

Emerging Asia and Design Business Strategy

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My definition of the use of design for business strategy for this session is two-fold. First, the design function develops a brand personality from a business strategy through the delivery of a branded promise. This comprises a basic identity based on a set of agreed attributes, appropriate collateral system, messaging for corporate and advertising communications, and a tone and manner that is unique to the brand and that is instantly recognizable. The identity can be on a single product or range of products (Coca Cola), for service offering(s) (Starwood Hotel Group), for B2B solutions (IBM), for corporate use (SingTel) or as a reflection of a nation, city (Singapore) or personality (David Beckham) or a mixture of these (Microsoft).

Second, design is a creative discipline that marries creative processes to engineering and/or service platforms (Some companies have an in-house design function. Others outsource their design to agencies and consultancies). This design can take the form of package design, structural packaging, industrial design, naming, and innovation. Recently, we have seen an explosion of creative design in the automotive sector (notably Audi but also Ford - Jaguar, Volvo), in consumer electronic goods (Dyson, dopod, Sony, Apple), in fmcg consumer markets (Nestle, Johnson & Johnson packaging solutions), in the Airline business (Swiss, BA).

The perceptive reader can see where this is going as I believe strong brands are created and managed by a focus on both the above elements; a commitment to brand building through a design system and process and appropriate use of the design community - both local and global - to create world-class design icons that are on-brand.

Global Context

Before turning to examples, let us not forget the global context of the discussions of the next 3 days: the move towards offshore manufacturing/production base for western companies (including to Korea), the need to have proximity to developing markets (China, Korea, India, Thailand, Vietnam), Global sourcing (e.g. in services, India as a location of customer call centers), Global capital flows, Innovation, From CI to experience branding (e.g. banking; SDB, POS in Singapore). All these factors are creating momentum and opportunity in Asia and especially Korea for world class design linked to strong brands. Samsung Group is well on the way, spearheaded through Samsung Electronics for instance.

To my mind, Asian business design is an exotic mix of the familiar and the unusual. A walk through Asian capital cities imparts a sense of the rich tone and manner of the local culture combined with the more familiar iconography of numerous global brands and their imitators. The streets of Asian cities are confusing for anyone who looks for homegrown brands that sit easily next to global brands. There are three reasons for this. First, imitative or referential design builds the stature of the leading brand in the category rather than building a memorable set of associations of the brand (e.g. the coffee culture that has exploded in Seoul. These brands only serve to build a stronger Starbucks brand by reference). Second, there is a gap between promise and delivery which is immediately apparent in the branded service levels. For example, low-paid untrained employees selling branded products in a branded environment but who do not deliver on the brand

The image is a composite. On the left, there is a clear Starbucks logo featuring a mermaid (Siren) inside a circular border with the words "STARBUCKS" and "COFFEE". On the right, there is a black and white photograph of a person's hand holding a Starbucks paper cup with a lid, drinking from it. The background of the entire image is a solid dark gray.

So where are Asian brands strong? Brands that shine in Japan, Korea are product brands; those with an engineering platform, technology-based and sometimes where government protection and trade barriers allow the playing field to be less than level. The success of Samsung is a repeat of the Sony experience and Canon has shown that it is possible to build a global brand that can stand on a level with non-Asian product brands.

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the Sony brand is insufficient interaction with the design communities and brand consultancies in their markets. The result is strong design by product category (e.g. Clie, Vaio) but subsequent generations of the product lines have focused mainly on incremental functionalism. Further, the brand is driven mainly through product lines. My advice would be to apply the brand blueprint across all brand touchpoints in products, services, channels, employees and management. Samsung Electronics understand the importance of innovative design and are hungrier than Sony but are going down a similar road in a current over-emphasis on branded products. Where is the personality behind the brand? Samsung have a strong Chairman. Why not create and deliver promises through the Chairman's office.

Toyota successfully leverage their brand through an attention to detail that is almost religious. From my experience, Toyota has a mechanistic approach to the use of design throwing it into the mix along with engineering, TQC, Kaizen, CSR and concern for the environment. It is no surprise that the luxury brand in Toyota, Lexus, was driven by the American market and only recently has design become a major focus for Lexus management in overtaking Mercedes Benz and BMW in that market. In Korea, Hyundai Motors faces similar challenges as Volkswagen did in the eighties in Europe. While enormously successful in the home market - a combination of protectionism and patriotism - the challenge is to build great cars and great dealerships that offer branded service. Can design play a role in taking Hyundai further up the value chain, perhaps in China and India?

In professional services, the role of design is less certain. Here, in banking and tourism for instance, customer service is prescriptive and emotional elements are missing, although in Japan the high level of efficiency cannot be doubted. In airlines, look at the superior in-flight service levels of Korean Air compared to the US competition. If only the product innovation on the rest of the customer journey could be further upgraded - refresh of identity,

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ROI(Return on
Investment)

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seating, IFE, cabin lighting and ambience, messaging. In packaged goods, the global dominance of Nestle, Unilever and P&G is supported by a strong design function that looks to innovation to deliver new benefits to customers - smarter packaging based on customer needs. Lotte delivers similar contemporary design for its customers but could go further and take the brand into environments and experiences through a more holistic approach to design (e.g. the establishment of an ice-cream megabrand by Unilever).



As for nation branding, the idea of Korea taking its rightful place on the world stage is compelling. Great design from great Korean brands needs to be driven by a stronger standing in the eyes of the global community. Unfortunately, negative associations with Korea as a nation (second-tier, corruption at high levels, boisterous unions, fortunes allied to North Korea, value for money, not premium) are reflected in Korean brands that go overseas such as Korean Air, Samsung, Hyundai.

Design Talent in Asia

Turning to the availability of design in Asia, the number of local players is increasing in sophistication as entrepreneurs peel off major consultancies and start their own shop, as returnees bring their global experience to Korea. However, there is still a wide discrepancy between a design shop that answers to the needs of the client and a consulting design agency that influences and cajoles even the client into great design. Great design builds great brands but designers

must avoid subservience to top management. A great brand arises out of the tension between the client and the consultant. Sometimes we need to disagree with our clients.

The entry of global firms such as our own is a response to the expanding interest in delivering consistent sets of emotional benefits through all brand touchpoints across borders from Asia-based clients. It is also related to the shift in the demand market - global expansion plans into China notably of the smaller axis powers in the Pacific Rim.

The attractions for companies of using consultancies like FutureBrand is in the visible brand, portfolio, the global standards of design, cutting edge solutions, sophisticated branding case studies, benchmarking from US, EU. However, there are also opportunities for local firms to make alliances and develop specific categories or sectors where access is difficult or limited - notably Government. Networking is not to be under-estimated as many Asian cultures have a hierarchical system. Finally, design is often the province of the academic circle in Asia not exclusively that of the bohemian designer and various brand consultants.

East-West Collaboration in the Design Community

All this activity can and will lead to fruitful collaboration between local Asian design agencies, related partners - e.g. the academic community - and global consultancies, driven by a thirst for knowledge on the part of local business and academic community. Those local partners who find alliances with global partners will see real impact on the growth and ROI of their business. Collaboration also brings knowledge transfer and pooling of resources for more efficient services. This in turn leads to better value for the client.

On the other hand, there are factors slowing down this process: the cost in time and money of forging relationships; understanding local networks and sensitivity to relationships

in high context local Asian cultures. Understanding the influencers in the business community also goes a long way to making progress in creating a dialogue about design and business strategy. Finally, global design firms underestimate differences in local pricing, local perceptions of value.

Forging Links between the Design and Business Communities

So what can a client do to improve the relationship between local and global design resources. Below are some key points.

- Build global brand centers of excellence in USA, EU
- Set up executive training overseas partnering with brand design consultancies
- Recruit overseas talent
- Use global consultancies in the local market
- Share information
- Develop new business models (e.g. copy from other business sectors)
- Think of collaboration with the outside partners as an investment not a cost

We have covered many issues in a short time. The future is bright for Asia and for separate markets within Asia. The World Design Forum is an excellent initiative for developing more openness and dialogue. I firmly believe that at the end of this conference we will have taken a big step towards developing relationships both within the design community and with our partners in industry.

FutureBrand



Emerging Asian and Design Business Strategy

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The relationship between strategy and design



Strategy

A positioning
and brand
strategy central
to the business
proposition



Design

A brand
expression that
is distinctive,
compelling and
has personality

The building blocks of strategic design I

**Develop a brand personality
from a business strategy
through the delivery of a
branded promise**

The building blocks of strategic design I

Developing a brand personality from a business strategy through the delivery of a branded promise

- **Basic identity** (Product, Name, logo)



your world in one

The building blocks of strategic design I

Developing a brand personality from a business strategy through the delivery of a branded promise

- Basic identity
- **Agreed attributes**



The building blocks of strategic design I

Developing a brand personality from a business strategy through the delivery of a branded promise

- Basic identity
- Agreed attributes
- **Collateral system**



The building blocks of strategic design I

Developing a brand personality from a business strategy through the delivery of a branded promise

- Basic identity
- Agreed attributes
- Collateral system
- **Messaging for corporate and advertising communications**



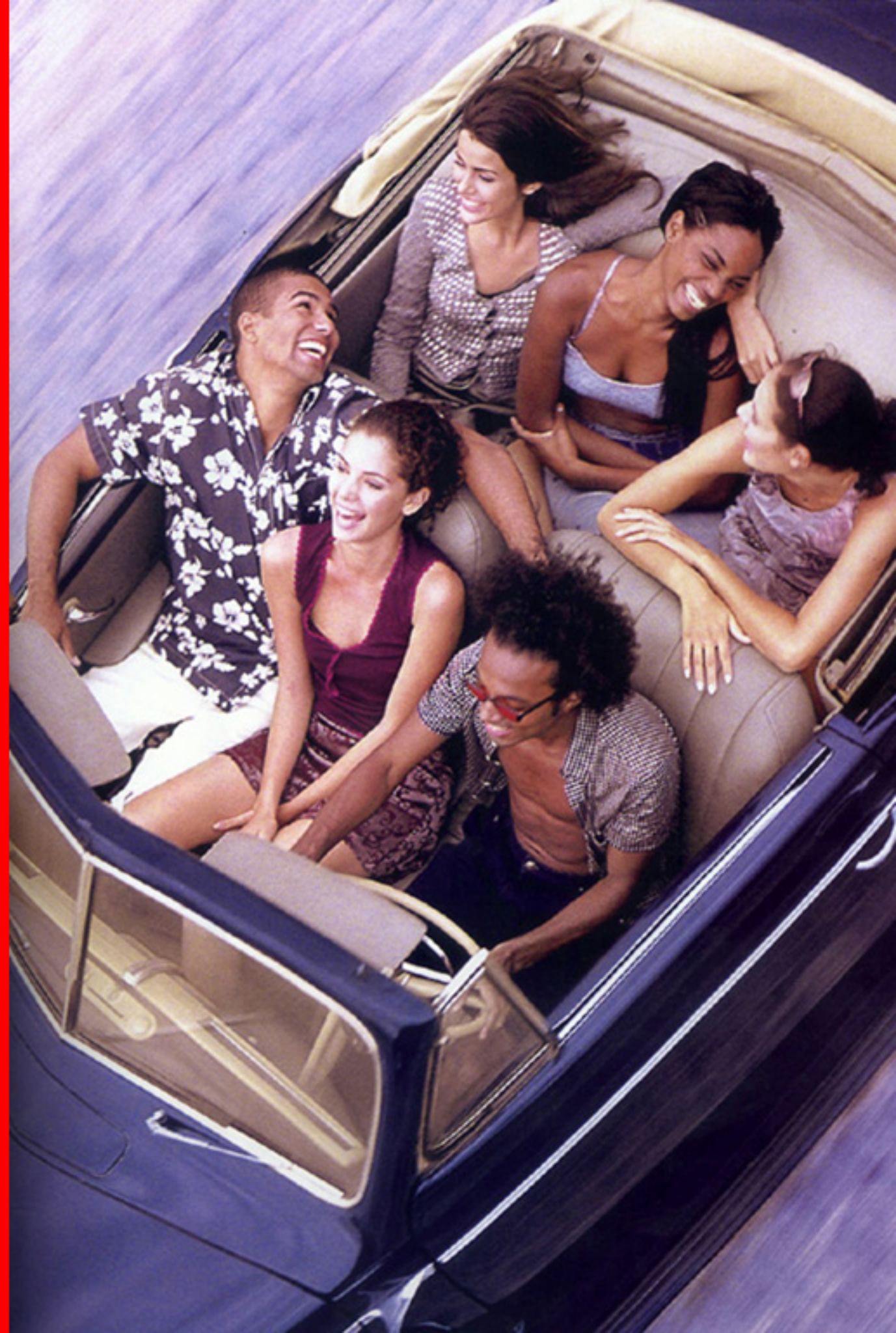
The building blocks of strategic design I

Developing a brand personality from a business strategy through the delivery of a branded promise

- Basic identity
- Agreed attributes
- Collateral system
- Messaging for corporate and advertising communications
- **Tone and manner**



Coca-Cola







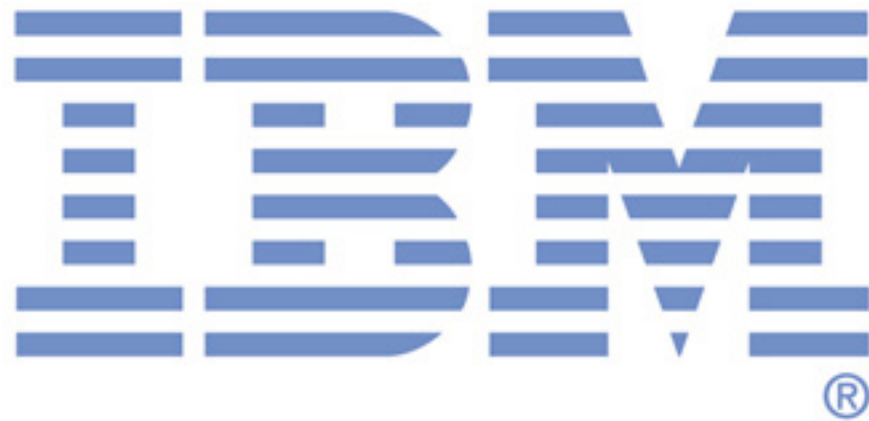


ACHIEVEMENT



SINGAPORE AIRLINES





@ e-business

WHO DO YOU NEED?

GETS how to turn mixed e-business platforms into one strategy.
GET IT DONE for *shutterstock.com*, the online arm of the nation's largest educational bookstores, by turning incompatible legacy systems into one coherent, scalable environment for e-business.
PAUL THOMP, IBM Business Consultant

GETS how to speed up the affairs of the *lucy's* business.
GET IT DONE for *lucy's* by building an integrated e-commerce, 10,000 JD outlets to place and track orders online via the Web - reducing cycle time and putting customer service costs by 50%.
DEA ELBERT, IBM Software Account Manager

IBM
PEOPLE WHO GET IT. PEOPLE WHO GET IT DONE.
Business solutions people

Microsoft



The building blocks of strategic design II

**A creative discipline that
marries creative processes to
engineering and / or service
platforms**

The building blocks of strategic design

A creative discipline that marries creative processes to engineering and/or service platforms

- **Package design**



The building blocks of strategic design

A creative discipline that marries creative processes to engineering and/or service platforms



- Package design
- **Structural packaging**

The building blocks of strategic design

A creative discipline that marries creative processes to engineering and/or service platforms



- Package design
- Structural packaging
- **Industrial and product design**

The building blocks of strategic design

A creative discipline that marries creative processes to engineering and/or service platforms

Pick Out



Shake Out



Pick from Bowl



Going Mobile



Drinking



The building blocks of strategic design

A creative discipline that marries creative processes to engineering and/or service platforms

Derived from the promise – ‘Together we’ll explore new ways to communicate’, the name dopod is both apt and unique. The palindrome (reading the same forwards and backwards) implies the ease of communication flow. The name suggests innovation, usability and activity.

‘do’ at the beginning and the end conveys action, energy, movement and dynamism while the ‘p’ in the middle has multi-connotations including phone, Pocket PC, platform, portable, play and partner.

- Package design
- Structural packaging
- Industrial design
- **Naming**

dopod



The building blocks of strategic design

A creative discipline that marries creative processes to engineering and/or service platforms



- Package design
- Structural packaging
- Industrial design
- Naming
- **Innovation**

The building blocks of strategic design

A creative discipline that marries creative processes to engineering and/or service platforms



- Package design
- Structural packaging
- Industrial design
- Naming
- Innovation
- **Environmental design**

The building blocks of strategic design

A creative discipline that marries creative processes to engineering and/or service platforms



- Package design
- Structural packaging
- Industrial design
- Naming
- Innovation
- Environmental design
- **Online design/Motion graphics**

The building blocks of strategic design

Commitment to building strong brands through design systems, processes and methodologies

- Basic identity
 - Agreed attributes
 - Collateral system
 - Messaging for corporate and advertising communications
 - Tone and manner
- Package design
 - Structural packaging
 - Industrial design
 - Naming
 - Innovation
 - Environmental design
 - Online design/Motion graphics

Brought to life by the global design community

Possible strategies to build strong Asian brands

- 1 Build a branded experience at all touch points, not just a logo, a corporate identity or product brand
- 2 Do not allow design to be driven solely by top management, who are not design experts
- 3 Get buy-in to `design` across the company – do not allow price to be the key factor
- 4 Develop the local brand in key overseas markets

HOT!

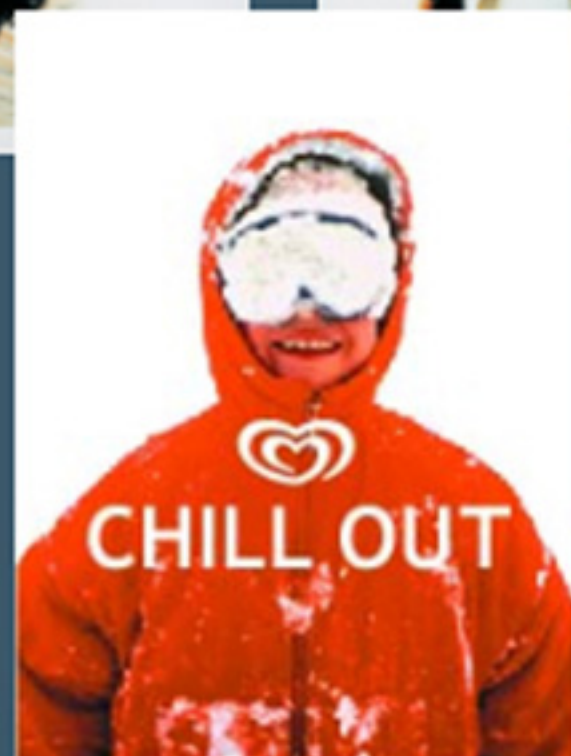
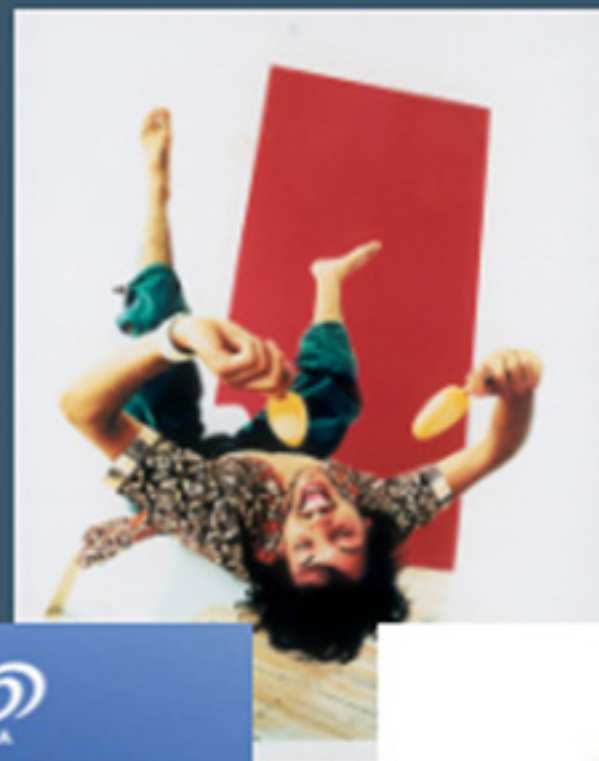
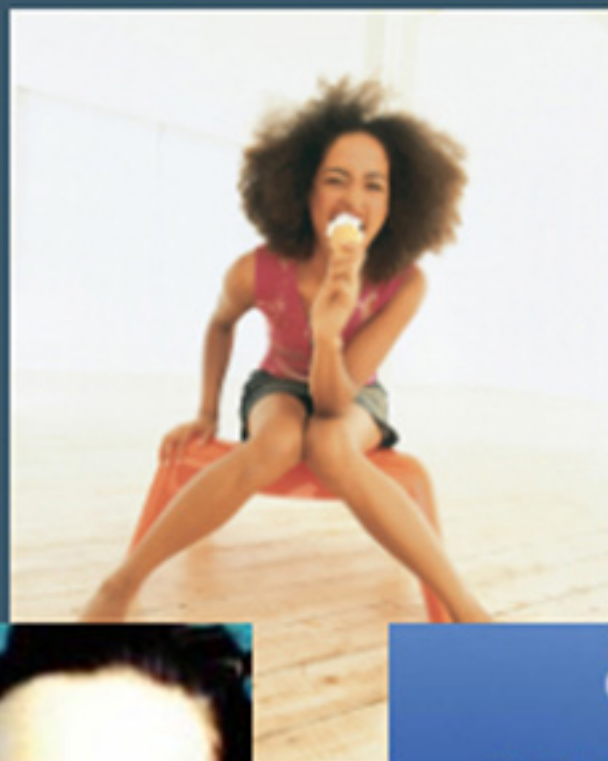
CREATING A
POWERBRAND
FOR
UNILEVER
ICE CREAM



UNILEVER ICE CREAM
MAKING THE HEART BEAT



WITH ATTITUDE



COOL THE HEAT



COOLIO

MAKING ICE-CREAM HOT!





OUR VISUAL EXPRESSION



IN RETAIL



IN-STORE EXPERIENCE



PREMIUM CAFE



SCOOPING





A.M

P.M

Night









PRODUCT STRETCH
BY CATEGORY/
OCCASION



COOL

WHAT
COULD BE
COOLER
THAN
ICE CREAM?

Thank you



A changing brand environment at home

