

Thoughts on design and ethics in business advertising

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Abstract

This essay addresses critical positions, trying to avoid the introduction of value judgments. In this sense, it presents ethical points of view around business design and advertising. It begins by contextualizing subjects that imply urban development in order to interpret the analysis environment. The general objective focuses on reflecting on ethical aspects related to strategies and advertising content in the real estate offer for peripheral sectors that make up satellite neighborhoods. Likewise, and specifically, it relates to the adoption of advertising ethics with the image of the company and the purchasing satisfaction of the purchasing person. It continues with the identification of situations in which ethical contexts are considered or not in the real estate sectors. Finally, we introduce examples of real cases in an ethical context that leads to a necessary reflection.

Key words: design, ethics, advertising, business, entrepreneurs.

Resumen

Este ensayo de reflexión aborda posturas críticas intentando evitar la introducción de juicios de valor. En ese sentido, presenta puntos de vista éticos entorno al diseño y la publicidad empresarial. Inicia contextualizando materias que implican el desarrollo urbano en aras de interpretar el entorno de análisis. El objetivo general se enfoca en reflexionar sobre aspectos éticos vinculados a las estrategias y los contenidos publicitarios en la oferta inmobiliaria para sectores periféricos que conforman barrios satélites. Asimismo, y de forma específica, relaciona la adopción de la ética publicitaria con la imagen de la empresa y la satisfacción de compra de la persona adquisidora. Se continúa con la identificación de situaciones en las que se visualice contextos éticos o no de los sectores inmobiliarios. Finalmente, se introducen ejemplos de casos reales situados en un contexto ético que conlleva a una necesaria reflexión.

Palabras clave: Diseño, ética, publicidad, empresa, empresario.

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Introduction

The city's growth generates a need for urban expansion, strengthening the maturation of a potential real estate market to the peripheral areas of the city. Demand increases may generate competition and support supply. It is in this growth, of an accelerated race to obtain a suitable positioning within the law of supply and demand, where the tools of persuasion for the capture of brand-new clients are essential for competitive firms and institutional scenarios. Then, promoting the spreading of a promise full of good omens of coexistence with the development of new settlements promises to be self-sustaining and end up being unresolved appendages of an increasingly distant city.

It should be noted that it is a recent concern that the real estate business is set up as a result of considering housing as a consistent fixed asset of investment. Furthermore, not as a passive capital asset, then seen as a business opportunity. It has sought to legitimize a powerful niche of real estate advertising within what we call the city's growing business. Consequently, if an analogy could be made is between a commodity that has increased its value and that generates profits. The fact of acquiring a home as a consumer good, it is understood within the circulation of the real estate product, that consumers can resort to information transmission channels. Besides, up to now, non-traditional, to cover the mass media of advertising from perspectives that allow seducing the buyer no matter how.

The discussion on the salable content of the sector in question has become controversial. It has raised prospects that go beyond supply capacity. Due to the lack of veracity in the promised message, with unfulfilled proposals, truncated dreams, and evasion of

implicit social responsibility, the utopia of sustainable urban development is called into question.

Because of the above arguments and for the analysis of the raised issues, this essay will address critical positions, avoid introducing a value judgment, and only seeking to reflect during the development of the work ethical views on the issue in question. As an introduction, it will be contextualized on matters that involve urban development, to interpret the environment of the theme to be developed.

The general objective focuses on analyzing ethical aspects immersed in the strategies and advertising content in the real estate offer for peripheral sectors that make up satellite neighborhoods. Also, it will be pursued in the first place to relate the adoption of advertising ethics with the image of the company and the satisfaction of the purchase of the acquiring person. Second, identify situations in which ethical or unrealistic contexts of the real estate sectors are visualized. Moreover, to cite examples of real cases and place them in a questionable ethical context.

Development

Focusing on the real estate market, the sale and purchase of real estate has its origins in policies of liberalization of the financial and foreign exchange market. It is not predetermined but was built from the effects of a liberal regime in financial matters. Its inception has had a remarkable growth thanks to the high demand given by the dynamism in which contemporary society moves.

Besides, man's social nature makes us enjoy living in a community, so the most characteristic feature of this is the city. The

city is where everything comes together. It allows us to bring up the concept of Satellite City. It corresponds to the urbanization of medium or small size, which hosts its industries, and together with others of the same category, form a system around a large central city. It is usually separated from that large urban core by a green belt and very well connected radially by rail or road.

On the other hand, having mentioned the Satellite City, it is appropriate to define the Bedroom City. It is understood as a residential settlement located on the outskirts of a city whose concentration is due to the low price of land that allows the construction of cheaper housing. They are areas without employment capacity; therefore, importer of labor, that is to say, their inhabitants must move daily to their neighboring work center. In this case, the difference between these two concepts is given by the implementation of services in Satellite City, which would give it some independence from another city.

Advertising since its inception has sought to highlight the qualities of people, products, services, campaigns, establishments, among others. Within the capitalist advance of the world that has taken place in recent decades, the use of advertising has increased in order to improve the sales of products and services that corporations offer to their customers or users.

This type of advertising focuses on highlighting the qualities of the product and service and urging the consumer to acquire these benefits. For the case of real estate advertising, it focuses on highlighting qualities such as; common spaces, green areas, parks, recreational spaces, access roads, security, among others.

However, in the first half of 2013, claims to Chilean National Consumer Service

(SERNAC acronym in Spanish) about deceptions about the purchase of properties increased by 53%, where the small print of the contracts makes the buyer feel that he has been deceived by the real estate company. Although the Chilean government has, for some years now, regulated the legal conditions under which it offers and sells properties. Then, clients have also been responsible for not knowing about the legal implications of signing a contract.

We find, on the one hand, the advertising offered by the real estate agency that, in some cases, can be misleading when presenting non-existent spaces generating unrealizable promises. Moreover, the carelessness on the part of the clients to find out in their right to know the specific conditions of each one of the contracts, to read and to know what is commonly called a small letter.

Desantes defines right advertising as “the adequacy, which will never be total but only certain adequacy, between reality and the knowledge that the sender has of it at first and then, between the message it emits and the knowledge the receiver acquires” (quoted by Yáñez, 2003, p. 10).

The city is the best shortcut to social equity. It is a neuralgic point where most of the activities of daily life, access to opportunities, work, education, health, entertainment, encounter, and social development come together in their fullest sense. However, in the growth process, there is selective segregation in the urban expansion towards peripheral neighborhoods. This phenomenon has a more significant impact on vulnerable sectors of society, as housing has become an aspirational business that sharply defines the identity of users. In the yearning to identify this sector defined as vulnerable, it is more permeable and receptive to the idealistic advertising language offered by

real estate, which manipulates expectations beyond basic housing needs, under deeply questionable parameters that touch the idea of *permissive ethics*¹ in how are sold certain quality of life standards.

Considering that advertising is an essential tool in the sale of a property, it causes that the responsible manipulation of the information that has the company becomes an inherent right for the buyer and causes that it generates a high degree of belonging on the message that evokes the same. Nevertheless, due to the problems that have emerged in recent years on the untrue information they receive from these entities the question arises, is it ethical for companies to freely manipulate the information on real estate they sell maximizing the actual value of purchase, knowing that the buyer lacks sufficient information and that non-fulfilment of promises would cause losses of fidelity and trust towards the real estate? We think the answer to these first questions is no. What happens after the property is already sold? Selling out the property does not give out ethical concerns. Those concerns not only remain around but on the contrary, those concerns increase and become systemic; that is, they become a potentially endemic evil for the functioning of the real estate sector *per se*. Are they responsible for the consequences of issuing information to a certain extent that is false? We believe that the answer for this final question is affirmative since ethical responsibility also links to how information is managed from an ethical approach.

¹In this article, we understand permissive ethics as non-ethics. It means a scenario that involves renouncing the provision of norms that guide human behaviour and in which individuals merely limit themselves to justifying behaviour and abandon the option of adequately guiding behaviour.

The *communio et progressi* supports this brief statement of the problem:

Nevertheless, if advertising presents to the public harmful or utterly useless articles, if they make false promises in the products sold, if the inferior inclinations of man are encouraged, the disseminators of such advertising cause harm to human society, and they end up losing confidence and authority. The family and society are harmed when false needs are created when they are continually encouraged to acquire luxury goods, the acquisition of which can prevent them from meeting fundamental needs. Therefore, advertisers must set their limits so that advertising does not hurt human dignity or harm the community. First of all, we must avoid advertising that blatantly exploits sexual instincts for profit, or that in such a way affects the subconscious that the very freedom of buyers is endangered. (Pontificia Comisión para los Medios de Comunicación Social, 1971, pp. 16-17).

An important point to highlight in this quote is related to the creation that false needs towards the public, and how these prevent people from meeting the essential needs. As an example, it can be seen cases of furniture companies. These companies use business strategies that consist of making strategic alliances. Business hooks with benefits for their customers (e.g., km Lanpass, car loans, among others) and thus attracts the public by giving benefits in areas which customers are not trying to satisfy through the search for housing, but when this opportunity for benefits is presented, many people are attracted and see a preference in this builder.

Furthermore, we recognize that advertisers must set their limits, avoiding affecting human dignity or even harm the community.

However, we also recognize that such an approach could be considered very difficult to achieve, and its continuous compliance even difficult to measure effectively. Without being clear about the next question, what is the limit of the responsibility of real estate agents on their clients' purchasing decisions? Even though they often act by buying things they cannot afford, or by buying spaces that do not meet their needs, leading to additional questions, is it the persuasive strategies of the furniture companies, or the ambitious or ignorant customers? Or do they not know how to prioritize their needs? Who has this responsibility?

Therefore, the informative content generated by real estate companies, transmits messages oversizing its real meaning, resuming the publication of the Pontifical Council for Social Communications (1997), it is said that:

The problem with truth in advertising is somewhat more subtle: it is not that advertising points out what is openly false, but that it can distort the truth by misunderstanding illusory things or silencing data to pertinent facts. (p. 27).

It means that the sale of information to the consumer by any means of real estate advertising highlights the benefits of acquiring a home in any context of a sale, but many of these exceed the objective reality by transferring it to an ideal that includes basic needs, desires, and dreams.²

²It is essential to add that legally aspects such as false or misleading advertising in Ecuador are regulated, in a general way, by the Organic Law of Consumer Defense (Law No. 2000-21) and enforced by the Defensoria del Pueblo. On the other hand, for other countries whose legislation is significant from a comparative perspective such as Chile, misleading advertising is contemplated in Law No. 19,496 (Chilean Consumer Law of 2017) modified in 2018 by Law No. 21,081 being SERNAC responsible for the legal enforcement.

Of buyers generating an incomprehensible language with which sellers influence within the buyer's decisions. The quality of information they receive is related to an unethical approach where the language of persuasion about exalts situations, housing characteristics, urban division, and others generate a bias between what the buyer desires and needs, manipulating the purchasing activity by the real estate entity.

As for the objectives of advertising, we can summarize them in three aspects:

1. Inform: transmit knowledge (about the characteristics of the company or product and use it to publicize a framework or product and create brand awareness).
2. Persuade: convince, motivate, induce the public to purchase the product that will meet their needs (attract new buyers, increase the frequency of use, increase the amount purchased, provoke brand preferences).
3. Remember: to last in the minds of consumers and gain customer loyalty (evoke the existence and benefits of the product, purchase products, create a more robust demand that ensures loyalty to a brand and provide repetitive purchase, maintain customer loyalty). (Galán-Ladero & Sánchez-Hernández, 2005, p. 790).

The effects of advertising can be adverse: it can sometimes be annoying, abusive, false, or unfair, as discussed in the next section. Also, it may even condition the freedom of expression and the always intended impartiality of information, by intervening in the structure of television and radio programs, as well as in their contents

and subjecting them to the interests of the advertising that finances them. (Roa, quoted by Galán-Ladero and Sánchez, 2005, p. 790).

It should be emphasized that the discussion between ethics and advertising is a topic mainly studied in Marketing and Persuasive Advertising, where it is opportune to mention that:

Advertising has, as its primary and ultimate goal, to publicize products to stimulate their purchase, forming part of the economic process. Thus, the function of advertising in marketing is to publicize the products, spreading a brand or company image, differentiating them from the competition, so that the consumer can identify and value them and, consequently, proceed to purchase. (Galán-Ladero & Sánchez-Hernández, 2005, p. 790).

It assumes that it is ethically acceptable that, regardless of the form of persuasion, any method of attracting buyers in a real estate company is adopted, this being visible in companies, many of them even conditioning the freedom of expression claimed by the impartiality of information by intervening in the structure of both the information issued and the interests of the selling real estate company.

Some advertisers do not agree to link the concepts of ethics and advertising and solve their position based on arguments such as:

Ethics does not apply to advertise because good or bad depends on who judges, on the conscience of each advertiser, and this is inviolable.

Ethics has a limiting or repressive character that limits professional activity. It is a kind of constraint that reduces the

chances of action or creativity of the advertiser.

Ethics is a private activity that affects the personal life of the individual, but not the public or professional one; it is nothing more than a romantic ideal. In our time, it is nothing more than a declaration of good intentions, but the world, even more so the market, is not governed by ethical parameters but by economic ones.

Advertising is a very complex and competitive field. The market is saturated with products and brands, so whoever wants to behave ethically is at a clear disadvantage compared to its competitors. (Yáñez, 2003, pp. 13-14).

The points opposed by advertisers are a reality that is experienced in the vast majority of free-market countries, where supply, demand, and competition are the main drivers of the economy. Hardly anyone living within this system could counteract these points, because as mentioned, he who does not compete is at a disadvantage with his competitors, but still debatable how to compete and the effectiveness of different types of advertising. One point that can be discussed is 2: Ethics has a limiting or repressive character. It is easy to argue that genuinely creative advertisers should have the ability to create striking and persuasive advertisements, showing the reality of the attributes of housing, without having to deceive and generate unrealistic expectations.

In the above context, ethical paradigms emerge that lead to the exploitation of alternatives for agreements between both parties (buyer-seller). Given this, we are talking about ethics in advertising design, concluding in the process of responsibility; however, what kind of responsibility

does the activity of a real estate company involve? Emphasizing what Devon & Van de Poel (2004) put forward, it is worth noting, in conclusion, the existence of active and passive responsibility. Speaking of active responsibility, following the authors it is understood that the real estate feels responsible for certain things that involve purchase satisfaction during the sale process being dependent on the result they generate to the company they represent, on the other hand, a passive liability would mean commitment after the sale, raising these positions, is there passive liability in the advertising of a real estate company? The answer is no; the provision of information through advertising makes it the same for the sole objective of fulfilling its purpose, sell, regardless of the dissatisfaction generated by the buyer after the acquisition. By making the real estate company an invisible entity to the problems after purchase, also, it has generated discontent in people, within which the acquired good becomes an asset almost impossible to change (creating reactions of permanent frustration and dissatisfaction).

It is worth quoting Whitbeck (1996), who argues “for the manager in the face of a moral problem, not only are undefined answers possible, although the nature of the situation of the problem itself is often ambiguous” (p. 12). If we consider this argument, it is inferred that much of the moral problems in the design of real estate advertising do not seem to come so much from a deliberate decision as characterizable as immoral, but are the result of a series of decisions that in themselves are morally dubious, such as exaltation. of information, the idealization of the message, the manipulation of needs and aspirations that the buyer has, among others; information design problems arise there, causing advertising to be usually sustained by the lack of knowledge of

potential customers in the face of purchase and the involvement of emotions, evoking messages that are often not so clear about, what are the offers that they can intervene in the fulfillment of promises and which not, risk that the real estate is willing to run day by day.

Conclusions

Regarding the management of information in advertising, we conclude that the field of advertising responds to a message of relative significance. It seeks to provide information based on two primary objectives: a) inform, and b) persuade. Although they are two compatible purposes, they also confront ethical aspects. Then, it is necessary to know if the action of informing involves the emission of messages that are under the responsibility of visualizing the individual as an end and not as a means. Besides, persuading involves subordinating the principle of obtaining against what is said, thought and done; aspects that may cause morally questionable decisions.

Therefore, when speaking of ethics in the advertising design of the real estate, we speak of professional responsibility that must be palpable, committed to the transmission of relevant and truthful information. Also, that fulfils an excellent moral performance simultaneously with excellent professional performance. It assumes that the principles of the real estate company must generate security in the sale and after-sale. Thus, the correct procedure generates constructive benefits for both parts and visible ethics focused on satisfaction and personal and enterprise happiness.

Finally, the legal framework is not entirely satisfactory in terms of results either. Although both in countries such as Ecuador and Chile a legal framework is provided and

there are regulatory bodies that are in charge of the protection of consumer interests (Defensoria del Pueblo and SERNAC respectively), the complex procedural or procedural path (as the case may be) ends up diluting the achievement of pro-consumer improvements. Therefore, we consider that in addition to the ethical considerations analyzed here, it is convenient to regulate in greater detail and optimize the strengthening of aspects such as the fine print. Likewise, it is necessary to intensively introduce educational campaigns so that companies do not perceive as a mere cost to handle a stake manual in their sales strategy.

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