## ~ МЕНЕДЖМЕНТ ТА БІЗНЕС-АДМІНІСТРУВАННЯ ~

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# ADVERTISING AND THE ADVERTISING ENVIRONMENT VERSUS ETHICS IN THE BUSINESS ENVIRONMENT OF SLOVAKIA

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Abstract. In the past, people only produced as many products as they could consume. Nowadays, however, production has outstripped consumption several times. That is why people often choose based on different aspects and often use different tools. The most common thing that can influence them nowadays is advertising. Advertising is one of the oldest communication tools, dating back to ancient Egypt. The etymological origin of the word advertising comes from the French word "réclamer". The translation of this term means to request, to demand, to claim. There are many definitions for the term advertising, which always depend on the author. Some are focused on the content of the concept of advertising from various points of view, from the psychological, economic or social point of view. Advertising is essentially a message whose task is to reach a target group of consumers as a form of communication media. In our post, we address the goals and types of advertising campaigns, types of advertising tricks, and professional codes of ethics in advertising.

Keywords: advertising, ethics, advertising campaign, advertising tricks, advertising professional codes of ethics.

## РЕКЛАМА ТА РЕКЛАМНЕ СЕРЕДОВИЩЕ ПРОТИ ЕТИКИ В ДІЛОВОМУ СЕРЕДОВИЩІ СЛОВАЧЧИНИ

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Анотація. У минулому люди виробляли стільки продуктів, скільки могли спожити. Але нині виробництво в кілька разів перевищило споживання. Ось чому люди часто вибирають на основі різних аспектів і часто використовують різні інструменти. Найпоширеніше, що може на них зараз вплинути, — це реклама. Реклама є одним із найдавніших засобів комунікації, що сягає стародавнього Єгипту. Етимологічне походження слова реклама походить від французького слова «réclamer». Переклад цього терміна означає просити, вимагати. Існує багато визначень терміну реклама, які завжди залежать від автора. Деякі зосереджені на змісті концепції реклами з різних точок зору, з психологічної, економічної чи соціальної точки зору. Реклама, по суті, є повідомленням, завданням якого є охоплення цільової групи споживачів як форми комунікаційного засобу. У нашій публікації ми розглянемо цілі та типи рекламних кампаній, типи рекламних прийомів і професійні етичні кодекси в рекламі.

Ключові слова: реклама, етика, рекламна кампанія, рекламні прийоми, професійні етичні кодекси реклами

#### JEL Classification: M310, M370, M390.

**Introduction.** Advertising cannot be considered as "another type of communication, but as a way of using various existing forms of communication to achieve the intended effect." [1, p. 266]. According to Hanuláková, advertising is "intentionally or unforcedly influencing the buyer in favor of its sponsor through a product." [2, p.73]. Advertising is "a means that helps enter the market with higher quality and more innovative products and creates an identity for corporate products." [3, p. 36]. According to Toscani, advertising is "perfumed carrion...". Advertising does not sell products or ideas, but a false, intoxicating idea of happiness.

### For the purposes of the Code, advertising means:

- (1) "the communication process initiated by the competitor or a person authorized by him, as well as the content that is the result of this communication process, if it is:
  - a) this communication process carried out for a fee or other consideration,
- b) the purpose of this communication process is to influence the consumer's behavior in any way, in particular to provide the consumer with information about the competitor's product, activity or goals, or about his project of a charitable or other non-commercial nature.

- (2) a communication process initiated by a non-entrepreneur, as well as the content that is the result of this communication process, as long as the communication process uses methods, pursues goals and uses methods in the dissemination of content that are generally used, followed or used by commercial communication, including if the communication process is carried out by a person authorized by a non-entrepreneur.
- (3) Advertising for the purposes of the Code includes any form of public promotion or presentation using advertising techniques, in particular direct marketing including telemarketing, use of communication media including digital advertising, teleshopping, sponsorship and product placement; content created by users (user generated content) within social networks, blogs or similar virtual spaces is taken into account if and only if the provision of paragraph 1 applies to such content. (4, čl. 2).

Considering the scope of advertising, we can say that: "Advertising lies at the core of contemporary culture and is at the center of discussions about postmodernism, globalization and consumer culture" [5, p. 170].

The analysis of recent research and publications. Many scientists pay attention to advertising and its role in the business environment, namely: Burton G. and Jirák J. [1], Hanuláková E. [2],

Tellis, Gerard J. [3], Scott M. M. [4], Mastný J. [6] and other scientists.

The unresolved parts of the overall problem. We could continue with the definition of advertising according to the individual authors who discuss it. However, it is essential that we understand the definition of advertising correctly and that we are familiar with its individual forms. Advertising is the most important and valuable tool of communication. Her ability is to reach potential customers in any way, but especially very quickly. However, it is necessary to realize that its essence is to be in accordance with the law and ethics. As long as advertising works, it sometimes causes unintended effects and can thus also have a social, i.e. non-commercial, impact on the consumer. The questions of ethics in advertising will be specified in the next part of the work.

The paper's aim. The main goal of the article is to analyze the situation with advertising and its

impact on the business environment of Slovakia.

The basic material. The role of advertising. The most important role of advertising is pointed out by the International Chamber of Commerce in a document on the liberalization of advertising services, which states that: advertising services make a significant contribution to global economic development and growth, touching a wide variety of industrial areas and services. To a certain extent, advertising increases the accessibility of the global market for companies and consumers. In general, the main task of advertising is to inform the target group. It gives consumers a sense of confidence, increases the quality of advertised goods and services.

According to the role of advertising and the life cycle of the promoted product, three basic categories of advertising can be distinguished:

"Informative advertising is characteristic of the first stage of the product cycle. Its task is to introduce a new product to consumers, which is introduced to the market through advertising.

- Persuasive advertising is used in the phase when the product is already introduced and presented on the market, but it is necessary to strengthen its position.
- Reminder advertising is one whose task is to keep the given product in the mind of the final consumer." [7, p. 227].

In addition to the above-mentioned division of advertising according to the product life cycle, it is possible to classify advertising based on the point of view of the object:

- product advertising - its task is to highlight all the advantages of the given product,

- institutional advertising - is suitable for organizations whose products do not differentiate themselves from competing products. [9, p. 224].

Advertising campaign goals. An important role in advertising is setting goals. Without solving the question of what we actually want from advertising, it is practically impossible to even start creating an announcement, let alone choosing a medium. A well-established but incorrect trend is the assumption that advertising is only about economic goals. In advertising, we can distinguish between economic and non-economic goals. "Economic goals include:

- increase in turnover compared to the previous period;
- increase in profit;
- increase in market share;
- maintaining market shares;
- introduction of an innovative or completely new product or service." [8, p. 31].

However, many modern-minded companies have retreated from direct sales promotion in recent years and focus more on building an image, attitudes around the brand and its story. The return

on these investments is slow, but creating an engaging image is uncertain and laborious. But if the company manages this task, it will gain a practically unshakable position on the market, thanks to which it can much better pursue its economic goals. In addition to economic goals, a communication campaign is often focused on psychological "parameters" related mostly to the behavior of the target group. Here we can include, for example:

- "influencing the image of the brand or product;
- increasing the degree of knowledge of the brand, product;
- changing attitudes towards the brand, product;
- consolidation of purchasing interests;
  - consolidation of the company's position in the eyes of the public (social responsibility)
- introduction of a new brand." [8, p. 31-32].

Types of advertising. We see advertising in different places, in different forms and spread in different ways. We can therefore divide it, for example, according to the method of its dissemination, according to its object, the life cycle of the product or service, and last but not least, according to the medium used. The breakdown of advertising according to J. Mastný's publication is: a) Advertising according to the method of distribution: ATL (above the line) represents above-the-line advertising and is distributed en masse through television, radio, print, cinemas and the Internet. Such advertising is directly distributed from the producer to the recipient without additional distribution channels, which means that it reaches the target client directly. The manufacturer films an advertising spot that is broadcast on radio or television and thus reaches the client directly.

BTL (below the line) is below-the-line advertising and is not widely distributed. Distribution is carried out through distribution channels.

- a) Advertising according to its object: Advertising according to the object of advertising can mean, for example, product advertising, image advertising or social advertising.
- b) Product advertising: is a classic advertisement that promotes the properties of a product (or service). The basic goal of this type of advertising is to convince the customer to buy this product.
- c) Image advertising the object of this advertisement is not the product, but the image of the entire company. It is a presentation of the brand [9].
- d) Social advertising: this is not a typical type of product advertising. It is a special type of advertisement that is created with a noble mission to point out a certain problem usually it is a product of a foundation. Advertising agencies and other participants usually waive royalties for such advertising.

Communication media can be: press, radio, television, internet, cinema, etc. Thus, advertising is spread through these media. This includes print, radio, television, internet and multimedia advertising. [6, p. 12]

Types of advertising gimmicks. The choice of a suitable advertising trick depends on the creative assignment and the goal of the advertisement. The most successful advertising tricks are fear, humor, sex, music, rationality, emotion and scarcity. In his publication, Kenneth Clow describes individual advertising tricks as follows:

- a) Fear Advertisers use fear more often than we think. Fear of an accident with serious consequences we cannot provide for the family if we do not take out accident insurance (they are used by insurance companies), it can also be fear of dandruff, fear of an unpleasant smell, etc. If we choose fear as an advertising trick, we must consider its degree. If we use a lower level of fear, the recipient of the advertisement may not notice it. Advertising will thus be ineffective. On the contrary, if we use too high a level of fear, we can scare the recipient of the message. The recipient may feel anxious and will tend to avoid the ad, switch it off, walk away, mute the sound, etc. The motif of fear is very often used by social ads. It should be noted that precisely because of the use of fear motives, advertisements often teeter on the edge of ethics and are in conflict with the Advertising Code. [10, p. 163].
- b) Humor Humor is considered one of the most important advertising tricks. It is one of the most effective means of attracting attention. Funny ads are among the most popular among people. The success of humor rests on three pillars. If the ad is funny, it attracts the attention of the consumer and he watches the ad, laughs and above all remembers it. In the case of using humor in advertising, we have to be careful that one group of people does not find the advertisement funny and another, on the contrary, offensive. Such a difference can occur in the case of younger and older people. Older people do not perceive certain situations as funny and may be offended by it. Another problem in using this advertising trick can arise if the humor itself, the funny story, outweighs the advertising message. Thus, the consumer will remember the joke, but not the product or the brand. In this case, the ad fails. [10, p. 164-168) A typical example when an advertisement is drowned out by a joke is

the advertisement for "Bobík". Although this ad is about nine years old, people still remember it. A humorous scene from the environment of a Chinese restaurant. A young couple enters a restaurant and hands their dog Bobík over to the local staff. But since the staff doesn't understand, Bobík ends up on the plate. At the end of the ad, the inscription of the internet portal www.centrum.sk will appear with a request that everyone prefer to go where they understand him. As we mentioned, everyone remembers this ad well, but few know what product it was for.

- c) Sex Another effective and frequent advertising trick is sex. Sexual topics sell well, as well as humorous ones. Nowadays, however, there are so many ads with a sexual touch that this trick doesn't work as well as it used to and it stops selling. Sex in advertising has simply ceased to shock. Currently, advertising agencies and other creators of advertisements focus more on sexual hints and hints. Among the latest trends are the themes of lesbian and gay love. Certain boundaries must be set when using sexual content. Recently, topics related to child pornography and child molestation have been discussed very often, therefore one must work very carefully with the sexuality of minors, this topic is a priori excluded in the advertising context. Morals, ethics and conscience should be the guidelines for creating such advertisements. (10, p. 168-171)
- d) Music Another important advertising trick is music. Through advertising, we can attract the attention of consumers. Music not only attracts attention, but also helps to better remember the product, service or brand. Consumers are able to remember certain melodies from childhood to adulthood. When choosing music, it must be determined what role the music will play in the advertisement, whether a well-known song will be used, or whether a new melody will be created. The chosen music must fit the specific advertisement. Music is all the more effective if it is properly connected with emotions. (10, p. 173)
- e) Racionality Rational advertising is based on providing information and logical reasons. Through this information, the merchant tries to convince the consumer to make a purchase. A suitable media carrier for this type of advertising is print media. The reader can read the advertisement at any time and at his own pace, which will allow him to better process the announced information. This type of advertising trick is used most often when creating opinions or changing attitudes towards a product or brand. In practice, unfortunately, if the consumer is not looking for certain information, he will not notice rational advertising. (10, p. 174)
- f) Emotions In the same way, emotions in advertising can attract the attention of consumers and effectively help to create a good relationship between the consumer and a certain brand. Among the most effective means is a combination of emotions and humor. One of the most effective media for emotional advertising is television. There can be people who are gesticulating, it is possible to use both image and sound. Television commercials can literally draw the viewer into the plot and thus have a better effect on him. The combination of emotion, humor, fear and music allows advertising agencies to create compelling ads. [10, p. 174-175].
- g) Lack of In economics, the term scarce resource is well-known. It is obvious that the raw material resources of the planet are exhaustible. This advertising ploy tries to lure consumers into thinking that the product being offered is needed and is only available in limited quantities or will only be sold for a limited time. This feeling of lack is often used by sales representatives of companies that organize demonstration events. The product is often presented as exceptional and can only be purchased by us and right now. [10, p.175].

Professional codes of ethics in advertising. Codes of advertising ethics are an important tool of self-regulation, which the European Association of Advertising Agencies /EAAA/ requires from its members. It was created in 1991 with the aim that this basic principle should also be reflected in the national codes of European countries and thus prevent the legislative measures of the European Union /EU/ that limit freedom in the field of marketing communication. The International Code of Advertising Techniques, published in 1937 by the International Chamber of Commerce, is widely known. The Ethical Code of Advertising Practice, which is sufficiently concise, is somewhat less extensive, or more concise. It was published by the American Advertising Federation. One of the most important bodies regulating and dealing with ethical principles for advertising is the Advertising Council. Its main activities include, for example, deciding on complaints.

A code of ethics refers to a set of principles and rules that guide the behavior of community members. It points to collective and group ethical norms and principles and regulates mutual relations. Ethics in advertising within the Slovak Republic are governed by the following regulations and statutes, the validity of which is mostly tied to membership in the given institution.

"Council for advertising - Ethical principles of advertising practice valid in the territory of the Slovak Republic approved by the general assembly on 20.3.1997. Statutes of the Association of Public Relations of the Slovak Republic (APRSR) approved by the general assembly of members

in Bratislava on 15/02/1996. International Public Relations Association (IPRA), Code of Ethics, adopted in Venice, May 1961. Nairobi Code of Communication on Environment and Development (adopted by the IPRA Council in Nairobi, November 1991). European code of professional conduct in the field of public relations (officially adopted at the general assembly in Lisbon on 13/05/1989). International Code of Ethics of Public Relations, Athens Code (adopted at the IPRA General Assembly in Athens on 12/05/1965, amended in Tehran on 17/04/1968)" [11, p. 18].

Political advertising. If we talk about ethics and advertising, we cannot fail to mention political advertising. As we mentioned above, the Advertising Council does not deal with election advertising and advertising of political parties. Hopefully this will change over time. We cannot find such transgressions against ethics, morals and generally decent behavior in the behavior of any commercial brand. If the offensive campaigns of the leading political parties aim to win electoral votes, it is not clear whether they will achieve this goal in the chosen way. If the goal is only to attack competing political parties and tarnish their name, then this tarnishing will not only affect the mentioned target, but also the entire political scene in the Slovak Republic and may deepen the derogatory attitude towards politicians. The manner of political advertising in Slovakia should be a warning to ensure that it is political advertising that should come under the wing of some control body and adhere to ethical standards. [9].

Advertising, ethics and society. As we mentioned in the introduction, advertising, whether we like it or not, is and will be an integral part of our lives. It would be hasty to immediately dismiss her and only curse her. There are many ads that are processed in a very nice way and are even searched by people. From such examples, it can be seen that people with invention, wit and originality work in advertising too, who bring advertising production closer to art. Of course, we often encounter advertising, it is intrusive, annoying, obnoxious, stupid and lifeless. However, it can be partially defended against. Today, the usual sign on the mailbox "do not drop leaflets" works as a defense against print advertising. Many people will welcome an ad during their favorite TV program and use it to make coffee or do some other activity.

Conclusion. The aim of the paper was to acquaint the reader with the basic concepts related to advertising. This initial information included clarification of the concept of advertising, an introduction to the role of advertising, its goals and types of advertising, types of advertising tricks. An important part of the theoretical part of the diploma thesis was the clarification of the concepts of ethics, the history of ethics and the regulation of advertising. We further divided advertising regulation into regulation through legal order and self-regulation. We focused more closely on the Advertising Council and the Advertising Code, which apply in the Slovak Republic. Advertising is a very important element in today's modern world. We reach target consumers through advertising. In the company, we are already ahead of the curve in the development of any advertisement. Everyone wants theirs to be the most desirable, the one that reaches the desired group of people first. However, with such competition, it often happens that the boundaries of decent behavior and the boundaries of ethics are violated.

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