

- Kyiv: Institute of content and teaching methods; Kyiv state University of Economics.*
31. Vytlinskyi V.V., Velykoivanenko G.I. (2004). *Riscology in economics and entrepreneurship: monograph.* Kyiv.
  32. Yermak S. (2021). *Diagnosis of the effectiveness of innovative activities of business structures in the implementation of anti-crisis management policy.* *Innovation and Sustainability, no.1, pp. 28-39.*

**Margarita Išoraitė**

*PhD in Economics, Associate Professor  
Vilnius University of Applied Science  
ORCID: <https://orcid.org/0000-0001-9108-0525>*

**Nendrė Černiauskienė**

*PhD in Management and Administration,  
Master in Law, Self-employed  
ORCID: <https://orcid.org/0000-0002-4990-4807>  
(Vilnius, Lithuania)*

**ADVERTISING  
DEVELOPMENT  
FEATURES IN  
LITHUANIA**

**Abstract**

*Advertising is a relatively new concept, but it is evolving rapidly. It is becoming one of the most important means of attracting as many consumers as possible and influencing them to become regular consumers of the company's goods. Many advertisers choose television advertising and the Internet when planning their advertising campaigns. The Internet is interactive and allows the curious user to learn more about the advertised product or service by clicking on a link, which no other media can provide. The article analyse the concept of advertising, advertising statistics, the advantages and disadvantages of advertising, and advertising legislation.*

**Keywords:** *advertising, advertising advantages and disadvantages, advertising development.*

## **Introduction**

Advertising is usually about material benefits: it aims either to directly increase profits or to secure it in the future. Vaišvilienė, A. (2008) mentioned that The advertising market in Lithuania is consistent it expands in line with the needs of the user, it changes and improves – companies and organizations use advertising means smarter, there are specific advertising for certain business areas and product groups ways. According Visa Lietuva (2015). Advertising is often perceived in society as a phenomenon that can mislead the consumer. Advertising is subject to various legal provisions that must protect consumers from the likely false or harmful effects of advertising. Advertising of alcohol and tobacco is restricted or banned in Lithuania in the hope that its consumption will decrease significantly. Unfortunately, advertising bans do not always pay off. Some ads may be restricted, but you should not see only the negative side of the ad. Although most users are very annoyed by advertising, but many people do not know that because of it, we can watch free TV programs, listen to music online. It is not possible to restrict or ban all advertisements, nor is it necessary to properly educate the younger generation, their analytical thinking, which will help to realize that not everything that is advertised in advertisements is true. The purpose of this article is to evaluate the peculiarities of advertising in Lithuania. To achieve the goal, the following tasks are planned: to analyse the concept of advertising, to evaluate the data of advertising statistics, to analyse the legal system of advertising, to evaluate the advantages and disadvantages of advertising. The article uses methods of literature analysis, analysis of legal documents, static analysis and comparison.

## **Advertising concept**

Advertising business is developing in Lithuania, which helps to increase competition between companies. Advertising is used in many areas of business activity. It includes industry, trade, education, show business, sports. Advertising affects companies in various fields. At present, in the conditions of the pandemic, advertising on the Internet and on television is intensifying. Never before has the internet evolved so fast. The Internet has changed many areas of business over the past decade. In the 21<sup>st</sup> century, when the production of goods and services is growing or may grow



faster than the purchasing power of the population, online advertising is becoming one of the most effective ways to attract as many consumers as possible. Online advertising helps to market a new or existing product. With the help of various forms of online advertising and social networks, it is possible to form the opinion of consumers and make casual consumers loyal. Weber, P. & Schweiger, W. (2017) mentioned that advertising is ubiquitous and its various potential consequences provide a fertile ground for exploring its intended and unforeseen, short-term and long-term, functional and dysfunctional effects at the individual, collective, or organizational level. Onișor, L., F., Ioniță, D. (2021) stated that advertising is an important tool that organizations use in their marketing communications process. Korenkova, M., Maros, M., Levicky, M., Fila, M. (2020) notice that understanding customers is important to increase the effectiveness of advertising. Advertisers need to know them and know what “works” to affect them. Companies need to know their values, desires, desires, etc. It is important to attract their interest and attention. This is the first step to start thinking about the need for a product or service. It should be noted that each customer is different and receives and responds to information differently. It depends on the variety aspects and influences how the consumer reacts to the information. Eram, M. (2020) stated that advertising is a means of communicating with consumers of a product or service. Ads are messages paid for by the senders and intended to inform or influence the recipients. Sinclair, J. (2015) stated that advertising is very important in the media industry not only in itself but also due to the intermediate structural link it maintains between on the one hand, commercial media and consumer goods and services industries, on the other hand. It can be imagined as a production and marketing media complex. Terkan, R. (2014) mentioned that advertising is a form of communicative activation. It can be informative and persuasive; using mass or new media to persuade consumers to buy goods and services. Advertising can be used to promote a new product or to promote existing products. Xu, J. (2020) notice that like most strategic communication efforts, advertising produces both intended and unintended effects. But there are systematically sought to synthesize the unintended effects of advertising. One or another of the advertising methods is chosen to achieve the advertising goals,

the following are some of the most popular advertising methods: printing, printed advertising media radio television, cinema mail showcases outdoor (external) on vehicles packaging photo internet, search engine optimization The choice of a particular method is determined by several factors – price, coverage, target audience, and advantages and disadvantages. In Lithuanian, there is a tendency for the millennium generation to spend more and more time online, and digital and online advertising has been developing rapidly in recent times. Internet advertising is the fastest growing branch of the advertising business, the following forms of online advertising can be distinguished: websites billboards search sites backlinks news or discussion groups email newsletters

### **Advertising statistical data analysis**

As mentioned Kantar (2021) the Lithuanian advertising market fell less than expected last year – 12.5 percent or 15 million and reached EUR 105 million eur. Per capita in the pandemic year of 2020, advertising costs averaged € 37.6 million. 2020 year, the advertising market is expected to stabilize and will show signs of recovery – likely 0.05 percent growth. Advertising spending declined across all media. The hardest hit movie commercial has lost over 80 percent revenue, domestic advertising declined 38.5 percent, outdoor advertising – almost 20 percent, radio – 10.6 percent. 2020 year was probably the hardest hit in the press: newspapers lost a quarter of their advertising market and magazines almost a third. These media have about 6 percent each advertising market. The overall advertising pie has shrunk by more than a tenth. Compared to 2019, the market for TV advertising traditionally accounted for the largest share, its market decreased by 6.3 percent and accounted for 46.7 percent. Similarly, both 6.5 percent the decrease in banner Internet advertising accounted for 20.5% advertising market. The Internet and TV are expected to grow the advertising market the most this year. These ad segments are projected to grow accordingly 8.3 and 3.5 percent. Indoor advertising will also grow by more than a tenth, albeit with a small market share of one percent. Newspapers, magazine and radio advertising will decline somewhat. No drastic changes are expected in advertising prices. On average, they are projected at 2 percent fall. Advertising in cinemas, Newspaper and domestic TV prices will fall the most, by 8.6% and 5% respectively.



Outdoor advertising, internet and TV advertising are forecast slightly more expensive, most TV – about 4.3 percent (Table 2.2).

Table 2.2

**Advertising market 2019-2020**

Media net mln. EUR	2019	2020	Change
TV	52.3	49	-6.3
Interney	23	21.5	-6.5
Outdoor advertising	13	11	-19.7
Radio	11.3	10.1	-10.6
Magazines	8.5	6.2	-27.1
Newspapers	8.1	6.1	-24.7
Cinema	1.8	0.3	-83.3
Indoor advertising	1.3	0.8	-38.5
Total	120	105	-12.5

Source: Kantar (2021)

**Advertising legal system in Lithuania**

Dissemination, supervision and control over advertising in Lithuania is ensured by the passed legislation harmonized with EU directives as well as by supervising institutions and courts. Article 2 of the Law on Advertising of the Republic of Lithuania states that advertising is the dissemination of information in any form and by any means related to a person’s commercial, economic, financial or professional activities promoting the acquisition of goods or services, including acquisition of real estate, transfer of property rights and obligations. The notion of advertising comprises not only advertising in mass media, but also advertising in leaflets, goods’ labels, etc. Therefore, in order to categorize a piece of information as advertising, the attribute of its remuneration is not necessary, as it was stated by The Constitutional Court of the Republic of Lithuania. This attribute can be relevant for the notion of advertising as much as it is related to advertising in mass media. Advertising law provides advertising, misleading advertising, comparative advertising, surreptitious advertising, promotional advertising business entities, users of advertising, producer of advertising, distributor of advertising and other advertising Article 1 of the Law on Advertising provides that other laws may to regulate additional and, in individual cases, other requirements for the use of advertising; and prohibitions.

Article 16 of the Law on Competition prohibits the use of advertising that is considered misleading under the laws of the Republic of Lithuania. This law also establishes the procedure for the investigation and examination of violations attributed to the Competition Council regarding violations of the Law on Advertising, and the enforcement and appeal of adopted resolutions. Other legislation currently in force regulates the use of advertising only in certain respects or regulates only the advertising of certain goods are the Law on Public Information, the Law on the Health System, the Law on Pharmacy, the Law on Seimas Elections and the Civil Code. There are two main aspects of European Union law governing advertising: the regulation of unfair competition and the protection of consumer rights. The legislation referred to is very clear about the model of fair presentation and transparency currently being formulated in the field of consumer protection in the European Union. When analysing European Union directives, it should be borne in mind that a directive is not generally an act of direct application and sets out more objectives than measures to achieve them. According to the Lithuanian Consumer Rights Protection Service (hereinafter – Service) (2021), advertising must be: decent and fair; clearly recognizable; presented in the correct Lithuanian language; without violating the moral principles of society; does not humiliate human honour and dignity; does not incite national, racial, religious, gender or social hatred or discrimination; non-defamatory or non-misleading; does not encourage coercion, aggression, panic or behavior that endangers health, safety and the environment; abusive of prejudice, people's trust, lack of experience or knowledge; without the consent of a natural person, it is prohibited to mention his / her name, surname, provide an opinion, information about his / her private or public life, property, use of the image of a natural person; The use of special subconscious means and technologies for the dissemination of advertising is prohibited; It is forbidden to use advertising material that has been prepared in violation of copyright in literary, artistic, scientific and / or related rights. It is forbidden to despise the religious symbols of religious communities registered in Lithuania. In order to recognize a piece of advertising as misleading it is sufficient to state that the piece of advertising being used is misleading in accordance with one of the criteria mentioned in art. 5



p. 2 of the Law on Advertising (fairness, incompleteness or presentation). In accordance with the subject of the Law on Advertising, the giver of the advertising is responsible for using the advertising not satisfying the requirements of the laws (art. 23 p. 1 of the Law on Advertising), who is understood as a body in whose interests and by whose initiative the advertising is used (ordered, produced, disseminated) (art. 2 p. 10 of the Law on Advertising). Basing on the provisions of art. 5 p. 2 and art. 23 p. 1 of the Law on Advertising, “Service is not obliged to prove the quilts of the suspected offenders since having proven that a piece of advertising is misleading or might mislead and that a subject of economy is the giver of the misleading advertising, the guilt of the giver of the advertising is presumed” (The verdict of Lithuanian Supreme Administrative Court dated 17 02 2020, in administrative case Nr. eA-140-822/2020, Trial process Nr. 3-61-3-04224-2017-5) (hereinafter – LSAC Verdict). “In the case when the damage is not clearly identified, one must assess if the information presented in the advertising is related to potentially big probability of damage to the consumers” (verdict dated the 17<sup>th</sup> of November 2005 in administrative case Nr. A1-931/2005; verdict dated the 23<sup>rd</sup> of September 2010 in administrative case Nr. A858-1184/2010; verdict dated the 27<sup>th</sup> of May 2010 in administrative case Nr. A858-806/2010). “The ascertainment of the influence on economical consumer’s behavior does not require to prove the fact that a consumer affected by advertising made a particular decision and purchased a good – it is sufficient to detect a probability of misleading and its influence on a consumer’s economic behavior” (Practice of Lithuanian Supreme Administrative Court, verdict dated the 11<sup>th</sup> of 2010 in administrative case Nr. A858-1235/2010). “When investigating misleading advertising, Competition Council constructs a consumer’s behavior basing on probable behavior of an average consumer bearing in mind the circumstances, detected in the process of investigation as well as social, cultural and oral factors.” (LSAC verdict).

### **Advertising advantages and disadvantages**

Advertising has become an inevitable tool for both innovative and outgoing companies. This is the single most powerful element of a combination of promotions that can account for a significant portion

of your advertising budget. It is clearly a powerful weapon that can protect and enhance the interests of the company. Veleva, S., S., Tsvetanova, A., I. (2020) mentioned that The main advantages and disadvantages of digital marketing and new ones are explained has been added. Veleva, S., S., Tsvetanova, A., I. (2020) stated that additional advantages: assumptions and favorable conditions are created successful development of virtual enterprises; increases the degree of control and correction processes for the development and implementation of various marketing activities; fit start-ups, small and medium-sized enterprises and create opportunities for new business models and strategies such as mass deployment, co-development, etc. according Veleva, S., S., Tsvetanova, A., I. (2020) additional disadvantages include: in digital marketing, you need to connect with a a user you don't see personally; digital marketing campaigns can perceive consumers as frivolous if they are not professionally designed and properly targeted; digital marketing is not suitable for all types of products, services and businesses; use of inappropriate digital media and programs; the lack of clear criteria for selecting digital tools in marketing campaigns; very much often digital marketing campaigns are created and run independently, without in line with the company's overall marketing strategy and is sometimes emphasized technical solutions at the expense of content. Advertising advantages and disadvantages is presented in Table 2.3.

*Table 2.3*

**Advertising advantages and disadvantages**

Advantages	Disadvantages
Sales Promotion	Increases the cost of production and product
Production Development	Leads to a price war
Increases Prestige	Misleading advertising
High Turnover and Huge Profits	Leads to unequal competition
Information on Different Choices and Comparative Prices	Creates a monopolistic market
Creates Jobs	Promotes unnecessary consumption
Higher Living Standards	Decreases moral value

*Source: Minakshi, B. (2022)*



## Conclusions

1. Advertising is a particular piece of information which is used in all areas of economic activities in order to encourage a consumer or help him or her to purchase goods or services. Advertising is related to financial benefits: it is used to directly increase profit in the current time by expanding consumption or ensure the latter in the future.

2. Shifts in advertising sales depends on economic, technologic and socio-cultural changes and is determined by consumers' habits and possibilities of the customer of advertising to reach a final consumer of goods or services.

3. The legality of advertising content, its transfer and supervision, control over compliance with the legislation in Lithuania is ensured by the passed harmonized with EU directives as well as by supervising institutions and courts of various levels deciding both clarification and definition of notions and the content of advertising being used and argued.

4. By its purpose, advertising should be directed towards a target consumer of goods or services and increase a company's profit. However, advertising is not a tool allowing to identify a target consumer. And without application of innovative technological approaches and without careful assessment of restrictions – both already set and possible ones, advertising may pose hazard to implementation of the strategy of an organization and probable effect of advertising on excessive usage of resources.

## References:

1. Eram, M. (2020). *Importance and Efficacious of Advertisement*. JETIR, Volume 7, Issue 2, p.p.285-291.
2. Kantar (2021). *Metinė medijų tyrimų apžvalga 2020*. [http://www.kantar.lt/data/files/Metines\\_apzvalgos/Metine\\_media\\_tyrimu\\_apzvalga\\_2020.pdf](http://www.kantar.lt/data/files/Metines_apzvalgos/Metine_media_tyrimu_apzvalga_2020.pdf)
3. Korenkova, M., Maros, M., Levicky, M., Fila, M. (2020). *Consumer Perception of Modern and Traditional Forms of Advertising*. *Sustainability* 2020, 12, p.p.1-25, doi:10.3390/su12239996
4. *Law on Advertising of the Republic of Lithuania*. Valstybės žinios, 2000-07-31, Nr. 64-1937.
5. *Law on Competition of the Republic of Lithuania*. Valstybės žinios, 1999-04-02, Nr. 30-856.
6. *Lithuanian Consumer Rights Protection Service (2021). Prohibitions*

- and requirements for advertising. <https://www.vvtat.lt/veiklos-sritys/reklama-ir-nesazininga-komercine-veikla/reklamos-draudimai-ir-reikalavimai-jai/188>
7. Minakshi, B. (2022). *Advantages and Disadvantages of Advertising*. <https://www.economicdiscussion.net/advertising/advantages-and-disadvantages-of-advertising/31464/>
  8. Onișor, L., F., Ioniță, D. (2021). *How advertising avoidance affects visual attention and memory of advertisements*. *Journal of Business Economics and Management*. 2021 Volume 22 Issue 3: p.p.. 656–674 <https://doi.org/10.3846/jbem.2021.14546>.
  9. *Practice of Lithuanian Supreme Administrative Court, verdict dated the 11th of 2010 in administrative case Nr. A858-1235/2010*
  10. Sinclair, J. (2015). *Advertising, the Media, and Globalization*. *Media Industries Journal*, p.p.42-47.
  11. Terkan, R. (2014). *Importance of Creative Advertising and Marketing According to University Students' Perspective*. *International Review of Management and Marketing Vol. 4, No. 3, 2014*, pp.239-246.
  12. Xu, J. (2020). *Unintended Effects of Advertising: An Updated Qualitative Review*. *Review of Communication Research*, 8, p.p. 1-16. <https://doi.org/10.12840/ISSN.2255-4165.021>.
  13. Vaišvilienė, A. (2008). *Reklamos reikšmė rinkos informavimo sistemoje*. *Knygotyra*. P.p.176-191.
  14. Veleva, S., S., Tsvetanova, A., I. (2020). *Characteristics of the digital marketing advantages and disadvantages*. *IOP Conf. Series: Materials Science and Engineering*, p.p.1-9, doi:10.1088/1757-899X/940/1/012065.
  15. *The verdict of Lithuanian Supreme Administrative Court dated 17 02 2020, in administrative case Nr. eA-140-822/2020, Trial process Nr. 3-61-3-04224-2017-5*
  16. *Verdict dated the 17th of November 2005 in administrative case Nr. A1-931/2005; verdict dated the 23rd of September 2010 in administrative case Nr. A858-1184/2010*
  17. *Verdict dated the 27th of May 2010 in administrative case Nr. A858-806/2010*
  18. *Visa Lietuva (2015). Efektyvi reklama: nauda ir verslininkams, ir vartotojams*. <https://www.visalietuva.lt/straipsniai/efektyvi-reklama-nauda-ir-verslininkams-ir-vartotojams#>.
  19. Weber, P. & Schweiger, W. (2017). *Content Effects: Advertising and Marketing*. In P. Roessler (Hg.), *International Encyclopedia of Media Effects*. Hoboken, NJ: Wiley-Blackwell. doi: 10.1002/97811