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**The effects of global trends on the future of marketing communications
— an international perspective**

Doktori értekezés

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1. Introduction

Marketing communication is perhaps one the most important areas of an organization's toolbox helping it to establish a connection with its existing and potential customers. This is also an area, which research considers being the most controversial issue due to its continuous changes. From the moment a company starts to breathe its every action communicates, its products, its services, its customer care program, its prices, its distribution, basically everything it does projects a message to its customers. One could argue that there is no special need to focus on marketing communication alone, if the above-mentioned areas are in need of refocusing to meet the expectations of customers. Nevertheless, while this being true it only emphasizes the rethinking and reinventing of the tools of the promotion mix. Their practice in a way best suited to meet their objectives is crucial to all organizations regardless of their size and financial capabilities.

Marketers' job in the 21st century is perhaps one of the most difficult due to all the changes taking place in the global environment, which although for many companies it is not their immediate playground, nevertheless the effects of these changes ultimately is felt by domestic and even small sized companies. Kotler, Armstrong, Sounders and Wong as early as 1996 state that "modern marketing calls for more than just developing a good product, pricing it attractively, and making it available to target customers. Companies must also communicate with their customers, and what they communicate should not be left to chance." (Kotler, Armstrong, Sounders, Wong, 1996, p.686)

Establishing the need for successful marketing communication is something that all companies have realized by now. The area of debate nowadays is how to tackle the new forms of communications that have been emerging in the past decades. Finding the best ways to reach out to our customers is never been easier one could argue. Yet, there are many companies finding it hard to react to these new platforms of communication. One the one hand we see new channels emerging, in theory making it easier to reach our customers. While, on the other hand they all seem to complicate the routes to successful communication.

The integration of communication tools is evidently one alternative used by some bigger companies. This integrated approach may be the key hopefully for smaller companies to

answering the above problem of not knowing the best channels of reaching our customers, yet it does not tell us whether all the channels employed are worth the effort. Smart marketers need to be able to foresee the trends so that they can utilize the best methods and modes of communication. However, seeing the trends and the future is an area that is better left for Hollywood filmmakers. In the business world, we rely on marketing research to predict some of the trends that can be helpful for our companies to survive out there. Researchers agree that the main megatrends affecting the practice of marketing include global warming, changing buyers' behavior due to the global recession, radical power shift in the world economy, frightening demographic trends, and increasing rate of technological development. Thus, the understanding of these trends will also benefit the marketers' job in creating a better communication plan with their customers.

The interconnectedness of globalization and rapid technological change is inevitable. Fast technological improvements and the penetration of the internet resulted in the rise of a global customer. Globalization therefore is an area, which needs to be observed alongside other changes affecting communication. A global customer uses the same technology whenever searching the web or listening to music or making a transaction online. This means that companies need to rethink their strategies and appear in the global marketplace in order to target all those who share similar needs. This can also be categorized as the emergence of global segments. Specific characteristics of certain generations such as the Generation X or Y and especially the Millennials can be observed. Their shared values and needs project a specific consumer behavior pattern that can be used when creating strategy. Concentrating on the global customers may be a good strategy for some global companies. Others on the other hand should realize that the majority of consumers especially in the emerging world are far from being similar; to enter their market needs another so-called localized approach.

The objective of this study is to analyze and understand the more important trends affecting the practice of marketing communication. The work is going to evaluate and analyze various literature as well as previous studies carried out in this topic. Furthermore, it aims to present a clear picture on the developments concerning the relevant strategies necessary to keep up with these changes. In order to do this the first part of the thesis provides an in-depth analysis of the evolution of marketing communication and respective communications technologies.

In the second part, it will focus on the trends influencing the strategies practiced today and in the future. Providing a clear picture of the current trends and practices will therefore allow the work to formulate research questions and hypotheses for a research that intends to be unique in terms of its approach.

Many researches have focused on understanding one or more sectors and sometime this focus was mainly on one country in particular. The newness of this study lies in its aims to observe the opinion of different countries representing the three ¹ basic groups of countries and thus be able to conclude not only the intents of a similar study by nature, but by differences observed in each of the sample groups. Therefore the study will look at the domestic market naturally as being an obvious choice. Croatia has been selected as a similar country entering the EU ten years later. The results of these two countries will be compared the representative country of the emerging world, India , and with another sample from the developed region of the world including Finland, Japan and the United States of America and some others. The research methodology will enable the study to gather information from the above three main regions, which in turn will shed light on the differences and similarities in current strategies and practices used in these countries. Parallel to using an international database the research also aims to understand and explore the differences between the practice of marketing communication and the views of academics in various different countries. Thus, this work will benefit from an international perspective as well.

¹ Researchers use different classifications of countries. One of the basic classifications uses three categories: developed economies, economies in transition and developing countries (UN). Other classifications, which are based on their level of development as measured by per capita gross national income (GNI). Accordingly, countries have been grouped as high-income, upper middle income, lower middle income and low-income categories (World Bank). Some countries could be classified into more categories. Hungary for example is member of the OECD mostly identified as the group of the advanced countries; on the other hand, she is balancing between the high income and upper middle income countries, and can be regarded as a country in transition.

1.1. The importance of the topic

Having a good product or a service is often a starting point for businesses. Yet finding the right target audience with the message of our product or service is if not entirely, but nevertheless a completely different story. Even if the product seems to be able to serve its purpose of fulfilling the needs of their desired customers, one must agree that a key factor of the right marketing strategy is positioning and differentiation. These, if done right can mean the difference between success and failure. Yet, we still have to face the task of creating and managing the kind of communication that our intended positioning and differentiation requires. In this century, the fragmentation of target markets and media requires a special effort from the marketers to get their message across in a more efficient way.

The practice of marketing and especially marketing communication has never had a more difficult period in its short history than what it is faced with in our century. The growth of our population along with the factors of globalization and other trends seriously rewrite the everyday practices of marketers. The area, which is perhaps mostly affected, is finding the relevant channels of communication with our customers. In an environment, which is characterized by rapid changes in digital technology and the empowerment of customers this is not becoming by any, means an easier task. Online communication is gaining more grounds thus enabling smaller companies to compete successfully with their larger counterparts. The multitude of communication channels are rewriting the rules of marketing communication and also allowing customers to send feedback to companies through various channels thus enabling a two-way communication model. Integrated marketing communication (IMC) has been adopted to counterbalance the problem of fragmented audiences. However, even the use of IMC does not solve all the issues that the future of marketing communication may hold due to the previously described trends. This study attempts to provide a picture of the landscape of marketing communication that it may show in the near future. Also from a strategic perspective, the research aims to provide findings that can be applied in a wider context in the field of marketing.

1.2. The aims of the research

The aim of the research is to map the possible future and the factors influencing the practice of marketing communication in the different regions of the world. Investigating the trends through secondary and primary research should lead to a better understanding of the future of marketing communication. Predicting the future is not an exact science, however with the help an in-depth secondary literature review and the primary research the work will be able to generate a possible outlook on the possible routes marketing communication will take in the next decade. Furthermore, the comparison of the results of the survey from Croatia, India, Hungary and some advanced countries will provide the study with another interesting aspect, which is the different understanding and practices of marketing communication across different regions. The qualitative research in the form of interviews will help in the construction the quantitative research thus enable the research to be more precise about asking the relevant questions from the participants. The online questionnaire aims to gather the understanding and the opinions of those who work in higher education, both students and professors and also those working in some field of business. This research design should be able to illustrate and provide an in-depth understanding for the outcomes and possible shed light on the direction which marketing communication is going to take in the near future. . Besides supporting the quantitative research, the interviews are expected also to produce an in-depth view on how leading practitioners understand the practice of marketing communication in their respective countries and what trends they see as being the most important ones influencing the daily practices as well as shaping the future. This methodology thus enables us to compare the secondary literature with practice, which is further emphasized by the differences that may exist between the various countries where the research will be applied. Therefore, the following aims can be formulated:

- To form an understanding of the current practices, issues of marketing communication through the exploration of secondary sources.
- To understand the current megatrends companies face, which also affect their practice of marketing and marketing communication.

- to better understand how practitioners, college and university students as well as people working in the field of marketing communication and the advertising industry feel about the future of this business in relation to the trends discussed by the work.

Thus, the dissertation's structure is as follows:

- Literature review of the relevant topics including the evolution of marketing communication, the role it has within a firm's marketing efforts, current trends affecting the practice of marketing and industries acceptance of new communication techniques and alternatives.
- Conducting of in-depth interviews from three different countries to get a better understanding of how advertising and communications experts feel about the various trends and practices changing the advertising industry and marketing communication practices. This would enable to illuminate deeper correlation between the trends and practices and support the quantitative survey of the work.
- Primary research conducted to provide a better understanding of what peoples' views are regarding the trends and how they influence the future practice in terms of content and tools employed in marketing communications. The online questionnaire is distributed to the four distinct samples, which should also shed light on the major differences that may exist in terms of their state of development in the practices of marketing communications.

The results of the research should be able to pinpoint the most important megatrends relevant both in Hungary and in other parts of the world. Based on the outcome of the research we should be able to better understand the future trends that marketing communication may take. The results should prove useful also for practitioners of marketing in various other fields besides marketing communication.

2. Literature Review

Secondary data collection is of utmost importance for the topic of the dissertation. Secondary research is not the main objective of the thesis, but instead it provides it with the necessary information regarding and data that helps in understanding the nature of its current status (Malhotra, 2008). The advantages of secondary data are obvious especially in times of the Internet when information explosion is a real challenge. Gilbert A. Churchill, Jr. already mentioned this in his book titled Marketing research in 1991. This is even more relevant today and the advantages are quite obvious for researchers. The amount of data available can either benefit, but also hinder the research process. In our case secondary data helps to focus the aims of the dissertation and laid down the foundations of the primary research.

The aims of the topic requires us to do an extensive literature review on current issues and trends in marketing and marketing communication as well as the global trends influencing their practice. Since the nature of the aims of the work calls for an international aspect, the dissertation not only focuses on Hungarian literature, but extends the data collection to foreign publications in English language as well. Furthermore, since the topic aims to discuss the future of marketing communication and the trends that will affect its practice, basic marketing books can only be used to provide a theoretical background. This means that the focus of the secondary data collection needs is on collecting articles and journals written in these topics. Along with text books they will able to provide the necessary foundations on which the primary research can rest.

This section of the dissertation examines the literature of the relevant topics as outlined in the aims previously. Therefore, the concept of marketing communication, its place in the marketing process and the current trends influencing its practice shall be reviewed. This chapter serves to support and lay the foundations of the research in order for the outcomes to be drawn and the relationships to be discovered from the comparison of current theoretical concepts to everyday practices in the field of marketing communications.

2.1 Background of marketing communications

2.1.1. The place of marketing communication in the classical marketing mix

In order to understand the underlying concepts in marketing communications, we must go back to what Canadian author McCarthy first called the marketing mix or as many have come to use the 4Ps of marketing. For the purposes of the aims, this is a good starting point. Though many criticize the marketing mix for being too simple or outdated, it nevertheless provides a basic framework, which can easily be used by practitioners (Smith, Taylor 2004). It dates back to the 60's when Borden identified twelve controllable marketing elements that when properly managed would result to a "profitable business operation" (Borden, 1964). This was then reduced by McCarthy to just four elements: Product, Price, Promotion and Place (McCarthy, 1964). The framework was quickly accepted and still is used by both practitioners and academics alike. Various studies confirm its acceptance. One such study was carried out among executives of 550 Dutch companies in 1996 revealed that around 70% of them embraced this concept and actually divided the task based on the Mix decisions among different departments (Constatinides, 2006). But perhaps the most obvious proof of its acceptance is the fact that universities across the globe in their introductory courses of marketing start with or put the 4Ps in the focus of attention for their students. It is also probably the most convenient concept to remember and memorize.

Nevertheless, this framework provides management with an infinite number of options in terms of formulating the desired product portfolio based on internal and some uncontrollable external factors as well. From a marketing communications point of view the marketing mix serves an important role as well. It communicates with all of its elements, which is one that many companies tend to forget these days. A poorly designed product that has a very low quality says more to the customer than any cleverly designed advertising campaign. Not to mention prices, which clearly suggest the quality consumers might associate with. In case of high prices, consumers tend to think of products to be of higher quality. The same is true for products that have low prices, only in this case the association points to low quality. It all comes down to perceived value and the psychology behind consumer behavior. This is even

truer for the Place element of the mix. When buying a product from a high street retailer compared to a street stall tends to add a completely different meaning to perceived value of that particular product. Pricing of products is possibly an area of even higher importance in the 21st Century than we think due to the ever-increasing competition coming from developing countries. Brands, which were not known a few years ago, are emerging quickly from countries like China or India and are playing increasingly important roles in the global marketplace.

2.1.2. The evolution of the marketing concept and its effect on MC

Another important issue maybe the core values of the marketing concept, which focus on satisfying customer needs as best as possible. Needs that are becoming more fragmented or segmented rather. This can be seen easily if we observe the product mix of some global companies like Toyota or Procter and Gamble for example. Pricing needs to differentiate and as the mix becomes more complex so do the pricing strategies accompanying it. The fourth P, Promotion has its own tools to work with. Besides discussing these tools, the focus of this work is also to deal with the global trends, which influence their practice. These trends will later be explored in detail along with the effect they have on the general practices of how corporations and brands communicate with their customers. The 4Ps of marketing it should be mentioned that this framework works best if employed under the scope of the marketing concept. A concept, which focuses on the needs and wants of the customer. One of the most important limitations portrayed is perhaps the model's nature of being too much internal oriented. Many have expressed such views including Kotler (1984) and others, namely Robins (1991) and later Schultz (2001) formulate an opinion that identifies internal orientation being the biggest limitation of the mix. Nagy (2014) discusses the topic in detail, also highlighting the developments of marketing as a science both in the US and in Hungary.

Furthermore, the critiques of the mix include the lack of consumer interactivity and of strategic elements. Doyle defines the problem of the mix not being able to involve the consumer, who is constantly evolving and demands more value and better communication (Doyle, 1994). Ohmae (1991) in his book *The Mind of the Strategist* argues that the lack of

strategic content is possibly a major deficiency of the framework. This is due to the uncontrollable factors that define a company's strategic opportunities and threats.

While the marketing mix is an easy framework and provides the firm with ample of choices in creating a mix best suited for their desired segments, it does indeed lack certain elements described above. More alarming is what Kotler (2004) wrote a little over a decade ago in his book addressing the issues why marketing ceased to work. He argued that the reasons for this were too obvious from all aspects of the marketing mix.

- "New product failure is at a very high rate,
 - advertising campaigns do not have their desired outcome in terms of registering in the customer's mind,
 - direct mail barely achieves a one percent response rate,
 - most products are interchangeable commodities rather than powerful brands."
- (Kotler, 2004:3).

In fact, the definition of marketing according to the American Marketing Association has changed over the past years considerably to include a much broader activity. Currently it states that "marketing is the activity, set of institutions, and processes for creating, communicating, delivering and exchanging offerings that have value for customers, clients, partners and society at large" (AMA, 2013).

These obvious claims by Kotler only elevated the need for a different kind of mentality, one which focuses not on sales and transaction-oriented exchanges, but on the customer. This new mentality meant that the focus was shifted towards building relations with new and existing customers as well. Loyalty became an important aspect and to top it off this could only be achieved by a very important factor, namely communication. Building a successfully working relationship takes time and effort, but most crucially, it is something that cannot be done without communication. This notion is clearly demonstrated by many authors of which Lauterborn (1990) sees the 4Ps being very product oriented. The proposed strategy places the customer in the center of the marketing planning and therefore the 4Ps are replaced by the four Cs indicating customer orientation in the following form:

Table 1. The 4Ps vs 4Cs

4Ps (Marketing Mix)	4Cs (Customer orientation)
Product	Customer needs
Place	Convenience
Price	Cost (customer's)
Promotion	Communication

Source: Lauterborn, 1990 (Own illustration)

These issues all justify the need for a different approach to be used in creating value for customers. Among the many factors that influence the practice of marketing, perhaps the changes in consumer behavior stand out the most. Consumers as such require much more from companies and brands as they did a couple of decades ago. It is clear to see that the marketing mix serves as a good tool for the company as part of its planning toolkit; however, when it comes to creating value and focusing on relationship marketing, this approach no longer serves its original purpose. These changes of course did not happen overnight. The saturation of markets, the economic crises and increasing global competition all took an important role in reforming the necessary approaches. On top of all of this, the advance of technology is at such a pace that is not hard to see why we need to face the new opportunities with an open mind. Commentators mention this (Grönroos 1994; Gummesson 1994; Sheth and Parvatiyar 1995) as a marketing paradigm shift. Needless to say, this new approach that is necessary today requires a totally different kind of communication with customers. It requires companies and brands to rethink the way they do business and more importantly the way to connect with their customers.

Kotler in his book titled “The Ten Deadly Marketing Sins” explores the practice of marketing and the problems companies face in the new millennium. For the purposes of the aims of the dissertation, it is worthwhile to list these problems as it provides us with many of the issues where carefully organized and implemented marketing communications can help companies overcome these difficulties proposed by the author.

The Ten Deadly Sins of Marketing (Kotler, 2004:10)

1. The company is not sufficiently market focused and customer driven.
2. The company does not fully understand its target customers.
3. The company needs to better define and monitor its competitors.
4. The company has not properly managed its relationships with its stakeholders.
5. The company is not good at finding new opportunities.
6. The company's marketing plans and planning process are deficient.
7. The company's product and service policies need tightening.
8. *The company's brand-building and communications skills are weak.*
9. The company is not well organized to carry on effective and efficient marketing.
10. The company has not made maximum use of technology.

From the above list, there are few points, which further highlight the importance of high quality and relevant marketing communications for any company facing these issues. Statement number 8 is the most important from the perspective of marketing communications. This is where perhaps some clarification is necessary. From historical evidence, it is clear that in order to survive in a strong competitive environment, even in times of recession it is necessary for companies and brands to practice marketing communications to their full potential. According to David Lamoureux the following facts need to be emphasized:

- "In a McGraw-Hill Research analysis of 600 different companies: Business to business firms that maintained or increased their advertising expenditures during the 1981-82 recession averaged significantly higher sales growth, both during the recession and for the following three years, than those that eliminated or decreased advertising. 3-years after the recession, advertisers had risen 256% over those that didn't keep up their advertising.
- Analysis of the 1990-91 recession, Coopers & Lybrand research found that better performing businesses focused on a strong marketing program enabling them to solidify their customer base, take business away from less aggressive competitors, and position themselves for future growth during the recovery.

- History shows that companies that fare the best during hard economic times do so by continuing to communicate with customers and build their brands regardless of economic conditions.”²

This is just during hard times and economic turmoil. One does not have to be an expert to deduct the necessity of advertising and marketing communications is just as important in good times as it is during hard times. As Lamoureux put it: “When times are good, you should advertise. When times are bad, you must advertise.”³

But what is the story when times are ‘normal’? We could say that it is just as important in terms of making the relevant conversation thus effective communication with customers in order to inform, persuade and remind them of our offerings in the market. If we look at the other claims made by Kotler, we could say that marketing communications indirectly are affected by all.

If the company is not sufficiently market focused and customer driven that means their focus is in the wrong place thus any communication they might be pursuing is targeted at the wrong customers or not targeted at all. This seems to be the problem with many companies nowadays: not understanding how to employ all that marketing communications tools have to offer. The old quote of John Wannamaker comes to mind: “Half my advertising is wasted, I just don’t know which half.”⁴ So this reflects not on the tools, but on the measurability of the outcome of our advertising budget spent. This is still true in many cases, although the industry as such has moved towards a more accountable phase.

It is important to note that the practice of marketing has evolved so much so quickly that traditional thinking and strategies might not work for all companies. In order to overcome the claim that marketing practice is in a bad shape (10 Deadly Sins of Marketing) it is crucial to learn the current state of marketing and marketing communications and what their

² Source: <http://www.fluidrivemedia.com/advertising/advertise-during-a-recession/> Downloaded: 19 April 2015

³ Source: <http://www.fluidrivemedia.com/advertising/advertise-during-a-recession/> Downloaded: 22 April 2015

⁴ Source: <http://adage.com/article/special-report-the-advertising-century/john-wanamaker/140185/> Downloaded: 20 April 2015

practices might reveal. The focus of this dissertation is on marketing communications in practice and the current trends influencing it.

The job of marketing communication experts and advertisers is not simply promoting the products and services, but communicating with their customers. This in return will allow customer loyalty to develop. However, as experts have also pointed out there is a need for a two-way communication to evolve as this is the basis of any relationship and since the emphasis is on the word relationship, a new way of thinking is necessary for communication to work under these circumstances. Or as Fill and Jamieson (2006:24) put: “The goal is to stimulate a dialogue that will ideally, lead to a succession of purchases and complete engagement.”

In essence, the role of communication is far more elevated than we may think. It is part of a much more important concept. The concept of marketing as an exchange as Fill and Jamieson (2006) distinguish between two types of exchanges, market and relational exchanges. The latter is what interests us, because it relies on long-term commitment of which communication tends to play a crucial and essential function. While a market exchange is a onetime purchase and this still might be influenced by marketing communications, the more complex type of communication is needed if we try to build loyalty and customer equity. Thus, the role of communication must first be examined in order to understand the function it has in the exchange transactions. Basically it can take the shape of one of the following four roles. It can inform, persuade, reinforce or remind and differentiate our products and services.

Informing customers about our new offers is a basic necessity for any organization trying to survive. Without such communication, customers would not be aware of any new products or changes taking place in trends in the market. Persuasion being the second role tries to do a little more than just informing. Its function is to influence customers into entering an exchange relationship (Fill and Jamieson, 2006). However, communication, although not always carrying only one message also attempts to reinforce experiences. This takes place in the form of reminders. In terms of loyalty, this is probably one of the most important tasks of communication since constant reminders keep customers thinking about the benefits of their past transactions. Thus this type of communication convinces them to enter into a

similar exchange preferably with the same brand, thus loyalty can be achieved. It also helps profitability of current customers and it is one of the reasons that giant firms constantly develop ads for this purpose. Perhaps the best example for this type of advertising is Coca Cola, who even though enjoys a very established position in the market, keeps reminding customers of the benefits of consuming their products on a daily basis.

Another important aspect of communications is to serve as a tool of a differentiator. This is especially true in markets where it is hard to differentiate among the competition. In other words, little separates competing brands from each other. Observing the mineral water market or the FMCG market in general gives us plenty of examples where advertising serves as a differentiator and points out the main benefits of the particular product being advertised. This is not only important for the company, but more so for the customer, who has an ever-growing difficulty understanding the multitude of benefits different products and brands offer. Helen Edwards and Derek Day discuss this differentiator role in more detail and actually go as far as putting the emphasis on creating an emotional bond with customers and furthermore elevate the importance of passion brands that can only be achieved with communication that not only differentiates products and brands, but tries to build an emotional connection with them as well (Edwards and Day, 2005). Good marketers nowadays understand that a successful business relies on its loyal customers. Indeed, the concept of lifetime customers is gaining more ground and is only able to make any sense if exploited through strong relationships. This needs relationship marketing skills, which is evident in many forms of marketing communication, especially in those, which call for feedback from the customers. Therefore, we could ascertain that this would be just as important as the other roles of marketing communication listed previously.

2.2 The evolution of marketing communications

2.2.1. Marketing communication mix

Thus far, we have looked at the importance of the marketing mix as a strategical tool. Now it is necessary to further explore some basic concepts regarding marketing communications.

Firstly, we need to examine the last element of the Marketing mix, Promotion in more detail. This element is also called the marketing communications mix. With the tools of the marketing communications mix, it is possible to reach the customers through a direct or indirect way and thus influence them to purchase products and services (Vágási, 2007).

The marketing communication mix directly feeds into the Marketing mix under promotion, and although this has already been discussed, besides the other elements of the mix, this element is directly responsible for the communication, information, persuasion, and generally all the reminders companies send to their customers in order to promote their products and brands.

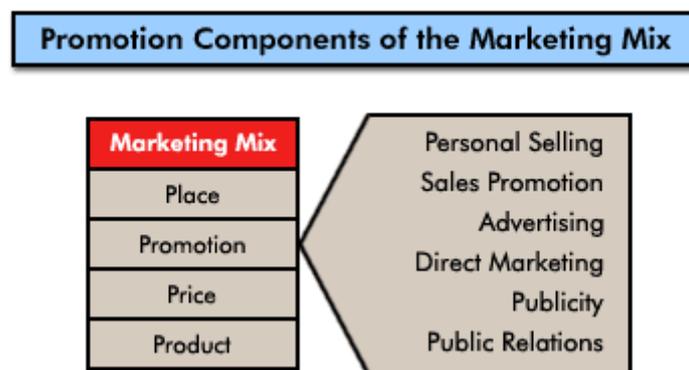


Figure 1. Promotion Components of the Marketing Mix

Source: https://www.dlsweb.rmit.edu.au/toolbox/retail/toolbox/index.htm?unit_mm/concepts/mmc0201.htm

Kotler and Keller (2006) discuss the mix with only six elements: Advertising, sales promotion, events and experiences, public relations, personal selling and direct marketing. The list of the major modes of communication could further include important tools such as exhibitions, sponsorship, packaging, point-of-sale and merchandising, word-of-mouth, e-marketing and corporate identity.

Smith and Taylor (2004:8) include the following tools in the mix:

1. Selling
2. Advertising
3. Sales promotion
4. Direct marketing
5. Publicity (and public relations)

6. Sponsorship
7. Exhibitions
8. Packaging
9. Point-of-sale and merchandising
10. Word of mouth
11. E-marketing
12. Corporate identity

It is safe to say that regardless the number of tools listed in the mix, they all share the common purpose of promoting the company or its products to the targeted customers. These elements can further be categorized based on whether they belong to the ATL (above the line) or BTL (below the line) tools. Such categorization is used by advertising agencies when grouping the various marketing communication tools as illustrated in the next figure (Figure 2.).

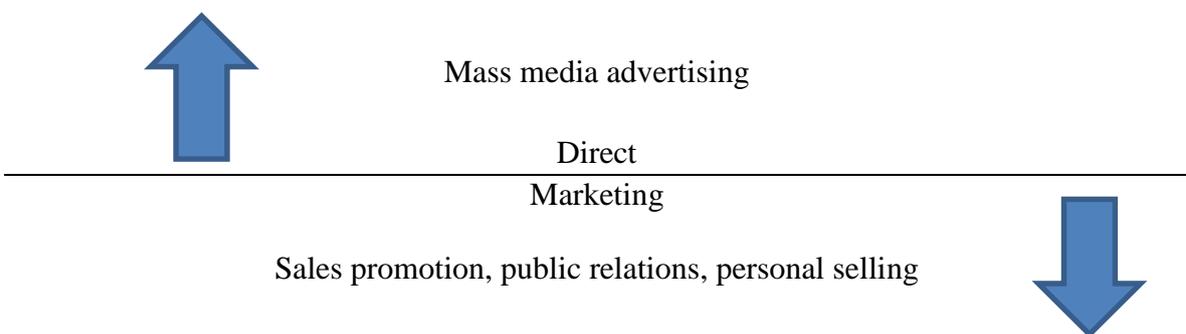


Figure 2. ATL and BTL communication (Own illustration)

The critique that could be formulated regarding this well-known categorization is that although when created it was a clear navigation for agencies especially in terms of where their expenses went, but nowadays most agencies are moving away from commission based earning towards fee-based earnings, which questions the significance of these categories. The Garrison group, who provide strategic help to those companies in need say the following on their website about the above categories: “Forget ATL and BTL; Think customer engagement instead”.⁵ Also as we can see from the figure that there are tools such as direct marketing, which according to many are considered as ‘through the line’, which again

⁵ Source: <http://www.garrisongroup.eu/2012/09/06/forget-atl-and-btl-think-customer-engagement-instead/>
 Accessed: 2 August 2015

complicates the picture (Smith, Taylor, 2004). Advertorials are also considered questionable since they are advertising that look like editorials and so should not be in the BTL section. Nevertheless, the categorization keeps on being used today by practitioners.

The aims of the dissertation require us to discuss the most important elements of the marketing communications mix and also the changes in the media consumption need to be evaluated in order to see what trends are shaping the scene and which marketing communication tool plays a significant role today. Along with the primary research, we should be able to shed light on the future trends in advertising and marketing communication.

Fill (2006) formulates that marketing communications is a management process. Through this process, the organization engages with its various audiences. This involves understanding the nature of the communication channels these audiences are subjected to in order to develop the relevant messages that would ultimately lead to customer responses in a form of attitudinal and behavioral responses.

The official definition of AMA (American Marketing Association) states that: “Marketing Communications are coordinated promotional messages and related media used to communicate with a market. Marketing communications messages are delivered through one or more channels such as print, radio, television, direct mail, and personal selling.”⁶

Effective communication is a must if we want to create value for our customers. Successful companies need strong profit making brands, brands that speak to their customer. Kotler and Keller (2006) state the marketing communication is the voice of brands, through which successful brands initiate a dialogue and build relationship with their customers.

This is only made worse by the sophisticated and cluttered conditions of the market (Clow, Baack, 2014). Advertising and other forms of communication tools bombard customers with a multitude of message and this can be quite disturbing for any single customer, nevertheless making it even more so difficult for companies to be heard in an environment best described as one, which has a growing number of competition. The task of marketing communications has never been as difficult as it is today. We need not to do any research to understand the

⁶ Source: <https://www.ama.org/resources/Pages/Dictionary.aspx?dLetter=M>

basic principles behind this. However, we all understand the underlying factors that shape our business lives and change the possible future in terms of the marketing strategies needed to be employed in order to keep up or to excel our competition.

2.2.2. The history of MC

To understand today's marketing communication and to forecast its future we need to go through its history shortly; how it has evolved from a simple face to face discussion of our ancestors when changing self-made goods for other goods to mass communication and from mass communication to a two-way channel between business entities and their audiences.

Discussing it from a historical perspective, marketing has emerged during the time of 19th century industrialization in the Western countries. So has marketing communication. Although the word marketing was not yet used, but activities, which belong now to the set of marketing means were necessary to carry out to make the new industrial system work. To use the terminology of Baldwin (2011) the industrial revolution was the "first unbundling" i.e. the separation of production of goods from where they were consumed. This unbundling was facilitated by the development of transportation (Grossman, 2011). If you separate production from consumption, than you have to make transactions, which will need transportation, trading, packaging, and information transfer, which in essence is a sort of communication. At that time, however communication was not faster than transportation, and in most cases correspondents and related information materials were carried together with the goods by ships, carriages or rail. After the invention of telegraph and telephone, communication's speed topped the speed of transportation and to rent the terminology of Baldwin another kind of unbundling happened. Communication separated from the place of production and from the goods. Therefore, we could say that this was the birth of marketing communication. Step by step marketing (and marketing communication) has developed by 1950s and early 1960s into a complete system with established functions and characteristics that could be discussed in scientific literature and could be educated at Universities.

If we want to periodize this development from the point of view of marketing communication then we could state that period could be titled by *mass marketing* and *mass communication*. It has evolved all the way to digital communication of today through diversified and integrated communication stages (Table 2.).

Table 2. The evolutionary stages of marketing communication

Era/ characteristics	Mass communicatio n	Diversified communicatio n	IMC	Digital communicatio n CRM
Time period	1950-1960	1970-1980	1990-2000	21st century
Scope	USA	USA and advanced countries (Europe)	+ transition countries and emerging countries	+ rapidly growing markets (BRICS)
Competition	weak	stronger	very strong and getting international	global
Demand	big and not sophisticated	selected	changing and fragmented	global
Trade Channels	fragmented	stronger	concentrated and very strong	global and very strong
Customers	buy everything	diversified and selective	value conscious	compare values and price
Communicatio n	mass communication	use of many promotional means	need for integrating communication means	two-way communication
Main communication means	TV, Radio, Press	+ SP, and BTL means	everything in a coordinated form	focus on online, social media
Main turning point for MC	mass communication	positioning in advertising	Integrated Marketing Communication (IMC)	Relationship marketing and communication Personal communication
Technological evolution	Color TVs, media diversification	Computers, VCRs, cable TV	The Internet, E-commerce	New media, Mobile communications

Source: Own research

Periodization is usually based on important turning points (Hollander et al., 2005). These turning points are in our understanding the invention and popularization of the wireless and the TV. Using the thought of Schultz and Schultz (1998) the system was managed by smart manufacturers (like Procter & Gamble, Nestlé, Shell, etc.) who used mass distribution, mass marketing and could sell their products thinking “get it out of the factory door and fix it when it breaks”. The system looked as follows (Figure 3):

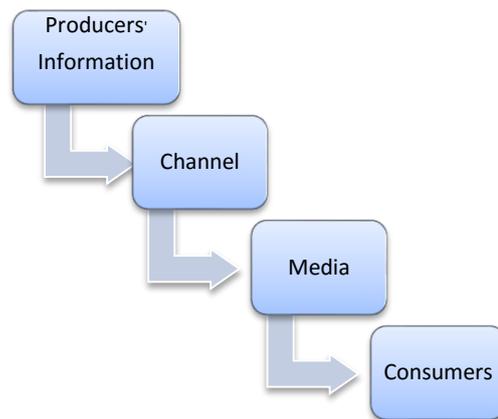


Figure 3. The historic system of marketing communication (Own illustration)

It has to be mentioned that this periodization is mostly true for consumer products and not those manufacturers who controlled the market in a monopolistic fashion. Going through the stages illustrated in Table 2 we can observe the different scopes of different time periods. These different time periods all stand out for important turning points, which changed the way marketing and marketing communication is practiced. It is noteworthy to go through these periods one by one to observe these turning points and discuss their importance from the perspective of their influence on the time period.

1950-1970

What began in the 1950s and 1960s in the United States is most probably the birthplace of modern marketing communications. This was the era when it was easy to reach customers through mass advertising and ATL communication flourished during these decades. These times as indicated in Figure 3 were about producing and selling and consumers were willing to buy, especially since the marketing messages found their way easily into their homes. During these decades, we were witnessing the birth of the previously discussed concept of the 4Ps model of marketing by McCarthy. The evolution of marketing communication can also be discussed in parallel to the relevant marketing concepts of these times. This first era of our chart coincides with what is known as the production concept. Many relate this to Ford's successful automobile, the T-model, and it was Henry Ford, who epitomized this philosophy with his reaction to customers saying: 'they can have any color of car they like – so long as it's black!' (Doyle, 1998). This philosophy dominated the markets from the beginning of Capitalism all the way to the mid 1950's during which businesses focused merely on production issues. To manufacture products efficiently was the key to success for many just like Ford. The underlying principle was driven by economic factors, meaning that supply created demand. And during these decades what made this orientation so successful was the shortage of goods relative to demand, thus products sold easily. The aims of businesses during these times were to minimize production costs and maximize profits and they could only do this through exploiting economies of scale. Demand for products as we can see was high, but at the same time it was not sophisticated, meaning that customers did not have enough information of products and technologies. Nor did they have many choices to choose from. Competition was weak and most customers were happy with what was offered to them. Mass communication during these times were highly successful in terms of reaching customers with messages. This is no wonder if we consider the target of such communication method. The masses were targeted with mass produced products or as Godin says: "Make average stuff for average people and promote to every stranger within reach."⁷ Communication employed those channels that worked best during these times, mostly Television, radio, and press. Reaching customers was not really the main worry then.

⁷ Source: http://sethgodin.typepad.com/seths_blog/2015/02/mass-production-and-mass-media.html Accessed: 10.08.15

Audiences had very few channels to choose from and their attention was focused on these sources, so messages had an easy route to capture their attention. With the development of these communication means especially television, mass media began its conquest. These developments could be categorized as the major turning point in terms of marketing communication. Mass production and mass media to communicate to customers. However, one of major drawbacks of this period as well as the production concept in marketing was in fact that that customers were secondary to businesses. Businesses' focus was not to understand the needs and wants, but to offer products that they could profitable manufacture and make available. It has to be mentioned regarding the production concept that this approach often led to quality issues, which reflects back to the mentality of 'get it out of the factory and we'll fix it when it breaks'.

The major turning point during these decades however was not just the conquest mass production and mass media, but also the rise of a specific country and its newly adopted philosophy concerning manufacturing. In the mid-to-late 1960s, Japanese companies adopted the methodologies of Deming (Schultz and Schultz, 1998). These companies along with other competitors from France, the UK and Germany produced products faster and better and less expensively than their US rivals. They improved the concepts and followed Deming's advice on focusing on the quality of the products that leave the factory. This meant that they left the concept of 'get it out of the factory door and fix it when it breaks' and instead paid attention to what was considered to be the most important, building a better product. As Shultz and Shultz (1998:18) put it: "First in motor vehicles, then consumer electronics, then in watches and then cameras, the Japanese raised quality levels and captured market after market." This was a major change that most traditional marketers did not follow.

1970-1990

The second stage in a diagram is all about what followed these changes. By the 1970s, businesses had a stronger competition, perhaps not completely global at this point, but still US companies were facing a growing number of competitors from Japan, Germany, France and the UK. They found it hard to catch up with those that adopted Deming's philosophy

on quality⁸. Naturally, this led to customers becoming more and more selective about the products and services they sought. Selective demand meant that customers began looking for alternatives and comparison of competing products began. Production by the this time had already caught up demand and even reached a surplus, which meant that companies needed to turn to their marketing tool box to handle the surplus of products. This meant reducing prices and thus lowering profit margins, and turning to tools such as direct marketing or sales promotion to achieve the desired sales levels. Parallel to this period we can say that the selling concept was widely applied. Although this concept goes back to the 1950's during these decades it still meant that there was a surplus of products, which called for some persuasion techniques to be used. On the other hand, the major turning point of this era was the proliferation of products. Differentiation based on a few qualities had to be used in order to stand out of the competition. Indeed these times presented companies with quite a few challenges. As mentioned earlier the Japanese producers adopting a new philosophy swept the markets with reliable and good quality products. On the other hand, advertising shifted towards TV as the main medium for their messages. The American Association of Advertising Agencies estimated that during the 70s, the average American consumer was exposed to 1,600 ads per day. Although less than 80 were consciously noticed, according to their estimate only 12 provoked some type of reaction (<http://adage.com/article/adage-encyclopedia/history-1970s/98703/>). These were the times when advertising was becoming an integral part of the American culture and adopted in other parts of the world as well.

The challenges of the 1970s presented advertising agencies also with a difficult job. Mass communication – although widely used – was not transmitting the desired effects for a particular company or brand in focus. What was needed is to highlight certain aspects of products. Positioning and other marketing techniques gained more ground. Positioning enabled companies and thus agencies to focus their messages based on the characteristics of products, the advantages they offered. Further, the techniques included positioning based on usage, competitors, product category and quality-price (Józsa, 2000, Józsa, Piskóti,

⁸ Many in Japan credit Edwards Deming as the inspiration for what has become known as the Japanese post-war economic miracle of the 1950 to 1960, when Japan rose from the ashes of the war to become the second most powerful economy in the world in less than a decade founded on the ideas Deming taught: 1. Better design of products to improve service. 2. Higher level of uniform product quality. 3. Improvement of product testing in the workplace and in research centers. 4. Greater sales through side (global) markets.

Source: https://en.wikipedia.org/wiki/W._Edwards_Deming Accessed: 10.08.15

Reketye, Veres, 2005). Through this, agencies were able to create content that could be placed in the minds of consumers. This was quite necessary given the conditions of these times and soon became the primary strategy to fight off competition. Interestingly this strategy allowed many companies to explore the benefits of comparative advertising leading to well-known examples of these times by brands such as 7UP's "Un-Cola" campaign, which helped boost sales of 7UP against Coca-Cola.⁹ Comparative advertisements led to magic words such as 'light' beer, or 'diet' cola.

This period also saw an increase in new promotional tools and BTL methods applied. In the 80s, for example it was fashionable to hand out customized promotional products. It still is and can be an important tool for many companies especially in certain industries. However, today we are moving towards a more personalized communication, where this type of promotion does not make sense entirely. During the 80s, though it was not uncommon for businesses to spend thousands on ads in Yellow Pages and other catalogue advertisements.¹⁰ Coupons and various other sweepstakes were commonly used to boost sales and communicate the exceptional value of certain products and brands. Today on the other hand we are seeing the use of digital coupons, which essentially carry the same meaning as it did back in the 1980s (Clow and Baack, 2014). Besides coupons, we got used to contests and sweepstakes, where the perceived value of the prize offered in these tools often led consumers to choose one brand over the other. Another area that gained popularity was direct marketing. It can also be used as a sales promotion tool to boost short-term sales and reach customers that cannot or could not be reached by the mass media or tradition mediums (Fitzgerald and Arnott, 2000).

The next decade, the 80s brought on a new turning point in marketing communication. By this time, consumers were watching television programs and were used to being interrupted by commercial breaks. By the 80s the effects of technology were clearly visible, furthermore gave consumers the ability to partly control what and when they wanted to watch on television for example. The technological advances such as VCR (video cassette recorder) gave viewer the power to control what they wanted to watch. Viewers no longer had to be

⁹ Source: <http://adage.com/article/adage-encyclopedia/history-1970s/98703/> Accessed: 11.08.15

¹⁰ Source: <http://www.houstonmarketingmatters.com/blog/bid/384893/10-Signs-Your-Marketing-is-Stuck-in-the-80s> Accessed 12.08.15

home at a certain time of day to view their favorite programs. Instead, they could just record their favorite TV shows and watch them later. This perhaps was the first big step when consumers took control of how they wanted to manage the information and what media had to offer to suit their conveniences. TVs with remote controls enabled viewers to ‘zip’ and ‘zap’ their way through commercial breaks.¹¹ In essence this was the first time when viewers really could control and even decide not to watch commercials if they decided to do so by simply fast-forwarding through them. This raised serious concern for advertisers as later the technology would even include VCRs that could record programs without commercials.

Furthermore this decade is possible the most important in terms of the inventions being introduced worldwide. From the perspective of marketing communication, the following inventions need mentioning¹²:

- MS-DOS and the first IBM PC – 1981
- The camcorder (Sony and JVC) - 1983
- Digital cellular phones (Motorola DynaTAC 8000x) – 1983
- Apple Macintosh – 1984
- Windows program – 1986
- High-definition television – 1989

It has to be mentioned that besides the above inventions the eighties had numerous other important inventions from companies such as Sony, for example the ‘Walkman’, which is still taught in marketing classes as an example of innovative new ideas that changed the everyday habits of people all over the world, moreover it is word to be found in the Oxford English Dictionary since 1986.¹³ But going back to the above list, these inventions were important, because they allowed new methods of communication to evolve later for both the advertisers and for consumers as well. One last point to add to this period is that the marketing concept during these decades gained more and more ground. Companies like British Airways and GE among others quickly adopted this concept stating: ‘To fly, to serve’ (BA), and ‘We are not satisfied until you are’ (GE) (Kotler et al, 1996). By the early 90s,

¹¹ Source: <http://adage.com/article/adage-encyclopedia/history-1980s/98704/> Accessed: 12.08.15

¹² Sources: <http://www.techradar.com/news/world-of-tech/8-technologies-to-thank-the-1980s-for-635764/2>
http://inventors.about.com/od/timelines/a/modern_4.htm Accessed 20.08.15

¹³ Source: http://www.sony.net/SonyInfo/News/Press_Archive/199907/99-059/ Accessed: 20.08.15

indeed embracing the marketing concept has become a common practice for more and more firms globally. As Schlossber (1991) describes it as becoming a way of life, embedded into corporate cultures just as information technology and strategic planning.

1990-2000

From a marketing communications perspective the next decade, the 90s is possibly the one that carries without a doubt the most significant turning point of all time periods. Going through the third column of Table 2, we can observe the scope changing from advanced countries to include transition and emerging countries. The former Eastern European socialist countries are gaining strength in the global marketplace and are becoming desired targets for multinational companies to invest in. With this inclusion of new markets, we are looking at a much more global marketplace. These changes urge multinational and international companies to rethink their global presence and possibly to change the way they approach new markets from a marketing perspective. Competition gets even stronger and very much international. The notion of globalization from a marketing perspective gains much wider acceptance during these years (Karcz, 2000). Customers also are getting used to companies positioning their products and services and thus demand value for their money spent. This in turn forces more and more businesses to accept the marketing concept and become customer oriented or customer driven. Kotler (2011) calls it ‘customer-centricity’, which in essence is more than just offering customers what they want and need, it is also to understand what drives and motivates them in their purchases as well. This kind of mentality requires well-trained professional sales people and the kind of philosophy that we saw from Lautenborn’s 4Cs.

As far as communication is concerned, the biggest turning point of the 1990s is the Internet. A new frontier forever changing the way we communicate, get information, consume media and more importantly for businesses a tool to be connected to their customers. E-business as such began with a promise that consumers could purchase goods from the comfort of their homes quickly and at competitive prices. This led to the establishment of many so-called ‘dot-com’ companies such as amazon.com or ebay.com. The number of websites in the early 90s grew exponentially as can be seen from the table below.

Table 3. Growth of the number of Websites (1991-2014)

Year (June)	Websites	Change	Internet Users	Users per Website	Websites launched
2014	968,882,453	44%	2,925,249,355*	3	
2013	672,985,183	-3%	2,756,198,420	4	
2012	697,089,489	101%	2,518,453,530	4	
2011	346,004,403	67%	2,282,955,130	7	
2010	206,956,723	-13%	2,045,865,660	10	Pinterest
2009	238,027,855	38%	1,766,206,240	7	
2008	172,338,726	41%	1,571,601,630	9	Dropbox
2007	121,892,559	43%	1,373,327,790	11	Tumblr
2006	85,507,314	32%	1,160,335,280	14	Twtr
2005	64,780,617	26%	1,027,580,990	16	YouTube, Reddit
2004	51,611,646	26%	910,060,180	18	Thefacebook, Flickr
2003	40,912,332	6%	778,555,680	19	WordPress, LinkedIn
2002	38,760,373	32%	662,663,600	17	
2001	29,254,370	71%	500,609,240	17	Wikipedia
2000	17,087,182	438%	413,425,190	24	Baidu
1999	3,177,453	32%	280,866,670	88	PayPal
1998	2,410,067	116%	188,023,930	78	Google
1997	1,117,255	334%	120,758,310	108	Yandex
1996	257,601	996%	77,433,860	301	
1995	23,500	758%	44,838,900	1,908	Altavista, Amazon, AuctionWeb
1994	2,738	2006%	25,454,590	9,297	Yahoo
1993	130	1200%	14,161,570	108,935	
1992	10	900%			
Aug. 1991	1				World Wide Web Project

Source: <http://www.internetlivestats.com/total-number-of-websites/>

The effects of the growing number of websites and products offered led to a more value conscious customer that had the ability to compare various websites and find the best deals available. This along with the very strong and international competition meant that companies needed to focus on providing real value to their customers and at the same time

position they offer in the growing number of competitors in the right place in their consumers' minds. This was becoming a harder task than most marketers imagined.

The need to overcome these and other difficulties created by a multitude of factors marketing communications' answer was the integration of all efforts aiming to communicate with current and prospective customers in order to maximize effectiveness and cut costs at the same time. A multitude of factors, some already discussed, was responsible for this change in strategy. The most important ones (not in order of importance) are:

- International competition getting very strong.
- The proliferation of brands: The number of brands. Today there are over 30 thousand (Keller, 2001).
- Fragmentation of media: Increasing number of thematic TV channels, radio stations, newspapers and magazines. This leads to even smaller segments of audiences. This can be good in terms of targeting, however it also means that effectiveness of some forms of advertising are decreasing (Peppers, Rogers 1995).
- Sophistication and fragmentation of consumers, loss of faith in mass media advertising, rising costs of advertising, the need for more cost effectiveness and efficiency (Dmitrijeva, Batraga 2012).
- Technological evolutions, the use of computers all revolutionized advertising and other tools of marketing communication.
- More advertising noise leading to avoidance of advertising (Sas, 2005).
- New tools in the marketing communications mix lead advertisers to focus more on PR and point-of-sales advertising. (Bernschütz, 2011).
- Online advertising keeps increasing, thus making the borders between advertising, PR, sales promotion and personal selling less noticeable (Low, 2000).

All these reasons led to a completely new environment, in which the traditional methods of marketing communication did not seem to work well. A new philosophy quickly gained popularity among marketers, namely the integration of marketing communication efforts. This philosophy in many ways revolutionized the traditional methods of communication (Schultz and Barnes 1999).

The first definition from the American Association of Advertising Agencies (4A's) in 1989 defined integrated marketing communication (IMC) as “an approach to achieving the objectives of a marketing campaign through a well-coordinated use of different promotional methods that are intended to reinforce each other.”¹⁴ The American Marketing Association defines it as “a planning process designed to assure that all brand contacts received by a customer or prospect for a product, service, or organization are relevant to that person and consistent over time.”¹⁵

Finne and Grönroos (2009) formulate that the central idea of integrated marketing communication (IMC) does not only include traditional media but also other communication efforts as well as all product and service encounters by customers. Indeed the benefits of the integrated communications method seem to present numerous advantages as can be seen from a comparison of classic communications and integrated communications in table 4.

¹⁴ Source: www.aaaa.org

¹⁵ Source: <https://www.ama.org/resources/Pages/Dictionary.aspx?dLetter=I>

Table 4. Classic and integrated communications

<i>Classic communications</i>	<i>Integrated communications</i>
Aimed at acquisition	Aimed at retention, relationship management
Mass communications	Selective communications
Monologue	Dialogue
Information is sent	Information is requested
Information provision	Information – self service
Sender takes initiative	Receiver takes initiative
Persuasive ‘hold up’	Provide information
Effect through repetition	Effect through relevance
Offensive	Defensive
Hard sell	Soft sell
Salience of brand	Confidence in brand
Transaction-oriented	Relationship-oriented
Attitude change	Satisfaction
Modern: linear, massive	Postmodern: cyclical, fragmented

Source: Van Raaij, 1998

By the end of the 90s the concept of IMC has been embraced by more and more firms wanting to do effective marketing communications.

Nowadays

If we ‘google’ the 21st century we find the following highlights on Wikipedia: “The first years of the 21st century have thus far been marked by the rise of a global economy and Third World consumerism, mistrust in government, deepening global concern over terrorism and an increase in the power of private enterprise.”¹⁶

Indeed the new millennium gives us plenty of reasons to be both optimistic and pessimistic. For our purposes, we should certainly be optimistic about the opportunities this century holds for marketers. Although as many things in business life, this optimism should be handled with care as some of the megatrends young generations face will need a resolution, in which marketing’s role may be vital. For starters, the rise of new markets, the BRICS (Brazil, Russia, India, China and South Africa) countries, which present a similar stage in their

¹⁶ Source: https://en.wikipedia.org/wiki/21st_century Accessed: 20.08.15

economic development pose a new challenge for marketers. These markets are rapidly growing and already are changing the way global businesses are addressing strategic issues. Moreover, customers globally can experience the goods these countries produce and thus pose as main competitors in their local markets. On the other hand, the middle class of some of these countries also present an opportunity for global businesses to capture. McKinsey & Company's report on India says that "The middle class currently numbers some 50 million people, but by 2025 will have expanded dramatically to 583 million people—some 41 percent of the population."¹⁷ Consequently, the global marketplace will increase a great deal in the next decade just in India, not to mention China or any of the other BRICS countries. Various publications also deal with these changes and some go as far as project possible outcomes of how these emerging countries will redefine global competition. One of these is titled "The Second World" by Khanna, who offers a study of the 21st century's emerging geopolitical marketplace dominated by three first world superpowers, the U.S., Europe and China.¹⁸

Competition is truly global in this century, which is perhaps well illustrated by all the successful start-ups that we have on a global scale. Forbes lists the hottest startups where the list includes companies such as Uber, Airbnb or Zenefits.¹⁹

The top global companies generated \$31.2 trillion in revenues and \$1.7 trillion in profits in 2014. There are also some very successful Hungarian startups, namely Prezi, Ustream or LogMeIn.²⁰ The top companies include American, Dutch, Chinese, German, British, Swiss

¹⁷ Source: http://www.mckinsey.com/Insights/MGI/In_the_news/Next_big_spenders_Indian_middle_class Accessed 20.08.15

¹⁸ Source: <http://paragkhanna.com/second-world-reviews/> Accessed: 20.08.15

¹⁹ Source: <http://www.forbes.com/sites/briansolomon/2014/12/17/the-hottest-startups-of-2014/> Accessed. 21.08.15

²⁰ **Prezi** (or Prezi.com) was created by the support of Kitchen Budapest and Magyar Telekom in 2008 in order to replace ordinary slide-based presentations. Today the project is assisted by Sunstone Capital. The actual development was done by Zui Labs led by its three Hungarian founders Péter Árvai, Szabolcs Somlai-Fischer and Péter Halácsy. The word prezi is the Hungarian short form of presentation.

Source: <https://en.wikipedia.org/wiki/Prezi> Accessed: 22.08.15

Ustream was born when the founders (John Ham, Brad Hunstable, and Dr. Gyula Feher) wanted a way for their friends in the Army, who were deployed overseas in Iraq during the war, to be able to communicate with their families. A product like Ustream would provide them with a way to talk to all of their relatives at once when free time in the war zone was limited. Source: <https://en.wikipedia.org/wiki/Ustream> Accessed: 22.08.15

LogMeIn remote access products use a proprietary remote desktop protocol that is transmitted via SSL. An SSL certificate is created for each remote desktop and is used to cryptographically secure communications

and Japanese companies.²¹ We can also say that demand has also become very much global, as any consumer regardless where they are located can access the Internet and buy products from all over the world with the help of sites such as amazon.com, ebay.com and so on. Besides looking for the best value for their money, customers are also keen on comparing value to prices. In addition, out of the many things the Internet is good for, this is probably one of the main advantages for consumers, giving them the ability to compare prices and see reviews of the products and services they are searching for.

2.3. Communication in the 21st century

2.3.1. Technological development and media fragmentation

As for the communication aspect, many have predicted the end of mass advertising by the end of the 20th century. While for the part about mass produced goods being sold to mass market through mass media may be true in some cases, we can say with high certainty that advertising is still alive and is finding ways to be more creative. This is not an easy task by any means. Mass media is fragmenting continually, which in essence would make advertisers' jobs easier, but is this really the case? If we consider television advertising it is easy to recognize the growing number of different channels we are able to view, thus the market is segmented for any company that wants to advertise on this medium. This should be the good news, but it is not that simple, since fragmentation also means that there are less viewers for all these different channels. Dave Morgan a few years ago commented on Advertising Age that "Folks didn't listen then and apparently won't listen now."²²

between the remote desktop and the accessing computer. Source: <https://en.wikipedia.org/wiki/LogMeIn>
Accessed: 22.08.15

²¹ Source: <http://fortune.com/global500/> Accessed 21.08.15

²² Source: <http://adage.com/article/digitalnext/tv-put-mass-mass-media-anymore/232988/> Download:
30.05.15

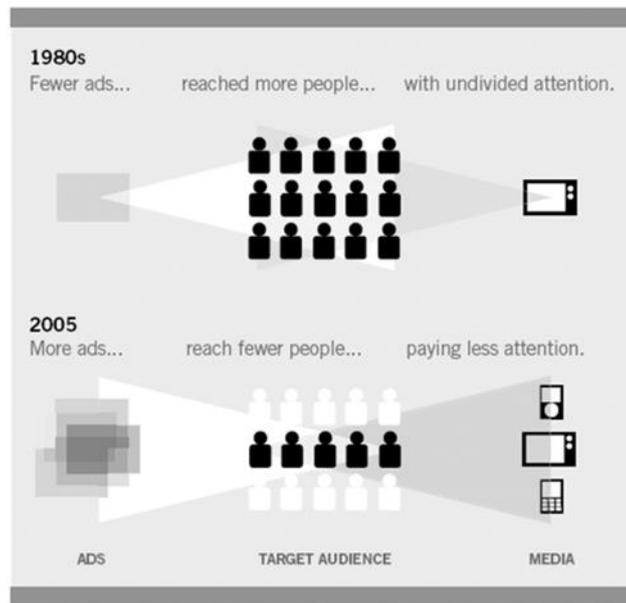


Figure 4. Changes in the media landscape
 Source: Internet Advertising Bureau, 2004²³

This simple illustration above (Figure 4) shows clearly the changes that have taken place in the last few decades. In many ways, it has become easier to target viewers with specific programs and channels, however due to the multitude of various gadgets use for consuming media the attention of viewers is considerably less. This makes reaching the target audience much more difficult as compared to the 1980s for example. Technological advances and evolution is the real driver of changes in this field. As we witnessed before with advents of previous decades, turning points in marketing communication have forever changed the way companies and brands communicate with their customers. With the advent of IPTV (Internet Protocol Television) and the fact that now an average household can have up as many as 200 channels it just gets more complicated and makes the job of advertisers a lot harder. According to some estimates it takes four or five spots to deliver the same media weight of one spot 15 or 20 years ago, and eight to deliver as much reach. That is a great change as Morgan points out in his article on Advertising Age. From an advertising point of view, the fact that the technology allows viewers to record programs and then later skip the ads even

²³ <http://www.iab.com/insights/iab-internet-advertising-revenue-report-conducted-by-pricewaterhousecoopers-pwc-2/>

worsens the situation. Advertisers most definitely are working on ways to overcome this issue with creative advertising that cannot be skipped as easily as a commercial break during our favorite show. But unfortunately advertising in general has other concerns to deal with. One is the technological advance and especially its unfavorable aspects as mentioned before.

Another aspect is perhaps a more uncontrollable factor, namely the resistance of customers towards advertising (Papp-Váry, 2009). This is by no means a new symptom. Avoiding ads might have been easier in the twentieth century, but today it is almost possible with adverts such as Netflix, TiVo, Bittorent, where it is possible to consume media without interruptions.²⁴ According a survey done in Hungary by KutatóCentrum and Marketing&Media in 2012, less than one third of television viewers actually watch the commercial break.²⁵ Most viewers would change channels or leave the room. The same statistics can be said about the global picture in terms of ad avoidance. Interestingly at the same time advertising spending both in Hungary and globally is increasing. This is even true for television ads, which are probably the most intrusive of all. We could also contribute these changes to changing consumer habits. People are paying for HBO Go, Netflix and other subscription services while media fragmentation, internet subscriptions, smart TVs and other gadgets provide more opportunities for viewers to stay away from the classic TV ad. On the other hand, product placement has been gaining more and more ground even in Hungary. Besides being in the movies now, we can find brands appearing in TV series, talk shows, reality-shows, sport programs and in music videos as well. These are just the television productions, but we need to also mention those that can appear in video games, viral videos, social media, press, and novels, through celebrities, in the names of cities, or even on the bodies of people or in their names (Papp-Váry, 2014).

A further problem is the number of ads we are subjected to on a given day. Back in 1990, Leo Bogart a senior fellow at the Gannett Center for Media Studies, Columbia University in an article about the future of advertising stated many of the predictions that we see true today. One of the trends he discussed was the growth of sophisticated technology and that

²⁴ Is Ad Avoidance a Problem? Source: <http://www.newyorker.com/tech/elements/is-ad-avoidance-a-problem>
Downloaded: 10 June 2015

²⁵ KutatóCentrum és Marketing&Media (2012), Kit zavar a „reklámzaj”?,
<http://www.kutatocentrum.hu/hirek/2012/cikk-274/kit-zavar-a> downloaded: 10 June 2015

there is absolutely nothing we can do about this. Another important point discussed was the steadily expanding output of marketing communications (Bogart, 1990). Both of these predictions turned out to be true in many ways. A typical customer, for the sake of argument, a European customer is bombarded with an ever-increasing number of advertising daily (Brassington, Pettitt, 2006). The real issue is to attract the attention of viewers so that the advertising can reach its desired aims. This is the hard part as we subjected to an enormous number of advertisement daily. Some studies suggest the number of ads we are exposed to reach the thousand daily. While others argue that these numbers depend greatly on what type of messages are included in the survey. The New York Times in an article in 2007 published the findings of a market research firm, Yankelovich, which estimated that a ‘person living in a city 30 years ago saw up to 2,000 ad messages a day, compared with up to 5,000 today.’²⁶

In this survey, more than 4 thousand people were asked and they thought that marketing and advertising today was out of control. A new study by Media Dynamics Inc. presents a more realistic outcome of media usage and ad exposure. This study reveals that a ‘typical adult’s daily media consumption has grown from 5.2 hours in 1945 to 9.8 in 2014.’²⁷ The change that we see in the diagram below show a much more realistic picture due to the above listed factors such as the IPTV or the more channels that we can choose from. The number of ads are summarized in minutes that includes five media (TV, radio, Internet, newspapers and magazines).

²⁶ Source: http://www.nytimes.com/2007/01/15/business/media/15everywhere.html?pagewanted=all&_r=1& Downloaded: 30 May 2015

²⁷ Source: <http://sjinsights.net/2014/09/29/new-research-sheds-light-on-daily-ad-exposures/> Downloaded: 30 May 2015

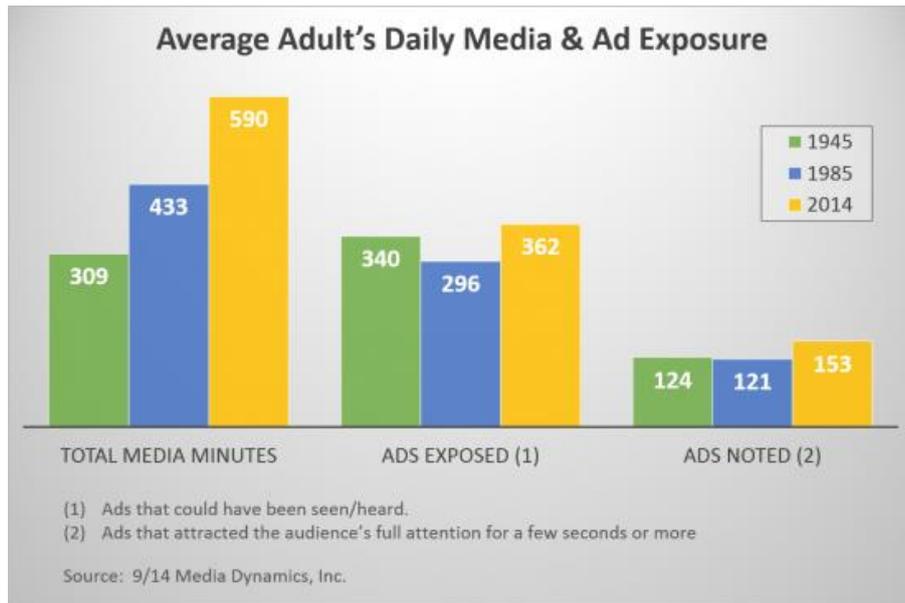


Figure 5. Average Adult's Daily Media and Ad Exposure
Source: www.mediadynamicsinc.com

Another crucial change in advertising and in marketing communication in general is the ability of ads to target individual customers if necessary, in other words this is personalization due to technologies such as geolocation softwares, and IPTV previously mentioned (Bonyhádi, 2007). Furthermore, it is clear that one of the most important key words of the 21st Century is information. We can safely say that while a few decades ago it was mainly the raw materials, or the military power that differentiated countries from one another, today it is information (Náray-Szabó, 2002). Töröcsik (2011) also points out information to be the most important of the trends of 2011.

We all are familiar with advertising catering to our emotions, but many studies point out the need consumers have to gain as much information as possible about the products and brands being advertised. To cater to these needs, advertisers are changing their strategies. It is no more a tell medium as Smith and Taylor (2004) predicted, but more of a dialogue medium. Most branded goods and messages carry a toll free number, not to mention a web address to encourage dialogue with consumers. This also suggests the need to have a precise database of customers ready when launching a communications campaign. Thus, the earlier quote of Wannamaker is no longer valid. Advertisers want results, and measurability is the key word here. Those that believed advertising would die now face a rebirth of an industry, in which

new tools of communication like the online tools or social media tools open new possibilities of a dialogue and allow a two-way communication flow. And this is another key word in marketing communication, namely the change from a one-way communication towards a two-way model that is necessary and is required by consumers of the 21st Century.

Furthermore it is creativity, in other words ‘thinking outside the box’, that needs to be explored if we mean to succeed in today’s communication scene. Neil Kokemuller explains creativity as being the soul of advertising and branding.²⁸ Jim Stengel former CMO of Procter & Gamble in 2012 during the advertising week in New York said that the biggest anxiety for companies is moving away from telling and selling towards servicing and delighting.²⁹ This kind of radical change can only be achieved if the company is good at a couple of things. First of all good at marketing, secondly good at taking a risk, and finally good at creativity.

2.3.2. Changes in the communication process

Discussed earlier is the nature of communication that is being changed as a result of technology and changing consumer behavior. The elements of the communication process portray a scenario, in which there is a multitude of competing advertisements from direct and indirect competitors affecting the consumer’s decision-making process. Mass communication by nature is such that it does not allow a two-way communication between the sender and the receiver. The response we observe can be the consumer’s choice of buying the product or service that is being communicated to him or her. To illustrate this one-way or traditional method of communication, Figure 6 shows the flow of information. The problem with this method is very apparent if we are to look for feedback in the form of communication originating from the customers.

²⁸ The Role of Creativity in Advertising by Neil Kokemuller, Source: <http://smallbusiness.chron.com/role-creativity-advertising-61394.html>, downloaded: 9 June 2015

²⁹ Jim Stengel’s advice to marketers, source: <http://digiday.com/brands/adweek-former-pg-cmos-advice-to-marketers/> downloaded: 10 June 2015

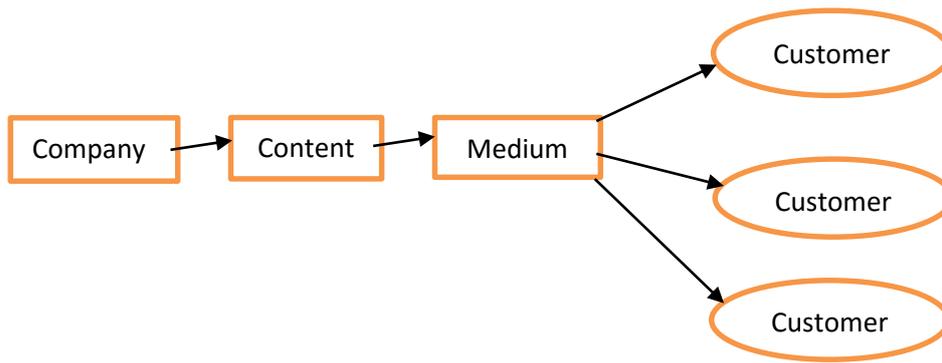


Figure 6. Traditional mass communication
 Source: Based on Clow and Baack, 2014 (Own illustration)

Contrary to this, personal communication allows two-way communication, and so does a multitude of innovative solutions offered on the internet that makes possible to target individual customers with tools that were used before for mass communication. We must also discuss that these mass communicated messages can be further distributed among customers by personal communication and by opinion leaders, whose interest in a product or brand can reach masses with their opinions (Weimann, 1994). The idea is very similar to how consumers spread ideas in their private network, which is also the foundation of viral marketing (Godin, 2000; Godin, 2007). The feedback or response from the receiver is not always in the form of purchasing a particular product or service. Often it is about embedding a positive attitude or changing a certain behavior as the primary aim of communication (Wells, Burnett, Moriarty, 2000).

Looking at the nature of the communication mix, we can differentiate personal and mass communications from one another and observe their efficiency.

Table 5. Personal and mass marketing communications

	<i>Personal communications</i>	<i>Mass communications</i>
Reach of big audience <ul style="list-style-type: none"> ■ Speed ■ Costs/reached person 	Slow (selling), faster (DM) High	Fast Low
Influence on individual <ul style="list-style-type: none"> ■ Attention value ■ Selective perception ■ Comprehension 	High Relatively lower High	Low High Moderate–low
Feedback <ul style="list-style-type: none"> ■ Direction ■ Speed of feedback ■ Measuring effectiveness 	Two-way High Accurate	One-way Low Difficult

Source: Van Raaij, 1998 cited by Dmitrijeva and Batraga, 2012, 1069

It is clear that advertisers have options when formulating their communications campaign to involve mass communications tools as well as personal communications tools for maximum efficiency. The purpose of the campaign will most probably dictate what tools to employ in order to succeed with the aims of the communication. Nevertheless, we are seeing less broadcasting and more narrowcasting (Clow, Baack, 2014), which means that the favorable tools are the ones producing more feedback and opening dialogue with consumers (Mányai, 2009). On the other hand, consumers also want to take control. Indeed a great change is taking place in the world of marketing and marketing communication. The former CMO of Procter & Gamble, Stengle also pointed this out following his years at one of the most notable firms in the world. Undeniably, the communication model that is in favor today represents a two-way communication model. In this model (Figure 7), we can observe the options the company has to start a dialogue with its customers, who in return with the help of social media for example are going to share their experiences with each other. It is also notable that the model has an effect on the medium used, but more interestingly on the content created. Many companies go to great length to invite their customers to take part in the creation of content for their campaigns. This kind of interconnectedness shows further

possibilities for marketing experts to explore. The model also plays a significant role in social media where without this type of communication a dialogue would not be possible.³⁰

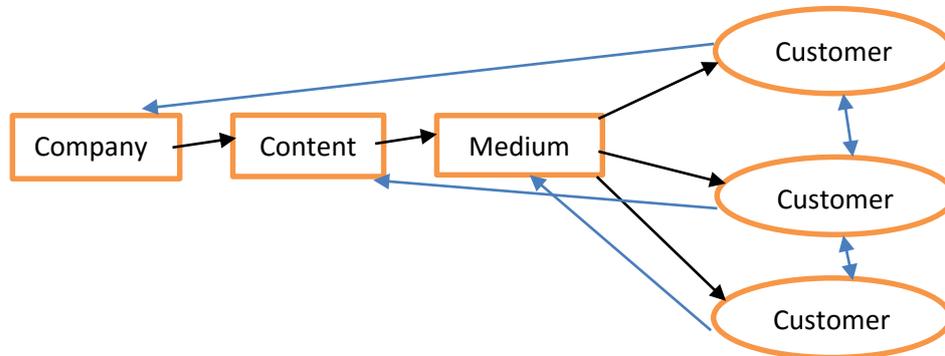


Figure 7. Two-way communication model (Own illustration)

2.3.3. Importance of personal communication

As discussed above, personal communications have an increasing importance today. In an era when technological advance is difficult to follow for most customers, innovation in new products can best be sold with a properly knowledgeable sales force. Customers tend to believe in personal communication and less trustworthy towards products advertised in media. That is not to say that advertising is dead, it is just having a more difficult time nowadays. For many products and services personal selling is indeed an important tool for communication and promotion. There was a time when selling was about short-term tactics, quick sales and so on. This tactic is still one that we may find in many stores, although in the long term these businesses are doomed in my opinion. Smith and Taylor (2004:290) discuss the era of selling to be changing. They best summarize the era of quick sales in the following story:

³⁰ Social media marketing: The importance of a two-way conversation. Source: <http://www.impactbnd.com/blog/social-media-marketing-the-importance-of-a-two-way-conversation> (Accessed: 2 August 2015)

“A man dies and arrives at the Pearly Gates, where St. Peter tells him he cannot enter until Hell has been given an equal opportunity. Although he knows he wants to go to Heaven, St. Peter insists that the man checks out Hell first. To his amazement, the man discovers that Hell is a party town, with free-flowing drink, good music, lots of friendly supermodel lookalikes everywhere, perfect weather, immaculate golf courses, football pitches, Internet connections and white sandy beaches. Best of all, everyone is friendly and concerned that the man feels comfortable in his new surroundings. St. Peter appears and asks the man for a decision, upon which the man says, ‘Hell’s for me!’ When he returns the next day, all he sees are bodies, scorched, burning and screaming. ‘But....this isn’t the same place’, he shouts at St. Peter in the distance. ‘Oh yes it is’, St. Peter replies. ‘Yesterday you were a prospect, today you are a customer.’”

This quote only helps us to understand the essential change in the mentality behind selling. This new era is more about partnering and relationship, rather than quick sales. And although this scenario may still exist in some countries, in the long term only partnership and relationship can lead to loyal and trusting customers. This is very much similar to relationships that we have come to understand, where we constantly need to satisfy each other to make the relationship durable in the long term. Many companies are now looking into customer satisfaction as a means of measuring success (Smith, Taylor 2004).

In some markets, especially in the industrial market, personal selling is a key component of marketing communication. Selling an industrial machine or an airplane for this matter cannot be done by advertising alone. Nor can it be done by direct marketing. This type of sale needs a committed sales professional team, which plays a crucial role in such type of selling situation. This type is not as common in consumer goods, because of the costs related to the whole process. Nevertheless, there are exceptions such as Avon, or companies that rely on multi-level marketing. More important however is the fact that personal selling needs to be in harmony with other communication tools of the company. The idea is similar to the integration concept of marketing communication, but needs to mention this is important if we want to avoid frustrated customers when sales people do not know about an ongoing ad campaign or a new product being promoted. While it may be self-explanatory to explain the function of selling, it is much more than just making a sell. It is more importantly part of the

concept of building a good relationship with customers. It provides more interactivity and a lot more personalization, which is yet another key word for businesses in this century (Egan, 2015).

Being customer-oriented and market-driven are two key phrases that all successful companies understand and practice. We know from basic marketing concepts that it is not enough to be winning new customers, we also have to keep them and make sure that they come back for repeat purchases (Kotler, Armstrong, Saunders, Wong, 1996). The concept of relationship marketing is applied here, but it is used in other marketing activities such as frequency marketing programs (Weitz, Bradford, 1999). In contrast to the era of production when the role of the salesperson was to make a sale, it has gradually progressed to building a relationship, which by experts is termed as the partnering role that we have today, especially in terms of personal selling.

According to Weitz and Bradford the roles of salespeople changed dramatically from being a provider to a persuader, to a problem solver and finally in the era of partnering to a value creator. This tool is further challenged by the new environment of the 21st Century. As Anderson (1996:1) summarizes in the article Personal Selling and Sales Management in the New Millennium: “Several behavioral, technological, and managerial forces are dramatically and irrevocably changing the way that salespeople and sales managers understand, prepare for, and accomplish their jobs. Field salespeople, operating out of mobile virtual offices, are being empowered and becoming increasingly independent as they shift focus from selling to serving customers.”

As seen in Figure 7, a two-way communication model is relevant in this century. This is not to say that we do not need the integration of communication means. In fact, we do need it, but keeping in mind the options that 21st century customers have regarding their means of communication with companies and brands. The biggest change is not just the fact communication changed as discussed, but customer sophistication and involvement is much higher than before. Successful companies are able to take advantage of their customers in various ways. From product ideas to campaign content ideas, customers can serve as a very important insight in creating the right strategy necessary for the future at hand. As Mandelli (2008:111) reports “consumer communities have increased their importance in the last few

years, following the diffusion of the use of the Internet by consumers, for business and brand-related activities.”

In terms of exploring the communication aspect and the importance of customers in the 21st century it is noteworthy to take a look at the Roger’s innovation adoption curve. Strictly, from a communications aspect it illustrates well why it is important to communicate to and with the different groups of customers. Each group represents a viable group for products and services, but while traditionally we have been focusing our mass communication on the early majority and the late majority, nowadays this seems to be shifting towards the innovators and early adopters. As Seth Godin put it in one of his Ted conference speeches: *“What marketers used to do is make average products for average people. That's what mass marketing is. Smooth out the edges; go for the center; that's the big market. They would ignore the geeks, and God forbid, the laggards. It was all about going for the center....But market to these people because they care. These are the people who are obsessed with something. And when you talk to them, they'll listen, because they like listening -- it's about them. And if you're lucky, they'll tell their friends on the rest of the curve, and it'll spread. It'll spread to the entire curve.”*³¹

This example just goes further to explain the essence of how personal communication has changed and how it can benefit companies if they explore its full potential. These changes only illustrate further the ongoing changes in the relationship between companies and their customers. In fact as Johnson (2015) states the power has shifted away from the companies and is now in the hands of the customers.

2.3.4. Changes in media consumption

The early years of the 21st century changed the way marketers employed media options to reach their customers. It was no longer just television, radio, press and outdoor. Although the Internet began much earlier, in the 1990s becoming a new medium, the explosion from the advertisers’ point of view began a decade later.

³¹ Source: https://www.ted.com/talks/seth_godin_on_sliced_bread/transcript Accessed: 20 October 2015.

(<http://pages.stern.nyu.edu/~atakos/centerresearch/newcommunicationsapproaches.pdf>, 07.07.15).

This by no means meant that traditional media was disappearing. In fact spending has more or less been balanced in the past few years as we can see from the following figure.

Table 6. Share of Global Ad Spend, by Medium

Share of Global Ad Spend, by Medium (% share) 2010-2014					
	2010	2011	2012	2013	2014
Newspapers	21.4%	20.2%	18.9%	17.9%	16.8%
Magazines	9.8%	9.4%	8.8%	8.3%	7.9%
TV	39.7%	40.2%	40.4%	40.4%	40.3%
Radio	7.1%	7.1%	7.0%	6.9%	6.7%
Cinema	0.5%	0.5%	0.5%	0.5%	0.5%
Outdoor	6.7%	6.6%	6.5%	6.4%	6.3%
Internet	14.7%	16.0%	17.8%	19.6%	21.4%

MC MARKETINGCHARTS.COM
Source: ZenithOptimedia

Source: ZenithOptimedia³²

This clearly shows that spending on traditional media is still high, TV leading the pack, but online spending is increasing gradually at the expense of others. It is interesting to see how ZenithOptimedia categorizes different regions of the world and does its projections on ad spending for these various groups. They estimate an overall growth of 4.9% for 2015, reaching a sum of 545 billion US dollars. In their study, Croatia and Hungary belong to the same group, namely Western and Central European countries. For this bloc the growth of adspend for the last two years was 2.4% compared with India's group, the so-called 'Fast-

³² Source: <http://www.marketingcharts.com/uncategorized/tv-to-maintain-global-ad-spend-dominance-as-online-cannibalizes-other-media-23704/> (07.07.15)

track Asia' group, which achieved a 10.1 growth for 2013-2014.³³ The projections for the 2014-2017 show a similar percentage for both groups, 2.9 and 10.0 respectively. This further projects the growth of digital media spending the next few years. According to ZenithOptimedia this spending will reach the following figures by 2016 globally.

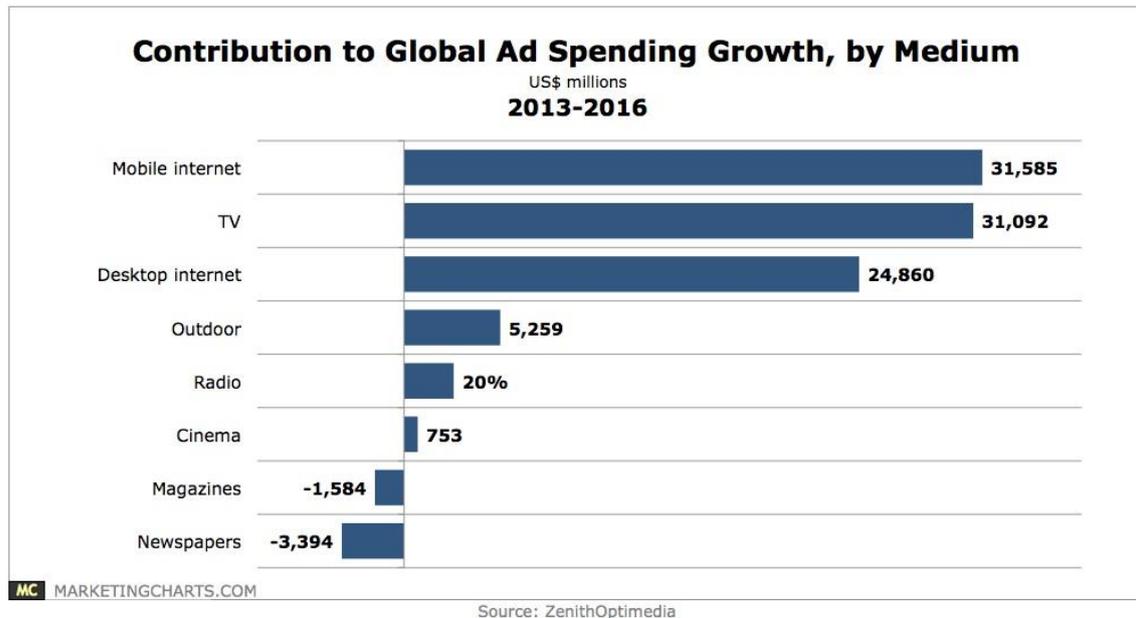


Figure 8. Contribution to Global Ad Spending Growth, by Medium
Source: ZenithOptimedia, 2013

Obviously, this projects the new tools of marketing communication to be used more frequently by most companies in the coming years. Other commentators also note in accordance of what has already been discussed, that driving force towards new media are influenced by at least four factors:

- Internet Protocol Television (IPTV), digital video recorders (DVRs) are technologies that enable audiences to skip advertisements. This in turn forces advertisers to find new ways of targeting these people. In addition to this, we are seeing an increasing number of people who show resistance towards advertising. Avoiding ads has in some ways have become a fashion, especially for the young generation.

³³ Source: <http://www.marketingcharts.com/uncategorized/tv-to-maintain-global-ad-spend-dominance-as-online-cannibalizes-other-media-23704/> (07.07.15)

- As we have seen earlier, there is a demand on the part of the customer for a two-way communication model or tool to be used. This means that if companies strive to create experiences for their customers, which they all do, they need to employ tools of communication that can enhance this sort experience type of value of their products and services. This means they need to use social media and viral marketing to target the customers who are truly seeking such experiences. A result of this is a tendency towards the application of new media vehicles.
- Fragmented markets resulting in a more difficult targeting for companies. In order to be able to target customers more effectively new methods, tools and media vehicles need to be explored.
- Marketing communication in general is focusing more on developing personalized messages. For this often it is the new media and especially the Internet based services and mobile phones provide the answer. These technologies allow us to target individual customers based on their location, IP address or mobile data.

Thus, marketing communication in the 21st century needs to find answers to the current trends shaping the field of consumer behavior as well as to finding the most effective tools of communicating with consumers. The objectives of all communication is to be as effective as possible, but with the trends changing, consumers also need to be able to respond to the messages and communication targeted at them. This puts personal communication tools in the emphasis for all brands wanting to communicate effectively. The next part of the work looks at some of the most important trends influencing marketing communication.

3. Global megatrends influencing the future of business and marketing environment

The basic aim of this study is to explore the possible changes marketing communication is going to face in the coming decade. The scope of the investigation is intended to be global. The global scope comes from the conviction that in the new millennium our world is getting more and more a place of interconnected markets, economies, and business entities where developments of a single market cannot be analyzed separately since they are very strongly dependent from the developments going on in the interconnected other markets. This interconnectedness is the result of globalization. Globalization – which actually is one of the most important megatrends – has its advantages and disadvantages, some people like it some hate it; one thing is however inevitable: globalization cannot be stopped; globalization is in fact the normal way of the development of the planet where we live.

To analyze the future changes of marketing communication requires an attempt to explore and forecast those global megatrends, which will influence the business environment and through its marketing communication in the coming decade.

First, it is worthwhile to clarify the definitions used to characterize important changes going on in the environment or/and in the societies. Scientists differentiate fads (sometimes called. issues), trends and megatrends. A *fad* is a sort of new appearance, which rapidly becomes popular and may disappear as quickly as it appeared. In some cases it may last for years; so marketers should be aware of it, but it has not a great influence on the life as a whole.

Trends are patterns of changes that occur slower and on a wider scale than fads and influence our life for a longer time. Töröcsik (2003) in her book examined the new trends in consumer behavior. “A style of dress may be a fad that only affects one segment of the population, but the use of social media is a trend that reaches a broader segment. It has taken a bit longer to develop on that broad basis, but now has the staying power that indicates it is a permanent alteration of the landscape”(Haberman, 2014)³⁴

³⁴ <http://omegahrsolutions.com/2014/05/future-friday-what-is-the-difference-between-a-fad-a-trend-and-a-megatrend.html>, Accessed: 12.06.2015

Megatrends “are the great forces in societal development that will very likely affect the future in all areas the next 10-15 years” — writes the Copenhagen Institute for Future Studies on its homepage.³⁵ According to Stefan Hajkowitz (2015) “megatrends are gradual yet powerful trajectories of change that have the potential to throw companies, individuals and societies into freefall”. (The freefall comes from his example of a mountain climber who losing his hooks goes into freefall.)

In spite of the clear distance, the notes megatrends and trends are many times used interchangeably. There are quite a few forecasts made mainly by research groups of different institutions or foundations dealing with our possible future. The predictions list a number of megatrends to describe this possible future. The following table list seven forecasts; some of them are more of economic, and some more of a political nature.

It is interesting to see that the research of the future global megatrends has gained lots of academic and also managerial attention recently. (It is worthwhile to mention that best marketing paper of the year 2014 in Hungary was awarded to the article of Rekettye and Rekettye Jr. titled “Global trends and their influence on future business performance”; and it has been downloaded from academia.edu around 1000 times worldwide.) It is also interesting that in May and June 2015 two new books were published in the US and Australia about megatrends. The first was made by the McKinsey Research Institute under the title “No Ordinary Disruption, - The four global forces breaking all the trends” which as seen from its title identifies four trends that will produce monumental changes in the world (Dobbs et al., 2015). The second is an interesting book by Stefan Hajkowitz, titled Global Megatrends – Seven patterns of change shaping our future. (Both are listed in Table 7.)

³⁵ <http://www.cifs.dk/scripts/artikel.asp?id=1469> Accessed: 12.06.2015

Table 7. Megatrends as seen by different research groups (Own illustration)

	Researcher(s) or Research Institute(s)	Projected Global Megatrends
1.	<p>Gitte Larsen (2006) Copenhagen institute for Future Studies Denmark Projection for 2020</p>	<ol style="list-style-type: none"> 1. Ageing 2. Globalization 3. Technological development 4. Prosperity 5. Individualization 6. Commercialization 7. Health and environment 8. Acceleration 9. Network organizing 10. Urbanization
2.	<p>National Intelligence Council (2012) USA Global Trends 2030</p>	<ol style="list-style-type: none"> 1. Individual empowerment will accelerate owing to poverty reduction, growth of the global middle class, greater educational attainment, widespread use of new communications and manufacturing technologies, and health-care advances. 2. There will not be any hegemonic power. Power will shift to networks and coalitions in a multipolar world. 3. The demographic arc of instability will narrow. Economic growth might decline in “aging” countries. Sixty percent of the world’s population will live in urbanized areas; migration will increase. 4. Demand for these resources (food, water, energy) will grow substantially owing to an increase in the global population. Tackling problems pertaining to one commodity will be linked to supply and demand for the others.
3.	<p>David Gregosz (2012) Economic Megatrends up to 2020 Konrad-Adenauer-Stiftung, Germany</p>	<ol style="list-style-type: none"> 1. Pressure For Consolidation Is Rising In The West 2. There Are New Power Centres Emerging 3. Population Growth Develops Into A Real Challenge 4. Rising Resource Consumption Demands Action 5. Digitization Warps, Accelerates, Connects Everything
4.	<p>Reketye G and Reketye G., Jr. (2013) Hungary</p>	<ol style="list-style-type: none"> 1. A power-shift in the world economy 2. Global climate change 3. Demographic trends 4. The increasing rate of technological development (open innovation, digital convergence) 5. The after-effects of the global recession 6. The trend towards proliferation

5.	Georg Vielmetter, Yvonne Sell, (2014) The Hay Group USA	<ol style="list-style-type: none"> 1. Globalization 2.0 2. The Environmental Crisis 3. Individualization and Value Pluralism 4. The Digital Era 5. Demographic Change 6. Technological Convergence
6.	Stefan Hajkowicz (2015) Australia	<ol style="list-style-type: none"> 1. Increasing demand for limited natural resources 2. A window of opportunity to protect biodiversity, habitats and the global climate 3. Rapid economic grows in Asia and the developing world 4. An ageing population, changed retirement patterns, chronic illness and rising healthcare expenditure 5. Digital technology is reshaping retail and office precincts, city design and function and labor market 6. Consumer and societal expectations for services, experiences and social interaction 7. Technological advancement is accelerating and it's creating new markets and extinguishing existing ones
7.	Richard Dobbs, James Manyika, and Jonathan Woetzel (2015) McKinsey&Company USA	<ol style="list-style-type: none"> 1. Beyond Shanghai: The age of urbanization 2. The tip of the iceberg: Accelerating technological change 3. Getting old isn't what it used to be: Responding to the challenges of an aging world 4. Trade, people, finance, and data: Greater global connections

The thesis starts out from the findings of the volunteered research group working together on exploring the most important global megatrends (using the expression: trends) already for more than seven years (the fourth row in table). The methodology of this research group was to collect published observations (or sub-generalisations) of different fields of science, such as the natural sciences, technology, demography, political sciences, human sciences, economics, and marketing. Since the aim of these researches was to present a set of generalisations valid for both businessmen and marketers, these observations have already been filtered and re-focused through the special lenses of a marketer businessman. The

findings of this research group were first published in local and international conferences (Hetesi et al., 2009, Rekettye, Jr and Rekettye, 2010, 2011) and later published in international and local journals (Rekettye and Ifj. Rekettye, 2009; Rekettye and Rekettye, Jr, 2013).

Since reality, especially when extrapolated, depends on hundreds of factors and their interplay, their organisation into a limited list of items has clearly involved a degree of intellectual generalisation. In this way this research belongs to the mainstream body of empiricism, which claims that knowledge is created by a process involving observation and that scientific theories are the result of generalisations from such observations (Godfrey-Smith, 2003).

Every forecast is based on the past and on the present. The task to make a forecast was therefore even more difficult since the first one and half decades of the twenty first century happened to be rather turbulent both globally and locally. Talking about phenomenon of the global world economy researchers used different expressions to characterize the rapid changes going on globally. Recession, financial and economic crises, turbulent economic movements, power shift, turmoil, risk, uncertainty, hyper competition, hyper competitors are the worlds used by economists and marketers to describe the development of the world economy after the millennium. In one world “chaotic” could be the best expression used by Kotler and Caslione (2009) to characterize these years.

In a chaotic world there is a growing interest not only from those active in the economy, but also from society as a whole in finding forecasts which may give more solid foundations for future activities. This same turbulence, however, makes forecasts from any source very uncertain. Nevertheless, in spite of this uncertainty, the investigation based on intensive desk research, tried to summarise those trends most likely to characterise the business environment during the coming years and which will have an important impact on corporate activity and performance.

According to this analysis six important global trends could be isolated as the most important ones. These findings are listed in Table 8.

Table 8. Forecasts supporting the megatrends (Own illustration)

NUMBER	MEGATRENDS	EFFECT ON MARKETING	SUPPORTED BY THE FORECAST (NR)
1.	Power-shift in the world economy	cultural side of international marketing, localisation, etc	2, 3, 6, 7
2.	Global climate change	social and societal marketing	5.,6, and partly 1 and 2
3.	Demographic trends	content and methods	1,2,3,5,6,7
4.	The increasing rate of technological development (open innovation, digital convergence)	Marketing communication channels	1,2,3,5,6,7,
5	The after-effects of the global recession	Changing consumer behaviour, price sensitivity	3,4,5,6
6.	The trend towards proliferation	The clutter of brands and communication tools	1,2,3,4,6

In the following we are going through the trends to discuss the extent these trends will influence the business environment and marketing activity and within this the marketing communication of the future. Based on this environmental analysis, the thesis will create a number of assumptions, which will be controlled later by the results of the international empirical research made during April and May 2015.

3.1. Radical power-shift changing the world economy

Scientific works written around the turn of the century about the world economy and world trade claimed that the world economy and world trade were rather one-sided: Advanced countries with 15% of the world population were responsible for more than two third of the world trade.

Recent years have shown a remarkable change in this pattern. We are witnessing major power-shifts in the world economy: Chindia (China and India), BRIC or BRICS (Brazil, Russia, India, China and South Africa) and CIVETS (Columbia, Indonesia, Vietnam, Egypt,

Turkey and South Africa) are abbreviations to be found in every analysis of the today's world economy. By the way the expression BRICs was first used in a scientific study written by Jim O'Neil in 2001, and after a decade these countries have developed into a formal body. The leaders from Brazil, Russia, India, China and South Africa announced in a joint statement mid of July 2014 the creation of their own development bank. The announcement was made after a plenary meeting of the five BRICS heads of state in Fortaleza, Brazil (Myles, 2014).

The global crisis starting in 2008 has even accelerated the emerging countries' rise with their annual economic growth rate mostly remaining positive, even in the hardest times outperforming that of the advanced world.

By 2030, according to the World Bank's forecast, the share of BRICS in the world GDP will be more than 50%. Looking at their accelerated growth the authors of ZenithOptimedia's forecast (2013) suggests that instead of emerging countries "rising countries" would be the proper naming, and another research institute proposed the name "RGMs" (Rapid Growth Markets) (RGMF, 2014).

The forecasts for the next decade are alarming for the Western Countries. Growth projections of the NIC (2008) stated that China was poised to have more impact on the world over the next 20 years than any other country. If current trends persist, by 2025 China would have the world's second largest economy and would be a leading military power. It also could be the largest importer of natural resources and the biggest polluter. India probably would continue to enjoy relatively rapid economic growth and would strive for a multipolar world in which New Delhi was one of the poles. According to the forecast of Goldman Sachs China will exceed US in 2036, India will exceed France in 2017, Germany in 2021 and Japan in 2026 — cited by NIC (2008: 6). (Interesting to observe the rise of China and India shows some sort of "Back to The Future" feeling since 2-3 centuries ago China produced around 30%, and India around 15% of the world's wealth.) The World Bank report from 2011 characterizes this new global economy as the appearance of "multi-polarity" in the world.

According to these forecasts, the multipolar world will make it easier for the non-state actors – big businesses, religious organization, NGOs and even criminal networks – to become stronger, meaning that the landscape for marketers will be rather different from the present. In spite of the signs that recently the unprecedented growth of China and other emerging countries are losing some of their strength it seems almost sure that the shift of wealth from West to East is going to proceed. If it is so, we can count with the following consequences influencing the marketing activity and marketing communication.

3.1.1. Increasing market potential of the emerging countries

The result will be a major rise in levels of GDP per capita in the developing world. Although they still remain the main destination of outsourcing and manufacturing investments, the emerging world, with a steep increase in individual income and purchasing power, will become an increasingly attractive market opportunity, not only for multinationals, but also for Small and Medium Sized Enterprises from all around the world.

Let us look into some into the figures of the different forecasts:

- According to Kharas H., and Gertz G. (2010: 2) “According to our estimates... by 2021, on present trends, there could be more than 2 billion Asians in middle class households.” This figure is – of course – depending among others on the definition of the middle class.
- According to the forecast of EY 2014: “In China, the number of households earning over US\$35,000 in real terms will triple to almost 80 million by 2022. There will be more than 15 million households in Brazil and Russia with this income level, while Mexico, Turkey and India will have more than 10 million such households each. Across the RGMs, there will be nearly 200 million households with incomes in excess of US\$35,000 by 2022, much more than in the US.
- NIC forecast (2008: 8): „Over the next several decades the number of people considered to be in the “global middle class” is projected to swell from 440 million to 1.2 billion or from 7.6 percent of the world’s population to 16.1 percent, according to the World Bank. Most of the new entrants will come from China and India.”

The figures are different but it seems rather likely that big bulks of households in Asia and other emerging countries will achieve income levels exceeding their daily necessities (food, clothing, housing and energy costs). This will increase the amount of possible discretionary spending. Needs for durable goods, entertainments, health care, educational and financial services will emerge. To win market share in these new markets, Western and local companies will compete to offer products and services fitting the needs of these people, and they will be forced to carry out efficient marketing communication to reach these new consumers.

3.1.2. The glocalization issue

To be successful, companies planning to enter these markets must change their marketing approach from what proved effective in the West. If they wish to depart from their current practice i.e. targeting only the affluent top end of an emerging market, and want to reach larger segments, they have to understand local conditions. Globalisation in this respect requires radical localisation – localisation, that is, of the product or service, of pricing, distribution and communication. Moreover, this localisation needs a great deal of learning about the new cultural, political and geographical aspects of the environment. (Dawar and Chattopadhyay, 2000, Khanna, et al, 2005, Tse, 2010). Khanna et al. give a good example of the need for understanding of, for example, the thorny relationships between ethnic, regional, and linguistic groups in emerging markets. “In Malaysia, for instance, foreign companies should enter into joint ventures only after checking if their potential partners belong to the majority Malay community or the economically dominant Chinese community, so as not to conflict with the government's long-standing policy of transferring some assets from Chinese to Malays. This policy arose because of a perception that the race riots of 1969 were caused by tension between the Chinese ‘haves’ and the Malay ‘have-nots’. Although the rhetoric has changed somewhat in the past few years, the pro-Malay policy remains in place.”

This necessity to understand the emerging world in detail will encourage the cultural aspect of international marketing and the international marketing communication (Hsiek, 2011; Domm, 2014) both in academia and in practice.

The rapid increase of needs of the new emerging middle classes and the endeavour to fulfil these newly emerging needs will give even bigger importance to the issue of globalization and localization of marketing means – including marketing communication. To stay competitive large incumbent and newly appearing corporations will be forced to try to globalize their international marketing communication. The fact however that the bigger part of the newly emerging consumption will come from Asia, a region with completely different cultures, religions and other environmental factors, the corporations which will enter these markets will be faced with the necessity to be responsive to the local markets, i.e. to localize their marketing communication.

The contradiction of globalization and localization has been solved in marketing literature (see the books about international or global marketing, for example: Hollensen, 2011, Rekettye et al., 2015) with the theory of ‘glocalization’.

3.2. Global climate change

Worries concerning climate change emerged more than thirty years ago with natural scientists reporting on global warming and its consequences for humanity. Even politicians have now drawn attention to the contingency. It is enough to refer to the Bruntland Report, which was on the agenda of the 42nd Assembly of the UNO under the title “Our Common Future” in 1987. On the 19th page the report states: “There are also environmental trends that threaten to radically alter the planet, that threaten the lives of many species upon it, including the human species. The burning of fossil fuels puts into the atmosphere carbon dioxide, which is causing gradual global warming. This ‘greenhouse effect’ may by early next century have increased average global temperature enough to shift agricultural production areas, raise sea levels to flood coastal cities, and disrupt national economies.”

In the second half of the '90s the President of the European Commission, Jacques Delors, set up the Forward Studies Unit of the European Commission under the co-ordination of three experts, Bertrand, Michalski, and Pench (1999) to elaborate on the possible future scenarios of the world and Europe. In the sixth volume of the Scenarios - Europe 2010 - the authors state that, in the light of their knowledge, the greatest danger lies in the strong correlation between economic activity and the deterioration of the natural environment - which brings about the possibility of ecological disaster.

The extreme climatic events of recent years have drawn even more attention to this process. In spite of the overall awareness of the danger, supranational bodies have failed to come to any agreement, which would have the effect of slowing down, let alone of reversing climate change. The Kyoto Protocol implemented the objective of the UNFCCC (United Nation Framework Convention on Climate Change) to fight global warming by reducing greenhouse gas concentrations in the atmosphere to 'a level that would prevent dangerous anthropogenic interference with the climate system'. But the biggest polluting countries (like the US) have not ratified the Agreement.

Recent speech of president Obama to the Coast Guard Academy graduates shows that now US is taking this issue seriously and is decided to act: "... climate change is one of the most severe threats. And this is not just a problem for countries on the coasts, or for certain regions of the world. Climate change will impact every country on the planet. No nation is immune. So I'm here today to say that climate change constitutes a serious threat to global security, an immediate risk to our national security.... And so we need to act — and we need to act now... how to prevent the worst effects in the future. Around the world, climate change increases the risk of instability and conflict. Rising seas are already swallowing low-lying lands, from Bangladesh to Pacific islands, forcing people from their homes. Caribbean islands and Central American coasts are vulnerable, as well. That's why confronting climate change is now a key pillar of American global leadership. When I meet with leaders around the world, it's often at the top of our agenda — a core element of our diplomacy." (By

WTNH.com Staff. Published: May 20, 2015). President Obama's speech hopefully will help the 2015 December United Nations Climate Change Conferences to be held in Paris.

The uncertain future of our world immediately raises the double question - What can be done, and who should do it? It would be profitable to list those who have a part to play in this very serious game, and, using a certain degree of generalisation, three parties can be named:

Firstly, consumers: that is, people who have been socialised to measure and demonstrate personal and family success and happiness in their increased consumption of material goods. In marketing literature, however, the expression and definition of 'sustainable consumption' has emerged and both debate and dispute have arisen (Schaefer and Cane, 2005; Webb et al., 2007). The socially responsible consumer was defined earlier - in the mid-'70s - first by Webster (1975:188): "a consumer who takes into account the public consequences of his or her private consumption or who attempts to use his or her purchasing power to bring about social change". The real challenge in this case is twofold:

- first to identify those consumers who are ready to behave environment friendly (who are willing change their attitude and are ready to pay sometimes more for environmentally friendly products; and
- to elaborate marketing and communication strategies that arise from an improved understanding of the profile of this segment of consumers (Laroche et al., 2001)

Secondly, profit-oriented organisations: that is, companies whose first and most important goal is to produce more and more income for their owners and where this objective is in strong correlation with an increase in sales and consumption. Since the danger of ecological change has emerged, and since this has become the concern of civil organisations, social responsibility has also started to appear in the strategy of companies (CSR).

Thirdly, leaders: that is the generally elected leaders of the population (governments and other regulatory bodies), who have a dual role: regulation and persuasion.

Taking into account the environmental and ecological dangers, it seems almost sure that traditional marketing will undergo radical change, and probably the most striking future trends will be:

3.2.1. The increasing importance of social marketing

Government, NGOs and civil organisations will have an obligation to influence consumption, to promote change for sustainability - i.e., they will have to undertake a form of social marketing. The share of social marketing both in academic research and in practice is rather small compared to business marketing, and its evolution has been somewhat hindered by a lack of definitional clarity and consensus. It has often been confused with related - but quite distinct - marketing concepts such as societal marketing, socially responsible marketing and non-profit marketing. (Hetesi, Veres, 2014)

The emergence of social marketing means a type of paradigm shift in marketing theory and practice. The essence of marketing has so far been to create, deliver and promote more and more tangible and intangible goods to satisfy customers' needs. Any kind of marketing effort to reduce consumption seems contradictory to marketing experts. Besides, the need to clarify the objectives of social marketing, an urgent need for "re-tooling" this new type of marketing has emerged. The traditional 'four Ps' need a rather new and different approach (Paettie & Paettie, 2008):

- The first P is not a Product but a Proposal (use a bicycle instead of a car; a new one is not always better than then the old one etc.).
- The second P (Price) cannot be regarded as the monetary cost to the customer, but rather a kind of energy, or the psychological cost of changing existing behaviour patterns.
- The third P is in this new concept is not the Place, the availability of goods, but the way in which to access the socially more beneficial alternatives.
- In addition, the fourth P is not Promotion but very comprehensive social communication.

To summarize it can be said that the marketing of the future will pay greater attention to social marketing, and social marketing communication. The decision what kind of attitude and what kind of products should be communicated to the people will require more and clearer research findings.

3.2.2. Importance of the research of the sustainable consumption

The ecological sustainability of our planet requires radical changes in consumption patterns. There are inadequate research results about the types of consumption to be avoided and the types which consumers should be persuaded to choose. Research has started and partial results have already been published (Schaefer and Crane, 2005; Webb et al., 2008, Luchs et al. 2010, and others), but the picture is not yet clear.

Academia will in the future pay more attention to research into sustainable consumption and to the methods of its measurement, but such research should, by its very nature, be interdisciplinary and involve the co-operation of other human sciences - even natural sciences. The responsibility borne by such research will be very high, since the arguments for social marketing communication and even direct regulation by government will be based on these results.

3.2.3. Research on how to communicate climate dangers

There is also a growing interest to understand the best ways and methods of communicating the risks of climate change to the public. There is a tremendously big literature from the last three decades including disciplines like economy, anthropology, sociology, philosophy, psychology that wanted to explore the relation between people's values and the way in which they engage with the environment. Corner et al. (2014) give a comprehensive literature review of this issue and put the question whether are there such common human values on which the communication of the climate change issue should be predicated. This literature review proved that there has been a growing academic interest in how value orientations shape engagement with climate change. Realizing that their efforts to reach the public were not effective enough practitioners of social marketing have also tried to understand how the

public could be made more engaged with the issue of global warming. They also realized that the recipients of campaigns should be ‘divided’ into different segments based on differences in their attitudes and/or values, and that the messages of the campaigns should be differentiated according to the value differences of these groups.

3.2.4. Changes in business marketing — the revolution of societal marketing

It is also easy to forecast that, in the corporate strategy of the big multinational companies, sustainable development and socially responsible marketing (CSR) and their communication will have a dominant role. They will have no other choice since anti-globalisation movements, government pressure, consumer movements and green organisations will enforce this change. An Internet survey involving 25 000 respondents from 175 countries showed that 71% were not satisfied with the present state of the environment, and 67% were expecting further deterioration (Amin, 2003:374). After the UNO summit on sustainable development (www.johannesburgsummit.com) in 2002 (under the title: 3P — people, planet, prosperity) global companies regard it as obligatory to deal with environmental problems. Their efforts and results are usually published as an appendix to their financial statements. Some of these companies can even draw competitive advantage from focusing on sustainability. An article in *Business Week* (January 2, 2008) cites Toyota, GE, and Walmart as positive examples. Hungarian examples are available in the work of Ercsey and Szegedi (2015). These companies require sustainability also from their suppliers. As a result, a virtuous business cycle starts: “companies seeking sustainability look for sustainable products and services, which provides further opportunities for sustainable companies” - and “at the end of the day, when companies compete on sustainability, the planet will be the big winner”— states the article (Douglas, 2008:3) very optimistically.

The act, however, is that the real situation is not so promising. It is certainly the case that social responsibility has appeared in the marketing communication of the big companies and that the philosophy of CSR is diffusing into the strategy of many corporations, but few companies have yet reached the point when they are ready to say that the customer is not always right. If we examine the industry guiltiest in terms of environmental pollution – the

car industry - we can admit that Toyota or Honda (which in 2007 was awarded the title of the “greenest car manufacturer of the year”) can rightly boast of their hybrid cars. On the other hand, they do not wish to turn their back on the increasing demand for the ‘gas-guzzling’ SUVs (e.g., the Toyota Land Cruiser V, or the Honda Pilot).

The positive picture is spoiled by the fact that many of these large companies have outsourced their most polluting activities to less developed countries, which decrease their own ecological footprint although the total footprint remains the same (or even worsens) globally. In future years, we shall have to reckon with the activity of global companies born in the emerging countries. They will have to adapt their activities according to the norms of Corporate Social Responsibility, but what is sure is that they will not ignore those business possibilities (polluting or otherwise) earlier used by Western companies.

To summarize, it is almost certain that the notions of sustainable development and social responsibility are spreading, and this is the trend which will shape marketing in the future. The change is not revolutionary, but scientists and politicians have to welcome every incremental change. To research and manage this field is their responsibility and they should not leave it as the private hobby of a few natural scientists. The change has started throughout Europe: there are centres of sustainability in the major Universities in France, England and Germany - even in Hungary. If governments, consumer movements and companies act in the global interest of the earth then there is a chance that, by the end of the next decade, CSR will not be an extreme strategy; it will, rather, be an organic part of organisations’ DNA, and as a consequence it will occupy a substantial part of business and marketing communication.

Summarising this new trend, we can conclude that Philip Kotler was right when he wrote about a new marketing paradigm, about a new value-centric era known as Marketing 3.0. “Marketing 3.0 is the era where marketing practices are very much influenced by changes in consumer behaviour and attitude. It is the more sophisticated form of the consumer-centric era where the consumer demands more collaborative, cultural, and spiritual marketing approaches” (Kotler et al., 2010:24).

3.3. Demographic trends affecting the future marketing

When focusing on environmental issues and on the power shift which is taking place between the advanced and emerging worlds, business and political leaders tend to overlook some very important demographic issues, issues which will top the political and business agenda in the near future. According to optimistic scenarios, the declining birth-rate of the advanced world and the current family-planning policy of some developing countries (specifically, China) the growth of the earth's population will slow down and will both peak and stabilise at a level of some 9-10 billion around the middle of this century (UN, 2004). Examining the details of this broad forecast, some striking trends can be recognised which are already appearing and which will have (or already do have) their effects on business and marketing activity within the next few years. A lack of space restricts this study to dealing with only three of the several trends.

3.3.1. The aging population in the Western world

The first issue is *the aging demographic structure of the advanced world*. In the middle of the twentieth century the proportion of the world's population above 60 was around 8%. According to forecasts, within 100 years this will rise to 20-25%. In addition, many countries - notably almost all European countries and Japan - have already reached this level (UN, 2009). Examples include: Japan 30%, Italy 26%, Germany 25%, Croatia 23% Hungary 22%, etc.

In spite of this, the majority of companies, with some exceptions, declare their marketing communication that they regard younger (15-45) generations as their main target market. They somehow ignore the fact that one quarter of the population is already an attractive market. Why is this? Perhaps one of the factors which reflects this is Bill Virgin's (2005) description that marketing to young people is much more fun than it is to old people. He goes on explaining that there are a lot of old people out with money to spend. In the United States (where the proportion of 60+ customers is lower), some companies have already recognised this fact and started to implement marketing strategies to target this growing

segment (Byron, 2009). “The demographic issues are where the climate issues were 5 - 10 years ago: everybody had heard about it, but nobody cared” (Hori et al., 2010:6). There is growing literature dealing with the marketing methods how to serve and communicate with the aging consumers (Pak and Kambil, 2006; Thompson and Thompson, 2009)

Demographic forecasts suggest that there is a fairly high possibility that senior consumers, due to growing life expectancy and even divided into sub-segments of 50+, 60+, 70+ or 80+, will become new targets for many consumer goods companies’ marketing activity during the coming decades.

3.3.2. *The growing proportion of economically active women*

When discussing demographics, it is worth mentioning another tendency largely ignored by policy-makers and business leaders. This is the appearance of “the third billion” as Augirre and Sabbagh puts it (Augirre and Sabbagh, 2010). The analogy of the “billion” is taken from the two billion new Chinese and Indian participants in the world economy. *The third billion are women.* According to a new study by the Boston Consulting Group, women are now poised to drive the post-recession world economy, thanks to an estimated \$5 trillion in new female-earned income that will be coming on line over the next decade (Foroohar and Greenberg, 2009). According to the analysis of Booz & Co., based on ILO statistics, by the end of the next decade one billion women between the age of 20 and 65, who are today either “not prepared” or “not enabled” (or both) will enter the mainstream of the economy and, with their purchasing power, will become a very significant part of the market. This movement, besides giving special impetus to the economy, will provide huge challenges for the marketing skills of almost every company. It will also influence marketing communication: the attitude of men and women are different and companies need to target them differently. Psychologists say that even the way how they process information is also different (Ifezue, 2010). Some marketers believe that businesses which don’t use different approach in their marketing communication to women will be left behind.

3.3.3. *The rapid rate of urbanization*

The economic growth of the emerging countries is very much based on the rapid rate of urbanization mainly in China and India. Demographically, urbanization means the redistribution of population from rural areas to urban settlements (Peng et al., 2011). It is the precondition if economic growth. Urbanization in Europe and North America went on in the 19th century, in South America in the early 20th century. The 21st century is called by Dobbs et al. (2015) the urban century for Asia. The population of cities is rising annually by 65 million people. Moving to cities is not merely a movement; it means a change of life getting closer to educational, cultural possibilities, income sources, etc. In China at the beginning of modernization 20% of the population lived in cities; their share by 2010 has reached 50%, contributing a lot to the rapid development and causing at the same time social constraints (income differences) as well (Székely-Doby, 2014). The global development of urban population is shown in figure 9.)

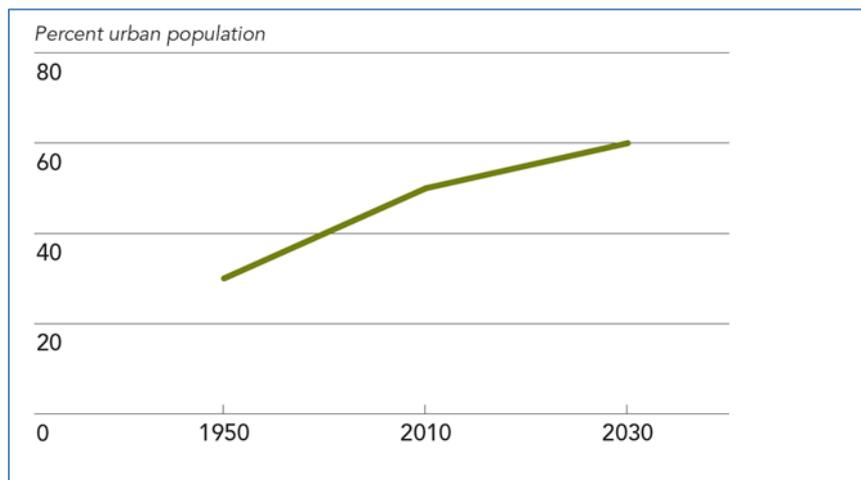


Figure 9. The forecast of the share of urban population till 2030 (%),
Source: NIC, (2012, 2)

The economic growth requires the urbanization; Masses of people move to cities and from poverty they become consumers and strengthen the emergence of a new middle class in Asia, which will produce the bulk of the consumption in the future (Figure 10.)

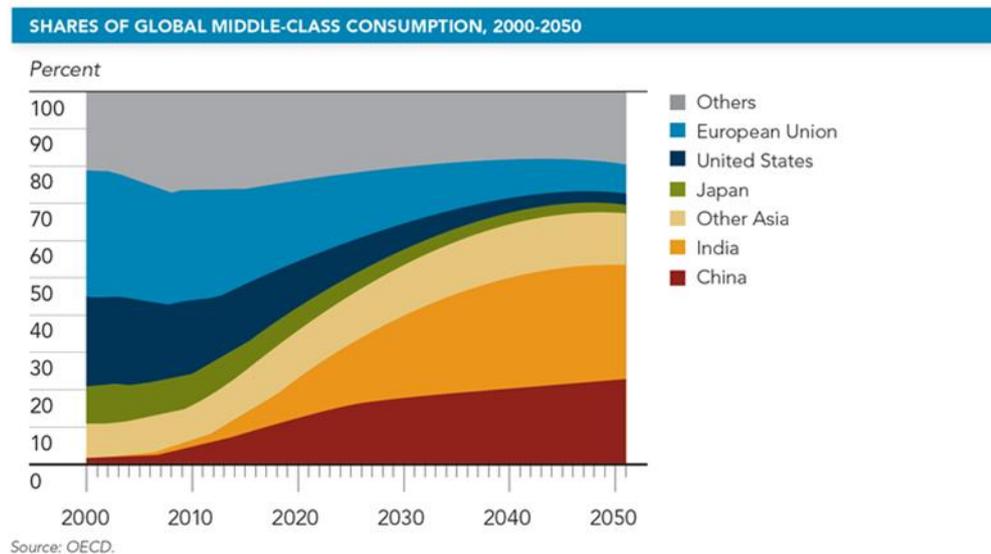


Figure 10. Shares of Global Middle-class Consumption
Source: NIC, (2012, 2)

3.4. Speeding up technological development

This paper has tried to list those important global trends which will have a strong impact on the business and marketing activity worldwide, but so far one important field has not been touched on directly: this is the ever-growing *speed of technological development*. This field is so comprehensive and so important that it is hard to incorporate even its main trends into the framework of this study. One thing is, however, sure: all the trends mentioned earlier are affected by technology; and, vice versa, the directions of technological development are, and will be, affected by social, economic and marketing trends. The interrelation between social and economic trends and technology is shown in Figure 11.

Let us simply consider climate change: the roots of the problem lie in carbon- dominated industry. Changing this may give a strong impetus to R&D in carbon-free energy resources

and may open an era of a new technology development — as suggested by the Nobel Laureate Krugman and others (Makhijani, 2007).

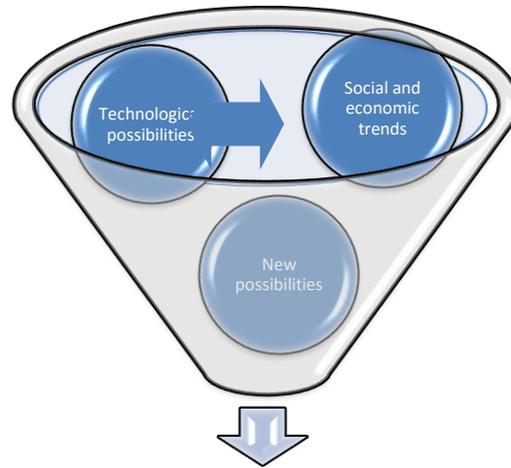


Figure 11. The Interrelation of Social and Economic Trends and Technology (Own illustration)

In relation to trends in technology, it is not viable to list all the possible inventions and innovations which will determine technologies embracing different product groups, and instead this study emphasises some emerging phenomena which will have a strong impact on marketing in the future.

3.4.1. The emergence of open innovation

The notion of open innovation was introduced in the literature by Henry Chesbrough (2003) who argued that involving external partners of the company (external research laboratories, suppliers, universities, customers and even competitors) into the firm's R&D activity will give better results than the traditional way named by him as 'closed innovation'. Open innovation is the way in which successful IT companies already work. Chesbrough argues in his writings that this mindset can increase the return of R&D even in traditional industries such as the automotive or in chemicals production.

The notion of ‘innovation’ is not, however, limited to products or technologies. Innovation also applies to marketing (Rekettye, 2003), and also to marketing communications. Open innovation in the field of marketing means to involve external partners into the process of inventing and implementing new marketing actions, using new marketing means and creating new forms for deciding how, and on what the marketing budget should be spent. In this respect the voice of the companies’ existing and potential customers is, of course, of the utmost importance. In addition, the IT revolution creates methods by which customer-oriented companies can maintain continuous conversation with their customers. A visit to the LEGO website is instructive. Here the use of Lego Mindstorms NXT software helps to develop successful product designers from their young customers.³⁶

Another example is the Pepsi campaign already mentioned in this study. Instead of spending millions on the Super Bowl, they ask their customer communities to help to decide how this budget should be spent.³⁷ American Express undertook a very similar project under the name “American Express Members Project”³⁸. In addition, IBM’s “Smarter Planet”³⁹ program can be listed among these initiative.

The above experiments can be considered as the use of open innovation in the field of marketing, and their success will accelerate the spread of this form of two-way marketing communication in the future.

3.4.2. *The issue of “digital convergence”*

Parallel with the appearance of digital technology and its separate use, the notion of digital convergence has emerged both in the literature and in practice. The concept says that all industries where digital technology has a certain role will eventually come closer to each other and, when convergence is strong enough, these industries may merge into one. This

³⁶ Source: <http://mindstorms.lego.com/en-us/community/default.aspx> Accessed 12.07.15

³⁷ Source: <http://www.refresheverything.com/> Accessed 12.07.15

³⁸ Source: <http://www.takepart.com/membersproject> Accessed: 12.07.15

³⁹ Source: http://www.ibm.com/smarterplanet/us/en/?cm_re=masthead--solutions--asmarterplanet Accessed: 12.07.15

was the case with information technology (IT) and communication technology (CT): they are already known as ICT.

From the marketing perspective, the convergence of information technology, telecommunication, consumer electronics, and entertainment has special significance. In other words, there is a high probability that technologies will evolve in a new innovative network, which may change the lifestyle of people, households and even companies. One thing, however, is not yet clear: what will be the dominant platform of this new network? Will it be TV or the PC? No-one can decide this now, but, nevertheless, marketers need to prepare for the changes which will become necessary in their own communication activity.

3.5. The Trend of Proliferation

Analysing the markets across the different product categories, it looks evident that the marketing environment is undergoing tremendous change. The new world order of digitalization has brought about the fragmentation of the markets, the appearance of new market segments, the clutter of new products, new brands, new channels, new pricing points and new communication vehicles. The process is called proliferation. It started already some years ago and most probably, it will be one of the major trends influencing marketing in the coming decade(s). Proliferation is there on every front (Webb, 2006; Court et. al, 2007).

3.5.1. Brand proliferation

Due to increased competition and to the widespread availability of information, consumer needs are becoming more and more diverse. Companies across many product categories try to react to these trends by constantly launching new products, by adding new varieties to their product lines. This product proliferation strategy from the side of the companies has a certain logic: broader product lines may increase demand, costs may be helped; new market entrants may be deterred (Bayus and Putsis, 1999). Although a jumble of new, developed, or modified products may have company logic, it has unfavourable consequences overall for markets. Gerzema and Lebar (2009) report, for example, that, according to Datamonitor

statistics, nearly 60,000 new products were introduced worldwide in 2006, more than double the number of some years ago. An average supermarket holds around 30,000 separate items – three times more than a few years ago. This phenomenon generates three problems: firstly, consumers have difficulty in assessing brands and finding noticeable differences among them; secondly, consumers find nothing creative in most new brands and, thirdly, they consequently lose trust in these brands.

The movement of brands in the market used to have precise directions. Shapiro (2002) explains these movements in a Harvard teaching note. According to him, there are three kinds of goods: commodities, specialities and ‘the great in-between’. Specialities constitute the high end of the market: they offer great customer value and they have competitive differentiation. While specialities usually provide a higher margin, the natural endeavour should be to move from commodities to specialities (sometimes termed ‘premiumisation’). Due to brand proliferation, however, the real movement is in the opposite direction. Every new product starts (or wants to start) as a speciality. In the struggle to gain competitive advantage, competing firms operating in the same business area will imitate the new products very rapidly, making it more and more difficult to find any important points of differentiation. From the consumers’ point of view, it often becomes difficult to distinguish functionally their offers from each other. This process is discussed in the literature under the notion of ‘commoditisation’ (Karmarker 2004; Davenport 2005). These two opposing movements end in a rapid polarisation of the market structure.

3.5.2. The proliferation of communication vehicles

Proliferation in communication channels means that, during the last 5 to 10 years and in addition to the traditional channels, the new digital media have come forward with different ways offered to companies to communicate with their customers. There is a revolution underway within the marketing and advertising ‘ecosystem’. The metaphor of ‘ecosystem’ was used by Vollmer (2009: 3), who writes that this ecosystem is a dynamic, interconnected community of marketers, advertising agencies and media, which is at the same time “a brutal competitive arena, where a kind of ‘digital Darwinism’, or survival of the fittest, holds sway,

rapidly distinguishing the winners from the losers.” In the coming decade these new, revolutionary channels will become mainstream. According to the “Marketing and Media Ecosystem” survey, the media offering two-way communication will outperform those of the traditional one-way channels.

Here is a good example presented in 2010 in the article of Knowledge @ Emory titled Marketing’s New World Order: Consumers Talk Back—and Everyone Hears: ‘Pepsi always outspent Coke on the Super Bowl’, says Tim Halloran, a Goizueta adjunct marketing instructor and brand management consultant. “That was their big deal.” That is, until this year. For the first time in 23 years, Pepsi ran no advertisements during the event this year (2010). Instead of investing in ‘flashy’ 30-second spots, the company poured money into creating a new online social media campaign, the ‘Pepsi Refresh Project’, through which it promises to hand out millions of dollars in support of ‘ideas that will have a positive impact’. ‘This is a huge departure’, says Halloran. ‘For Pepsi to walk away from the Super Bowl, it really gives you an overarching idea of where the trends are today.’ In other words, Halloran says, ‘it’s a whole new marketing ballgame. Pepsi is not alone on the playing field. As social media networks and developments in high technology continue to break down traditional barriers between companies and consumers, and as those customers become increasingly sophisticated and discerning about the products they buy and use, companies are being confronted with enormous changes in marketing and brand management’, Goizueta experts say. Gone are the days of the marketing one-way conversation, with a company telling its customers what to think about its products and services. Today marketing has truly become, for the first time ever, a two-way conversation.

3.6. The after-effects of the global recession: changing buying behavior

3.6.1. Price sensitivity and value conscious consumers

The global economic recession started in 2008. Since 2011 and 2012, macroeconomic indicators have shown a certain degree of recovery – even in those countries which were hardest hit by the recession. It is too early to say that the recession will then be completely

over; pessimistic scenarios predict a possible second downturn. Even if this does not happen, regional and local problems such as the Greek, Portuguese and Spanish budget problems, dramatic fluctuations in exchange rates, etc., suggest that the world economy in the coming decade will not be as prosperous and smooth as before the recession.

During the recession, companies producing consumer goods and services reported a radical change in consumer buying behaviour, even in the most advanced markets. A radical decline in per capita consumption expenditure across the demographic segments, the postponing of certain consumer investments, trading down, i.e., in a switch from specialities to commodities, and an increased market share for lower-priced private labels characterised these changes.

In recent years a new value consciousness has emerged as the dominant buying behaviour, i.e., consumers have continuously made trade-offs in price, brand and convenience. Companies waiting for consumer behaviour to return to normal may be disappointed: consumer surveys (Egol et al., 2010; Cetelem Kőrkep, 2010) show that consumers do not want to return to the old habits of hedonistic consumerism. According to the Cetelem consumer survey carried out in 12 European countries, 64% of respondents shared the opinion that the crisis had brought long-lasting change to consumer buying habits. A majority of consumers prefer saving to spending; they prefer low prices to convenience, and the trade-off between price and convenience opened the door for hard discount stores. Whilst in Italy 36,000 retail shops closed in 2008, discount chains such as Shop Prezzofisso, Eurocity and others flourished. In the UK, more than 1,500 discount stores are operating, in Germany 40% of groceries are bought in discount stores (which enjoy an annual growth-rate of more than 10%). Further, discount shopping is undergoing a democratisation process: earlier their target segment comprised students and housewives, but now even senior managers and freelancers are not embarrassed to visit them. 'Everyone wants to save' as one of the managers of a discount store said. It is no accident, for example, that 'under-a-pound' chains opened stores in the elite residential areas of Cambridge and Oxford.

Besides the above changes consumers have also become more sensitive to perceived value of cheaper products as opposed to their higher priced alternatives. This change came from experimenting with cheaper solutions that ultimately turned out to provide more core benefits to consumers than originally hoped for. These changes were experienced across a wide range of product categories, from packaged goods to consumer electronics. Once the consumers are satisfied with alternatives offered at a lower price it is hard for them to go back to their pricier alternatives. In other words, consumers' willingness to pay for the additional benefits has changed due to the after effects of the recession (McKinsey, 2009). In normal circumstances that premium brands would gain power as the economy recovered, but according to McKinsey's research on US customers, this is actually a new scenario for many of brands which were used to focusing on solely premium alternatives. The examples brought forward by this very article illustrate this attitude of consumers being price sensitive and in general looking for solutions that provide them with more benefits at better prices. This changed behaviour especially in terms of perceived value and cheaper alternatives as a result of the economic crisis is illustrated in figure 12.

Before the downturn

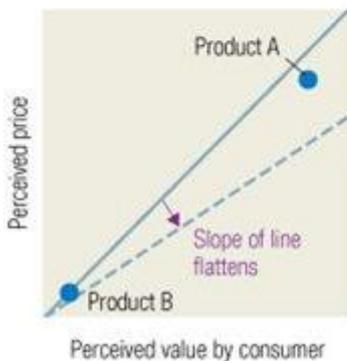


- Consumers are indifferent at any point on the diagonal 'demand line,' where perceived value and price are equal
- Product A is preferred because it is seen as a better value for the price
- Product C is at a disadvantage because its perceived value is too low given its perceived price

After the downturn

--- Downturn effect

Change in willingness to pay



Change in perceptions



Figure 12. Consumer perceptions changing due to economic pressures

Source:

http://www.mckinsey.com/insights/consumer_and_retail/how_the_recession_has_changed_us_consumer_behavior

Even though much of this earlier article focuses on American consumers, the changes are not strictly only applying to them. These changes can be observed all over the world. Many studies and articles, including Stefura (2010) and Turcinkova (<http://www.wseas.us/e-library/conferences/2014/CambridgeUSA/ECON/ECON-11.pdf>) have since also focused on the effects of the economic and financial crises on European consumers and have established a clear relationship to changes in consumer behaviour as a result.

3.6.2 Changed consumer decision journey

Along with the thus far explained changes in consumer behaviour, another important aspect has also been the focus of marketers, namely the consumer decision process and how it has been changing not only as a result of the economic conditions, but also due to the proliferation of products, brands and media. These new conditions result in an exponentially larger number of touch points, which marketers and brands need to pay attention to. Thus the traditional linear funnel or model starting with awareness and ending with loyalty no longer applies. McKinsey Quarterly (2011) calls this approach the consumer decision journey illustrated in figure 13.

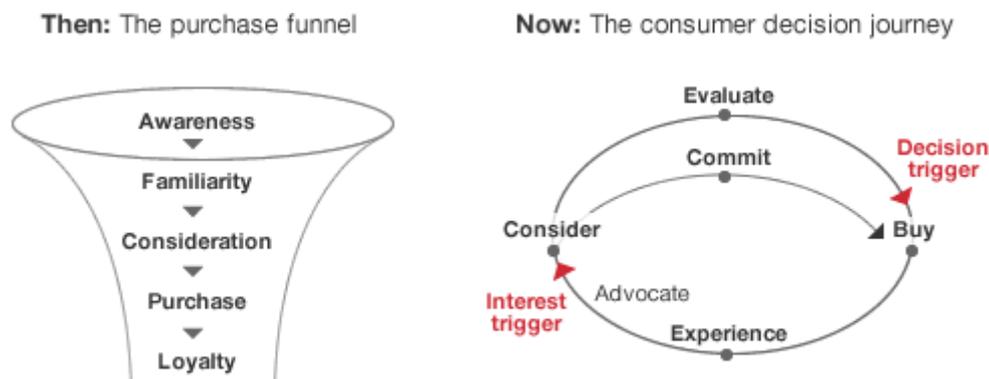


Figure 13. The consumer decision journey

Source: <http://www.mckinseyonmarketingandsales.com/winning-the-consumer-decision-journey>

This concept as illustrated above clearly shows how consumers have taken control in terms of the information they need for specific purposes. This means that the so-called touch points are largely dominated by consumers. Reviews, recommendations from friends and family have become more important than ever and in the age of the internet it is much easier to rely on such touch points. As a result the traditional marketing done by companies is somewhat neglected and only accounts for one third of the push-style communication (McKinsey, 2011).

If it is accepted that consumer behaviour has changed in an enduring way, companies seeking success have to adapt their marketing strategies to these new trends. Firstly, they must identify new consumer segments according to their differences in price-sensitivity, in

shopping behaviour across product categories; secondly, they must adjust their product and service offers and pricing strategies; thirdly, they must address their differentiated marketing messages and promotional offers accordingly (Quelch and Jotz, 2009; McPartin et al., 2010).

3.7. Conclusions

To summarise the trends, it is evident that future decades will force companies to change their business and marketing strategies and their tactics quite radically. The trends which are described in the study will alter the business environment totally. The nature of these trends is that they do not appear separately, but rather in interrelation with each other, and this will make adapting business models to the changes even harder. The alteration of business models will be unavoidable for almost all business organisations, and the main question will concern the direction in which these changes should go. The opinion of this paper is that companies should anticipate changes and their effects on the business environment carefully and thoughtfully. If companies decide on a specific direction to accommodate themselves to the main trend, they must also consider what effects other trends will have on their planned route. They have to prepare themselves to survive in a completely new world order characterised with dramatic climate changes, with radical demographic trends, with economic power shifts and with both hyper-competition and hyper-innovation. Particularly astute companies may create competitive advantage from these adaptations. However, to cope with the effects of these trends will need a new mindset - not only on the part of businesses and marketers, but also from the other participants in society.

4. The Methodology, Model and Assumptions of the Research

4.1. The model of the research

Thus far, the literature review focused on the getting a clear picture on the practices of marketing communication and identifying the most important megatrends influencing the business environment. This was done with an extensive literature review through which we were able to pinpoint those factors that will ultimately have a strong effect on the future of the marketing communication practices of global businesses. Based on this we were able to design the model that we use for our primary research.

The research is illustrated in the following diagram (Figure 14).

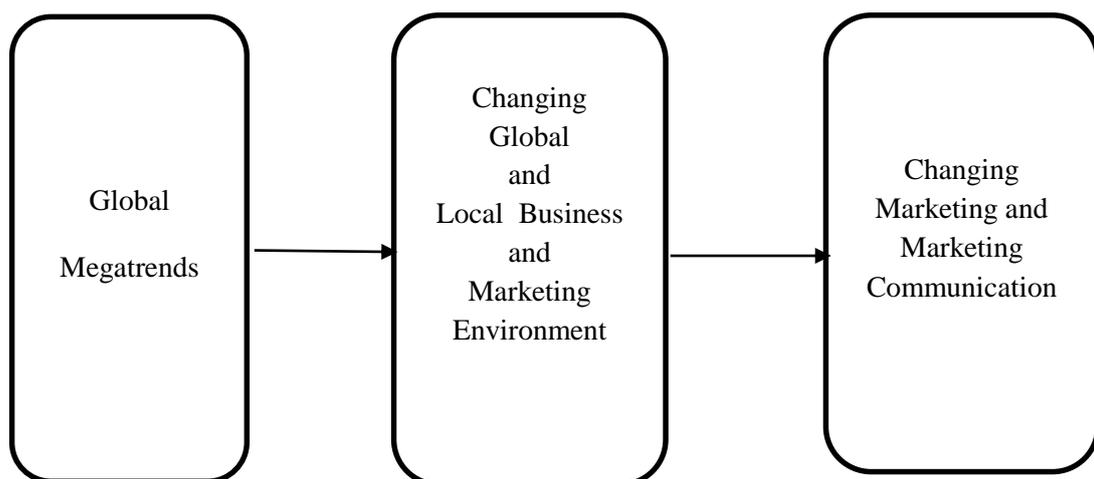


Figure 14. The research model (Own illustration)

In preparation for the quantitative research and in order to get a better understanding of the issues discussed in the dissertation we conducted four in-depth interviews to help us understand the views of experts from these four countries.

4.2. Methodology and the results of the in-depth interviews

This qualitative research method was chosen for two distinct purposes. Firstly, to bridge the gap between theory and practice by gathering expert opinion of the four interviewees representing each country or region involved in the survey. The research model also illustrates the necessity and justifies the choice of this methodology. Doing so the research not only gathered valuable information on the how experts feel about the future of marketing communication, but also presented us with an abundance of information on how the survey should be designed. The structure of the interview (Appendix 1.) was later adopted for the quantitative research. The interviews verified some of the areas and helped assemble an online survey for a wider sample.

The structured in-depth interviews based on the secondary literature served two distinct purposes. The first purpose was to get a better understanding of the different trends that influence businesses thus indirectly the marketing practices of organizations. This meant that the interviewees were chosen based on their expertise in their respective countries and careers. Secondly, the interviews helped the construction of the quantitative survey, by providing a direction in terms of question selection and overall focus to be applied.

The research being a global one needed to gather information using this method in order to understand the relevance of the global trends from different perspectives. This was also the necessary step following the literature review, which shed light on the details of how global trends such as climate change or technology changes our lives from many perspectives. One such perspective was how experts from different countries viewed these changes and what their insights might be on these subjects. Therefore, the in-depth interviews helped the dissertation to see the effects of global trends through different lenses. The interviewees' backgrounds and origins helped to see the same global trends from a different perspective. The backgrounds of the four interviewees:

Interviewee 1: Nationality: Hungarian, Career: advertising, marketing communication expert, and college professor.

Interviewee 2: Nationality: Hungarian, living in the United States. Career: PR specialist, marketing communication, university lecturer, journalist.

Interviewee 3: Nationality: Indian, living in the United States. Career: international development, worked for many companies both in India and in the United States.

Interviewee 4: Nationality: Croatian. Career: marketing professor.

All four interviews included the same ten questions based on the findings of the literature review and secondary research done in the field of global trends influencing business performance (Appendix 1).

The results of the interviews in the areas where all four agreed were:

- The most important trend that influences and will influence the practice of marketing communication in the next years is technology. All agreed and pointed out the essence of technology affecting the way businesses operate and the way consumers gain more power using internet and all internet related technologies.
- All agreed that globalization will have a strong effect on the business environment thus directly change the future of many marketing functions, most of all MC.
- Demographic changes, especially the aging of the population was an area where all interviewees had a strong opinion on the possible changes and how those might affect the business environment in their respective countries.
- There was an agreement about the importance of the tools used in communicating with customers today and even more so in the near future.

The areas where there were differences in the answers:

- Globalization versus localization was one of the most important factors for the Indian interviewee as according this interview in India although globalization is and will be a major force in terms of the global companies setting foot in this market, at the same time because of the cultural differences the need for localization still plays and will keep on playing a highly important role in the future.
- Global climate change was also one of the issues where the interviewees had a slightly different opinion. The Indian participant felt more strongly about the possible outcomes and its consequences on the business environment of Indian and other

firms' practices in the near future. The Croatian and Hungarian interviews were much more moderate in their answers.

- The issues related to the last financial crisis, namely the price sensitivity of customers, value awareness and general changes in consumer behavior were much more pronounced in the opinions of the Hungarian and Croatian interviewees. Although these issues are also felt in the United States, the least pessimistic was the Indian candidate, who was rather optimistic about the economic situation and growth potential of India and other developing nations.
- Concerning the content of MC, all interviewees felt that there would be changes in the near future, but once again, the strongest opinion of all was the one from the Indian interview.

Summing up the interviews, the one-hour sessions where the above topics were discussed with these experts proved quite valuable. It provided a special insight into the understanding of these trends and global issues. The direct influence they have on a particular country - in our case on Croatia, India, Hungary and the US – enabled this study to better understand many of the factors it previously discussed and also helped it to design a better questionnaire, which then could be used in gathering the quantitative results that could further benefit the dissertation in reaching its aims.

4.3. The Assumptions of the research

Based on the secondary literature and the results of the in-depth interviews we formulated certain assumptions. For the purposes of this study, it is necessary to use this term, as hypotheses would not be suitable and certain in predicting the future (Besenyei, 2011). Nor would they be reliable in terms of proving them. Thus, the use of assumptions have been adopted for our purposes. Along with result of the primary research, we should be able to prove or disprove our assumptions and formulate directions, which a future study could undertake.

The preliminary assumptions around which the dissertation centers are:

Table 9. Assumptions of the dissertation (Own illustration)

Assumptions concerning the changes in marketing communication in the next decade	
Assumption 1.	Marketing communication will change radically all over the world.
Assumption 2.	Changes in marketing communication will be greater on the emerging market than on the Western markets with greater expenditures and with new methods and contents.
Assumption 3.	The endeavour for both globalization and localization will characterize marketing communication with more emphasis on localization in the emerging world.
Assumption 4.	The global megatrends will undoubtedly affect the business and marketing environment and thus reshape the practices of marketing communications.
Assumption 5.	Each global trend will have a different effect on the practice of marketing communication.
Assumption 6.	Mass communications' role will decrease.
Assumption 7.	The rapid growth of digital technology will greatly change the choice of tools companies use for communicating with their customers.
Assumption 8.	Tools that favour two-way communication will be gaining more popularity in marketing communication.
Assumption 9.	The content of marketing communication is going to favour more rational messages.

Note: The aims of the quantitative survey was to gather insight on how the respondents feel about the effects of the megatrends, but also to understand the general views on the expected changes in marketing communication. Thus, the list of assumptions starts with these general issues.

4.4. Quantitative research

For the primary research, the dissertation relied on both quantitative and qualitative research methods. The first step in the methodology was to design an in-depth interview for experts in the field of marketing communication.

The quantitative research as previously mentioned was constructed in order to get a better understanding of how practitioners, university professors and students feel about the changing business environment. The aim was to find out how much and what global trends are shaping the business environment and doing so how these changes would affect the practice of marketing and marketing communications. Choosing an online survey method was obvious for a number of reasons. The most important reason is because of its nature, being a quantitative analysis means that it is statistics (Scherbaum and Schockley, 2015). Statistical methods would help us to understand the various differences that might exist in our different groups of respondents. Furthermore these methods, would allow us to make predictions about the future. The survey was designed primarily for four distinct groups of respondents in two different languages (Attachment 2.). The questions focused on getting a clear picture of what respondents thought about the expected changes within marketing communication and on the trends that greatly influence business life and thus the practices of everyday marketing, including marketing communication.

The questionnaire focused on issues regarding how global trends would affect the business practices and what this meant in terms of the expected changes in marketing communications. In this aspect, we were eager to find out what these changes meant in terms of the tools and content of marketing communication in the future. The first aim was to find out how Hungarians felt about these issues, so the Hungarian questionnaire was developed and first tested by experts for this purposes. The English questionnaire was later designed and targeted at three distinct groups, Croatia, India and advanced countries. The questions were designed so that it would help the SPSS analysis and we would be able to see the possible relationships between the various groups in terms of their answers to particular areas of the survey.

A convenience sample was used along with a snowball sampling. Since the target of our survey was university educators, students and professionals, the best way to reach them was to rely on their expertise in forwarding the survey among their respective circles and network. That is why the snowball method seemed to work best for our purposes. The importance of the snowball technique is further explained in the next section of the work.

4.5. The sample

As it was mentioned earlier, the aim of the dissertation was to investigate how people from different countries feel about the future of marketing communication. While planning the methods of this investigation we had to balance between the goals and the possibilities what a PhD candidate might have had. The goals were clear:

- The investigation was intended to be global, which meant that beside Hungarian people the main regions of the world economy should be involved. By main regions we meant the advanced economies, the emerging economies (first of all the BRIC countries) and the so called transition economies in Europe (called by the EY Rapid-Growth Markets Forecast Report ‘emerging Europe’ — the CEE countries and those Eastern European countries which newly joined the EU).
- The topic required that those people should be questioned – from any country – who had a good understanding about the economic and market conditions of both their own countries and the world economy and who might have ideas about how and to what directions the future could or would develop. These people needed to be professionals; not necessarily in the field of marketing communication but in the field of some economic or business related area.

The possibilities however were rather limited for a PhD candidate. A research institution like EY, IMD or others making forecasts could ask their partner institutions and, or panels of thousands of experts to formulate their prognosis. This dissertation had to use much more limited resources to come to reliable results. The country and the target audience selection

was dependent from the personal scientific and professional connections of the author, and his tutor. The selection was made as follows:

- Hungary: being active member of the MOK (Marketing oktatók klubja – The Club of Marketing Educators) it was evident that the members of the MOK (from 2015 it has transformed to EMOK) had to be questioned. The on-line survey used the snow ball method i.e. the respondent were asked to pass link of the questionnaire to their colleagues, to their business connections and to their MBA students. 116 filled questionnaires were returned — 46 from University or college educators, 21 from master level students and 49 from businessmen.
- Croatia: Being member of the Croatian Marketing Association (CROMAR) it was also evident for the author to ask the leaders of this organization to distribute the questionnaire among their members. The result was satisfactory: 27 educators, 8 students and 21 businessmen, altogether 56 persons filled out the questionnaire.
- India: Google Group Exclusive MBA Global – a correspondence group of educators of Indian MBA Schools. 78 questionnaires have been returned – 65 from educators, 3 from students and 10 from businessmen.
- It turned out that the group of advanced countries caused the biggest concern, namely to find the proper number of respondents. One visiting professor from Finland helped to distribute the questionnaire at Finnish Universities – 21 responses arrived from this source. Furthermore, social media – LinkedIn groups such as the group of Marketing Communication, the group of Professors of Marketing, Advertising and Communication have been used. Altogether 52 responses were processed from more than 10 advanced countries (Australia, Austria, Canada, Finland, Denmark, Greece, Japan, Norway, Sweden, UK, and USA).

The composition of the responses are illustrated in Figure 15.

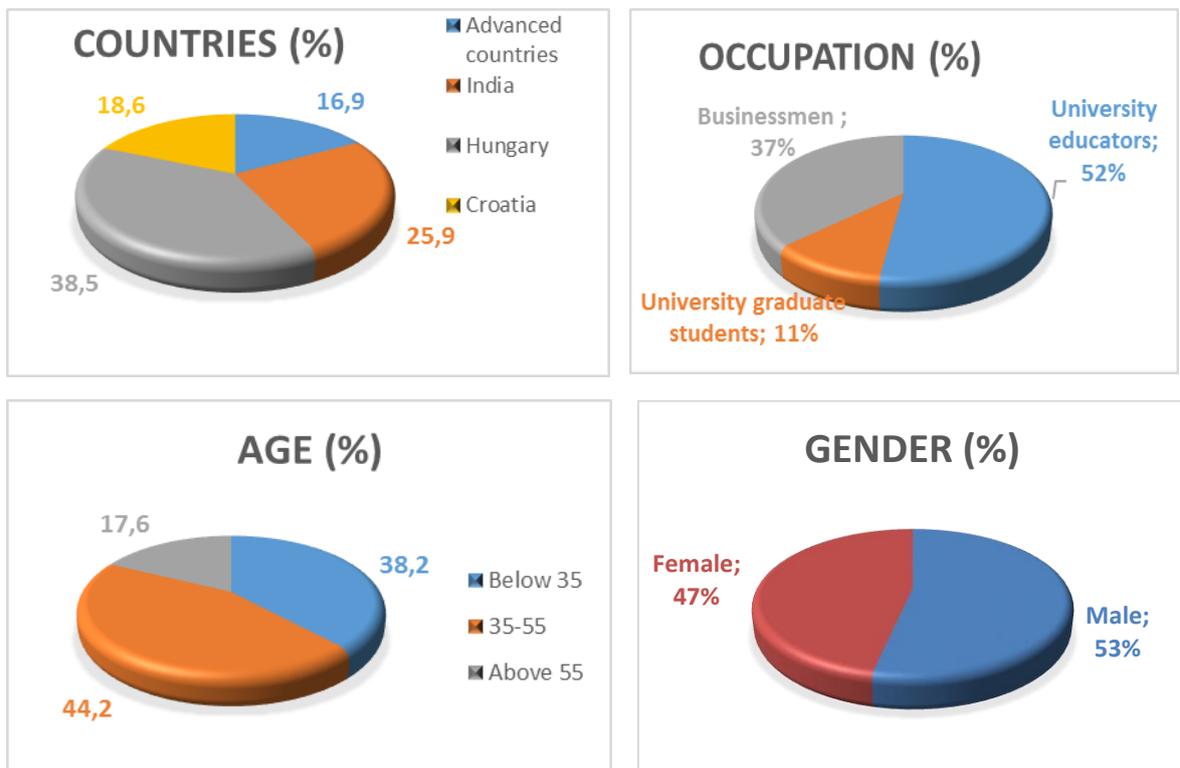


Figure 15. The composition of the respondents (Own research)

The details of the sample are shown in Table 10.

Table 10. The detailed composition of the sample (%) (Own research)

		Advanced countries	Transition Croatia Hungary	Emerging India	Countries Total	
Occupation	Educators	37.2	48.2	39.7	83.3	52.2
	MBA students	2.0	14.3	18.1	3.9	11.0
	Businessmen	60.8	37.5	42.2	12.8	36.9
Age	Below 35	25.5	53.6	43.1	27.3	38.0
	36 - 55	56.9	37.5	35.3	54.5	44.3
	Above 55	17.6	8.9	21.6	18.2	17.7
Sex	Male	56.9	43.4	49.1	64.9	53.4
	Female	43.1	56.6	50.9	35.1	46.6
Marketing Affiliation	Yes	68.0	76.8	60.3	53.8	63.0
	No	32.0	23.2	39.7	46.2	37.0
Total Distribution		16.9	18.6	38.5	25.9	100.0

The figures of Table 10 prove that the convenience sample is balanced:

- More than half of the responses came from University and College educators from the field of marketing and management, followed by those businessmen who received the questionnaires from their educators' contact. It is probable that these groups, including the MBA students have a better understanding of the present and future state of marketing and communication activity within their respective country. As representatives and affiliates of Universities and Business Schools, they can be regarded as experts and opinion leaders in this field.
- The age distribution is also healthy with the majority of them being in the most active period of their life, followed by the younger generation. These two groups are supposed to have even a greater interest about the future than the older generations.
- The female-male distribution is also balanced especially if we take into account the fact described in the first part of the dissertation, that according to the demographic

trends women's role in the economic life is expected to grow in the future all around the world.

- Respondents were also asked whether they are or have been engaged in marketing. 63% of them had been or are working in some marketing related jobs. It is also worthwhile to learn the ideas of those who are not. Interestingly the opinions do not defer so much between the two groups.

The opinions of the experts are supposedly influenced by the present and past state of the economy of their respective countries. That is why in the next part of the analysis; basic information of the economies of these countries will be presented.

4.6. Information about the participating countries in the survey

As mentioned earlier Hungary, Croatia and India have been included in the research. Beside these three countries, the questionnaire was sent to experts of advanced countries. The responses arrived from more than ten countries, which would be too much to analyze. Since almost half of the answers has come from Finland, we included Finland to the comparative analysis of the participating countries (Table 11).

The hard data and the rankings of the IMD World Competitiveness Yearbook 2015 has been used to compare the countries. The WCY 2015 was released in July 2015. The IMD rankings are based 1/3 on the opinions of a panel of more than 6 thousand leading scholars and 2/3 on the so called hard data obtained from leading economic and statistical institutions. The methodology of the WCY divides the national environment into four main factors:

- Economic Performance
- Government Efficiency
- Business Efficiency
- Infrastructure.

The hard data for the four countries is presented in table 11.

Table 11. The comparison of the four countries (Own research)

Basic Facts (2014)	Croatia		Finland		Hungary		India	
	Facts	Ranks	Facts	Ranks	Facts	Ranks	Facts	Ranks
Land area (thousand square km)	57		338		93		3287	
Population - market size (millions)	4.25	53	5.47	48	9.88	37	1270.63	2
GDP (US Billion)	57.2	53	270.7	38	137.1	49	2073.4	9
GDP (PPP) per capita	21319	43	39501	20	24216	39	5739	61
Real GDP growth (%)	-0.4	58	-0.1	57	3.6	13	7.5	2
Consumer price inflation (%)	-0.2	4	1.2	28	-0.3	3	6	51
Unemployment rate (%)	16.42	58	8.66	43	7.7	39	4.9	16
Labor force (million)	1.89	52	2.68	49	4.46	40	479.45	2
Current account balance percentage (%)	0.6	33	-1.41	45	3.74	18	-1.3	43
Direct Investment stock inwards (\$bn) 2012	32.5	52	101.3	41	111	39	226.7	22
Direct investment flows inward (\$bn)	6.84	8	-2.84	60	6.49	9	1.82	33
Overall rankings in 2015		58		20		48		44

Sources: IMD World Competitiveness Yearbook 2015, and World Bank

<https://worldcompetitiveness.imd.org/Respondents/IMD15/HomePageRespondents.aspx?File=CountryProfile>
<http://data.worldbank.org/indicator/NE.EXP.GNFS.ZS>

From the hard data, it is clear that the three European countries have rather similar problems. Even Finland, which was for a long time considered as an example of the proper economic policy is suffering to get out of the shocking effect of the recession. Since 2008, Finland has lost competitiveness against all European Union countries as its labor costs have been raised by 20 per cent and productivity has lowered (Hugh, 2015).

Croatia entered the European Union (EU) almost ten years after Hungary on July 1, 2013 as the 28th member state. Before the global financial crisis of 2008-09, the Croatian economy grew at a healthy 4-5% annually, incomes doubled, and economic and social opportunities improved. After the long crisis period, the country is now entering its sixth year of recession, having lost over 12 % of its output. Unemployment rose to 17% at the end of 2013 and youth

unemployment, at over 40%, one of the highest in Europe. The private sector has suffered from the crisis with most jobs lost in manufacturing, construction, and trade. Public debt is estimated to have risen above 64% of GDP in 2013 and external debt will likely be close to 103% of GDP (<http://www.worldbank.org/en/country/croatia/overview>, accessed on 01.08.2015).

Hungary has a little bit better results, but according to the EU Commission and World Bank the GDP growth in 2014 was driven by temporary measures and factors, such as the increased absorption of EU funds, and the regulated utility price cuts. Accordingly, the Commission forecasts a growth around 2.5% in 2015 and around 2% in 2016 as the temporary effects will fade out. The current negative inflation will likely pick up towards 3% by the end of 2016. The trend of employment gains is projected to continue to be led by the private sector. The government deficit is expected to remain broadly around 2.5% of GDP between 2014 and 2016, which may not be sufficient to achieve a large debt reduction. (European Commission, http://ec.europa.eu/economy_finance/publications/occasional_paper/2015/pdf/ocp220_en.pdf, accessed on 01.08.2015)

India is a large Asian country with nearly 1.3 billion population that is why it is hard to compare with the three small European countries. The country has achieved a high annual growth rate even in the years of the recession. Forecasts say that the high economic growth will continue especially if the government will make the necessary social and infrastructural measures and investments. The per capita income is much lower but it is expected that due to the higher growth rate the gap between the Indian and advanced countries' level of wealth will decrease. The people of India live now in the hope to come close to the center of the world and this hope gives them a sort of optimism and enthusiasm.

The hard data of Table 11 do not really explain the final positions on the World Competitiveness ranking, that is why it is worthwhile to see all the subcategory scores which make up the final ranking (Figure 16).

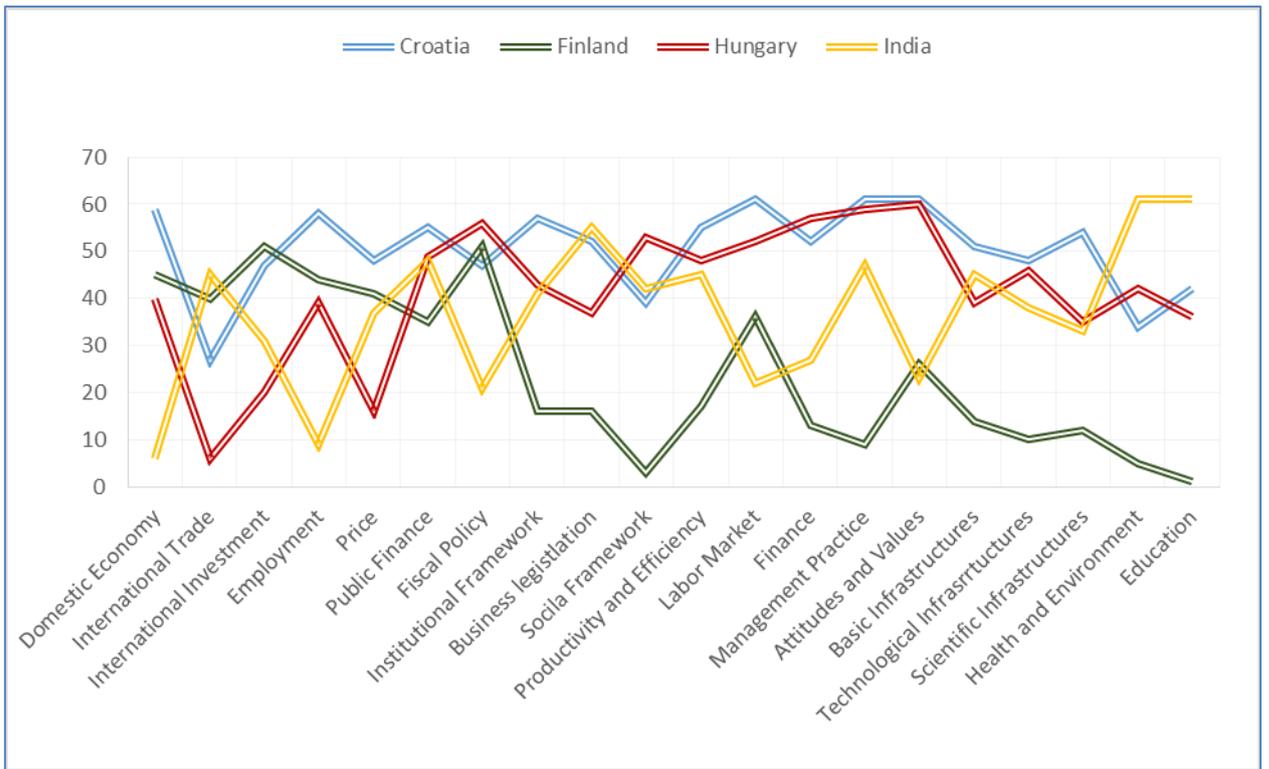


Figure 16. The ranking according the subcategories of the World Competiveness scores

Source: IMD World Competiveness Yearbook 2015, country reports

Note: 61 countries have been ranked and the lower rank is the better.

The figure shows that the optimism of the Indians are nurtured by the good domestic economy, employment figures, fiscal policy, labor market and the healthy attitudes and values. Hungary and Croatia on the other hand suffer in almost every category except the international trade and in case of Hungary the good inflation figure.

5. Findings of the Questionnaire Survey

The online questionnaire has been prepared in two languages: Hungarian and English in the docs.google.com. It was sent to 10 Hungarians and 10 native English-speaking experts as a pilot survey to test them. After the necessary corrections, it was distributed – as mentioned earlier – in Hungary, Croatia, India and a group of advanced countries (Appendix 2). After closing the survey, 315 questionnaires were received and processed. The SPSS software was applied, using statistical analysis, which included crosstabs analysis, factor analysis, in addition to the descriptive statistics (means and standard deviation).

The analysis is discussed in the following parts.

5.1. General expectations about the changes of marketing communication in the next decade

5.1.1. *The intensity of changes*

The first aim of the questionnaire survey was to learn what respondents think about the *intensity of changes* in terms of content and means used in marketing communication will go through the next decade. Respondents had the possibility to select among four statements:

- radical changes
- gradual changes
- minimal changes
- no change at all.

From the 315 respondent 309 answered this question and could be processed by the SPSS software.

Since the frequency of the option ‘no change at all’ was very low, ‘minimal changes’ and ‘no changes at all’ could be added up giving the possibility to use only three options.

The result for the total is shown in Figure 17.

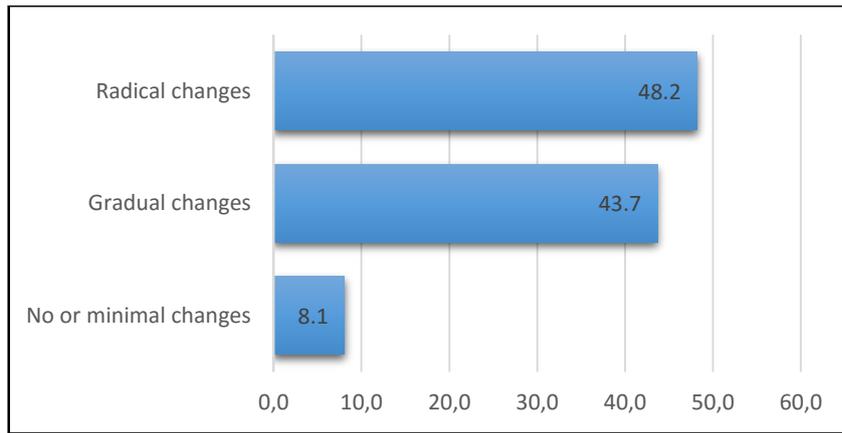


Figure 17. The distribution of the responses (%) (Own research)

The distribution of the answers according to the variables (age, occupation, and marketing affiliation) showed, according to the Pearson Chi-Square Test no significant differences. There was however one variable which showed significant differences. This was the distribution of the responses according to countries. The result are given in table 11.

Table 12. Distribution of responses according to countries (%) (Own research)

Statements	Advanced countries	Croatia	Hungary	India
No or minimal changes	5.9	3.6	15.8	2.6
Gradual changes	43.1	60.0	42.1	31.6
Radical changes	51.0	36.4	42.1	65.8
Total	100.0	100.0	100.0	100.0

Pearson Chi-Square value 25,617 p-value=<0,001

It is worthwhile to mention that the almost two third of the *Indian respondents expect radical changes* in the marketing communication in the coming decade. This attitude correlates very much with the good performance of the Indian economy in these years, and most probably they believe that this good performance will continue in the next decade. It is also interesting to see that the *Hungarian respondent were rather moderate* in their expectations. Almost

one fifth of the Hungarian respondent believe that there will be no or minimal changes in the communication.

5.1.2 The issue of globalization

The scope of the research is international. In international context, the main question of marketing is whether to globalize or localize. Marketing communication is perhaps the most sensitive marketing mean in this issue. With some simplification, we may say that the main role of marketing communication abroad is the same as in domestic setting: to communicate with customers, to carry information to customers and at the end to pursue them to buy the product of the company. The sensitivity of the issue comes from the fact that these customers live in another environment: they speak other languages, they may have other religions, they may have quite different sociocultural attitudes, etc. Marketing communication meets the customers first; and it is of utmost importance that the customers should be able to decode the messages, to understand the information. To send good and understandable messages intercultural dialogue is needed. And, intercultural dialogue is dependent to a great extent on intercultural competencies. Defined as the ‘complex of abilities needed to perform effectively and appropriately when interacting with those who are linguistically and culturally different from oneself’ (Fantini, 2007), these abilities are essentially communicative in nature, but they also involve reconfiguring our perspectives and understandings of the world (Unesco, 2009)⁴⁰.

Still the question is always there for business and non-business entities: to standardize the communication mix to get cost advantages or to adapt to the local conditions.

The respondent from the four distinct areas were asked about the globalization contra localization issue. Two questions were asked with a five point Likert scale. The question was coined in this form “Due to cultural differences marketing communication will mostly

⁴⁰ It is interesting to see, how people of this countries define themselves. The Unesco report citing the data of the World Values Survey database, 2008, presents that when people were asked to which geographical groups do they belong first of all: locality, country or world, the answers of the Hungarians and Croatians were rather similar (locality 67 – 62 %, country 20 – 22%, and world 4 – 7 %), while Indians, in spite of the large size of the country, defined themselves by the locality in 31%, country 53% and the world 4% (Unesco, 2009, Table 6, in Appendix)

stay localized”. Adding up the “partially agree” and the “completely agree” categories under the term Agree and facing them with sum of “Strongly disagree, partially disagree and the neutral” categories, titled Not agree, the following result were observed (Figure 18).

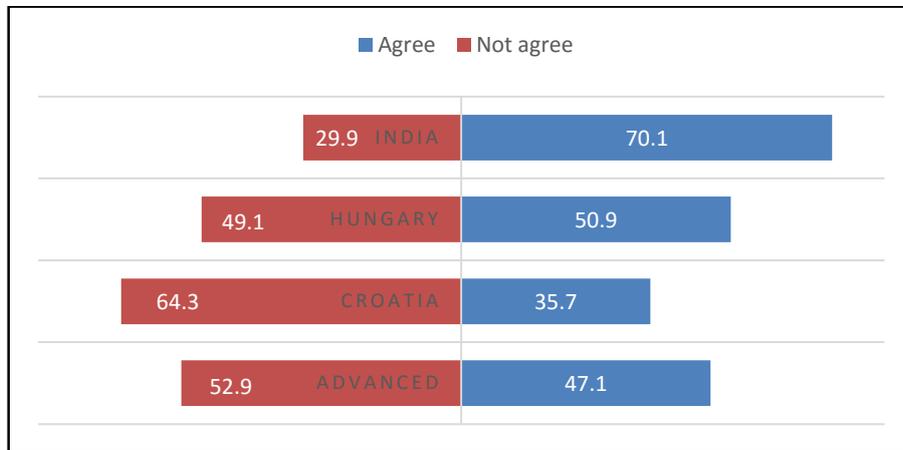


Figure 18. The differences on the agreements with localization (%) (Own research)

The data properly reflects the debate on what is going on in the practice of multinational companies or even in the marketing literature. The so-called glocal debate is very much on top of the agenda. Looking at the online web shop businesses: “The obvious question is whether this apparent lack of localisation is having a noticeable impact? The simple answer is, yes. Nearly 75 per cent of non-native speakers will not buy from an English only platform, and only 20 per cent of non-native speakers even feel comfortable with an English-only platform” writes Shannon (2015) in her article titled: “A Guide To Globalisation: Balancing Global Messaging With Local Relevancy”.

Anyhow, our data shows that while the balance between “Agree” and “Not agree” is in the advanced countries and Hungary is around 50-50%, the Croatian vote for globalization, and the Indian for localization. The Indians’ attitude is quite understandable: the growing Indian consumer market is rather fragmented. The cultural diversity of the Indian people, differences of languages, differences in tastes, and habits would make it very difficult for companies to work with a globalized scheme of marketing communication (Kumar, 2009; Kurl, 2015).

It means that if the forecasts will come true than a strong middle class will develop there and the localization of most of marketing communication will be a must. It does not mean that

the whole supply chain must be localized. It is very much in line with the points emphasized in the literature of international marketing, i.e. the upstream part of the supply chain (R & D and production) should be globalized (centralized) while the downstream part (marketing, sales and customer service) must be localized (adapted to the local requirements). This is what the literature calls glocalization (Hollensen, 2011; Rekettye et al., 2015), which helps the cost saving endeavors in the upstream part and the customer orientation in the downstream part of the supply chain.

5.1.3 Issues where opinions are mostly in consensus

There are three topics in the first part of the survey where opinions of the four areas are rather similar. These are the following:

- The opinion about the marketing communication of large companies and SMEs,
- The opinion about the importance of integrated marketing communication
- The growing role of on-line and social media within the communication mix.

Table 13. Issues where answers are similar (Own research)

Statements	Categories	Advanced	Croatia	Hungary	India	Total
MC of large and small companies becoming similar	Agree	43.1	48.2	41.4	55.1	47.1
	Not agree	56.9	51.8	58.6	44.9	52.9
IMC is becoming more important	Agree	88.2	89.3	86.2	89.7	88.5
	Not agree	10.8	10.7	13.8	10.3	11.5
Online media expenditure is increasing	Agree	83.3	89.7	89.3	93.1	89.8
	Not agree	16.7	10.3	10.7	6.9	10.2

There is nearly the same high consensus among the respondents of the four areas that the *spending for online media* will grow within the marketing mix, and they also agree in the feeling that integrated marketing communication is becoming more and more important in

the future. These are evidences among marketers. There is also an almost consensus that *smaller companies* will not be able to carry out as comprehensive and as intensive communication activity as the large companies (some of the respondents from India believe that they could do the same).

5.1.4. Issues where opinions collide

Among the general issues when asking about the future developments of expenditures spent on marketing communication there were some issues the opinion according to countries (areas) had rather big differences. These were:

- Whether the expenditures spent to marketing communication would increase a lot,
- Expenditures on the mass media will decrease within the marketing communication mix,
- The share of governmental and non-profit organizations' expenditures on marketing communication would increase in total spending.

The question asked with a 5-point Likert scale whether respondents agree with the statement that marketing communication expenditures will grow substantially in their countries in the future. Since the group of the advanced countries consist of several states, it was left out from this part of the analyses. The answers are summarized in Figure 19.

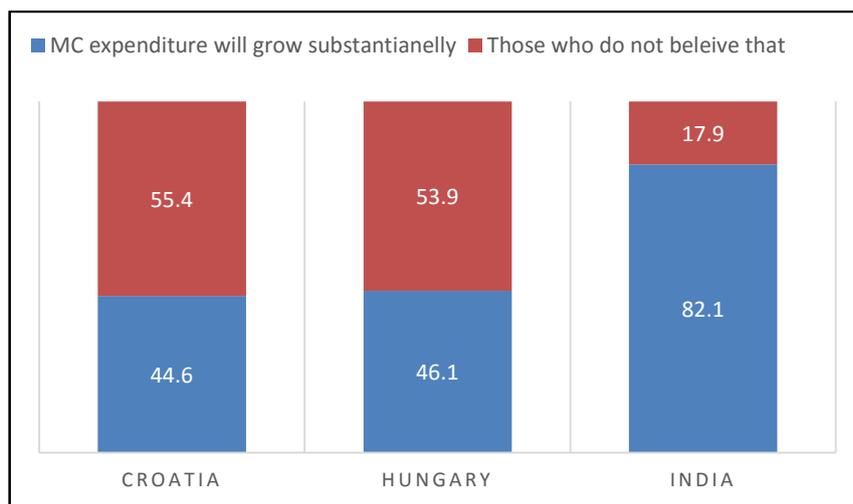


Figure 19. The opinion of the respondents about the future increase of MC expenditures in their respective countries (%) (Own research)

Since the answers depend very much on the future expectations about the economic performance of the country it looks evident that the Indians believe that their economy is on a good track and will continue to grow. The Hungarian figure expresses the feeling, which is also visible from the GKI economic sentiment index (Figure 20). In Hungary, this index is around 0-1 level.

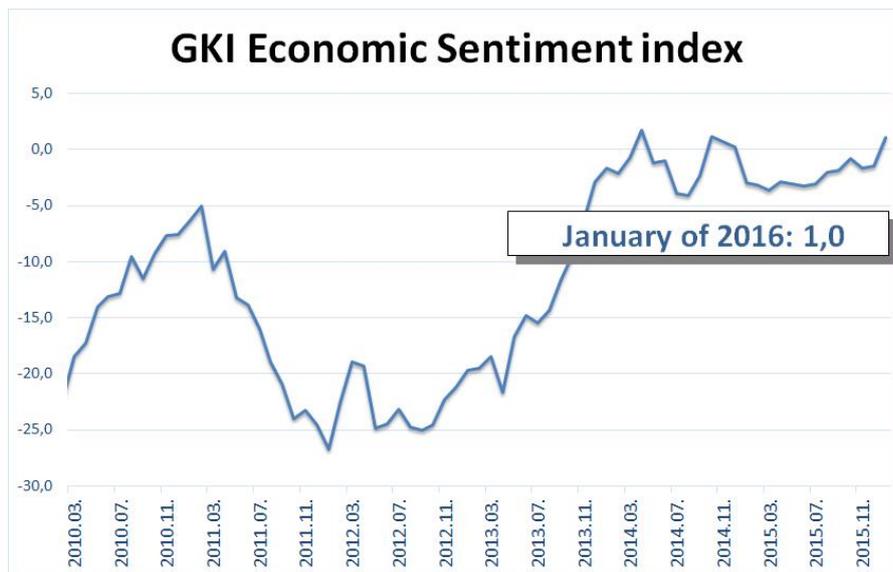


Figure 20. The GKI Economic Sentiment index

Source: <http://www.gki.hu/language/en/2016/01/24/gki-economic-sentiment-index-started-high/>

61% of the Croatian and 57% of the Hungarian respondents agreed partially or totally with the statement that the expenditure on mass media is going to decrease in their countries. In India only half of the respondent think so, the other half believe that the mass media will play strong role also in the coming years (Figure 21).

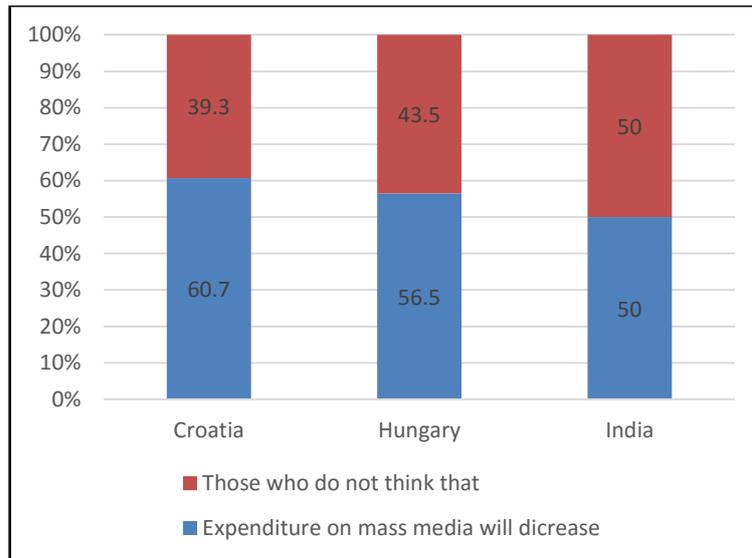


Figure 21. Opinions about the decrease of expenditures on mass media (%) (Own research)

It was also asked whether they agree with the statement that governmental and nonprofit expenditures on marketing communication would increase. Interestingly the opinions of the Indian and Croatian respondent were rather similar; almost two thirds of them agreed with this statement while the Hungarians did not (Figure 22.). Actually, there would be enough reason for the increase – the promotion of fight against the climate change, for the promotion of a healthier lifestyle, etc. We believe that the opinion of the Hungarian respondents were influenced by their experiences in the last years i.e. in Hungary not the real social issues, but the political advertisements dominated the media.

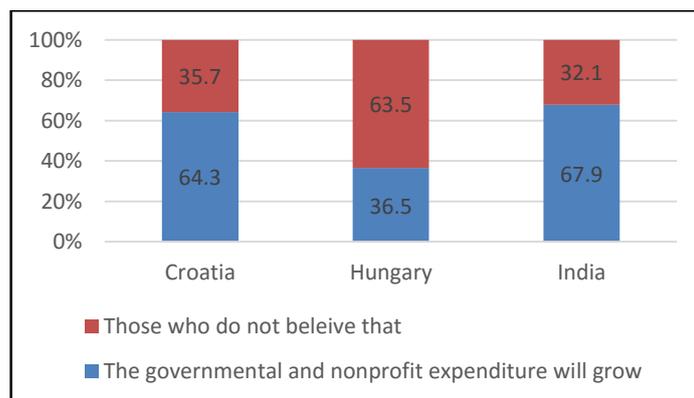


Figure 22. Opinions about the increase of governmental and nonprofit expenditures on marketing communication (%) (Own research)

5.2. The effects of the megatrends on the business and marketing environment

Based on earlier researches and based on the comprehensive literature review six global megatrends have been identified and discussed in the first part of the dissertation. Our conviction was that these megatrends would influence the business environment in all countries including those, which are not participating in our survey. Naturally these effects through the changing business environment will also influence the marketing activity and within this the marketing communication of all business and non-business entities of the society. These megatrends were the following:

- Radical power-shift in the world economy (power-shift)
- Global climate change (climate)
- Demographic trends affecting the future marketing (demography)
- Speeding up technological development (technology)
- The trend of proliferation (proliferation)
- The after effects of the global crises (crisis)

To investigate what effects experts expect from these changes, we included in the questionnaire some statements showing the possible consequences of the given megatrend and asked the respondents to show to what extent they agree with these statements. The following table shows their agreement level according to countries.

Table 14. Megatrends and their consequences for the participating countries (Own research)

Megatrends	Possible consequences in the respondents' countries	Percentage share of those who partially or totally agree				
		Total	Adv	Cro	Hun	Ind
Global climate change (Climate)	The role of social marketing will grow	82	88	84	79	84
	Sustainable development will be the focus in new product development	79	68	79	80	83
	Corporate social responsibility will gain more ground	73	75	75	65	79
Effect of the crisis on consumer behavior (Crisis)	Growth of price sensitivity	84	86	88	93	68
	Change in consumer behavior	83	78	93	85	77
	Growth of discount retailers, stores	74	67	77	72	78
	Emergence of new consumer segments	73	71	77	66	82
Effect of the power shift i.e. the rapid development of the emerging world (Power shift)	Emergence of value awareness amongst consumers	78	80	84	70	82
	Middle classes in developing countries present a serious market opportunity	74	96	73	53	90
	The emergence of new market segments means more cultural sensitivity from global brands	76	71	73	75	83
Consequences of the demographic changes (Demography)	The supply of developing countries is weakening brands of developed countries	48	30	41	47	64
	Changes in product portfolios	68	68	67	59	78
	The role of new product development increases	77	74	75	67	90
Consequences of the brand proliferation (Proliferation)	The content and tools of marketing communication changes	80	76	76	78	84
	Marketing communication receives more attention	75	49	70	80	87
	Consumers find it harder to make decisions	77	61	77	82	81
	Local brands have a more difficult position	63	55	63	64	69
	Image maybe become the focus of communication	75	75	70	80	87

Note: Below the description of the megatrend, we put in parenthesis the short version of the trend for easier use in the following.

Table 14 contains so much data that is hard to evaluate. Simplification was necessary. Therefore, we added up the averages of the effects megatrends to see which is considered more important (Table 15).

Table 15. The average values of the responses according to countries (Own research)

Megatrends	The averages of the trends' effect on the business environment (%)				
	Total	Adv	Cro	Hun	Ind
Global climate change	78	77	79	75	82
Effect of the crisis on consumer behavior	79	76	84	77	77
Effect of the power shift i.e. the rapid development of the emerging world	66	66	63	58	79
Consequences of the demographic changes	75	72	73	68	84
Consequences of the brand proliferation	73	60	70	74	80
Grand Total	74	70	74	70	80

From Table 14 and 15 it is already possible to draw some important conclusions: the comparison of the averages of the agreements provide the possibility to rank the effects of the five megatrends globally and according to countries as well.

- According to the ranking based on the sample shows that “effect of the crisis on consumer behavior” ranks first, followed by global climate change as second, demography third, brand proliferation fourth and power shift the last.
- This total ranking is influenced mainly be the responses of the Hungarian and Croatian respondents. Since the group of advanced countries does not refer to one country, it seems logical to compare just the two transition countries (Croatia and Hungary) with the results of the Indian responses. The comparison of the rankings is as follows (Table 16).

Table 16. Ranking of megatrends by countries (Own research)

Megatrends	Ranking from 1 to 5.		
	Croatia	Hungary	India
Climate	2	2	2
Crisis	1	1	5
Power Shift	5	5	4
Demography	3	4	1
Proliferation	4	3	3

Note: 1: most important, 5 least important

- The striking difference is in the row of “crisis”. It shows that both Croatia and Hungary the business environment still suffers from the after effects of the global recession. Both agree with the statement that the consumer behavior has radically changed and the consumers became very much price sensitive (the highest – 93% agreement was in this issue). The fact that Indians’ responses put this issue at the last place shows that they did not and do not suffer so much from the after effects of the recession. Their economy is booming and they expect growing marketing activity as well.
- There is also a huge difference in the “demography” issue. Both Hungary and Croatia is experiencing a rapid ageing of the population, which will later influence the marketing and marketing communication activity. The old age dependency ratio (65+/(15-64) in 2010 was already 23.7% in Europe compared to India’s figure of 7.7%.⁴¹ In India, the demographic issues have different aspects: overpopulation as a negative effect and rapid urbanization as a positive effect on the business environment.

⁴¹ Source: European Commission (2014) The 2015 Ageing Report, Underlying Assumptions and Projection Methodologies EUROPEAN ECONOMY 8|2014

- It is also interesting that power shift that is the expectation of the world economists that the wealth is moving from West to East was considered not so important from the part of the Croatian and Hungarian respondents.

In the following part, the *factor analysis* was used to see whether the statements of the questionnaire were well-constructed and to reduce the number of factors influencing the business environment. Two sessions were made. In first one, we included the statement about the rapid growth in digital technology. The session results proved that this was an independent component; it could not be grouped to any other factors. The next run was made without this factor.

The Kaiser-Meyer-Olkin Measure of Sampling Adequacy was in this case 0.857 showing that the variables were very good (Sajtos, Mitev, 2007, 258) for making factor analysis. For deciding about the number of artificial components we used sc. Kaiser criteria i.e. their eigenvalues should be higher than 1.

Five components met this requirement, and after rotation the cumulative explained variance was the following (Table 17).

Table 17. Rotation Sums of Squared Loadings
(Own research)

Rotation Sums of Squared Loadings		
Total	% of Variance	Cumulative %
2.868	15.936	15.936
2.251	12.504	28.440
2.197	12.206	40.646
1.880	10.444	51.090
1.459	8.104	59.194

According to researchers in social sciences, the cumulative explained value around 50-60% is acceptable. This case it was 59.194%.

Table 18. The Rotated Component Matrix (Own research)

Variables/Components	1	2	3	4	5
The role of new product development increases	0.801				
Changes in product portfolios	0.775				
The content and tools of marketing communication changes	0.684				
Sustainable development will be the focus in new product development		0.821			
Corporate social responsibility will gain more ground		0.797			
The role of social marketing will grow		0.719			
Change in consumer behavior			0.776		
Growth of price sensitivity			0.704		
Growth of discount retailers, stores			0.596		
The emergence of new market segments means more cultural sensitivity from global brands			0.561		
Consumers find it harder to make decisions				0.767	
Local brands have a more difficult position				0.763	
Image maybe become the focus of communication				0.536	
Marketing communication receives more attention				0.510	
The supply of developing countries is weakening brands of developed countries					0.760
The emergence of new market segments means more cultural sensitivity from global brands					0.616

Note: "Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization."

The components listed in the table above were paired with the megatrends identified in the first half of the study, thus the components can be named as follows:

1. Demography
2. Climate
3. Crisis
4. Proliferation
5. Power shift

Technology was handled as a separate factor. According to the properties of the analysis, each factor's mean is 1 and the standard deviation is 0. To be able to compare the grade

of agreements of the respondent the factor values were transformed by the expression $(x-x_{\min})/(x_{\max}-x_{\min})$ into variables with a value between 0 and 1.

The mean values after transformation were the following:

1. Demography = 0.7335
2. Climate = 0.7550
3. Crisis = 0.7565
4. Proliferation = 0.7111
5. Power shift = 0.6992.

As a separate component, the technology received the value of 0.8197. It means that the respondents' greatest agreement was attached to technology, followed by the crisis, climate, demography, proliferation and at the end power shift. If we compare these data with the total column of table 14, we see that the results are the same proving the consistency of the results. In that case, we can finalize the left side of our model (Figure 23).

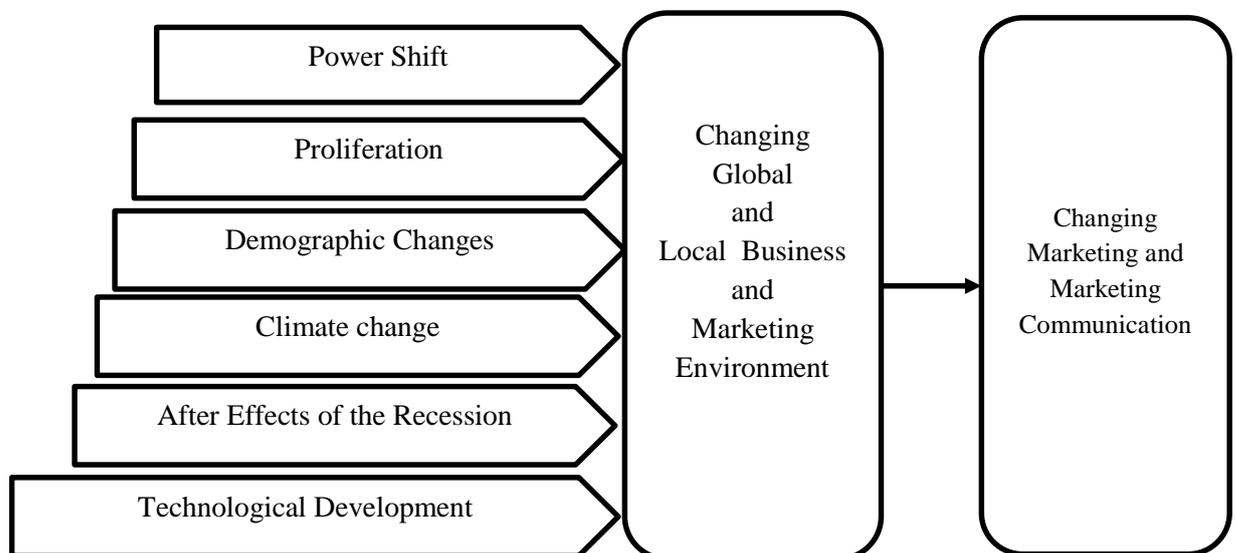


Figure 23. The strengths of the megatrends' effect on the business environment (Own illustration)

5.3. The effects of the changed business and marketing environment on marketing communication

In the following part of the questionnaire, respondents were asked to mark what aspect(s) of marketing communication do the discussed global trends effect. The question was a multiple-choice type with the possibility to check more than one effects.

These affections actually happen indirectly: first, the trend influences the business and marketing environment and if the environment is ready for action than the trend will have its effect on marketing communication. Let us explain it with the US perception of climate change!

Leiserowitz (2005, 1433) in his article described the “results from a national study (2003) that examined the risk perceptions and connotative meanings of global warming in the American mind and found that Americans perceived climate change as a moderate risk that will predominantly impact geographically and temporally distant people and places.”

Actually, in 2003 the US business and marketing environment was not touched by the risk of the climate change, meaning that climate change had no effect on marketing communication. The situation has changed since then: The project of the Yale University titled Climate Change Communication discovered that in 2014 already 52% of the population is worried about global warming and 42% thinks that global warming already harms US⁴². And the breakthrough happened on 3rd of August 2015 when president Obama declared his administration’s Clean Power Plan the “single most important step America has ever taken in the fight against global climate change,” describing the rule as setting “the first ever nationwide standards to end the limitless dumping of carbon pollution from power plants.”⁴³

⁴² Source: <http://environment.yale.edu/poe/v2014/> Accessed 20.08.15

⁴³ Source: <http://www.usnews.com/news/articles/2015/08/03/obama-gets-personal-on-climate-change-in-clean-power-plan-remarks> Accessed: 21.08.15

Now, the business and marketing environment will be open to include this issue into its communication activity.

Opinions about the effects are summarized in table 19.

Table 19. Numbers of total checking of the effects (Own research)

Trends/Effects	No effect	Increase spending	On communication tools	Decrease spending	On the content of communication
Climate change	31	80	159	40	204
Changing consumer behavior	5	84	216	42	226
Power shift	38	111	141	45	150
Demography	18	70	208	32	219
Proliferation of brands	8	167	191	25	176
Proliferation of communication tools	4	122	170	56	155
Digital technology	2	81	246	93	166
Total	104	634	1085	243	1130
% of total	3.2	19.8	33.9	7.6	35.4

Note 1. If we add up the total checking of the respondents we get the number of 3196, which means that the average of one person's checking was around 1.5.

Note 2. We divided proliferation into two items: the clutter of brands and the clutter of communication tools.

Table 19 shows that majority of the respondents believe that the changed business and marketing environment will change first the *content* and second the *tools of marketing communication*. Besides this changing environment, it will require a *higher expenditure* on marketing communication. In Figure 23 we left out the last two options (“No effect” and “Decrease of spending”) to get a clearer picture about the relations of the megatrends and the possible changes. The Figure shows in details that the climate change, the changing consumer behavior, demography and the power shift have a bigger effect on the *content* of communication while the proliferation of brands and communication tools and the development of the digital technology will change the *tools* applied in marketing communication.

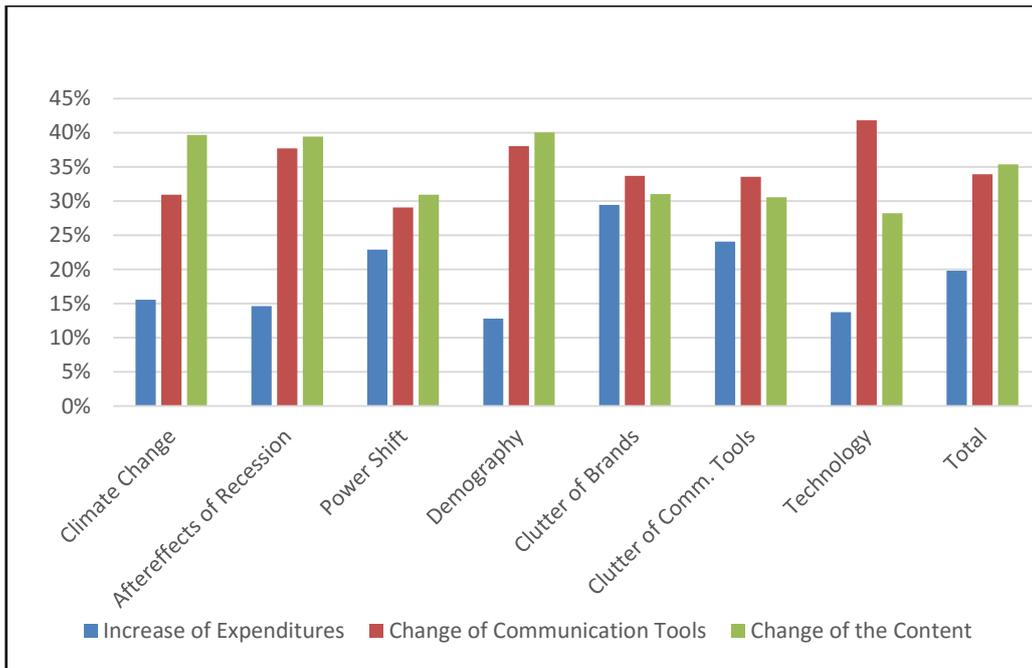


Figure 24. Illustration of the relation among the trends and their possible effects (Own research)

With these figures, we can finalize also a right side of the research model (Figure 25).

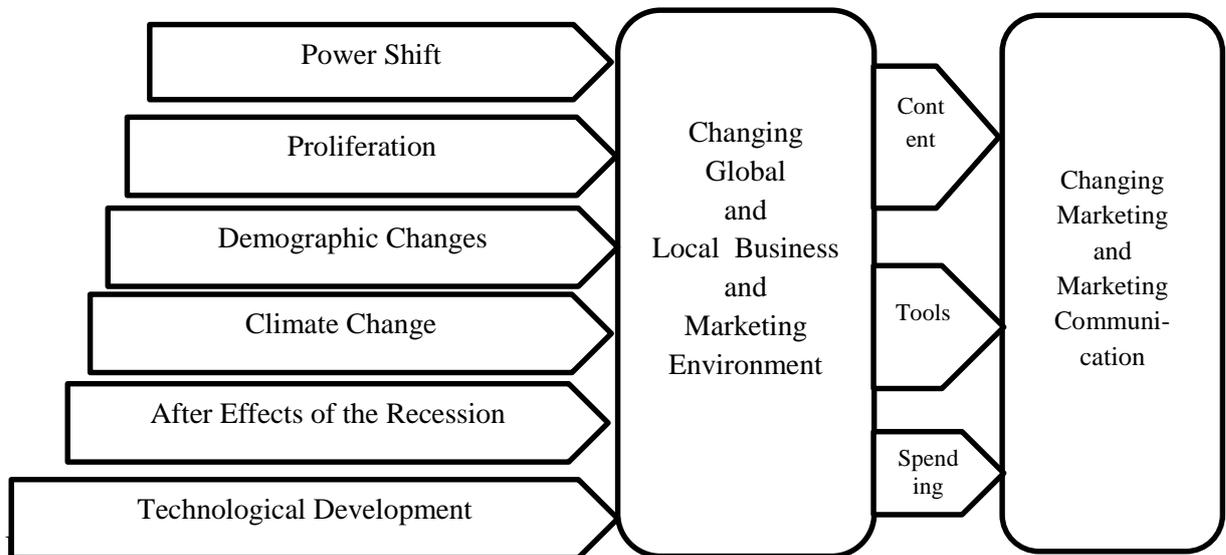


Figure 25. The complete research model (Own illustration)

Note: The lengths of the left side arrows indicate the strength of the megatrends' effect, while the widths of the right side arrows indicate the importance of the given consequence.

In the next part, we try to explain what the respondents expect in terms of the change in content, communication tools, and increase of spending.

5.3.1. *Expected changes in the content of marketing communication*

In the next part of the questionnaire, respondents were asked about their expectation how the content of MC would change in the coming decade. From the point of view of content six issues were raised:

- Whether the content will be more rational or
- It will be more emotional
- Whether it will be more authentic
- Whether consumers will have more role in generating the content
- Whether environmental awareness will have a more central role in the content
- Whether brand image related content will play a more important role.

Rationality and emotionality are questions, which have always been an important issue when deciding about the content of MC. Digitalization has brought the question of content in the foreground of marketing considerations (Koiso-Kanttila, 2004; Rowley, 2008). We brought a third notion here: authenticity. There are philosophic disputes about these notions (see for example the works of de-Souza, 1987, 2002, and 2007); we however stick to the simple meanings i.e. the message can be emotional or rational depending on what kind of arguments are used in the message. Authenticity in our understanding means that the message contains true information. The VW scandal in September 2015 proved that the sender might use rational, arguments in its communication (“clean diesel”) however it turned out that this rational information was not true. Authenticity gains in importance as the possibility of checking the information on the Internet is growing. Marketing communications experts talk about this often when they are asked about the future of this business, but indeed power has shifted from the companies to the customers. Not only do customers have the power to search for information online, but they often create and share with others, which does make advertisers’ and media planners’ job more difficult. As Johnson (2015:16) states: *“Customers could compare and contrast price, investigate functionality, check out reviews,*

and more at the click of a mouse. More than that, they can educate themselves on companies in a way that was impossible previously.”

In fact, all interviewees commented similarly about the above issue of consumer power and how it is transforming the future of marketing communications. The shift in power means that advertisers need to focus more on relevance and authenticity. There is no room for mistakes and there is absolutely no room for focusing on irrelevant and especially untrue attributes of products in any communication. Consumers today have a different connection to brands than what they used to have before the age of digital marketing.

The next table presents a simplified version of the 5-point Likert scale for three categories: agree, not agree, and neutral. The result for the ‘agree’ and ‘not agree’ categories according to countries are given in table 20.

Table 20. Opinions about the content by countries (Own research)

The content is		Advanced	Croatia	Hungary	India	Total
Getting more rational	Agree	25.0%	32.1%	30.4%	65.8%	39.0%
	Not agree	43.8%	41.1%	47.8%	14.5%	37.3%
Getting more emotional	Agree	85.7%	82.1%	63.2%	73.1%	73.1%
	Not agree	6.1%	5.4%	17.5%	11.5%	11.8%
Getting more authentic	Agree	52.2%	67.9%	42.3%	60.0%	53.5%
	Not agree	26.1%	7.1%	20.7%	14.7%	14.7%

The dual nature of emotionality and rationality is reflected in the opinions of the international respondents. They voted for emotionality; rationality will come second. The expectations of the Indians differ also in this issue. Interestingly there are some significant differences among the responses:

- Those who do not have marketing affiliations vote for more rationality compared with those who work(ed) in marketing.
- Male respondents are more for rationality than females.
- Women’s agreement with greater emotionality is with 15 percentage points higher than men’s.

- The need for rationality increases with age. 32% of young (below 35), 42% of those between 36 and 55, and 45% of those older than 55 agree with the statement that rationality will grow.
- And vice versa: elder people need less emotions in MC.

As far as the authenticity is concerned, it is noteworthy that in average they expect MC to be more authentic than rational. Summarizing the result we can state that the *MC of the future will be more emotional and authentic and less rational*.

The results of this part of the survey show a striking similarity with what experts formulate in various studies about the changes in marketing and marketing communication in the era of the customer. One of these studies, in an article by McKinsey, the authors discuss the trends that are changing the role of marketers and advertisers. They stipulate that the following issues will have an impact on the everyday practices:

- Customer dominance,
- Digital marketing and the need for turning data into actionable insights,
- Challenges of dealing with a global audience (Gordon and Perrey, McKinsey, 2015).

The changes in the content of MC are very much connected to these predictions of McKinsey also. Customer dominance for example means that customers need relevance and authenticity from ads simply because they have the ability to search for information regarding the company and make their own assumptions regardless of what the company or the brand is saying about itself. They have become skeptical of advertisements and gaining their trust needs a reevaluation of existing marketing and marketing communications strategies.

The responses to the three other questions concerning the content of MC the information are presented in table 21.

Table 21. Other issues about the content of MC (Own research)

The content		Advanced	Croatia	Hungary	India	Total
Consumers will have more role in generating the content	Agree	83.30%	76.80%	62.30%	79.20%	72.90%
	Not agree	12.5%	7.1%	25.4%	11.7%	16.3%
Environmental awareness will have a more central role in the content	Agree	75.50%	75.80%	65.20%	70.50%	70.50%
	Not agree	8.16%	14.10%	23.48%	1.79%	14.43%
Brand image related content will play a more important role	Agree	75.50%	76.80%	58.30%	74.40%	68.80%
	Not agree	12.24%	10.26%	24.35%	5.36%	15.10%

User generated content (UGC) has already been there since the Internet and social media exists. The respondents of this survey think that its role will grow in the future. The same is true for the role of environment awareness and the brand related content.

Significant differences were the following:

- As seen in table 10. 1/4th of the Hungarian respondents do not agree with these developments (to find out the reason of it would need further research).
- Those agreeing with UGC who have worked at some marketing related jobs was much higher than others (78.1% vs 64.5%).
- The older generation (55+) favors much more the environment awareness in the MC than the others (81.1% vs 68.0%).

These results also highlight the fact that today consumers want to be in control. In other words, MC must be consumer-centric (Shimp, 2010). As mentioned in earlier sections of the work consumers today have at their disposal all the technological innovations our times has to offer. Innovations like the mp3 players, iPods, digital TV, and a long list of smart devices, such as mobile phones, televisions, watches etc. are all shifting the power into the hands of a new generation of customers. These customers not only have the power to decide when

and where they want to listen, read or watch advertisements, but more importantly enable them to capture whatever they find interesting and share them on various new channels of communication. Brands today have in fact no other choice but to follow their customers on this path and hope to capture their attention. The previously used methods of trying to interrupt consumers with messages no longer works. In fact, it is content that consumers want. Content that tells a story of a brand, which they can relate to and sympathize with. Content marketing has evolved around the principle of non-interruption marketing. In essence, this means that if brands can provide consumers with valuable information or stories that they can relate to consumers might just reward these brands with their loyalty in the form of purchasing their products or services. That brings us back to the issue of relevance and authenticity. Consumers want brands that engage them and make them think. “Good content marketing makes a person stop..read..think..behave...differently.”⁴⁴ In fact, we can see the role of content from a survey of American customers in the following diagram by MarketingCharts.com.

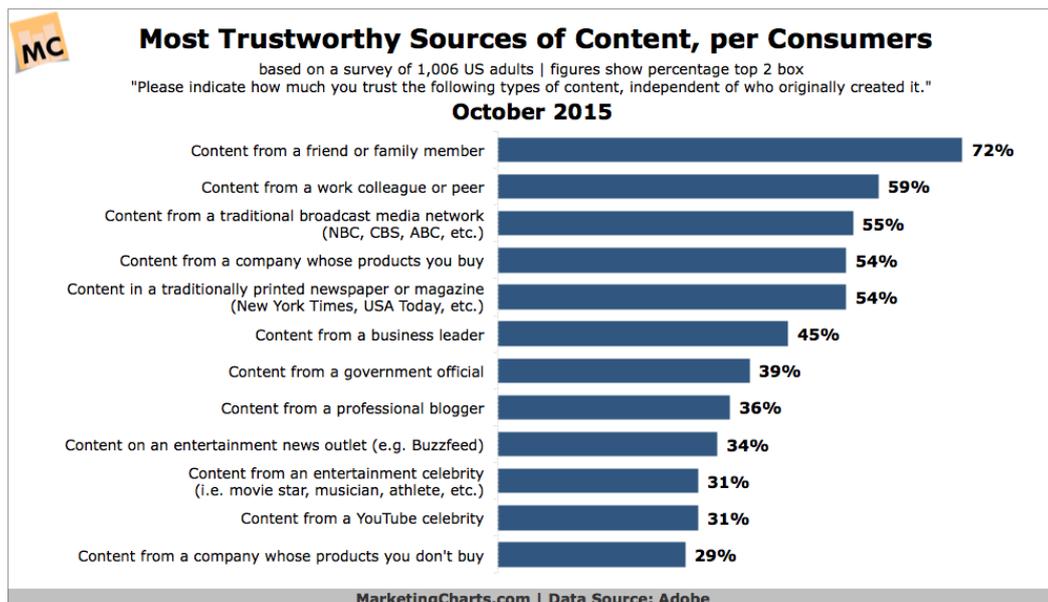


Figure 26. More Trustworthy Source of Content, per Consumers

Source: http://www.marketingcharts.com/online/authenticity-and-design-how-consumers-feel-about-online-content-60002/?utm_campaign=newsletter&utm_source=mc&utm_medium=headline

⁴⁴ Source: <http://contentmarketinginstitute.com/what-is-content-marketing/>

The list in Figure 26 shows the relevance of the sources customers consider when getting information about products, services and brands. The study concludes that branded content gets a higher trust whether it appears on TV or in print, but not so much on social channels, with the exception of Facebook. It is also interesting to see that blogs are received with more trust from customers as bloggers can often become an expert in one particular field, which makes them more trustworthy and relevant for most consumers.

5.3.2. Expected changes in the tools of marketing communication

In the next part of the questionnaire, respondents were asked in a five point semantic scale whether they expect from major increase to major decrease in the role of

- Advertising
- Public relations
- Personal selling
- Sales promotion
- Direct marketing
- Online marketing
- Mobile marketing
- Social media marketing
- Word of mouth marketing
- Guerilla marketing

The first five items on this list represent the classical composition of the communication mix. Figure 27 illustrates how respondents evaluate the expected future development of these classical tools of the mix.

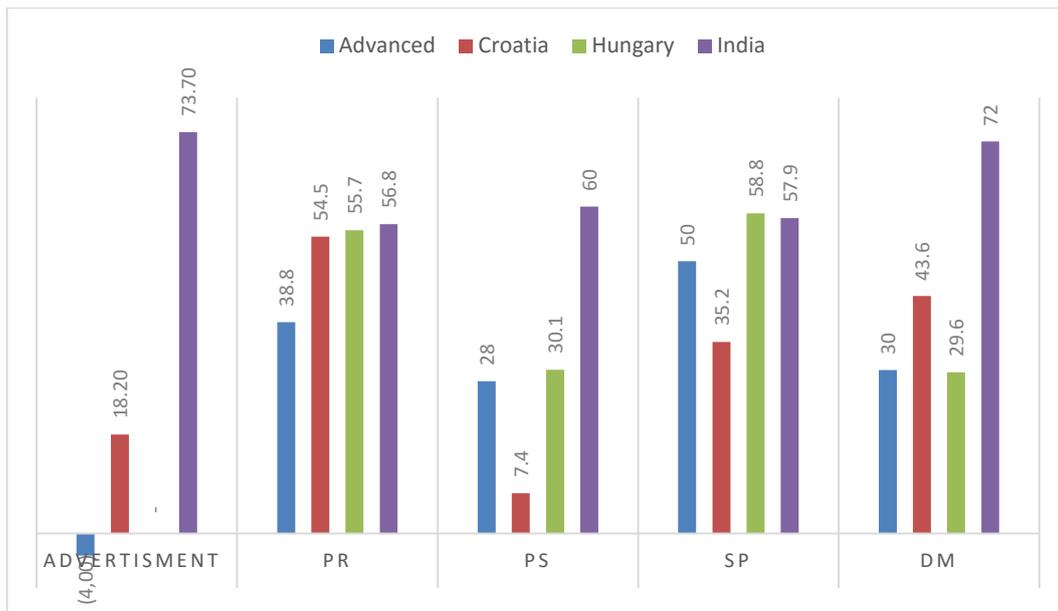


Figure 27. The expectations about the main groups of the communication mix (%) (Own research)

The figure were calculated as follows:

- First, the five-point scale was simplified to three: the first included those who believed that the role would increase, second included those who thought that their role would not change and the third included those who thought that their role would decrease.
- The given percentage is the result of subtracting the third from the first.

The data presented in Figure 27 shows again the optimism of the Indian respondents. Majority of them forecasts an increase in all the five categories, while Croatian and Hungarian respondents have a different and cautious picture about the future of advertisements. This kind of cautiousness is understandable from economic perspectives as well. While India's economic growth in the next years is projected at an annual rate of 6.4%⁴⁵, the figures for economic growth due to various reasons previously discussed are much more pessimistic. This is perhaps one of the reasons why the Indian response is much more optimistic about the use of the traditional marketing communications tools. These

⁴⁵ Source: <http://www.pwc.com/gx/en/issues/economy/the-world-in-2050.html>

projections are best illustrated in PwC’s assumptions for long-term growth until 2050 (Figure 28).

Purchasing Power Parity (PPP) rankings

PPP 2009 Rank	Country	GDP at PPP*	PPP 2050 Rank	Country	Projected GDP at PPP*
1	US	14256	1	China	59475
2	China	8888	2	India	43180
3	Japan	4138	3	US	37876
4	India	3752	4	Brazil	9762
5	Germany	2984	5	Japan	7664
6	Russia	2687	6	Russia	7559
7	UK	2257	7	Mexico	6682
8	France	2172	8	Indonesia	6205
9	Brazil	2020	9	Germany	5707
10	Italy	1922	10	UK	5628
11	Mexico	1540	11	France	5344
12	Spain	1496	12	Turkey	5298
13	South Korea	1324	13	Nigeria	4530
14	Canada	1280	14	Vietnam	3939
15	Turkey	1040	15	Italy	3798
16	Indonesia	967	16	Canada	3322
17	Australia	858	17	South Korea	3258
18	Saudi Arabia	595	18	Spain	3195
19	Argentina	586	19	Saudi Arabia	3039
20	South Africa	508	20	Argentina	2549

*(constant 2009 US\$bn)
Source : World Bank estimates for 2009, PwC model estimates for 2050

Figure 28. GDP Projections from PwC
Source: <http://www.theguardian.com/news/datablog/2011/jan/07/gdp-projections-china-us-uk-brazil> Accessed 8 Nov 2015

On the other hand, the general confidence in the use of some of the marketing communications tools shows a similarity with what many marketers have noticed in the past years. Perhaps the most striking of all is the elevated importance of public relations compared to advertising and other tools. This is understandable from many aspects. Traditional advertising and mass media are possibly not the best way to reach customers in the 21st century, simply because they mostly just interrupt our lives at times when our attention is already well divided across various communication channels and a growing number of brands. Thus, we can say and the research also partly proves that the only channels that really work well are those that carry the element of personal communication as personal selling, or those that allow for content to engage the customers such as public relations.

These tools are more credible for the everyday consumer who is bombarded with thousands of messages from all sources. The noise levels are increasing continuously and fragmentation of the advertising landscape means that there are many new opportunities to engage a customer (Johnson, 2015). Our research shows that although the previously mentioned tools may be the most important, nevertheless the role of advertising, direct marketing and sales promotion are just as important. In fact, the integrated approach might still be an effective way of communicating with customers (Ivanov, 2012). This is especially true for India, being one of the most economically advanced of the developing countries. According to Kurl (2015) it is India's large population and the growing middle class it has that makes it more attractive for global companies to practice the integrated approaches in marketing (http://www.exchange4media.com/viewpoint/viewpoint.asp?view_id=95). Another issue worth mentioning in relation to this is cultural sensitivity, which is and will become more and more important as this growing middle class gains more economic power.

Looking at the last five tools it is enough to compare the share of those who believe that the role of the given communication tool will increase (Figure 29).

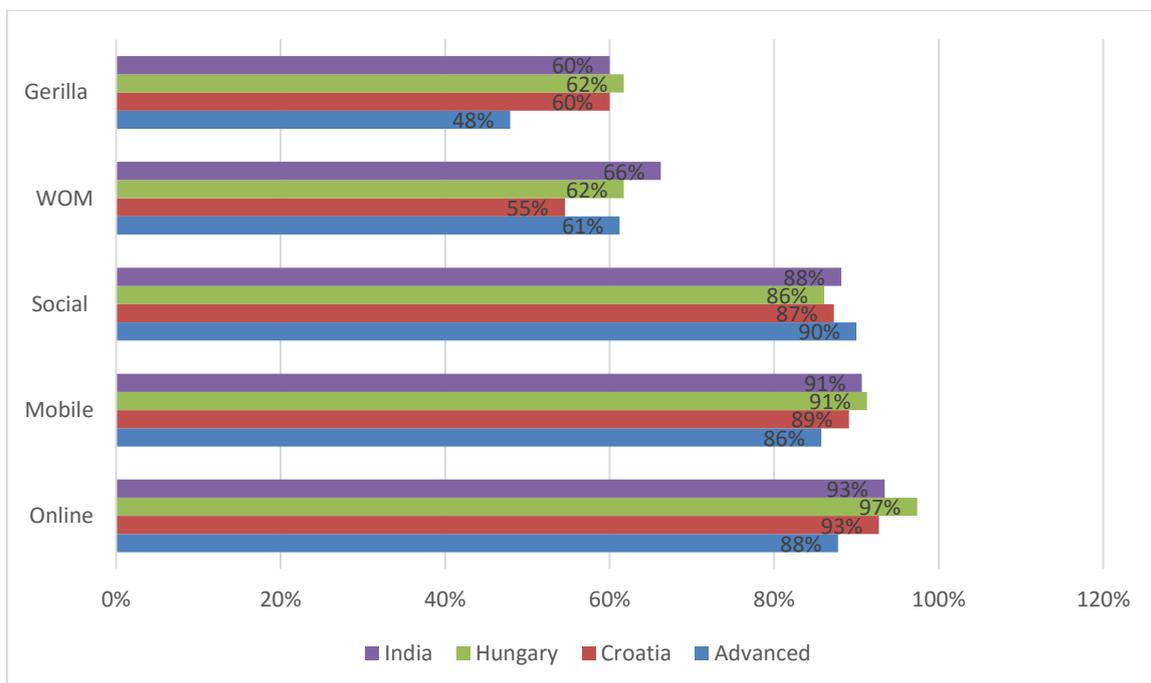


Figure 29. The share of those respondents who believe that the role of the given communication tool will increase (Own research)

The results are just in line with the present trends: almost everybody expects that online, social and mobile communication will dominate the scene in the next decade. Indeed the influence that social media has on our lives is undeniable. Numerous studies discuss the elevated importance of its power on consumer buying decisions. A particular study stands out in its findings. Bughin (2015) reports in a study published by McKinsey Quarterly that the influence and impact that social media has on consumers is increasing. The report⁴⁶ emphasizes that although the influence varies significantly across product categories, one thing is for certain, consumers are interested in buzz, which plays a more important role than the researchers thought previously. Also interestingly, the research revealed the importance of offline communication as well. While the importance of digital influence is increasing, the study also pointed out the role of personal and offline communication.

5.3.3. Expected changes in the spending in marketing communication

In the first part of the questionnaire we already asked the respondents to give their expectations on how future spending on MC would shape in the future, we also asked them about the spending on mass media and about the spending of governmental and nonprofit organizations. It is discussed in chapter 5.1. 'General expectations about the changes of marketing communication in the next decade'. Their answers about the future spending were rather cautious since as showed in Figure 19, Figure 21 and Figure 22, less than 50% of the respondents, except India, forecasted substantial increase in spending.

In this part of the questionnaire, we asked them to judge on a scale of -5 to +5 how the spending on the various communication tools would formulate in the future. Figure 30 illustrates the general expectations in this issue.

⁴⁶ McKinsey interviews were carried out among 20,000 European consumers across 30 different product areas and more than 100 brands in 2013-14. Source: http://www.mckinsey.com/insights/marketing_sales/getting_a_sharper_picture_of_social_medias_influence

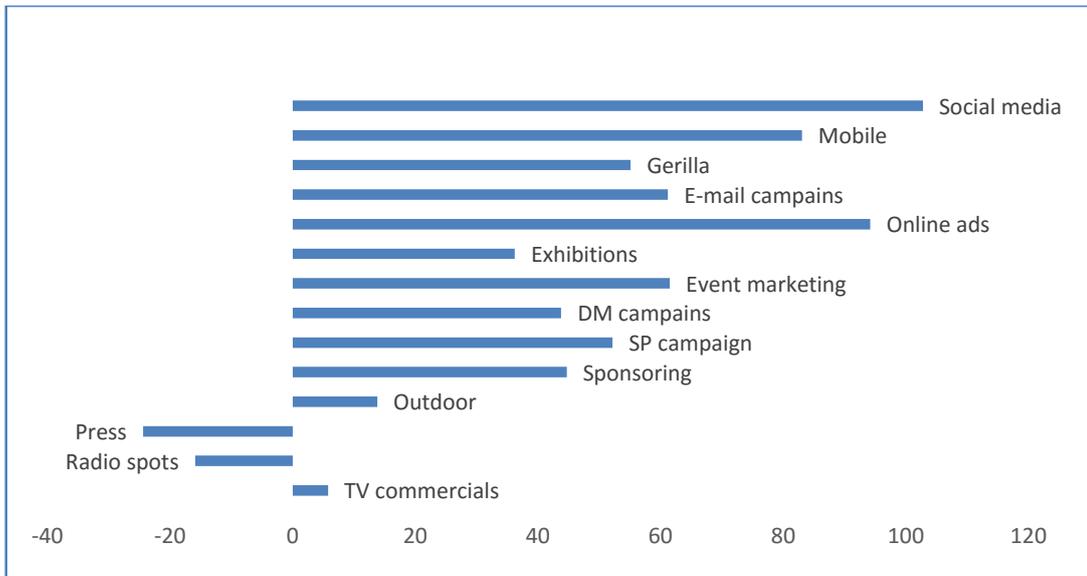


Figure 30. Expectation about how spending on various communication tools would formulate in the future (Own research)

Note: The data of Figure 30 were calculated like follows: the values of the scale (-5 to +5) for one item were multiplied with percentage share of the checking for the given value, and after that data were summed and averaged.

The results are very much in line with the findings discussed in the previous part. Social media, online and mobile ads are in rise while spending on TV commercials, radio spots and printed advertisements will stagnate or even decrease.

To summarize the above findings we can say that the importance of social media as a tool for advertising and also for influencing buyer decision-making is also becoming highly important.

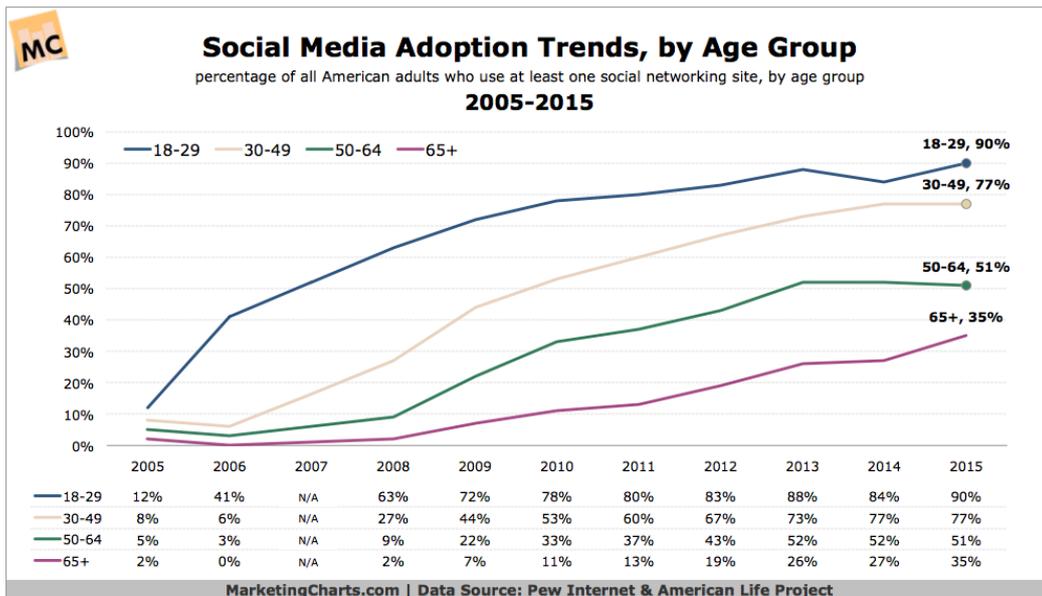


Figure 31. Social Media Adoption Trends, by Age Group
Source: marketingcharts.com

Although Figure 31 shows the percentages of Americans using social media, what is interesting to see is the growth of the 65+ age groups and their social media usage. The next figure show interesting statistics on the popularity of social media in contrast to the global population as well as providing us with statistics on its growth compared to 2014.



Figure 32. Global digital statistics
Source: <http://wearesocial.net/blog/2015/08/global-statshot-august-2015/>

The striking numbers that marketers need to pay attention to are the number of active social media users, where the growth rate is close to 9% in the past year. Furthermore, the number of mobile users and active social media users globally are increasing at a very high rate suggesting once again the elevated importance of this tool being used for marketing communication purposes. The number of new tools and their elevated importance grows exponentially. For example if we look at YouTube, it has more than one billion unique users each month, and almost six billion hours of video are watched during that period. This is almost an hour for every person on earth, according to YouTube's own figures.⁴⁷ Therefore, it is no wonder that this platform gains more popularity among brands. Marketers often talk about how brands today cannot live without a proper YouTube channel. However, in other areas such as news, platforms like Flipboard for example has 90 million active users. This number makes sense when comparing it to the newspaper with the highest circulation, the Wall Street Journal, which has 2.4 million subscribers (Johnson, 2015).

The different generations also dictate the direction, which advertising should take. For example, the millennial generation uses many platforms for information and entertainment. They want relevant stories and cannot be bothered by ads (Brenner, 2015). These statistics and the new understanding of the fragmented media scene are definitely changing the job of marketers. Information is more readily available and issues once again such as relevance, authenticity and content play more important roles for most of the consumers.

Summarizing, the job of marketers and the aims of marketing communication remains the same, although the trends we have discussed and analyzed in this dissertation make it a challenge in today's turbulent environment, which according to many commentators in marketing is described as the age of the customer.

⁴⁷ Source: <https://www.youtube.com/yt/press/statistics.html> Accessed: 12.10.15

6. Discussion of Assumptions

Initially the aims of the thesis were to get a better understanding of how global trends influence the business environment and thus the practices of marketing and marketing communication. Since the study deals mostly with predicting the future, we thought that instead of formulating hypotheses it would be more appropriate to use assumptions instead of hypotheses. In addition, when dealing with issues relating to the future it is probably better to assume certain beliefs that can be true or false. Even if our research proves these assumptions to be true, the future might change the marketing environment in ways which completely overwrite our current standings on these issues we are focusing on. This section of the work discusses the assumptions that we set out to accept or reject.

Assumption 1: Marketing communication will change radically in the next decade.

The first and perhaps the most important question of this study was to understand the changes that will take place in terms of business communication in the near future. Its importance, especially in the case of developing countries is significant. The research proves that the majority of participants agree that marketing communication will change radically in the next decade. Moreover the secondary literature provides numerous studies that justify the changes awaiting the practice of marketing communication. The changes as we have seen supported by the various sources lead us to believe and predict that the 21st century will see the developments of digital communication platforms and a multitude of tools to support two-way communication. The next decade will see a strengthening of globalization leading to some global players such as the BRICS countries to further shape the economic powers thus leading to a slightly different challenge in terms of global marketing practices. In terms of the customers of the next decade as the study also revealed the changes will lead to a more global aware consumer segment to which the new digital solutions are part of their daily habits. This will undoubtedly further strengthen the focus on online and social media communications. Since consumer power is going to gain further strength, customers of this century will no longer rely as heavily on mass advertising as they used to in previous decades. Instead they will turn to social media such as Facebook, Instagram, Twitter and other platforms for information. This means that advertisers need to incorporate these

channels into their advertising strategies. Our primary research revealed that respondents from the advanced countries were very positive about the expected changes in the next decade. The optimism of the Croatian and especially the Hungarian respondents was not as high as in the case of advanced countries. Almost 16% of the Hungarian responses predicted no or minimal changes in the next decade. The effects of the global trends might also have an influence on the answers of these participants. As the effects of the global financial crisis according to our survey are felt stronger in these countries this might give us one possible explanation to the above results. Therefore, this assumption is only *partly accepted*.

Assumption 2: Changes in marketing communication in the next decade will be greater on the emerging market than on the Western markets with greater expenditures and with new methods and contents.

Regarding the expected changes we have already found our previous assumption to be true for most of the participants of our survey. However, if we only view the responses of the Indian participants it is easily recognizable that two thirds, nearly 66% expect radical changes in the next decade. As can be seen from the previous discussion on the Indian economy, the GDP predictions and the general strong performance of the Indian economy might be one explanation for this optimism. However, in a developing country such as India, with the demographic figures that it has and more likely due to the growing power of the middle class the companies need to be focused more on reaching a larger segment of the population, thus the optimism from the respondents seems to be in place. To serve a growing middle class means that the necessity of marketing communication is needless to say becomes an important function for all companies doing business in this country. This also means that the marketing communication expenditures will keep on increasing along with the number of choices and tools used for this type of business communication. Therefore, this assumption is *accepted*.

Assumption 3: The endeavour for both globalization and localization will characterize marketing communication in the next decade with more emphasis of localization in the emerging world.

Globalization has been in the focus of marketing for decades. The issues range from political to business aspects and there are views for and against it. As all the other trends globalization has a strong influencing factor and is felt by more and more consumers all over the world. Global companies are setting foot in new markets and introducing their marketing programs to new cultures and people. Understanding these new markets might be one of the most basic steps for any business entering such a new environment. Yet, marketing books have plenty of examples of global firms and their blunders in such circumstances. One of the solutions for this problem seems to be the issue of localization. This concept addresses the issues of such blunders and treats the new culture and its specialities with extra care. The marketing literature calls it ‘glocalization’, also referred to as ‘think global and act local’. This becomes even more prioritized in marketing communications where the aim is to build customer relationships by communicating customer value. This can only be done by understanding the nature of the target market, especially its cultural background, language and traditions. There is no surprise that these elements vary from market to market and call for the localization of most of the marketing communication mix. If we focus on the countries mentioned in the study it is not hard to see that the emerging world provides those markets for the coming years where global companies need to localize their marketing efforts in order to present a competitive offer to customers of these markets. Indeed glocalization is about designing the supply chain so that the downstream part, which includes marketing, sales and customer service should be adapted to the local requirements. This strategy also helps firms concentrate on customer orientation through localizing these departments to the particular market where they have interest. Our study shows that more than 70% of the Indian respondents agree with the assumption we have regarding the issue of localization. Thus this assumption is *accepted*.

Assumption 4: The global megatrends will undoubtedly affect the business and marketing environment and thus reshape the practices of marketing communications.

Overall our aims included the analyses of global trends and how they might influence the business environment. The study carried out an extensive literature review, which revealed numerous studies on the topic. The findings of different research groups also led us to believe and narrow the number of global trends to six megatrends that are powerful factors shaping the global business environment. After having identified these trends we set out to examine each and evaluate their effects on marketing communication. The secondary literature helped us in the identification, while the primary research gave room different views from practicing experts from various regions of the world. The study focused on gathering insights of practitioners of marketing as well as university or college educators and students. Their views on the megatrends and how they felt each would shape the marketing communication practices helped us to better understand two important issues. The first and most important from the perspective of this study was that most participants of the survey confirmed that the trends: power shift in world economy, global climate change, demographic trends, technological development, the after-effects of the global recession and the trend towards proliferation are all areas which have an effect on the business environment. Secondly, we also were able to confirm the different areas of marketing and marketing communications, where these trends would be mostly felt. Therefore, assumption 4 is *accepted*.

Assumption 5: Each global trend will have a different effect on the practice of marketing communication.

The previously listed trends were accepted by our research as major influencing factors for the business environment and the practices of marketing communications. These trends will no doubt change everyday practices of marketing and thus also indirectly formulate the content and the number of tools used to produce the messages for target audiences. Our study found that the trends differently affect these choices. The climate change will most probably change the content of communication for many firms leading them to focus more on

environmental sustainable products and production. The after effects of the recession also force many companies to change the tools used for communication and also the content. We often come across advertisements where the content focuses on more value for less, which is evidence of this trend shaping the content of many global firms. Power shift and demographic factors also affect the content, as well as the tools used in the process. Power shift means new markets where content will need to be adapted or localized, and demographic issues might mean new tools to target the aging generation.

This assumption seems to be true from another aspect. Not only do these trends have a different effect on the practice of marketing communication, they are also differently perceived by the participants of our study. Our ranking of the megatrends revealed the different results coming from Croatia, Hungary and India. Interestingly the after effects of the crisis were felt more strongly in the first two countries compared to India, where the most important trend turned out to be the demographic changes. We could deduce that this is to do with the general economic conditions of these countries, however the reasons for these differences may be more complex. Nevertheless, these differences the trends show in terms of their effect on marketing communication, plus the fact that they also are translated in a different order by the participating countries lead us toward assumption 6 to be *accepted*.

Assumption 6: Mass communications' role will decrease in the next decade.

The issue of mass communication has been in the forefront of experts. There were predictions about the death of mass advertising as early as the 1990s. These predictions never came true, but in retrospect we can see why they were made. With the internet becoming a popular medium for a growing number of consumers and companies, the traditional media received less and less attention. There are of course very simple, yet fully acceptable reasons for this. Traditional media and mass communication started to lose credibility as the consumers started turning their attention towards the digital media and credibility behind word of mouth on the internet. Thus the power the consumers started to gain with the information at hand became a key moment in the battle in which traditional media (TV, radio, print, etc.) began a slow course of losing. This of course did not mean that the final battle is lost, it just meant that advertisers needed to think about ways to apply traditional

mass communication tools in a more credible fashion, perhaps using more creativity and integration as before. Consumer behaviour also discusses this issue referring to the 'purchasing funnel'. According to McKinsey Quarterly (2009) this funnel is no longer applicable, instead it became a decision journey with distinct and different stops where marketing efforts play a crucial role in the decision journey of customers.

Recent studies show mass communication mediums such as TV, to still play a very important part in terms of its contribution to global ad spending (ZenithOptimedia, 2013).

According to our research the mass communication still plays a very important role as well, especially in the developing world, where new markets mean a proliferation of brands and thus pointing to the use of mass communication tools. The advanced part of the world and particularly the respondents of our survey from this region agreed that the role of mass communication is decreasing. Therefore, we can say that this assumption is *partly rejected* due to the reasons above.

Assumption 7: The rapid growth of digital technology will greatly change the choice of tools companies use for communicating with their customers.

The growth of digital technology is one area, which probably influences all other trends as well. Its fast paced advance is reason to believe that it will greatly change our lives. In terms of its influence on business life we can see a great deal of evidence that makes it the most important trend of all. The global digital statistics show clearly that the emphasis on digital marketing tools will gain more acceptance by consumers all over the world. The use of mobile phones, especially smart devices are growing in numbers. Not only do consumers use smart phones, they use a number of devices through which they explore the options social media has to offer. Digital marketing platforms will be key players in the 21st century and this is not only true according to the secondary research but also supported by our survey. Digital technology influences all facets of our lives. It is reshaping how the new generations perceive information. Moreover it is part of everything we do today. This is also true for businesses, where they have no choice but to follow the trends in order to provide value to their customers. This means that they need to find the relevant tools of communication that helps consumers make decisions through their journeys. Technology offers the new solutions

to firms through which they can establish a relationship with their customers. Our study also revealed that the importance of these tools is not to be overlooked in the next decade. Social media platforms such as Facebook, Twitter, Instagram or Youtube are major tools for companies in this century. Marketing communications spending according to our survey will firstly focus on social media and online ads, but the use of mobile advertising is also very high. The technological advancements and the global statistics regarding the growing number of users support this assumption.

Another aspect of this issue is content marketing. This means that more and more consumers, especially the younger generations are only going to commit to certain brands if they can capture their attention through engaging content. Generating this kind of content relies heavily on social media platforms and in general the online environment. Blogs and vlogs for example help consumers make decisions as well as provide important guides for decision-making. This is more so in the world where we have a growing number of brands along with a population that is also increasing in numbers. In the developing world we can observe a large middle class segment that will need to be reached by marketers and as they have more access to the internet the need to use these tools will increase equally.

The advance of digital technology is also responsible for giving the power into the hands of the consumer. Smart platforms such TVs, mobiles, gaming consoles, laptops, tablets, watches, etc. are only going to elevate this power and give the consumer the edge in terms of gaining first-hand information on what is important to them at the moment of its importance. This also means that the use of certain advertising tools will decrease, at least for the developed countries. Nevertheless, the importance of digital technology and its advance is not to be underestimated by any means. *Assumption 7 is accepted.*

Assumption 8: Tools that favour two-way communication will be gaining more popularity in marketing communication.

The next assumption we have is partly connected to the previous one in that it relies heavily on the new technologies that enable two-way communication. One of our focus was on the understanding of the changes in marketing that are taking place. The changes in communicating with customers is perhaps the most important of all relating to the power

that consumers possess today. The technologies and the tools favour two-way communication and allow consumers to participate in just about all the marketing functions. There is a need from their part to join a certain group, or a discussion or just follow their favourite brands on their chosen social media site. The tools we discussed in the work are very much in favour of this type of communication. The successful companies can and should turn this opportunity to their benefit through engaging customers in contests or getting insights about the next generation of products they intend to introduce. On the other hand, consumers also favour options through which they can share their feedback with their chosen brands and their manufacturers.

The answers from all the participating regions support the above. *Assumption 8 is accepted.*

Assumption 9: The content of marketing communication is going to favor more rational messages.

The content of marketing communication as we have discussed in the previous sections is one of the emphasized areas of change expected in the next decade. This is partly due to the trends we have discussed and how these might affect communication in general. Our research has revealed that we can expect to have more emotional rather than rational messages in the future. Volkswagen's recent case also highlights the importance of authentic communication. This is in line with what many experts also predict as customer dominance is continuously gaining more grounds. The research also revealed that user generated content will keep on growing in the next decade. Climate change and content marketing will also dominate the next years. Summarizing, this assumption is *rejected*.

The assumptions of the work are listed in table 22.

Table 22. Summary of assumptions (Own illustration)

Assumptions regarding the changes in the marketing communication of the next decade			
		Decision	Reason
Assumption 1.	Marketing communication will change radically all over the world.	Partly accepted	The majority of the Hungarian and Croatian respondents only predict a small and/or gradual change.
Assumption 2.	Changes in marketing communication will be greater on the emerging market than on the Western markets with greater expenditures and with new methods and contents.	Accepted	The Indian respondents clearly support this statement.
Assumption 3.	The endeavour for both globalization and localization will characterize marketing communication with more emphasis on localization in the emerging world.	Accepted	More than 70% of the Indian respondents are in agreement about this issue.
Assumption 4.	The global megatrends will undoubtedly affect the business and marketing environment and thus reshape the practices of marketing communications.	Accepted	There is a clear agreement on this topic from all participating countries.
Assumption 5.	Each global trend will have a different effect on the practice of	Accepted	The assumption is accepted both in terms of each global trend having different effect on the practice of marketing communication, but also

	marketing communication.		the effects will differ from country to country.
Assumption 6.	Mass communications' role will decrease.	Partly rejected	The assumption is true for the advanced part of the world, while in the emerging countries mass communication will still play an important role.
Assumption 7.	The rapid growth of digital technology will greatly change the choice of tools companies use for communicating with their customers.	Accepted	According to the research, an increase of expenditure is expected on social media and mobile media.
Assumption 8.	Tools that favour two-way communication will be gaining more popularity in marketing communication.	Accepted	The respondents from all three regions agree on this issue.
Assumption 9.	The content of marketing communication is going to favour more rational messages.	Rejected	According to the research, the role of emotions will play an important role, but at the same time, the rational communication will be replaced by more authentic messages.

7. Summary of the new scientific findings and their managerial implications

The work set out to achieve three main objectives. Our first aim was to explore the current issues and practices relevant to marketing communications. In order to do this the work needed to study the evolution of marketing communication exploring the more important stages of its development. This part led us to develop – following an extensive literature review – the evolutionary stages of marketing communication. The different time periods were examined in detail to get a better understanding of how marketing practices in general have evolved and what effect this evolution had on the nature of communication during these times.

Researching this topic allowed us to see these periods from a new perspective leading us to focus on certain turning points changing the practices of marketing communication. One of the interesting findings through this periodization was how strongly technological evolution influenced the changes of communication in general. Hints of other major global trends became already visible from this stage of our secondary research. The scope and aim of marketing communication went through sharp changes as globalization gradually became a major influencing factor and ultimately – as part of our findings – will lead to changes in the tools and content of marketing communication for a growing number of businesses involved with global customers of new markets, in which case communication will need to take a new approach in order to be effective in this respect. At this point we already knew that there would be global trends in the background responsible for changes that are taking place. Our aim was to map these trends and see how they influence the practices of marketing communication as well.

Regarding the new issues in marketing communication today, the research revealed certain areas that are most likely to play an increasingly important role in the future of marketing communications. These are the social and mobile media options, which reinforce and help in engaging consumers in an environment, which could also be characterized by a growing number of brands and a more fragmented media scene making communication even more difficult nowadays.

Our next aim was to explore the various trends or megatrends that companies' face, which also affect their day-to-day operations. This part of the research led us to observe and study different researchers or research groups' projections of global megatrends. Arriving at six distinctly different trends, we began to focus on their individual effect on various aspects of marketing and marketing communications. Individually the six megatrends, radical power-shift changing the world economy, global climate change, the demographic trends, technological developments, the trend of proliferation, and the after-effects of the global recession were examined.

At this part of the study, we came to conclude that these trends would alter the business environment completely in the next decade. Furthermore, these trends we have identified by nature are such that their appearance is to be expected in interrelation with each other, which will make the adaptation of business models to these changes even more difficult. Since many of these changes are inevitable, it is important for businesses to prepare for them before it is too late. Survival has always been the central focus of any business thus in a completely new world order characterized by dramatic climate changes, radical demographic trends, economic power shifts and in a technological environment where new innovative solutions and tools surface quicker than ever before will only elevate the importance of adapting to these trends in time. Coping with these effects will require a new mindset both on the part of the decision-makers and leaders and on the consumers and society in general.

The third aim of the work was to gather firsthand information from practitioners, college and university professors, students and businessmen about the trends we have identified and discussed at length. The novelty of this study is to be found in its research approach, which included an international sample. The approach included qualitative and quantitative methods both. The in-depth interviews helped in the questionnaire design and provided us with a better understanding of how the interviewees felt about the changes in the practices of marketing communication expected for the next decade. The research – with its limitations – set out to gather data from participants from various countries across the globe. We have managed to do so including participants from India, which really can be considered a novelty in this type of research. The participants helped us to compare the responses of three regions and also allowed us to do a mini comparison of Croatia with Hungary as they

are similar in many respects. Our findings clearly indicate that all participants feel that the megatrends to a certain degree will determine the economic environment and its participants in the next decade. It is specifically interesting how the Indian participants felt about the expected changes, namely that they will be in a better position due to the power-shift changes, compared with Hungary or Croatia and some of the advanced countries. These differences among the participating regions were felt in other areas also, often highlighting the optimism of Indians in sharp contrast to the views of Hungarians and sometime also the Croatians.

The dissertation worked on the assumption that the development of marketing communication in the next decade will be influenced by these megatrends. The research proves this to be the case. Interestingly, we can find major differences among the responses. These can be traced back to economic and social reasons for the case of Hungary and Croatia. The optimism in terms of how these respondents felt was quite different in many areas from participants of the advanced countries and also from the Indian counterparts. Due to these reasons – which was also supported by secondary sources – we noticed that Indian participants voted for more radical changes and in general were much more optimistic about the possible changes in the next decade. The same cannot be said about the Hungarian and Croatian responses, where in many cases the optimism was not felt at all. One area for this difference was clearly visible when the effects of the megatrends were rated by the participants. Here, the Hungarians and Croatians voted for the after effects of the crisis as being the most important trend, while the Indian participants chose the demographic changes as the most important trend influencing the future.

Another area of novelty in this research is the focus on how the trends influence the different areas of marketing communication. We concluded that global climate and demographic changes will be responsible for the changes in the content of marketing communication. The advance of technology and proliferation will influence the tools used and marketing communication expenditures will also change as a result, mostly influenced by proliferation and the shift in power change.

These trends will also require companies to pay more attention to cultural aspects of their communication when entering the new markets in the emerging countries. This means a more localized approach will be necessary to pursue these opportunities. The content and tools need to be carefully adapted for these purposes. Overall with the possible changes expected in the next decade it is clear that business strategies need to be adapted to better serve the continuously changing communication environment as well as taking into account all the trends the work has identified.

The research had several limitations. The first is the size of the sample, especially in the case of the advanced countries, which were mainly represented by the respondents from Finland. Another major limitation is the notion of dealing with the future, in which case it is always difficult to predict what actually is going to happen. There are several global factors that could disrupt the future and thus change all our predictions. At the same time the work also opens up further options such as the inclusion of more countries to be surveyed and compared using the same methodology. Another direction that a further study could take would be to focus on certain areas of the work such as the changing consumer behavior or the various marketing communication tools that we have discussed and are going to be vital in the next decades for marketing communication practitioners.

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9. Appendix

9.1. In-depth interview about the future of marketing communications and the global trends influencing its practices

Interviewer: Gábor Rekettye, PhD candidate

Aim of interview: To gather firsthand information from experts practicing/teaching marketing/marketing communication.

Interview duration: 25-45 minutes

Questions:

1. Have you worked/do you work in marketing/marketing communications? What is your field of expertise? Do you have international experience in your field of work? Please discuss the scope of your work!
2. My research shows 6 trends that influence the global economy and thus the practice of marketing communication (global climate change, demographic changes, radical power shifts changing the world economy, rapid technological developments, after-effects of the global recession, proliferation) Do you agree that these trends influence/will influence the practice of marketing communication? What are your thoughts?
3. What effect does globalization have on the practices of marketing communications? (unifying communication, IMC, online, etc.)
4. How will the expenditures change in the next decade? (online, PR, social media, non-profits, etc.)
5. Do you think global climate change is an issue that marketers need to take into account when creating marketing communications campaigns? Have you seen such campaigns in your country? If yes, what are they?
6. What effects of the last financial crisis are still felt in your country? (price sensitivity, changes in consumer behavior, discount retailers, value awareness, etc.)
7. Are demographic changes (aging of population, gender shift, etc.) felt in your country? Does it change the way companies do business and advertise their products?

Is this something we see experience in the marketing communication of companies in your country?

8. How does digital technology influence the way companies in your country communicate with their customers? What are the current trends? How do you see the near future? What can be the future of digital communication in your opinion?
9. What do you think will be the major changes in the next decade in terms of the content and tools used in marketing communications?
10. Are there any other major factors influencing the practice of marketing and marketing communication in your country? What are they?

9.2. Questionnaire

QUESTIONNAIRE

THE FUTURE OF MARKETING COMMUNICATIONS

I am Gábor Rekettye, assistant professor of the University of Applied Sciences, Budapest. My PhD dissertation is focusing on the global trends influencing the practice of marketing communications. My research aims to collect data from both practitioners and other experts at universities on an international level. Please take a few minutes to fill out the questionnaire. Thank you for your time and effort!

1. To what extent will marketing communications' advertising' content and tools change in the next decade in your opinion?

Mark only one!

- Radical changes
- Gradual changes
- Minimal changes
- No change at all

2. Globalization's effect on marketing communications (advertising, sales promotion, personal selling, direct marketing, public relations)

How much do you agree with the statements below?

1 - Strongly disagree. 2 – Partially disagree. 3. Neutral. 4 - Partially agree. 5 - Strongly agree.

Statements	1	2	3	4	5
Marketing communication is globally unifying					
Dues to cultural differences marketing communication will mostly stay localized					
Marketing communication of large and small companies are becoming similar					
Integrated marketing communication is becoming ever more important					

3. How will the marketing communications expenditures change in your country in the next decade?

How much do you agree with the statements below?

1 - Strongly disagree. 2 – Partially disagree. 3. Neutral. 4 - Partially agree. 5 - Strongly agree.

Statements	1	2	3	4	5
Marketing communication expenditures will increase significantly					
Expenditures on mass media channels will decrease within the Marketing communication mix					
Online media (Internet advertising, social media, etc.) expenditures will increase within the Marketing communication mix					
Governmental and nonprofit organizations expenditures will increase in total spending					

4. Please, evaluate the following statements in relation to the global climate change in your country!

How much do you agree with the statements below?

1 - Strongly disagree. 2 – Partially disagree. 3. Neutral. 4 - Partially agree. 5 - Strongly agree.

Statements	1	2	3	4	5
The role of social marketing will grow					
Sustainable development will be the focus in new product development					
Corporate social responsibility will gain more ground					

5. Please, evaluate the following statements in light of the last financial crisis (economic set-back) and its effect on consumer behavior in your country!

How much do you agree with the statements below?

1 - Strongly disagree. 2 – Partially disagree. 3. Neutral. 4 - Partially agree. 5 - Strongly agree.

Statements	1	2	3	4	5
Growth of price sensitivity					
Change is consumer behavior					
Growth of discount retailers, stores					
Emergence of value awareness amongst consumers					

6. Please, evaluate the following statements in relation to the changes in world economy (developing countries getting stronger) and the effects on your country!

How much do you agree with the statements below?

1 - Strongly disagree. 2 – Partially disagree. 3. Neutral. 4 - Partially agree. 5 - Strongly agree.

Statements	1	2	3	4	5
Middle classes in developing countries present a serious market opportunity					
The emergence of new market segments needs more cultural sensitivity from global brands					
The supply of developing countries is weakening brands of developed countries					

7. Please, evaluate the following statements in relation to the demographic changes (aging of western and Asian societies, decrease in birth numbers, gender shift) and their effects on your country!

How much do you agree with the statements below?

1 - Strongly disagree. 2 – Partially disagree. 3. Neutral. 4 - Partially agree. 5 - Strongly agree.

Statements	1	2	3	4	5
Changes in product portfolio					
The role of new product development increases					
The content and tools of marketing communication changes					

8. Please, evaluate the following statements in relation to the growing number of brands and their effect on your country!

How much do you agree with the statements below?

1 - Strongly disagree. 2 – Partially disagree. 3. Neutral. 4 - Partially agree. 5 - Strongly agree.

Statements	1	2	3	4	5
Marketing communication receives more attention					
Consumers find it harder to make decisions					
Local brands have a more difficult position					
Image maybe become the focus of communication					

9. Please, evaluate the effects of rapid growth in digital technology on business life in your country!

Mark only one!

Not serious	1	2	3	4	5	Very serious
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10. Are there any other trends influencing business life in your country?

Please list them!

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11. What aspect(s) of marketing communication does the global climate change affect?

Multiple answers are possible!

The content of marketing communications	
The tools of marketing communications	
The decrease in marketing communications spending	
The increase in marketing communications spending	
Does not affect marketing communications	

12. What aspect(s) of marketing communication does the changing consumer behavior affect?

Multiple answers are possible!

The content of marketing communications	
The tools of marketing communications	
The decrease in marketing communications spending	
The increase in marketing communications spending	
Does not affect marketing communications	

13. What aspect(s) of marketing communication does the power shifts in global economy affect?

Multiple answers are possible!

The content of marketing communications	
The tools of marketing communications	
The decrease in marketing communications spending	
The increase in marketing communications spending	
Does not affect marketing communications	

14. What aspect(s) of marketing communication does the demographic changes affect?

Multiple answers are possible!

The content of marketing communications	
The tools of marketing communications	
The decrease in marketing communications spending	
The increase in marketing communications spending	
Does not affect marketing communications	

15. What aspect(s) of marketing communication does the growing number of brands affect?

Multiple answers are possible!

The content of marketing communications	
The tools of marketing communications	
The decrease in marketing communications spending	
The increase in marketing communications spending	
Does not affect marketing communications	

16. What aspect(s) of marketing communication does the growing number of communication tools affect?

Multiple answers are possible!

The content of marketing communications	
The tools of marketing communications	
The decrease in marketing communications spending	
The increase in marketing communications spending	
Does not affect marketing communications	

17. What aspect(s) of marketing communication does the rapid growth in digital technology affect?

Multiple answers are possible!

The content of marketing communications	
The tools of marketing communications	
The decrease in marketing communications spending	
The increase in marketing communications spending	
Does not affect marketing communications	

18. What changes are likely to take place in the next decade in the content of marketing communication?

How much do you agree with the statements below?

1 - Strongly disagree. 2 – Partially disagree. 3. Neutral. 4 - Partially agree. 5 - Strongly agree.

Statements	1	2	3	4	5
The content will be more rational					
The content will be more emotional					
The content will be more authentic					
Consumers will have more role in generating the content					
Environmental awareness will have a more central role in the content					
Brand related content will play a more important role					

19. What changes can be expected in marketing communication in your country?

Mark only one per row!

1 – Major increase in its role. 2 – Little increase in its role. 3. No change in its role. 4 - Little increase in its role. 5 – Major decrease in its role.

Communication Means	1	2	3	4	5
Advertising					
Public Relations					
Personal Selling					
Sales Promotion					
Direct Marketing					
Online Marketing					
Mobile Marketing					
Social Media					
Word of Mouth					
Guerilla marketing					

20. How will spending change in the following areas?

Please evaluate each by the degree of change! -5=major decrease, +5=major increase
 Mark only one per row!

	-5	-4	-3	-2	-1	0	1	2	3	4	5
TV commercials											
Radio spots											
Outdoor advertising											
Sales Promotion campaigns											
Direct Marketing campaigns											
Event Marketing campaigns											
Exhibitions and Fairs											
Online advertising											
E-mail Campaigns											
Guerilla Marketing campaigns											
Mobile Marketing campaigns											
Social Media campaigns											

21. What is your profession?

Mark only one!

University, college educator	
University, college student	
Government administrative	
Non-profit, civil servant	
Middle or upper level corporate manager	
Employee	
Self employed	
Other	

21. Please, provide your field of profession!

.....

22. Have you worked or are you currently working in the field of marketing?

Yes	
No	

23. If you are a corporate employee, please indicate the area of your company!

Mark only one!

Manufacturing	
Processing	
Commerce	
Services	
Other	

24. Please, indicate how many people your organization employs!

Mark only one!

1-9	
10-50	
21-250	
above 250	

25. Please, indicate your gender!

Male	
Female	

26. Please, provide your age!

Under 25	
26-35	
36-45	
46-55	
56-65	
above 66	

Please choose your country of birth from the list below!

Croatia	
Finland	
Hungary	
India	
Other, pl. specify!	