



Cutting Edge

7 October 2008

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

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Advertising

Cut advertising, say Tories

The government should reduce the amount of money it spends on advertising during the economic slowdown, says the Conservative party. Shadow Chancellor George Osborne said the government should reduce its overheads, as businesses do when times are tough.

Marketing, 1 October 2008, p1

C4 tempts food brands

Food and drinks brands that are either new to TV advertising, or that have let their television campaigns lapse, are to be wooed by Channel 4, which is offering subsidies. Brands can also work with C4's in-house creative agency.

Marketing, 1 October 2008, p6

Battle of the bakers

Warburtons is taking on Premier Foods' Hovis brand and increasing its marketing spend. A television and press campaign will highlight Warburtons as "Britain's favourite baker", and will feature some members of the Warburton family.

Marketing, 1 October 2008, p3

Use SMS with caution

This research examined the use of conventional language, SMS language and spokesperson in relation to SMS advertising effectiveness. A virtual community of gamers was asked to evaluate messages, which varied with the language used and the source of the message. It was found that well-known companies can use SMS, but lesser-known companies would be better relaying messages via a credible spokesperson who uses conventional language.

Journal of Advertising Research, Vol 48(3) 2008, pp363-74

Drugs direct to consumer

Doctors' and consumers' attitudes to direct-to-consumer advertising of pharmaceuticals come under observation in this research. Although both groups were against such advertising, attitudes between the two differed, based on "ethics and approval levels" and "ethics-related impacts". However, there was support for continuing unbranded "disease awareness" ad campaigns.

Journal of Advertising Research, Vol 48(3) 2008, pp450-64

Agencies

Insurance appointment

A pitch for Hiscox's advertising account has been won by VCCP. The agency has been tasked with handling the insurer's advertising, direct marketing and digital activity.

Marketing Week, 2 October 2008, p10

Brands and Branding

Brands, be aware

The current economic downturn will surely lead to many brands making their exit from the world stage – but how can marketers take action to ensure their brands won't suffer that fate? Marketing budgets will undoubtedly come under pressure, so marketers need to think ahead and plan how to maximise the money they have. Pimlico Plumbers is one example that made an impact for relatively little money – by buying licence plates for its vans that said LAV1 and BOG1, and the idea certainly got people talking!

The Marketer, October 2008, p13

Barclaycard updates

Barclaycard is to change its logo and visual identity in a global move. Although the new look is coming in next year, consumers will only see it on their cards when they expire and are sent a new one.

Marketing, 1 October 2008, p8

Dairy Crest consolidates

Dairy Crest is considering moving all its milk brands under the Country Life brand. The move has kicked off with an ad campaign for Country Life butter that features Johnny Rotten.

Marketing Week, 2 October 2008, p5

Keep it simple

Consumers are turned off by brands that seem to complicate their lives, but are brands aware of the situation? A Simplicity Index has been designed by Siegel & Gale that is quite revealing – 69% of consumers in the UK have abandoned their trolleys because a transaction was “too difficult to complete”. The Simplicity Index rates brands based on how easy consumers find it to do business with them. Amazon, Boots and Asda are rated highly, but brands such as Orange, which has sub-brands that consumers find confusing, suffer. Services are also rated by the same means, with retailers being the easiest with which to do business, and government agencies rated last, just below estate agents.

Marketing Week, 2 October 2008, pp28-9

Germany is top

The latest Anholt-GfK Roper Nation Brands Index has put Germany in the number one position, with France and the UK in second and third respectively. However, although Germany is top overall, France was rated as the best Culture Brand, while Canada was the best People Brand and Immigration/Investment Brand.

M&M weekly news digest [Accessed on 26 September 2008]

Children and Youth

More to it than advertising

A survey by ComRes that asked adults and MPs about the role of advertising in the commercialisation of children suggests that advertising alone is not to blame. Parents need to show their children how to become ‘media savvy’, and regulation should only be used as a last resort, says the survey.

M&M weekly news digest [Accessed on 1 October 2008]

Conferences and Events

Hear the experts...

...at The Chartered Institute of Marketing’s Annual National Conference this November. The speakers will discuss, and share their

knowledge of, four key topics: digital marketing, sustainability, segmentation and employee engagement. Discover essential tips on how to employ the best techniques in these fields and see their impact on business – demonstrated with real-life case studies. Visit www.cim.co.uk/conference2008 for more information.

Customer Relations

How valuable are customers?

Relationship marketing has changed the way in which companies think about customers, which, in turn, has implications for measuring customer value. Traditional methods of valuing customer relationships include measuring lifetime value and customer equity, but these do not account for ‘indirect’ value, such as customer advocacy. This paper puts forward three processes to measure customer value in both B2B and B2C, and suggests that changes need to be made in the way in which customer relations are managed.

Journal of Marketing Management, Vol 24(7-8) 2008, pp847-64

Embrace complaints

Dealing with customer complaints quickly and efficiently can improve customer loyalty – and that is becoming more important by the day in these uncertain times. Dealing with complaints can be unpleasant, but if companies are pro-active, the customer should be more easily satisfied. David Hart of Newcastle Business School offers five tips to developing a pro-active approach, including encouraging complaints, allowing customers to give feedback by various channels, and sharing the feedback with other departments in the organisation.

Customer Strategy e-newsletter [Accessed on 29 September 2008]

Direct Marketing

Back to the soil

A direct marketing campaign to encourage lapsed members to rejoin the Soil Association is to get underway. The mailshot will persuade them that it is difficult to act alone, but if they rejoin the association, their efforts will have more effect.

Marketing, 1 October 2008, p10

Internet

Video watching increase

The number of people watching long-form videos online has risen, but although 29% of

respondents to Jupiter Research's survey enjoy watching DVDs on their laptops, only 14% would watch a film on the internet. However, the barrier seems to be with the way in which films are delivered rather than the size of the screen. Another problem is that consumers are unwilling to pay the higher costs that are charged by broadcasters, which are passed on to them by the film studios.

New Media Age, 2 October 2008, p5

Train that voice

Would-be singers are being asked to upload videos of themselves to YouTube. Whatsontv.co.uk is running the Sing2Win competition, which will be judged by last year's *X Factor* finalists Same Difference.

Marketing, 1 October 2008, p6

Read all about local news

Publisher Archant has revealed a "hyper-local" strategy that will allow people to look online for neighbourhood specific news later this year. A system "that will geo-code sites to give targeted content" is to be tested.

Media Week, 30 September 2008, p6

Magazines

Angus takes cover

AC/DC's Angus Young has dusted off his school uniform and posed for the front cover of the re-launched *Q* magazine. New content will include "My Collection" that will see celebrities reveal what's in their CD players.

Marketing, 1 October 2008, p4

Rival for *Pop*

Now that Condé Nast has poached Katie Grand, founder of fashion magazine *Pop*, the publisher could launch its own title that would compete with it. Condé Nast had hoped to buy *Pop* last year, but failed in its bid.

Marketing Week, 2 October 2008, p13

India ink

The magazine sector is booming in India, thanks to a growing economy and a lifting of restrictions on foreign media ownership. India's middle classes are avid readers, and India is one of the few places left where the newspaper industry is thriving. This article looks at foreign companies operating in India, business magazines and operational issues in particular.

InPublishing, September/October 2008, pp52-3

Market Research

Research on the move

Despite the limitations, spending on mobile research in the US is rising. \$9.2 million is expected to be spent on data collection via mobile this year, which is an increase on the \$3.2 million spent in 2007. Online panel companies are also adding mobile elements to surveys.

Research World, September 2008, p9

Marketing

Marketing unmentionables

There are plenty of products on the market that consumers would really rather not have to talk about, let alone use – so what's the best way for marketers to talk about their 'unmentionable' products? We Brits are famous for that stiff upper lip and reserved manner, and many are embarrassed when bodily functions go wrong. This article looks at some of the ways in which marketers can get the message across.

The Marketer, October 2008, pp28-33

Measuring marketing

Three popular ways in which to measure marketing effectiveness come under scrutiny in this paper – ROI, Discounted Cash Flow (DCF) and Return on Customer. There are arguments that marketing performance can be evaluated by using just one of these 'silver metrics', and the authors discuss the pros and cons of silver metrics in general. They also find objections to each of the measures mentioned above and conclude that marketers should not rely on a silver metric.

Journal of Marketing Management, Vol 24(7-8) 2008, pp733-50

Internal marketing

Integrated internal marketing communication (IIMC) is the focus of this research, which explains how internal marketing improves company profitability by improving employee 'buy-in'. The research finds that there are separate internal market segments that each need different approaches to marketing and communication.

The Marketing Review, Vol 8(3) 2008, pp223-35

Online needs transparency

A survey by Rackspace of chief marketing officers has uncovered their feelings about internet marketing. Only 35% believed that online delivered "the best transparency on results", while the majority thought TV and print

advertising were more transparent. Online is seen as efficient, but its effectiveness is more difficult to measure. However, the lack of transparency isn't deterring marketers, as 61% plan to increase their online budget in the coming year.

New Media Age, 2 October 2008, p8

Newspapers

Name change and revamp

Thisislondon.co.uk has been renamed Standard.co.uk by Associated Newspapers. The site covers the *Evening Standard* and *London Lite*, and will have a greater focus on news stories.

Marketing Week, 2 October 2008, p13

Freesheet heads north

Business freesheet *City AM* is to expand into Edinburgh and Manchester next year. The newspaper's Managing Director, Lawson Muncaster, expects to distribute between 12,500 to 17,500 papers in total in the two cities, and also has plans to monitor potential in Glasgow, Bath, Bristol and Leeds.

www.marketingweek.co.uk [Accessed on 3 October 2008]

Radio

Radio review

Guardian Media Group is to look at its radio stations to see how best to develop them for the digital age. The group has 13 analogue and 24 digital stations, and counts Smooth and Century among its brands.

Marketing Week, 2 October 2008, p13

C4 announces radio move

Channel 4 is to launch just one of its three planned digital radio stations, saying costs are to blame. It will go ahead with its E4 station, which it says "represents the quickest prospect of a commercial return".

Media Week, 30 September 2008, p5

Sponsorship

Brands join MySpace party

McDonald's and Sony Pictures are just two brands that have agreed to sponsor the MySpace Music site. Users can download free music supplied by EMI Music, Universal Music Group, Warner Music Group, Sony BMG and Sony ATV/Music Publishing.

Marketing, 1 October 2008, p5

Television

More choice on TV

Three new television channels are being launched by UKTV. Watch will air *Richard and Judy's New Position*, Alibi will feature crime, and UKTV Gold becomes comedy channel G.O.L.D., which stands for Go On, Laugh Daily.

Marketing, 1 October 2008, p3

New role for George

Singer George Michael is to make cameo appearances in a new television series called *Eli Stone*. Each of the US drama's episodes will be called after one of Michael's songs.

Marketing, 1 October 2008, p6

Will Ofcom step in?

A complaint about BSkyB from Virgin Media, BT, Top Up TV and Setanta has been put to Ofcom. The broadcasters want to see more competitive prices for films and Premier League football matches for pay-TV operators. Ofcom could force such a change on BSkyB...

Marketing Week, 2 October 2008, p13

BBC heads to Scandinavia

BBC Worldwide is increasing its offering on Scandinavia's Canal Digital. BBC Food and BBC Prime will become BBC Lifestyle and BBC Entertainment, while BBC HD and BBC Knowledge are new.

M&M weekly news digest [Accessed on 2 October]

Women

Enjoy lighter beer

SABMiller is to target women with an apple-flavoured beer called Redd's. The drink contains 4.5% alcohol, but just 259 kilojoules of energy per 100ml. Redd's is already on sale in Eastern Europe.

Marketing Week, 2 October 2008, p6

Time to 'pink up'?

This article looks at marketing to women – or 'pinking up'. Motorola has launched a jewel-shaped handset, Ford is targeting women with a pink Fiesta in its ads, and beers are now being specifically aimed at the female market. However, simply taking a product and launching it in pink won't work – marketers need to uncover what women really want. There has to be a unique offer – but as far as the jewel mobile is concerned, Motorola says it is standing out from the crowd.

Marketing Week, 2 October 2008, pp22-3

On the Move

Name	From	To	New Title	Source
Rob Brindley	Alliance Boots	Audi	Centre Marketing Manager	Marketing Week
Sophie MacLaren	Lastminute.com	Qype	UK Marketing Director	New Media Age
Shirley Marguerite	Ujima	Qatar Airways	Regional Marketing Manager	MandMglobal.com
Emily van Lierop	Koodos.com	Qype	Marketing Manager	New Media Age

Promotions

Name	Company	Previous Title	New Title	Source
Jeremy Thomson	Mazda Motors UK	Marketing Director	Managing Director	Marketing Week
Andy Fennell	Diageo	European Marketing Director	Chief Marketing officer	Marketing
Carol-Ann Stewart	GlaxoSmithKline	Over-the-Counter Marketing and Business Development Director, Japan	Oral Care Marketing Director, UK	Marketing Week

Sources

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* Abstract only available via Business Source Corporate

Customer Strategy e-newsletter (visit customer-strategy.co.uk)

InPublishing

Journal of Advertising Research**

Journal of Marketing Management** (with a 12-month delay)

M&M weekly news digest (visit mandmglobal.com)

The Marketer

Marketing**

The Marketing Review** (with a 12-month delay)

Marketingweek.co.uk

Marketing Week **

Media Week

New Media Age**

Research World

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Contents

To fast forward click on the following links:

[Advertising](#)

[Agencies](#)

[Brands and Branding](#)

[Children and Youth](#)

[Conferences and Events](#)

[Customer Relations](#)

[Direct Marketing](#)

[Internet](#)

[Magazines](#)

[Market Research](#)

[Marketing](#)

[Newspapers](#)

[Radio](#)

[Sponsorship](#)

[Television](#)

[Women](#)

[On the Move](#)

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