

TrendReport 2025

BY

BRANDFESTIVAL TrendLAB™

TRENDS AND CHANGES THAT SHAPE 2025





PREDICTION
VALUE-DRIVEN BUSINESS
MENTALITY, **SUSTAINABLE**
AND **FUTURE-PROOF**
OPERATIONS

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POLYCRYSIS



The past year saw several of economic twists and turns that we had hardly expected. These are simultaneous fundamental changes that are affecting the entire media and advertising value chain, influencing the business models of media players, and influencing consumer choices. We have entered an era of “polycrisis”, i.e., simultaneous, intertwined crises, which presents us with a myriad of uncertainties and challenges. For example, the consequences of geopolitical tensions, inflation, and the resulting increase in operating costs, rising energy prices, higher wage costs, the difficulty of maintaining a profitable margin, etc. And this is just the tip of the iceberg.

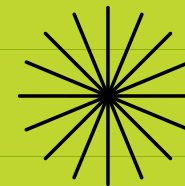
SHOULD WE BE DISCOURAGED? MAYBE. BUT MAYBE NOT.

In business, these times are known as STRATEGIC INFLECTION points. This is originally a term used in function analysis to refer to the point where the shape of a curve changes from concave to convex or vice versa. So, if you like, with each inflection point we cross the Rubicon, and from that point onwards it is always the change that will determine what happens soon.

This forces you to adapt. The current revolution in digital technology is creating, transforming, or even eliminating industries at an accelerating pace. These changes are shaping today’s market opportunities, to which companies must adapt if they are to remain competitive. The latest management and marketing trends will adapt to this.

SO, WHAT SHOULD WE PAY ATTENTION TO IN THIS TURBULENCE, AND WHAT SHOULD WE NOT? THIS IS WHAT WE WANT TO SHOW YOU.

We, at **BRANDFESTIVAL**, are open to business, technology, and marketing innovations. Moreover, we are looking for them! For this year’s trend analytics, we felt a strong urge to ask the artificial intelligence-powered algorithm ChatGPT what it thinks will dominate marketing and management trends in the coming months and years. In the end we abandoned the experiment, so what follows is not written by a robot, in whole or in part.



BUT WE HUMANS HAVE MADE IT. HUMANOID INTERFACES.





DEMOCRATIC CONFERENCE

The BrandFestival TrendLAB has also collected the most important marketing and management trends for 2023. This year again, it was created in a democratic conference model, with the participation of a committee of numerous leaders, thinkers, and inspiring colleagues as described above.




BRAND FESTIVAL

BrandFestival is one of **the most important strategic conferences** and **regular professional summits in Central Europe**. Top executives, business leaders, and key players in the communications industry who are shaping the future share their experience in **strategy, branding, and sales processes**. In past events, the **1,500 presentations** on more than **1120+ brands** have been followed by nearly **14,000 participants**.

2500+
SPEAKERS

1120+
BRANDS

20+
YEARS



HELLO

“Technology has now created a noticeable threshold of entry, with customer experience solutions designed for marketing communications, automation, [...] video content, and professionally managed advertising.

Many predicted the end of human creativity a few years ago. [...] First repetitive, then more structured areas of thinking will be dominated by AI systems.

Artificial intelligence can be used to produce content efficiently in many areas.

Advertisers are constantly exploring and testing alternative solutions that deliver the advertising effectiveness that brands need. [...] In the creative chaos of the current situation, momentum can be created by market players who integrate new technologies and rewrite the rules of the game with their disruptive business logic.

However, creativity, inventive approaches based on human experience, and emotions remain necessary. After all, AI-generated content cannot deliver the original approaches that a creative thinker is free to create.

Remember the 80's hit “The Buggles – Video kill the radio star”?

Radio has been around ever since, just as **human creativity will not go extinct** in the foreseeable future.

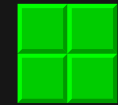
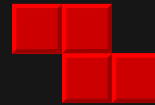
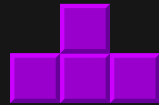
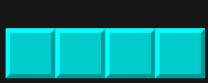
TAMÁS BARNA

Executive Director at Republic Group,
President of Brandfestival



FUTURE MARKETING TRENDS

COMPETITIVE POSITIONING: **TETRIS & COMMODITY TRAP**



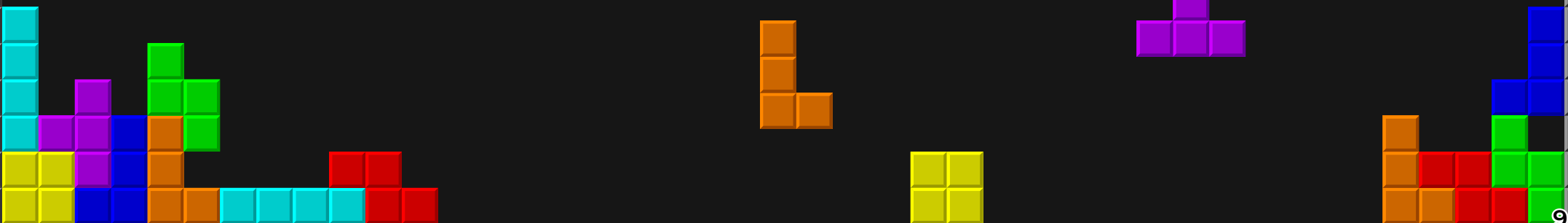
Tetris has taught me that if I fit in, I disappear!

A brand name, even a very distinctive one, is hard to keep in the mind of the consumer unless there is something to hold it there. Distinctive positioning places the product or service on the right shelf in the consumer's imagination, as each category has its own consumer product ladder.

Competitors can only position themselves in relation to the attributes of products already present within a category. The other way is to design a „new ladder“. In the modern economy, innovations spread extremely rapidly. It could be said that competitors copy every innovation and idea as quickly as possible. Innovation makes it increasingly difficult, increasingly costly, and increasingly short-lived to gain a competitive edge. The strength of a brand is mostly determined by the commitment of its consumers and its position in the marketplace (competitive advantage). It is constantly

worth thinking about differentiation - objective brand benefits, symbolic product/service attributes. Successful brands have a position and are not chosen by consumers on price alone ([Commodity Trap](#)).

„[Liquid Death](#)“ is a flavoured version of the bubbly mineral water from the Alps in an eco-friendly litter box for \$15. [A scoop of Japanese ice cream maker Cellato's new ice cream, byakuya, costs 880 000 yen, or 2.18 million forints.](#) The price of Cellato's ice cream is likely to be driven up by the white truffle imported from Italy, with a sprinkling of Parmigiano Reggiano cheese and edible gold.



CHATGPT:

BRAVENEWORLD, THE FUTURE OF ADVERTISING

With AI solutions available to everyone, the first wave of intelligent human-machine collaboration is upon us. We are talking about machine and deep learning algorithms that can recognise patterns in huge databases and extrapolate from them to produce new content. Such content – whether it’s a drawing, program code or music – that often stands up well to human-created materials.

Artificial Intelligence has opened a rich and colourful world: face recognition, translation, speech recognition, medical diagnosis, precision agriculture, personalised advertising, self-driving cars, stock market, or sports news written by robots. AI developments across many industries aim to deliver marketable services that reflect real needs.

Vapiano algorithm, for example, analyses shopping habits and available customer data to show personalised offers in apps or at order points.

In 2023, one of the tech world’s sensations will be **ChatGPT**, a language model-based, artificial

intelligence-powered service that can create virtually any complex text. The chat version of GPT-V4 is used by nearly 100 000 advertisers. From a marketing perspective, the technology can be useful for creating a variety of marketing materials such as headlines, advertisements, opening sentences, blog posts, email messages, and social media posts. It can also produce creative mutations more quickly, which can improve campaign effectiveness and customer engagement. As a test, some brands have launched their ads with ChatGPT-generated texts and have performed surprisingly well. Not to mention the work saved by creating 10-20 ad versions right away.

However, the **“human dimension”** of marketing communication remains in human hands:

problem detection, insight, USP formulation, empathy, originality, and, most importantly, professional quality control, compliance and budget management.

AI + CHATBOT: THE RISE OF ALGORITHMS

The emergence of algorithms that know more and more about the consumer is intensifying. Chatbots are typically useful for repetitive tasks that do not require a high level of creativity (non-unique content). AI chatbots can already be deployed in several of professional fields with outstanding results:

- Customer service: customer service chatbots work non-stop and provide a 24/7 service (their customer satisfaction rates often exceed those of live workers).
- Market and opinion research: instead of boring questionnaire solutions, chatbot operations offer an experiential conversation.
- Monitoring, analysis and topic suggestion: content analysis of media appearances, identification of media trends and interests, recommendations, story trends, and predictions for future storytelling.
- Conversional marketing, lead generation: using chatbot-led dialogue to keep visitors on the website, converting leads into purchases.
- Support for sales-boosting marketing campaigns: prize promotions can be handled much more efficiently by a chatbot.
- Digital HR: recruitment, selection, onboarding, e-learning, training, tests, mood surveys, quick completion of satisfaction surveys, sending internal communications, employee HR service, individual performance reviews, sending monthly payroll.

↻ Regenerate response

Send a message



AI + GAMING: THE RELATIONSHIP BETWEEN THE VIDEO GAME INDUSTRY AND AI

These days, a top game can cost up to \$350 million to develop, not to mention the marketing costs. It is already apparent that a studio that somehow optimises its operations with the help of AI can drive down these costs and gain an advantage. Generative AI will be incorporated into a lot of the tools and software used for game development. **Unity**, for example, already offers character-generating AI, but **Nvidia** and the Unreal game engines also have AI solutions. Roblox, one of the most popular virtual creation games for children, is looking to integrate a range of generative AI capabilities into its software.

One of the biggest publishers, **Ubisoft**, for example, is already testing its proprietary Ghostwriter module, which is effectively a dialogue-generating AI that lets developers write text for minor supporting characters in an epic-sized game faster and easier than ever before (text generators can't yet handle complete story arcs).

The developer of **Galactic Civilizations 4**, set in space, has gone one step further: in this strategy game, you can now build an entire galactic civilisation with the press of a button. The feature hides an AI that creates a new intelligent species in the game with visual and textual representations of the organism and its behavioural patterns. All of this is free, even though a new civilization has typically cost \$4-5 in add-ons in the past. The Chinese game market is already shrinking, as the **Rest of World report** shows. The paper interviews a freelance illustrator who used to draw video game posters, but has recently been getting fewer orders, and more work to correct some AI-generated images (needless to say, these jobs pay a fraction of the price of a full poster).

AI + FASHION

HOW DIGITAL MODELS ARE CHANGING
THE E-COMMERCE EXPERIENCE

AI-BASED RECOMMENDATION ENGINES ARE ALSO SHAPING THE FASHION INDUSTRY TO A LARGE EXTENT.

THEY PROVIDE CUSTOMISED PRODUCT RECOMMENDATIONS TO IMPROVE THE EFFICIENCY OF SALES SYSTEMS AND PROCESSES THROUGH INTELLIGENT AUTOMATION, MAXIMISING THE SHOPPING EXPERIENCE.



This is how some of the best-known brands such as Versace, Decathlon, H&M, Guess, The North Face, and many other major chains are trying to maximise their revenues. Jeans giant **Levi's** will use artificial intelligence-generated models to showcase its clothes, using artificial intelligence developed by a Dutch digital studio (**Lalaland.ai**). Neural networks are used to create hyper-realistic AI-generated models for all body types, ages, sizes, and skin tones. This solves the problem of diversity and inclusivity in fashion (the return rate of fashion items in the Netherlands is 44%, with around 2.3 million tonnes of waste from discarded clothes).

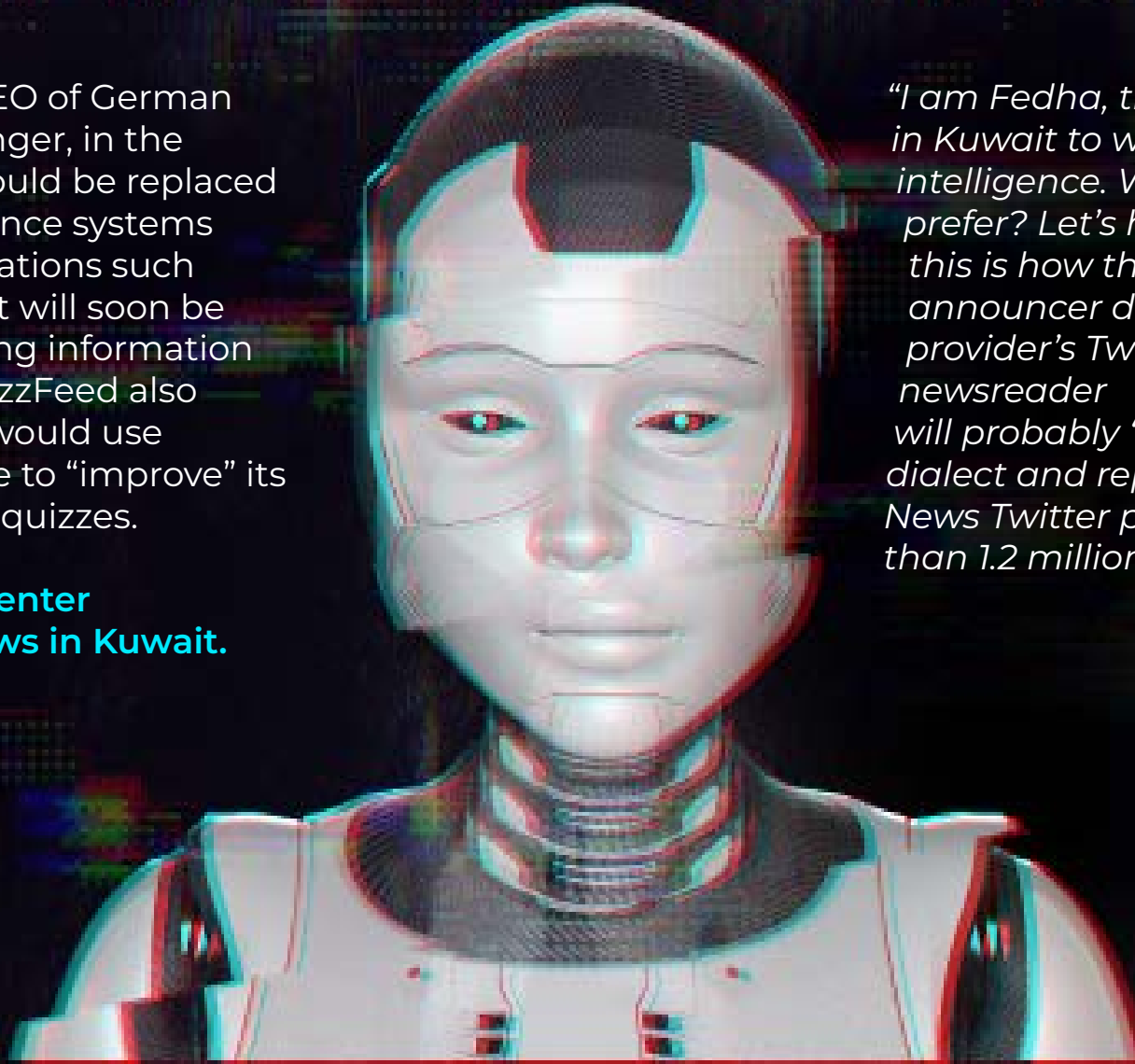
The company's pioneering technology can help reduce waste. Buying clothes online is risky, and it can be difficult for consumers to tell how a dress will look when they are staring at photos of models who look nothing like them. Lalaland is improving the online shopping experience by offering an alternative in the form of digital models of all sizes, ages, and races.

Why is this good for brands? The rapid release of collections makes it too costly to shoot several times a year with models of different sizes. A digitally generated model population also has an impact on conversion, as consumers prefer to interact with models that are most like them.

AI + CONTENT: HOW VIRTUAL AVATARS ARE CHANGING CONTENT PRODUCTION

According to the CEO of German publisher Axel Springer, in the future journalists could be replaced by artificial intelligence systems like ChatGPT. Innovations such as OpenAI's chatbot will soon be better at aggregating information than journalists. BuzzFeed also announced that it would use artificial intelligence to "improve" its content and online quizzes.

An AI-created presenter announced the news in Kuwait.



"I am Fedha, the first newsreader in Kuwait to work with artificial intelligence. Which news do you prefer? Let's hear what you think!" - this is how the artificial intelligence announcer debuted on the news provider's Twitter page. The virtual newsreader will probably "learn" the Kuwaiti dialect and report on the Kuwait News Twitter page, which has more than 1.2 million followers.



The image features a close-up, angled view of a computer keyboard with a vibrant, multi-colored light effect (rainbow spectrum) across the keys. The text 'AI HR:' is prominently displayed in the center in a large, white, sans-serif font. To the left of the 'AI' is a stylized cross symbol, consisting of a white outline and a solid pink center. Below the main title, the subtitle 'DIGITISED HR WORKFLOW' is written in a smaller, white, sans-serif font.

AI HR:

DIGITISED HR WORKFLOW



BY 2030, THE HR TECH MARKET COULD BE WORTH \$38 BILLION, AND ARTIFICIAL INTELLIGENCE IS SET TO MAKE A BIG IMPACT, WITH MORE THAN HALF OF COMPANIES PREDICTED TO USE IT IN THEIR DAILY WORKFORCE MANAGEMENT.

A **good workforce** is the greatest asset - a phrase that is often challenged these days, as more and more people wonder whether a machine can take their place in the office overnight. For now, this concern seems misplaced, as companies are embracing technology to provide **the highest possible employee experience** for their colleagues, increasing their efficiency and commitment to the company. Digital transformation is a major enabler for HR to optimise workflows.

The strongest demand for **HR technology** developments in domestic companies is in the following areas: recruitment (automated job advertisements vs. traditional recruitment companies/headhunters), onboarding, satisfaction surveys, individual performance appraisals, time and absence tracking, HR data analysis, reporting, digital office, employee advocacy, employer brand ambassadors created with digital solutions (employee advocacy).

The tech company Accenture maintains **its own metaverse** scalled "the Nth floor", where employees can attend new co-worker orientation, engage in learning, or even meet colleagues and socialise. The company expects that at least 150,000 new employees will spend their first working day in the metaverse this financial year.

AI +

SEARCH:



INTELLIGENT SEARCH, RELEVANT ANSWERS

“The search user experience hasn’t changed a bit in the last 20 years. However, the integration of ChatGPT into the search functionality of Microsoft’s ecosystem will shatter the high margins that have been achieved on this front.”

– Satya Nadella, Microsoft CEO.

Google has been the world’s number one Internet search engine for decades. Now is the turning point: the emergence of ChatGPT could blow up the search engine market. Google gets 57% of its revenue from search advertising, compared to just 5% for Microsoft. It seems that the integration of ChatGPT could be a ray of hope for Microsoft in a battle that so far has seemed hopeless.

Microsoft’s search engine, Bing, will operate in two modes: it will retain the traditional link-based search results, but the AI will annotate them in the sidebar (for example, if you search by name, it will highlight important biographical information), and there will be a free-form search where the

chatbot will answer questions in 1,000 characters in human language, with the sources indicated. In addition, it will be possible to discuss the topic further and refine the results. The AI functionality will also be embedded in the company’s own browser, Edge, so that the chatbot can be accessed from the sidebar with a click.

It will be a complete upheaval of the internet ecosystem if search engines now answer users’ questions in their own words, rather than generating traffic to individual sites through their results. [This could seriously affect media companies](#), which are already too dependent on the ever-changing algorithms of tech companies.

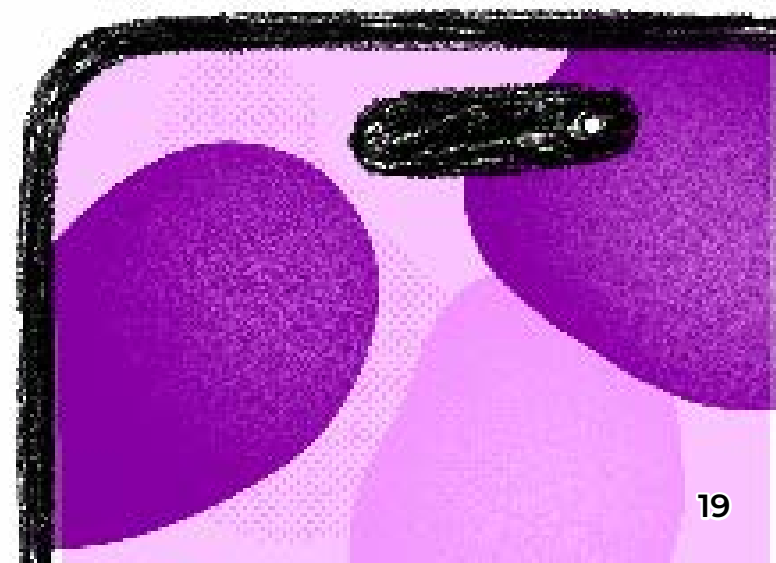
AR AUGMENTED REALITY VISUAL EXPERIENCE ENHANCEMENT

In the new type of communication economy, we need to equip ourselves with more complex knowledge to respond to the increasingly diverse challenges of the (advertising) age. In an era where commercial value is embodied in creative content development and consumer engagement. Technology is now enabling businesses to create interactive and immersive experiences. A key marketing trend is the use of AR technology, which offers the potential for visuality, interactivity, and enhanced experiential impact.

AR/VR satisfies the desire for a pre-purchase experience and information for decision making, while also providing a useful brand experience, and is increasingly being used by companies for marketing purposes. **The virtual VR experience designer, or mixed reality designer, will be responsible for "creating the virtual brand experience of the future".**

It is predicted that by 2025, AR will make more than a third of Generation Z to make purchases. Some brands have already tested AR campaigns, with **Dior encouraging shoppers to use Google Lens** in-store, to create an AR garden of ,augmented' flowers, and **Burberry celebrating its Olympia collection with a pop-up window at Harrods**, where people could bring the statue of the Greek goddess Elpis to life with their smartphone.

The evolution of the internet is happening in front of our eyes, with companies from small start-ups to large tech giants around the world expanding their services into virtual worlds that offer outstanding experiences when users access them through optimised devices. Many such devices, glasses, headsets, and controllers are already on the market.



METaverse: ON THE VERGE OF VIRTUAL REALITY

Metaverse is a persistent virtual world or real-time digital simulation in which users live, work, and play in a similar way than in physical reality. It is a space in which social interaction, education, work, and entertainment take place through avatars in a 3D environment. Some of the world's largest companies are trying to be the first to enter this new field to create experiential and innovation-driven solutions that engage consumers. An important role will be played by the virtual property of users, protected by blockchain technology, and paid for with NFT (non-fungible tokens).

The fashion industry realised early on that it could increase its effectiveness by improving the digital shopping experience. Digital shoes and clothes, different NFT accessories have recently appeared on the market. Well-known fashion houses such as Gucci, Dolce & Gabbana, Balenciaga, and Burberry are all present. And digital expansion is not just for luxury brands: many emerging designers or companies such as Nike, Adidas, Tommy Hilfiger, Zara, and North Face have announced their intention to go virtual. A good example is the British startup *The Dematerialised*, a digital store where only virtual luxury goods can be bought. The collaboration with Fabricant is the British startup's most valuable virtual wearable to date, sometimes going for up to €9,000 for a single garment.

The Meta trend is also present in education. The VictoryXR+ENGAGE XR agency has set up “*virtual twin campuses*” in California. The metaverse courses are synchronous, allowing students to interact live with their peers and professors as if they were in a classroom in the real world.

In terms of meta-movements, the biggest potential lies in entertainment, real estate, and digital content monetisation, in addition to video games, fashion and music. Paris Hilton, for example, has created an island in Roblox called *Paris World*, which includes a replica of her Beverly Hills mansion and its accompanying dog villa.

NFT

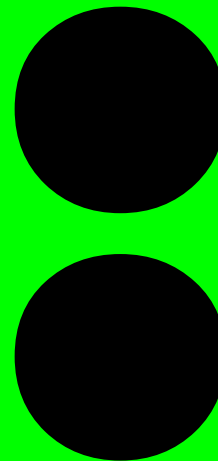
THE DIGITISATION OF VALUE, THE BUILDING BLOCK OF THE METAVERSE



8-bit punk heads sold for millions of dollars, 21st century animated basketball „cards“, crypto jewels, and digital impressions of works of art – NFT is nothing more than a series of codes attached to an image, animation, video, or even sound file to prove authenticity.

The NFT is undoubtedly a hit in the cryptocurrency market. These unique innovations can give a youthful and pioneering brand a unique identity. More and more brands are using NFT technology in their campaigns.

The success of the **Bored Ape Yacht Club** with its monkey themed NFTs is. The project is running on the Ethereum



blockchain, each NFT is completely unique, each monkey has a different look and feel, and is generating incredible sales.

In Hungary, **CryptoMemories** is the most promising NFT community. Honourable mentions are Void Labs' highly successful "Omnimorphs" NFT collection, which attracted the interest of Linkin Park's Mike Shinoda, and a campaign by Bamba Beef Burger Bar, which featured a highly successful **Golden Burger NFT**.

VIZUALITY 2.0: INTELLIGENT IMAGING

The key ingredients for effective communication are data, visuals and technology.

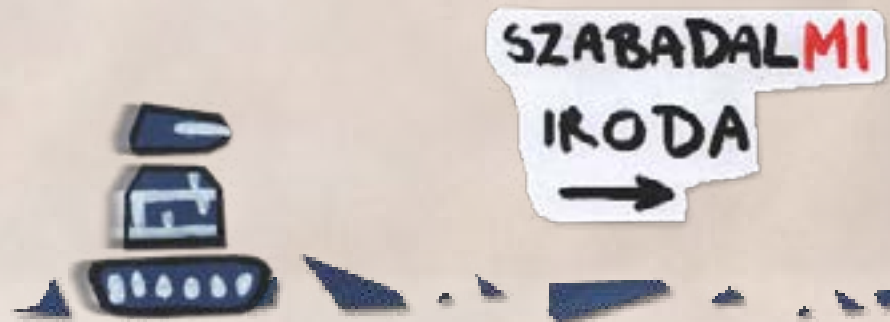


A few years ago, we only saw artificial intelligence in dystopian films, but nowadays we have reached the point where certain machine-learning-trained software can create music, text, and images. For example, programs such as [Midjourney](#) and [DALL-E](#) can create an image using content from the Internet by entering a few words. These softwares can create new works, even in the style of a specific painter.

An image created by AI has already won a prize in a US competition, rightly awe-inspiring visual professionals in the creative industries and the visual arts world.

And Netflix has produced an animation called "[Dog and Boy](#)", which uses almost exclusively AI-generated images in the background. Critics have said that Netflix used artificial intelligence to avoid paying people, which has apparently distressed the various animation communities.

The copyright issue of images created by AI will also be a growing concern in the future. Is it possible to enforce copyright on material created by AI if a fragment of the original piece has been used by the software? Does copyright protection apply to the artistic product itself, which is not produced by a human being but by an algorithm?



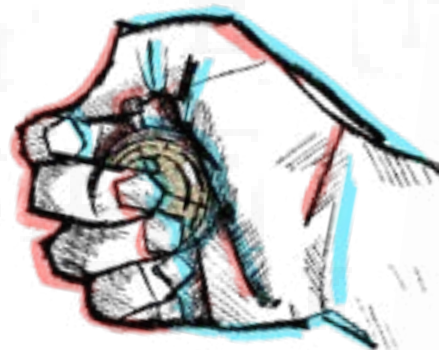
TIKTOK...TICK-TOCK: FIGHT FOR ATTENTION

For Generation Z, the most relevant platforms today are those that are dynamic and highly visual, meeting their ever-changing needs in new and innovative ways. One of the foundations of TikTok's growth is its content recommendation algorithm. This will help to ensure that short videos on the platform can effectively „suck” young people away from other platforms.

Reaching Gen Z is one of the biggest challenges for brands today. Their ever-shorter attention thresholds can only be captured by increasingly effective visual content. While a few years ago it was only an option for advertisers, nowadays collaboration with influencers/vloggers/tweet writers is a mandatory part of most media plans.

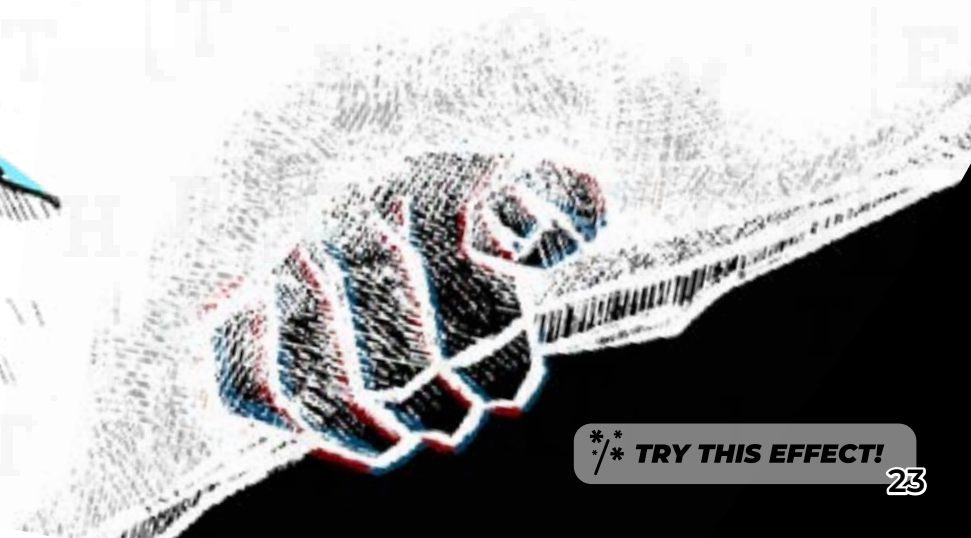
Shared short videos have a magnet effect on viewers, so it's no surprise that TikTok has also cultivated its own influencers. In fact, with continuous improvements, it can further increase its lead over other platforms.

TikTok is working on a generative artificial intelligence feature that allows users to create an animated avatar for their profile. **The feature is most like to Prisma Labs' popular Lensa app** but will be fully



integrated into the social media platform's interface. To generate avatars, you first need to upload 10 photos of yourself and then choose 2 to 5 styles you want to see yourself in. AI will then create avatars that can be uploaded as profile pictures or shared on TikTok.

The business functionality of TikTok is already starting to be recognised by brands. Chipotle, Walmart, Guess, the NBA, the Washington Post, Red Bull, Nickelodeon, Maybelline, Converse and Sizeer, among others, are all looking to take full advantage of the platform.



** TRY THIS EFFECT!



ORDERTHATSCENE

THE ALTERNATIVE TO TV

Competition between different media channels for consumers' attention is becoming increasingly fierce. For years, advertisers have complained that they are unable to appear on the biggest streaming services, such as Netflix, where young consumers have migrated as traditional TV audiences age.

Advertising on streaming content can provide a financing alternative for operators and a creative opportunity for brands to attract consumers. While it is difficult to be imaginative on streaming platforms, best practice solutions exist. McDonald's is promoting its takeaway service, which benefits those who get hungry during a series.

The '**Order That Scene**' initiative is about pausing at a few selected frames of a film or series featuring a McDonald's product, so the chain's own app will scan the image of the food and all you have to do is enter the quantity.

Netflix **wants to charge advertisers** roughly \$65 per thousand viewers and cap the amount a brand can spend on its platform each year at \$20 million. The company aims to keep its ad load to four minutes per hour, well below the ad load of traditional TV.



[INAUDIBLE]



BIT-SIZE CONTENT, SHORT-FORM VIDEOS

Content consumption habits are varied, with many creators innovating with shorter, bit-size content to meet viewers' needs. YouTube Shorts now has 1.5 billion monthly active users, with over 30 billion daily views, offering huge opportunities for advertisers.

Consumers expect fast communication in the social media world as the importance of „now“ is growing. There is an expanding demand for prompt, punchy, and immediate content-generating services. In fast communication, bit-size posts, videos, images, or GIFs can gain ground through their brevity and high information content. IKEA, for example, responded to Ronaldo's "water affair" with a brilliant marketing ploy, when the Portuguese star footballer did not take it kindly when a bottle of Coca-Cola was placed in front of him at a press conference, so the Swedish home furnishing multi named one of its water bottle products "**Cristiano**".

IKEA was also inspired by the images taken by the James Webb Space Telescope. They posted **a planet-sized meatball on Facebook**, with the caption: 'You can't mistake our meatball for anything else, because you won't find anything like it in the entire universe.' The move was praised by users, with some even calling for a pay rise for marketers working on the project.

Another example of real-time marketing is Vodafone Hungary's stunt. On the occasion of International Women's Day, the company changed its logo on its Budapest headquarters to **a pictogram symbolising the female gender**, thus drawing attention to the importance of equal opportunities for women.

PODCAST

MAXIMUM INVOLVEMENT

The podcast market is evolving very dynamically, with a growing listener base and an expanding range of content. The most popular topics are tech, film, lifestyle, culture, and gaming. In recent years, professional content producers have emerged, small and large media companies have been formed, and advertising sponsorships have appeared alongside different shows. The reason why podcasts are so special is because of the consumption situation which results in particularly intimate media consumption. Today, the world of podcasts is a new universe of creativity and creative freedom.

According to **research by IAB Podcast Insight Hungary**, the majority of regular podcast listeners belong to high purchasing groups, who see themselves as digitally mature, open, and young. In Hungary, this means nearly 800,000 people.



Podcasts are also an attractive option for advertisers, as their linear nature means that they hold the attention of the target audience for a longer period than other formats.

The most common types of advertising are:

- the classic audio spot, - sponsorship, where a programme is supported by an advertiser for an extended period, - and the so-called „hostread-ad”, i.e., advertising narrated by the presenter.
- The latter, because of the credibility of the presenter, has a much greater mobilising power than most other forms of advertising.
- **The Vodafone Podcast Pioneers programme** will provide audience-based funding, technological and professional support to content producers who apply, and will also advertise their shows on Vodafone platforms.

CUSTOMER EXPERIENCE (CX)

IMPRESSING CUSTOMERS

As well-known Apple evangelist Guy Kawasaki puts it in his book called *Charming*: "In the 21st century, the really good companies are built to impress customers". Experience has undoubtedly become a distinctive economic advantage, research shows that we are willing to pay more for superior experiences **(McKinsey: The business value of design)**.

Today, if a company wants to maintain or even strengthen its market position, it must make customer experience a priority. Companies can gain the most in the long term by focusing on the customer experience. You need to find the customer touchpoints that matter most and consciously align them to deliver a better customer and user experience. **The Brand Touchpoint Wheel** illustrates the experiential interactions users can have with a brand before, during, and after a purchase.

It is interesting to note that back in 1954, the founders of McDonald's instinctively thought like service designers today. They **prototyped their service machine** by drawing the kitchen on a tennis court and imagining how the restaurant would work optimally.



HYPER PERSONALISATION

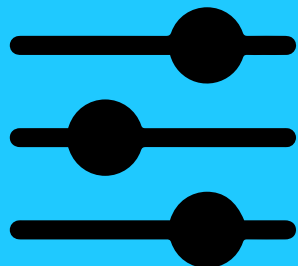
VALUE-DRIVEN TARGETING

Personalisation is a well-known tactic for better customer engagement, but it's much more than just including the right contact details in a direct mail piece. It's becoming increasingly important to structure and understand your consumer data.

Most users expect ads to be tailored to their personal preferences, their own buying habits, while they explicitly want to see fewer but more personalised ads and offers. The average user encounters dozens of advertisements every day and ignores most of them completely. People are more likely to pay attention to things that are specifically targeted for and at them.



With the help of artificial intelligence and automation, companies can communicate with customers in a more efficient and personalised way, improving the effectiveness of their marketing and conversion rates.



More and more brands are experimenting with smart pop-ups and remarketing solutions or performing predictive analytics to deliver more personalised experiences. There is huge potential in personalised user experiences, which can drive up to eight times more **conversions**. For example, in a beauty salon in Dubai, photos are taken of customers entering the salon, their facial images get analyzed, and they get recommendations for different face creams based on their key characteristics. Advertisements that appear in **Japanese taxis** and Brazilian metro stations after scanning passengers' faces also belong to this category.

BRAND COLLABORATION:

1 + 1 = 3

Brands need partnerships with other brands that share their goals and interests to stay relevant and exciting. To celebrate the 50th birthday of the Porsche 911 Carrera RS 2.7, [Puma has launched a limited edition](#) collection. Porsche presented the model at the 1972 Paris Motor Show, which was named in a nod to the 1950s. The Carrera RS 2.7, the pinnacle of the 911 range, takes its cue from the famous Carrera Panamericana racing circuit.

[In a collaboration between Adidas and Prada](#), the Italian fashion house has reimagined a classic piece from the German brand called Forum.

[Swatch has partnered with Omega](#) to create a cheaper version of the legend that walked on the moon, the Speedmaster. Swatch has „duplicated”

the epic Speedmaster in a 42 mm “bioceramic” case with a quartz movement, which can be bought by the public for just €250 instead of the entry price of over 2 million Ft for the original “Moonswatch”.

[In a unique artistic collaboration](#), the new limited edition Absolut vodka („Spirit of Togetherness”) was launched at the Hungarian Klipszemle. Championing young, emerging talent and collaborating with artists is in the brand’s DNA. It was the first brands to start working together with artists and creative thinkers, starting with none other than Andy Warhol in 1985. [Heinz has also collaborated with the Swedish alcohol brand](#). The Heinz x Absolut Tomato Vodka Pasta Sauce is based on tomato puree, basil, and cheese, with the magical addition of vodka.

BRAND SAFETY

ADVERTISING SITES AS A RISK FACTOR



According to international statistics, automated campaigns, and ad serving on social media platforms, which are more difficult to control in terms of quality and context, can compromise up to 3-13% of impressions in terms of brand safety. If the perception of a partner (video sharer, creator, opinion leader, etc.) is dubious or strongly negative, it can reflect negatively on the brand. In addition to the traditional media effectiveness indicators (reach & frequency), we need to know what message the channel where the message is placed carries. A **recent study** showed that 49% of consumers say that their brand image is negatively affected when it is presented alongside offensive content.

The national **Brand Safety Report** looked at how much risk each site poses to advertisers. In general, the share of circumstantial content on major news sites is around 51%, but this does not reflect the significant risk disparity between the columns that make up the sites, nor the different brand safety characteristics.

Looking at the column-level data for the leading horizontal portals, we see that, like the page-level statistics, entertainment, sports, automotive, cult, tech, and science columns have significantly lower risk factors than economic, domestic, and foreign news columns.

It is also worth observing the choices a media buyer has when it comes to achieving a given level of brand safety.

If we assume that a company expects a guaranteed brand safety level for 88% of its publications, it could buy publications in only 4 of the 45 columns analysed, reducing its own publication options to 2% of the content. On the other hand, if a brand uses brand safety software to filter its impressions, it can choose from more than 50% of the content with a safety guarantee of almost 100%. Modern brand safety expectations are not compatible with archaic media buying approaches. Brands must choose between a significant reduction in content or the creative freedom offered by innovative brand safety tools.



1st PARTY COOKIES: DATA ASSETS AND DATA STRATEGY

Intuitive business leaders are also beginning to see that being well informed has become one of the main guarantees of business success. As people spend more of their daily lives online, the role of online privacy is becoming particularly important. **Google surveyed 20,000 people in 2022** and found that privacy experiences impact user trust significantly as an unpleasant privacy experience can be extremely damaging. Consumers consider bad privacy experiences to be almost as detrimental as having their data stolen, and 43% of those surveyed would even switch to another brand if they had a privacy problem.

Since iOS 14.5 and the banning of external cookies in browsers, fewer and fewer data are being seen by advertising platforms, which

poses serious challenges. Safari and Firefox both banished these essential components of traditional measurement years ago. In Chrome, the browser used by most of the market, 3rd party cookies will remain until autumn 2024.

A good marketing manager should increasingly rely on 1st party cookies, such as tracking codes for marketing automation. With companies' own automated marketing and CRM solutions coming to the fore, it makes sense to have a data strategy that focuses on your own data assets.

CONTENT AUTHENTICATION

THE REALITY OF DEEP FAKES

A few years ago, no one had heard of deep fake content – convincing but fake video and audio files created by artificial intelligence that are increasingly becoming part of our lives.

As the example of Zelensky shows, they can even be used to influence wars.

For years, experts in disinformation and content authentication have been concerned about the potential for spreading lies and misleading information through deep fakes, especially as these fake videos become more and more realistic. The sheer volume of generative artificial intelligence and user-generated content (UGC) and the unpredictable nature of today's digital content ecosystem pose a challenge. It will only get more complex as the use of AI and UGC grows.

In this light, customers are increasingly suspicious of traditional advertising and want to see more authenticity and transparency from brands. **Gartner predicts** that by 2027, 80% of enterprise marketers will have a dedicated content authentication function in place to combat misinformation and misrepresentation.

FUTURE MANAGEMENT TRENDS



PRODUCTIVITY: HOW MUCH DOES AN EMPLOYEE PRODUCE?

According to the Hungarian National Bank's [productivity report](#), the value added per employee in Hungary was 72.3% of the EU average in 2021. This puts Hungary in 24th place in the EU ranking, a rather disappointing statistic. While in Hungary the economic value of an hour's work is \$33, in the UK it is \$52, in Austria \$59 and in Germany \$65, which is basically the double of the figure of Hungary.

Companies are naturally looking for ways to streamline their processes and increase efficiency, as low productivity is as much a problem as labour shortages. And the two are linked, as the most important factor for employees when choosing a job will always be the salary, and salaries depend on the productivity of companies... Thus, completing this vicious circle. The key question is obviously how a given market organisation can produce more economic value per unit of labour.

But what does productivity depend on?

On the macro-economic, social, and cultural conditions that define the market, the capital strength of the business (and its utilisation/ underutilisation), the technologies used, the technological skills of the employees, the quality and coordination of the human workforce, and of course the behaviour of managers and decision-makers. Productivity is best optimised by looking at these areas and aspects of the business.

INNOVATION MANAGEMENT IN A NEW GEAR: MAYA & FORTH

While in various crisis situations, operational challenges may consume company resources and the attention of managers, it is innovation that can determine the future profitability of a company. An innovative firm can easily become a winner in market shifts.

“Innovation is nothing more than creative disruption. It takes the destruction of previous consumer patterns and production structures to create new ones!” – Joseph Schumpeter.

Innovation in companies is either done in-house by creating a dedicated innovation department or by young start-ups taking a pivotal role.

The MAYA principle (Most Advanced Yet Acceptable) used in service design helps to create innovations that satisfy people's attraction to the new, but do not overwhelm their sense of security. For example, it's hard to imagine the masses using **Dyson's** special futuristic air-purifying mask, because the already large device, which fits over headphones, looks like something you'd wear on the set of a sci-fi movie. In contrast, the **FORTH** (Structured Innovation Process for Product and Service Development) methodology developed by innovation expert **Gijs van Wulfen** (author of The Innovation Expedition), which on average allows 78 out of 100 ideas to enter the development phase and 51 to be implemented, compared to 21 using the stage-gate methodology, is worth using.



I <3 FAILURE: NOT A LOSS, BUT A STEPPINGSTONE TO PROGRESS

“Fall better!” The slogan comes from the 20th century writer and poet Samuel Beckett, who said that he who tries often fails, but that it is through failure that one becomes better and better. When controlled failures, handled with the right management techniques, are experienced, the organisation does not actually fail.

Failure is an important stage in the process of success, and it is what drives human innovation. There are many inspiring stories of academic and business successes that can give us the confidence not to give up at the first failure. Thomas Edison failed to ‘light the bulb’ after some 3,000 unsuccessful attempts, but he said: **“I didn’t fail, I just found 3,000 ways that didn’t work”**. Today, almost everyone knows about GoPro action cameras. But how many people have heard of FunBug? Funbug.com was an online gaming and marketing platform developed by GoPro co-founder Nick Woodman. The concept of FunBug was such a fiasco that it is still considered one of Silicon Valley’s biggest failures.

Elon Musk has also published a 2-minute video in which we see the failed rocket tests with humorous commentary, but it is also mentioned what caused these failures. According to him, if there are no failures, it means we are not innovative enough. For good ideas to take off, some must necessarily fail.

If we constantly fear that we will fail, we will never reach the goal we set. In such a company, „seagull management” prevails, i.e. the manager circles above and if he sees a mistake, he strikes. **“What you can do as a manager is to create a safe working environment for your staff where they know that nothing will go wrong if they make a mistake.”**

– Ed Catmull, Pixar CEO.

MIRROR WORLD: DIGITAL SUCCESS ADDICTION

The business zeitgeist demands ever greater innovation, agility, and customer focus, which can only be achieved through digitalisation. The digital transformation revolution of companies has now become one of the most important aspects affecting competitiveness.

Digital transformation affects almost every segment of the enterprise: brand strategy, customer service, product innovation, service development, HR, employer brand, employee experience, customer relationship, business development, and customer experience design. **KPMG's Global Tech Report 2022** also highlights that improving customer experience is a key driver of digital transformation.

According to Accenture Technology Vision's report "**Leaders Wanted: Masters of Change at a Moment of Truth**", which surveyed 6,200 business and technology leaders, leading companies are building „intelligent digital twins“ to create virtual models of their factories, supply chains, and product lifecycles.

EY's Digital Investment Index research has also highlighted that the majority of companies are looking to completely transform their operations using digital technologies, but the process is hampered by the difficulty of quantifying the impact of these improvements on business results (RODI: Return On Digital Investment) in the short term. However, organisations that build on a solid digital foundation, adapt quickly, and innovate, grow their revenues five times faster than laggards.



PORTFOLIO CLEANING AS A CRISIS RESPONSE

To drive growth, business leaders need to set new strategic directions. Just a few examples: resource rationalisation, product development, price discounting, price massification, customer loyalty, brand experience enhancement. But it also improves efficiency to put the portfolio under the magnifying glass and clear the „zombie“ from it.

But what is a zombie?

A product, service, or business that is steeply down the life-cycle curve, heading for extinction and therefore in the least favourable position in the company. The zombies are visible because they consume management's energies to no purpose. Their profit margin is low, their market is not expanding at all (or only minimally) and their relative market share is extremely low. Furthermore, their media ROI per profit is generally around 1, they have no distinctive association/brand attributes, and their customer base is negligible.

The benefits of portfolio clean-up are supported by evidence from previous economic crises. The total shareholder return (TSR) of companies that responded to the 2008-2010 global economic crisis by selling businesses increased by an average of 24 percentage points between 2010 and 2018 compared to companies that left their portfolios unchanged.

QUIET QUITTING

THE DEATH OF PRODUCTIVITY



"New Leadership KPI: Keep People Interested/Informed/Involved/Inspired. Clients do not come first. Employees come first. If you take care of your employees, they will take care of the clients" – Richard Branson, Founding Owner of the Virgin Group.

What happens if employees are not happy? Then comes „quiet quitting“. It is not an actual resignation, especially in these uncertain times. They stay with the company, but they keep their efforts down, working only as much as necessary for them. They exist with minimal investment, doing the minimum for which they get their monthly salary. The radar for action is dramatically reduced, there is no overtime, no ideas, or initiatives of their own.

In light of this, Chris Ronzio, CEO and Founder of Trainual, offered \$5,000 to all new hires if they left within 2 weeks of starting. The software company executive says it's important to know early on if you're working with the right person, because as time goes on, the investment in the employee increases, so the cost of leaving increases.

According to KPMG's Future of HR research, finding new staff is becoming increasingly burdensome, costly, and time-consuming. Employee wellbeing, frictionless integration of digital technologies, and the employer value proposition (EVP) have become the fundamental risk drivers for growth. However, companies with higher-than-average employee engagement generate 27% higher profits, have 50% better sales, have customers who are just as engaged, and are 38% more productive than average. The Harvard Business Review also shows that companies that use a well-constructed onboarding programme have 50% higher in-house employee retention. In contrast, only 38% of Hungarians can say they have been part of an onboarding process.

NEW CURRENCY IN THE LABOUR MARKET

Are we paying people to stay at work for 8 hours a day or to create more value? Flexible work organisation also contributes to mental health, productivity, and low turnover. In the UK, a trial of the 4-day working week was conducted with 2,900 employees from 61 organisations. In the trial, workers were paid 100% of 80% of their normal working hours with the aim of making them more productive. The overwhelming majority found the 4-day work week to be convincing: revenues increased, turnover decreased and employee burnout levels dropped. 15% of respondents said that no amount of extra money could persuade them to return to a 5-day working week.

In Hungary, Telekom conducted a national representative survey on this topic in cooperation with PwC Hungary. More than 12,000 people were asked what they think about the introduction of the 4-day working week, what impact it might have on their daily lives, and what their expectations and fears are.

According to Jason Fried, co-author of the book “Rework - Profit Reinvented”, we can no longer talk about a working day, but rather just about work moments. For creative workers, meaningful work requires long, uninterrupted periods of time. Increasing the degree of freedom has a staggering

appeal in recruiting the best talent, it is worth more than a pay rise, and is harder to compete with. For Generation Z, the future is a ROWE (Results Only Work Environment) workplace (see Timothy Ferris, one of the best-known management gurus and motivational speakers, in his book “4-hour work week”).

LEADERSHIP

META-SKILLS



The crises of recent years have made it clear to everyone that there are consequences for the way we live, the way we consume, the companies we build, the choices we make. The wellbeing of our immediate environment is (still) our responsibility for a long time to come. This is why we need a change in leadership and the active involvement of our legacy leaders. A legacy leader is a (business) leader who wants to have an impact on the world beyond his personal agenda. They have a long-term vision and are committed to the future, to future generations. They understand his or her responsibility and take action to bring about structural change with the goodwill to lead by example and the desire to shape attitudes. They do this with strong personal integrity, emotional awareness, and rock-solid values. They translate their emotional, intellectual, and financial potential into action for the benefit of others and is committed to social causes.

Bridge Budapest: Legacy Report.

The future "legacy" leader will have the following key skills and qualities: awareness, analytical skills, self-reflection, empathy, foresight, proactivity, sociability, facilitation, assertiveness, confidence, change orientation, cultural diversity, team orientation.

CRISIS RESILIENCE: FLEXIBLE ADAPTATION



In business, everyone is subject to stressful situations and traumas. We are almost constantly in a problem-solving, survival mode, which causes constant stress: reorganisations, downsizing, loss of high-volume business, the resignation of old, immediate colleagues or the manager, tighter time frames, heavier workloads. This is when you find out how well you can cope with these events and situations. A resilient personality does not collapse.

Managers focus on the rational elements of change, such as processes, technology, and governance, and often ignore the emotional factors. Culture, behaviour, and habit change as well as loss of freedom can all be critical experiences for employees. This is where organisational resilience comes in. Resilient employees are a resource for organisational success because they have a readiness for change.

Resilience is the ability to adapt in a psychological sense, i.e., to cope with surprises, changes and unexpected obstacles, to adapt to fundamental trends. Adaptability, or “bouncing ahead”, is about thriving beyond simply enduring challenges. 71% of 1,500 managers in 90 countries said adaptability is the most important quality they look for in a leader - Harvard Business School.

– Harvard Business School.



As Darwin said,

“It is not the strongest that survive, nor the cleverest, but he who is most susceptible to change.”





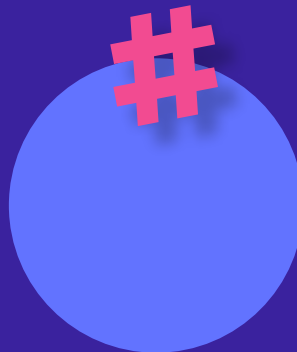
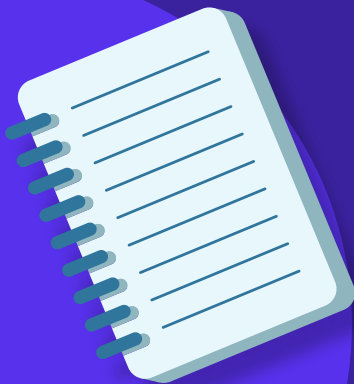
FREELANCER, GIG ECONOMY: THE REMOTE WORKER



In certain segments of the labour market, gig economy, or freelance work, has brought radical changes. Larger companies are also developing new start-up-like structures, which have significant cost-efficiency aspects, but can also be a more attractive employment option for talented people who would prefer to work as freelancers or, in the words of world-famous management thinker Charles Handy, as "fleas", who prefer smaller, more agile companies.

The proportion of freelancers is growing by leaps and bounds worldwide. A survey of national advertising agencies ([Agency Census](#)) revealed that the arguments in favour of freelancing are: freedom, financial rewards, variety of tasks, and specialised skills.

Hiring freelancers helps companies to be flexible in their staffing capacity, to expand their workforce according to emerging needs, and to employ talent that may not be committed to the company as a "permanent employee".



TURNOVER MANAGEMENT

THE COST OF STAFF ATTRITION

Competition for good workers is fierce, with employers constantly bidding against each other. Home office, fruit day, special meals for lactose and/or gluten intolerant people, fitness room, bean bag, semi-exible working hours, dog-friendly workplace, biophilic office staff, **ergonomic office space**. Yet the average turnover rate in Hungary is 32%, according to a **nationwide turnover survey by HR-Evolution Ltd.**

According to a survey by CX-Ray, an HR tech startup, recruitment and onboarding costs account for at least 20% of annual salary, but depending on the area and seniority level, this can rise to 200%. A turnover calculator on the company's website allows you to calculate the loss of a colleague's time. It now takes twice as long to fill a vacancy as it did ten years ago. While 10 years ago, companies spent on average 4% of their HR budget on recruitment, today they spend 16%. "In the Hungarian business environment, 12-15% of new employees come through referrals." – recruiTECH conference. The referral system is a multiplier that can boost a company's recruitment capacity. In physical jobs, employers pay a bonus of between HUF 100-150 thousand and in intellectual jobs between HUF 150-200 thousand to the referrer if the employee is still working there at the end of the probationary period. Companies

pay on a contingency basis, but this can be low, so it is important that the company also values in some way the activity over which the direct referrer has influence. How do we get colleagues to share their posts on social media?

Analytical tools already exist that provide estimates of the dynamics of labour shedding. **The People Analytics tool** developed by Deloitte uses predictive statistics and a machine learning engine to identify employees at highest risk of voluntary departure. By analysing various organisational and employee dimensions (e.g. pay, career, training, work-life, organisational dynamics) and historical turnover data, the tool provides quantified predictions of potential risk factors – even at the employee level – that could cause future attrition.

Zig Ziglar: "The only thing worse than training your people and having them hunted away from you is not training them and having them stay with you."

HUMANOID

INTERFACE: KNOWLEDGE, TALENT, AND TALENT SHERPAS

In today's changing business environment, all actors in the communication value chain need to be able to respond accordingly. Investing in knowledge and in professionals, is a key element of this. In times of turbulence, the role of human resources is always more important, as success can only be achieved with good employees. Competition is fierce to win the favour of productive and intrinsically motivated employees. Laszlo Bock, in his book **Secret**, explains that while 70-80% of the workforce generally performs below average, the top 1% produce ten times the average. So, it makes a big difference what proportion of excellent people you manage to hire.

The industry consensus is that it makes sense to hire people with a T-type. The horizontal line of the letter T indicates how broad your experience is, and the vertical line indicates how deep your knowledge is in a particular field. In the current situation, brand owners need different competencies and much more advice, so it is in the best interest of communications consultancies not to service their clients on the HR side in a cost-effective way, but to hire senior staff who can be independent advisory partners. The latest trend is for companies to employ a "Talent Sherpa", whose role is to find talent within the company and promote the most effective use of their skills, as well as their further training if necessary.



BRAND FESTIVAL

WE ARE LOOKING FORWARD
TO THE BRANDFESTIVAL IN BERLIN
WITH THESE AND OTHER TOPICS!

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