

Overture de 'Communication and Global Markets'

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1. Overture

Communication is a complex phenomenon, with numerous scientific and operational dimensions, the most significant of which are: psychology, sociology, technology, legal, ethics, economics and management.

□ *Psychology and Sociology in particular were the first disciplines to study the theory and application of advertising and therefore of modern business communication. The interest shown in psychological and sociological analysis stemmed in particular from the decisive 'impulse' of North American advertising agencies – joined from the late 1950s by the most professional European agencies – which directed the results of all psychological and sociological research to the development of commercial communication. In those years, North American companies were feeling the effects of the decline of undifferentiated consumption (based on the growth of primary demand and induced by the development of early mass industrialisation) and they began to compete to acquire market share, evolving from price competition to non-price competition based on a wide range of commercial communication tools (advertising, sales promotion, publicity, public relations, etc.).*

Detailed analysis of communication in the managerial dimension reveals a relatively recent theoretical 'body', which has developed to outline the many innovative experiences of businesses, and particularly of organisations involved in the competitive processes of globalisation, with methodological rigour.

In fact, the 'cross cultural' stimuli of the global market – which reveals a complex system of ideologies, needs and values – impose an approach to supply and demand phenomena that is more sophisticated than the conventional

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conceptualisation of marketing and advertising would allow. From a perspective of global confrontation, business communication must address a society where symbolic values interact with multidimensional needs, and the boundaries between business and society are fluid and permeable, making it necessary to rethink the function of communication in relation to the reality that existed in the 1930s and 1960s, right up to the early 1980s.

The evolution and dissemination of digital technologies have resulted in a growing use of multimedia solutions for the exchange of information and experience, which has an important impact on society, on relations with demand and on the dimensions of competition.

□ *In more recent years, communication has recorded the development of numerous new disciplinary and professional sectors, proposing complex systems and applications of information flows, including: medicine, training science and the organisation of labour (teleworking, distance learning, etc.).*

Altogether, the deep changes that have taken place in the concept of global supply, new space-time relations of competition, the evolution of product design and finally the trends that have innovated consumer models, have enhanced the role of communication. In increasingly open economic systems, businesses underline a modern concept of communication, seen as a tool of competition and development, in which the different goals of global organisations are composed harmoniously with a network structure and a wide range of tools, to be used in a coordinated, synergetic way to address external, internal and co-maker publics.

Analysis of communication from an economic-business viewpoint presupposes that the essential 'focus' is shifted from a managerial economic system to business management, favouring a specific 'body' of identifying features, which typically regard: planning based on a costs/benefits logic, optimisation conditioned by the choices made, control of results.

From a management point of view, communication therefore identifies a process that specifically targets the achievement of corporate goals, overturning the 'cause-effect link' that prompts business to decide to take advantage of communication tools for the very purpose of becoming a 'motor' of the development of a given economic system, rather than passively accepting the conditioning that derives from defined and unchangeable competition boundaries.

2. Corporate Communication and Global Markets

In global markets, time and space are crucial factors of competition. With globalisation, corporate competitive space cannot be constrained within physical and administrative boundaries, but space must be considered as a strategic variable of competition. Digital technologies in particular have made it possible to overcome the spatial boundaries of competition, so that the receiver and target of the communication flows no longer have to be simultaneously present in the

same physical location, but could be at quite a distance from each other. The elimination of spatial constraints has underlined the importance of flexibility in the management of communication flows, making it possible to expand towards broad horizons to search for partners, which they would not have been able to reach with conventional means of communication. Basically, digital technologies have drastically modified space management in relations with the market, so that it will be even easier to reach crucial stakeholders wherever they are with no difficulty in conveying the message, at decreasing cost, at any moment and with a growing mix of usable tools, because digital technologies continue to offer new channels and tools to communicate effectively.

Digital communication technologies have also revolutionised the management of competition time. Time is another crucial variable to compete at a global level and to acquire a competitive advantage. In fact, with digital communication, the start-up time to communicate a message coincides perfectly with its reception time, and it is also possible to monitor the reaction of the target that the information flow is sent to in real time. By eliminating time limits, digital communication technologies have revolutionised the communication process, because transmission times become shorter and the dispatch of the message and the reply are practically simultaneous with interactive communication mechanisms.

Briefly, digital technologies have radically altered relations between business and the market, cancelling the spatial constraints of relations and influencing the management of action/reaction times. As a result of increasingly interactive and repetitive communication, which produces new timeframes for the approach to vast, complex markets, spatial distances are eliminated, and the needs of crucial stakeholders can be understood and met in real time. Digital communication makes it possible to compress the time at a business' disposal for competitive activities while making it possible to instil value into the time itself (choice of action/reply time). With digital communication, time therefore becomes a competitive factor, prompting businesses to act before and better than their competitors to meet the customer's needs, to acquire continuous and unstable competitive advantages, above all regarding the management of demand bubbles.

3. Digital Communication and Space and Time Relations with the Market

The development of digital technologies has brought about a radical change in communication media and in relations between companies and the market.

In fact, traditional mass media – like television, radio, daily papers and periodicals – embody analogical information flow transmission processes, and in this sense, data and information create specific combinations of physical properties that can only be disseminated or conserved through other analogic physical forms of communication and archiving. With analogic media, businesses can only communicate with the market by acquiring an indistinct mass of recipients, without being able to identify them individually. And finally, analogic media impose that the supports (media) are created *first* and *then* the content and targets are determined ('First Business, Second Community'). On the other hand,

digital media envisage that the contents are defined *first*, and *then* they are conveyed to the targets ('First Community, Second Business').

The digitalisation of communication (transforming data, texts, sounds, and images into sequences of nought and one) has completely overturned the transmission and conservation of every type of information through: the dematerialisation of the message, the compression of large quantities of data into very small spaces, the possibility of integrating different types of content, without having to reproduce them on physical supports, access to high speed information flows, even in multiple file sharing and wireless conditions, the manipulation and rapid duplication, at ever-lower cost and without the constraints of physical positioning, and finally, the development of two-way communication processes, with no hierarchical constraints between source and destination. Briefly, digital communication has eliminated the spatial and temporal limits typical of analogical communication and is characterised by: the *speed* with which the content is transmitted, the *economy* of the transmission and conservation of the information flows, the *multimediality* of simultaneous access to different tools and channels of communication, and the *interactiveness* of managing two-way communication processes.

The space and time relations typical of global markets force businesses to use digital communication as a fundamental tool by which to relate with the market itself, using innovative forms of relationship which presuppose circular flows of information from the business to the market and vice versa, without being able to easily identify the start and the end of each flow. Digital communication therefore makes it possible to develop two-way communication between the company and individual targets, and to obtain an immediate response. Moreover, the enormous quantity of data that can be collected and processed makes it possible to recognise the profile of each individual interlocutor and therefore to manage each relationship on the basis of its uniqueness character that is updated and steadily classified.

The digitalisation of the media and of communication tools has induced companies to reformulate space and time relations with the market even in terms of interactive multimediality. The new digital communications media (Internet, cell phones, wireless, etc.) have generated a phenomenon of 'convergence', which tends to exceed the limits of integration of traditional analogical communications media (for example, television, radio or the daily/periodical press), by which each medium demands that the content (editorial and advertising) be managed on the basis of specific physical characteristics. On the other hand, with 'convergence', because they can exploit an identical standard, digital media blend, interact and develop new potential very rapidly (for example, today it is possible to watch a television programme on a cell phone, to surf the Internet on the television, and to listen to the radio on a cell phone or computer). This entails integrated management of communication in relation to the *first targets* (who are not necessarily the *final targets* of the message, since the latter may act as a source in relation to *additional targets*, and so on). In other words, a very complex system that entails strong coordination between the various media and tools used, the contents and the way they are enjoyed. And it is certainly not the case that innovation and digital 'convergence' have been 'understood' and acquired, first and foremost, by large retail chains which, for their 'natural' position in the chain

of transactions, have a very close relationship with their end consumer. Thanks to massive use of digital communication, large retailers have succeeded in strengthening their relationships with end demand, profiling consumption expectations with information that is far superior to that of the large brand manufacturers, acquiring a particularly significant advantage in markets where competition is very intense.

4. Active Interest and Passive Interest in Business Communication

With digital tools and media, business communication forges a two-way relationship. The targets of the information flow often implement their own information flows towards the company, to meet a growing need for information, creating a proactive role in relations between the company and the market. This proactive role is even more obvious in relations between final demand and trade.

On the basis of a business' store of information, digital communication makes it possible to disseminate personalised information flows even to huge masses of individually profiled parties, with messages that can stimulate the active interest of recipients.

This stimulus to active interest identifies the distinctive character of digital communication. On one hand, it is no longer possible to spread messages to targets without adapting the content to each individual on the basis of the information possessed by businesses. On the other hand, corporate communication in digital form enables the market (customers, suppliers, stockholders, opinion leaders, etc.) to take an active part in the creation of the content of communication, even developing immediate response flows, based on an active interest that is the starting point for the company to involve the market, establishing valuable and lasting relationships.

Direct, two-way communication with the market, based on active interest in the relationship, is entirely absent from 'traditional' tools and analogical media, which deals with passive interest that has to be aroused and possibly 'addressed' to specific forms of behaviour (generally of consumption or consensus), and maximised by the frequency of the message and the reach of the audience.

In the communication process, mechanisms to solicit passive interest have always characterised the effectiveness and efficiency of the channels, the media and the analogic information tools. In fact, if we look more closely, the cycle of the social significance of the various media (for example, the decline of the theatre as a phenomenon of mass communication with the advent of the cinema) can be examined by observing the various stages in the life of a mass medium (birth, development, splendour, maturity and decadence) in relation to the (passive) interest aroused by the medium itself with specific audiences, in other words in terms of the (passive) attention dedicated to the content disseminated by readers (press), spectators (theatre, cinema, TV) and listeners (radio).

□ *'...ballet had its roots in Lombardy, in the days of Bergonzio Botta, who organised a choreographic entertainment for the*

wedding of Galeazzo Sforza and Isabella of Aragon in Tortona in 1489... The great 19th century publishers were also from Lombardy. Ricordi, Lucca and Sonzogno dominated the opera world and were smart impresarios, jealous of their rights and their authors.' (Giampiero Tintori, *Introduzione a Teatri della Lombardia*, Nuove Edizioni, Milan 1980).

□ '...In 1977, there were 208 working theatres in Lombardy... The decadence of melodrama first and then of prose theatre eventually nullified the need for the large theatres, and large entertainment halls which, throughout the 19th and early 20th centuries, combined their specific functions with those of representative public venue for our towns. A community no longer strives to reflect itself in the theatre which, after the Cathedral and the Town Hall, was once a sort of civic banner.' (Graziella de Florentiis, *L'attività teatrale in Lombardia*, in *Teatri della Lombardia*, Nuove Edizioni, Milan 1980, p. 36).

□ '...with the decline of the far-reaching territorial ramifications of opera that had been so prevalent in the 19th and early 20th centuries, resources were inevitably concentrated on the most outstanding structures... In today's culture industry, the opera house possibly maintains only one of the extraordinary characteristics to which it owes its historical appeal: the very high – and therefore extremely selective – cost of production and performance.' (Luigi Ferrari, *La cultura lombarda e le nuove vie dell'opera*, in *Vita teatrale in Lombardia*, CARIPLO, Milan, 1982, p. 163).

□ 'How did the audience behave at the theatre? Very differently in different ages... the attention now paid to performances was not seen in minor theatres, or even at La Scala... a nocturnal life of gambling and illicit affairs was carried on in the theatre foyers and private salons... Each box had an inner room or salon where it was even possible to cook. (Graziella de Florentiis, *I teatri lombardi e il pubblico*, in *Vita teatrale in Lombardia*, CARIPLO, Milan, 1982, p. 264-265).

□ In the early years of the last century, cinema enjoyed extraordinary success. Members of the public watched their first films in fairground tents... Tent cinemas thus sprang up alongside the circus tents, exhibitions from the East, Neapolitan swings and other attractions.' (*La Provincia*, February 1903).

Briefly, passive interest was the key parameter to assess the effectiveness and efficiency of one-way analogical communication processes (in the context of which advertising communication is particularly important). The importance of passive interest to assess the validity of analogic tools and media also makes it

possible to verify the inanity of the so-called subliminal interest in corporate communication policies, and specifically in analogical advertising.

Interest in subliminal perception stems from 'rumours' about certain cinema experiments apparently conducted on U.S. troops – with a number of screenings during the occupation of Europe – to instil hostile feelings towards enemy soldiers. However, there is no official evidence of these experiences, nor any scientific results. Nor is there any scientific evidence of the cinema experiment referred to by the North American Marketing Manager James Vicary (1957) to illustrate the commercial potential of subliminal advertising, which sets out to condition people's consumption choices, proposing messages that the individuals themselves were unaware of. The ethical debate about the legitimacy of subliminal advertising was taken up by public opinion (even with folkloristic overtones) when, also in 1957, Vance Packard published his book *The Hidden Persuaders*, which was actually an exasperated critique of the alleged 'persuasive force' of U.S. advertising agencies. However, in 1958, to block the fears of possible subliminal manipulation, the Federal Communication Commission and the Federal Trade Commission (i.e. the highest U.S. authorities), prohibited subliminal advertising preventively and with no scientific proof of its actual use as a means of manipulation, inviting advertising agencies and the media to adopt ethical and professionally correct behaviour.

Subliminal communication therefore attracted a certain amount of curiosity in the professional and political world in the last century, but its operational role has certainly been negligible. Known cases of subliminal message have always and only been 'discovered' (on the indication of the authors) by the technique of back-masking, i.e. examining films in slow motion and backwards (thus confirming the weakness of the technique, i.e. that the messages could reach the audience's subconscious). In fact, the inconsistency of subliminal advertising was already revealed in the late 1960s, when mass consumption stabilised, the so-called 'hidden persuaders' vanished into thin air and commercial communication first had to come to terms with the harsh reality of competition (to win market share) and later with the indices of advertising crowding in the media.

To conclude, modern corporate communication by companies operating on the global markets, is managed, on one hand, by analogic mass media (with a hierarchical dominance of the source and the passive interest of the audience) that develop one-way communication policies addressing targets comprising masses that are indistinguishable and can only be identified using audience estimates (push strategy communication). On the other, it is often managed together with analogical communication, activating digital communication to stimulate the active interest of individually profiled targets that cease to be just passive receivers of corporate messages and proposals while they activate two-way communication processes, sometimes actually participating actively in the planning of corporate proposals and therefore selecting which information to accept (pull strategy communication).