



BRAND STRATEGY + DESIGN

... the accelerating importance
of design in creating
compelling appeal & differentiation

Whitepaper #14



We see continuing shifts in brand-building and business economics that challenge long-held beliefs about the preeminent power of market share, distribution ubiquity, name recognition, and the value of broad-channel marketing. Many once-fortress organizations like General Motors, Kodak, United Airlines, Coca-Cola, Kroger, Kmart, Sears, Firestone, Office Depot, and Xerox (... among others) face unprecedented challenges to sustained margins and growth.

Clearly, it is not appropriate to suggest a same diagnosis -- other than possibly long-rooted processes, slowness to change, functional silos, and a belief of better times around the corner. But equally important, the face of marketing is changing; and product design and merchandising are quickly becoming cornerstones to success -- especially in global markets.

This whitepaper highlights the accelerating and pervasive importance of design in the marketplace -- from selling airplanes to chocolates, from vacuum cleaners to beer. Iconic design is expanding marketing's toolkit to break through the clutter ... creating visual differentiation and engaging consumers' desires.

A look at leading charismatic brands including BMW, Apple / iPod, Toshiba, Kohler, Timberland, OXO, Coach, Target, Samsung, IKEA, and Nike illustrates the power and importance of design in today's connected and consumer-driven world market. Leading business schools are incorporating design into their curriculums. World brands are establishing global design centers. Marketing and design teams are working in ever-closer proximity and collaboration; and business leaders like Procter & Gamble's A.G. Lafley are urgently investing in design as a formidable competitive weapon and new-growth initiator.



Coach -- Building purchase frequency by expediting the introduction of new designs and new use occasions -- from quarterly to monthly

"I want P&G to become the number-one consumer design company in the world."

— A.G. Lafley, CEO Procter & Gamble, *Fast Company*, June 2005

Design, beyond "copy points" and offers, connects and communicates with consumers, breaks through the clutter, bonds and creates loyalty, and grows economics beyond price alone. This clearly is the motivation at P&G -- where Wal-Mart's constant, ever-lower pricing strategy is a wake-up call for brands fearing "commodity status" in their future.

Design is also being driven by historic generational shifts -- as experiential boomers and individualistic echo-boomers [... both



Dyson's innovative design clearly sets it apart from traditional vacuum cleaners.



IKEA (215 mega-stores, 33 countries) has been selling iconic modern / minimalist home furnishings for 65 years. New stores feature 3 model homes and over 50 room settings with nearly 10,000 IKEA-designed home décor items including furniture, cabinetry, cookware, textiles, appliances, toys, pet products, and Swedish foods.

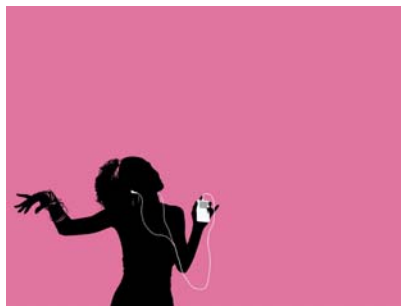
with massive purchasing power] seek products and services very different than older generations. There is a growing desire for luxury and prestige items across the globe – even in developing countries. Savvy consumers create and communicate buzz at lightning speed -- as traditional media and direct mail marketing become ever more fragmented and suspect. With ever-shortening product cycles, design is becoming the global language. Consumers today seek fresh and exciting products that speak to their lifestyle.



JetBlue's designer strategy clearly signatures the brand; and differentiates from traditional cut-cut-cut and low-cost carriers. With Stan Herman-designed uniforms, the fashionista airline is also expanding its 36 channels of live / free DIRECTV to include 100+ channels of XM Satellite Radio.

Iconic design also reinforces a brand's storyline and can demonstrate a brand's passion and expertise. It is all about creating visual, authoritative, and innovative leadership. **JetBlue**, for example, exploits design to establish a contemporary image – one that goes beyond our father's stale, me-too airlines or price-driven competitors.

Savvy brands use design to create uniqueness and compelling differentiation – or even reinvent a category ... iPod and **Cirque du Soleil** being two excellent examples.



Innovative design, as such, can become marketing's billboard ... a powerful statement requiring little explanation or cross-market translation. iPod clearly represents this phenomena. Here the product crosses over to become experiential, self-realizing, and expressive – regardless of language or generation.

The role of design in creating consumer pleasure, however, goes beyond selling electronics and housewares. **Boeing** has dramatically embraced consumer style and design as a cornerstone to reinvent and regain momentum. Their **787 Dreamliner** features sleek, ultra-modern interiors, sweeping arches, oversized windows, electronic-controlled window

Great design can also bring a product's performance attributes to life, make products more experiential, and enable targeting of unique and emerging customer segments. Design also creates desire and a sense of newness – both important in this "must-have" world.

shades, wider seats, wider aisles, improved humidification, as well as simulated sky and mood lighting. Boeing has taken this signature interior design strategy to ramp-up sales of their **777 Worldliner** and just announced **747-8 Intercontinental** which features an extended **SkyLoft** behind the plane's signature hump.



Boeing 787 Dreamliner – Embracing iconic interior design elements.

Obviously the passion for creating iconic consumer design is not new. **BMW**, **Herman Miller**, and **Kohler** (... among others) have long-dedicated and excelled in both design and performance. Here it is cultural, inventive, and sustained. Here there's the recognition that design is a continuum – one of constant evolution, celebration, and investment.



Herman Miller – Collaborative working relationship with great designers for over 50 years.

With their iconic kidney-shaped grill, BMW's design prowess extends to the look of their massive Munich campus. Here they are currently building **BMW Welt** – a €100-million iconic building incorporating the BMW museum, guided tours, conference facilities, and the ultimate "drive away" experience for new car buyers.



BMW Welt – The ultimate new car drive-away experience.

BMW's signature design reaches from their automobiles to their dealerships, research design center, and marketing. Likewise, BMW's **DesignworksUSA** (Los Angeles and Singapore) – creates innovative designs well beyond BMW including **Hewlett-Packard**, **John Deere**, **Gulfstream**, **Villeroy & Boch**, **Motorola**, **Waterpik**, and **Siemens**.

Today, the importance for great design extends beyond airplanes, automobiles, and office furniture to include toothbrushes, mouth-wash packaging, razor blades, and floor mopping systems. Procter & Gamble's extraordinary top-down initiative to make design the cornerstone for new products, shelf merchandising, and "beyond low-price" economics represents a momentous redirection of culture, skills, and decision making. From **Crest SpinBrush** and **SpinBrush Pro** toothbrushes ... to the **Swiffer WetJet** power mop ... to **Febreze ScentStories**, P&G is focused on new products and product packaging that touches lifestyles, makes household work easier, and looks compelling on grocery and drug store shelves.



OXO -- cross-generation designs that sell



La-Z-Boy's Todd Oldham Collection



"The Bold Look of KOHLER®"

Generation Shift – A Passion and Thirst for Design – The growing importance of design and style among today's growth generations is pervasive. It is evident in the surge of home décor & improvement, designer furnishings, kitchen appliances, fashion apparel, personal electronics, packaging, in-store merchandising -- even in travel and food presentation.



Targeting the female segment, Rubbermaid's high-style, easy-use Paint Buddy™ rides today's home décor wave

La-Z-Boy is an example of this design / brand shift. Yesterdays non-descript, plump recliner is seriously being re-styled by designer Todd Oldham. La-Z-Boy's "new look of comfort" incorporates retro and modern styles, vibrant fabrics, and a broad range of complementary designer home accessories.

Kohler remains a powerful lifestyle brand with a constant flow of innovative and inspiring kitchen and bath designs. "*The Bold Look of Kohler*" targets the desire for ultimate style -- and has transformed bathrooms and kitchens into showcase destinations.

Home décor and style, however, doesn't necessarily connote big or expensive. OXO with their **Good Grips** kitchen tools represents both designer-style and enhanced functionality in over 500 products. Designed initially for more-mature segments, Good Grips has especially gained popularity with style-conscious generations.

Design to Create Prestige and Luxury Products – The desire for design-rich products and services equally manifests itself in the seeming global aspiration for prestige and luxury items. Here: designer spas, designer chocolates, designer vodka, designer hotels, designer water ... the list seems endless. This "reward lifestyle" connects, engages, and aspires. Strong brands, such as Coach, touch this desire and expand purchase-frequency with a constant flow of new products, new-product occasions, and aggressive lifestyle imagery and merchandising.



Design Enables Customization and Individuality – Many brands are raising their profiles by exploiting contemporary design to create individualized, highly-customized products. Timberland [www.timberland.com/customboots] and Puma's Mongolian Shoe BBQ [mongolianbbq.puma.com] are two excellent examples.

Online, Timberland offers a highly-customized boot design where individuals select their choice of upper, outsole, midsole, padded collar, laces, hardware, stitching, embroidery, and monogramming.



Puma -- Mongolian Shoe BBQ customers choose the ingredients for their custom shoes

Mongolian Shoe BBQ -- a limited engagement at participating Puma Concept stores including Barcelona, Stockholm, Las Vegas, London, Vienna, Munich, San Francisco, and Boston -- enables customers to hand select the "ingredients" for their shoes ... which are then manufactured and sent to them within weeks.

Brands Rejuvenate through Iconic Designs – Design has likewise become a critical brand strategy in mass markets (e.g.: beer bottles, mayo jars, ketchup squeeze bottles), as well as with traditional service and travel brands.



Anheuser-Busch -- Doubling production of new "cold aluminum beer bottles"

No longer is a hotel room just an ambiguous commodity. Rather, with captivating designs, proprietary features, and improved functionalities, leading hospitality brands and independents are crafting contemporary, style-rich lodgings where design becomes the signature touchpoint.



Hotel Omm, Barcelona – Designer hotels targeting world travelers seeking uniqueness and individuality ... a new definition for lifestyle quality

Looking forward, design and style will grow exponentially in importance – and become an essential element in brand development. The erosion in traditional marketing and media -- and the need for imageries that sell across the globe -- make design essential for touching, connecting, and breaking through the clutter.



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The Amicus team develops critical branding, marketing, product design, and customer care solutions for world-leading service and leisure-time organizations. We pursue a collaborative process that leverages internal resources and knowledge to create buy-in, drive speed-to-market, and ensure strategic sustainability.

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