

09/11/18

# Here are the five business stories which have caught our eye this week:

## Sky's Betting Crack Down:



There has long been an unhealthy affinity between live sport and gambling in the UK. For most of us the face and voice of the English actor Ray Winstone is more familiar to us than that of the pundits and presenters that feature on the live games. This is because 95% of all football matches broadcast on commercial TV in the UK feature at least one in-play betting commercial during the breaks.

In response to this, the pay-TV giant Sky announced this week that they will be cracking down on the frequency of TV betting ads during the live sporting action. From the next football season (2019-20), restrictions will be introduced to limit the number of betting ads per break to just one.

They also plan to introduce a feature that allows individuals to self-exclude themselves from seeing any promotional material related to betting across multiple platforms if they decide to opt into the idea.


This move has been warmly received by politicians, industry experts and is likely to help the 430,000 problem gamblers in the UK. Sky have acknowledged that they will be taking a revenue hit from this advertising move.

With reference to CSR, explain the benefits that Sky may receive from enforcing these advertising rules in the UK.

What tier of Carroll's CSR Pyramid is this move likely to reinforce for Sky?

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## The Digital Banking Revolution:

	Traditional Jobs Lost	6,240
	Digital Jobs Created	8,240
	Net Impact on Jobs	2,000

Lloyds Banking Group announced a dramatic shake-up in the composition of its UK workforce this week. The UK's biggest lender announced that it would be reorganising the structure of the business to reflect changing habits in that way that we bank.

The lender is looking to capitalise on the growth of online banking and the marketing potential that it brings the company. The plan is for just over 6,000 traditional banking jobs in high street branches to be culled and 8,000 new jobs opened in the lender's online division.

The lender has announced that 75% of the staff in existing roles will undertake a £3bn recruitment and training drive to ensure the business has the right level of expertise required. The specific emphasis here will be on the recruitment and training of data scientists to mine the big data that online banking collects.

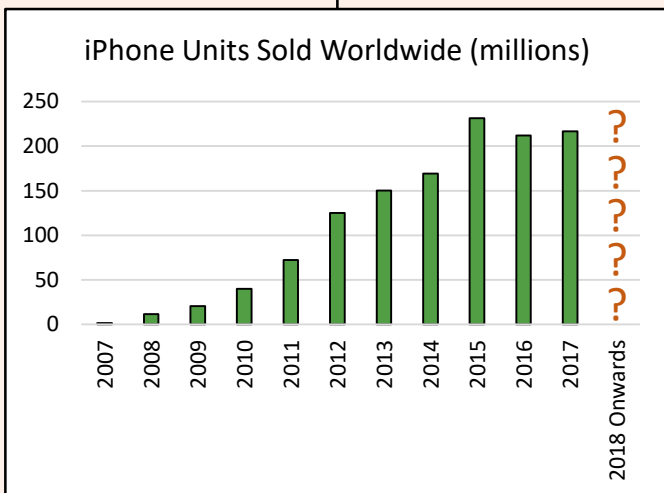
In reference to the PESTLE framework, what type of external force has influenced the structural change in Lloyds?

Why might some workers resist the initial changes that are planned?

Why is it important for managers to clearly communicate change within a business to important stakeholders when implementing a new strategy?

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## Apple's Grand Illusion:



This week, the tech. giant Apple announced that it would be making a change to how it measures business performance per quarter in the future. The firm plans to drop reporting quarter-by-quarter figures for the number of iPhone units sold alongside some of its other products.

On the day of this announcement, shares for the company traded 7% lower as investors were worried at what this move suggested about the future performance of Apple's signature product.

Strategists at Apple defended this move by stating that this sales measure is "less relevant today than in the past" with consumers buying accessories and services around the iPhone and not just the phone itself.

What are some of the limitations of relying too heavily on financial metrics to report business performance and track progress?

Are there any examples of a more balanced approach to measuring business performance that Apple can rely on?

## Holidays Are...Not Coming:



ITV, the UK commercial TV network, this week announced their third quarter results. This includes the company's revenue that it derives from advertising channels – a key metric of commercial success.

The firm announced that advertising revenues have grown by 2% year-on-year to the end of September. Sounds good? Well the firm then later warned that they expect advertising revenues to remain broadly flat when the results from Q4 are taken into account.

Why is this surprising? The TV network traditionally brings in strong advertising revenues during the fourth quarter due to the momentum of the Christmas period. However, bosses at the firm believe that "economic uncertainty" is expected to cause revenue to flatline in a traditionally strong seasonal period for the firm.

Explain the impact that the perceived "economic uncertainty" is having on the accuracy of forecasts produced by ITV.

## Pepsi Comes to the Crunch:

# PEPSICO

The global food and drink manufacturer PepsiCo has launched a rather somewhat surprising takeover bid to secure the Lincolnshire based crisp brand Pipers.

The quaint British crisp maker was only founded in 2004 and employs currently just 75 people from the local community.

The giant retailer already owns some of the most established crisp brands in UK stores such as Walkers Crisps and Doritos. However, the firm seems keen on adding to its portfolio to take advantage of the £1.5bn crisp market in the UK (largest in Europe).

What type of business growth for the company PepsiCo does this describe?

Why might a company such as PepsiCo look to expand in the UK via takeover deals instead of internal investment?

What are some of the dangers of a large business building an extensive portfolio of products and brands?