

## The Hungarian Advertising Market and an Award-Winning Effie Case Study as Good Practice

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## **Abstract**

The advertising industry is an essential part of the Hungarian economy, which had an important role in rebuilding it after the COVID-19 pandemic. The industry is quick to adopt online and technological innovations. Digital media spend was the highest in 2020, and global partners such as Google and Facebook took the biggest slice. The case study introduces a recent EFFIE Hungary award-winning campaign with an unusual consumer review driving idea that relied on digital channels. The chapter fills gaps in the literature as well as provides essential information for global advertising teams.

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## Introduction

Advertising is a profitable business tool (Ebiquity, 2018). It belongs under the Promotion activities in the marketing mix by McCarthy (1960). Promotion, or marketing communication, includes advertising, public relations, sales, and direct marketing. According to the American Marketing Association (n.d.), advertising *"is a business practice where a company pays to place its messaging or branding in a particular location"*. A study estimated that on average Americans are exposed to 4,000 - 10,000 ads a day, and although there is no report to support it, the number in Hungary is likely similarly in the thousands (Simpson, 2017). Therefore, to be noticed by customers, brands need to stand out (Godin, 2020).

However, standing out is not enough. Campaigns with multiple channels are more effective than those that only use one channel, because channels amplify each other's effectiveness, thus creating a whole that is greater than the sum of its parts (Cox, Crowther, Hubbard & Turner, 2011). Ideally, the different channels have different roles in a campaign. Two distinct roles are differentiated: brand building and activation. Brand building works primarily on an emotional level and aims to build a relationship with the customer. In contrast, activation works on a rational level and aims to nudge customers to take action. Sales activation activities should be targeted, but brand building campaigns should have a wide reach to communicate with as many prospective customers are possible (Binet & Field, 2012).

The number of channels that are available for advertisers has grown significantly since the release of the first iPhone in 2007. Hungarians are tethered to their screens, the majority of them cannot spend an hour without them, and 38 percent of respondents check their phone at least every 10 minutes (Birkás, 2018). Likewise, during the Covid-19 pandemic (from now on referred to as "the pandemic") people spent even more time in front of screens. Sports events, including the Olympics, did not allow viewers in the stadium, everyone had to follow these events from home. Instead of in-person office time, work meetings happened online. Social interactions also moved online to a wide range of platforms from social media to emerging gaming communities. Moreover, Facebook's recent announcement on their metaverse predicts that this phenomenon will persist, even after the pandemic ends (BBC, 2021). Advertising is following changing customer behaviour.

Advertisers like to use digital media channels for multiple reasons, these channels generate a huge amount of data that fuels personalisation, as well as enabling a new level of communication between the brand and the customer. Digital media allows for highly precise targeting and measurement practices, thanks to the vast amount of data in the system (Katz, 2019). Furthermore, The Economist (2017) claimed that the most valuable resource is no longer oil, but data. Data allows brands to adjust their advertising dynamically, to test and learn in real-time, to identify the most effective activities (Katz, 2019). Digital media also brought a revolution to communication models. Before digital media, brands communicated with customers as a one-way method, however, now brands can also receive communication from customers, thus creating a feedback loop (McKinsey, 2016). Instead of brands trying to convince customers, brands can now include customers in the decision making, for example, Lego fans can share their ideas and interact on a dedicated website, and these ideas may even be launched as actual Lego sets (Fagerstrøm, Bendheim Sigurdsson, Foxall, & Pawar, 2020). This is a new decentralised and agile way of working, one that encourages active listening and gives more power to the customers. This in turn results in a better response to customer needs, increased trust, and brand loyalty (Shrivastava, 2016).