Day-part' advertising is common in traditional forms of advertising but not amongst online advertisers. Although advertisers can make use of this data, Alex Randall of Isobar warns that there are just so many metrics that there is a danger of "narrowing too much".

New Media Age, 19 February 2009, p4

Ad spend growth to 2020

The Long Term Advertising Expenditure Forecast by the Advertising Association, undertaken by the World Advertising Research Centre (WARC), has predicted two scenarios for growth in ad spend between 2010 and 2020. Either there will be a huge increase of around 52% due to online ad spend, or a more modest, but still significant growth of 28%. A separate report by Ernst & Young, *Media & Entertainment...by numbers*, concludes that online ad spend growth will fall to 3.7% this year, from 22.1% in 2008. The consultancy predicts a move away from reach-focused advertising, which comprises mostly display, to search and performance-based advertising.

Media Week, 17 February 2009, p14, p18

Nostalgia ads or the same old song?

Many brands are bringing back ads from the past, or parts of them, to take advantage of the wave of nostalgia that seems to be sweeping the country. There is a clear logic to using tried and tested and well-loved campaigns, and they cost less too. But, whereas the nostalgia trip may be relevant to some brands - 'Beanz Meanz Heinz' is a 'strong' property - the economic downturn is a time when brands

should be moving forwards and innovating, rather than playing the same old tune.

Campaign, 20 February 2009, p12

Agencies

Omnicom down

Omnicom Group has stated that its revenues fell by 18.7% year-on-year in the fourth quarter of 2008. UK revenue for the whole of 2008 was down by 4.9% to \$1.3bn. UK revenue comprises 9.9% of Omnicom world revenue, where it operates media agencies PHD and OMD.

Media Week, 17 February 2009, p14

But not all doom and gloom

In contrast Publicis has bucked the downward trend in the industry, with a 16.7% rise in profits for 2008 and says it has achieved 'practically all' its objectives. Publicis owns Starcom, Mediavest and ZenithOptimedia.

Media Week, 17 February 2009, p14

Books

Flexible book

Plastic Logic, a Cambridge-based company, will launch the first flexible electronic book in January. The two most popular ebooks on the market, the Sony reader and Amazon Kindle, are paper-back sized and use black and white electronic ink displays. They are quite fragile compared with Plastic Logic's bendy plastic, which allows screens to bend and bounce. The screens will be A4 size, have wireless internet connection and a touch screen. So, no more piles of books!

New Scientist, 21 February 2009, p19

Brands and Branding

Bob Marley licences

The estate of Bob Marley has licensed the names *Bob Marley*, *Tuff Gong*, *Catch a Fire* and *One Love* so that brands will be able to acquire the rights to use them. Private Equity company Hilco Consumer Capital has reportedly paid £13m for half a share of The House of Marley, a partnership with the Marley family.

Marketing, 18 February 2009, p4

Brands receive widespread complaints

People are far more ready to complain than they used to be. Social media and online campaigning techniques have made it easier for special-interest groups to garner support for their complaints. The Action for Children's TV charity's ad featuring the voice of an autistic teenager has been the subject of a Facebook condemnation by over 2000 members. The Advertising Standards Authority apparently receives numbers of identical complaints, which are first formulated online, and then forwarded on by people. Some brands seek contentious publicity, while others have it forced on them, but either way brands have to be ready to respond to the social media audience.

Marketing, 18 February 2009, p16

Axing or rebranding?

There are many cases of failed brands or failed rebranding; Consignia had to return to Royal Mail and Pasta Hut to Pizza Hut. In times of recession, introducing a new brand or rebranding can boost consumer confidence. FMCG brands don't like to terminate ailing brands, because of the problems of retaining listings on supermarket shelves. Many will only terminate a brand when they have a replacement for it. Many smaller brands may be axed as the recession progresses or be taken over by global parent brands in a 'masterbrand' strategy.

Marketing, 18 February 2009, pp30-31

Cinema

Cinema ad spend on the up

In January cinema ad revenues rose by 5.3%, while cinema admissions saw an increase of 7.7%, according to Nielsen Media Research. Films, such as *Slumdog Millionaire*, the darling of the Oscars, have provided a real boost. Analysts consider that a strong film offering during 2009 and 2010, plus the growth of 3D

cinema, will keep cinema at the forefront for consumers and brands.

Campaign, 20 February 2009, p4

Consumer Behaviour

Googling the brain

According to research by Tjaco Walvis, a Dutch brand consultant, the human brain behaves a bit like Google. It selects brands from memory using a number of predictable, subconscious rules. Firstly it selects the brand it knows is best able to satisfy 'biological and cultural goals'. Then it finds the brand that has shown itself to satisfy those needs, and finally it picks out the one that it has had most experience of in the past.

Admap, February 2009, p7

Customer Relations

Online CRM

Digital agency LBi has launched a customer relations department to help brands manage their CRM online. Electrolux, Sara Lee and 118118 are brands mentioned in this context. The agency will also work with clients to help them communicate with customers via social networks and blogs.

New Media Age, 19 February 2009, p3

Ad budgets plummet

January's IPA Bellwether report saw the biggest ever fall in ad budgets for the last quarter of 2008. As gaining new customers gets tougher, companies need to get the best out of existing customers. Various brands, such as Waitrose, Ikea and Lastminute will be emphasising their loyalty schemes. Understanding customer behaviour, particularly that of the most 'lucrative' customers, is essential to customer retention. Segmentation can deliver good results if done well.

New Media Age, 19 February 2009, pp25-26

Direct Marketing

Email marketing

Email is essential to CRM, and the Direct Marketing Association *National Email Benchmarking Report* for the second quarter of 2008 reveals that marketers are using a more segmented approach to their campaigns. The average delivery rate for retention mails is now 95%, which means that marketers understand their customer lists more, but don't necessarily know what happens to delivered emails. However marketers need to focus on testing and targeting in order to overcome their 'batch and blast' reputation. This article contains some useful charts

and statistics relating to mailing volumes, opt-out rates and so on.

New Media Age, 19 February 2009, p29

Digital UK – marketing strategy

Digital UK, the digital TV switchover organisation, has appointed Elvis Communications to handle its direct marketing account; the agency will be responsible for communications until the switchover from analogue in 2012. Last year Digital UK said it would be moving its marketing focus away from national media and would increase its marketing budget by more than 20% to £30m during 2009.

Mad.co.uk [accessed 24 February 2009]

Ethnic Marketing

Ethnic minorities need to be targeted

The UK's ethnic minorities are both large and diverse. More than 300 languages are spoken in London alone and one in five small businesses is owned or managed by ethnic minority members. Amongst larger agencies, only MediaCom has a specialist ethnic media division, whose clients number the central Office of Information (COI), probably the biggest spender on ethnic print media. Other agencies deal with ethnic campaigns on an individual client basis. Tesco's ethnic promotions tend to be related to local store openings, while Unilever's campaigns appear on Sunrise, the Asian TV channel. This article argues that mainstream brands should target multicultural audiences, some of which would be 'predisposed' towards certain types of products. It goes on to examine individual ethnic groupings.

Media Week, 17 February 2009, pp28-31

Experiential Marketing

Experience should amuse

Increasingly marketers are being more inventive about the ways they turn product sampling into brand experiences and events that consumers will remember. Experiential marketing could become more important in the drive to create more targeted campaigns, and can target hard-to-reach consumers. Examples are the Cathedral City 'The Big Cheese Tease' campaign, which used an ice cream van to tour Sainsbury's and Asda stores distributing samples of cheese-on-toast. The coupon redemption rate was 20%. The dual purpose of

the experience is to 'inspire goodwill to a brand' and amuse the consumer.

Marketing, 18 February 2009, pp35-36,38

Internet

Microsoft promotes a night at the movies

Microsoft is signing agreements with film producers, including Universal Pictures, in order to host 'bespoke and exclusive' film content on the MSN network, to position MSN as the main UK movie platform online. People are spending more time researching films before going out, and Microsoft aims to give users sufficient information 'to make their choices'.

New Media Week, 19 February 2009, p6

Google makes ad sense

Google's AdSense for Mobile service has been expanded to allow mobile publishers to embed a Google search box in their site, thereby receiving a portion of the ad revenue derived from visitors clicking on sponsored links.

Media Week, 17 February 2009, p14

Magazines

Sectors in turmoil

For a detailed look at how the various sectors are faring in the latest Audit Bureau of Circulations (ABCs), take a look at *Media Week's* detailed analysis. The ABCs show a strong performance by the women's lifestyle sector, with a circulation increase of 7.4% year-on-year. *Marketing* suggests that people are turning to more 'escapist' titles during the recession. *Woman and Home* was up by 4.8% for the year, while fashion weekly *Look* saw an increase of 2.3%. Men's lifestyle, teenage girls and children's mags are all suffering, as are home interest and music. In contrast customer publishing has experienced year-on-year growth of 16% and customer titles now comprise the top eight UK magazines by circulation. Ironically the more stolid publications, such as *The Economist*, *The Week* and *The Spectator* are on the rise, as people turn to them for more analysis and perhaps to make sense of what is happening in the recession.

Marketing, 18 February 2009, p6

Media Week, 17 February 2009, pp5-15

Love is quite ample

Condé Nast's campaign for its new high-end fashion magazine, *Love*, features a digital image of pop singer Beth Ditto shown in the

nude, at the Westfield shopping centre. The picture is meant to represent a stand against perfection in fashion, since the model is somewhat full of figure, as indeed is the magazine which contains 336 pages! The sheer volume of ads in it is also notable; advertisers include Chanel, Louis Vuitton and Cartier.

Marketing Week, 19 February 2009, p8

Media Week, 17 February 2009, p13

Market Research

Juicy profits

The research company, Brainjuicer Group plc, has seen an increase in operating profit of 45%. In addition to offices in the UK, US, Holland and Switzerland, it is to open up in Germany and Canada. The company will also launch a research community product, the *JuicyBrains Innovation Community*, which has already been trialled with three multinationals.

Research World, February 2009, p8

Looking at research methodologies

The European Social Survey (ESS) charts and explains attitudes and behaviour across 30 countries in Europe. Face-to-face interviews each of an hour's duration were conducted, as this is considered to be the only research methodology to offer total coverage for all countries. This article considers the different methods of collecting such data – via face-to-face, telephone or internet surveys. Since each research method has its disadvantages, a 'mixed mode' alternative is an attractive option.

Research World, February 2009, pp61-63

Marketing

Nokia realigns sales and marketing

Nokia is to reduce its ad sales division by more than half, and has decided that its Interactive Advertising division should refocus solely on Nokia services. Nokia has already closed its development and marketing site in Jyvaskyla, Finland, affecting 320 employees.

New Media Age, 19 February 2009, p3

Newspapers

Mail affiliates

Mail Online is launching affiliate links on its site, starting with its product reviews. The *Mail* sends high volumes of traffic to third-party sites that it writes about, but has no way of capturing the data. By creating an affiliate link, the *Mail* can

retain 'editorial impartiality' while generating revenue from brands it has referred to.

New Media Age, 19 February 2009, p6

Freebies flourish

According to The Nielsen Company, during the fourth quarter of 2008 London's free newspapers increased their year-on-year ad sales. *The London Paper*, saw a 60% increase in the volume of display advertising and *London Lite* was also up by 17.5%. Surprisingly, *Metro* increased its ad volumes by just 1.8%, but compare this with the drop in ads experienced by the paid-for *Evening Standard* of 7.6%, for the same period.

Media Week, 17 February 2009, p13

Press should take the lead in innovation

Peter Field laments the fact that press advertising rarely takes the lead in an ad campaign and that the print ad generally provides support to the TV campaign. Consequently the medium is not used to its best potential. There have been some exceptional print ads, such as Marmite's 'Marmart' ad showing squeezy Marmite as artists' material, resulting in an 8% growth for the brand. In general however, press campaigns 'lack the level of innovation seen in other media'.

Admap, February 2009, pp12-13

Public Relations

The plight of PR?

A report by IT company AlphaZulu Software amongst 125 agencies, claims that one in four independent agencies is likely to be closing in the near future, that 11% of those interviewed have started to look at exit strategies and 65% are not making a profit. Francis Ingham, the Public Relations Consultants Association (PRCA) director general, says the report is unnecessarily pessimistic. However, Jonathan Jordan of Burson-Marsteller considers that the future for PR is "going to be a Darwinian survival of the fittest".

PR Week, 20 February 2009, p2

CIPR President interview

In an interview by PR Week, the Chartered Institute of Public Relations' (CIPR) new president, Kevin Taylor, says that he wants PR practitioners to 'reclaim' the phrase 'public relations'; PR is too often thought of as either spin or press relations and stakeholder management. He also wants to see unity between the CIPR and the trade body, the

PRCA, so that the PR industry can speak with a 'stronger voice'.

PR Week, 20 February 2009, pp16-17

Radio

Absolutely no more ad minutes

Absolute Radio has lost about a fifth of its audience since rebranding from Virgin Radio back in September, according to RAJAR's Q4 figures. The radio station has increased the number of advertising spots for campaigns booked before 16th February, to make up for any shortfall in listener impacts. Absolute has denied that this would increase the number of ad minutes, as the station is only allowed 10 minutes of ads per hour.

Media Week, 17 February 2009, p5

Internet radio

According to RAJAR's October 2008 Midas3 survey, 16.1 million adults in the UK now listen to the radio via the internet. The BBC's iPlayer and the spread of broadband have contributed to the increased take-up of the radio medium. 89% of internet radio listening takes place at home but one in five people also listen at work.

Admap, February 2009, p7

Aer Lingus on the air?

95.8 Capital FM Breakfast Show with Johnny Vaughan and Lisa Snowdon has acquired a new sponsor in the shape of low-cost airline Aer Lingus. The six-month deal is priced at £800,000.

Media Week, 17 February 2009, p14

Social Media

Join the Twitterati

Social networking site Twitter is a powerful medium and has experienced a huge rise in popularity. But why would you want other people to know what you are up to? The Times says it has something to do with 'being in the loop'. Unlike other social networking sites it is not about connecting with people you know, but following people who are of interest, such as celebrity users Jonathan Ross or Stephen Fry, who also enjoy the 'more direct dialogue with their viewing public'. There are an estimated 1.2 million users posting 2.25 million tweets every day. So get tweeting!

The Times, 18 February 2009, Times2, pp2-3

Sociable Waitrose

Waitrose is launching an online 'foodie' blog, mywaitrose.com, which will give consumers

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background on new product development and invitations to attend tasting events.

The Grocer, 21 February 2009, p11

Sponsorship

Standalone sponsorship

In the wake of Vodafone removing its sponsorship, Epsom Downs Racecourse is to offer standalone sponsorship for the Epsom Derby. This will be the first time the racecourse has offered such an option, but it is having trouble finding another sponsor.

Marketing, 18 February 2009, p5

Pulling out could lead to brand damage

Brands are trying to save money, and there have been several high-profile examples of them pulling out of sponsorships' According to a report from Brand Reputation, brands need to bear in mind the damage that can be caused by fans feeling let down. Brand damage can be even higher for community-level sports and events. Vodafone has gone for a 'softer' form of sponsorship of English cricket, by claiming to work with the English Cricket Board (ECB) with a 'legacy programme at grassroots level', whatever that means. Tim Crow of Synergy, says that if consumers miss the sponsorship, then brands should stay with it, as they can help consumers to achieve a bit of escapism.

Marketing Week, 19 February 2009, pp20-22

Television

ITV tries to look on the bright side

ITV1 is introducing the strapline 'The brighter side' to be used in all its marketing communications. ITV is experiencing a fall in advertising spend, which is predicted to be down by 20% in April, as it cuts back expenditure on commissions, such as a remake of *A Passage to India*. It has also been reported that ITV is to sell its social networking site, *Friends Reunited*, purchased in 2005 for £165m.

Marketing, 18 February 2009, p1

Channel Five on the right platform

TV channel Five is promoting its Five USA channel at Oxford Circus Tube Station, with live footage of people in Times Square New York. The strapline is: 'Are you watching America?' and is displayed on CBS Outdoor's cross-track projection system.

Marketing, 18 February 2009, p5

You've been framed?

ITV is sending its advertisers and agencies a crime package as part of its promotion of its new drama, *Law and Order*. The recipients will receive a personal note suggesting that they have been set up, and the package will include black and white pictures proving that they are in the frame for a serious crime, such a bullet with their name on.

Media Week, 17 February 2009, p6

Video-on-Demand

Does BT have enough Vision...?

BT's pay TV, BT Vision Service, was launched in 2006, but with only 398,000 consumers it has still to take off. BT is spending huge sums on TV awareness campaigns, using the line 'TV on your terms', in an attempt to show that consumers don't have to use Sky or Virgin Media; they can choose a 'third way'. BT Vision has over eighty Freeview channels in addition to much expanded programme offerings; analysts think that this could help it to compete. BT aims to reach three million subscribers by 2010, but its marketing still has to indicate why the third choice is the best one!

Marketing Week, 19 February 2009, p27

...check out Virgin's figures

Virgin Media had 56 million viewers for its video-on-demand service in 2008; usage has increased by more than 60% and it currently has 3.5 million TV customers.

Media Week, 17 February 2009, p15

And while we're on the subject...

Video-on-demand (VoD) is a small but fast-growing opportunity within the media. This article proposes that advertisers should be looking at exploiting it in their campaigns. Online video engages with the consumer at a higher level than TV, and as long as people aren't over-exposed to the ads, they will be less likely to avoid them than with conventional TV. VoD combines the creative brand-building of TV with the interactivity provided by online media. Integrated and innovative solutions need to be offered by media owners, and advertisers need to recognise the potential.

Admap, February 2009, pp24-26

On the Move

Name	From	To	New Title	Source
Paul Bartlett	Scottish & Newcastle	C&C Group	Marketing Director	Marketing Week
Anna Bateson	ITV	YouTube	European Marketing Director	Marketing
Hugo Drayton	Phorm	InSkin Media	Chief Executive	Media Week
Clare Knight	The Union	Guerilla Communications	Head of New Media	New Media Age
Ian McClelland	Turner Broadcasting	RTL Group	Head of New Media	New Media Age
Andy James	Scope	Diabetes UK	Director of Relationships & Marketing	PR Week
Frederic Michel	Reputacionic	News Corporation	Director of Public Affairs, Europe	PR Week
Tina Phelam	GSK	Galliard	Director	PR Week
Yeshpal Sharma	Eurosport	Star	VP of Distribution & Advertising Sales for UK & Continental Europe	New Media Age
Patrick Singh	RBS	Microsoft	Head of Online Consumer Communications	Marketing
John Trampleasure	The Brooke	RNID	Executive Director of Fundraising	Third Sector
Michael Webb	Researcher for Shadow Transport Secretary	The Freight Transport Association	Public Affairs Manager	PR Week

Promotions

Name	Company	Previous Title	New Title	Source
Rick Bendel	Asda	Marketing Director	Chief Marketing Officer	Marketing Week
Stephen England-Hall	A/Razorfish	Growth & Innovation Director	Managing Director	New Media Age
Nial Ferguson	Future Publishing	Group Publisher, Gadget Brand T3	Publishing Director, Technology & Entertainment Lifestyle	Media Week

Sources

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