

INNOVATION IN THE SLOVAK ADVERTISING ENVIRONMENT

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ABSTRACT:

The research study focuses on innovation in the Slovak advertising environment, whereby our primary objective is to present a portion of the results from the completed research and introduce proposed criteria for evaluating innovation in marketing communication and advertising. The first part of the text deals with formulating the problem while the second describes the applied research methodology. In the third chapter, the study presents partial results from the research, with special emphasis on four important elements: the manner in which innovation in marketing communication and advertising is defined, the perspective of the largest Slovak advertising clients with respect to the importance of innovation, the relationship between innovation and effectiveness and determining parameters for evaluating advertising campaigns, from the perspective of advertising agencies and advertising clients. The fourth chapter provides proposals for implementing this knowledge. The recommendations are formulated in accordance with criteria that may be used to evaluate innovation in the advertising business. The study also provides new knowledge related to connecting innovation to marketing communication. As indicated in the first part of the study, this topic has not yet been scientifically examined in the Slovak Republic and as such, the text contributes to expansion of existing theoretical and practical knowledge on the given issues.

KEY WORDS:

innovation, evaluating innovation, Slovak advertising environment, advertising agency, advertising campaign, advertising clients

1 Formulation of the Problem

The term innovation has its roots in the Latin word *innovō-āre*, which means to renew or change, or in *novō-āre*, which means to alter, change or introduce novelties.¹ A simple and clear explanation is often provided in specialised materials: where innovation is from the Latin word *innovare* – to renew.

¹ POTANČOK, M.: *Spoločenský zmysel inovácií. Filozofické zamyslenie*. In *Forum Statisticum Slovaca*, 2010, Vol. 6, No. 3, p. 19.

The first to come up with the theory of innovation (and known as the “father” of innovation theory) is Joseph Alois Schumpeter, an Austrian economist. Schumpeter considered innovation to be the essence of economic development in market economies at the beginning of the 20th century. The author completed a theory on the system of innovation and characterised innovation primarily as:

- Introduction of a new, unknown product or a qualitative change in an existing product,
- New technologies or process innovations in a specific sector,
- Establishment of a new market,
- Development of new sources of raw materials, intermediate products or other inputs,
- Changes in the management and organisation of production.²

It is important to note that Schumpeter considered innovation to exclusively mean something that was absolutely new, i.e. the introduction of a new product, raw material, process, etc.; in other words, the first materialisation of an idea on the market. He considered anything else to be simple imitation. Schumpeter also talks about the process of “creative destruction” where a continuous effort is made to create something new, which interferes with old rules and introduces new rules.

Peter Drucker says: “Innovation is the specific instrument of entrepreneurship, the means by which change is exploited as an opportunity to differentiate the business or services; innovation can be considered a scientific discipline that can be studied and exercised.”³

Innovation therefore represents an intentional, new and beneficial change. In addition to products and services provided and offered by organisations, innovation has recently come to be associated with organisational changes needed to ensure flexibility, adaptability and the capability to:

- Develop new products and services,
- Deploy and use new technologies,
- Produce in a highly efficient manner,
- Satisfy the needs of customers thanks to innovation and a continuous increase in comprehensive quality of offered products and provided services,
- Deliver products and services that succeed on the market in a rapid and flexible manner.⁴

In any case, the term innovation can be understood as an activity of a creative nature;⁵ in enterprise, it is understood as a style of behaviour inside the company (associated with the continuous application of new ideas and corresponding changes), which is very closely connected with the application of new ideas. Svatošová, explaining the term innovation, adds that it is more than clear that the companies, which are able to apply such knowledge in the best possible manner and thus are more efficient in their activities, will be successful at the current level of development in science and technology.⁶

In research on innovation in Slovakia, authors generally focus on innovation, i.e. research, introduction and evaluation of innovation (as well as on related terms including innovativeness, innovative potential, innovation and absorption capacity) in the business environment. The creation of innovation, research and development in enterprises and related issues are also discussed in the academic environment in Slovakia; for instance, in the works by Zaušková⁷, Domová, and Horňáková. Moreover, an academic course of study named Technology, Management and Innovation of Mechanical Engineering has been developed at the Faculty of Mechanical Engineering at Technical University in Košice. Professional aspects of the issue of innova-

tion are addressed by IPA Slovakia that is active in the areas of consultancy, education, design and research for industry; the company’s main fields of interest include industrial engineering, strategic innovations, restructuring, increasing performance and the development of corporate culture.

Based on available information, we can say that innovation in the advertising (and media) environment has not been subjected to a great deal of attention at a scientific level. For this reason, we decided to analyse and clarify innovation in the advertising environment and to determine how innovation is currently impacting and transforming the entire Slovak advertising market.

The primary objective of the study is to present the partial results of the completed research and to introduce proposed criteria for evaluating innovation in marketing communication and advertising environment, in particular, in the context of creation of advertising campaigns. The advertising industry already has a number of competitions and prestigious awards that evaluate, assess and reward creative and “innovative” marketing communication projects. The problem, as we point out, is that there are no objective rules or criteria that would define how innovation in advertising and marketing communication as such could be defined, in which ways it is perceived by advertising agencies and advertising clients and what exactly they themselves consider to be “innovative”.

2 Research Methodology

2.1 Object of investigation

The conducted research focuses on Slovak advertising agencies and advertising clients in Slovakia. These two groups were identified as the most appropriate for a number of reasons, the most important of which is the fact that the creation of an advertising campaign is always based on cooperation between an advertising agency (proposes, creates and even implements advertising campaigns) and the client of the campaign (most of them are business entities or other organisations that use advertising within their communication mix). Given the objective of the study – to create objective evaluation criteria and to ensure their actual utility for both groups – the research had to be focused on both advertising agencies and advertising clients to ensure the comprehensiveness and universal applicability of the proposed criteria.

2.2 Selection of respondents – advertising agencies

We contacted major (given their role in employing new trends, the nature of their clientele, accomplishments, economic results, etc.) Slovak advertising agencies to participate in the research; the specific agencies were thus selected deliberately. We were provided with a database of the most successful Slovak advertising agencies through cooperation with the editorial staff of the professional monthly periodical *Stratégia*. We also compared the database with TAAS rankings, which are a periodic indicator of the economic performance of the involved agencies, all of which are active exclusively in advertising and marketing communication in Slovakia.⁸ The goal was to contact advertising agencies with the greatest impact on (or significance in) the Slovak advertising environment. The following table contains a list of advertising agencies we contacted while those in bold are the agencies willing to participate in the research and that provided information needed to successful completion of the research.

2 Compare to: TOMEK, G., VÁVROVÁ, V.: *Jak zvýšit konkureční schopnost firmy*. Praha : C. H. Beck, 2009, p. 64.

3 Compare to: MIČIETA, B., TUREKOVÁ, H.: *Inovačný manažment*. Žilina : GEORGRAFIA, 2010, p. 160.

4 LUKÁŠOVÁ, R., NOVÝ, I. et al.: *Organizační kultura. Od sdílených hodnot a cílů k vyšší výkonnosti podniku*. Praha : Grada Publishing, 2004, p. 141. Compare to: FRANKOVÁ, E.: *Kreativita a inovace v organizaci*. Praha : Grada Publishing, 2011, p. 172.

5 Compare to: MIKLENCÍČOVÁ, R.: Kreativita a inovace v podnikatelských subjektech. In *Globalizácia a jej sociálno-ekonomické dôsledky '14*. Žilina : University of Žilina, 2014, p. 380.

6 SVATOŠOVÁ, V.: *Tvořivé myšlení a inovace*. Praha : UJAK, 2010, p. 72.

7 See also: ZAUŠKOVÁ, A., MADLEŇÁK, A.: *Communication for Open Innovation: Towards Technology Transfer and Knowledge Diffusion*. Łódź : Księży Młyn Dom Wydawniczy Michał Koliński, 2014; ZAUŠKOVÁ, A., DOMOVÁ, J.: *Inovačná schopnosť a inovačná výkonnosť podnikateľských subjektov*. Trnava : FMK UCM, 2012.

8 The TAAS rankings are available at the KRAS website at: <http://www.kras.sk/taas/>. The Club of Slovak Advertising Agencies (KRAS) is a select organisation with members that are the most successful and most productive advertising agencies on the Slovak market. The Club’s primary mission is to increase the level of Slovak advertising and marketing communication to ensure it becomes an integral component and consistent benefit for the market economy.

Table 1: List of contacted Slovak advertising agencies

1.	2create	13.	Made by Vaculik
2.	Apple Pic Advertising	14.	MARK BBDO
3.	Citadela	15.	Mayer/McCann Erickson
4.	Comunity	16.	MUW Saatchi & Saatchi + MUW Digital
5.	Core4	17.	Respect APP
6.	Creative Department	18.	SCR interactive
7.	Creo/Young & Rubicam	19.	This is locco
8.	dotcom	20.	TRIAD Advertising
9.	Igor Brosmann	21.	VCCP Bratislava
10.	Istropolitana Ogilvy	22.	Visibility
11.	Jandl marketing a reklama	23.	Wiktor Leo Burnett
12.	Lowe GKK	24.	Zaraguz Digital

Source: own processing, 2014

Twenty advertising agencies out of twenty-four contacted Slovak agencies chose to participate in the research. The other four contacted agencies chose not to participate in the research without providing any clear reason. We recorded an 83.3 % success rate in receiving completed questionnaires, which, given the size of the Slovak advertising market, can be considered sufficient and relevant.

2.3 Selection of respondents – advertising clients

The second group of respondents – advertising clients – was also selected deliberately. We attempted to contact companies among the largest advertising clients in the Slovak advertising environment in terms of total expenditure on advertising and campaign size and diversity. The intention to contact these advertising clients was given by our need to select the companies with separate marketing departments (or marketing communication and brand departments) that employ specialists in this specific field with sufficient and real experience who are able to clearly evaluate the situation on the advertising market and who would be also willing to provide us with information within the surveying process at a sufficiently professional, relevant level suitable for our research.

The methodology for selecting specific companies was based on the Top 10 rankings for segments in terms of advertising expenditure and the Top 50 rankings of clients and brands compiled on an annual basis by the research agency TNS Slovakia. We used data from 2013 in the research as new data for 2014 will only become available in the second quarter of 2015. Our intention was to contact companies from every segment in order to ensure diversity of responses given the differences between the individual sectors.

Primarily we contacted companies that have long figured in the Top 50 largest clients in Slovakia (Slovak Telekom, Orange Slovensko, Telefónica Slovakia, Tatra banka, Billa, VÚB, Peugeot Slovakia, Porsche Slovakia, J&T and others). Just as we expected, the process of surveying the respondents proved to be difficult and many key companies in specific segments (e.g. Unilever, Henkel, Mondelez, Walmark, Berlin Chemie, Proctor & Gamble, etc.) refused to participate in the research; one of the primary reasons for such decisions was the fact that their marketing headquarters were located abroad, and, given the questions included in the questionnaires which focused on the Slovak advertising environment, it was unrealistic to expect these companies to complete the questionnaire in any relevant manner. This was also the reason why we contacted companies that were not the largest advertising clients, but which do use marketing communication to a large extent. We therefore primarily focused on Slovak companies that know the Slovak market environment well and also cooperate with Slovak advertising agencies, some of which are currently known for interesting marketing campaigns (for instance, Milsy, RYBA Košice, Martinus, ESET and others). Overall, we received information from 25 companies divided into 9 different segments. The one segment in which we were unable to contact even one company, despite all our efforts, was the pharmaceutical industry.

Table 2: List of respondents (advertising clients)

Segment	Company
Financial services	CSOB, Sberbank, Tatra banka, ZUNO, VÚB, J&T, Unicredit Bank
Telecommunications	Slovak Telecom, Orange Slovensko, Telefónica Slovakia
Motoring, cars	Peugeot Slovakia, BMW Group Slovakia, Porsche Slovakia
Electronics, computers, IT	ESET, Microsoft Slovakia
Pharmaceuticals	—
Food industry	Koft, RYBA Košice, Elesko wine park, Milsy
Hygiene, beauty products	AVON Cosmetics
Mass media and publishing	Ecopress
Retail, retail chains and networks	Billa, Eurovea
Toys, sporting goods and free time activities	Martinus, EXIsport

Source: own processing, 2014

2.4 Obtaining the research data

As noted, we used in-person and electronic surveying to obtain the data (a questionnaire). Given that two groups of respondents were involved (advertising agencies and advertising clients), we created two different questionnaires which included questions adapted to the target groups. Both open and closed questions were used, while the closed questions provided respondents with a selection of choices; scaling was also used in these questions. Some questions were identical in both questionnaires; similar questions were posed oppositely and there were also separate questions relevant to either advertising companies or to advertising clients.

3 Results of the Research

The results of the completed qualitative and quantitative research can be divided into a number of areas of interest based on the given areas and issues addressed by the research. Given the large scope of the research, we present only four of these fields of interest as we consider them to be the primary and most important results of the research. The primary aim is to provide an overview of the current perception, use and adoption of innovation in marketing communication; more specifically, in the Slovak advertising environment.

3.1 Defining innovation in marketing communication and advertising

Questions posed to both groups of respondents:

- What in general do you consider to be innovation in marketing communication?
- What is your perception of innovation in advertising and in the creation of advertising campaigns?

Aim of the questions: define innovation in marketing communication and then in the specific area of advertising.

Finding a single, unified and correct definition in such a diverse, developed and quickly changing field as marketing communication is nearly impossible at the present time. However, general characteristics that more clearly define innovation in marketing communication can be determined.

Innovation in marketing communication can be defined using the following characteristics:

- *Breaking standards and stereotypes*
Innovation is anything that breaks standards and stereotypes used in marketing communication (strategic steps, communication form, resources, timing, etc.) in the given product category.

- *New, unconventional approach or attitude*

For instance, a new, unusual and untested method or instrument is used to deliver a specific message to a precisely defined target group; this always involves a new and interesting idea, but its format, insight, media strategy, application, etc. changes. A combination of a new marketing or communication idea and an unconventional way of delivery to the consumer may also be at play.

- *The conditionality of effectiveness*

In connection with the facts stated above, it is clear that the bond between innovativeness, efficiency and the fulfilment of marketing objectives is one of the fundamental conditions of the modern innovation theory. Purposeless marketing communication may be interesting and even highly esteemed but in case it is ineffective, in particular for the client who actually invests in such marketing communication, it also becomes irrelevant. The so called “wow” effect is simply no longer enough and it can often only be afforded by the largest brands. Modern marketing communication must be a synergy of creativity, innovation and efficiency. This means that innovation may be defined as an integral component of a successful campaign.

- *Assistance and support for a brand or product*

Given the kind of unbreakable bond between innovation and effectiveness, innovation should also have the potential to help a brand or product. Help or assistance is, in this case, understood as fulfilling client-defined objectives, for instance, increasing sales, building awareness, addressing a new target group, etc.

A new way of employing classic marketing communication tools

A principle that uses tried and tested elements, technology, channels and other traditional marketing communication tools is also valuable and innovative when combined or exploited in a new way. This is the “creative rediscovery of classic communication or advertising”.

- *A part of the marketing process*

Innovation within marketing communication should begin during the creation of a product and its benefit – on the side of the client, i.e. the business entity. It is crucial to be creative and innovative during the actual creation of the product, not simply waiting to focus on the upcoming communication/advertising campaign. Innovation is therefore an integral component of the entire marketing process. Companies and their products must constantly respond to changes on the market and innovate, as doing otherwise can lead to stagnation and even bankruptcy. Darwin’s Theory applies here as well, as only those who are best able to adapt to external conditions will survive.

- *The ability to excel*

The modern age is characteristic for its overwhelming crush of references and suggestions that the public is subjected to on a daily basis. Innovation within marketing communication can also be understood as the ability to “pack” these references and suggestions so that they stand out and intrigue in the face of the information chaos typical of the modern day.

- *Philosophy*

Innovative thinking may also be a fundamental approach to a project. A marketing campaign is about evolution; it is no longer an old approach and standard thinking along the lines of: “start and wait for results”. Campaigns are optimised and improved once the project is initiated and there is no reason to wait for a “final evaluation”.

Generally speaking, innovation provides a new perspective on the very creation of an advertising campaign. This is a different approach to thinking about how messages are received; it may include creation of new media or various ways of developing new creative ideas. At present, this primarily involves the completely new technologies (Apple Watch, Touch ID, NFC, Google Glass, and others) that offer an unconventional combination of technologies and media, i.e. the use of traditional media in a new way; innovation may also be based on a different way of discovering new insights, connecting the online and offline environments, which is currently a huge trend, and may involve

the creation of new needs or a creative take on a given theme that differs from conventions. An innovative advertising campaign should be able to ease and speed up the process by which people know what they want, see and get.

As noted, the significant recent changes are the result of the rise and development of new technologies – the expansion of broadband internet and mobile technologies as well as the development of social media have resulted in the end of the mass culture and turn our attention to the radical transparency of companies and brands. A “connected” consumer gets information, shares content and discovers new ideas in ways that are completely different from traditional consumers. Companies entering the market must be able to adapt as their creative outputs or products must connect people and trigger a social effect. In brief, it is necessary to create something so unconventional that people want to talk about it themselves (virality, spontaneous publicity and word of mouth).

Pavel Minár, Lead Strategist for the Istropolitana Ogilvy advertising agency, offered an interesting take on this subject. He sees the key essence here in combining and overlapping the objectives, resources, funds and results of a campaign; new technologies and media channels are only considered a part of the overall process of creating a campaign. As he notes: “an innovative campaign is able to identify and then practically exploit suitable means, methods and opportunities to achieve the given objectives and deliver the best possible results depending on these objectives and resources. Any technology, just like any other media channel, is, in this case, essentially something like the post office, just a delivery system, and thus is only a component of the complex and constant process of contemplating the objectives, resources, funds and the results of the campaign. The actual medium, meaning the delivery system itself, cannot be innovation by definition, and the same can be said for the latest modern technologies.”⁹

3.2 *Importance of innovation in marketing communication for advertising clients in Slovakia*

Questions for advertising clients:

- What is the importance of innovation in marketing communication in your company? Please mark your answer using the following scale:

Innovations in marketing communication for our company are:

- extremely important, strategic
- very important
- moderately important
- slightly important
- irrelevant

Objective of the question: define and assess the role and importance of innovations in the area of marketing communication for advertising customers in the Slovak advertising environment.

Given the results depicted in Chart 1, innovations within marketing communication play a very important role for advertising customers as more than 40 % of the respondents indicated that they are a strategic tool within the company’s communication. In this case, innovation is considered to be an important brand image attribute, which is monitored and analysed within branding and these results are taken into account when defining sales and communication strategies.

On the other hand, there are companies in which innovations play a very important role; such innovations are primarily utilised when communicating multiple products through new media or technologies, etc. but are not yet advanced to such an extent that the innovative approach would take the form of content marketing included in the overall marketing strategy (the reason is not simply budget-related; most often sales departments remain convinced of another, more adequate approach, or believe that advertising and other media agencies often have only limited experience with innovative forms of communication).

9 MINÁR, P. <minar@istropolitana.sk> Dotazník – inovácie v reklame (Questionnaire - Innovation in Advertising). 4.3.2014. (Email sent to Dáša Mendelová <dasa.mendelova@gmail.com>).

Once again, the answers of the Clients indicated that the use of innovation in communication is primarily conditioned by the sales targets of the campaign. An innovative format must – first and foremost – support sales or the successful transmission and acceptance of a message and must not complicate these processes or shift attention away from the actual product.



Chart 1: Importance of innovations in marketing communication for advertising clients in Slovakia

Source: own processing, 2014

Innovations in marketing communication are primarily important to advertising clients for the following reasons:

- The added value provided by the given innovation allows the company to take a qualitative step forward,
- They help deliver a message to customers and fans more quickly,
- They increase the image and premium perception of brands,
- They involve unconventional solutions that arouse the interest of the public, provide them with an experience with a product and encourage them to try a product,
- Innovations provide a means of reacting to a rapidly changing environment – these changes include an increase in competition, technological development and, last but not least, the rising demands of customers,
- Innovation is a differentiator, an element to differentiate a brand and improve its comprehensibility for the customer,
- Other important aspects attributed to innovations are based on all the new features and benefits they create and build for the younger generation of consumers. These innovations include, for instance, applications and mobile trends, but, in reality, these are rather new product lines and new forms of services. In other words, many innovative products and services are not just different ways of buying, obtaining and using a product – these are rather separate lines of sales, such as online sales or application support and service comfort,
- Innovations that directly link communication with sales are very important. This approach is considered key in some Slovak companies.

Different approaches towards innovation in marketing communication applied within various segments seem to be interesting as well. Innovations are primarily important in the “retail” sector (shopping centres, chain stores and “hobby” chains) in terms of the approach to the customer (e.g. a reward for waiting for a long time, lighting and configuration of stores, etc.). Social networks, mobile applications, games, etc. play an important role in contacting the customers. In this segment, innovation is important especially in the context of delivering new experiences (event marketing).

A good example from the banking segment is ZUNO bank, for which innovations in marketing and communication play an important role. This is primarily based on the actual business model employed by the bank. Given that it remains the only bank in Slovakia and the Czech Republic that operates without any physical branches, it has to find new ways and channels to contact potential clients (e.g. discount portals) or other ways by which the bank communicates on social networks. CRM is among its top priorities; as one of the few banks it has a contact centre available 24/7; customers communicate with real people and are not served by automated call systems.

3.3 Relationship between innovation and advertising campaign effectiveness

Questions posed to both groups of respondents:

- How would you define the relationship between innovation and the effectiveness of an advertising campaign?

Objective of the question: determine how advertising agencies and advertising clients perceive and reflect on the relationship between innovation and effectiveness.

After evaluating the individual answers, we can say that the relationship between innovation and effectiveness can be understood at three levels as described below:

- *Innovation as a prerequisite for effectiveness*

The relationship between innovation and effectiveness should inherently be a basic principle of communication. New experiences and sensations are decisive in determining the ability to attract the attention and not to overlook advertisements. In principle, advertising has the greatest ability to become effective when the recipient notices the advertising. Innovation is therefore a major prerequisite related to ensuring that advertising campaigns are effective. Such innovation must be thoroughly connected to the other elements of the campaign, including sales and the product itself. In some cases, the sales targets are clearly quantified and the potential impact of using an innovative solution can be evaluated through comparison with previous communication. On the other hand, many innovative campaigns employ untested elements, meaning it is impossible to ensure their effectiveness in terms of the defined target.

Innovations can help achieve efficiency, but the simple fact that a campaign employs innovative elements is not the decisive condition for ensuring the campaign will be effective; on the other hand, the use of an innovative element may be the foundation for a campaign’s effectiveness, in particular if it reached people in places and ways that a classic campaign simply would be unable to reach.

Innovation is always a risk and a reflection of the boldness of both the agency and the client. Many other expected and unexpected factors play a role in determining its effectiveness; the nature of the market is the reason why the clients have such great difficulty in deciding on which innovative solutions to employ.

- *Innovation as a means to achieve effectiveness*

Qualitative analysis shows that advertising clients primarily need their communication to reach or exceed the defined targets (associated with sales or communication) and achieve a level of effectiveness equal to or greater than the communication of their competitors. Innovation can lead to the achievement of this objective. However, innovation is useless if the campaign is innovative but cannot fulfil the goals or targets set in advance.

Innovation is not a universal solution meant to ensure effectiveness. On the other hand, it may be a means by which effectiveness can be increased, but it is important to note that innovations themselves are no guarantee of effectiveness. Risk inherent in innovations is related to unknown environment and potential losses at the expense of attractiveness.

- *Effectiveness as the purpose of innovation*

An ineffective but innovative campaign makes no sense to the customer and therefore effectiveness can be considered one of the key traits of innovation. This statement was confirmed by the opinions shared by the representatives of Slovak advertising agencies and advertising clients: “Innovation is useless if it does not fulfil the goals of the campaign”, “If innovation doesn’t work, it is not innovation at all”, and “All advertising, including innovative advertising, must be effective, otherwise it is not advertising.” Marek Mikla, the former director of the Corporate and Marketing Communication Department at VÚB bank (he currently works as the director of the Communication Department at Poštová banka) provides a very concise argument: “If innovation is not effective (in terms of the costs for development, roll out, communication and sales) it is not innovative; rather it is a luxury. I see the essence of innovation in the perception of something that is here to efficiently save my time, my money and my energy.”

Given this, we can conclude that the relationship (link) between effectiveness and innovation is seen as fundamental and indivisible; effectiveness is the essence and purpose of innovation.

The primary reasons for deploying innovation in marketing communication can be formulated as follows:

- In terms of the company, it is the actual effectiveness of the advertising campaign and therefore the fulfilment of the company's sales targets,
- In terms of the customers, it is delivering effective solutions to their problems, making life simpler and easier, in any form or fashion.

As noted, some innovative elements used in advertising campaigns are untested and therefore we cannot estimate their success, functionality, appropriateness or effectiveness. An unsuccessful innovation may be a valuable lesson for the future.

After evaluating these questions, we may say that the direct correlation between innovation and advertising campaign effectiveness cannot be precisely defined as their mutual relationship is very difficult to measure in any exact manner. Some innovations increase effectiveness, while others have no relationship to effectiveness and may even decrease effectiveness due to high costs associated with producing such a campaign. We can clearly say that effectiveness is important for innovation while the opposite does not hold true.

3.4 Parameters of innovation in advertising

Questions posed to both groups of respondents:

- What, in your opinion, could be defined as the parameters of innovation, what attributes define innovation in advertising to you? Please characterise each criterion in detail. (What makes such a campaign truly innovative? What are the relevant parameters for you and why?)

Objective of the question: define the parameters advertising agencies and advertising clients consider relevant, i.e. the parameters they consider definitive for innovation in advertising communication.

This question was given to both groups, advertising agencies and advertising clients. The respondents could provide any number of attributes that they considered decisive for innovation. The respondents assigned a point value to every attribute to express its importance. Point values ranged from 1 to 5, where 1 expressed a minimum level of importance and 5 expressed a maximum level of importance of the given attribute. Identical parameters were combined and the points were calculated in order to define a ranking of those parameters provided most often by the respondents. We evaluated the parameters defined by the representatives of advertising agencies separately from those defined by advertising clients. The evaluation and ranking of the individual parameters can be seen in the following Tables 3 and 4.

Tables 3 and 4: Parameters expressing innovation in both groups of respondents

	ADVERTISING AGENCIES		ADVERTISING CLIENTS
1.	originality	1.	effectiveness
2.	effectiveness	2.	originality
3.	novelty	3.	dissemination
4.	technology	4.	novelty
5.	customer focus	5.	customer focus
6.	use of media and tools	6.	target group
7.	creativity	7.	idea, concept
8.	dissemination	8.	execution
9.	wow factor	9.	use of media and tools
10.	relevant content	10.	technology

11.	brand	11.	product
12.	competition	12.	content
13.	process management and approach (Agency Mind/Skill Set)	13.	brand
14.	product	14.	process management and approach (Company Mind/Skill Set)
15.	functionality	15.	universality
16.	timeliness	16.	joy
17.	measurability	17.	timeliness
18.	target group	18.	emotiveness

Source: own processing 2014

The tables above show the criteria common to both groups of respondents. As is clear from the tables, both groups considered originality, novelty and effectiveness to be the most important criteria. Creativity was often encountered in the case of advertising agencies, but this term did not even appear in the case of advertising clients; clients used the term idea, concept, which was again not mentioned by advertising agencies. This is primarily based on the fact that advertising agencies fundamentally follow creative trends, meaning that creativity or uniqueness is one of the most important and serious parameters that is considered at advertising festivals and marketing communication competitions.

It is also worth noting that advertising agencies place greater emphasis on the use of media and technology in advertising campaigns. Advertising clients do consider the originality of an idea to be important but evidently they are more concerned with results, the sales of products/services, which are all aspects associated with effectiveness. In addition to the customer focus parameter, which was emphasised by both groups of respondents, they also noted the ability of a campaign to win over and attract new target groups and thereby to achieve the defined objectives as important.

4 Proposal of Criteria for Evaluating Innovations in the Advertising Environment

The final section of the research study identifies the most important criteria related to innovativeness appropriate for evaluating advertising and advertising campaigns. The criteria have been developed with consideration given to:

- The specific standing of advertising agencies on the Slovak advertising market,
- The needs and goals of business entities as advertising clients,
- The evaluation criteria used to assess and value projects (mostly campaigns) in international and local advertising competitions and festivals.

The proposed criteria are primarily defined to evaluate innovations in the creation of advertising campaigns but we are mindful of the fact that they can be applied in a number of different areas of marketing communication. They are primarily intended for advertising agencies and companies that intensively use marketing communication and invest a specific portion of their funds in such communication. Of course, the criteria are defined for all companies, agencies, business entities and organisations that want to communicate innovatively, which primarily means in an effective and creative manner with considerations given to the defined targets and achieved results.

It is important to note that the following criteria cannot be applied universally, i.e. to every advertising campaign or other form of communication. Every advertising campaign or other type of marketing communication follows different and specific goals, and, in particular, there is a high level of dependency between the target audience and its ability to consume the communicated information and decipher this information to the required extent and depth. Another important factor is the type of advertising media that is employed. Some criteria are

more oriented towards online communication while others are concerned with behaviour and the impact of such communication on the customer. For this reason, it will remain critical to consider the nature, scope and goals of the communication, as well as any other decisive factors associated with applying these evaluation criteria.

The following section covers the individual criteria in more detail. The primary criteria typically include a number of partial criteria and complementary, clarifying questions to be answered in the evaluation process. Some criteria can be applied during the creation and preparation of the campaign itself, as inspiration and incentives driving an overall improvement in the prepared campaign; other criteria are best applied once the campaign has been completed.

This fact indicates that the criteria we have proposed can fulfil two basic functions:

- *A posteriori tests* – evaluation of completed campaigns and their results in terms of innovativeness,
- *A priori tests* – testing of prepared campaigns when the evaluation criteria can lead to a different, so far unknown perspective of the campaign, or various components thereof, which impacts subsequent actions, encourages change, etc.

Description and elaboration of the individual proposed criteria

• Creativity

A creative perspective on the presentation of a product to a consumer may result in high affinity and trigger the desired purchasing behaviour. Creativity is one of the fundamental parameters of innovation that simply expresses if we have already seen the given solution and it is considered to be standard, or, vice versa, surprising. It encompasses the originality of a concept, the uniqueness of an idea or the creative aspects of the entire campaign. The aspects of originality, uniqueness and novelty are all included in the criteria of creativity. Novelty is a fundamental aspect of innovation, given its uniqueness. The objective of this criterion and its partial criteria is to determine just how new an idea really is, how creative and unique the solution is in terms of use within the given segment or within communication as such and if the idea or concept contains such elements or is formulated in such a way that has not yet been used at all or has not been used in the given field so far.

Table 5: Criterion: Creativity

	CREATIVITY
Originality	<ul style="list-style-type: none"> • Is the perspective that is taken or its implementation completely new? If the idea/mechanism is original, has it been used before? (in Slovakia, on the given market, in the given segment, around the world) • Does the solution provide a new combination of elements that already exist? Does the mechanism exist elsewhere and has it been simply transposed somewhere else? • In what way, specifically, is the idea original? • Were you the first to come up with the idea? Were you the first to come up with a new and surprising approach and perspective?
Singularity/Uniqueness	<ul style="list-style-type: none"> • Is the solution unique? To what extent, (if at all) can it be mimicked by the organisation's existing competitors? • Is the given concept or idea unique in terms of use in Slovakia or the given business sector?
Distinctness	<ul style="list-style-type: none"> • How strong is the ability to differentiate the given message from the competition and different players on the market? • To what extent is the innovation different from typical forms of communication in the given segment? (distance from market average)
Unconventionality	<ul style="list-style-type: none"> • Did the solution have an unconventional and creative form? • How is the communication resized in its creative form? Is the solution exceptional and attractive in a visual or auditory manner?
Novelty	<ul style="list-style-type: none"> • Is the communication idea new and unique with the potential to attract and interest? Does it try to avoid forms used previously? • Does the innovation use unconventional forms, tools and techniques of communication? • Is innovation a property of a new and attractive proposition? Does it have to ability to deliver a new perspective on a long since introduced product? • Does the innovation have a concept, element or form that has never been used before or for the same process?
Pioneering	<ul style="list-style-type: none"> • Is the innovation a pioneering solution? Is the solution only a one-time solution or does the innovation forever change the way we look at something?

Source: Own processing, 2014

• Effectiveness and measurability

This is the fundamental, if not the most important parameter of innovativeness. There is no innovation if the innovation is not effective. This criterion determines the effectiveness that the innovative communication has and whether it delivers tangible results by increasing sales of a given product or service or not. The partial criteria monitor the measurability and clarity of communication and also their relationship with other elements of communication or business results. As mentioned above, the effectiveness of innovations is one of the basic factors for the success of the given innovation and particularly advertising clients consider it the key and critical component of any communication.

Table 6: Criterion: Effectiveness

	EFFECTIVENESS
Effectiveness	<ul style="list-style-type: none"> • Has the innovation delivered a real result with respect to the measurable marketing or communication goals defined in advance (e.g. increasing sales, increasing spontaneous awareness, etc.)? • What is the balance of the cost of innovation compared to the achieved results (measurable attributes)?
Costs	<ul style="list-style-type: none"> • Did the campaign have the ability to attract and interest the target group at lower costs? (for instance, in comparison with the previous situation inside the organisation) • Were tools employed to deliver the message used in a more targeted and less expensive manner?
Action	<ul style="list-style-type: none"> • Did the target group purchase the given product? Did the communication induce action in the form of purchases of the product or deliver conversion within the expected time frame?
Effectiveness Internally, inside the company	<ul style="list-style-type: none"> • What is the effectiveness of the innovation inside the company? Does the innovation deliver savings in terms of the media budget, product investments or marketing investments in general?
Effectiveness Towards the consumer	<ul style="list-style-type: none"> • Is the innovation effective towards the consumer, i.e. does it save the consumers' time, and is it financially accessible?
Measurability	<ul style="list-style-type: none"> • Are the criteria aimed to measure the success of an innovation clear and measurable?
Synergy	<ul style="list-style-type: none"> • What is the level of synergy/connectivity between other elements of communication, the product and sales themselves? • What is the level of interoperability or integration of the innovation? How do the individual processes complement one another?

Source: own processing, 2014

• Customer

The customer criterion expresses the relationship between the innovation and the customer or potential customer. Innovation must deliver added value to the customer and must be simple, logical and attractive to the customer.

Table 7: Criterion: Customer

	CUSTOMER
Comprehension/Personalisation	<ul style="list-style-type: none"> • Is the idea catchy or did it become popular? How do customers respond to the communication, did they understand it?
Simplicity	<ul style="list-style-type: none"> • Is the innovation simple and intuitive for the final consumer? • Is the campaign able to simplify and speed up processes or work that the customer has to do in order to determine what they want to have, see or get?
Value	<ul style="list-style-type: none"> • Does the innovation provide the customer with real value in the form of a brand/product (more than just a media intervention or a witty headline)?
Impression, memorability	<ul style="list-style-type: none"> • Is the innovation able to attract the attention of customer and is it memorable for them?
Attractiveness	<ul style="list-style-type: none"> • Is the innovation attractive to the customer? (Is it sure to attract the interest of the target group of customers or potential customers?)
Utility	<ul style="list-style-type: none"> • Is the innovation relevant for the customer, useful and does it practically and appropriately integrate into the consumer's life?

Source: own processing, 2014

- **Target group**

This criterion expresses the relationship between innovation and the target group. An important factor is whether the innovative communication is able to attract a completely new target group or existing target group using a different method or channel.

Table 8: Criterion: Target group

	TARGET GROUP
Targeting	<ul style="list-style-type: none"> • Is the given communication targeted or focused on a specific target group?
New ways of attracting the target group	<ul style="list-style-type: none"> • Does the innovation provide a new way or a new communication channel by which to contact the target group or a new way to make direct contact with the target group (improved targeting)? (in Slovakia, on the given market, in the given segment, around the world) • Was the consumer contacted at an unexpected place and in a new way?
New target groups	<ul style="list-style-type: none"> • Was the campaign able to open up a new consumer segment or contact a new target group?

Source: own processing, 2014

- **Virality**

The criterion of virality is an important parameter based on the results of the completed research and can also be associated with word of mouth. This expresses just how much innovative communication is able to ensure spontaneous information dissemination among customers or functions as a media theme.

Table 9: Criterion: Virality

	VIRALITY
Virality (word of mouth) in the target group	<ul style="list-style-type: none"> • Do what extent does the campaign spread itself without the support of paid tools? • Does the consumer become the medium? Do customers recommend the innovation to their friends or acquaintances? • Does the innovation have the potential to go viral in the target group in a positive way?
Customer engagement	<ul style="list-style-type: none"> • Just how engaged is the customer, what is the level of interactivity? Does the customer become a part of the campaign?
Publicity	<ul style="list-style-type: none"> • Does the campaign induce spontaneous publicity among the specialised public? Is the project discussed in specialised media and in relevant blogs?

Source: own processing, 2014

- **Media mix and applied technologies**

Technology and media are capable of finding ways to contact the selected audience/consumer in every sense of the term to ensure a positive experience with the product and to obtain feedback. The selection of unconventional media or their use and format can leave behind a tremendously deep imprint in the customer's memory.

Table 10: Criterion: Media mix and technology

	MEDIA MIX AND APPLIED TECHNOLOGIES
Selection and use of media	<ul style="list-style-type: none"> • Is the innovation connected to media in a new and unconventional manner? • Are different types of media connected and combined? • Are new media used? • Are traditional media used in a new way? • What is the form in which the given type of media is used? • If a connection of new and traditional media is used in an innovation, is this mix correct and optimally configured?
Applied technologies	<ul style="list-style-type: none"> • Does the innovation use new or less common technologies or combinations thereof to deliver a new experience or benefit to the customer? • Does the innovation make use of new applications for expanded technologies? • Does the innovation take advantage of the integration of technologies? For instance, combining online videos, applications, etc.?

Source: own processing, 2014

- **Wow effect**

This criterion concerns the ability to generate the wow effect and to surprise in a positive manner.

Table 11: Criterion: Wow effect

	WOW EFFECT
Inducing the wow effect	<ul style="list-style-type: none"> • Does the innovation induce the wow effect in customers? In what way does it change the thought process of the target group? What impact did it have on customer goals? • Does the innovation represent something we have never seen before, something no one has thought of before or never done before? (in Slovakia, on the given market, in the given segment, around the world)

Source: own processing, 2014

- **Execution**

Communication execution and processing is ultimately critical in terms of its first impression and the way that it affects the target group in particular.

Table 12: Criterion: Exclusivity

	EXECUTION
Execution	<ul style="list-style-type: none"> • Is the execution of the innovation appropriate given the defined objectives? • Is the execution of the communication/campaign at the required level (in particular visually)?

Source: own processing, 2014

- **Competition**

Direct and indirect competitors are sure to search for similar solutions if an innovation is truly successful and functional.

Table 13: Criterion: Competition

	COMPETITION
Inspiration, Mimicry	<ul style="list-style-type: none"> • Does the innovation begin to "inspire" other players on the market in a short period of time? • Has the innovation been copied by direct and indirect competitors, or has it begun to be used to other, different segments?

Source: own processing, 2014

- **Brand**

This is an important criterion that seeks to determine the influence the innovation has on a brand and its value, needs and goals. It is also focused on the experience the brand delivers to the customer and if the innovation helps built a positive relationship to the given brand.

Table 14: Criterion: Brand

	BRAND
Brand Experience	<ul style="list-style-type: none"> • Does the innovation deliver a brand experience to the customer or a new form of brand/product experience?
Brand value	<ul style="list-style-type: none"> • Does the innovation match the overall value of the brand and its sales targets? Is brand identity preserved?
Brand relationship	<ul style="list-style-type: none"> • Does the innovation deliver a positive brand relationship?
Brand needs	<ul style="list-style-type: none"> • What is the overall perception of the brand: have brand needs between understood and were they correctly transposed into the communication?

Source: own processing, 2014

- **Product**

The actual product has specific standing in communication innovation as one of the most important elements of the entire marketing mix.

Table 15: Criterion: Product

	PRODUCT
Product	<ul style="list-style-type: none"> • What is the specific product (service) that is communicated? Is this communication truthful, timely and able to positively stimulate all human senses? • What three words would you use to characterise (traits, attributes, etc.) the product to which the campaign is connected? Is the same true for its communication?

Source: own processing, 2014

• **Content**

Tremendous emphasis is placed on the content created within communication, in particular in the area of online communication solutions.

Table 16: Criterion: Content

	CONTENT
Relevance	<ul style="list-style-type: none"> • Does the communication deliver relevant and valuable content on websites or social media that is generated primarily for the target group?
Regularity	<ul style="list-style-type: none"> • Does the innovation generate content online on a regular basis? (Are answers to site visitors and their commentary, etc. provided on a regular basis?)

Source: own processing, 2014

• **Configuration of processes and approach**

This specific criterion is important in our opinion in terms of the overall complexity of evaluating innovations as its focuses on the internal environment in the advertising agency or within a company and investigates the overriding atmosphere, processes and the approach of employees as well as the culture inside the organisation. This criterion is reflected to a significant extent in final results.

Table 17: Criterion: Processes and approach

	AGENCY & COMPANY MIND/SKILL SET
Advertising agency	<ul style="list-style-type: none"> • What mind set and skill set is brought to bear by the advertising agency that implemented the innovative campaign? What is the culture and style of management in the agency, the configuration of internal motivational, educational, evaluation and analytical processes?
Company/Organisation	<ul style="list-style-type: none"> • What is the configuration of overall processes and the approach to the campaign taken by the client or the given company/organisation? Approach in this sense concerns the dynamics, flexibility, timeliness and enthusiasm of employees and the entire implementation team, the ability to create a campaign on the fly, continuously monitor what is happening externally and use/exploit the themes and emotions that arise.

Source: own processing, 2014

• **Other criteria**

Other criteria include timeliness, functionality, universality, emotiveness and joy.

Table 18: Other criteria

	OTHER CRITERIA
Timeliness	<ul style="list-style-type: none"> • To what extent does the solution represent the current situation, i.e. uses modern technologies and processes or is it “only” an unconventional solution? Does the innovation have the ability to respond to the current situation?
Functionality	<ul style="list-style-type: none"> • Does the innovation (innovative solution) match the product or service? Is this only a self-serving innovation/work of art (known as a “scam” in the advertising industry)?
Universality	<ul style="list-style-type: none"> • Is the innovation universal, does it combine the seemingly unmatchable?
Emotiveness	<ul style="list-style-type: none"> • Does the communication leave a memorable trace or feeling behind in customers, or does it evoke a certain emotion?
Joy	<ul style="list-style-type: none"> • Does the innovation deliver joy to stakeholders?

Source: own processing, 2014

Conclusion

The completed research delivers insight on the current extent of the application and implementation of innovation on the Slovak advertising market. The objective was to offer relevant knowledge and a reflection on the Slovak advertising market and innovation at the theoretical and practical levels. The research and related analysis allowed us to create the conditions needed to subsequently formulate proposals and practical recommendations.

The criteria were developed with reference to the specifics of the Slovak advertising market; however, the actual organisation that functions as the client and the brand for which the campaign was created as well as the geographical area of activity of the given organisation/company all play a major role in the evaluation process. The companies involved primarily operated in Slovakia, and sometimes in the Czech market, and retain independence in controlling and creating their communication; however, some companies are a part of a larger network, concern or consortium and operate internationally and their attitudes to the creation of marketing communication are usually influenced by their parent company. This factor has a great deal of impact on the actual evaluation process using the criteria defined above. This is the reason why a precisely defined “space” is lacking for some questions and demand the use of the specific criteria (for instance, the criteria of creativity, wow effect and target group provide a set of options that can be selected to best match the character of the company or brand). The criteria can be applied and compared to the current situation in Slovakia, on the given market, in the given segment and around the world depending on the specific type of client, product, brand, etc.

As mentioned, it is not always possible to apply all criteria (or sub criteria) to every advertising campaign. In this case, the goals of the campaign must be considered and selected criteria and questions must be adapted to such goals. Some criteria can be evaluated quantitatively as they are easy to measure with relative precision; other questions are more of a psychological or sociological nature and answers are more qualitative. As a result, the best solution for applying these criteria is to use focus groups. Such focus groups would bring together the representatives of advertising agencies who share or shared in the evaluation of advertising campaigns and the representatives of the campaign’s client at which the given criteria and sub criteria would then be gone over together. One benefit provided by this technique is that every side brings its own perspective to the evaluation process and these individual perspectives may provide the basis for subsequent interventions and ideas for immediate or future improvements. The best variant within such focus groups would also involve customers or the actual consumers of the given product who would provide feedback for selected criteria that contain questions relevant for them and that they are able to answer from their perspective.

The primary benefits of the study can be divided into two basic areas. The first is the theoretical level, which primarily involves characterising and defining innovation in marketing communication and innovation in advertising, and defining various relationships, for instance, between innovation and effectiveness, the identification of the parameters of innovation or evaluating the importance of innovations in Slovak companies. A no less important benefit is that the new theoretical knowledge is based on real and timely advertising practice and experience in Slovakia. The practical benefits of the work are based on the definition and elaboration of the criteria to be used to evaluate innovation in advertising campaigns, but we expect that they may also be applied to other marketing communication forms and tools.

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