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# The Future of Our World and Possible Trends in Marketing

## **Abstract**

The first part of the study analyses the dominant ecological changes taking place in our world at the beginning of the new Millennium and comes to the conclusion that mitigation and adaptation is needed in the economic behavior of the mankind. The climate changes, the danger signals sent by our planet make it sure that a paradigm shift is necessary in the managerial philosophy. This paradigm shift will strongly influence the marketing activities in the future. The second part of the paper tries to list the possible new trends which will shape the marketing in the future. The authors predict that social and societal marketing will gain in importance in the future. It emphasizes the responsibility of academics and practitioners of marketing in influencing the responsible consumption all over the world.

Keywords: environment, climate change, responsible consumption, social marketing, societal marketing, CSR

## **Introduction**

Our planet is rich in wonders and provides humanity with all the raw materials it needs to prosper and develop. Yet, at the same time this wonderful world is endangered by those inhabitants, who abuse and destroy its resources in their quest of economic development for the sake of making this world a better place. Experiencing the extreme climate events and reading the warning sentences of the leading ecologists makes it evident, that this wonderful world is facing some serious dangers. One of these dangerous signs is the climate change, global warming. According to most scientists this change is generated by mankind, mainly by its economic activity – by the production and consumption of the people. Our paper was partly initiated by the fact, that we had the chance last year to visit two big countries: China and India. These two countries abound in the wonders of the world, but they are also ahead of those who generate and at the same time who will suffer from these changes. Mankind has to react to these changes; this will call for radical changes in the economic activity and in the consumption. It means that marketing will totally be involved. The first part of the study analyses the ecological danger while the second part discusses its consequences to the marketing theories and activities.

## **Forecasts, predictions**

At the end of the twentieth and the beginning of the twenty-first century lots of forecasts have been published about the short, medium and long term development of the world economy and social life. Parts of the scenarios outlined in these forecasts are optimistic, however lots of them predict rather dark decades facing the world.

One of the optimistic short term prognoses is MsKinsey Global Survey of Executives: Economic and hiring outlook, July 2007. The director of IMD's World Competitiveness Center professor Stéphane Garelli's outlines a long term optimistic scenario in his study "New Waves in Globalization and Competitiveness" published in June 2008. According to his scenario the world is in the second wave of globalization (2000-2020) which is moving ahead

with full swing. A new middle class is emerging in Asia, Eastern Europe, South America, and the Gulf region. He estimates the consumption of this newly born middle class (nearly 600 million people) of about 4 billion dollars yearly, and this additional consumption is accelerating economic growth of these two decades. According to professor Garelli it is also a positive sign that our civilization became urban, since at the turn of the century more than 3 billion people live already in cities. His forecast beyond 2020 is not so optimistic: he is predicting a growing tension between the emerging nations and the already industrialized countries for markets and political power.

One of the problems of the optimistic economic scenarios is that they remain strictly within the boundaries of the area they analyze i.e. economy. A good scenario however is a multi-channel, multi-level, or “holistic” description of a process (Idier, 2000, p. 258). Those who analyze economic processes without examining their impacts and effects can get false results.

Senge et al. draws a parallel between this one-sided analysis and the so called bubble economy. They argue that today we live in the bubble of the industrial age. In financial terms, a bubble is a phenomenon in which the prices of assets — be the shares of stock, real estate holdings, or other forms of capital — outpace the assets’ fundamental value (Senge et al. 2008, p.3.).

When the dot-com bubble of nineties burst lots of experts wondered how so many people could believe in it. The answer is that the beliefs those inside and outside the bubble become so different that the enthusiastic insiders do not even listen to what people outside the bubble try to say. And if the bubble is surviving for a long time it is hard to believe that there is another alternative. Senge et al. argue that the industrial age is nothing else than a bubble expanding for more than two centuries. The industrial age brought a lot of good results for a big part of the world: improved healthcare, better living conditions, etc. Beside the positive results it produced quite a lot of harmful effects for nature and for those who live outside the bubble. It has been criticized by many scientists. Edward O. Wilson biologist said in his acceptance speech at the Kister Prize ceremony, that the world outside the bubble is the “*real real world*” ([http://www.policyinnovations.org/ideas/policy\\_library/data/01373](http://www.policyinnovations.org/ideas/policy_library/data/01373)). From this point of view, no matter how many valuable things industrialization brought us and how valuable its assets may be, their overall (external) costs make the bubble unsustainable.

## **Problems, dangers, and vulnerability**

Let us have a look at what kind problems and dangers our world is exposed to and what factors make it vulnerable! Herb Meyer a former senior US government official at the latest World Economic Forum in Davos, Switzerland listed the following problems in his speech to CEOs of major corporations as the most striking ones:

1. The War in Iraq
2. The Emergence of China
3. Shifting Demographics of Western Civilization
4. Restructuring of American Businesses

It seems that the environmental issue does not belong to the most important problems in the United States — at least according to Meyer.

Scenarios about the future have been prepared also in the European Union. In the second half of the nineties Jacques Delors appointed the Forward Studies Unit of the European Commission under the co-ordination of three experts Bertrand, Michalski, and Pench to elaborate on the possible future scenarios of the world and Europe. They prepared the first five and later one more, altogether six scenarios. It is worthwhile to mention the names of these scenarios:

Scenario No. 1: Triumphant Markets

Scenario No. 2: The Hundred Flowers

Scenario No. 3: Shared Responsibilities

Scenario No. 4: Creative Societies

Scenario No. 5: Turbulent Neighborhoods

And the sixth is called the “Scenario of Sleepwalking”. It looks that till 2010 the world is going on according to the latest scenario. The world ignores the fact that the direction of its advancement is not correct. Emerging minor problems are solved but governments are pushing forward the big and comprehensive problems like environment, poverty and shrinking resources. Till 2010 mankind will escape bigger catastrophes (Hankiss, 2005).

What will happen beyond 2010? – this is the most important question. In the Scenarios Europe 2010 the authors state that according to their knowledge the biggest danger lies in the strong correlation between the economic activity and the deterioration of the natural environment that is the possibility of an ecological danger.

Many scientist and politicians have already driven the attention to this contingency. It is enough to refer to the famous Bruntland Report, which was on the agenda of the 42<sup>nd</sup> Assembly of the UNO under the title “Our Common Future” in 1987. On the 19<sup>th</sup> page the report writes: “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 level to flood coastal cities, and disrupt national economies.”

“Sustainability had been regarded 20-25 years ago as a short, fashionable trend by lots of politicians and scientific expert” – says the so called VAHAVA (VAHAVA is the Hungarian abbreviation of ‘Change – Impact – Response’) Report made by Láng and other scientists of the Hungarian Academy of Sciences (Láng et al., 2007, p.17). Since then the planet is sending unambiguous alarm signals. The problem cannot be ignored. The global warming and climate change is a fact proved by scientific measures; disputes may go around how big share anthropogenic factors have in it. For today the majority of scientists collude that the greenhouse effect is the result of human activity.

The essence of the emergency can best be understood from the report of the IPCC (Intergovernmental Panel on Climate Change).The IPCC is Nobel Peace Prize Laureate in 2007 for their efforts to build up and disseminate greater knowledge about man-made climate change, and to lay the foundations for the measures that are needed to counteract such change. The figure publishes the Synthesis Report of IPCC describes the causes and effects of the climate change (Figure 1.)

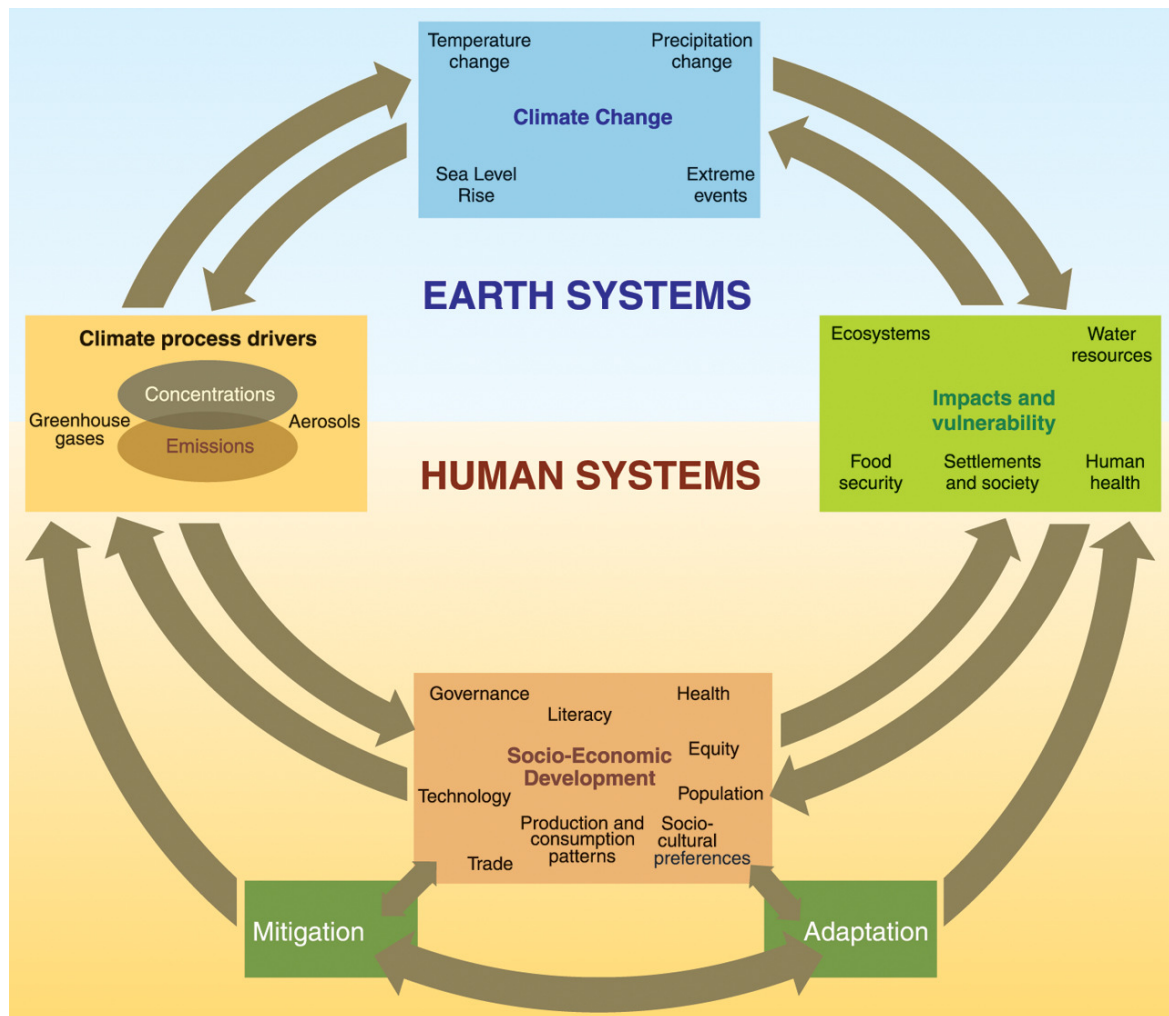


Figure1. Schematic framework representing anthropogenic drivers, impacts of and responses to climate change, and their linkages. (Source: IPCC Climate Change 2007: Synthesis Report, p. 26)

The effects of climate change are already tangible and it seems sure the emission and the growing concentration of greenhouse gases (GHG) in the atmosphere are responsible for those changes. Sweeney and Sterman (2007) use a very plausible example: they compare the atmosphere to a bathtub. The inflow is currently (according to the Kyoto Protocol in 1997) is about 8 billion tons of carbon per year (the scientific convention is to measure emission of a CO<sub>2</sub> in tons of carbon). The outflow is 3 billion tons yearly absorbed by land and water. The net excess is 5 billion tons per year. If the inflow is greater than the outflow the tub is filling. When it will overflow we do not know, but what we know for sure is that it will be the “point of no return”.

Some scientists predict that this point is not so far. Hungarian philosopher Ervin László (one of the founders of the Club of Rome) based on the results of scientific researches states that if we can not slow down the climate change mankind will arrive to a turning point (global collapse) within 6 to 8 years (László, 2007).

Everybody and every human activity have a so called Ecological Footprint (EF) on the planet. The EF measures how much of the regenerative capacity of the biosphere is appropriated by human activities. It does so by calculating the amount of biologically productive area required to support a given population at its current level of consumption and technology. A country's Footprint is the total area required to produce the food and fiber that it consumes, absorb the waste it generates, and provide space for its infrastructure. Footprints are measured either in hectares (HA) or in global hectares (GHA), which are hectares of land with world average biological productivity (Moran, 2008, p. 10). It is evident that the ecological footprint of people living in advanced countries is bigger than those living in the developing world. According to a study prepared in 2003 calculating the population to 6 billion the average EF per capita was 1.9 GHA. In the UK this value was 6.29. The study comes to the conclusion that if everybody in the world would have the same size of consumption as the UK citizens, we would need three planets of this size (Ecological Footprinting, 2003). We may come to the same conclusion if we look at the per capita CO<sub>2</sub> emission. The per capita a CO<sub>2</sub> emission in the US is above 25 tons carbon equivalent. In Europe this is around 10, the rest of the world's average is 4.2 (IPCC calculation).

This is the point now to return to China and India mentioned in the first paragraph of this study. Nearly 2.5 billion people live in these two countries. If they will have a European standard of living and a European size of consumption (and they are working on it very hard) our planet will not be able to bear this ecological burden.

Summarizing the discussion about the environment it can be concluded that the future of our world is rather unsteady.



## Possible Future Trends in Marketing

The uncertain future of our world immediately raises the question: what can be done? The synthesis report of the IPCC says on page 59 that “there is also *high agreement* and *medium evidence* that changes in lifestyle and behavior patterns can contribute to climate change mitigation across all sectors. Management practices can also have a positive role.” It means that almost everybody and everything has responsibility in this process: population, governments, NGOs, and profit oriented organizations. The necessary changes will have a rather high impact on the marketing activity at every levels of the society.

It seems worthwhile to list the participants of this very serious game. With a certain level of generation three parties can be listed:

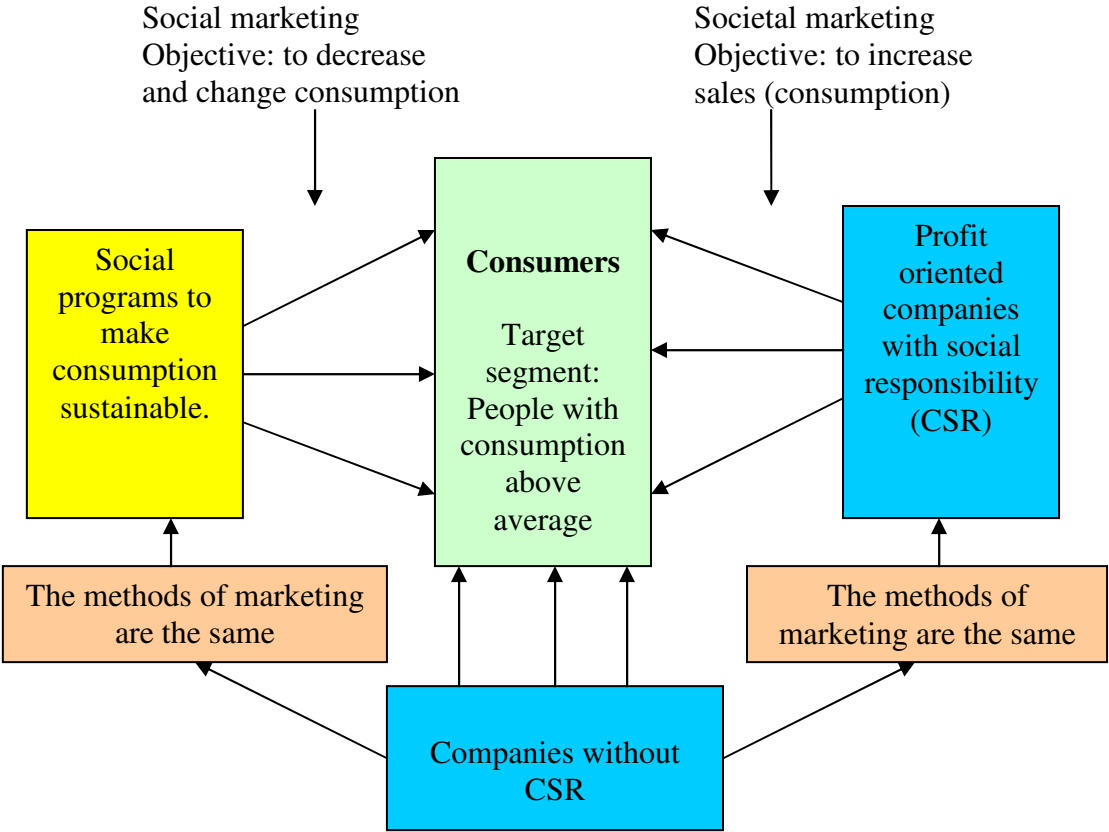
**Firstly the consumers:** People who have been socialized to measure and demonstrate personal and family success and happiness in increased consumption of material goods. In marketing literature however the expression and definition of sustainable consumption has emerged and a discussion and dispute has started about it (Schaefer and Cane, 2005; Webb et al., 2007). The socially responsible consumer was defined already in mid seventies first by Webster (1975, p. 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”. Attempts have been made for the measurement of the socially responsible consumption, even those measurements which can calculate the interrelation of climate change and consumption. On the Internet people can find Footprint calculators and can measure the size of their own carbon footprint (<http://footprint.wwf.org.uk/>). One of the fields of dispute is that the size of the footprint of people living in different countries varies a lot (for example: US average versus Bangladesh average). Further problem is that even in the least developed countries there are rich people whose consumption equals or exceeds the consumption of the rich countries average. The target group of any actions to reduce the footprint is the segment of people whose consumption is beyond the average.

**Secondly the profit oriented organizations.** Their first and most important goal is to produce more and more income for their owners and this objective is in strong correlation with the increase of sales and increase of consumption. Since the danger of ecological changes has emerged and as it has become the concern of civil organizations the social

responsibility has started to appear in the strategy of companies (CSR) as well. There are a lot of good examples for the responsible behavior of companies. The best example is the Swedish car industry: 15% percent of all cars sold in Sweden in 2007 can run on ethanol, the Swedish car manufacturers, including the largest truck manufacturer Scania, offer flexible-fuel cars or trucks, which run on either ethanol, gasoline, or a blend. (Sweden’s oil dependency is now only 30%, compared to that of 85% in the US). Other big companies like Coca Cola, Nike, DuPont also boast of their efforts to protect the environment. GE recently could decrease its yearly energy costs by USD 13 millions just by introducing their own made energy saving bulbs in its facilities. Big multinational companies already attach a sustainability report to their financial statements.

**The third type participants** of this game are the elected leaders of the population (governments and other bodies of regulation). Their role is twofold: regulation and persuasion.

The today’s situation is illustrated in Figure 2.



**Figure 2. The role of social and business marketing**

Looking at the environmental and ecological dangers it looks almost sure that traditional marketing will undergo radical changes. The most striking future trends are the following:

## **1. Social marketing will gain in importance**

Government, NGOs, civil organizations will have the obligation to influence consumption, to promote a change for sustainability. Social marketing will arrive to that stage what Kotler and Levy (1971) characterized in the early seventies with the notion “de-marketing”.

The share of social marketing both in academic research and in the practice is rather small compared to the business marketing. “The evolution of social marketing 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 (MacFadyen et al. 2003). In addition to this, the term ‘social marketing’ is sometimes erroneously used to refer simply to the promotional aspect of multi-component interventions or to campaigns that are purely communications-based” (McDermott et al, p. 545).

One thing is sure: the definition of social marketing and the elaboration of its means and method is an urgent task of the academic research. The emergence of social marketing means a sort of paradigm shift in marketing theory and practice. The essence of marketing has been so far 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 very contradictory for marketing experts. Beside the need to clarify the objectives of social marketing urgent necessity of “re-tooling” of 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 or offer (use bike instead of cars, the new is not always better than then the existing one, etc.).
- The second P the price cannot be regarded as customers’ monetary cost, rather a kind of energy, or psychological cost of changing existing behavior patterns.
- The third P is in this new concept is not the availability of goods, but the way how to access the socially more beneficial alternatives.

- And the fourth P is not promotion but a very comprehensive social communication.

Summarizing the above it can be stated that the marketing of the future will pay greater attention to social marketing. How successful this new theoretically well supported marketing will be, how it can stand out from the utter of the dominant business marketing is rather questionable.

## **2. Bigger attention of the research of sustainable consumption**

The ecological sustainability of our planet requires radical changes in the consumption patterns. There is not enough convincing results in the research about what type of consumption should be avoided what type should be preferred by the population. Researches have started and partial results have already been published (Schaefer and Crane, 2005; Webb et al., 2008, and others), but the picture is not clear, yet.

The fact is clear however that pricing mechanism as proposed by the neoliberal economics is not efficient enough to optimize economic processes with the ecological necessities (van Dam and Appeldoorn, 1996; Gáspár et al.2003,).

The marketing of the future will pay more attention to the research of sustainable consumption and to the methods of its measurement. These researches by their nature should be interdisciplinary involving the co-operation of other human sciences and even natural sciences. The responsibility of these researches will be very high: the arguments of social marketing and even the direct regulations and rules of governments will be based on the results of these researches.

It is easy to forecast that this kind of research on changing consumption patterns will result in dispute both in the domestic and international political arena, as well. It is enough to refer to the domestic statement of President G. W. Bush, or to refer to the endeavor of the emerging countries (China, India, Thailand, etc.); they will feel the proposal to reduce consumption as taking away something from them which the industrial countries have enjoined for decades or centuries.

### **3. The change of business marketing — the revolution of societal marketing**

It also not difficult to forecast that in the corporate strategy of the big multinational companies sustainable development and socially responsible marketing (CSR) will have a dominant role. They do not have other choices since anti globalization movements, the pressure of governments, consumer movements, green organizations enforce this change. An Internet survey including 25 000 respondents from 175 countries showed that 71% of them were not satisfied with the present state of the environment, and 67% is expecting further deteriorating (Amin, 2003, p. 374.). After the UNO summit about the sustainable development ([www.johannesburgsummit.com](http://www.johannesburgsummit.com)) in 2002 (under the title: 3P — people, planet, prosperity) the global companies regard obligatory to deal with environmental problems. Their efforts and results are usually published as an appendix of their financial statements. Some of these companies can even make a competitive advantage by focusing on sustainability. An article of Business Week (January 2, 2008) cites Toyota, GE, Wal-mart as positive examples. 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) very optimistically.

The matter of fact is that the real situation is not so optimistic. It is really true that social responsibility has appeared in the marketing communication of the big companies and philosophy of CSR is diffusing into the strategy of many corporations, but few companies has reached the point when they are ready to say that the customer is not always right. Just have a look at the most environment polluting car industry: Toyota or Honda (which got in 2007 the title of the "greenest car manufacturer of the year") can rightly boast of their hybrid cars, but they do not want to stay out of the business to satisfy the increased demand of the gasoline eating SUVs (Like Toyota Land Cruiser V, or Honda Pilot)

The positive picture is spoiled by the fact that lots of these big companies have outsourced their most polluting activities to less developed countries, which decrease their own footprint but the total footprint remained the same (or even worsened) globally.

In the future we have to count with the activity of global companies coming from the emerging countries. They have or will have to adapt their activities according to the norms of Corporate Social Responsibility, it is sure however that they also do not want to stay out of those business possibilities should they be polluting or not which were used by the Western companies earlier.

Summarizing, it is almost sure that the idea of sustainable development and social responsibility is diffusing and this is the trend which will shape the marketing of the future. The change is not revolutionary but scientist and politicians have to welcome every incremental change. It is their responsibility to research and manage this field and should not leave it as the private hobby of a few natural scientists. The change has started all over Europe: we can find centers of sustainability at the major Universities in France, England and Germany or even in Hungary.

#### **4. Moving sustainability and social responsibility into the marketing curriculum of higher education**

From the future trends of marketing it looks sure that the modules of sustainability and social responsibility are or will be obligatory parts of the marketing programs of the business schools. In Hungary we can find these subjects already incorporated into the master programs. And it is the trend also internationally. The article of Bridges and Wilhelm (2008) gives a comprehensive picture about the situation in the United States; they also give suggestions how these fields should be involved and what educational methods are the best to teach them.

#### **Conclusions and summary**

It has a high probability that the world is facing an ecological danger because of the climate changes. It depends on the whole society, on consumers and participants of the economic life how these unfavorable processes can be altered or how the world can adapt itself to them. In the mitigation and adaptation marketing will play an important role. Social and societal marketing will gain in importance in the future. The responsibility of the academics will be to

support the management of these processes with reliable researches and widespread education.

Success will depend on the co-operation of all parties: governments, NGOs, academics, and representatives of corporations should come to a common platform in elaborating and realizing global programs and campaigns. This co-operation will not be easy as it was proved by the summit called together by President Sarkozy at the end of 2007. One thing is sure: what Jean-Louis Borloo the minister for the environment and sustainable development told in an interview with the newspaper *Le Monde* "Our biggest challenge is to reorganize society before dwindling resources force us towards a society of restrictions".

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