

# HOW MUCH DESIGN DOES UPPER AUSTRIA NEED?

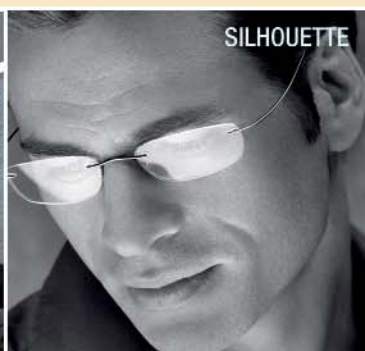
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A study of the design consciousness  
of Upper Austrian production companies



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# HOW MUCH DESIGN DOES UPPER AUSTRIA NEED?

A study of the design consciousness of Upper Austrian production companies

Imprint

Sigrid Prammer (publisher)

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<b>I Management Summary</b>	6
<b>II General Conditions</b>	8
Objectives	9
Methodology	9
<b>III Results</b>	12
<b>1 Product design - advertising design - design strategy</b>	13
Understanding of product and advertising design	13
Competitive advantages from a corporate perspective	14
Significance of design according to branch and company size	15
<b>2 Benefits of product and advertising design en route to design strategy</b>	17
<b>3 Design implementation - product design measures</b>	19
ADVERTISING DESIGN	20
Use of advertising measures	20
Long-term advertising planning	22
Success of the advertising measures	23
PRODUCT DESIGN	24
Understanding of product design	25
Design in the product development process	27
Design budget	28
Design controlling	28
DESIGN STRATEGY	29
<b>4 Design responsibility - internal and/or external?</b>	31
Advertising design	31
Product design	32
Role of design partners	33
<b>5 Design strategy - a look at the future</b>	35
<b>IV Persons responsible for the study</b>	38

**ILLUSTRATIONS**

Fig.1 Comparison of Upper Austrian parent population and sample companies (n=195)	10
Fig.2 Competitive advantages (n = 195)	14
Fig.3 Significance of design in various branches	15
Fig.4 Use of advertising and product design (advertising design n=185, product design n = 87) )	17
Fig.5 Advertising measures (n = 195)	20
Fig.6 Advertising measures according to size classification	22
Fig.7 Long-term advertising planning (n = 195)	23
Fig.8 Utilisation of product design (n = 195)	24
Fig.9 Utilisation of product design according to company size (n = 188)	25
Fig.10 Understanding of product design from a corporate perspective (n = 188)	26
Fig. 11 Product development phase (n = 93)	27
Fig. 12 Investment in product design (n = 75)	28
Fig. 13 Types of portfolio strategy	30
Fig. 14 Support by design partners (advertising design n = 195, product design n = 94)	33
Fig. 15 Types of design users	36

**TABLES**

Table 1 Sample profile by branch	10
Table 2 Branch distribution	11
Table 3 Significance of product design in the various branches	16
Table 4 Long-term advertising planning according to size classification	23
Table 5 Types of design strategies	29
Table 6 Persons responsible for advertising design	32
Table 7 Persons responsible for product design	33
Table 8 External support according to company size	34

## FOREWORD

Design is everywhere. But what is design? The meaning of the term is frequently unclear or is falsely applied. Therefore, it is all the more important that the design consciousness of Upper Austrian companies be strengthened, existing potential be expanded and new areas of activity and opportunities be exploited. Especially in view of the fact that design can prove to be the decisive criterion for the competitiveness and success of SMEs.

The Design & Media Network wanted to know exactly what the situation is with regard to the design consciousness of Upper Austrian production companies and therefore in co-operation with the Upper Austrian Chamber of Commerce and the Institute of Trade, Sales and marketing of the Johannes Kepler University of Linz, 195 companies from a cross-section of branches were questioned on this topic and you are currently holding the results.

The study was intended to show what design can mean, how it can be experienced within a company, what status it possesses and in what form it is realised. This definition of the actual situation should serve to ensure the assistance of companies in precisely those areas where it is most needed and that the measures planned by the Network ideally match the needs of the companies. At the same time, the study also represents a benchmark for companies. With the help of its conclusions, they can determine where they stand and where they are lagging behind. However, one should constantly be aware of one fact, namely that with professional design goals are simply achieved with greater speed!

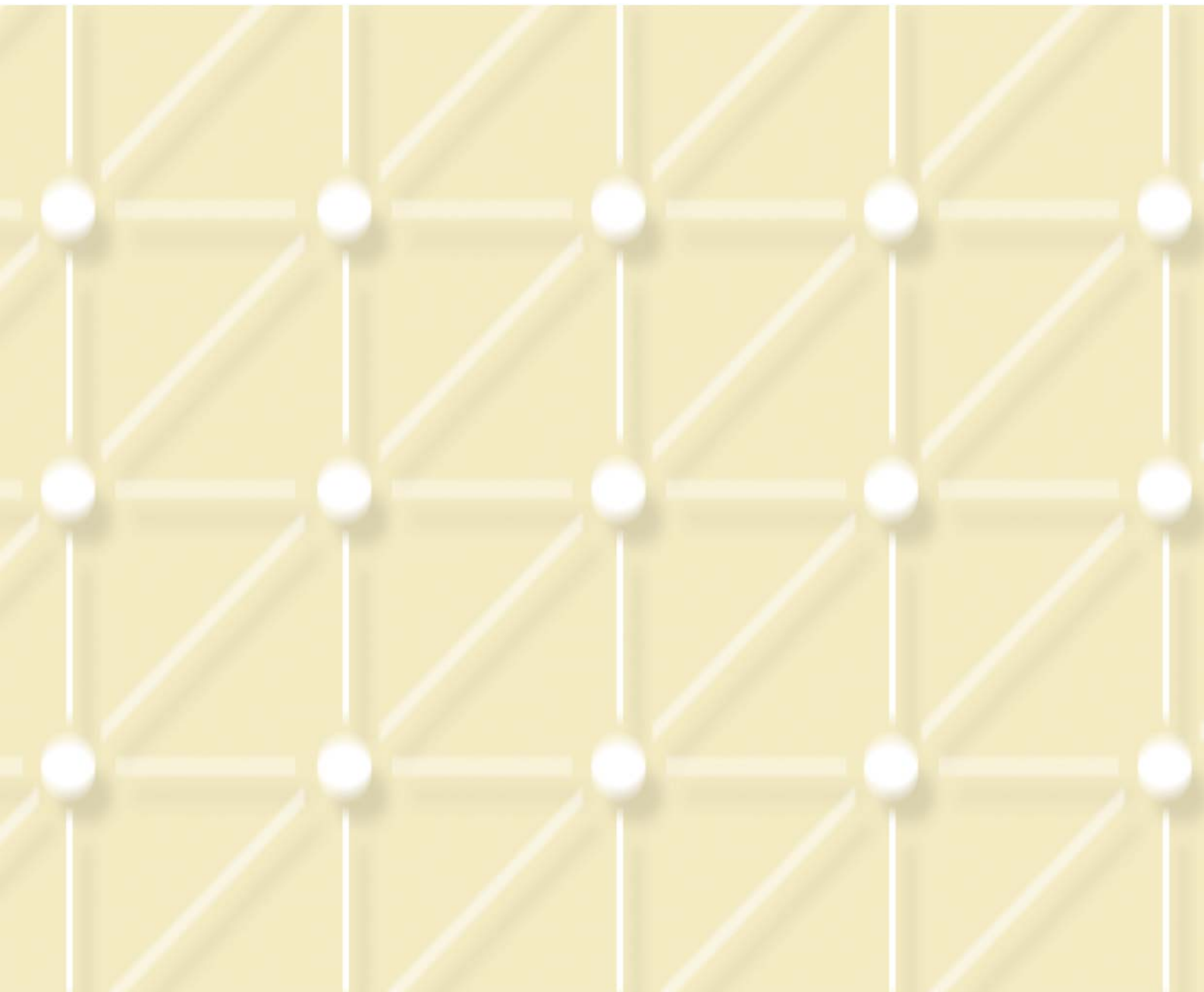
Yours sincerely,



Sigrid Prammer

Manager, Design & Media Network

# I Management Summary



Design is an important factor in the economic success of a company and its products. Design involves the conscious material and medial design of processes, products and the corporate identity of a company. When applied strategically, design offers companies great potential for value added generation in order to differentiate themselves from the competition. Optimised processes, strengthening of the brand and identity, innovative and ergonomic product design and customer loyalty are just some of the resultant advantages.

As an information and communications platform, the Design & Media Network offers Upper Austrian companies know-how and support for the in-company implementation of design strategy. However, in order that companies receive support that precisely matches their needs, a study was completed regarding the design awareness of Upper Austrian production companies.

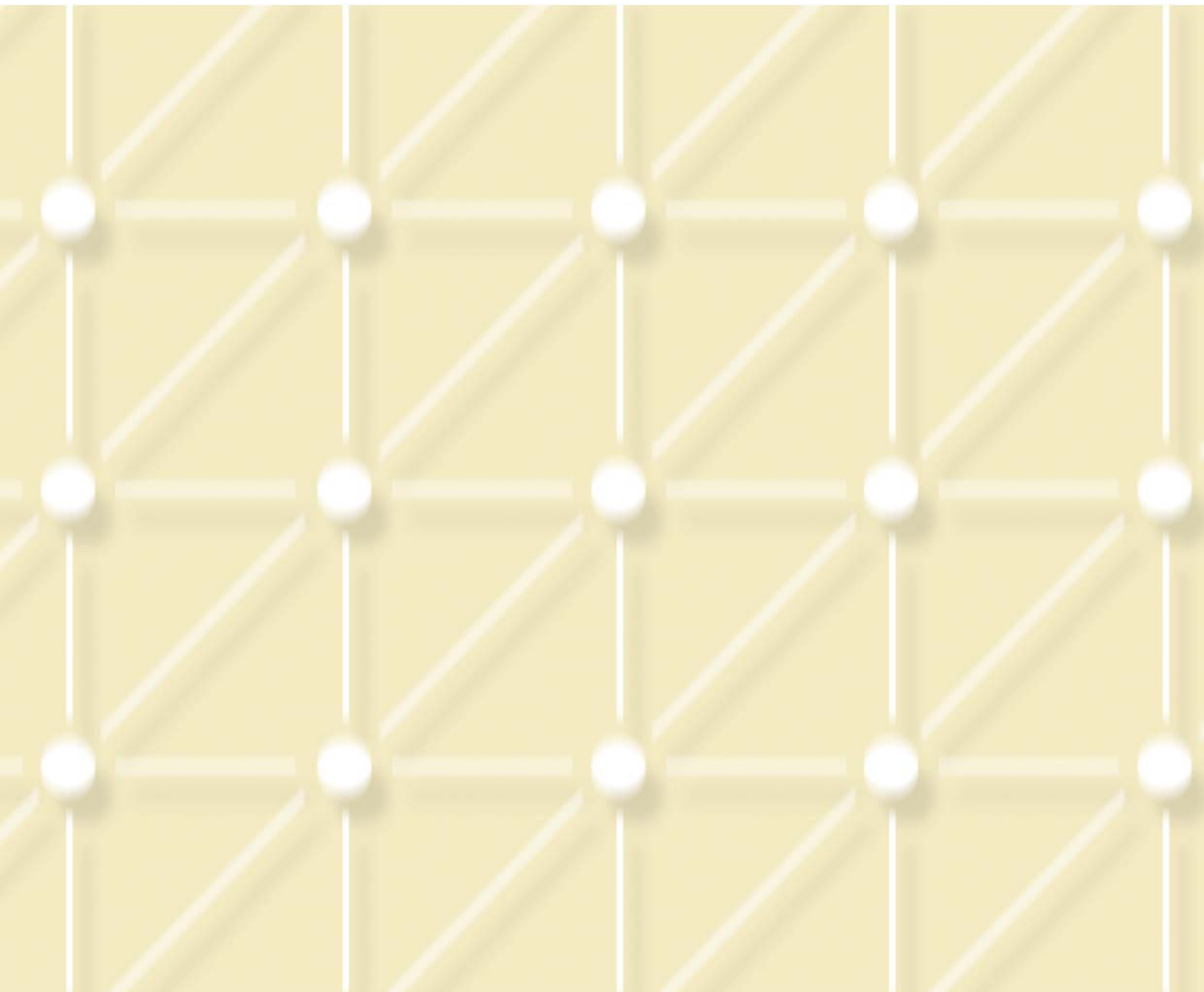
The results of the study are contained in this document along with informative facts and figures.

- For example, only some 28% of companies regard design as an important competitive factor. Quality was designated as the primary competitive factor, but this only results from a good design strategy!
- In addition, the various branches allocate differing levels of importance to design. In this regard it must be stated that a design strategy for each branch represents a source of major potential.
- Advertising design, i.e. the design of communications measures, is used by a large number of companies, but only 37% employ long-term strategy. However, the full benefits of communications measures can only be achieved when this strategic orientation is in place.
- Product design is utilised by less than half of the companies questioned and these tend to be the larger rather than the smaller enterprises.
- A major factor in the success of a product is the early integration of designers. However, it is surprising that 90% of companies already use design during the initial product concept.
- As a rule, larger companies are more likely to work with professional design partners than by smaller ones. This is in spite of the fact that the support of design partners is important for the securing of quality and success. Overall the performance of external design partners is positively evaluated, whereby competence, creativity and customised packages are seen as being of decisive importance.

The integration of a design strategy, communications strategy (advertising design) and product design offers enormous potential for companies. However, strategic planning, teamwork with design partners and a readiness to invest in design are indispensable.

Therefore, the task is to raise the levels of awareness among Upper Austrian companies, arouse their interest and provide them with the support needed in order to successfully employ design.

# II General Conditions



## OBJECTIVES

This study has the objective of completing the first analysis of the know-how of Upper Austrian production companies in respect of the topic of design. Of special interest are the corporate understanding of design, the significance of design in companies and the long-term nature of design planning. The following central issues provided the object of this study:

- Is there long-term design planning?
- What communications measures are employed and how are these designed?
- How many companies actively employ product design?
- How is product design implemented within the company?
- Is product design regarded as a long-term company assignment?

In addition, it was also ascertained if design tasks were integrated into the company organisation and the identity of the persons responsible. In this connection, the role of external partners and advertising specialists was also illuminated.

The result of the study is an analysis of the current situation in Upper Austria's companies. Potential, the possibilities for action and opportunities for companies of differing size and from various branches are all made tangible.

## METHODOLOGY

For many years, the term "design" has been a common topic and is frequently the object of differing definitions. Therefore, at the beginning of the study, the "design" was divided into two components:

- 1) Design of the entire communications measures within a company (advertising design).
- 2) The design of products taking into account aspects such as user friendliness, aesthetics and economics (product design).

A standardised, written questionnaire was then prepared on this basis, containing 40 questions and comprised of the topic blocks of advertising and product design and a short demographic section. After pre-testing, the questionnaire was brought into an on-line format in order to make handling as simple as possible.

All Upper Austrian production companies were selected as the parent population, whereby the Upper Austrian Chamber of Commerce provided the company names and addresses. The sample was established at random. The online questionnaire was sent to 3,028 companies and 195 completed and valid questionnaires were returned, which represented a feedback quota of around 6.5%. In the course of the study, the interviewees were reminded of the surveys several times and requested to support this research project. This feedback quota relates exclusively to questionnaires completed in full.

The following diagram represents a comparison of the Upper Austrian companies selected as the parent population with the selected sample, taking into consideration company size.

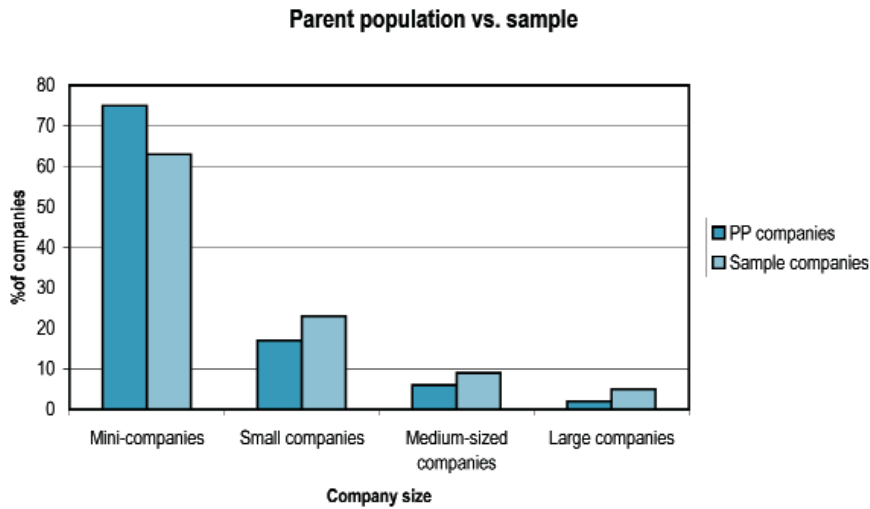


Fig.1 Comparison of Upper Austrian parent population and sample companies (n=195)

It is evident that share of companies in the various size classifications does not deviate greatly between the parent population and the sample and that can adjust the latter to be representative. The EU standard in line with the number of employees was used for the classification of company size.

Number of employees	Designation
1-9 employees	Mini-company
10-49 employees	Small company
50-249 employees	Medium-sized company
250+	Large company

Table 1 Sample profile by branch

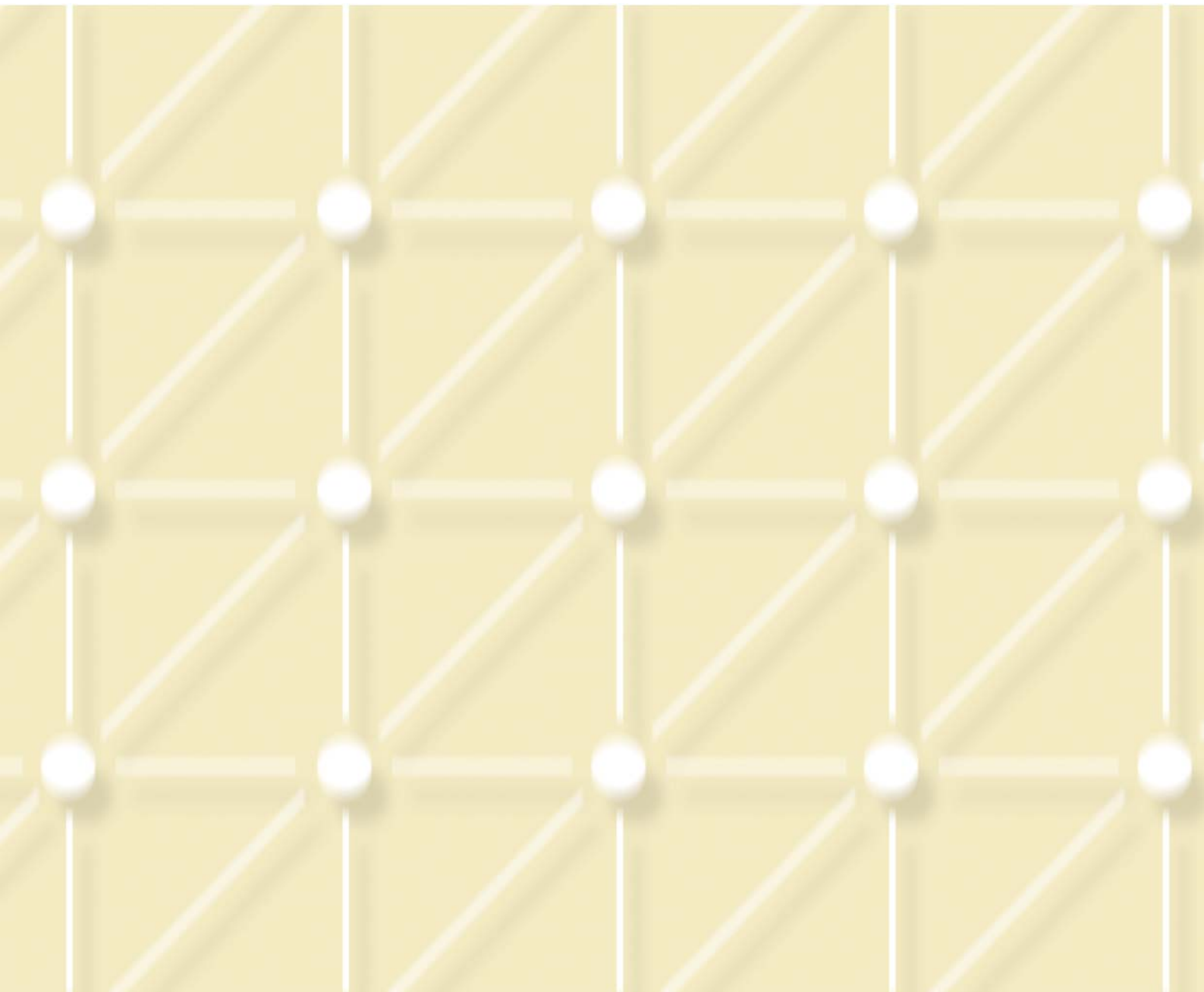
If the companies contained in the sample are considered from the viewpoint of their activities and branches, the following profile results.

Branch	Number of companies	Percentage
Mechatronics and automation technology (e.g. IT, medical, air conditioning and solar technologies)	60	30,77
Housing, furnishing, office and shop fittings	43	22,05
Building materials, materials, construction	18	9,23
Printing and publishing	11	5,64
Chemicals, pharmacy, cosmetics and plastics, glass and ceramics	9	4,62
Foods and semi-luxury goods, beverages	8	4,10
Sport, games, art and traditions, musical instruments	8	4,10
Wood and woodworking	7	3,59
Textiles and leather	4	2,05
Health, welfare, work safety	1	0,51
Other	18	9,23
No information	8	4,10
Total	195	100

Table 2 Branch distribution

The evaluation of the questionnaires took place with the assistance of the statistical SPSS program, whereby diverse methods such as frequency analyses, cross tabulation, Chi square tests, T tests and variance analyses were applied.

# III Results



# 1 Product design - advertising design - design strategy

## UNDERSTANDING OF PRODUCT AND ADVERTISING DESIGN

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Design is a term that is used frequently, but is the object of diverse interpretations. Many companies employ the word "design" as part of their names, without defining their activities, although the understanding of "design" is extremely diffuse. For this reason, within the framework of the study, the term "design" was initially delineated and defined.

The basis for the determination of the understanding of the term design is provided by the definitions valid within the Design & Media Network:

### **Design strategy**

All the tasks within the company connected with design are concentrated under the term "design strategy". In order that a company can position itself in the market with design, all design activities must employ the same language. For this reason, a design strategy may not only be concerned with product design, but also the overall design of communications and advertising measures (advertising design). Both product and communications design must be embedded in a long-term design strategy and harmonised with one another in order to generate related competitive advantages.

### **Product design**

Product design involves more than just questions of form. Good design accommodates user friendliness, aesthetics and economics. If these aspects are considered from the outset and are accounted for in the basic design, costs are saved and a clear image is created.

### **Advertising design**

Advertising is understood as meaning the complete range of communications measures, which a company utilises both externally and internally. These include classic advertising methods (e.g. the design of brochures, booklets, business cards, Internet, etc.) public relations, trade fair exhibits, event management and internal communications.

## COMPETITIVE ADVANTAGES FROM A CORPORATE PERSPECTIVE

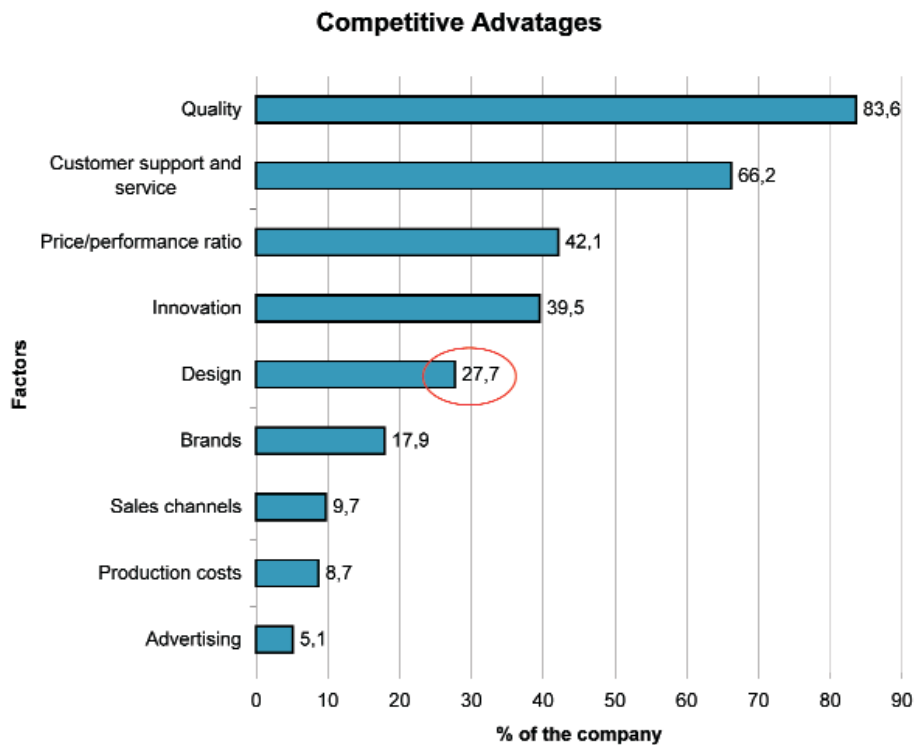


Fig.2 Competitive advantages (n = 195)

Every company in the market is intent on differentiating itself from its competitors. There are many factors that be employed to achieve such a differentiation and an improved form of customer address, which in the final analysis will lead to an advantage over the competition.

All the participants in the study were asked what differentiates them most from their competitors. Multiple replies were possible.

Fig.2 shows possible competitive advantages in accordance with the percentages of the companies, which marked the respective factors. Quality and customer support/service emerged as the most significant factors, whereby quality was by the more important, representing a competitive advantage for 83.6% of the companies. The price/performance ratio and innovations were rated as the next most important factors around 40% of the companies questioned naming them as competitive advantages.

Design lay in mid-table with 27.7%, playing a role in differentiation from the competition for 45 of the 195, or not quite a third, of the companies questioned. The brand factor can be seen as belonging to the bottom half of mid-table with 17.9%. Finally, sales channels, production costs and advertising are regarded by less than 10% as a relevant factor in competitive differentiation.

If one considers which branches the companies came from, which named design as a competitive factor, then a clear trend is apparent. 41.5% of the companies are designated as belonging to the "Housing, furnishings, office and shop fittings" branch and 32.1% to "Mechatronics and



<b>Branches</b>	<b>Average</b>
Textiles and leather	1,25
Housing, furnishing, office and shop fittings	1,79
Health, welfare, work safety	2,00
Sport, games, art and traditions, musical instruments	2,38
Mechatronics and automation technology	2,49
Others	2,56
Printing and publishing	2,56
Foods and semi-luxury goods, beverages	2,75
Building materials, materials, construction	3,00
Chemicals, pharmacy, cosmetics and plastics, glass and ceramics	3,11
Wood and woodworking	3,29
<b>Total</b>	<b>2,42</b>

Table 3 Significance of product design in the various branches

The companies in the "Housing, furnishings, office and shop fittings" and "Textiles and leather" branches gave product design the highest ratings with average values of 1.79 and 1.25 respectively. Design was allocated less importance in the "Wood and woodworking", "Chemicals, pharmacy, cosmetics and plastics, glass and ceramics" and "Building materials, materials, construction" branches. The average value in these cases was over 3. For the remaining branches the values were mid-table, or approximately 2.5. The precise values can be seen in the appendix.

In addition, it was ascertained as to whether company size was of relevance in the assessment of the importance of product design. This led to the result that the evaluation of the importance of product design was independent of company size.

In summary, it can be stated that design is regarded as being of limited importance as a competitive advantage, but that in the "Housing, furnishings, office and shop fittings" and "Mechatronics and Automation Technology" branches it is seen as factor in differentiation from the competition. According to the estimations of the companies, above all product design plays a major role in the "Housing, furnishings, office and shop fittings" and "Textiles and leather" branches.

## 2 Benefits of product and advertising design en route to design strategy

In all cases, the driving force behind the preparation of a long-term design strategy is provided by the advantages that the company anticipates from design. Product and advertising design in a company should always be linked to a target. An increase in customer loyalty, sales figures, brand strength and the arousal of emotions are just some of the objectives that can be pursued through a design strategy.

In the questionnaire, the significance of various categories of benefits were to be evaluated on the basis of a five-level school marking scale (1 = very important, 5 = unimportant). Furthermore, the cost factor was included in the questions regarding product design, in order to examine the extent to which product design is employed with the concept of cost savings in the background. The following pattern emerged from these evaluations.

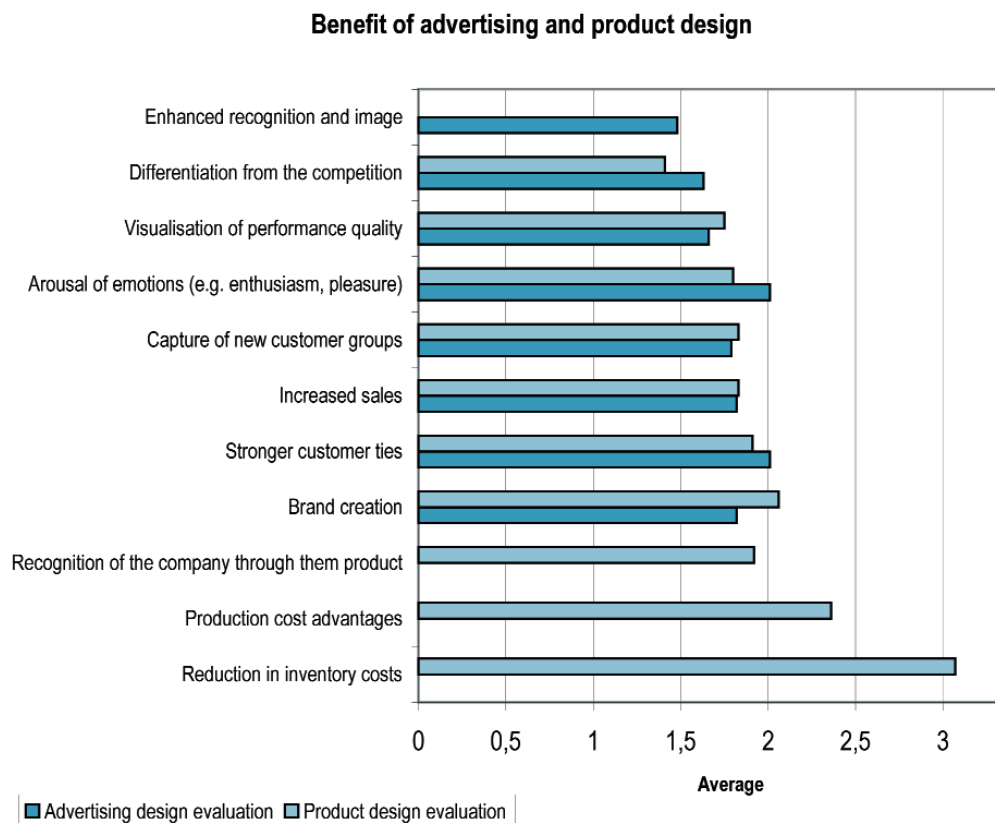


Fig.4 Benefits of advertising and product design (advertising design n=185, product design n = 87)

It comes as no surprise that enhanced recognition and company image levels are assessed as being the most important factors and therefore the top advertising design objective. If one considers the diagram closely, it is evident that many categories of advantage were evaluated and

rated in a very similar way with regard to advertising and product design. The fact that in the case of various advantage categories there is no comparison with product or advertising design, derived from the possibilities offered by the questionnaires for replies concerning advertising and product design. If one assumes that the combination of product and advertising design constitutes the design strategy of a company, then it can be established that apart from the aforementioned "Enhanced recognition and image", "Differentiation from the competition", "Visualisation of performance quality" and the "Capture of new customer groups" are the most important elements of advantage in a design strategy.

If the evaluations of the benefits are separated from company size, no deviation of difference can be determined with regard to advertising design. As far as product design is concerned, among the most important factors, the only outstanding feature is the fact that the aspect of capturing new customer groups is of greater significance for mini-, small and medium-sized companies than for large ones.

### 3 Design implementation - product design measures

Diverse demands are made on companies with regard to their design tasks in accordance with their size or branch affiliation. Accordingly, the design of communications and advertising measures can be multifaceted and extend from simple advertising mailings to a strategic communications policy, which apart from classic advertising, also includes public relations, trade fair exhibits and event management, combined in a communications strategy. In the product design area activities also range from styling and packaging design, to strategic product design, which are anchored in the corporate philosophy and are already employed at the beginning of the product development process. Only those who are aware of the specific corporate and branch prerequisites can employ design successfully.

The following section is intended to clarify advertising and product design measures in Upper Austrian companies.

## ADVERTISING DESIGN

## USE OF ADVERTISING MEASURES

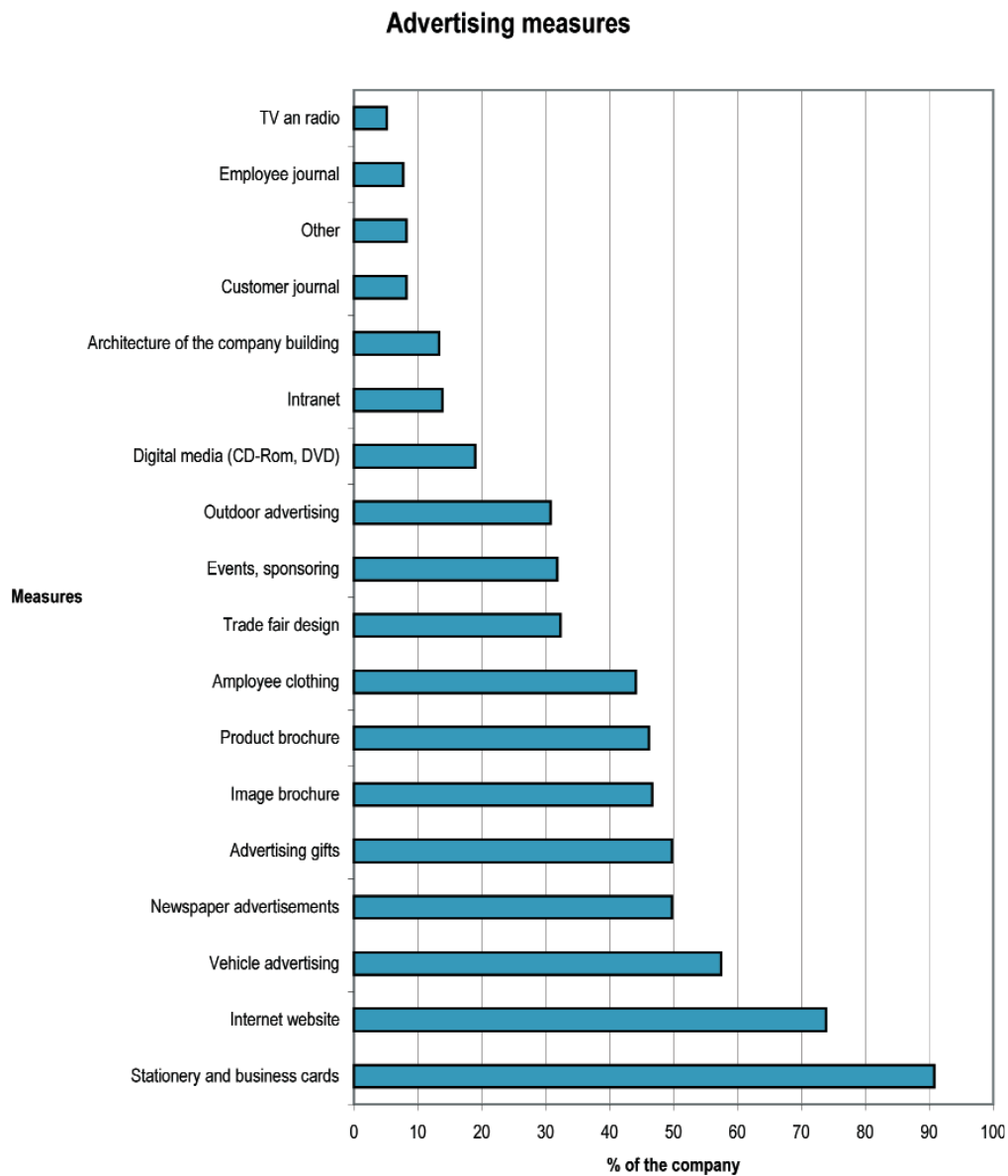


Fig.5 Advertising measures (n = 195)

The question of the use of advertising should clarify the scope of communications measures both internally and externally. The interviewees were provided with a list of possible advertising measures, from which they should select the standard activities within their companies.

The diagram above shows ratings of the various advertising measures with regard to their employment in the companies questioned. Stationery and business cards are clearly in first place and are used in 91.7% of the companies for advertising purposes. The targeted Internet website was in second place with 74.6% and is thus one of the main advertising measures.

Advertising on vehicles with 58% is used by more than half of the companies questioned for external communications and is therefore in third place. Stationery and business cards, Internet and advertising on vehicles can therefore be designated as the three main communications methods among the Upper Austrian companies.

With values of 40-50%, newspaper advertisements, advertising gifts, image and product brochures and employee clothing constitute another group of frequently used advertising measures.

The scrutiny of the various advertising measures in relation to company size brought the following result.

For mini-companies, the most important advertising measures are comprised by stationery and business cards, Internet websites, advertising gifts and advertising on vehicles. These measures also represent the basis for small company communications. For companies of this size, newspaper advertisements, image brochures and employee clothing are also of significance. Events and sponsoring are employed as advertising by more than half of the small companies.

A tendency to use the aforementioned measures to a still greater extent is apparent among large companies, whereby these conventional ploys are supplemented by more complex advertising. From the medium-sized companies upwards, product brochures, trade fair exhibit design, Intranet and digital media are added to the range. Finally, in large companies employee and customer journals, outdoor advertising and the architecture of company buildings are used to an increasing degree.

The diagram below shows these results again in clearer form, whereby the rating of the advertising measures for the various classes of company is in accordance with their application in terms of per cent. The advertising measures were allotted to a class of company, where they are utilised by over 50% of companies.

Size classification	Advertising measures
	<ul style="list-style-type: none"> <li>Stationery and business cards</li> <li>Internet website</li> <li>Advertising gifts</li> <li>Vehicle advertising</li>   <li>Newspaper advertisements</li> <li>Image brochure</li> <li>Employee clothing</li> <li>Events, sponsoring</li>   <li>Product brochure</li> <li>Trade fair design</li> <li>Intranet</li> <li>Digital Media</li>   <li>Employee journal</li> <li>Outdoor Advertising</li> <li>Customer journal</li> <li>Architecture of the company building</li> <li>TV and radio</li> </ul>

Fig.6 Advertising measures according to size classification

To sum up, it can be said that the print media and the Internet are the most frequently employed advertising measures. External communications, particularly in the direction of the customers, is of importance to all the companies questioned. The scope of the activities decrease with company dimensions and it is striking that internal communications measures, i.e. directed towards employees, were first mentioned by the large companies.

## LONG-TERM ADVERTISING PLANNING

In addition to the investigation of the advertising measures employed, companies were also asked whether they employed long-term, strategic planning as a platform for their advertising activities.

The pie chart shows that only 37% of the companies questioned really plan their advertising, the remainder operating their communications on an item-by-item basis.

### Long-term advertising planning

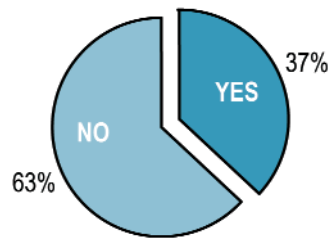


Fig.7 Long-term advertising planning (n = 195)

If one considers this fact from the company size perspective, it can be said that the number of companies using long-term advertising planning rises in ratio to the dimensions of the company. This can be traced to the fact that with the complexity of the communications measures also increases with company size and thus a long-term and strategic orientation is indispensable.

		1-9 employees	10 - 49 employees	50 - 249 employees	> 250 employees	Total
Long-term advertising planning	Number of companies	118	43	17	10	188
	Yes	27,97%	41,86%	47,06%	90%	36,17%
	No	72,03%	58,14%	52,94%	10%	63,83%

Table 4 Long-term advertising planning according to size classification

## SUCCESS OF THE ADVERTISING MEASURES

The long-term and efficient use of advertising measures is only possible when the effects are subject to ongoing scrutiny and the related activities are the object of a continuous improvement process.

Within the framework of the study, companies were asked as to if and how they monitored the success of the advertising measures employed.

49% of the companies stated that they supervise the success of their advertising design. Customer surveys were listed as the most frequently method used. Moreover, indirect checks related to increases in sales, income and new customer contacts were also mentioned as monitoring methods.

The result shows that around half the companies questioned give some thought to the measurement of advertising success. Under any circumstances this can be rated as positive. In the case of the remaining

51%, the task is to raise their awareness of the necessity of measuring success, as optimum advertising planning demands control mechanisms.

## PRODUCT DESIGN

How many companies actually use product design? This question was clarified at the very beginning of the block of questions relating to product design and provided the following result.

### Utilisation of product design

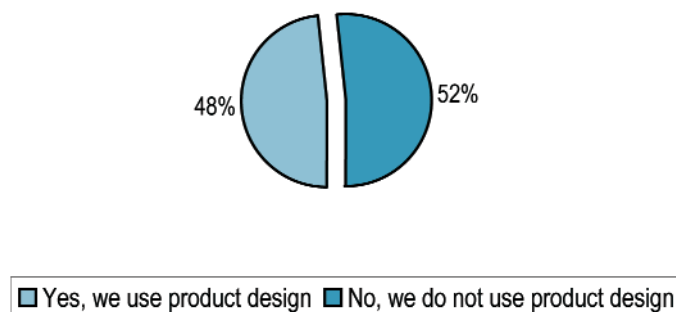


Fig.8 Utilisation of product design (n = 195)

Only about a half of all of the 195 companies questioned answered affirmatively with regard to the use of product design. In addition, the factual content was examined in order to ascertain whether a link exist between company size and the utilisation of product design. A study of the various statistical evaluations permits the conclusion that the probability of product design use increases in ratio to company size.

### Long-term advertising planning

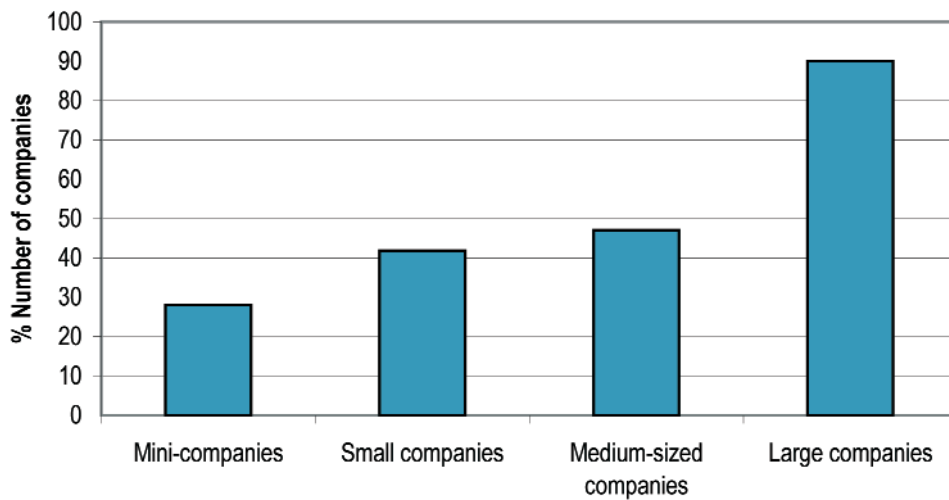


Fig.9 Utilisation of product design according to company size (n = 188)

From this result, one may conclude that in many companies, product design still takes place on an unconscious basis. In the course of the provision of performance, every production company designs its products. Moreover, for those companies that do not undertake deliberate product design, the opportunity still exists to design their products with a greater sense of awareness and thus enhance their success.

## UNDERSTANDING OF PRODUCT DESIGN

Only the 94 companies, which gave an affirmative answer to the question, "Do you use product design", were asked for responses to the following questions. The first topic deals with the understanding of product design, which many spontaneously associate with questions of form and visual considerations. We wished to examine this phenomenon in greater detail and investigated the factual content at Upper Austrian companies in this regard. Various criteria, which characterise a well-designed product, were to be assessed on a school marking system with grades of 1-5. The result was as follows.

### Characteristics of a well-designed product

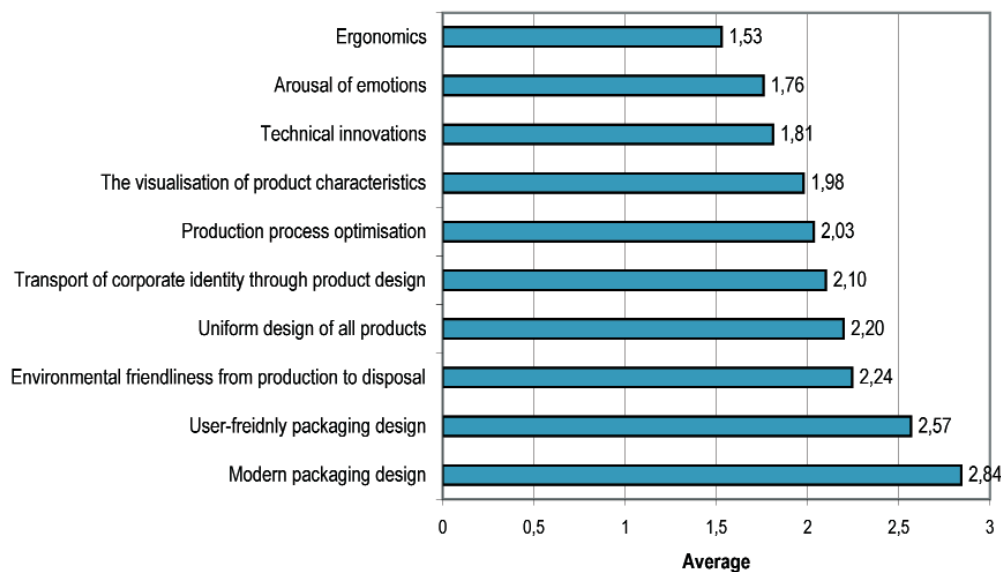


Fig.10 Understanding of product design from a corporate perspective (n = 188)

At the top of the diagram one finds the ergonomics aspect, which was thus rated highest. This means that as opposed to various expectations, not only optical considerations occupy the foreground in product design, but rather ergonomic demands should be accommodated and fulfilled to the maximum. Other important tasks, which in the opinion of the Upper Austrian companies have to be fulfilled by product design, include the arousal of emotions, the creation of technical innovation and the visualisation of product characteristics. The inclusion of sustainability and hence environmental friendliness during the entire product life cycle and the design of the packaging is regarded as less important, which indicates that the topic of design plays more than a superficial role in the design of new products.

In summary, it can be said that product design should include a balanced mix of functional and visual aspects, which means that consequently, design must be accounted for at a very early stage of product development. This fact leads to the next subject of investigation in the study.

## DESIGN IN THE PRODUCT DEVELOPMENT PROCESS

A further interesting topic in connection with product design relates to the product development phase, in which product design is considered for the first time. The following diagram shows the result of this question.

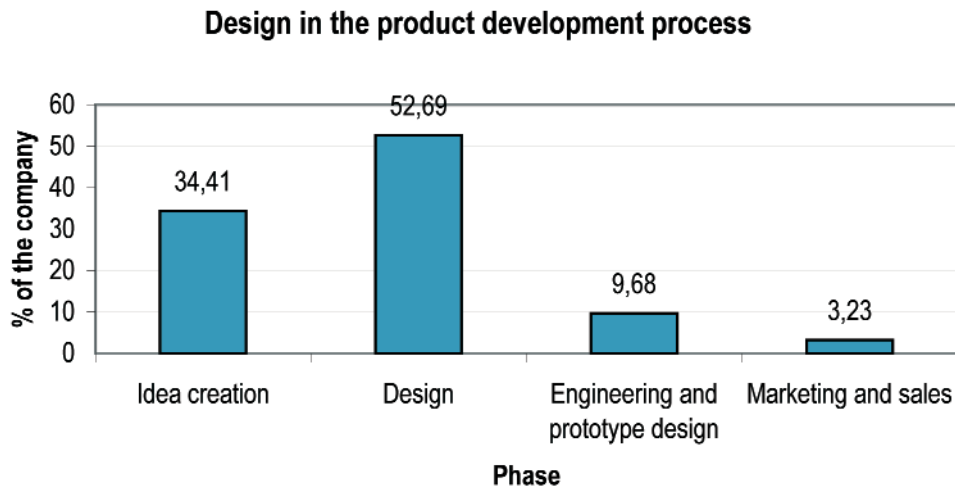


Fig. 11 Product development phase (n = 93)

Around a third of the companies questioned already start to think about the subsequent design of the product during the search for new ideas. Moreover, at the latest, some 90% consider design during the first product concepts. In order to underpin the validity of this statement, a further question was posed on this topic, in which the companies were asked about the point in time when the use of design is first considered. The responses were to similar to those relating the preceding question, 87% of the companies questioned regard product design as part of product development and take aspects such as user friendliness, aesthetics and economy in account throughout the entire product development process. A mere 13% of companies develop and engineer their products up to serial maturity prior to subsequent optical design through the choice of colours and materials.

A notable number of the companies questioned implement product design at an early stage of the innovation process. The success of the entire product process is enhanced when design is accounted for during the idea creation and conceptual phases.

## DESIGN BUDGET

The decision to opt for design within a company is indelibly linked to a readiness to provide finance for this purpose. The size of the design budget is dependent on many factors and in the final analysis is to be established on a specific company basis.

The question concerning the size of the design budget in terms of the product development costs was intended to discover the willingness of companies to invest in design.

It can be concluded that roughly the half of companies use between 1 and 5% of funding for this purpose. A quarter invest 6-10% of development costs in design and 15% of companies invest over 15%. The following diagram illustrates these figures.

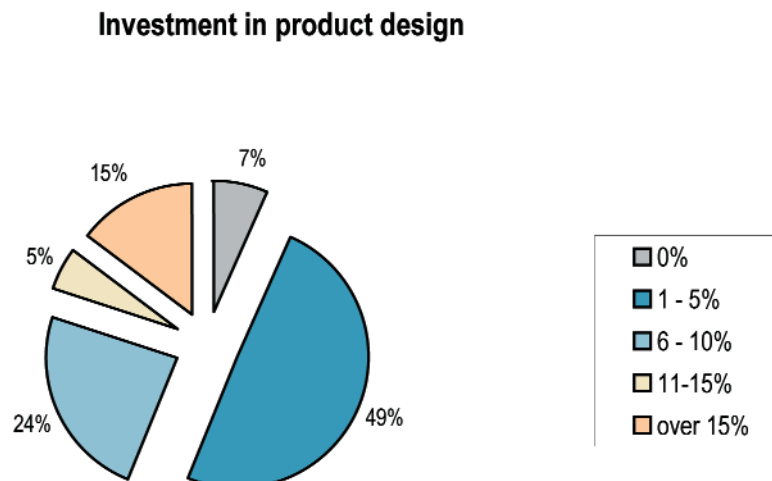


Fig. 12 Investment in product design (n = 75)

The volume of investments in design varies greatly. It is clear that the success of design consulting is largely dependent on the readiness to invest in design.

## DESIGN CONTROLLING

It is a known fact that only content that can be measured can be controlled. Without doubt, the measurement of design measures is important, but frequently reaches its limits in practical business life. As design represents a qualitative factor, success is difficult to quantify and evaluate.

In the course of the study, the extent and manner of company evaluations of the success of product design was investigated by means of an open question.

76% of the companies stated that they monitor success, primarily on the basis of customer satisfaction, sales and the order situation.

It can be seen as positive that the majority of companies already assess the success of product design. Major potential for the future is contained in extensive design controlling, which formalises and quantifies success measurement, in order that deficits can be identified and improvement measures initiated.

## DESIGN STRATEGY

The integration of all design assignments in a design strategy offers companies, enormous potential to differentiate themselves from their competitors through conscious conceptual measures.

For the study client, the number of companies using both advertising and product design was also of interest.

Companies, which only use short-term advertising design and no product design	36,4 %
Companies, which use short-term advertising design and product design	26,7 %
Companies, which use long-term advertising design and product design	21,5 %
Companies, which only use long-term advertising design and product design	15,4 %

Table 5 Types of design strategies

21.5% of the companies questioned use both product and advertising design. Therefore, it can be assumed that the preconditions for strategic design work exist in Upper Austrian companies. Conversely, 36.4% use neither advertising nor product design and then remaining 42.1% use one of the two types of design.

Product design	YES	26,7% TYPE 2	21,5% TYPE 4
	NO	36,4% TYPE 1	15,4% TYPE 3
		NO	YES
		Long-term advertising design	

Fig. 13 Types of portfolio strategy

Strategic design work offers companies enormous potential. The effectiveness and efficiency of design activities can be raised considerably if advertising and product design are planned in the long-term, coordinated and subjected to a design strategy.

## 4 Design responsibility - internal and/or external?

The success of a design strategy is largely dependent upon the actual implementation of the design assignments by the persons responsible. These can consist of a diversity of players such as CEOs, marketing experts and engineers, as well as external services suppliers such as designers and advertising specialists, who can all be integrated into the design process. Optimisation of the teamwork between these persons and a smooth design implementation process are vital.

Design-consciousness frequently represents a decisive competitive advantage over the competition. From an economic standpoint, special advertising or functional product design can give a company a lead. Therefore, this major responsibility should be precisely regulated and defined and the various assignments clearly allocated to those responsible.

Questions were posed regarding those responsible in both the advertising and the product design sectors. Multiple responses were possible in order not to exclude the possibility of divided responsibilities.

### ADVERTISING DESIGN

If one considers the allocation of responsibility for advertising design in the companies questioned, one is confronted by the result that in 73.3% of cases, the CEO is answerable for the planning and design of communications and advertising. At around a quarter of the companies, the responsibility for advertising design (also) lies with Marketing/Sales or external experts for consulting.

It is of note that with increasing company size, the CEO is relieved of advertising design duties and these are steadily transferred to the Marketing/Sales area. The use of external experts for consulting also rises in ratio to company dimensions. If in mini- and small companies, the CEO bears the responsibility in around 80% of cases, in medium-sized and large cases this is only true in 58.5% and 10% of companies. While in mini-companies Marketing/Sales only deals with advertising design in 11% of cases and in small companies just 28.6%, in medium-sized companies this figures rises to 70.6%. Finally, in large companies Marketing/Sales is answerable for advertising in 100% of cases, whereby external experts are consulted by 70% of large companies.

		1 bis 9 employees	10 bis 49 employees	50 bis 249 employees	> 250 employees	Total
<b>Advertising Design</b>	Number of companies	118	42	17	10	<b>187</b>
	<b>CEO</b>	78%	81%	58,5%	10%	73,3%
	<b>Marketing/Sales</b>	11%	28,6%	70,6%	100%	25,1%
	<b>external Experts for consulting</b>	13,6%	26,2%	41,2%	70%	21,9%
	<b>Only external experts</b>	0%	2,4%	0%	10%	1,1%
	<b>None of the possibilities</b>	13,6%	4,8%	0%	0%	9,6%

Table 6 Persons responsible for advertising design

## PRODUCT DESIGN

If product design is spotlighted, it becomes apparent that as in the case of advertising design, the CEO bears the main responsibility at 77.8% of companies. A long way behind in second place come the technical designer or engineer with 26.7%. With ratings generally below 20%, the head of marketing, internal designers, inter-departmental teams and external experts are answerable for product design at a smaller number of companies.

As far as company size and the responsibility for product design are concerned, the picture shows that with increasing scale technical developers and inter-departmental teams are more frequently entrusted with design assignments. From the mini-companies to the large undertakings, the numbers of technical developers responsible rises from 11% to approximately 70%, the answerability of inter-departmental teams increasing in a similar fashion from around 4% to roughly 70%. With growing company dimensions, the CEO steadily relinquishes responsibility. If in mini- and small-companies, he or she is responsible for product design in 80% of cases, in medium-sized companies this figure falls to 66.7% and stands at only 14.29% in large companies. In the case of larger companies, the technical developers and engineers possess special importance.

In conclusion, it can be stated that the CEO bears the main responsibility for both advertising and product design, whereby with increasing company scale, this responsibility is passed on to other units and departments. In the case of advertising design, this is Marketing/Sales and in the that of product design, the technical developer/engineer or interdepartmental teams.

		1 bis 9 employees	10 bis 49 employees	50 bis 249 employees	> 250 employees	Total
<b>Product design</b>	Number of companies	46	28	9	7	<b>90</b>
	<b>CEO</b>	82,6%	89,3%	66,7%	14,29%	77,8%
	<b>Marketing director</b>	6,5%	21,4%	11,1%	28,57%	13,3%
	<b>Technical developer/engineer</b>	10,9%	28,6%	66,7%	71,43%	26,7%
	<b>Internal Designer</b>	13%	25%	11,1%	14,29%	16,7%
	<b>Inter-departmental teams</b>	4,3%	17,9%	44,4%	71,43%	17,8%
	<b>External Experts for consulting</b>	6,5%	21,4%	11,1%	42,86%	14,4%
	<b>None of the possibilities</b>	6,5%	0%	0%	0%	3,3%

Table 7 Persons responsible for product design

## THE ROLE OF DESIGN PARTNERS

The use of design consultants enhances the quality of the design process and ensures the professionalism of design activities during product development. Designers provide both professional know-how and differing perspectives due to their viewpoint as external advisors.

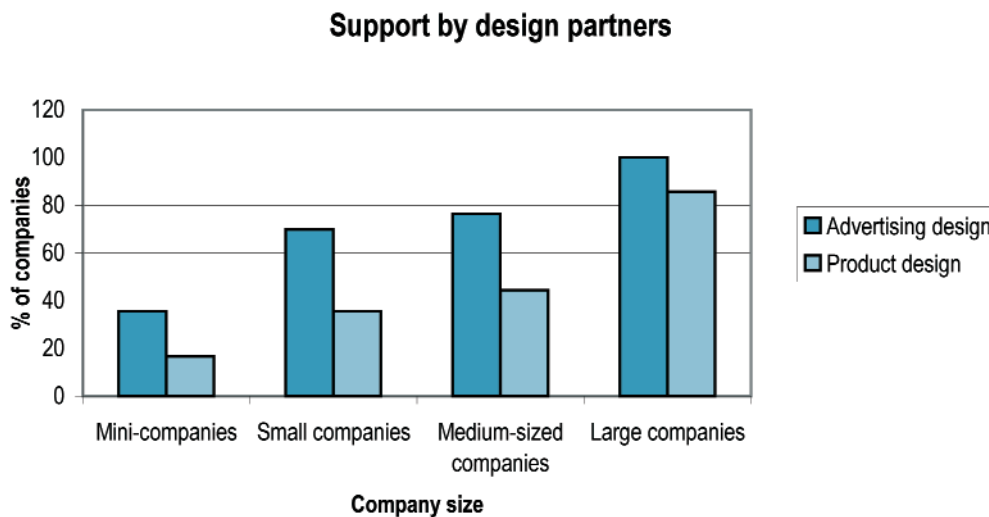


Fig. 14 Support by design partners (advertising design n = 195, product design n = 94)

	External support	1-9 employees	10 - 49 employees	50 - 249 employees	> 250 employeeer	Total
<b>Long-term advertising planning</b>	Number of companies	118	43	17	10	<b>188</b>
	<b>Yes</b>	35,6%	69,8%	75,5%	100%	50,5%
	<b>No</b>	64,4%	30,2%	23,5%	0%	49,5%
<b>Product design</b>	Number of companies	48	28	9	7	<b>92</b>
	<b>Yes</b>	16,7%	35,7%	44,4%	85,71%	30,4%
	<b>No</b>	83,3%	64,3%	55,6%	14,29%	69,6%

Table 8 External support according to company size

The table above shows the percentage of companies, which employ external support for their advertising and product design. It is striking that the frequency with which design partners are used in both the advertising and product design areas increases with company size. Above all, advertising agencies are contacted for the support of advertising design, while in the case of product design, designers are most often drafted in to assist.

In general, the overall performance of external partners in the product design area was seen as good. Competent support and the creativity of the experts were the decisive reasons behind the decision to seek external expertise. The level of satisfaction with external consulting is also guaranteed by customised performance packages, the price-performance ratio and tangible sales improvements.

## 5 Design strategy - a look at the future

In general it can be said that all the companies questioned use advertising design and that 37% also plan their advertising in the long-term. Product design is employed by roughly a half of the companies. It is also a fact that the status of design tends to be higher in large companies than in small and medium-sized enterprises.

The large companies questioned within the scope of the survey all use product and advertising design. In the other companies the question regarding the use of product and advertising design was partially negatively answered. In these cases, questions were posed concerning the reasons for non-application.

The small and medium-sized companies, which answered the question, "Do you have a long-term advertising concept?" with a "No" provided a diversity reasons for their response. On the one hand, many mini- and small-sized companies regard the use of advertising and the related planning is cost-intensive. Around 27% of companies are of the opinion that their recognition levels are high enough and 26% quoted a lack of time as a reason. Some 23% of those questioned replied that the product sold itself and therefore no advertising design was required. 9% of companies were of the opinion that advertising measures would not provide them with success.

Small and medium-sized companies, which stated that they did not employ product design were also asked why and the majority answered that customers were the reason. 18% said that design is of no importance to the customer and 4% were of the opinion that design is too expensive for the clients. Around 12% replied that insufficient finance was available for product design. Other reasons for the non-application of design included the further processing of products or the production of hidden, individual components.

In the companies that use neither product nor advertising design, design-consciousness can be assessed as low. In this connection, it is important to show these companies the possibilities offered by design and the benefits to be obtained from the integration of design into the product development and innovation process.

In the study, companies already utilising design are designated as design users and categorisation according to the extent of design activities was attempted.

The subsequent assessment resulted in the crystallisation of four types of design users.

Type 1. Companies, which only use short-term advertising design and no product design

Type 2. Companies, which use short-term advertising design and product design

Type 3. Companies, which use long-term advertising design and product design

Type 4. Companies, which only use long-term advertising design and product design

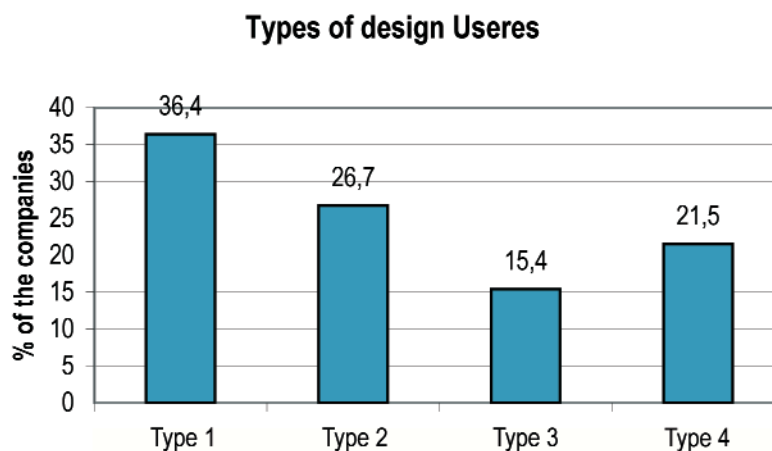


Fig. 15 Types of design users

To date, Type 1 companies have only employed advertising design measures and no product design. In these enterprises it will be important to sharpen the awareness of design among both workers and management, in order to create a breeding ground for design measures. The potential for product and advertising design in a company frequently first become evident through the creation of an extended understanding of design.

Type 2 companies employ both advertising and product design, but limit activities to short-term activities in both areas. For these companies there is an opportunity to pursue the chances for product and advertising design in the longer term and to provide a strategic anchorage, in order to already integrate the design factor in the innovation process. The establishment of design as a strategic topic opens up numerous opportunities for the optimisation of innovation processes.

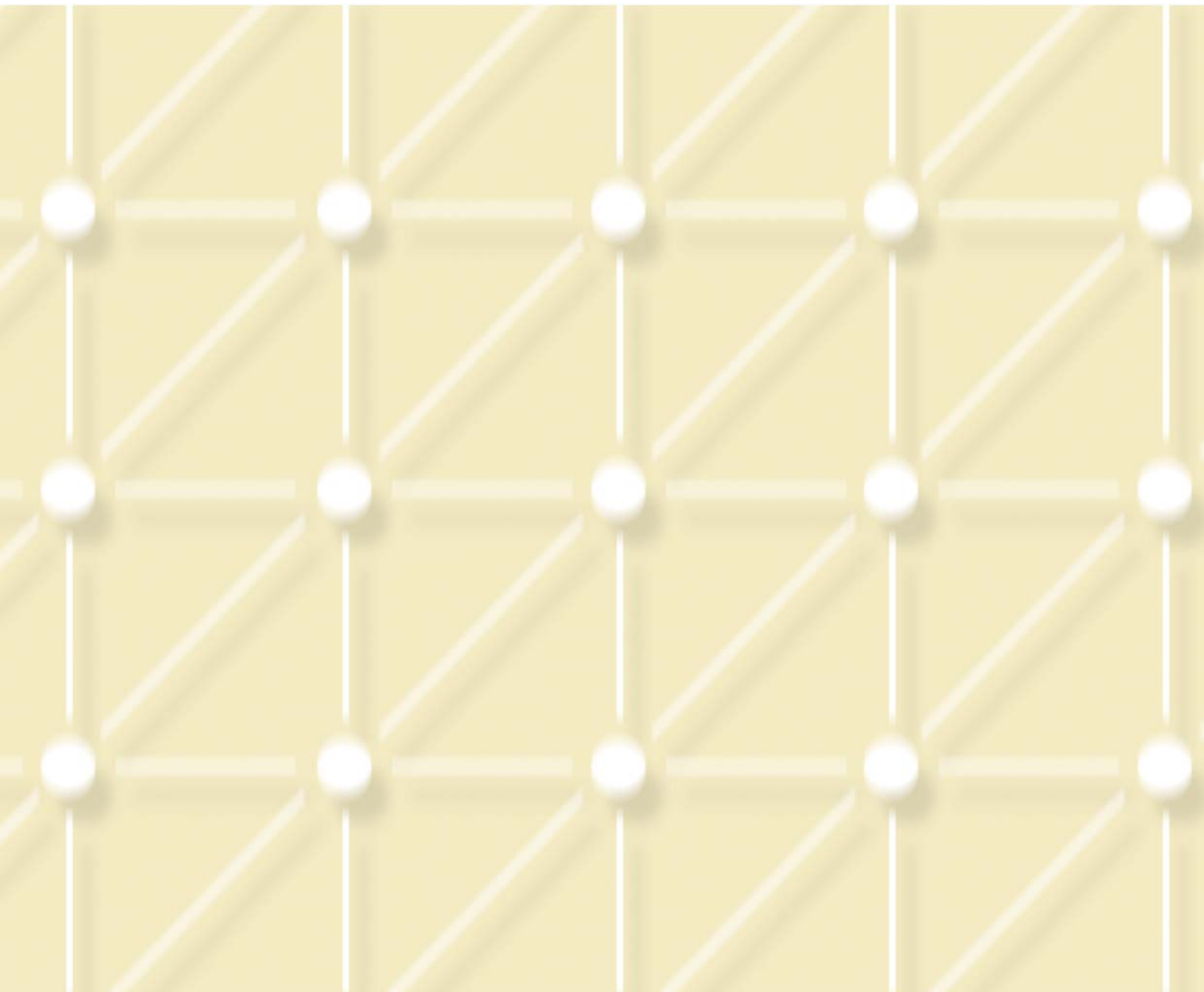
Type 3 companies possess excellent advertising planning and see advertising design as a long-term, strategic topic. Product design is not employed by Type 3 companies and it must be clarified what possibilities there are for its utilisation at these enterprises.

Type 4 companies use both product and advertising design and have already anchored the success factor design in their corporate activities. Above all, potential exists at these companies in

the strategic area. The formulation of a sustained design strategy and its anchorage within the company could result in these companies capturing a unique market position through design.

The objective of the Design & Media Network is to use this potential in design work and to furnish Upper Austrian production companies with appropriate support in all design questions, in order to make them more successful through the use of the design instrument.

# IV Persons responsible for the study



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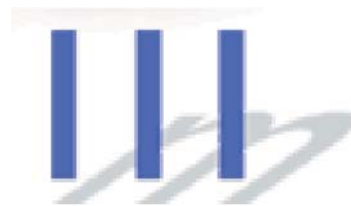
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