MARKETING COMMUNICATION IN THE AGE OF TECHNOLOGY

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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. 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 an 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)

This paper discusses some of the major issues marketing communication experts need to deal with and pay attention to in order to succeed in establishing a continuously successful relationship with their customers. This can only work if we pay close attention to all the factors changing the face of communication and thus incorporating them into our daily practices in marketing communications.

2. Technological development and media fragmentation

As for the communication aspect of marketing, 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.*"[2]
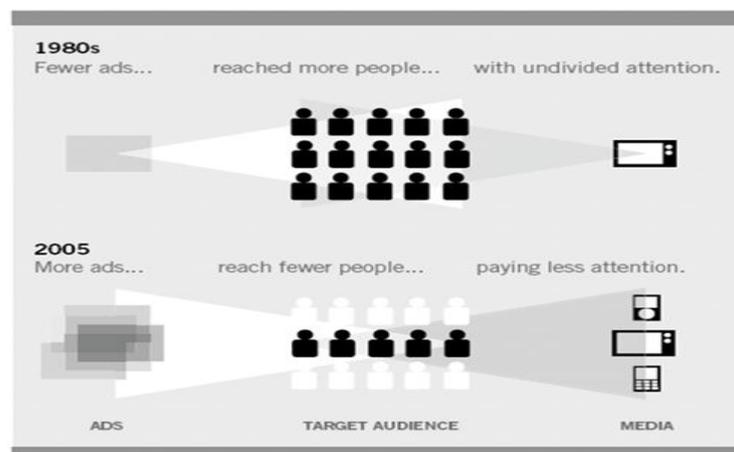

Figure 1. Changes in the media landscape
Source: Internet Advertising Bureau, 2004[3]

This simple illustration above (Figure 1) 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 evolution of the past decades have really changed communication not only for companies, but for all of us in our daily lives. Some of these technologies could also be considered breakthroughs as they have irrevocably changed marketing practices. Consider how computers, video cassette recorders, the internet, e-commerce, and lately the advent of new media vehicles and mobile communication have and are still influencing our lives to this day. These inventions are also turning points in marketing communication, because they 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 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 simple commercial break during our favorite shows. But unfortunately advertising in general has other concerns to deal with.

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 advents such as Netflix, TiVo, Bittorent, where it is possible to consume media without interruptions.[4] 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.[5] 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 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 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.'[6]

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.'[7] 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).

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

[5] KutatóCentrum és Marketing&Media (2012), Kit zavar a „reklámzaj"?, http://www.kutatocentrum.hu/hirek/2012/cikk-274/kit-zavar-a Downloaded: 10 June 2015

[6] Source: http://www.nytimes.com/2007/01/15/business/media/15everywhere.html?pagewanted=all&_r=1&

[7] Source: http://sjinsights.net/2014/09/29/new-research-sheds-light-on-daily-ad-exposures/
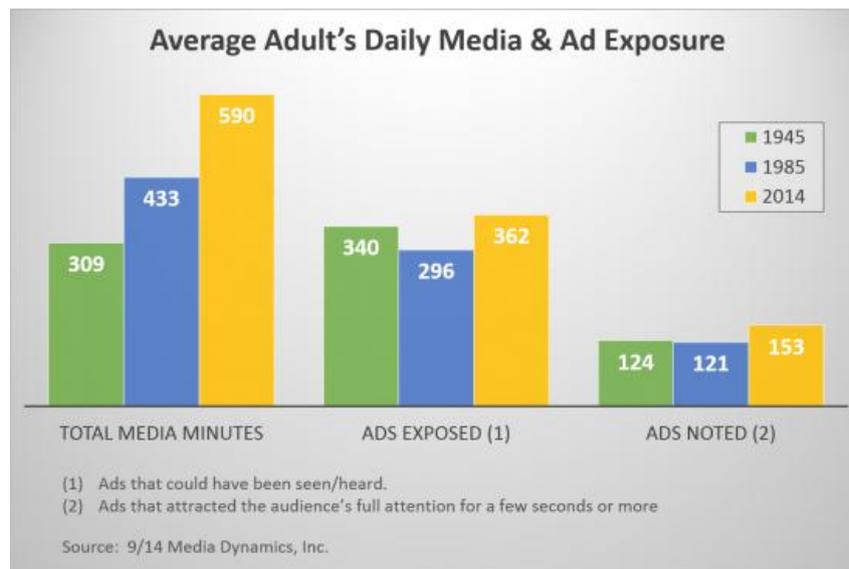
Figure 2. Average Adult's Daily Media and Ad Exposure
Source: www.mediadynamicsinc.com

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). Törőcsik (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.[8] 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.[9] 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.

3. Changes in the communication process

The nature of communication 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 is method is very apparent if we are to look for feedback in the form of communication originating from the customers.

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[8] The Role of Creativity in Advertising by Neil Kokemuller, Source: http://smallbusiness.chron.com/role-creativity-advertising-61394.html, dowloaded: 09.07.15

[9] Jim Stengel's advice to marketers, source: http://digiday.com/brands/adweek-former-pg-cmos-advice-to-marketers/ downloaded: 10.07.15
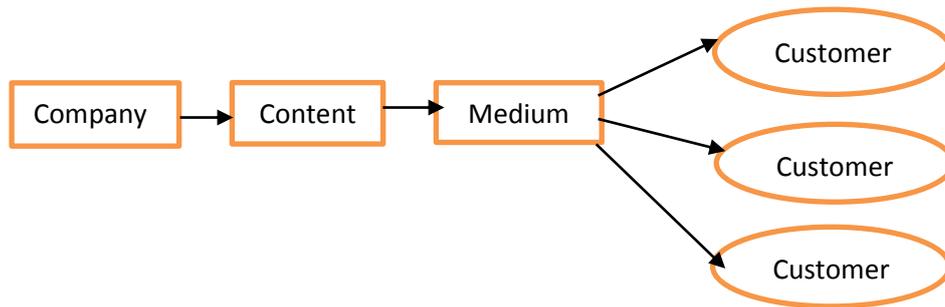
Figure 3. Traditional mass communication
Source: Based on Clow and Baack, 2014 (Own illustration)

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

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

Table 1. Personal and mass marketing communications

	Personal communications	*Mass communications*
Reach of big audience		
■ Speed	Slow (selling), faster (DM)	Fast
■ Costs/reached person	High	Low
Influence on individual		
■ Attention value	High	Low
■ Selective perception	Relatively lower	High
■ Comprehension	High	Moderate–low
Feedback		
■ Direction	Two-way	One-way
■ Speed of feedback	High	Low
■ Measuring effectiveness	Accurate	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 4), 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.[10]
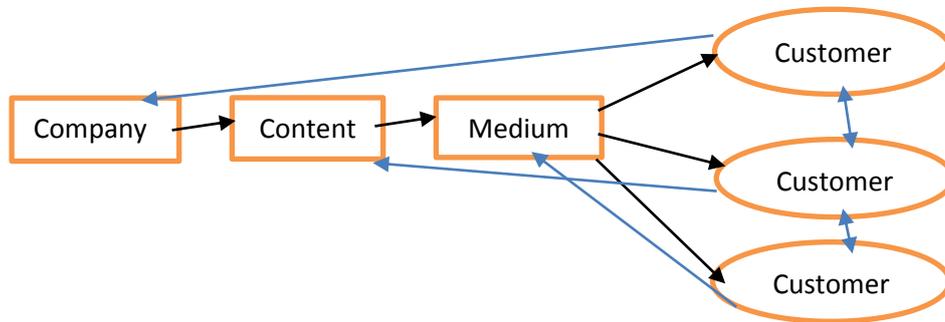

Figure 4. Two-way communication model (Own illustration)

4.   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 forces. Customers tend to believe in personal communication and are 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.

This new era today is more about partnering and relationship, rather than quick sales. 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 and 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 needles 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 4, 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

[10] 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)

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.*"[11]

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.

5.   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.[12] 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 2. 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: ZenithOptimedia[13]

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-track Asia'

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[11] Source: https://www.ted.com/talks/seth_godin_on_sliced_bread/transcript Accessed: 20 October 2015.

[12] Source: http://pages.stern.nyu.edu/~atakos/centerresearch/newcommunicationsapproaches.pdf 16.12.15

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

group, which achieved a 10.1 growth for 2013-2014.[14] 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 5).
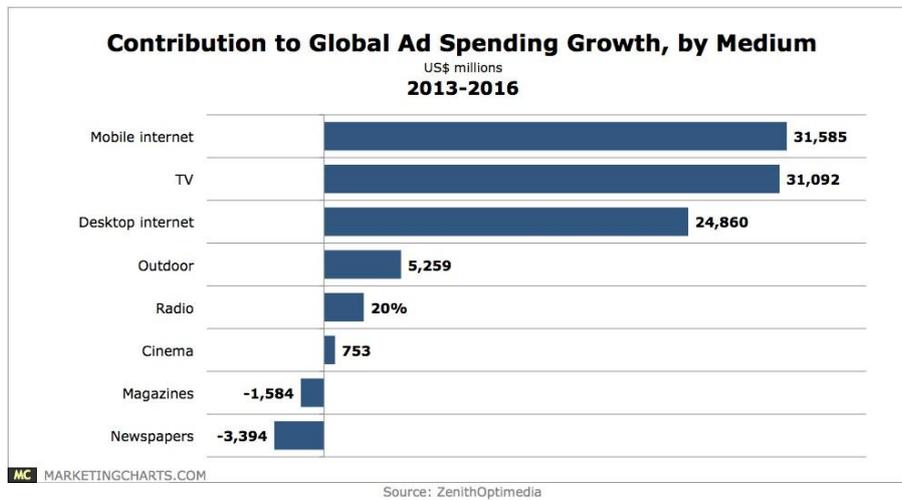

Figure 5. Contribution to Global Ad Spending Growth, by Medium
Source: ZenithOptimedia, 2013

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.
- 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.

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

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