

## SELF-REGULATION OF ADVERTISING IN TURKEY: THE ROLE OF CHANGING INDUSTRY DYNAMICS

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### ABSTRACT

*It is the recognition of the advertising industry that ethics in advertising require an overall responsibility of all stakeholders of industry. There are a number of laws in many developed countries that clearly define rules and regulations in regards to placement, timing and content of the advertising. Self-regulatory organizations (SROs) also exert some regulatory authority over the industry. This study serves an important up to date analysis of these challenges, transformations, and evaluates reflections through the self-regulatory mechanism of advertising in Turkey. In order to address these challenges, our paper provides first a comprehensive review of the literature on advertising ethics and analyzes the distribution of complaints submitted to the Turkish Advertising Self Regulatory Board (TASRB). The analysis is based on a content analysis of the complaints received by TASRB among various industries over regulation codes, between the years 2006-2010. Complaints were coded for 19 industries over 26 codes for advertising practice and categorized for the complaint submitting party, as consumer or competitor. The results revealed an increase in the number of complaints. When the most complaint receiving industries; telecommunication, cosmetics/personal care, cleaning supplies, and IT were analyzed, findings reveal that complaints received by TASRB consistently placed under the codes of truthfulness, substantiation, and denigration.*

**KEYWORDS:** Self-regulation; ethics; consumer complaints; advertising standards

**ABBREVIATIONS:** AA, AB, CSR, EACA, EASA, FDA, FTC, ICTA, ISP, IT, MNP, MVNO, RTUK SRO, TAAA, TASRB, TT, UN, 3G.

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## **Introduction**

The dynamic change and radical transformations with increased competition in business world have forced the firms continuously think strategically and improve their business processes. Ethics is in the agenda of all decisions in business community around the world and a topic of constant discussion. From a business perspective, ethics refers not only to complying with all laws and regulations, but also competing fairly, communicating truthfully, and not causing harm to others. As the term has been loaded a variety of meanings and given importance at different scales in different contexts, ethical concerns are also an inseparable element of business that advertising industry cannot ignore.

Advertising, as a dynamic marketing communication tool for firms intending to call public attention to a particular service or a product, remains as one of the most controversial tools of the businesses in terms of balancing the creativity with advertising ethics and consumer persuasion. Once defined by Bovée and Arens as ‘the non-personal communication of information usually paid for, and usually persuasive in nature about products, services or ideas by identified sponsors through the various media’, advertising has diversified throughout years by evolving mediums of communication (1992, p.7). Especially with the changes in industry dynamics and emerging strategies, such as social media marketing and online advertising, advertising started to become more interpersonal throughout the last decade. Although the non-personal methods of advertising, including television advertisements, print advertisements and store displays are being challenged by new forms of personal advertising, relatively new sprawling strategies of advertising personally has not led the destruction of the former cues. This happening have made the advertising industry to re-juvenescence to transform into a cumulative field of marketing by sustaining the ‘old’, and encouraging the ‘new’.

The current study serves an important up to date analysis of the transformations within the industry and evaluates reflections through the self-regulatory mechanism of advertising in Turkey. The study analyzes the distribution of complaints submitted by both consumers and advertisers to the Turkish Advertising Self Regulatory Board (TASRB) within the five years period between the year 2006 and 2010, for various industries over regulation codes. The contribution of this study to advertising ethics literature would be providing a country specific and in-depth analysis of self-regulatory board working mechanisms and the nature of consumer complaints in Turkey, as a growing economy with rapidly changing industrial dynamics.

## **Advertising Ethics**

Ethics is a broad and ambiguous term having been defined in many different ways. Emerging as a branch of philosophy, ethics focuses directly on individuals from the outside world to the information accumulated and provisions of daily life. From the anthropological sense, ethics, including moral judgments and rules of conduct, is defined as an inquiry into the nature and grounds of morality (Taylor, 1975; Chen and Liu, 1998). On the other hand, social psychological approach views the concept as the practice of applying moral adjudications to concrete problems experienced in daily lives of the humankind (Churchill, 1982; Chen and Liu, 1998). More recently, a definition of ethics from a cross-cultural perspective has also been developed with the argument that ethics involves analytical, rational, and cognitive processes and moral codes, and views individual as a moral agent, living in an environment with values of potential systems. The relatively new approach has viewed the emergence of ethics at heart of cultural systems themselves (Hooker, 2007; Wines and Napier, 1992).

The term marketing ethics has emerged as a synthesis of regulative and operative practices that heated up ethical concerns in the marketing field and scientific and humanity studies on questioning morality. The term has been defined as ‘the systematic study of how moral standards are applied to marketing decisions, behaviors and institutions’, and raised new questions that paved the way for the emergence of sub-areas of research such as ethics of advertising and promotion (Murphy et al., 2005, p.17).

Standing aside from the philosophical definition of ethics, advertising ethics is perceived as a loosened form of professional ethics, for going beyond the moral and self-claimed responsibilities professionals assume towards consumers. Bishop (1949) reflected the agonistic nature of advertising industry in modern America by specifying the potential problems of consumption patterns, monopoly power and misleading methods of consumer persuasion (Hunt and Chonko, 1987). Ethics of advertising has been defined by Calkin (1930) as an abstract, complex, and situational construct in prior literature, and the term was conceptualized as the

combination of assorted values and practices. Calkin's (1930) point of view differentiated itself from philosophical and social psychological approaches that focus on individual, in the sense that he relied on the morality of the advertiser, the advertiser's trust in business agencies, and on the faith of the consumers on advertisements for being a guide in the purchase of goods (Bush and Bush, 1994). Presenting another perspective, Bishop suggested that ethical standards for advertising should be utilitarian; that is, such standard should 'meet the practical requirements of society at a given stage of level' (1949, p.88).

A recent analysis of the historical development of ethics-related topics in the literature revealed that the interest in the topic has increased dramatically since 60s and that this change is indicated by two developments: The large increase in number of marketing ethics publications from 1960 to 2008, and the expansion of topic spectrums analyzed. (Schlegelmilch and Oberseder, 2010).

In late 70s, Leiser (1978) divided the concept of advertising ethics into four major areas of concern: the nature of the product being advertised, the person to whom the ad is addressed, the impact upon persons who are likely to be indirectly affected by the advertisement and the substance of the advertisement itself. Authors handled the issue at micro level by analyzing perceptions of consumers throughout 80s (Hunt and Chonko, 1987). In 90s, a variety of research methods have been employed to approach advertising ethics from different perspectives. A group of studies provided sub-concerns on ads targeting children, use of sex appeals, and promotion of harmful products (Davis, 1994; Drumwright and Murphy, 2004), including research that carried out experiments (LaTour and Henthorne, 1994), survey (Fraedirch, Ferrell and Pride, 1989; Hyman et al., 1994) and in-depth content analysis (Bol et al., 1993). Hyman et al. (1994) found that very few topics dominate the research on advertising ethics. The focus of researchers was generally concentrated in the areas of advertising deception and advertising content. Later in this period, Cunningham defined ethics of advertising as 'what is right or good in the conduct of the advertising function; it is concerned with questions of what ought to be done, not just what legally must be done' (1999, p. 500).

Since 2000 there has not been much change regarding the themes pursued in advertising ethics research (Schlegelmilch and Oberseder, 2010). Literature focused on ethical problems at managerial level of advertising agencies, scenario analysis, unfair competition in the business industry, and the perception of consumers on potentially objectionable advertising (Drumwright and Murphy, 2004). The only new theme that has emerged since 2000 is advertising ethics in the context of the Internet (Bush et al., 2000). This heated up debates on online privacy issues, information security, behavioral targeting, malware, customer engagement, semantic advertising and adaptation of advertisers' utilitarian approach on online networks. The International Codes of Advertising Application, which is also placed on the official web site of TASRB, presents a guideline for anticipated legal developments, by recognizing the potential ethical issues that might arise by being exposed to online content, including advertisements. The case of measuring the ethical sense of online advertisements is a new phenomenon for both consumers and institutions in Turkey.

Ethical concerns regarding online advertising remain a hot topic, and several precautions for ensuring highest degree of information security have been adopted by Federal Trade Commission (FTC) of the United States as the Can-Spam Act under provision. Taking a glance at regulative and operative conditions of advertising in Turkey, it can be seen that more legal amendments and framework of operational designations are yet to come for revision, as the current Turkish law 5651 on Regulating Online Content does not mention any specific regulations regarding online ads (FTC, 2008; TBMM, 2007). The increasing importance of the newly emerging mediums of communication, ethics of advertising is being challenged by the development of new technologies. Along with the changing technologies, regulations for the content of these new forms advertisements have to be amended to the existing laws.

#### **Advertising Ethics in the framework of Industrial Challenges**

The advertising ethics has been affected by both the radical transformations within the advertising industry, and the recent trends adopted in the business world such as the Corporate Social Responsibility (CSR) (Wood, 1991). The transformation of advertising has also been instigated by the competition among global rivalry in the business world. To achieve a balance between interests of the business world and demands of consumers, former US President John F. Kennedy declared in his speech to the United States Congress in 1962, the right to be safe, the right to choose freely, the right to be heard, the right to be informed, the right to get

education and the right to get service as six basic rights of consumers. The transformation of advertising, the global importance of consumer rights and potential precautions for overcoming haphazard practices in the business world had also been put to the agenda of European governments including Turkey in the following years. Kennedy's speech (1962) and the following U.S. legislation have been taken for granted by the United Nations (UN). These principles are regarded as key grounds in United Nations Guidelines for Protection of Consumers (Harland, 1987).

As a founding member of the UN, Turkey also implemented the Consumer Protection Law 4077, passed from the parliament in 1995. The framework of the guideline adopted by UN in 1985 regarded the establishment of a committee to follow the procedure of consumer complaints, misleading advertisements, penalty provisions and duties of an advertising board (Harland, 1987). As a result of discussions at great length preserved in the Turkish act, several amendments and additions from similar laws and articles were made throughout 2000s.

Following the amendment of Consumer Protection Law with the 28<sup>th</sup> article of Law 4822 in 2003, a "Consumer Council" under the coordination of the Ministry of Industry and Commerce was encouraged to be established in order to take care of the consumer complaints, respond to needs of consumers, as well as encouraging interest of research in accordance with the universal consumer rights. These developments also fostered the establishment of TASRB in 1994, as an efficient leading partner for the government in the regulation of advertising ethics. Lately, the process of legal cases in regards to deceptive advertising in Turkey proves the efficiency of collaboration between several emerging institutions including TASRB, Advertising Board (AB), founded in 1998, and Radio and Television Supreme Council (RTUK), launched in 1994.

As Meel and Saat (2002) mention in cases of ethical dilemmas regarding consumer complaints, in which businessmen were claimed to mostly ignore due to keeping costs at minimal and assuming consumers being unconscious, self-regulatory organizations (SROs) may be beneficial. Despite their limitations on only implementing soft laws, and auditing the content of advertisements and goals of advertisers, in an independent field of marketing that is open to creativity, SROs are highly significant in regulating advertising ethics.

Turkish advertising industry expanded from 2009 to 2010 with an impressive growing rate of 31%, which was interpreted to be one of the highest rate of increase compared to other business industries. Within such an evolutionary environment of advertising in Turkey, the consumer complaint handling becomes even a more essential process to be worked on (Kaynak et al., 1992). The efficient handling of complaints provides the advertising mechanism to work smooth in current industry dynamics. It also results in experiencing unique interpretations of advertising ethics, especially from perspectives of 'competition issues, consumer education, sustainable consumption, technical standards, food and health, and corporate responsibility' (Horvath et al., 2009, p.714).

### **Self-Regulatory Organizations as Maintainers of Ethics in the Advertising Industry**

Advertising ethics is a continually evolving field, and the pace of change in the market structures has rarely been greater or more revolutionary than in recent years. These transformations not only had an effect on the advertising industry itself, but also had certain outcomes for the ethic specific issues within the industry. Not necessarily protected by law, countries with self-regulatory organizations (SROs) as institutions for having the right to audit advertisements as a result of their commitments to the society make advertising industry a more complex and inter-relational sphere between consumers, industry and supervisory boards.

Self-regulation is a form of regulation for dynamic advertising industry in many countries, such as France, Italy, Canada, Slovenia, Poland, Sweden, and South Africa. It is a mechanism built to ensure that complaints are resolved timely and fairly. Voluntary self-regulation in advertising industry has become even a more important issue in the world economy starting from early 1980s for global sustainability and public welfare. Commonly defined as complex systems with multiple actors in which regulators and the regulated are all advantaged, Harker et al. (2000) categorized the literature of SRO as descriptive and prescriptive. While the descriptive literature on self-regulatory organizations focus on codes and ways that SROs function in various countries, the latter category analyses the outcomes and effectiveness of SRO practices over the industry.

Self-regulation in advertising industry is a process that generally advertising agencies work together in

consultation with advertisers, the media, consumers, as well as non-government and sometimes government regulators, to implement sector-specific standards collectively. Gray (2005) stated that SROs are important tools to reflect the change in consumer consciousness, to play a guiding role for improving agencies themselves and to improve the lags of legislations. Harker (1998) added that legal regulatory system, self-regulatory framework, industry compliance and prevailed community standards are four basic impacts on defining the “acceptable advertising” features of a particular society.

Self-regulatory mechanisms are expected to be payless, uncomplicated. SROs should be effective in performance to be independent, in covering all types of marketing communications holistically and in promoting voluntary funding (Hoek and Bronwyn, 2008). Harker and Harker (2000) underlines that the society must be aware about the channels of conduct with SROs and that generation of complaints must be perceived as a responsibility and a reflection of the efficiency of the industry rather than results of failures.

SROs are also being discussed to be an alternative to market and state in the modern states of millennium that governmental, inter-governmental organizations, business firms and civil society take part (Porter and Ronit, 2006). In different countries there are varying degrees of public to private input in advertising regulation (Bartle and Vass, 2005). Palzer and Scheuer (2004) explains the starting point of this continuum to be no regulation than extends to self regulation (that the regulations are specified and administered by regulated organizations), to co-regulation (that there is a co work of regulated organizations and the state) up to regulatory status at the end (that state is in all charge). Contrary to perceptions, increase in self-regulatory organizations in a system does not always mean the decline in governmental intervention (Bartle and Vass, 2007). According to Wallace et al. (2000) and Prosser and Loxley (2008), for an efficient mechanism of self-regulation, there must be a right mix in between, whereas Pearson (1999) claims that in cases of intervention by the government, effectiveness of self-regulatory mechanisms would be in question. The important thing is to establish a mechanism based on the characteristics of country-specific infrastructures and dynamics of the industry (Harker, 2000).

From the sense of development of self-regulatory boards in Europe, the establishment of European Advertising Standards Alliance (EASA) in 1992 played a key role to create a single market by means of self-regulation to avoid strict legal legislation opposed by the industry (Gray, 2005). Being one of the few non-European Union countries involved in the alliance, Turkey also adapted itself to the standards determined by EASA with the establishment of Turkish Advertising Self-Regulatory Board in 1994. Aiming to overcome the potential negative consequences of deceptive advertising and misuse of advertising, by adopting the standards of EASA in compliance with the Turkish law, TASRB also increases the transparency of the industry by serving as a ground to connect regulators and the regulated. As mechanisms increase in the protection of consumers exposed to advertising through various mediums, SROs remain as momentous institutions for measuring public opinion and checking the potential presence of emotional exploitation, as well as other factors that might have any positive/negative influence over consumers (Ergin and Ozdemir, 2007).

## **Method**

Content analysis is used as the primary tool for analyzing the published information as a secondary data. Secondary sources are sources of data that has been collected by others, not specifically for the research question at hand (Frankfort-Nachmias and Nachmias, 1996). There are many such sources, including governments and regulatory agencies, the public reports of companies, items appearing in the press and other media, published academic research, and the internal documents produced by organizations. The complaints to advertisements submitted to TASRB were the object of current analysis. Complaints received during the years 2006 to 2010 has been content-analyzed and coded for 19 industries over 26 codes for advertising practice (see Appendix A), and the data is then categorized for the complaint submitting party, as consumer or competitor.

## **Evaluation Process of Complaints by the Turkish Advertising Self-Regulatory Board**

TASRB, being a member of EACA, is an ethical service platform, having been established with the participation of the Advertisers Association (AA), the Turkish Association of Advertising Agencies (TAAA) and media institutions. It does not have a judicial personality. TASRB works for the correction of advertisements violating the International Codes of Advertising Practice. It fulfills this function in a manner that is not based on legal requirements but as a consequence of its commitments to the society.

The customer complaint mechanism is defined by FDA as ‘establishing a written and documented system for resolving and collecting consumer complaints, maintaining a record of each serious complaint received by the facility for at least 3 years from the date the complaint was received’(FDA, 2008). TASRB follows a similar application process by putting complaints regarding misleading advertisements and concerns about promotional activities of advertising agencies into order. As the product liability and ethical principles are often seen as managerial problems, 7 out of 28 members of TASRB’s board is composed of advertisers, for evaluating customer complaints from the sense and ethics of business environment of Turkey. As a precaution for the possibility of domination of advertisers throughout the decision-making processes, the board also hires members from universities, consumer organizations as well as from Istanbul Bar Association. Taking the concept of ethics in the sense of advertising profession, TASRB serves as a negotiator by making decisions with the assurance of the absolute majority among participants.

## **Findings**

### **Complaints within the industry dynamics**

The complaints submitted to TASRB were categorized into 19 industries, namely telecommunication, cosmetics and personal care, cleaning supplies, food, banking and financial services, press, durables, tourism and transportation, construction material, beverages, IT industry, automotive and automotive supplies, retailing, apparel, oil, health, appetizers and candies, alcoholic drinks, and social campaigns.

In general, the total number of complaints received display an increasing awareness towards self-regulatory mechanism of advertising in Turkey among the five year period of analysis (see Table 1). The total number of complaints received increased from 156 in 2006 to 325 in 2008. While for some industries, such as construction material, beverages, IT industry , automotive and automotive supplies, retailing, apparel, oil, health, appetizers and candies, alcoholic drinks, each receive an approximate 3% of the overall number of complaints, industries such as, telecommunication, cosmetics and personal care, and cleaning supplies dominate the number of complaints received each year.

The average number of complaints received in the last three years of analysis (2008, 2009 and 2010) is 300, which is higher than the number received in the previous two years, 156 and 216 consecutively. Besides increasing consumer awareness, which reached more than 100 complaints per year in the last three years of analysis, a reason behind the overall increase in complaints is seen to be a result of the increase in the number of complaints received for the firms operating in the telecommunication industry. It is not before 2008 the industry received complaints for the advertisements of telecommunication firms. And the number of complaints received for the telecommunication firms’ advertising campaigns displays a consistent increasing pattern over the years of analysis, reaching to 27.7% of the total number of complaints received in 2010. Another significant finding is the sharp increase in the number of complaints received by competitors and industry associations in 2010, indicating a significant difference between the number of complaints received from consumers and competitors or industry associations.

Overall, the complaints concentrate on advertisers from the telecommunication industry in the latest years as a result of intensified competition and the changes in specific dynamics of this industry. Young population of Turkey with an average age of 29.2 ([www.tuik.gov.tr](http://www.tuik.gov.tr)) and the increasing use of the Internet are seen as the drive for the growth in demand for telecommunication services. The telecommunication market has seen rapid growth since the launch of the first two mobile operators, Turkcell and Telsim (currently Vodafone Turkey) in 1998. The number of mobile-phone subscriptions overtook the number of fixed lines in 2002. The number of mobile-phone subscribers increased by 20-25% a year in 2004- 06, by 18% in 2007 and 7.3% in 2008. In 2009, however, subscriptions dipped slightly, reducing the penetration rate from about 92% in 2008 to 90%, reflecting the impact of the recession.

A 3G (third-generation) license tender was launched in 2007, but the lack of mobile number portability (MNP) resulted in only the largest mobile-phone operator, Turkcell, entering a bid. After the start of MNP in November 2008, another tender was held in December. Licenses were awarded to Turkcell and the two other mobile-phone operators, Vodafone Turkey and Avea. Competition continued as a result of the introduction of number portability and the launch of 3G services in mid-2009 as well as the eventual launch of mobile virtual

network operators (MVNOs). Competition between the three incumbent mobile-phone operators and the expected introduction of MVNO licenses exert downward pressure on the cost of mobile-phone calls. Arrangements to permit MVNOs were drafted in 2008 and submitted to industry operators for review. In August 2008, the Information and Communication Technologies Authority (ICTA, formerly the Telecommunications Authority), as the market regulator established in 2000, announced MVNO licenses to be awarded by the end of 2008. By early 2010 none had been awarded. Given the focus on the launch of 3G services in July 2009 and the severe recession, the tender for MVNO licenses delayed further ([www.eiu.com](http://www.eiu.com)). The resulting intense competition between the three mobile operators, Turkcell, Vodafone Turkey and Avea has been the main stimulus for the increase in the number of complaints submitted mostly by competitors to TASRB.

The complaints concentrate on advertisers from the telecommunication industry in the latest years and are followed by the industries of cosmetics, personal care products, cleaning supplies. The analysis of complaints received by TASRB reveals that the overall number of complaints in cleaning supplies, cosmetics and personal care industries, similar to the portrait in telecommunication industry in 2010, is dominated by competitor or industry association complaints and remain consistent with high percentage of the overall complaint numbers (e.g. 12.2% and 13.3 % respectively in 2010).

Parallel with the increase in living standards, the wish to keep a youthful and attractive appearance, the increasing number of working female and the young population of the country has led to the development of the cosmetics, personal care and cleaning supplies industries in Turkey. The industries have shown very good performance in terms of quality, production capacity and variety recently. The increase in both domestic and world demand is the major driving force for the rapid development of these sectors. In conjunction with the increased consumption, supply of cosmetics, personal care and cleaning supplies are growing rapidly. The production value of these industries reached approximately 1.5 billion Euros in 2006 (COLIPA, 2006).

Before the cosmetics law and regulations came into effect in 2005, because of the difficulties faced against domestic manufacturing, most of the international firms had to stop production in Turkey and focused on only importing the end products. Among these firms there are many well-known multinationals. Recently the number of firms operating in cosmetics, personal care and cleaning supplies is over 1300 (TOBB, 2010). Recently, most of the major multinational cosmetics, personal care and cleaning supplies companies have manufacturing and marketing facilities in Turkey. Some of them are Procter & Gamble, Henkel, Colgate Palmolive, and Unilever. Additionally, there are many strong domestic manufacturers, which have large production capacities, including Evyap, Eczacıbası, Canan Cosmetics, Kopas Cosmetics, Kurtisan İlaçları, Hunca Cosmetics, Aromel Cosmetics, Hobi Cosmetics, Kosan Cosmetics, Dundar Cosmetics, and Rosense Cosmetics (İgeme, 2011).

The most important business partners of these industries have been packaging and advertising industries. Especially, advertisement expenditures within the industries increased consistently in the last years with the realization of its significance in reaching the ultimate consumer. Advertisements became visible in the point of sale, and the share of advertising within the marketing communication tools increased (TOBB, 2010), opening up criticisms from consumers and the industry partners. Given the dynamics within these industries each competing firm has become even more sensitive to the marketing activities of the existing rivals, leading to an increase in the number of complaints to TASRB.

In 2006 and 2007, the number of complaints received by TASRB for IT industry advertisements increased and reached to 21.8% of the total complaint number in 2007. The Internet and its many uses are becoming increasingly familiar, and computer literacy is growing in Turkey. As mentioned previously, Turkey has a young and a growing population. Turkey's demographic profile, rising incomes and growing computer literacy underpin rapid growth in the sales of personal computers and Internet subscriptions.

Turk Telekom (TT), the former state-owned fixed-line monopoly, dominates the fixed-line telephone and the ADSL market, despite liberalization in 2004. TT is now predominantly privately owned. In August 2005, 55% of TT was sold to an international consortium, Oger Telecoms Joint Venture Group. The state sold a further 15% of the company in an initial public offering in April 2008, reducing its stake to 30%. According to TT reports, in September 2009 it had about 6 million subscribers (about 97% of all broadband connections), up

from 1.1 million at the end of 2003. In July 2005 TT was required to offer its infrastructure to other ISPs (Internet Service Providers) for a fee, providing other ISPs with the opportunity to offer ADSL service using its network. But the number of ISPs has actually declined since then and Superonline, Dogan Iletisim, Turksat and Koc Net only started to provide ADSL service in the broadband market in 2008. The government appears to have adopted a hands-off approach to TT since privatization. This allowed the company to respond more readily to market conditions, make investments, and advertise more value-added services and specialized tariffs ([www.eiu.com](http://www.eiu.com)). The sharp increase in the number of complaints is observed as a result of a rapid change in the competitive structure within the industry. Our analysis display that the stabilization of the competitive structure later is reflected on the regulatory mechanism of advertising, ending up with a decrease in the number of complaints.

#### **Complaints over Codes of Advertising Application**

The complaints submitted to TASRB were categorized and evaluated under 26 codes of advertising application; basic principles, decency, honesty, social responsibility, truthfulness, use of technical- scientific data and terminology, usage of free and warranty, substantiation, identification, identity, comparisons, denigration, testimonials, portrayal or imitation of persons and references to personal property, exploitation of goodwill, imitation, safety and health, children and young people, data protection and privacy, transparency on cost of communication, unsolicited products and undisclosed costs, environmental behavior, responsibility, effect of subsequent redress for contravention, implementation, respect for self-regulatory decisions (see Appendix A). Preliminary results revealed that there are no complaints under nine codes of advertising application; namely, identity, testimonials, portrayal or imitation of persons and references to personal property, transparency on cost of communication, unsolicited product or undisclosed costs, responsibility, effect of subsequent redress for controversial, implementation, and respect for self regulatory decisions.

When the most complaint receiving industries; telecommunication, cosmetics/personal care, cleaning supplies, and IT were analyzed, findings reveal that complaints received by TASRB consistently placed under the codes of truthfulness (code 5), substantiation (code 8), and denigration (code 12). Further, the complaints received, except for the IT industry, are seen to place with decreased numbers under the code of comparisons (Code 11) (see Table 2).

Since, advertising is an essential element of a market economy, the eyes of firms over their rivals increase the expected fairness in the market. This is also revealed in the four categories of codes of advertising applications mentioned above, focusing comparatively more on sustaining fairness of competition.

#### **DISCUSSION**

Access to a global marketplace brings benefits to consumers through increased choice. Advertising is an effective tool used by companies to inform consumers and the industry about their products or services. The main point discussed generally in global SRO literature is “acceptable” or “responsible” advertising and the mechanisms to maintain this target. On the other hand, advertising is also widely used to promote brands and to shape a positive image of brands. Consumers generally depend on the information presented in advertisements to make an "informed" choice. But, they are the advertiser and the agency who determine the content of that advertising material. This shows the importance of active contribution of consumers to the advertising ethics.

Not only the consumers but also the industry associations and the competitors must also actively involve on the issue. As markets develop, advertising agencies as well as advertisers recognize the necessity of regulation for preserving the integrity of the market structure. In an era of co-creation, a self-regulatory mechanism incorporating advertisers, advertising agencies and consumers stands as an effective mechanism to develop the business industry. Those who are most familiar with the practices of a particular market are best suited to create rules related to that industry, to enforce those rules and to resolve the disputes that arise from those rules. Moreover, the familiarity with the concepts involved ensures that such disputes are quickly resolved and that the rules are quickly adapted to changes in the dynamics of the industry. From another point of discussion, SROs are debatable as the judge, jury, defendants and funders are from the same party. Thus, transparency is an inevitable condition for the mechanism to function properly.

As a result of advances in technology and telecommunications, like many industries, advertising is increasingly over borders thus global. Dissemination of global TV programs and penetration of the Internet to the global markets offer brands immense advertising opportunities, raising new issues for advertisers, agencies, consumers and regulators. The role of self-regulation differs country to country, across industries and across the developed and emerging markets. Yet generally industry representation, participation and self-regulation continue to be integral parts of most regulatory schemes in many countries. SROs are more flexible than governmental regulatory mechanisms to adapt to changing macro and micro business environments. Operating under the self-regulatory framework results in a tighter degree of trust, commitment and compliance of the regulated, advertising agencies and advertisers. SROs contribute to the content of policy in the public interest and to the quality of regulations. Beyond serving an effective country-specific mechanism, SROs must further interact over borders to maintain the fairness and stability in the markets as well as to protect the rights of global consumers. Along with setting the regulatory framework, SROs must set up systems of continuous assessments, be proactive and be ahead of innovations in the industries as well as governmental laws and regulations.

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**ABBREVIATION LIST:**

AA: Advertisers Association

AB: Advertising Board

CSR: Corporate Social Responsibility  
EACA: European Association of Communication Agencies  
EASA: European Advertising Standards Alliance  
FDA: U.S. Food and Drug Administration  
FTC: Federal Trade Commission  
ICTA: Information and Communication Technology Agency  
ISP: Internet Service Provider  
IT: Information Technology  
MNP: Mobile Number Portability  
MVNO: Mobile Virtual Network Operators  
RTUK: Radio and Television Supreme Council  
SRO: Self-Regulatory Organization  
TAAA: Turkish Association of Advertising Agencies  
TASRB: Turkish Advertising Self-Regulatory Board  
TBMM: Turkiye Buyuk Millet Meclisi – The Grand National Assembly of Turkey  
TT: Turk Telecom  
UN: United Nations  
3G: Third Generation

**TABLE 1: Complaints submitted by consumer, competitors and TASRB: Categorized under Industries**

Complaints Source Industry	2010					2009					2008					2007					2006				
	Consumer	Competitor / Industry Association	TASRB	Total	%	Consumer	Competitor / Industry Association	TASRB	Total	%	Consumer	Competitor / Industry Association	TASRB	Total	%	Consumer	Competitor / Industry Association	TASRB	Total	%	Consumer	Competitor / Industry Association	TASRB	Total	%
Telecommunication	13	60	2	75	27.7	31	24	3	58	19.1	25	26	2	53	16.3	-	-	-	0	0.0	-	-	-	0	0.0
Cosmetics and Personal Care	6	29	1	36	13.3	8	30	7	45	14.9	6	12	6	24	7.4	2	13	-	15	6.9	3	27	-	30	19.2
Cleaning Supplies	1	31	1	33	12.2	6	32	-	38	12.5	1	35	-	36	11.1	3	36	-	39	18.1	3	20	-	23	14.7
Food	6	11	1	18	6.6	5	6	8	19	6.3	12	18	6	36	11.1	11	21	-	32	14.8	13	10	1	24	15.4
Banking and Financial Services	15	1	1	17	6.3	17	2	-	19	6.3	21	1	-	22	6.8	1	17	1	19	8.8	10	1	-	11	7.1
Press	11	4	-	15	5.5	7	2	-	9	3.0	13	3	1	17	5.2	4	3	-	7	3.2	5	5	-	10	6.4
Durables	3	8	-	11	4.1	5	7	7	19	6.3	19	8	6	33	10.2	5	1	-	6	2.8	1	3	-	4	2.6
Tourism and Transportation	7	1	1	9	3.3	6	-	1	7	2.3	6	1	1	8	2.5	8	1	-	9	4.2	1	1	-	2	1.3
Construction Materials	6	1	-	7	2.6	6	1	-	7	2.3	7	-	-	7	2.2	3	1	-	4	1.9	2	-	-	2	1.3
Beverages	5	2	-	7	2.6	8	2	5	15	5.0	3	5	-	8	2.5	1	2	-	3	1.4	4	-	-	4	2.6
IT (ISP, ADSL)	5	2	-	7	2.6	5	2	-	7	2.3	10	-	-	10	3.1	19	28	-	47	21.8	9	5	-	14	9.0
Automotive and Auto Supplies	5	2	-	7	2.6	3	1	4	8	2.6	7	2	-	9	2.8	5	-	-	5	2.3	10	1	-	11	7.1
Retailing	5	1	-	6	2.2	16	4	5	25	8.3	16	3	2	21	6.5	7	1	-	8	3.7	3	2	-	5	3.2
Apparel	4	-	-	4	1.5	3	1	-	4	1.3	4	-	-	4	1.2	2	-	-	2	0.9	1	-	-	1	0.6
Oil	3	-	-	3	1.1	3	-	-	3	1.0	7	1	-	8	2.5	3	-	-	3	1.4	-	-	-	0	0.0
Health	1	2	-	3	1.1	3	-	-	3	1.0	2	-	2	4	1.2	-	1	-	1	0.5	-	1	-	1	0.6
Appetizers and Candies	1	-	-	1	0.4	7	1	-	8	2.6	8	-	1	9	2.8	1	-	-	1	0.5	2	-	-	2	1.3
Alcoholic Drinks	1	-	-	1	0.4	-	-	-	0	0.0	1	5	-	6	1.8	-	1	-	1	0.5	-	2	-	2	1.3
Social Campaigns	-	-	-	0	0.0	-	-	-	0	0.0	-	-	-	0	0.0	1	1	-	2	0.9	-	-	-	0	0.0
Other*	8	2	1	11	4.1	6	2	1	9	3.0	8	1	1	10	3.1	9	3	-	12	5.6	4	6	-	10	6.4
<b>TOTAL</b>	<b>106</b>	<b>157</b>	<b>8</b>	<b>271</b>	<b>100</b>	<b>145</b>	<b>117</b>	<b>41</b>	<b>303</b>	<b>100</b>	<b>176</b>	<b>121</b>	<b>28</b>	<b>325</b>	<b>100</b>	<b>85</b>	<b>130</b>	<b>1</b>	<b>216</b>	<b>100</b>	<b>71</b>	<b>84</b>	<b>1</b>	<b>156</b>	<b>100</b>

\* Smoking Room, Food Sterilizer, Medicine, Education, Toys

**Table 2:** Complaints by Codes of Advertising Application: Telecommunication, Cosmetics/Personal Care, Cleaning Supplies and IT industries.

	Code 1		Code 2		Code 3		Code 4		Code 5		Code 6		Code 7		Code 8		Code 9		Code 11		Code 12		Code 15		Code 16		Code 17		Code 18		Code 19		Code 22				
	A	NA	A	NA	A	NA	A	NA	A	NA	A	NA	A	NA	A	NA	A	NA	A	NA	A	NA	A	NA	A	NA	A	NA	A	NA	A	NA	A	NA			
2010	Telecommunication	-	-	-	-	2	1	-	1	34	25	-	-	6	2	8	4	-	-	1	3	5	9	-	-	2	2	-	-	-	1	-	-	-	-		
	Cosmetics and Personal Care	-	2	-	2	-	-	-	-	9	16	-	-	-	-	8	14	-	-	-	1	4	-	-	-	2	1	-	-	1	-	-	-	-	-		
	Cleaning Supplies	-	-	-	-	-	-	-	-	8	13	-	-	-	-	10	17	-	-	5	2	1	3	-	-	1	3	-	-	-	-	-	-	-	-	-	
	IT ( ISP, ADSL)	-	-	-	-	-	-	-	-	2	2	-	-	-	-	-	-	-	-	1	-	1	-	-	-	-	-	-	-	1	-	-	-	-	-	-	
	<b>TOTAL</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>2</b>	<b>2</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>53</b>	<b>56</b>	<b>0</b>	<b>0</b>	<b>6</b>	<b>2</b>	<b>26</b>	<b>35</b>	<b>0</b>	<b>0</b>	<b>7</b>	<b>6</b>	<b>11</b>	<b>12</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>7</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
2009	Telecommunication	-	-	-	-	3	1	-	-	18	29	-	-	2	-	7	3	-	1	3	-	-	1	-	-	-	-	-	-	1	-	1	-	-	-	-	
	Cosmetics and Personal Care	-	1	2	1	-	-	-	-	11	15	-	1	-	-	14	19	-	-	2	1	-	2	-	-	1	1	-	-	-	2	-	-	-	-	1	-
	Cleaning Supplies	-	1	-	-	1	-	-	-	13	9	1	-	-	-	14	14	-	-	-	-	4	3	-	-	-	1	-	-	1	1	-	-	-	-	-	-
	IT ( ISP, ADSL)	-	-	-	1	-	-	-	1	2	2	-	-	-	-	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>TOTAL</b>	<b>0</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>4</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>44</b>	<b>55</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>0</b>	<b>36</b>	<b>36</b>	<b>0</b>	<b>1</b>	<b>5</b>	<b>1</b>	<b>4</b>	<b>6</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>4</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>1</b>
2008	Telecommunication	2	2	-	1	1	1	-	6	17	30	-	-	-	-	3	1	-	1	3	-	4	-	-	-	-	-	1	1	2	-	-	-	-	-	-	
	Cosmetics and Personal Care	-	1	-	2	-	-	-	1	13	3	-	-	-	-	10	5	-	-	1	-	2	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Cleaning Supplies	1	-	-	-	1	-	-	-	20	9	-	-	-	-	16	9	-	-	6	2	5	2	-	-	-	-	1	-	-	-	-	-	-	-	-	-
	IT ( ISP, ADSL)	-	-	-	2	-	-	-	-	-	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>TOTAL</b>	<b>3</b>	<b>3</b>	<b>0</b>	<b>5</b>	<b>2</b>	<b>1</b>	<b>0</b>	<b>7</b>	<b>50</b>	<b>43</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>29</b>	<b>15</b>	<b>0</b>	<b>1</b>	<b>10</b>	<b>2</b>	<b>11</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
2007	Telecommunication	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Cosmetics and Personal Care	-	-	1	1	1	-	-	1	7	4	-	-	-	-	4	4	-	-	-	-	-	-	-	-	-	-	-	-	1	2	-	-	-	-	-	-
	Cleaning Supplies	-	-	-	-	-	-	-	-	17	19	-	-	-	-	10	12	-	-	5	1	4	3	-	-	-	-	1	-	-	1	-	-	-	-	-	-
	IT ( ISP, ADSL)	-	1	-	-	-	2	-	-	13	16	-	-	-	-	3	4	-	-	2	1	-	-	1	-	-	-	-	-	1	2	-	-	-	-	-	-
	<b>TOTAL</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>0</b>	<b>1</b>	<b>37</b>	<b>39</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>17</b>	<b>20</b>	<b>0</b>	<b>0</b>	<b>7</b>	<b>2</b>	<b>4</b>	<b>3</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>2</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
2006	Telecommunication	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Cosmetics and Personal Care	-	-	-	4	-	-	-	1	15	14	-	-	-	-	14	10	-	-	-	1	-	1	-	-	-	1	-	-	1	-	-	-	-	-	-	-
	Cleaning Supplies	-	-	-	-	-	1	-	-	8	14	-	-	-	-	9	13	-	-	1	2	-	1	-	-	-	-	1	-	1	-	-	-	-	-	-	-
	IT ( ISP, ADSL)	-	-	-	1	-	-	-	-	5	4	-	-	-	-	1	-	-	1	-	-	-	1	-	1	-	-	-	-	3	-	-	-	-	-	-	
	<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>28</b>	<b>32</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>24</b>	<b>23</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>3</b>	<b>0</b>	<b>3</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Appendix A: Codes of Advertising Application

### Codes of Advertising Application

<b>Code #1</b>	Basic principles	All marketing communication should be legal, decent, honest and truthful. The marketing communication which is regarded to be legal is to be in line with the legislation as a whole (law, regulation, standing order, circular letter, edict).
<b>Code #2</b>	Decency	Marketing communication should not contain statements or audio or visual treatments which offend standards of decency currently prevailing in the country and culture concerned.
<b>Code #3</b>	Honesty	Marketing communication should be so framed as not to abuse the trust of consumers or exploit their lack of experience or knowledge
<b>Code #4</b>	Social Responsibility	Marketing communication should respect human dignity and should not incite or condone any form of discrimination, including that based upon race, national origin, religion, gender, age, disability or sexual orientation. Marketing communication should not without justifiable reason play on fear or exploit misfortune or suffering.
<b>Code #5</b>	Truthfulness	Marketing communication should be truthful and not misleading.
<b>Code #6</b>	Use of technical/scientific data and terminology	Marketing communication should not misuse technical data, e.g. research results or quotations from technical and scientific publications; present statistics in such a way as to exaggerate the validity of a product claim; use scientific terminology or vocabulary in such a way as falsely to suggest that a product claim has scientific validity.
<b>Code #7</b>	Use of "free" and "guarantee"	The term "free", e.g. "free gift" or "free offer", should be used only where the offer involves no obligation whatsoever; or where the only obligation is to pay shipping and handling charges which should not exceed the cost estimated to be incurred by the marketer, or in conjunction with the purchase of another product, provided the price of that product has not been increased to cover all or part of the cost of the offer. A marketing communication should not state or imply that a "guarantee", "warranty" or other expression having substantially the same meaning, offers the consumer rights additional to those provided by law when it does not. The terms of any guarantee or warranty, including the name and address of the guarantor, should be easily available to the consumer.
<b>Code #8</b>	Substantiation	Descriptions, claims or illustrations relating to verifiable facts in a marketing communication should be capable of substantiation. Such substantiation should be available so that evidence can be produced without delay and upon request to the self-regulatory organizations responsible for the implementation of the Code.
<b>Code #9</b>	Identification	Marketing communication should be clearly distinguishable as such, whatever their form and whatever the medium used. When an advertisement appears in a medium containing news or editorial matter, it should be so presented that it is readily recognizable as an advertisement and the identity of the advertiser should be apparent (see also Article 10).
<b>Code #10</b>	Identity	The identity of the marketer should be apparent. This does not apply to communications with the sole purpose of attracting attention to communication activities to follow (e.g. so-called "teaser advertisements").
<b>Code #11</b>	Comparisons	Marketing communication containing comparisons should be so designed that the comparison is not likely to mislead, and should comply with the principles of fair competition. Points of comparison should be based on facts which can be substantiated and should not be unfairly selected.
<b>Code #12</b>	Denigration	Marketing communication should not denigrate any person or group of persons, firm, organization, industrial or commercial activity, profession or product, or seek to bring it or them into public contempt or ridicule.
<b>Code #13</b>	Testimonials	Marketing communication should not contain or refer to any testimonial, endorsement or supportive documentation unless it is genuine, verifiable and relevant. Testimonials or endorsements which have become obsolete or misleading through passage of time should not be used.
<b>Code #14</b>	Portrayal or imitation of persons and references to personal property	Marketing communication should not portray or refer to any persons, whether in a private or a public capacity, unless prior permission has been obtained; nor should marketing communication without prior permission depict or refer to any person's property in a way likely to convey the impression of a personal endorsement of the product or organization involved.
<b>Code #15</b>	Exploitation of goodwill	Marketing communication should not make unjustifiable use of the name, initials, logo and/or trademarks of another firm, company or institution. Marketing communication should not in any way take undue advantage of another firm's, individual's or institution's goodwill in its name, brands or other intellectual property, or take advantage of the goodwill earned by other marketing campaigns without prior consent.
<b>Code #16</b>	Imitation	Marketing communication should not imitate those of another marketer in any way likely to mislead or confuse the consumer, for example through the general layout, text, slogan, visual treatment, music or sound effects.
<b>Code #17</b>	Safety and health	Marketing communication should not, without justification on educational or social grounds, contain any visual portrayal or any description of potentially dangerous practices, or situations which show a disregard for safety or health, as defined by local national standards. Instructions for use should include appropriate safety warnings and, where necessary, disclaimers. Children should be shown to be under adult supervision whenever a product or an activity involves a safety risk.
<b>Code #18</b>	Children and young people	The following provisions apply to marketing communication addressed to children and young people, as defined in national laws and regulations relevant to such communications. Special care should be taken in marketing communication directed to or featuring children or young people. Such communications should not undermine positive social behavior, lifestyles and attitudes. Products unsuitable for children or young people should not be advertised in media targeted to them, and advertisements directed to children or young people should not be inserted in media where the editorial matter is unsuitable for them. Material unsuitable for children should be clearly identified as such. For rules on data protection relating specifically to children's personal information see Article 19.
<b>Code #19</b>	Data protection and privacy	When collecting personal data from individuals, care should be taken to respect and protect their privacy by complying with relevant rules and regulations.
<b>Code #20</b>	Transparency on cost of communication	Where the cost to consumers of accessing a message or communicating with the marketer is higher than the standard cost of postage or telecommunications, e.g. "premium rate" for an online message or telephone number, this cost should be made clear to consumers, expressed either as "cost per minute" or as "cost per message". When this information is provided on-line, consumers should be clearly informed at the time when they are about to access the message or online service, and be allowed a reasonable period of time to disconnect without incurring the charge.
<b>Code #21</b>	Unsolicited products and undisclosed costs	Marketing communication associated with the practice of sending unsolicited products to consumers who are then asked for payment (inertia selling), including statements or suggestions that recipients are required to accept and pay for such products, should be avoided.
<b>Code #22</b>	Environmental behavior	Marketing communication should not appear to condone or encourage actions which contravene the law, self-regulatory codes or generally accepted standards of environmentally responsible behavior. They should respect the principles set out in Chapter E, Environmental Claims in Marketing communication.
<b>Code #23</b>	Responsibility	These general rules on responsibility apply to all forms of marketing communication. Rules on responsibility with special relevance to certain activities or media can be found in the chapters devoted to those activities and media.
<b>Code #24</b>	Effect of subsequent redress for contravention	Subsequent correction and/or appropriate redress for a contravention of the Code, by the party responsible, is desirable but does not excuse the contravention.

<b>Code #25</b>	Implementation	The Code and the principles enshrined in it, should be adopted and implemented, nationally and internationally, by the relevant local, national or regional self- regulatory bodies. The Code should also be applied, where appropriate, by all organizations, companies and individuals involved and at all stages in the marketing communication process.
<b>Code #26</b>	Respect for self-regulatory decisions	No marketer, communications practitioner or advertising agency, publisher, media owner or contractor should be party to the publication or distribution of an advertisement or other marketing communication which has been found unacceptable by the relevant self-regulatory body.