



Cutting Edge

8 July 2008

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

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Advertising

Adspace up for grabs

Advertising rates on AOL, Yahoo! and MSN are falling in a bid to tempt advertisers at a time when online budgets are declining. Some premium space is now available at much lower prices than normal.

New Media Age, 3 July 2008, p1

Red means 'go'

A report by Sky Media shows that more than 1 in 3 TV viewers who press the red button during an advert buy the advertised brand for the first time. Its research discovered that 39% of people who went interactive during ads for Warburtons, Carlsberg and Ribena went on to buy the brands, with 45% being new buyers of Carlsberg and 25% new to Warburtons.

Media Week, 1 July 2008, p4

Mobile model needs to change

Banner ads on the mobile web might be a popular form of mobile advertising, but Alex Moukas, Chief Executive of Velti, says they won't work because the consumer doesn't benefit. "I believe that advertising should be combined with marketing in the mobile phones market. It has to be combined with marketing outcomes that are useful to people," says Moukas, and his company is now providing technology that can be used for targeted mobile advertising.

The Daily Telegraph, 2 July 2008, pB4

Adspend continues to rise

ZenithOptimedia has predicted that advertising expenditure worldwide will increase by 6.6% this year, with the US spending the most, followed by China and Russia.

M&M weekly news digest [Accessed on 4 July 2008]

Agencies

Cricketers are on the ball

The English and Wales Cricket Board has hired Initials to create below-the-line campaigns for the Ashes 2009.

Marketing Week, 3 July 2008, p10

Brands and Branding

Financials look to next generation

With consumer optimism about the economy falling, financial services must set out to build trust, rather than focus on their image, if they are to engage with the next generation. Financial services products are largely perceived as dull, and products are often complicated, which is a turn-off for consumers. Design is everything, as this can help build trust and inspire confidence in a brand.

Marketing Week, 3 July 2008, p33

Outdoor season takes off

The summer festival season is upon us once again, so this article heads outdoors to see what brands are up to at this year's events. Around 470 events took place around the UK last year – the most ever – and brands are set to take advantage again this year. Posters and banners remain popular, but there is also room for experiential activity.

Media Week, 1 July 2008, pp24-6

Virgin makes moves

The Reader's Digest Trusted Brands Survey 2008 has announced that Virgin Media is the UK's most trusted online service provider brand. The internet category was the only one to see a big shift from an established brand to a relative newcomer at the top. Other winners included Lloyds TSB, Boots and British Gas. However, consumers stay loyal to different brands for different reasons, with loyalty to banks arising from good service, and loyalty to

supermarkets, from personal experience (if, for example, a person's family has always shopped at the same supermarket).

Customer Strategy e-newsletter [Accessed on 4 July 2008]

Children and Youth

Food for thought

Fast food chain McDonald's says it plans to give away educational toys with its Happy Meals. Puzzles and brain-teasers are just two of the toys that will be seen in restaurants from next year.

Marketing, 2 July 2008, p1

Cinema

Watch the dollars roll in

Mattel has brought another doll to life with the launch of the film *Kit Kittredge: An American Girl*. In the film, Kit finds her way through the Great Depression despite the hardships. Mattel is capitalising by selling merchandise associated with the film, including a 'wash day' set for \$80 and a tree house for \$250.

Business Week, 7 July 2008, p17

Conferences and Events

Meet outdoors

St James's Park in London is to be the venue of an 'outdoor office' that will feature a reception area, Wi-Fi, water coolers and a boardroom. The idea comes from Visit London and is part of its Great Outdoors campaign.

Conference & Incentive Travel e-newsletter [Accessed on 4 July 2008]

Customer Relations

What customers are really up to

Many companies use customer relationship management software and behavioural analysis software, but are they getting the most from them? Quality of data is all-important, but what about the things data doesn't tell you? Marketers might know how many people 'clicked through', but how many didn't, and why not? Malcolm Duckett of Speed-Trap says the personal touch is important and can enable marketers to build individual profiles of customers. "Discovering the reason why a certain customer didn't complete a transaction can be very revealing about the website and how your customers are using it," he says.

the marketer, July 2008, pp32-7

Satisfaction survey

Retailers are continuing to provide better customer service than the financial, leisure and transport industries, and, during the credit crunch, consumer satisfaction is going to be more important than ever. Shoppers might be watching what they spend, but they are demanding ever higher levels of service, says the latest Customer Satisfaction Index, which quizzed 12,000 consumers. Boots has taken the number one spot from John Lewis, which is sharing second place with HMV.

Retail Week, 4 July 2008, pp22-3

Direct Marketing

Try out a Honda

Car manufacturer Honda is to run a direct marketing campaign that will end with an experiential element – a weekend stay at a country house where test-drives will be on offer to potential customers.

Marketing, 2 July 2008, p10

Internet

Brits are biggest viewers

A survey by ComScore shows that the British are big watchers of online video. More than 3 billion videos were viewed in the UK during April, which is more than the US, Canada, Germany and France. Most online videos were watched via Google-owned sites (48.2%), but the BBC and Facebook are starting to make their presence felt.

New Media Age, 3 July 2008, p13

Law

Know the law

Brands2Life's Director Gareth Thomas says many companies are unaware of new laws that ban 'astroturfing' and 'sock-puppeting'. The former involves employees posing as members of the public and posting favourable comments about their companies, while in the latter, staff ask a question online and then use pseudonyms to provide favourable answers. The Consumer Protection from Unfair Trading Regulations banned both these practices.

PR Week, 4 July 2008, p11

Loyalty Programmes

Two join up for rewards

Customers of thedrinkshop.com will be able to pick up points in the Maximiles loyalty scheme.

Marketing, 2 July 2008, p10

Frequent flyers ask questions

As airlines cut back on the number of flights they operate, will frequent flyers still benefit from the membership programmes? Fewer fare-paying passengers will surely result in fewer seats allocated to frequent flyers. Global Flight's Ravindra Bhagwanani says "It's essential to 'burn' FFP miles on a regular basis. If you don't, you will end up with your miles being devalued."

www.business traveller.com [Accessed on 4 July 2008]

Magazines

New hair style

IPC's *Hair* magazine is to be revamped in time for the August edition, with a new logo, cover and colours.

Marketing, 2 July 2008, p6

Time for travel

National Geographic is to introduce a travel title called *Traveller – A National Geographic Supplement*, which will be sent to subscribers of the magazine. Initially, it will be published three times a year, but this could increase. It might also launch as a standalone title if it is successful.

Media Week, 1 July 2008, p6

Market Research

Research online

Market researchers are turning to Web 2.0 in order to find out what consumers really think and to improve feedback quality. This article takes a look at how research is moving on and using the internet to harness our thoughts and feelings.

Marketing Week, 3 July 2008, pp27-31

Marketing

Are you GPS-enabled?

As more and more mobile phones become GPS-enabled, marketers are seeing their chance to engage with consumers. Adidas, for instance, can send people text messages if they are near its store in Tokyo, and in Edinburgh, people wanting to use public transport can find the nearest station or stop thanks to MyBusTracker.com

the marketer, July 2008, p6

Blast from the past

We all enjoy reminiscing about the past despite our love for technology and gadgets, and

marketers have cottoned on. Retro styling is everywhere – just think of Brains appearing in the Drench ad, and Thunderbirds puppets doing their bit for Specsavers. This article takes us back to the good old days and uncovers how marketers can tap into feelings of nostalgia.

the marketer, July 2008, pp28-31

NHS to take up marketing

Lord Darzi's recent report on the National Health Service has linked service quality with funding for the first time. Marketers are now being encouraged to take steps to make the NHS a patient-led service, as providing high quality care will result in financial gains. David Thorp of The Chartered Institute of Marketing says "...marketers in the NHS have a wonderful opportunity to demonstrate the enormous contribution they can make to improving patient experiences and providing what patients truly want." For a copy of The Chartered Institute of Marketing's White Paper *The real NHS: the benefits of a marketing approach* please email rayjones@cim.co.uk

How effective is segmentation?

International market segmentation comes under scrutiny in this research, which asks how effective it is. There is currently no sound way to measure its effectiveness, but the authors find there is "a reliance on bottom-line measures" that are inadequate. They therefore propose a new measurement model.

Journal of Strategic Marketing, Vol 16(2) 2008, pp129-156

BOGOFs criticised

The National Consumer Council has slammed supermarkets for their two-for-one offers on unhealthy foods, saying they are contributing to the obesity problem in the UK. Anna Fielder says most of the promotions in supermarkets cover foods that are high in fat, salt, sugar.

Marketing, 2 July 2008, p4

A push for food heroes

Waitrose is to promote its support for its 'Food Heroes' with an in-store campaign. It plans to showcase local and regional products in dedicated areas within its stores.

Marketing, 2 July 2008, p10

Successful subjects

Long subject lines are more effective than shorter ones when it comes to email marketing messages. Alchemy Worx found that subject lines with 50 characters or fewer were likely to be opened by recipients, but click through rates

were low. Subject lines with 70-100 characters were opened and click through rates were higher. Subject lines that contained 60-70 characters were the least effective on both opening rates and click throughs.

New Media Age, 3 July 2008, p13

Newspapers

Paper takes new line

The Sunday Times is to change its strapline, ditching “*The Sunday Times* is the Sunday papers” after 17 years. Instead, the line “*The Sunday Times*. For all you are” will be used. Meanwhile, the paper is looking to build real customer loyalty rather than generating one-off sales with covermounts such as DVDs.

Marketing, 2 July 2008, p2

Public Relations

Companies come under fire

Multinational companies that continue to operate in Zimbabwe have blamed their PR campaigns for not being proactive. Anglo American is one such company that has faced criticism because it plans to mine platinum in Zimbabwe. However, a spokesman said the company should have held talks with the media. Rio Tinto also admitted that its PR “had only been effective ‘up to a point’”.

PR Week, 4 July 2008, p3

WS picks up Samsung account

Electronics company Samsung has appointed Weber Shandwick to handle its PR after a three-way pitch. The agency will deal with product launches in Samsung’s mobile, IT and consumer electronics businesses, and promote the company’s sponsorship of the Olympic Games.

PR Week, 4 July 2008, p4

Sponsorship

Oiling World Cup wheels

The 2010 and 2014 FIFA World Cups have signed up Castrol as a global sponsor, joining McDonald’s and Budweiser.

Marketing, 2 July 2008, p3

Starbucks in sponsorship move

Coffee shop chain Starbucks is to sponsor Virgin Media’s Take 5 celebrity and entertainment portal.

Marketing, 2 July 2008, p6

BP finds Olympic spirit

BP has become a sponsor of the London 2012 Olympic Games in a deal worth more than £50 million. It will provide fuel for the official vehicles and will support the ‘Cultural Olympiad’ that has been created to ensure the Games are relevant to the whole country.

The Independent, 4 July 2008, p44

Protecting sponsors

This short article looks at sponsorship and ambush marketing, and cites research by Coventry University Business School that found 18 ambush marketing attempts at Euro 2008. The Chinese authorities plan to take over prominent advertising sites in Beijing between 11 July and 17 September in order to protect the Olympics’ official sponsors (Nike took over hundreds of sites in Atlanta in 1996, but was not a sponsor of those Olympics). However, ambush marketing can be a success for some, including a Dutch brewery called Bavaria that handed out orange *lederhosen* to football fans that bought its beer at the 2006 football World Cup. In a bid to keep sponsor Budweiser happy, fans were told by officials to remove the clothing – and several ended up watching the match wearing only their underwear. Needless to say, Bavaria got a lot of publicity.

The Economist, 5 July 2008, p87

Television

Blunkett returns to TV

A new programme on Five called *Banged Up* is following the lives of 10 teenagers who have strayed off the straight and narrow and shown criminal tendencies. They will spend time in a prison, be lectured by former inmates and then appear before a parole board where they will have to answer to former Home Secretary David Blunkett.

Marketing, 2 July 2008, p6

Spin-off shows good or bad?

We’re all used to seeing spin-offs, such as *Britain’s Got More Talent* and *Dr Who Confidential*, but are they a good idea? It could be argued that they retain audiences, but others say they stifle innovation and blur the boundaries between a main channel and its sister brands.

Marketing, 2 July 2008, p19

On the Move

Name	From	To	New Title	Source
Adam Collett	Greene King	Ladbrokes	Retail Marketing Director	Marketing Week
Barnaby Dawe	Unknown	Turner Broadcasting	Vice-President of Marketing and Communications	Marketing
Ian Ellington	Mars UK	PepsiCo UK	Vice-President of Marketing, Walkers	Marketing
Katherine Gershon	Silverjet	BMI	Interim Marketing Director	Marketing Week
Trevor Hunter	Emap Advertising	Digital Stores	Marketing Manager	New Media Age
Hazel Kay	De Beers	Vertu	Marketing Director	Marketing
Matt Priest	Ten Alps Live	DX Media	Head of Sponsorship and Promotions	Media Week
Linda Tipping	Unknown	McArthurGlen	Chief Marketing Officer	Marketing

Promotions

Name	Company	Previous Title	New Title	Source
Tim Davie	BBC	Communications and Marketing Director	Director of Audio and Music	Marketing
Michael Delman	Microsoft	Corporate Vice-President, Global Marketing Communications	Corporate Vice-President of Global Marketing, Interactive Entertainment	Marketing Week

Sources

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Businesstraveller.com

Conference & Incentive Travel e-newsletter

Customer Strategy e-newsletter

The Daily Telegraph

The Economist**

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

M&M weekly news digest

the marketer

Marketing**

Marketing Week **

Media Week

New Media Age**

PR Week

Retail Week

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Contents

To fast forward click on the following links:

[Advertising](#)

[Agencies](#)

[Brands and Branding](#)

[Children and Youth](#)

[Cinema](#)

[Conferences and Events](#)

[Customer Relations](#)

[Direct Marketing](#)

[Internet](#)

[Law](#)

[Loyalty Programmes](#)

[Magazines](#)

[Market Research](#)

[Marketing](#)

[Newspapers](#)

[Public Relations](#)

[Sponsorship](#)

[Television](#)

[On the Move](#)

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