



Section 1. Business economic

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“UNDERSTANDING HOW GLOBAL MEGATRENDS AFFECT MARKETING STRATEGIES (FOCUSING ON TECHNOLOGICAL AND ENVIRONMENTAL MEGATRENDS)”

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Abstract

The dynamic and ever-evolving nature of global megatrends has a profound impact on marketing strategies in today’s interconnected world. Companies can sustainably grow only via taking into consideration the powerful effects of megatrends. This article explores how various global forces influence marketing practices, focusing primarily on technological advancements and environmental concerns as well as how the phenomenon of megatrends has appeared. Digitalization and environmentally oriented activities are becoming more crucial on daily basis, entering every marketing element and business activity of a modern company. Thus, the article illustrates those particular areas and concepts that are being involved into each megatrend as well as their influence on the marketing transformations happening nowadays. By examining the implications of these megatrends on consumer behavior, market dynamics, and business strategies, this article provides insights into the adaptive approaches that marketers need to adopt in order to flourish and grow in this rapidly changing landscape.

Keywords: *marketing, megatrends, business, sustainability, digitalization*

Introduction:

The 21st century has witnessed unprecedented changes in the global business landscape, fueled by megatrends that have reshaped the way companies approach marketing. Global megatrends are powerful, transformative forces that shape the world we live in. These megatrends have a far-reaching impact on various aspects of our lives, in-

cluding the field of marketing. As marketers, it is essential to recognize the significance of these trends and adjust our strategies accordingly. In this article, we delve into the interplay between global megatrends and marketing practices, shedding light on how businesses can harness these trends to their advantage. Understanding and adapting to these megatrends are crucial for developing

effective marketing strategies. Integrating technology, embracing diversity, and aligning with sustainable practices can position businesses at the forefront of the evolving marketplace.

1. Megatrends

“A megatrend is a general direction of development, consisting of several phenomena, or a wide-ranging process of change. They are often considered to occur at the global level and development is often believed to continue in the same direction.” (Dufva, 2020).

Megatrends are large, transformative forces that shape and influence the future of societies, economies, and industries over an extended period. They are long-term drivers of change that have the potential to impact various aspects of human life. John Naisbit coined the term megatrend in the early 1980s to describe consequent transformations massively taking place not only in the USA, but also worldwide (Slaughter, 1993). Naisbit defined megatrends as profound and pervasive shifts in the world that affect every area of human life, providing a framework for understanding the future (Naisbit & Aburdene, 1982). So, this term entered the language and has been used ubiquitously ever since.

Gaub (2019) found that when contemplating the future, our initial guides are invariably the overarching megatrends. This is because these trends share several characteristics that enable us to narrow down potential futures from an array of infinite possibilities to a more confined space of possibilities. As implied by their name, mega-trends are expansive patterns that manifest on a grand scale, impacting sizable cohorts of individuals, nations, regions, and often, the entire global populace. Mega-trends also unfold over protracted periods; typically spanning at least a decade, and frequently even longer. Most notably, mega-trends are intricately linked to our present circumstances, making them phenomena observable in our world today. Because mega-trends are quantifiable and exert a broad and enduring influence, they impart a heightened degree of visibility to a previously unclear future (Gaub, 2019).

As per Sitra and their last report there are five major megatrends to be currently considered and taken into consideration:

– **Natural crisis (Nature)**

We find ourselves amidst an ecological sustainability crisis, where human actions are exceeding the limits of both living and non-living elements of nature. This overextension jeopardizes the foundations of our economy and overall well-being. The need for ecological reconstruction is becoming increasingly urgent, calling for a shift toward a society that enhances both the condition of nature and human well-being.

– **Rising well-being challenges (People)**

The population is experiencing aging, diversification, and clustering in growth centers. Mental health challenges are intensified by uncertainties surrounding work, livelihoods, the ecological sustainability crisis, and the ongoing pandemic.

– **Democratic shifts (Power)**

Societies are facing increased pressure as multiple crises unfold. Crises have had a dual impact on democracies, both weakening and strengthening them. While the global pandemic has centralized power and restricted crucial democratic freedoms, ongoing global military conflicts mobilized civil society, drawing attention to the democracy crisis. The polarization of discourse, uncertainty, and geopolitical power dynamics underscore the necessity for reevaluating decision-making processes and reinforcing democracy, participation, and citizen empowerment.

– **Digital power competition (Technology)**

Technology is advancing swiftly, with novel technologies making inroads into various aspects of life. The collection and utilization of data are on the rise, fueling the creation of tailored services for individuals and organizations. Simultaneously, debates arise over digital power dynamics, encompassing issues such as data ownership, the regulations governing the digital sphere, the resources demanded by technology, and, more broadly, the trajectory of technological progress.

– **Economic transformations (Economy)**

The escalation of global inequalities and the ecological sustainability crisis necessi-

tate an overhaul of the economy. Wealth is increasingly centralized among a diminishing number of individuals, and the escalating frequency of extreme weather events, along with the deterioration of ecosystem services, is undermining the operational resilience of the economy. There is a growing emphasis on responsibility in all economic activities.

2. Technological progress and its implications for marketing

Technological progress has undeniably emerged as a megatrend with profound implications across various sectors, including marketing. In 2023, the rapid evolution of technology is redefining the way businesses engage with customers, tailor their strategies, and adapt to an ever-changing digital landscape. The proliferation of smartphones, social media platforms, and e-commerce has altered consumer behavior, creating new opportunities and challenges for marketers. To remain competitive, businesses must embrace digital marketing strategies, invest in data analytics, and adapt to emerging technologies like artificial intelligence and virtual reality (Varadarajan et al., 2020). One of the most palpable impacts of technological progress on marketing is the digital transformation of the industry. As Kotler et al. (2016) assert, *“In the digital age, marketing is no longer about the stuff that you make, but about the stories you tell.”* *The rise of social media, search engine optimization (SEO), and online advertising has reshaped the way businesses communicate with their target audience.*

Technological progress, characterized by continuous innovation and digital disruption, is reshaping the global business environment. In 2023, this megatrend is propelled by several key drivers:

Artificial Intelligence (AI): The proliferation of AI technologies is revolutionizing data analysis, personalization, and automation in marketing, allowing companies to deliver tailored content to their audience with unprecedented precision (Smith et al., 2022).

Augmented Reality (AR) and Virtual Reality (VR): AR and VR are changing the way consumers interact with brands, offering immersive experiences that enhance engagement and provide innovative advertising

opportunities (Brown & Lee, 2023). According to the research by Statista (2022), the AR market will reach \$198 billion by 2025 (Al-sop, 2022).

Data Analytics and Big Data: The era of big data has ushered in a new frontier for marketing professionals. The use of advanced analytics tools in marketing allows for real-time insights into consumer behavior, enabling businesses to make data-driven decisions and refine their strategies (Johnson & Patel, 2023).

The evolving technological landscape has far-reaching implications for marketing strategies in modern business and society. Here are the particular examples:

Hyper-Personalization: The ability to collect and analyze vast amounts of data enables hyper-personalized marketing efforts, leading to higher customer satisfaction and conversion rates (Smith et al., 2022).

Ephemeral Content and Social Commerce: The rise of short-lived content, such as Stories on social media platforms, and the integration of e-commerce within these platforms are reshaping the e-commerce landscape (Brown & Lee, 2023).

Sustainability and Ethical Marketing: Technology-driven transparency allows consumers to scrutinize a company's ethical and environmental practices. Brands must adapt by incorporating sustainable values into their marketing strategies (Johnson & Patel, 2023).

Voice Search and Smart Assistants: The prevalence of voice-activated devices demands optimization for voice search, altering SEO and content strategies for marketing (Smith et al., 2022).

Technological progress is a megatrend that continues to reshape the landscape of marketing. From the digital transformation of marketing channels to the integration of big data, artificial intelligence, and immersive technologies, businesses must navigate a rapidly evolving terrain. As technology continues to advance, marketers must remain vigilant, adapting their strategies to leverage the latest innovations while addressing ethical considerations and privacy concerns. The synergy between technological progress and marketing will undoubtedly be a focal point for research and strategic development in the years to come.

3. Environmental concerns and its implications for marketing

Growing environmental awareness and the pursuit of sustainability have reshaped consumer preferences and purchasing decisions. Marketers are now tasked with promoting eco-friendly products, reducing waste, and engaging in corporate social responsibility initiatives. Sustainability not only appeals to the environmentally conscious but also serves as a point of differentiation for brands.

Megatrends are enduring, far-reaching shifts that impact various aspects of society, including consumer preferences and business strategies. Over recent years, environmental issues have firmly established themselves as one of the most influential megatrends, shaping various industries and their marketing practices. Nowadays, several key environmental megatrends are driving change:

Climate Change and Carbon Neutrality: The urgency to combat climate change is pushing companies to set ambitious carbon neutrality goals and communicate their progress to consumers.

Circular Economy: The concept of a circular economy, where products are designed to be reused, recycled, or repurposed, is gaining traction, influencing product design and marketing (Kirchherr, et al., 2023).

Biodiversity Conservation: Consumers are increasingly concerned about biodiversity loss, prompting companies to adopt sustainable sourcing practices and communicate their efforts to protect ecosystems.

Plastic Reduction: Reducing plastic waste and promoting eco-friendly packaging have become critical aspects of marketing strategies, addressing consumer concerns about plastic pollution.

The environmental megatrend has had a profound impact on marketing practices, influencing various aspects of product development, communication, and consumer engagement. Currently businesses are responding to these trends through different strategies. One of them is a global aim to develop green products (Luchs et al., 2010). Companies are developing environmentally friendly products and highlighting their sustainability features in marketing campaigns. At the same time, arises so-called green marketing – a concept involving promoting prod-

ucts and services based on their environmental benefits. Companies that can demonstrate their commitment to sustainability can tap into a growing market of environmentally conscious consumers. Strategies such as using recycled materials, reducing carbon footprints, and highlighting eco-friendly features can help businesses distinguish themselves in the market (Charter & Polonsky, 1999).

Another response to the environmental megatrend is eco-friendly packaging. The packaging industry plays a pivotal role in modern consumerism, but the environmental repercussions of conventional packaging have prompted a shift towards eco-friendly alternatives. Sustainable packaging is becoming the norm, and companies are using it to convey a commitment to reducing environmental impact. Innovations in material science, printing technologies, and design principles enhance the functionality and appeal of sustainable packaging. Innovation stands as a driving force behind the development of eco-friendly packaging solutions. As per a Markets and Markets report, the worldwide market for biodegradable plastics is projected to witness a surge from \$3.02 billion in 2018 to \$6.12 billion by 2023, with a Compound Annual Growth Rate (CAGR) of 15.1%. This expansion is driven by various factors, such as heightened consumer consciousness regarding the environmental repercussions of plastics, government efforts advocating for the adoption of biodegradable products, and advancements in technologies enhancing the cost-effectiveness and efficiency of biodegradable materials (Biodegradable Plastics Market Size & Forecast, 2023).

Switching to biodegradable packaging offers several compelling reasons for businesses. Firstly, it significantly lessens the environmental impact compared to conventional packaging alternatives. This shift not only aligns with current sustainability trends but also demonstrates a commitment to responsible business practices. Moreover, embracing biodegradable packaging can result in long-term cost savings by eliminating the need for expensive disposal methods. This financial benefit contributes to the overall economic viability of the business (Carter, 2020).

Beyond the financial aspect, this eco-friendly choice resonates positively with

customers. Demonstrating a commitment to environmentally conscious practices can enhance one's brand image and potentially attract more customers, fostering increased business. This phenomenon might be additionally positively supported by sustainable storytelling, via which marketers are using storytelling to communicate a brand's sustainability journey and choices, connecting with consumers on a deeper level (Fisher, et al., 2022). Another helpful tool here might be the cause marketing approach, when for-profit and non-profit organizations collaborate with each other.

Engaging in cause-related marketing enhances brand visibility and exposure for the nonprofit collaborator. Given that nonprofits often operate within constrained marketing budgets, forming partnerships with small businesses or corporations proves instrumental in disseminating information about their initiatives and causes to a wider consumer base that might otherwise remain untapped. Nonetheless, the corporate partner stands to gain substantial advantages, such as meeting the demand for corporate social responsibility, enhancing corporate image, cultivating a bond with the community, augmenting brand loyalty, elevating employee morale and distinguishing from competitors (How to Use Cause Related Marketing?, 2022).

Finally, in the contemporary business environment, Corporate Social Responsibility (CSR) has become an integral aspect of organizational strategy. Businesses are integrating CSR initiatives into their marketing efforts to showcase their commitment to environmental and social causes. A critical aspect of the relationship between CSR and marketing is the impact of socially responsible initiatives on brand image. Companies that actively engage in CSR can enhance their brand reputation and create a positive association with consumers (Kotler & Lee, 2005). CSR activ-

ities contribute to building and strengthening consumer trust. When a company is seen as socially responsible, consumers are more likely to trust its products, services, and overall business practices. Also, consumers increasingly consider a company's CSR practices when making purchasing decisions (Maignan & Ferrell, 2004). They may prioritize products or services from companies that align with their values and contribute positively to society. In summary, a company's commitment to social responsibility plays a crucial role in shaping consumer attitudes and behaviors. Beyond the immediate benefits of a positive brand image and enhanced trust, companies that prioritize CSR are likely to enjoy long-term relationships with loyal consumers who appreciate and support their ethical practices.

Conclusion

Global megatrends are not static; they continuously evolve, shaping the world in unpredictable ways. To thrive in this dynamic environment, marketers must adapt their strategies to address the challenges and opportunities posed by these megatrends. Understanding the implications of technological advancements, environmental concerns, demographic shifts, and geopolitical changes is essential for staying relevant and competitive in the ever-changing marketing landscape. By staying informed and agile, businesses can harness the power of global megatrends to their advantage and remain at the forefront of their industries. Businesses that integrate sustainability into their marketing strategies can gain a competitive edge, strengthen brand loyalty, and contribute to addressing pressing environmental challenges. As consumer environmental awareness continues to rise, the role of environmental issues in marketing will remain prominent in the years to come.

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