ABOUT THE MARKETING - DESIGN RELATIONSHIP

GH.GH. IONESCU¹, CLAUDIU EMIL IONESCU²

ABSTRACT. In our paper, design is considered briefly in different contexts – product and manufacture, service and retail – and for different purposes: product design and corporate communications. Links with marketing are made, essentially by examining how design affects elements of the marketing mix. Finally, evidence is presented to support the argument that design makes a positive contribution to business performance. In other words, design investment affects the bottom line, but only if design is integrated into the business process and managed well. Our paper concludes with a general model of design management. This model is not intended to be prescriptive but to provide a checklist of the range of activities and information that is required to manage design effectively.

1. Introduction.

Each year, 7,000 design graduates leave UK universities, and UK – trained designers are to be found working throughout the world for leading companies across all industrial sectors. It has been well documented that UK companies have been slow to adopt design, despite successive government campaigns targeted at companies to create awareness of design’s commercial role (Farr 1955; Heskett 1980; Sparke 1986). Given the competing demands for resources, design is often treated as an activity that can be bought as and when required in an “on-off” way and may be regarded as a dispensable luxury. Firms may view their projects as a one-off investment into their long-term strategy. James Dyson’s (designer/manufacturer) view is that, “Manufacturers should not think of design as a bolt on thing. It’s the total product – how it’s used, how it is made, how reliable it is that all shine out” (Design 1995:38-39).

None the less, ample evidence exists to suggest that design investment has a positive commercial benefit (Pilditch 1987; Service et al. 1989, Potter et al. 1991). Over the past few years, major studies have been conducted to measure the returns on investment of investment in design expertise. A survey of 221 small and medium-sized UK manufacturers which received a government subsidy to employ a professional design consultant to help develop new or improved products or graphics showed that 60 per cent of all projects and 90 per cent of the implemented ones were commercially successful. Other benefits included the firms gaining design management skills and some impact on the UK trade balance. However, there is still a long way to go before industry makes full use of Britain’s design expertise. Also the survey shows that the costs of design investment were assessed at a project level. The results supported the case that investment in design has commercial value. Key results were:

- 90 per cent of projects that were implemented in the market were profitable;
- there was a 40 per cent increase in sales of redesigned projects, compared with the projected sales figures if no design work had taken place;
- there was a 13 per cent increase in exports;
- there were other benefits, including reduced manufacturing costs, stock savings, enhanced company image.

¹ Professor, Faculty of Economics, West University of Timisoara, Romania
² Lecturer, Faculty of Arts, West University of Timisoara, Romania
The results of this study provide a very good case for investing in design projects. The degree of risk varied across different types of design projects. Graphic design projects appear to involve little technical uncertainty or financial risk. Yet in product or engineering design a relatively high risk of failure exists at the start of a project; once a project has been implemented, the prospect of a rapid return on the investment becomes very good. The risk of financial loss is law for all types of design.

The more successful projects in the Roy and Power (1993) study gave insights into effective design management practices, some of which have been echoed by other studies, notably Service et al. (1989). The key factors were:
- clear project objectives;
- comprehensive designs briefs that included information about the target market;
- regular communication with design;
- top-level commitment;
- sourcing of appropriate design skills;
- integration of design with other corporate activities.

2. The marketing - design relationship
Marketing and design are interrelated activities. Product planning, market research, competitor analysis and control of budgets are the realm of marketing professionals and these marketing issues affect design. Typically, marketing is a “trigger” for a design change, for example, a decline in market share may stimulate a review of the product portfolio and lead to a design modification or a promotional activity to stimulate sales.

Table 1 shows how market changes can “trigger” different types of design.

<table>
<thead>
<tr>
<th>Market objective</th>
<th>Design outcome</th>
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<tr>
<td>Company seeking to launch the product on the market for the first time.</td>
<td>Industrial design of casing for innovative cheque - writing machine.</td>
</tr>
<tr>
<td>Company seeking to increase market share.</td>
<td>Graphic/styling design work for a range of garden tools.</td>
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<tr>
<td>Company seeking to regain last market share.</td>
<td>Engineering design for a new design of bus shelter.</td>
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<tr>
<td>Company seeking to diversity into a new product market for the company.</td>
<td>Packing design for new product- chilled cooked meats.</td>
</tr>
<tr>
<td>Company seeking to diversity into a new product market for the company.</td>
<td>Engineering design of a wire-joining device.</td>
</tr>
<tr>
<td>Company responding to customer request.</td>
<td>Design of a computerized control mechanism for a pottery-kilo booster.</td>
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Design can be viewed as a marketing resource that deals with the choices and decisions that determine the value and quality of the product. Whether technical performance, style, reliability, safety, ease of use or some combination of attributes is emphasized, the design of the product can offer quality and value for money in the eyes of the consumer. Consumers' perceptions and their willingness to buy are influenced by the design configuration of the product and its ability to convey “value for money” in comparison with competing
ABOUT THE MARKETING - DESIGN RELATIONSHIP

offerings. In addition, a unique design can create a desire in the consumer to purchase (Alessi’s Kitchen utensils) and so contribute to the competitiveness and business success of the company.

Design can be used as a market positioning tool: for example, Braun offers classical design in the consumer goods market as a play to maintain a position as a premium supplier. Failure to keep pace with market trends and to design attractive products may well threaten survival, as was the case with the UK toy company Airfix, which supplied model – making kits targeted at boys and which could not survive the onslaught of cheaper and more appealing products from the Far East.

3. The impact of marketing decisions on design.

The study conducted by Roy and Potter (1993) shows clearly that marketing decisions can have grave implications for the project outcome. Projects could be suddenly aborted because of changing market circumstances (e.g. a competitor launched a better design), and in other cases the projects may not be implemented because the promotional costs may not have been built into the estimates for the project. The success of a project does not rely solely on design, but on broader market considerations, such as identification of a target market, effective budgeting, market research that is conveyed in a meaningful way to design and so on.

The main areas of design management skills for marketing professionals, revolve around:

✓ awareness of the need for design;
✓ sourcing of appropriate design skills;
✓ preparation of a clear and detailed brief;
✓ monitoring design and design budgets and schedules;
✓ evaluation of the design outcome.

a) Marketing mix and the design. Design has a connection with each of the elements of the marketing mix, as follows:

1. Product: Design influences quality, function usability and appearance. It contributes to product features, which add value to the product for the consumer. Design affects all of the differentiating features of products, such as performances, reliability, style, etc. Compare, for instance, a pair of shoes and a telephone: each must be functional, ergonomically and aesthetically appropriate. The designer contributes to each of these elements to varying degrees, depending on the nature of the product.

For service companies, insurance companies, for instance, use design to provide the information and evidence of the service, from policy document and chequebooks to the sales literature. Design is used for image differentiation by the provision of memorable corporate identities that are implemented on packs, logo, stationery uniforms, environments and that create a visual harmony for the organization.

2. Price: products can be devised that are economical in terms of materials, energy and manufacture. Product enhancement, by adding a feature such as embroidery on towels and linen, or a call memory facility on a telephone, can affect the perceived value of product, allowing it to be sold at a higher price.

3. Place: distribution considerations may affect the design, so that a product’s pack may have a shape that facilitates storage and display. Shelf appeal is critical for FMCG goods – hence the importance of design elements such as color, illustrations and shape.
4. Promotion: most promotional activities rely on their visual qualities to convey the company’s message. Packaging, promotional and sales literature, all forms of media advertising, point-of-sale displays and retail environment all involve the skills of designers.

Design for service and retail areas is considered briefly here, before moving on to consider product design and corporate communications in more detail.

b) Innovations and design. “Good design can significantly add value to products, lead to growth in sales and enable both the exploitation of new markets and the consolidation of existing ones” (HMSO 1995:143).

At the heart of technological innovation is design. Caldecote refers to design as “the process of converting ideas into information from which a new product can be made” (Caldecote, 1979). Product development is necessary to replace and update existing products, to diversity into new markets and to create new opportunities by innovation.

Figure 1 shows the design interfaces in the product development process.

It is well established that marketing has a critical role in the product development process, particularly during the early stages, which Cooper and Kleinschmidt (1986) refer to as the “front-end” of product development. Marketing has a role in concept evaluation and the testing of detailed designs, and must also plan the market launch from the onset to ensure that the distribution channels are established and that the launch strategy has been considered (Biemans and Setz, 1995). Design translates market requirements into concepts and develops these into detailed design of products, it also provides the graphic design skills for print and promotional material to support the new product.

R&D is the domain of technologists, engineers and scientists who are concerned with developing new knowledge that can be incorporated into new products and processes. Designers, in this context, may use such knowledge in conjunction with existing design skills and expertise to generate new product concepts. In terms of innovation, then, design expertise often contributes to the delivery to the market of new technology in a form which can be used, for example the development of shape-memory alloy into bra under-wires. Both R&D and marketing can drive innovation and product development.

It has been widely recognized that the interface between R&D and marketing is critical for effective product design (Gupta and Wileman 1988), the same goes for that between design and marketing (Cooper and Jones 1995). Poor communication between marketing and design may result in unfocused design and failure to exploit design’s potential for product development and launch.

c) Design and the corporate identity.

“It is virtually impossible to detect quality differences between the products of major financial service companies, or petrol retailers or the various chemical companies, for instance. This means that companies and their brands have increasingly to compete with each other on emotional rather than rational grounds. The company with the strongest, most consistent, most attractive, best implemented and manifested identity will emerge on top in this race” (Olins 1990:70).

With the growth or mergers and acquisitions, the launch of new companies and privatization of public organizations, corporate identity and corporate communications have experienced an upsurge of interest. In the UK, for instance, corporate identity is a major component of professional design services. The merger of building societies, the launch of trust hospitals and the creation of new universities have provided investment in corporate
identity design. When two companies merge and create a new organization, decisions have to be made as to whether to subsume the identity of one of the organizations into that of the other or to create a completely new identity. The acquisition of Philips by Whirlpool is an interesting case. In Europe Whirlpool was not known brand yet Philips was regarded as a having a high reputation, and the converse was true in the USA. Managers of Whirlpool decided to run the two names in tandem in Europe, building the Whirlpool brand image through promotion and graphic design, until consumers had begun to recognize Whirlpool and to associate this name with the good reputation that Philips had always enjoyed. Eventually, the name Philips was withdrawn in Europe and Whirlpool became an acknowledged brand.

Corporate identity is the sum of the ways in which an organization presents itself to its various publics (see Figure 2) and includes transport, publicity, advertising, environment, architecture and products.
Corporate identity is concerned with the entire communications plan and is integrated into the organization’s philosophies, policies and activities. Michael Beirut, one of the Partners of the UK Office of Pentagram, a UK group, refers to corporate identity in this way: “…in its fullest sense, corporate identity is the character of an institution or corporation as projected in its communications, its products and service, its property and facilities and in the attitudes and behavior of its personnel. It is the sum of the ways in which the institution represents itself formally, as well as symbolically” (in Bruce 1994: 11).

4. The model of design management.
Design management for a marketing professional is concerned with utilizing design expertise so as to achieve marketing’s goals effectively. One definition of design management is that: “it is about managing those corporate expressive activities that generate products, services and corporate communications which aim to optimize customer satisfaction and business success”. Cooper and Press suggest that “the management of design includes planning, organization, implementation, monitoring and evaluation” (Cooper and Press 1994).

In terms of using design effectively, marketing professionals need to consider how design fits into their business, which design specialisms to use, the contribution design can make to their business, as well as developing skills in sourcing, briefing, liaising and evaluating design. The detail of managing design will of course vary from design discipline to design discipline and is also dependent upon whether design is insourced or outsourced. Figure 3 illustrates the design process and the issues which need to be managed by marketing professionals when working with designers. Essentially the design process can be broken down into four broad categories: Formulation; Evolution; Transfer and Reaction (Bennet et
Formulation is concerned with identifying the design need and planning the problem definition. Evolution deals with the idea, concept and detailed design generation. Transfer covers implementation of the design and Reaction addresses the outcome of the design, for example customer acceptance.

Conclusions
Our intention has been to encourage marketing professionals to:

- understand the value of design to marketing and business;
- provide marketing information in a way that supports design and facilitates communication between marketing and design;
- be empathic to design and so encourage an effective relationship between marketing and design.

REFERENCES
