The effects of advertising in a locational approach

JÁNOS BARANCSUK – JUDIT MOLNÁR

This paper aims to further develop the economic modelling of the effects of advertising using the framework developed by Hotelling's location model and the game theory approach. Our results suggest, that contrary to those expressed in the the Dorfman-Steiner argument, ads actually alter the price sensitivity of demand, although the direction and magnitude of modulation depends significantly on the type of the applied ad. We point out, that successful “persuasive” advertising becomes a strategic tool only in the competition between very close substitutes, since „highlighting” the brand basically aims to separate competing markets. In the same time the pure forms of informative advertising applied by themselves, seem apparently irrational. Enhancing consumer awareness of similar properties of different product variants, this type of advertising leads to downward spirals of price cutting as in the Bertrand game. Consecutively, by communicating different properties – although limiting the competition – the informative advertising narrows the market, which also has price moderating effect. Adding other strategical elements, like motifs of brand building, it can be an efficient tool for product support. Finally we prove that while applying product differentiating ads, pointing to the products’ different characteristics could have other consequences than by aiming to increase the consumer’s sensitivity to those different characteristics of the product.

Keywords: persuasive advertising, informative advertising, Nash equilibrium.

JEL codes: C72, D43, M37.
Effect of economic crisis on the business service sector
in the Central-Eastern European region

RÓBERT MARCINIAK

In this research study I am analyzing business service sector, especially the appearance of the shared service model in the countries of Central-Eastern European (CEE) region. It is fact that CEE countries play an important role in this segment of the global service market and in the last two decades these countries could get very good positions in this competition. But in the past few years there was a slowing in the growth of this segment in some CEE countries. Before this research I was sure that economic crisis influences growth of global business service sector but it was questionable what kind of effect there is. Besides literature review, 12 interviews were carried out with market specialists to disclose what could be the most important factors that are affecting the growth of service sector, what should we expect in the future and how could these countries gain extra competitive edge in these times on this global service market segment.

Keywords: business service sector, shared service centers (SSC), strategic management.
JEL codes: M16, M19.

Adaptation of Hungarian firms to the changing economic environment during the past twenty years of economic transition: perceived environmental turbulence and its effect on organizational characteristics of firms

GÁBOR NAGY – JÓZSEF BERÁCS

Research on market orientation is relatively diverse, spanning from investigating the effect of market orientation on business performance, the relationship of market orientation and other theoretical constructs and the effect of competitive environment on the market orientation-performance relationship. The latter issue becomes interesting if we put forth the following question: to what extent does competitive
environment play a critical role in adopting market orientation? Firms might adopt market orientation because of the CEO’s initiative or because the changing environmental conditions force companies to acquire market orientation to survive in the fierce competitive environment. This study examines the adaptation process of Hungarian firms to the changing economic environment by capturing the relevant environmental factors that forced companies to acquire market orientation to survive in the changing economic landscape during the past twenty years of economic transition.

**Keywords:** economic transition, strategic adaptation, market orientation, competitive environment, firm performance.

**JEL code:** M31.

---

Group cohesion, group commitment and identity as determinants of eWOM in a brand specific online community

ÁKOS ANDRÁS NAGY – GERGELY GYURICZA

Enabling an active and interactive communication between brands and customers, brand owners face with serious challenges in creating and maintaining effective online brand communities. This research aims at individual attributes which are beneficial in these efforts. In our research we analysed the following psychological factors’ relationship to two dependent variables – active and passive eWOM – as well as to each other: group cohesion, group commitment and identity. Respondents of the online (CAWI) questionnaire were fans of a certain social media site. Correlation based results show that all factors have positive correlation with active and passive eWOM. Conducting a SmartPLS path analysis we could draw up a model regarding the researched online environment, where identification has a significant positive relationship with group commitment and group cohesion and these influence active and passive eWOM positively as well.

**Keywords:** electronic word-of-mouth, online group psychology, digital self, online brand communication.

**JEL code:** M31.
Gap between consumer behaviour and attitude towards CSR

PETRA PUTZER – KRISZTIÁN SZŰCS – MÁRIA TÖRŐCSIK

Nowadays corporate social responsibility (CSR) is a very popular concept and marketing tool. There is an increased interest towards the benefits of CSR, because the companies would like to gain competitive advantage through responsible actions and operation. But to enforce these benefits it is necessary to convince consumers of evaluating responsible actions in the course of their buying decisions. The key element of successful CSR is having strong positive attitude towards CSR and the supported cause and also having conscious and responsible consumer pattern. The main aim of this study is to explore the attitude of consumers in connection with responsible actions and shopping habits. For identifying the problem primary research with questionnaire was carried out. The results show that the attitude towards CSR is strong but the shopping habits do not confirm it. We identified three different consumer groups according to their CSR attitude: the responsible, the conscious and the passive group.

Keywords: CSR, corporate social responsibility, conscious consumption, consumer behaviour, consumer attitude, energy sector.

JEL code: M30.

Positioning of North Hungarian Region based on socio-economic characteristics

ISTVÁN TAKÁCS

The North Hungarian Region is on the periphery, from a geographical, as well as from a socio-economic point of view. People living in the region hoped that, after the accession to the European Union, the resources and the Cohesion Policy of the EU would contribute to the improvement of the economic situation, quality of life, social circumstances as well as social safety in the region. The paper analyses the changes of absolute and relative positions of the North Hungarian Region compared to another statistical regions, based on the characteristics of SMEs business
environment before and after EU accession. The most important conclusion is that, even though most economic characteristics of the region had improved in the studied period, the relative position of region did not change, furthermore, in the case of some characteristics the relative position of the region worsened.

**Keywords:** SMEs, investment, unemployment, ageing, income.

**JEL code:** R11.

The impact of the economic crisis on the evolution of unemployment in Romania at national and county level

**SZILÁRD MADARAS**

This paper contains the analysis of the evolution of unemployment in Romania, in particular the impact of the 2008 financial and economic crisis on this, and the regional differences. I assume that the difference in economic development and economic structure contributed to different unemployment rates in county level. The territorial differences are presented in the GIS maps before and after the economic crisis. The evolution of the unemployed people’s number is also the subject of a time-series analysis, performed using the autoregressive ARIMA model to prepare a medium-term forecast for the number of unemployed in Romania.

**Keywords:** unemployment, economic crisis, time-series analysis, Romania.

**JEL codes:** E24, R12, C22.

Characteristics of management in SMEs from the point of view of a survey in the North-Hungarian Region

**KATALIN TAKÁCS-GYÖRGY**

The economic role of small and medium enterprises is increasing; however, their long-term survival depends on their ability to react and change. To become stronger it is necessary to adjust within competition and to think in a strategic and innovative way.
One of the aims of the research is the identification of those factors that influence success and competitiveness in the SME sector with special regard to innovation. The additional aims of the research are to reveal relations between strategic thinking and the ability of renewal and to examine whether changes can be revealed in the enterprises' behavior due to the economic crisis.

Economists dealing with the cooperation theory suggest that within the SME sector, cooperation helps continuous innovation and the development of innovational skills. Human capital is interpreted as the condition of long-term success; not merely human capital, as an input, but the contact capital being incarnated in the people.

Data were collected through a survey carried out among SMEs from the North-Hungarian Region in 2013. The results of the survey indicate that strategic approach, concentration on competitive environment and the realization of importance of strategic partnership are not characteristic among SMEs nowadays.

**Keywords:** survey, SMEs, lack of strategy, innovation, partnership.

**JEL codes:** D21, M2.

---

**A fluid-flow problem solved by “shopping basket” theory and the analysis of the algorithm of the method**

**NAM SON HUA – MIKLÓS GUBÁN**

Discovering common shopping baskets is a very attractive topic of data mining theory. In these researches the purchases (transactions) of the buyers are considered as a set of goods. However researchers are interested in the batch of goods chosen by the customers. In our study the purchases of customers (transactions) are not considered to be a set of batch of goods, but the set of volume of goods, which allows us to use an algebraic approach contributing to the formal description of shopping basket model. Our approach differs from other approaches in previous studies, that we have considered the volume of transactions in batches. The advantage of this approach is the better illumination of inter-transaction subsystems, and the role of network structure above
them. In this general model we re-examine some of the known issues by net-theory assets. We present an explicit representation for frequent customers baskets and for association rules. As a direct result of this issue algorithms are defined to explore frequent customers baskets and association rules.

**Keywords:** shopping basket, frequent products, association rule, network, service.

**JEL codes:** C18, C51, O31.

**Spatial economic structures and regional inequalities**

**István Bessenyei – Lehel Györfy**

This study analyses the problem of the spatial structure of the economy and the regional inequalities in the conceptual frame of Leontief’s input-output modell. It takes into account the improvement possibilities of the regions which are unable to sustain themselves, indicating that severe regional inequalities can be caused by the non-adequate level and distribution of gross outputs, the real rigidities on the interregional market and the inefficient production technology. In our study we use the Simon-Hawkins conditions and the Perron-Frobenius theorem, both being frequently used in input-output model applications, and, in addition to these, we take into account Gerschgorin’s theorem regarding the eigen value constraint.

**Keywords:** spatial models, spatial production analysis.

**JEL codes:** C21, R30.