

THE FUTURE OF MARKETING COMMUNICATION — RESULTS OF AN INTERNATIONAL RESEARCH

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Abstract

The objective of the research was to analyze and understand the most important global trends affecting the practice of marketing communication. The questionnaire survey was carried out in 2015 in four countries: in India, Croatia, Hungary, and in Finland. The international scope of the research gave the possibility to compare how experts and opinion leaders from emerging, transition and advanced countries evaluate the effects of the global megatrends on business environment, and how the changed business environment would influence the future of marketing communication in the next decade.

1 Introduction

The practice of marketing and especially marketing communication (MC) has never had a more difficult period in its short history than what it is faced with in our century. The growth of the population along with the factors of globalization and other global trends seriously rewrite the everyday practices of marketers (Egan, 2015, Kotler et al, 2010, Quelch and Jocz, 2009, Vijay, 2009). The aim of the research is twofold: firstly, to map those megatrends, which will shape the future of the business environment in the different regions of the world, and secondly to explore how this changed environment will influence the practice of marketing communication. The research was carried out in four countries (Hungary, Croatia, Finland and India) representing the three main regions of the world economy: the advanced, the transition and the emerging regions.

2 Identifying the global megatrends influencing the future business environment

In the first phase of the research, in order to identify the megatrends a comprehensive literature review including those research reviews made by famous international research institutes and agencies were used (Larsen 2006; NIC, 2012; Gregosz, 2012; Vielmetter and Sell, 2014; Hajkowitz, 2015; Dobbs et al, 2015). Based on these sources, we identified the following main megatrends:

Power-shift in the world economy, which means that the economic power is rapidly moving from West to East and South.

Global climate change, global warming threatening the economy and the society of many countries

Demographic trends, aging population in the West and overpopulation and rapid urbanization in the East and South

The increasing rate of *technological development*, especially in the ICT sector.

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The after-effects of the *global recession* resulting in changing consumer behavior, increasing price sensitivity and value consciousness.

The trend towards *proliferation*, i.e. the clutter of new brands and new communication tools.

3 Model and methodology of the primary research

The model of the primary research is illustrated in Figure 1.



Figure 1. The model of the primary research

For the primary research, a questionnaire survey was used. Based on the experiences of the in-depth interviews with one-one determining experts from the three regions an on-line questionnaire was prepared and tested in Hungarian and English language. It was sent to university professionals and MBA students in Hungary, Croatia, India and multiple advanced countries. The snowball method was applied. Altogether 315 questionnaires were received and processed using the SPSS software. The distribution of the sample is illustrated in Table 1.

Table 1. The distribution of the sample (%)

		Advanced countries	Transition Croatia Hungary		Emerging India	Countries Total
Occupation	Educators	37.2	48.2	39.7	83.3	52.2
	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		16.9	18.6	38.5	25.9	100.0

The present economic situation of the participating countries' was also analyzed to give a proper basis for the comparison.

3.1 Opinions of the respondents on the general issues of marketing communication

Some of the following results are not backed with research data due to the limited space of this article. Still we discuss them since they are interesting and important. Most important findings of the survey concerning the general issues regarding marketing communications in which all the respondents from the different countries agreed are the following:

Changes in marketing communications in the next decade will be radical.

Small and medium sized companies will not be able to produce as effective marketing communications as the larger ones.

Integrated Marketing Communication (IMC) is becoming more important.

Online media expenditures will increase radically compared with traditional media expenditures.

In certain issues there were significant differences between the opinions of Indians and other countries:

Increase of total expenditure of MC

Decrease of expenditure on mass media

Increase of the share of governmental and non-profit organizations in the MC expenditures.

Summarizing it can be stated that the Indian experts represented a more radical and optimistic standpoint compared with the other countries. This originates most probably from their beliefs that their economy is on a good track, which will continue in the next decade.

3.2 The effects of the megatrends on the business and marketing environment

The factor analysis regarding the questions of the different megatrends proved that they all have an effect on the business environment in each country. The rankings vary from country to country. An important finding is that the issue of technological development was the most important, because it indirectly influences the other five trends as well. Table 2 lists ranking of the six megatrends by countries.

Table 2. Ranking of megatrends by countries

Megatrends	Ranking from 1 to 6.		
	Croatia	Hungary	India
<i>Technological development</i>	1	1	1
<i>Global climate change</i>	3	3	3
<i>Effect of the crisis on consumer behavior</i>	2	2	6
<i>Effect of the power shift</i>	6	6	5
<i>Demographic changes</i>	4	5	2
<i>Brand proliferation</i>	5	4	4

Note: The views of respondents from advance countries is omitted from the table due to a limited number of responses coming from one country. (1: most important, 6: 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.

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 2014 was already 26 % in Hungary compared to India’s figure of 8% (EC, 2014). In India the demographic issues have different aspects: overpopulation as a negative effect and rapid urbanization as a positive effect on the business environment.

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.

3.3 The effects of the changed business and marketing environment on marketing communication

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

The results showed that the majority of the respondents believed that the changed business and marketing environment would change first the *content* and second the *tools* of marketing communication. Besides this changing environment will require a *higher expenditure* on marketing communication. It looks evident that the climate change, the changing consumer behavior 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.

As far as the future of marketing communication content is concerned the findings were the following:

Marketing communication of the future will be more emotional and authentic and less rational.

Consumers will have more role in generating the content.

Environmental awareness will have more importance in the content

Brand image related content will dominate the marketing communication activity.

The classical tools (advertising, PR, sales promotion, personal selling and direct marketing) of MC in next decade according the survey:

Indians see a radical increase in all the five tools of the classic marketing communications mix.

The other countries forecast a stagnation in advertising, a moderate increase in personal selling, and higher increase in PR, sales promotion and direct marketing.

The new tools of MC (guerilla marketing, social media, mobile, online) will play an increasingly important role in the next decade according most of the respondents from all counties surveyed in the research.

The third effect of the changed business environment on MC can be identified in the different spending on MC tools as illustrated in Figure 2.

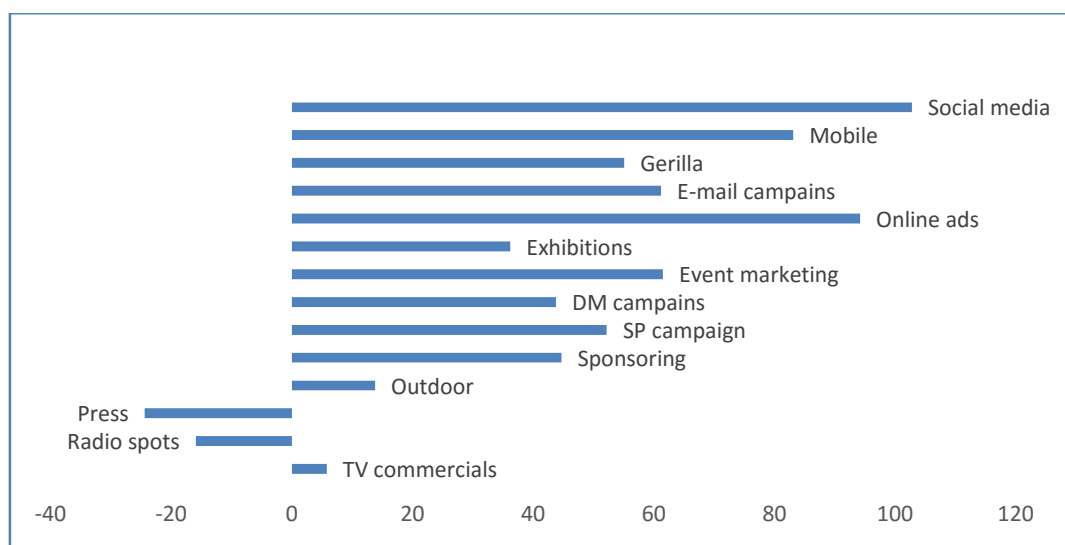


Figure 2. Spending on various MC tools in the next decade

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.

3.4 Conclusions

Forecasts predict radical changes in the global world economy. The developing countries are likely to continue in the path of economic growth, which at the same time will result in a stronger competition for Western companies and also a growing potential market to be explored. This change along with the megatrends discussed in the paper, especially the technological advances will fundamentally change the way marketing communication needs to be practiced in the next decade.

Changes are likely to effect the content, the tools and the money spent on different marketing means. Companies striving for survival and growth in this new multipolar world have to adapt their marketing activities to the local environments of the emerging countries. The difficulty of this from a managerial aspect is that these emerging countries present new challenges, especially in terms of cultural differences. Marketing communication is the most sensitive area of the businesses, since it meets the customer first.

The research has certain limitations, for example, the sample size but it also lays out new directions for further research.

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