



Cutting Edge

4th March 2009

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

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Advertising

Google under attack

Twenty-six MPs have signed a Commons motion urging the Government to "consider measures to prevent monopolisation of the online search advertising market" and to refer the matter to the Competition Commission. Google now has a 90% share of the market. Seventy MPs had previously signed a motion denouncing Google's decision to include online gambling ads during a recession.

Campaign, 27 February 2009, p1

Agencies

Agency billings, the rankings

Most of last week's *Campaign* was devoted to Nielsen's Top 100 tables of agencies' progress over the last year. Unfortunately, as the article points out, a good year in 2008 is no guarantee of a good year to come. However the 'smartest' agencies are likely to re-emerge in better shape while the 'fattest can afford to lose a little more meat'. The list reveals that of the top ten ad agencies, all but one – Delaney Lund Knox Warren & Partners – show a decline in billings. Six of the top ten media agencies have lost billings. Check out the rankings and *Campaign's* own analysis of the situation, which isn't quite as black and white as the billings would suggest.

Campaign, 27 February 2009, pp9-51

Omnicom gets HP

Omnicom Media Group has won Hewlett-Packard's (HP) £220m global media planning and buying account. The previous incumbent was ZenithOptimedia, who worked for HP for five years.

Marketing, 25 February 2009, p6

Ad agency budgets fall

According to the AAR survey, only 16.6% of the top twenty advertising agencies had a budget in excess of £500,000 for new business and marketing in 2008, compared with 40% in 2006. While new media agencies took part in twice the number of pitches as in 2006, advertising agencies' pitches remained static. Media agencies also employed the largest numbers of staff in new business and marketing.

Campaign, 27 February 2009, p2

CBS Outdoor looking down

CBS Outdoor International's fourth quarter profit-before-tax dropped by 93%, to \$3m, in 2008. Its whole-year profit was down by 91%. The firm blamed its decline on decreased revenues and increased transit costs.

Campaign, 27 February 2009, p6

Books

A recipe for success?

Dorling Kindersley, the book publisher, has joined forces with Ocado to supply more than 1,000 recipes to Ocado's site, and also to sell its cookery books, such as *Great British Food* and *The Food Doctor*. Once the shopper has selected a recipe, they can then buy the book that the recipe appears in, via the site.

New Media Age, 26 February 2009, p8

Mills & Boon gets tough

Mills & Boon has launched a social media and viral campaign in a protest at Virgin Rail's ban of 'public displays of affection' at a railway station in Warrington. It encourages romantic types to add their voice to the protest on social networking sites, and has also sent out email posters and placards bearing slogans, such as 'Kiss goodbye to the kissing ban'.

New Media Age, 26 February

Brands and Branding

Emergency marketing

There are so many high-profile brands failing, that the 'art of emergency marketing' is proving to be valuable. Alan Gilmour, formerly of Icelandic bank Landsbanki, says that it is difficult for marketers to react in a crisis, particularly when finances have been put on hold. But there should be a contingency plan and PR is "the first line of defence". Kevin Peake of Npower says that it is the job of the marketing director to "make the brand popular again". Others urge caution before coming forward with any sort of message in a crisis.

Marketing, 25 February 2009, p14

Moving downmarket

Some brands are launching 'low-value variants' of their main products, to encourage people to continue buying their goods, while still offering consumers the brand name. Retailers are also trading down: Starbucks is launching its instant coffee, Via. General Motors is offering models with fewer frills, while L'Oreal and Chanel are looking at distribution channels to expose their brands to a 'less premium audience': L'Oreal now appears in Lidl. The restaurant sector is the most notable example, as consumers are going for fast food, such as MacDonald's. The moving downmarket trend may well continue this year, as companies cut prices, while retaining their brand values

Marketing Week, 26 February 2009, pp18-20

Don't forget to innovate

Dan Copley, director of marketing for Google UK, thinks that most of the innovation will be seen in digital marketing during 2009. As traditional advertising sees cutbacks, online is perceived as being measurable and less risky. Innovation is essential in the digital economy, since companies can lose market share to start-ups in a very short space of time. Consumers are developing their own media around their friends and families, and the content they have personally selected. As new technologies are developed, marketers can create more bespoke campaigns that fit into this 'Channel me' and 'Brand me' mentality.

Marketing Week, 26 February 2009, pp29-30

Negative chatter

The biannual *Kaizo Advocacy Index* measures the online reputation of twenty major brands. The study has revealed that there is a lot of 'negative online chatter' about brands. Virgin Atlantic received the most positive feedback,

while Orange suffered from a lot of negativity surrounding its customer service.

Campaign, 27 February 2009, p5

Google soars while BA takes a tumble

The Centre for Brand Analysis's (CBA) annual survey of 500 'business superbrands' saw Google topping the charts as most respected brand in the country. In second place is Rolls-Royce Group, followed by Sony, Microsoft and Nokia. British Airways and BBC Worldwide have fallen from grace and are out of the top ten.

The Daily Telegraph, 25 February 2009, p10

Children and Youth

Marketers get the blame

Marketers have been blamed for obesity, drunkenness and violence in children, to name but a few ills. This article argues that irresponsible marketing by a few has led to restrictions for the majority, imposed by Westminster and Brussels. There is concern about an imminent report from a Government-led panel of experts, who have been looking at, not only advertising and marketing, but at how the commercial world is impacting children. The article points out that there is some understandable buy-in from the 'gatekeepers' of children. For example a school may be offered a great deal from a brand, but the initiative will undoubtedly carry commercial branding. From now on marketers will have to be squeaky clean in order to continue to market products and services to children.

Sales Promotion, February 2009, pp8-9

Cinema

Cinema ads up

According to Nielsen, cinema ad revenues rose by more than 5% during January, while figures from the Cinema Advertising Association revealed that total admissions were up by 7.7%

Media Week, 24 February 2009, p 9

Conferences and Events

Pop-up venues

Pop-up venues are quite different from normal event venues. They are temporary venues for bars, clubs, shops and so on; they appear in a certain location, and then are gone before they 'pass their sell-by date'. As far back as 2004, fashion boutique Comme des Garçons was on the pop-up scene with its guerrilla stores. Well-known brands, such as Playstation, also go for

pop-up: its '3Rooms' consists of a first floor apartment with sunken Jacuzzi, second floor cocktail bar and private roof terrace. In other words the brand is taken to where the consumer is rather than the other way around. The pop-up market is fairly undeveloped in the UK and simple to set up.

Event, February 2009, pp22-23

Direct Marketing

Royal Mail tackles whole mail market

Royal Mail is to fund a new industry body, the Mail Media Centre (MMC), in order to provide free news, research and case studies to the UK's top 3000 advertisers and 500 agencies. The MMC is intended to be direct mail's equivalent of the Newspaper Marketing Agency or the Radio Advertising Bureau. It launches with a website on 9th March. It is intended to show how mail is part of the direct marketing mix and will feature case studies.

Marketing Week, 26 February 2009, p3

Direct mail from banks is ok

According to the Direct Marketing Association's *Financial Services Tracking Study*, a third of consumers rate direct mail from their bank or building society as an important source of financial information. The report also revealed that 56% of consumers who use financial services comparison websites, combine this information with the direct mail literature received from their financial institution. The Nationwide Building Society and Lloyds TSB were rated as having the best reputation followed by NatWest, HSBC, Barclays and Halifax Bank of Scotland. Despite distrust of the banking industry, people seem to retain some faith in their own banks.

Mad.co.uk [accessed 2 March 2009]

Internet

Microsoft develops Internet TV

Microsoft is talking to the BBC, ITV and Channel 4 regarding the launch of an internet TV service. Microsoft is also developing its own video-on-demand service.

Marketing, 25 February 2009, p6

Ebay goes for vertical challenge

In the wake of the appointment of new marketing chief, Torsten Schuppe, in January, Ebay is apparently looking to develop its vertical markets. The first of the new services, to be launched in the spring, will enable people to sell their houses through the site. Ebay is in talks with property site, PropertyIndex.com, but

faces a lot of competition, since the property market is so crowded.

New Media Age, 26 February 2009, p3

Law

Are Brits still wrapping it up?

Wrap, the Government anti-waste organisation, has revealed that in 2008 3.5 billion fewer plastic bags were given out to consumers. This has effectively postponed the Government's threat to ban free plastic bags altogether. Cotton and jute bags have become very popular – sales of jute bags increased from 10,000 in 2006 to 7.4 million in 2008. So are the Brits becoming less addicted to plastic bags and should the Government put a tax on them?

The Independent, 26 February 2009, p8, 34

Gambling ad banned

The Advertising Standards Authority (ASA) has banned a poster ad for *Requestabet.com*, a sports betting service, because it depicts gambling as a way of investing. The ad suggests that you could get a return of 13.56% on your investment. This was deemed to be misleading and irresponsible, as it cannot be proved.

Marketing Week, 26 February 2009, p4

Loyalty

Brand loyalty to customers

Andrew Wallmsley says that in the past customer loyalty has been more akin to customer tolerance in the banking sector and the same can be said of digital channels. Customers don't have much loyalty to online stores – they go for price, fulfilment and the relevance of marketing emails. Customers can switch brands without incurring much cost, so these days it is not so much a case of measuring customer loyalty to brands, but how loyal the brands are to their customers.

Marketing, 25 February 2009, p12

Magazines

Economist launches BtoB

The *Economist* is launching a BtoB campaign: in each ad the *Economist* logo is shown as the catalyst for the generation of new ideas, each design having been produced by a different illustrator. The *Economist* has recently seen a 3.1% rise in UK circulation, according to February's ABCs.

Marketing Week, 26 February 2009, p6

Good deals from Cosmo

Luxe for Less is *Cosmopolitan's* new online business, due to launch in April with partners Guerlain and Origins. It will give an overview of beauty retail promotions, such as free gifts and two-for-one deals, and is aimed at customers looking to save money. A new logo will be used so that readers can instantly recognise the new venture.

Marketing Week, 26 February 2009, p8

Centaur looking weak

Centaur, publishers of *Marketing Week*, have issued a profit warning and said that recruitment advertising was down by two-thirds during January. Apparently trading in February has been no better. Centaur recently discontinued its *Precision Marketing* title

Media Week, 24 February

Market Research

Impressionable or committed?

Researchers have found that people like to live up to their commitments and will behave consistently with that commitment. Some people can be persuaded to change their mind just by asking them to imagine and describe a situation. In one study those asked to imagine owning a satellite TV system were 37% more likely to go out and buy one. Persuasion researchers have realised that the more public a commitment, the more likely people are to live up to it. People who were asked to act upon energy-saving advice were told that their names would be published in a local paper showing how public-spirited they were. Every household in the study complied with the advice.

Business Life, February 2009, p24

Newspapers

Newspapers kindle interest

Associated Newspapers plans to put the *Daily Mail's* web content on Amazon's Kindle e-book reader, when it launches in the UK. Other newspaper publishers, such as Guardian News & Media, and Telegraph Media Group, have expressed interest in the Kindle. It offers a good revenue stream for publishers who are facing declining ad revenues.

New Media Age, 26 February 2009, p4

Public Relations

PR on Twitter

Twitter is of immense value as a PR channel for networking, story mining, issue tracking, news

seeding and so on. Research by Porter Novelli and *PRWeek* has identified who are the most active PR consultancies on *Twitter*. Hotwire has 29 staff members with a *Twitter* account, while Porter Novelli itself comes second with 26 and Consolidated with 25. Measuring the influence of a *Twitter* user is tricky, but probably relates to how many followers that person has. Rax lakhani, digital director of Splendid Comms probably wins this one, with 1,956 followers!

PR Week, 27 February 2009, p3

Sales Promotion

Car dealers say BOGOF

With January car sales down by 31% compared with 2008, it is not altogether surprising that car dealers want to shift old stock, and some of them are actually promoting BOGOF deals on cars. Online dealer *Broadspeed.com* is currently offering two Kia Magentis for the price of one. Of course it doesn't really work like loo rolls in a supermarket, and this article tells you why. So, although a good marketing tactic, beware of what you are actually getting!

Lovemoney.com [accessed 2 March 2009]

Social Media

Networking social behaviour

One would think that social networking sites, such as *Facebook* and *Twitter*, are likely to increase the size of one's social group. Anthropologist Robin Dunbar has suggested that the cognitive power of the brain limits the size of one's social network to around 150; this is known as 'Dunbar's number'. *Facebook* has found that the average number of 'friends' on the site is 120, but the number of people on a person's frequent interaction list is much smaller. Marketers shouldn't worry though, because humans advertise themselves very efficiently, despite retaining small intimate circles.

The Economist, 28 February, pp88-89

Twitter or Yammer?

Twitter is a useful business tool, particularly for the media sector, but enables people in almost any sector to keep up with developments and find out what people are thinking. Jeffrey Mann, Gartner analyst, believes that the *Twitter* hype is about to peak. He says there are alternatives, such as *Yammer*, a tool that promotes the use of short, frequent answers to a simple question. The trend is likely to be for large companies to develop their own sites, but with a smaller number of users.

Computer Weekly, 17-23 February 2009, p14

Dooyou best for shopping

The social shopping website, *dooyoo.co.uk*, has been named 'Best Shopping Website' for 2008, in a survey of 1.5 million European users. The dooyoo community adds more than 14,000 product reviews each month and offers over two million consumer reviews.

Promotions Buyer, February 2009, p9

Country networking

The number of social networkers grew by 25% worldwide from 2007 to 2008 and in Europe alone the market grew by 35%. There are cultural differences however. While in the UK 79% of marketers have used social media, only 30% have done so in France and 20% in Germany. According to Coremetrics 98% of European marketers don't plan to undertake further social campaigns this year. *Facebook* enables brands to buy space in a local market, and provides tools with which to target the right audience. Social networking is suitable for 'engagement marketing'. Starbucks and Apple have created 'clans' on Netlog to reach the Eastern European community.

New Media Week, 26 February 2009, pp29-30

Sponsorship

Canon strong on sponsorship

Despite falling profits, Canon will continue to act as the title sponsor for the London and Milan fashion weeks and remain a key sponsor for Paris Fashion Week, showing how important the company considers the sponsorship channel to be!

Marketing, 25 February 2009, p5

A good pitch for Carling

At the Carling Cup final, between Tottenham Hotspur and Manchester United, Carling will allow fans to post messages on its advertising boards around the football pitch. More than 100 messages will be posted, created by fans using Carling's website.

Marketing, 25 February 2009, p5

Wrigleys kicks off chewing campaign

Wrigley's Extra, sponsor of the Premier League, has launched its 'Extra 90+' campaign, which encourages fans to 'chew through the minutes that matter' during the match. The ads will run on digital boards around the ground and on TV screens, when the match gets to the crucial 90-minute stage. Wrigley is to donate £1000 to

Football Aid for every goal scored during injury time.

Marketing, 25 February 2009, p5

Television

Sky cycling to victory?

BSkyB, which is already a sponsor of British cycling, is building a British cycling team of its own. Team Sky is 'a wholly owned Sky entity' and Sky hopes that it will win the Tour de France within five years. Olympic coach Dave Brailsford will lead the team and help to promote the brand. Sky is currently looking for two big consumer brands to come forward as sponsors.

Campaign, 27 February 2009, p3

BBC canvases support

Regulators are looking at the BBC's proposals to team up with ITV and BT to create 'next generation Freeview', called 'Project Canvas'. This consists of a set-top box with an open connection to the internet, providing online on-demand viewing to the TV. The proposal comes in the wake of the rejection of 'Project Kangaroo' by the regulators.

Campaign, 27 February 2009, p5

Women

Crunch time for women

Female consumers are being affected by the recession far more than men, according to research undertaken by HPI, called the *Crunchometer* study. 28 per cent of women, compared with 15% of men say they are affected by the economy and 51 % of women say they are buying cheaper brands. Women are cutting their spending more than men, but are also bigger shoppers than men. Stephanie Holland, author of the *She-conomy* blog, thinks that brands should "communicate that they're on women's side". Many senior marketers, who are male, aren't clear on how females think. Next?

Marketing Week, 26 February

Word of Mouth

International word-of-mouth

Word-of-mouth (WOM) media agencies Buuzzador AB, BZZAgent and Trend AG, have joined forces to form a network of 750,000 volunteers with a reach of nine million consumers, in order to deliver cross-continental and cross-cultural WOM campaigns to global brands across ten countries. This is reportedly the first of its kind.

Promotions Buyer, February 2009, p9

On the Move

| Name | From | To | New Title | Source |
|-------------------|---|---|---|----------------|
| Ginni Arnold | Hotwire | Xbox | EMEA PR Director | PR Week |
| Jakub balter | Nestle Poland | Brabantia | UK Marketing Manager | The Grocer |
| Henry Burkett | Mandate Communications | Novartis | Head of Government Affairs | PR Week |
| Zoe Ensor | Exactor marketing Communications | MIDAS (Manchester Inward Investment Agency) | Head of Marketing | The Drum |
| Rick Jones | John Lewis | whitelabeldating.com | Marketing Director | Marketing Week |
| Philip Gomm | ITV News | The RAC Foundation | Head of External Comms | PR Week |
| Mary Keane-Dawson | Globalcast Networks | Steak | Managing Director | Marketing Week |
| Mark Lund | DLKW | COI | Chief Executive | Marketing |
| John Nichols | Woolworths | Nokia | Head of Trade and Customer Marketing | Campaign |
| Jeremy Phillips | City AM | Pigsback.com | UK Commercial Director | Marketing Week |
| Sarah Sands | Reader's Digest | Evening Standard | Deputy Editor | Campaign |
| Amanda Seller | World Society for Protection of Animals | UNHCR | Head of Private Sector Fundraising | PR Week |
| Rob Smith | Tussauds | Legoland | Marketing Director, Legoland Discovery Centre | Mad.co.uk |
| Sonya Timms | Clic Sergeant | NSPCC | Head of Special Events & Leadership Support | Third Sector |

Promotions

| Name | Company | Previous Title | New Title | Source |
|---------------|-----------------------------|----------------------------------|------------------------------------|----------------|
| Amanda Ball | Age Concern & Help the Aged | Fundraising & Marketing Director | Group Marketing Director | Marketing |
| Murray Harris | Britvic | Customer management roles | Customer Management Director | The Grocer |
| Mark Jones | MTV Networks International | VP of Viacom Brand Solution | Senior VP of Viacom Brand Solution | New Media Week |
| Matt Ross | Tribal DDB | Creative Director | Head of Creative | Campaign |

Sources

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Business Life

Campaign**

Daily Telegraph

The Drum

The Economist

Event

The Independent

Lovemoney.com

Mad.co.uk

Marketing**

Marketing Week **

Media Week

New Media Age

PR Week

Promotions Buyer

Sales Promotion

Third Sector

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