

## Statement Presentation

# **Straight to the Boardroom: A Paradigm Shift of Design**

Anthony Chow

Department of Design, Faculty of Design and Environment

Technological and Higher Education Institute of Hong Kong

Design and marketing scholars and practitioners increasingly worked together addressing the challenges and issues of creating values from a design perspective. Traditionally these are independent disciplines, and are underpinned by a very different set of assumptions.

Marketing practitioners often confused the field of art and design, where the latter is tasked to solve problems creatively with practical consideration (Brown, 2006). Because of this confusion, companies used to treat design as a pure decorative or promotional additional to their core offerings. The business environment changed quickly in the past decade. Consumers buy brands, not products. They buy brands that reflect their personality or fulfil their aspirations. The traditional lexicographic-heuristical explanation of consumer buying process becomes more complex, and its generalizability is time to be reviewed. It is more common to see consumers start to shop for aesthetic values over practical attributes, especially when products and services are more or less homogenous nowadays.

Apple's values creation strategy showcased how design adds significant value not only to artefacts but also to shareholders. Good design influences perception, brand positioning, long-term brand equity and more. This is widely discussed in both design and business literature. It is clear that many developed countries are moving towards the so-called aesthetics economy (Hancock & Tyler, 2007) and the demand of beautiful, and practical, solutions are hitting new heights. Ivey League MBAs

took the lead and started to revamp their programmes to bring design (design thinking in particular) into the executive curriculum and discourse (Dunne & Martin, 2006).

This brings us to a new paradigm of design – taking charge as a key business driver. The traditional business focuses on offering the unique features and sells benefit. Most of the innovation ideas are from the market research, and many of the expected features are explicitly spelled out by the potential customers. The market-driven philosophy is deeply rooted in many business schools, and therefore it has now become the guiding thought of many of the companies worldwide. Influenced by the positivist culture, market-driven companies believe satisfying consumer needs is their priority. Most of the decisions are made in reference to consumer's inner voice. However, many of the scholars argue that customers do not see possibilities which they never thought of. In their study, Chen, Li, and Evans (2012) found that although market-driven companies can provide the best interaction with customers, market-driving it is key to achieving financial performance. It is understandable that consumers seldom put design as an explicit requirement on their list. Market-driving companies, in contrast, involve designers or executives received training in design thinking on every important decision. Design plays a central role in the market-driving philosophy because it provides a true innovation from within and attract customers with surprises (creativity) and therefore long-term shareholder value.

The new paradigm is clear. Design needs to be placed in the centre of the value creation cycle, and design thinking is the core competence of all boardroom executives. There is a strong need to bridge the professions of marketing and design – in both academia and practice.

## References

- Brown, D. C. (2006). *Assumptions in design and design rationale*. Paper presented at the Workshop on Design Rationale: Problems and Progress. Design Computing and Cognition.
- Chen, Y.-C., Li, P.-C., & Evans, K. R. (2012). Effects of interaction and entrepreneurial orientation on organizational performance: Insights into market driven and market driving. *Industrial Marketing Management*, 41(6), 1019-1034.
- Dunne, D., & Martin, R. (2006). Design thinking and how it will change management education: An interview and discussion. *Academy of Management Learning & Education*, 5(4), 512-523.
- Hancock, P., & Tyler, M. (Eds.). (2007). *It's All Too Beautiful: Emotion and Organization in the Aesthetic Economy*. Oxford: Blackwell Publishing.