MARKETING COMMUNICATIONS: ONGOING TRENDS AND OPTIONS

Volodymyr Nesterenko

Abstract. This article studies trends in the development of marketing communications as a result of business space transformation and the emergence of new values that are the main determinants of social development in the modern world. This article highlights the main preferences and expectations of users of different promotion channels, which provide the basis for predicting their further use and development. It studies the impact of advertising and promotion channels on the purchase by younger and older generation. Various channels of marketing communications are considered, including the most effective digital marketing methods according to marketers around the world. There are analysed data users such as companies that intensively create, operate, collect and analyse digital data and use what they learn to improve their business. Special attention is paid to the use of such a powerful and promising communications tool as AI, which can significantly affect the quality and speed of service. Commercial content on social media has become the new normal, and users are actively exploring it. It is analysed how niche influencers will play a leading role in promoting commercial content on social media. There is described a way to achieve advanced digital technologies that allows marketers to reach the maximum share of the target audience and establish effective channels of communication with consumers, immersing deeper directly into the sales process.

Keywords: marketing communication, social development, promotion, advertising, brands, trends, digital marketing, transformation of social values

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Author:
Volodymyr Nesterenko
Sumy State University, Sumy, Ukraine
E-mail: vladimir.nesterenko5@gmail.com
https://orcid.org/0000-0002-1792-9823

1. Introduction

The COVID-19 pandemic has significantly changed marketing: communications with the audience have increasingly moved into the digital space; attracting the attention of potential customers has become much more challenging.
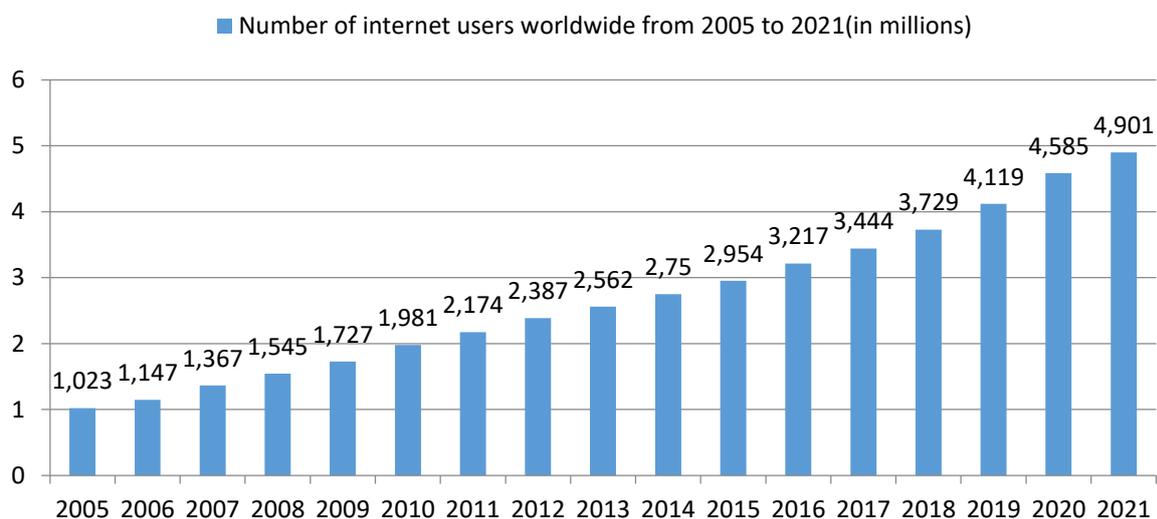

■ Number of internet users worldwide from 2005 to 2021(in millions)

Figure 1. The number of internet users worldwide from 2005 to 2021, in millions (Johnson, 2021)

Source: Johnson (2021).

In 2021, the number of internet users worldwide was estimated at 4.9 billion, up from 4.6 billion in the previous year.

An easier access to computers, modernization of countries around the world and an increased distribution of smartphones has given people the opportunity to use the internet more frequently and with more convenience. However, the internet penetration often pertains to the current state of development regarding communications networks. As of Q1 2021, there were approximately 854 million of total internet users in China and 313 million of total internet users in the United States.

Social networking is one of the most popular online activities and Facebook is the most popular online network based on active usage. As of the second quarter of 2021, there were over 2.9 billion of active Facebook users monthly, accounting for well over half of internet users worldwide. Connecting with family and friends, expressing opinions, entertainment and online shopping are amongst the most popular reasons for using the internet (Johnson, 2021). Therefore, the objective of marketing today is to penetrate into the core of the buying process and interact with the inner beliefs, hopes and expectations of consumers at all stages of their decision-making.

2. Literature Review

Marketing communications have been extensively studied by foreign researchers including O. Grey, K. Johnson, R. Mayer, T.P. Novak, K. Odelli, J. Pearson, D.L. Hoffman, E. Chadwick, and many others. Many Ukrainian experts, such as Beliayev and Haliuk (2019), Bilan et al. (2020), Horda et al. (2019), Yashkina (2017), Letunovska (2021a; 2021b), Kwilinski (2018; 2019), Kwilinski et al. (2019), explored these topics in their research, including the improvement of the methods of attracting customers and digitalisation of corporate marketing communications. Within the framework of the general model of the 21st-century marketing , Oklander M. and his co-authors conducted a large-scale study of the possibilities and prospects of digital marketing, which yielded a number of useful results and conclusions. (Oklander et al., 2017). However, the rapid changes in information technology and the ever-growing amount of data and number of users in online domains are accelerating the transformation of the marketing environment. In 2021 alone, the number of Internet users has increased by 14%, i.e., about half a billion of new people online. With the global transition online, people expect high-quality and personalised content that will meet their interests, which calls for a comprehensive study of the main trends in modern marketing communications.

Yang (2021) substantiated the causal links between the relevant characteristics of the marketing channels of communication and the level of the green competitiveness of enterprises.

The purpose of the article is to identify the main current trends in the development of marketing communications, which will increase and maintain the consumers' involvement and trust at all stages of the purchase.

3. Results and Discussion

There were analysed publications on marketing communications and marketing tools used in practice to deeply analyse the known approaches and to describe trends. There were also shown new conclusions based on them. The research data were generated from the Statista and analytics data of Deloitte for 2010-2021.

In the 21st century, marketing communications are developing rapidly and new channels and ways of promotion are constantly appearing. In their study titled A New Marketing Paradigm for Electronic Commerce, Hoffman and Novak suggest that digital media have changed the model of communication, becoming the basis for creating a new paradigm of marketing communications (Gray, 2015, p.52). The main methods of promotion used in the past are no longer working today: advertisements in periodicals and classic TV commercials have long failed to produce the desired result. Under the influence of modern trends, some types of communication are becoming more convenient and contemporary. Outdoor advertising is still in demand, but instead of the usual billboards, more and more video boards are being installed, because video content is more attractive and sells better. Since the advent of the

Automated Teller Machine, ATM advertising has been in demand: messages on the screen such as announcements and offers; short surveys and feedback collection; notification of a new product (onboarding); reminders about existing products; promo codes, discounts, etc.

Under the influence of social development, marketing approaches, types and methods of marketing communications have changed along with the business space. Today, the main determinants of social development are increasingly the values shared by most people, as well as the growing digital potential, which is widely used in digital marketing. It should be noted that according to the ICC Code 2011, digital communications mean exchanging information based on digital technologies and characterised by two-way interaction, which can be initiated by either a marketer or a client (Gray, 2015).

Modern society tends to solve primarily social problems, so most buyers expect a clear position and clear statements on social issues from brands. Moreover, the young audience is especially attentive to the social position of a brand. As a result of this trend, the mission of modern brands is to become a real driver of growth and will not be limited to the focus on profit growth in the near future.

In order to form effective marketing communications, a business will have to deeply re-consider why it exists and rely on its updated values when choosing a business strategy. Customers will expect brands to be fully immersed in social issues, and it will not be enough to simply broadcast their position in a commercial. The mission will permeate all areas, from marketing communications to corporate culture and product portfolio development.

The system of priority values of society covers all spheres of life, and today the decisive values are eco-friendliness and smart consumption, social and environmental programmes, combating social inequality, privacy and protection of personal data.

The gradual abandonment of using third-party cookies is becoming a constant trend. The use of cookies does not yield the same tangible result as it has previously done, and given the requirements of confidentiality, these data risk disappearing altogether, although the rejection of cookies will complicate remarketing and personalised advertising. After analysing the extent to which the corporate strategy depends on cookies and third-party services, marketers of many fast-growing companies concluded that information should be collected independently and approaches to analytics should undergo changes.

This requires the process of systematic collection of information: developing a unified structure of information about customers, collecting information through consumer value, motivating customers to share personal data through loyalty programs, gamification, consulting and more. However, businesses should not limit themselves to their own database but establish relationships with partners. Market giants are accumulating a lot of data valuable for analytics in marketing communications.

Geolocation and tracking the user activity are a useful tool for personalisation, but constant 'tracking' through gadgets scares customers and reminds them of the complete lack of anonymity. It is necessary to gradually abandon the practice of customer tracking, establishing a relationship of trust instead.

To make it easier to process data, businesses can work with groups of people by interests and values, although this will somewhat weaken personalisation of messages. Buyers found helpful messages about discounts and receipts, recommendations based on their interests, i.e., transparent transactions that simplify the user experience. This leads to the simple conclusion that marketing communications should be formed based on transparency and full trust in the brand.

Contrary to previous expectations, today society is opposed to the global transition to online services, because after 2 years of the pandemic, customers have gotten tired of distance shopping. Therefore, in 2022, brands have to pay more attention to the offline space, implement hybrid experience, i.e., the practice of combining user experiences online and offline, the symbiosis of digital and physical interaction with the buyer. A hybrid experience requires a whole infrastructure that combines user experiences through different communication channels. This requires understanding the audience: for example, young people (Millennials and Gen Z) prefer shopping through social media and use a voice assistant much more often, while the older generations (Baby Boomers and Gen X) mostly prefer offline shopping and face-to-face communication with a consultant. So, digital space is considered more familiar to younger audiences. In addition, recent research shows that younger generations are more likely to notice advertising when considering a purchase, as well as to buy through new promotion channels. Figure 1 clearly shows the impact of advertising on the purchase and use of modern promotion channels for younger (18-25 y.o.) and older (46+ y.o.) generations (Deloitte, 2021). Younger generations notice advertising much more actively.
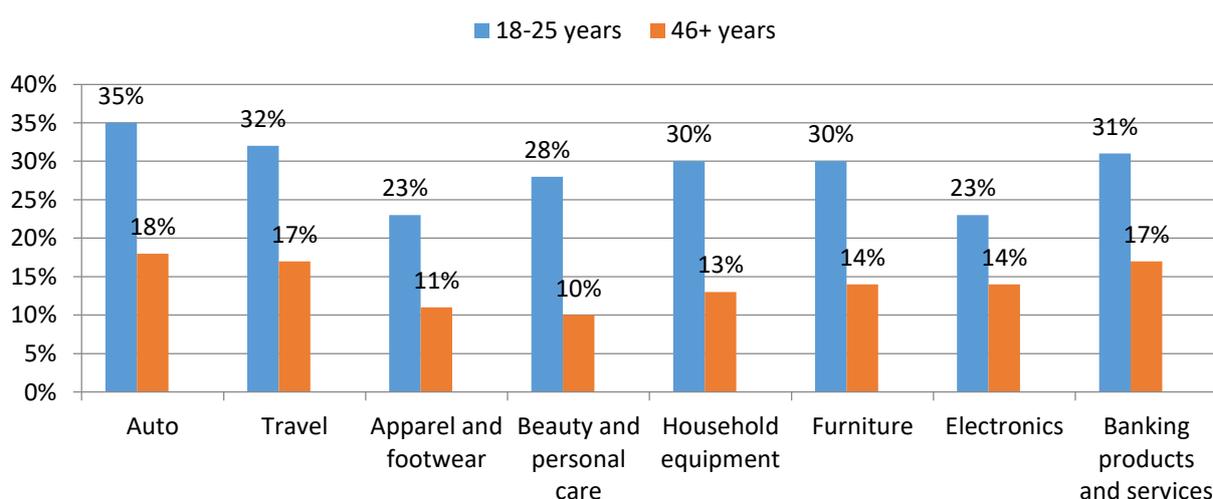

Figure 2. The impact of advertising and promotion channels on the purchase for younger and older generations, % of the total age group

Source: Deloitte (2021).

At the same time, companies are losing huge profits by focusing on Gen Z. Numerous current studies have shown that the purchasing power of the Boomers is USD 2.6 trillion, and Gen X earns more than the rest of the age groups. Therefore, marketing should focus on audiences of different ages, taking into account their values and interests.

The statistics show that for the period of 2010-2021, the total amount of data on the Internet, measured in zettabytes, increased by 3,950% and will continue to grow exponentially, as shown in the diagram (Fig. 3). The trend function has an approximation coefficient with a value close to 1 (R^2=0.9739), which indicates a high reliability of the forecast with an approximation error close to zero.
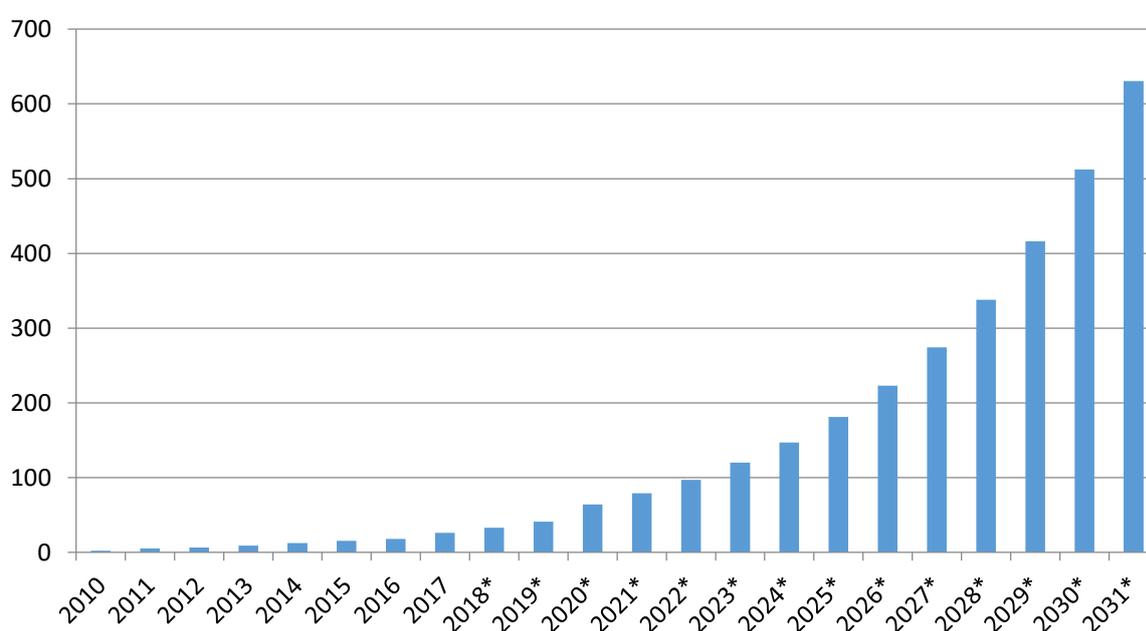

Figure 3. Amounts of created, consumed and saved data in 2010-2021 with the forecast trend for the next 10 years, in zettabytes
Source: calculated by author.

The total amount of data created, captured, copied and consumed worldwide since 2010 (2 zettabytes) has grown rapidly, reaching 79 zettabytes in 2021. (Statista, 2022) In 2021, the amount of data created and reproduced reached a new high. Growth was higher than previously expected due to the increased demand caused by the COVID-19 pandemic, as more people worked and studied at home and used the Internet resources more often. If these trends continue, it can be predicted that over the next decade (until 2031), the volume of global data will increase to more than 631 zettabytes.

According to statistics published by the European Commission, in 2020 the number of data users in 27 countries of the EU and the UK is estimated at 726,110. The number of data users

in these countries is projected to increase in the coming years, reaching 779,150 by 2025 according to the baseline scenario (Statista, 2021). The source identifies data users as companies that intensively create, operate, collect and analyse digital data and use what they learn to improve their business. They represent the demand in the data market.

In general, there are convenient and scalable technologies that allow companies to simplify the operational complexity of the work today. The diversity of software and services creates a confusing and overloaded architecture. More and more companies are taking into account the environmental trend and trying to reduce the load on devices as well as the consumption of energy and other resources.

With the onset of the pandemic, loyalty formation through building trust has become important: buyers prefer trustworthy brands that treat them with respect. Loyal customers have become the main 'asset' of brands in 2021. This trend has forced companies to redistribute their budgets: much more money is spent on retaining old customers than on attracting new ones. Therefore, the costs of remarketing and retaining customer loyalty are expected to grow further in 2022.

Particular attention is to be paid to the use of such a powerful and promising communications tool as AI, which can significantly affect the quality and speed of service. Businesses already use AI for certain activities such as timely notifications and mailings. However, its opportunities are much wider: AI helps to select recommendations, simplifies the product return process, allows better examination of the product and more. Therefore, one of the priorities of 2022 will be to use AI to its maximum potential. At the same time, it is important to achieve a balance between technology and human resources. Automating routine processes will improve marketing communications by spending more time communicating and building trust with customers. Personalisation will cover all areas of business, from advertising and newsletters to retail customer service. The transition online brings an 'omnichannel personalisation', i.e., synchronisation between multiple communication channels to simplify the user experience (Chaffey et al., 2006).

Augmented reality has been generating buzz for years, but in the post-pandemic period, brands are expected to attempt combining online experience with a return offline. Indeed, Nike and Burberry have already opened augmented reality stores, Etsy offers a virtual home tour, and Macy's offers a live-streaming shopping experience. The transformation of Facebook into Meta also speaks of the transition of businesses to ecosystems where reality and digital experiences merge into a single space. Metaverse is a new way to unite users. Metaverses unite the salient, supplemented and virtual world into a single universe. It is important to understand, however, that the idea is designed for the younger generations: the most popular virtual worlds are game universes.

Influence marketing and engaging opinion leaders (influencers) are becoming increasingly important and will become a mandatory part of the e-commerce sales funnel. Collaboration with influencers increases brand awareness, promotes loyalty and influences the decisions of

the target audience. From an auxiliary tool, influencers are becoming the cutting edge of promotion. Today, most marketers use Instagram to work with influencers. At the same time, the size of the audience has receded into the background, as micro-influencers with a loyal audience yield identical results. Only in 2022, the market of influencers is expected to grow by 12.2% (Deloitte, 2021). This will increase the influence of micro- and nano-influencers with an audience of up to 100,000 people formed in niche communities, and businesses are already interested in cooperation with them today.

Crowded social media create information noise, and users are increasingly looking for quiet communities with their like-minded people, 'their people'. Hence there is a growing interest in niche communities that exist on several social media and unite users with a common interest. Instead of pursuing a wide audience, the businesses focus on narrow niches and penetrate the core of interests of their target audiences. Thus, niche communities operate on the principle of 'less does not mean worse'. There are two ways: 1) creating a community around your own brand for those niches that should form a loyal community; 2) a brand statement in the existing community, suitable for both paid advertising and various publications relevant to a specific target audience.

Short video content such as TikTok videos, memes and pictures are dominating views in 2021. Due to a wide variety of information, people have more and more trouble focusing, so simple content that is easy to remember is the most popular. A study by App Annie found that engagement with YouTube videos fell by 30.7%. At the same time, the popularity of TikTok with its short videos is constantly growing. Therefore, it is suggested to use micro-content and primitive formats to get the attention of the audience majority.

Timely support is another factor of trust and loyalty. Society has become more irritable after the pandemic and is looking for instant support from brands. However, a chatbot and FAQ are no longer sufficient. Customers want personal interactions and attention to their issues—and also actively express their dissatisfaction on social media. Therefore, the number of interactions with online customer support services will only increase. To organise a full-fledged support service, it is advisable to use social listening tools and track opinions on social media; to synchronise requests from buyers from all platforms so that not to miss an urgent request; to create procedures and scripts to be followed by customer support staff; to record all communication processes.

Instagram's advertising audience is now growing by more than 1 million of new users per day and in early July 2020 amounted to 1.08 billion. LinkedIn has 700 million registered users worldwide. In the second quarter of 2020, the global user base of the platform grew by more than 25 million, which is 4% higher than in the previous quarter (Nesterenko et al., 2021).

Particular attention is to be paid to the audio content, a trend that began when people missed live interactions and continued with Clubhouse, spreading further to podcasts and TikTok's music library. The number of podcast listeners has been growing over the last 6 years and has grown particularly rapidly since 2020. People expect sincerity and presence from the audio

content. Therefore, businesses should not try to sell through audio content; it is preferable to use this format to ensure visibility and loyalty, attracting influencers, talking pro-actively and igniting discussions around your brand, while showing maximum sincerity.
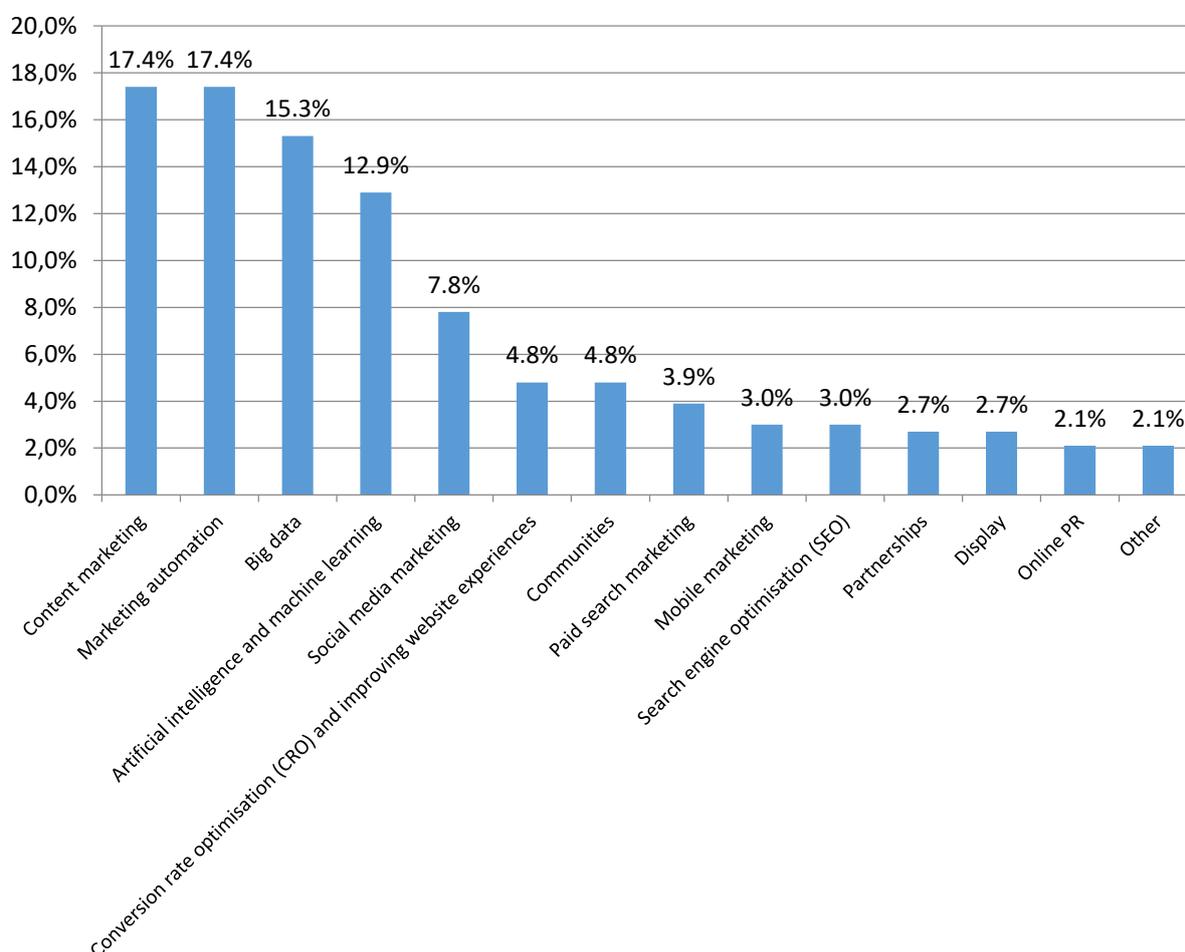

Figure 4. The most effective digital marketing methods according to marketers around the world in 2020, share of respondents
Source: calculated by author.

Based on the responses of global marketers, content marketing was considered the most effective digital technology in early 2020 (Fig. 4). When asked to determine which activity they felt would have the greatest commercial impact on their own business or the business of their customers, 17% indicated content marketing. It was followed by marketing automation, big data, AI and machine learning (Statista, 2021).

Classic TV commercials have long failed to produce the desired result. Instead, advertisers turned to targeted TV advertising, a technology that delivers advertising content directly to the user. Therefore, targeted TV advertising is expected to increase its popularity in the near future.

Webinars, online events and media also remain the effective tools of marketing communications based on trust empathy. Brands are actively using interactivity, which encourages users to engage in dialogue, and online events have replaced customer meetings offline.

It should be noted that information on the Internet spreads very quickly, although there is a huge risk of misinformation and distortion of facts at the same time. The problem of misinformation on the Internet is increasingly highlighted. In many cases, the dissemination of false information is due to a lack of attention and engagement. Distorted information and lies will no longer go unnoticed and will undermine the trust of users on all platforms at once. Nowadays, to win more attention from users, brands will have to create better content and share relevant topics. In general, communication with users will be a key factor in the brand's presence on social media. And just posting content is not enough: brands need an active and involved community. The attention of users themselves has also shifted: now they perceive the company not as a separate brand but as an association of people with common values.

The need for constant communication will lead to the decentralisation of social media. Instead of the main communication channel, brands will have to be present on several platforms or create their own community, including websites, applications, etc. Facebook and Instagram remain the leaders in sales among social media, with TikTok playing an increasing role in sales. Commercial content on social media has become the new normal, and users are actively exploring it. Niche influencers are expected to play a leading role in promoting commercial content on social media. More and more people are blocking or ignoring advertising on the Internet, so instead of commercials, it is suggested to create exciting content that can attract users.

4. Conclusions

The marketing of the future will focus primarily on the consumer with their requirements, desires and expectations. To create relevant offers, brands will have to study in detail the needs and behaviours of their target audience. In addition, a marketing strategy of every modern company should be devised based on a mission that will clearly define its views on popular social issues, which have been updated and undergone significant changes. Therefore, in the near future, companies will have to reconsider why they exist and what they need to talk about with their audience.

The use of advanced digital technologies allows marketers to reach the maximum share of the target audience and establish effective channels of communication with consumers, immersing deeper directly into the sales process. All the variety of types and methods of digital communications are grouped under the umbrella term of digital marketing.

One of the main trends in digital marketing is the phasing out of conventional advertising and database practices: many companies will have to look for new ways to work with data and promote brands to maintain the results they have achieved in the past, such as personalisation

of advertising using the Facebook database. More and more people are blocking or ignoring advertising on the Internet, so instead of traditional advertising, it is suggested to create exciting content that can attract users. Targeted advertising will also remain an effective tool for creating relevant advertising, which will be user-oriented rather than personalised.

Isolation during the pandemic has significantly changed consumer behaviour: consumers are spending more and more time choosing the product themselves, and the interest in shopping on social media has increased significantly. Sales through social media will become more familiar and easier: for example, shopping tags on Instagram allow the customer to make purchases without leaving the application. A deep understanding and engagement of the audience as well as building a particularly warm relationship between the brand and its consumer will be the key to the brand's success on social media. The most promising social media, apparently, will be TikTok, the first non-Facebook application, which has already reached 3 billion downloads worldwide. TikTok is growing at a tremendous rate, and the short video format and organic promotion set this resource apart from other platforms. In general, advertising on social media and the shopping process will merge into a single ecosystem that will simplify the path of the customer to the desired purchase.

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