Design orientation: a grounded theory analysis of design thinking and action
Alladi Venkatesh, Theresa Digerfeldt-Månsson, Frédéric F. Brunel and Steven Chen
Marketing Theory 2012 12: 289
DOI: 10.1177/1470593112451388

The online version of this article can be found at:
http://mtq.sagepub.com/content/12/3/289

Published by:
SAGE
http://www.sagepublications.com

Additional services and information for Marketing Theory can be found at:

Email Alerts: http://mtq.sagepub.com/cgi/alerts
Subscriptions: http://mtq.sagepub.com/subscriptions
Reprints: http://www.sagepub.com/journalsReprints.nav
Permissions: http://www.sagepub.com/journalsPermissions.nav
Citations: http://mtq.sagepub.com/content/12/3/289.refs.html

>> Version of Record - Oct 7, 2012
What is This?

Downloaded from mtq.sagepub.com at UNIV CALIFORNIA IRVINE on September 6, 2013
Design orientation: a grounded theory analysis of design thinking and action

Alladi Venkatesh  
University of California, USA

Theresa Digerfeldt-Månsson  
Stockholm University, Sweden

Frédéric F. Brunel  
Boston University School of Management, USA

Steven Chen  
California State University, USA

Abstract  
The notion of design thinking or ‘design as a state-of-mind’ and its articulation through design orientation implies that true innovation is a company-wide phenomenon and cannot be left to single individuals as a marginalized function within a company. Many innovative companies try to integrate technical performance with an aesthetic vision — which is not to be confused with style — as the driving force of the organization. Based on our findings and analysis, we put forward theoretical propositions that cover various aspects of design orientation.

Keywords  
Aesthetics of design, design orientation, design thinking, innovative design

Introduction  
Recent marketing literature has identified different ways in which firms respond to market needs describing them in terms of the following trilogy: market orientation, customer orientation, and design orientation (Gummesson, 1991; Moll et al., 2007; Coley et al., 2010). These terms are not
mutually exclusive but do differ in their emphasis. The focus of this paper is on design orientation and in generating a theory based on empirical inquiry.

In marketing strategy, the design of products and services is considered an innovative and central management function (Johansson and Holm, 2006; Verganti, 2006). In response to the growth of design consciousness, we have recently seen a growing interest in related fields: brand design and aesthetics (Schroeder, 2005); design management (Borja de Mozota, 2003); spatial aesthetics (MacLaran and Brown, 2005; Firat et al., 2011); and marketing and artistic endeavors (O’Reilly and Kerrigan, 2010). In some cases, design has even been promoted as the most important competitive tool for implementing a successful marketing strategy (Martin, 2009). In fact, a careful reading of the design orientation literature (e.g. Moll et al., 2007) and market orientation literature (Kohli and Jaworski, 1990, 1999; Gummmesson, 1991) would indicate that well conceived, customer-centered product design strategies are critical to superior market performance and the internal workings of firms. For example we are seeing companies such as Apple (Reppel et al., 2006) and Alessi (Verganti, 2006) begin to organize around innovative design and aesthetic vision as these elements take on a fundamental role, company-wide. Design in these companies is not fragmented, but managed thoroughly from top to bottom and start to finish.

The emerging design consciousness is a result of several factors. One is that consumption is no longer viewed merely as material sustenance but as a heightened visual/aesthetic experience (Schroeder, 2002; Joy and Sherry, Jr, 2003; Charters, 2006). A related factor is that market/customer expectations have changed, and technical and functional qualities in many cases are taken for granted but are not sufficient (Best, 2006; Zwick and Dholakia, 2006). This has led some researchers to consider the ‘look and feel’ aspects of design as a compelling marketing element (Postrel, 2003; Venkatesh and Meamber, 2006). In addition, with the advent of consumer electronics, the dominant doctrine of functionalism has had to be re-examined within the context of a more holistic vision. As a result, the dependency of form on function could no longer be perceived as straightforward and as simple as formerly believed. In order to enhance the value of market offering, factors other than the merely technical and economic need to be considered seriously. The cumulative effect of these factors is that to maintain a competitive advantage in the marketplace, design has become a critical element in the strategic tool kit (Veryzer and Borja de Mozota, 2005).

However, to acknowledge the growing importance of design is one thing; to theorize and implement it successfully seem to pose a different level of challenge. That is the focus of this paper.

The research questions driving our study are:

1. What is design orientation and what are its key elements?
2. What is design thinking and how does it guide design-oriented action?
3. What factors contribute to innovative design orientation and how is this incorporated into the strategic/aesthetic vision of the organization as a whole?
4. How does design orientation contribute to product offering and the creation of customer value?

The above questions are investigated using a grounded theory approach and theoretical categories are derived from empirical analysis. Since the field of design is vast and is represented in and by many disciplines, the above questions will be addressed primarily from a marketing/firm-level orientation point of view. In the remainder of the paper, we first begin with basic theoretical issues from a design perspective. Next, in the empirical section, using a grounded theory approach, we investigate how organizations conceptualize and implement design-oriented thinking, and develop
a theoretical understanding of the design elements (e.g. creativity tools), design philosophies, practices (e.g. idea-driven organization), aesthetic vision, and overall dynamics that are part of a design orientation that produces customer value. In the final section, we integrate the empirical findings and build a theoretical framework for design orientation. Our overall research strategy is to use a grounded theory approach (Gummesson, 2000; Strauss and Corbin, 2008) to generate a theory of design orientation rather than testing a prior theory.

**Some preliminary conceptual issues**

*Design orientation and its key elements*

Today, there is no single, commonly agreed upon notion of design. Design occurs in a great many contexts, which creates ambiguities regarding its meaning (Cruikshank, 2010). Some people argue that design should have a social purpose (Friggieri, 2006). Within the marketing literature, design has been defined in various ways as the development of the physical product (Srinivasan et al., 2006) and as a ‘process’ that includes the incorporation of key features (Bloch, 1995). Design orientation is defined as the organization of different elements as a crucial factor in integrating firm level decisions with customer interactions (Bloch et al., 2003; Moll et. al., 2007). We thus define design orientation as follows:

Design orientation represents an organizational vision and includes the set of conscious, reflective, and creative ways of conceiving, planning, and artful making of products and services that generate value for the customers and enable them to engage in their individual or social endeavors, whether these endeavors be utilitarian, functional, material, communicative, symbolic, or experiential.

*Design thinking or design as a state of mind*

The particular phenomenon that has caught our interest is the expression ‘design thinking’, which also describes design as ‘a state-of-mind’. There has been much discussion on design thinking as a precursor to design action. This statement is heard from both academics (Martin, 2009) and representatives of the design world (Svengren, 1995), but what it implies in strategic terms needs a clear elaboration. Some design thinkers claim that design is not merely about style, in the sense of being chic or fashionable, but is an expression of deeper ‘philosophy’. Bucci (1998), to whom design ultimately represents an alternative management philosophy, explains that the Italian fashion industry is ‘driven by ideas’. Others talk about a specific design consciousness that has to be infused into the entire organization (see Hargaddock and Sutton’s work (1997) on IDEO). They also emphasize the importance of intuition driven design and creative feelings while being somewhat skeptical about the idea of conducting consumer or market surveys in order to determine design imperatives.

*Design know-how and theory of action*

We see four trends within the field of marketing that seem relevant to us in this study: (a) design in technologically oriented industries (Srinivasan et al., 2006); (b) design in non-technological (or more craft-oriented) industries (Durguee, 2006); (c) design of service-oriented environments (Bitner, 1992; Peñaloz, 2000); and (d) brand design (Schroeder, 2005). There is no question that the role of design is central in all four cases; but what is critical or common to all is a sense of design know-how. For example recognizing the creative activities associated with design, John et al. (1999) define 'know-how' as follows:
‘The definition of know-how captures the knowledge embodied in products’ functionality as well as manufacturing and sales knowledge . . . Products are therefore manifestations of know-how (1999: 79).

To this definition, we add the aesthetic imperative of the design process as discussed below.

**Design orientation and the aesthetic imperative**

In order to fully understand in what way design has come to represent a new mode of creating customer value, it is important to consider design in terms of an emerging aesthetic imperative. Following Walter Benjamin (1968 [1936]), Bjorkman (2002) calls the production of ‘aura’ or ‘aesthetic business creativity’. That is, the growing importance of design in the sense of product attractiveness must not only be understood as a shift from the product’s technical/functional aspects to its aesthetics, but also as a reorientation from aesthetics in the sense of surface qualities to aesthetics in the sense of deeper sensory content ( Schroeder, 2005). This is the meaning of the aesthetic imperative which includes a renewed interest in the ‘look and feel’ plus the inner qualities of objects. Lash and Urry (1994) refer to this as a shift from the production of ‘post-industrial or informational’ goods with cognitive content to ‘post-modern’ semiotic goods with aesthetic content (Firat and Venkatesh, 1995; Borgerson, 2002; Bottomley and Doyle, 2006). Hence, aesthetic content is seamlessly embedded in the materiality of the object.

**Design orientation and creation of customer value**

In the design literature, customer value has typically been viewed as a set of trade-offs between functionality and form (aesthetics) or performance and appearance (e.g. Holbrook, 1986; Bloch, 1995; Veryzer and Hutchinson, 1998; Chitturi et al., 2008). Customer value is usually measured through consumer surveys and other types of inputs from the consumer side. Our focus in this study is to tap into the perspectives of designers and how they incorporate customer value into the design process (Ballantyne and Varey, 2006).

With the above conceptual background, and in order to more fully and systematically explore the four research questions posed in the introduction, we conducted an empirical study of twelve Swedish design-oriented companies. The purpose of the empirical study is to employ a discovery-oriented, grounded theory approach and generate a set of theoretical ideas concerning design orientation.

**Methodology**

*Country selection and selection of aesthetically-oriented design companies – data collection*

Our empirical work is based on twelve design-oriented companies in Sweden, occupying a pre-eminent position in the design world (Fiell and Fiell, 2005). ‘Swedish design’ is as well known a concept as it is an elusive one. Most commonly it is associated with an ‘aesthetics of economy’ that emerged in the pre-war period and continued to thrive after the war (Sparke, 1987). The emergence of this particular aesthetic – characterizing not only Swedish design but also Scandinavian design in general – can be explained in terms of the necessity throughout earlier centuries to adapt stylistic trends to harsher economic conditions and a shortage of materials (Hedqvist, 2002). This ‘aesthetics of economy’ has, however, also evolved out of a will to preserve and renew craft tradition as well as a social and humanistic concern for providing ‘more beautiful everyday things’
for everyone. Although Sweden’s reputation is mostly built upon its success in the field of everyday or domestic product design, Swedish design covers more than that. For example in the technological realm, Swedish design is represented by such companies as Ericsson, Volvo, Saab, Electrolux, and Bahco Tools. In general, for many of them, ergonomics and user-friendliness have become guiding values of the design work. Today, Swedish design is also associated with mass-production companies such as IKEA. These companies can be said to carry on the Swedish design tradition in the sense of providing beautiful things for everyday living.

Aesthetically-oriented design companies

For this study, we selected design-oriented companies that are at the top of the list of designers and have established their reputations over years, if not decades. Companies that use design to enhance the aesthetic appeal of products were selected. Another criterion for selection was that design ought to constitute a core activity of the company. The companies in the study are usually referred to as representatives of ‘high design’. In some instances, this refers to design where ‘conscious design intervention and authorship, along with the price-tag, play a large role in establishing the cultural and aesthetic credentials of an artifact’ (Julier, 2000: 69). All the companies in the study are well known members of the Swedish design community. In addition, they make and sell products that frequently appear in the national as well as international press. Some even have products represented at various design and art museums.

The names of the companies and the key individuals in each company connected with design issues were obtained from the Swedish Industrial Design Foundation (SVID). One requirement was that we talk with people who are conversant with design philosophy in each company and engage in long interviews about their design orientation. Consistent with prior research using in-depth case studies (Gebhardt et al., 2007), a sample of twelve companies was considered more than adequate for our study because the data collection involved in-depth interviews and examining company brochures, websites, and design work.

Our discovery oriented approach is based upon site visits and interviews with twelve Swedish companies with a very high design profile, i.e. companies in which the aesthetic content is as central as functionalism to the value of the products they make and sell. Scandinavian designs are best known for ‘beautiful and functional everyday objects’ and combine aesthetic orientation and functionalism with affordability as an important criterion. One can trace this philosophy of design to the 1950s (Guldberg, 2011) if not a little earlier and it continues to the present day.

The company profiles and information on interview subjects are presented in Table 1. Following the general principles of ‘theoretical sampling’ as enunciated in qualitative research (see Gummesson, 2000: 95–6) we selected companies with not only high design profiles but also representative of the design world. The idea behind theoretical sampling is to represent reality as best as possible. Thus the selected companies represent a range of products including furniture, home decorations, lighting and fixtures, stationery, and consumer electronics. The interviews focused on exploring what qualities design companies perceive as being crucial and strategic in their design process, as expressed both in words and actions.

Semi-structured interviews with managers

The main source of information consists of in-depth interviews with managers in the tradition of long interviews (McCracken, 1988) (see Appendix for Interview Protocol). All the interviews were conducted at company sites and lasted between 90 and 120 minutes. Three of the
### Table 1. Company profiles

<table>
<thead>
<tr>
<th>Company</th>
<th>Product</th>
<th>Person Interviewed</th>
<th>Design Philosophy</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>Lighting</td>
<td>Design Director</td>
<td>Beautiful objects for ordinary people.</td>
</tr>
<tr>
<td>B</td>
<td>Furniture (own production), home decoration, clothes, music</td>
<td>Owner/Chief Designer</td>
<td>The idea is to provide products that enrich the everyday life ... curious, playful, and humorous mind. Design without extravagance, but with a sophisticated global influence.</td>
</tr>
<tr>
<td>C</td>
<td>Home decoration items (lighting, tableware, cutlery, small pieces of furniture, blankets, bags, etc.)</td>
<td>Founder/Chief Designer</td>
<td>Strive for a simple and authentic life which also involves a deep concern for environmental issues. The idea is to design furniture that remains a background to life instead of dominating it.</td>
</tr>
<tr>
<td>D</td>
<td>Furniture</td>
<td>Design Director</td>
<td>Design is a culturally enshrined phenomenon and cannot be reduced to mere functional properties. The expression of objects is language. In order to understand what the object expresses, you have to look upon it as an Art piece, that is, as a cultural imaginary.</td>
</tr>
<tr>
<td>E</td>
<td>Furniture</td>
<td>Design Director</td>
<td>Product development is based upon personal conviction. It is founded upon feeling, intuition, and personal conviction.</td>
</tr>
<tr>
<td>F</td>
<td>Mainly furniture and items for outdoors (seats, benches, ashtrays, planters, etc.)</td>
<td>Founder</td>
<td>Functionalism to the core and its best.</td>
</tr>
<tr>
<td>G</td>
<td>Furniture (own production) + home decoration items</td>
<td>Founder/Chief Designer</td>
<td>'Beautiful everyday ware for everyone.' 'Don't make something unless it is both necessary and beautiful; but if it is both necessary and beautiful don't hesitate to make it.'</td>
</tr>
<tr>
<td>H</td>
<td>Stationery (filing, storing and writing)</td>
<td>Design Director</td>
<td>'Our customers are short on time. Our smart, simple, and functional designs make their everyday lives that little bit easier.'</td>
</tr>
<tr>
<td>I</td>
<td>Furniture, textiles and lighting (own production) + home decoration items</td>
<td>Design Director</td>
<td>'We are more than a design company. We do not make isolated objects but a particular lifestyle.'</td>
</tr>
<tr>
<td>J</td>
<td>Furniture (own production)</td>
<td>Marketing Manager</td>
<td>The design ought to be elegant, economical, and ecological. Elegance means lasting values as opposed to something that is hip. Ecology – as one of few European furniture manufacturers.</td>
</tr>
<tr>
<td>K</td>
<td>Consumer electronics</td>
<td>Head – Design Unit</td>
<td>Bring latest technology into consumer's life.</td>
</tr>
<tr>
<td>L</td>
<td>Consumer electronics</td>
<td>Chief Designer</td>
<td>We plant the seed and the customer picks the fruit.</td>
</tr>
</tbody>
</table>
sample subjects were women and the rest were men. A majority of them were trained as designers themselves before assuming managerial roles. Some of them had a background in the arts, and many of them mentioned that they had always been interested in the arts. All had business experience.

The research is conducted from a design management perspective, which is why the managers most familiar with the design processes in the company were interviewed. They play an important role within the design process for they have ‘a specific way of looking upon artifacts’ (Svenngren, 1995). They are also concerned with the conceptual fit of the nature of the product with the needs of the user and the demands of the marketplace as well as with the capacities of the production system. The idea of the interviews was to capture what design means from a design professional standpoint, and what criteria are used to determine which product(s) to launch into the market.

Given the emergent nature of the qualitative research (Arnould and Wallendorf, 1994; Gummesson, 2000), the interviews were semi-structured, and the information gathering process was considered cumulative, i.e. questions were modified along the way. The idea was not to extract data from a passive informant, but rather to create data in interaction with the subject. The interview is thus looked upon as a dialogue or as a conversation with an end. This way of using interviews as a source of data collection is particularly productive when little is known about prior study.

Data reduction and analysis

All the interviews were tape recorded and then transcribed in full. They were conducted in Swedish, although in this paper we present the English translation. Interview data yielded approximately 400 pages of narrative text, which was analyzed using grounded theory techniques and coding procedures for extracting central themes (Strauss and Corbin, 2008).

In grounded theory, as with other qualitative/interpretive approaches (Gummesson, 2000), finding evidence of variation is important because it signals a need to refine the provisional theory by adding more contextual details to the emergent model. That is, once concepts have been identified, they are accumulated, collapsed, and related to each other. This refers to development of ‘theoretical codes’ or ‘axial’ coding (Strauss and Corbin, 2008) to permit the researcher to combine them and construct a ‘story line’. The story line is strengthened when the data supports the emerging theory and the relationships it proposes over and over again, although the particular details of each case may differ.

Results

Grounded theory analysis and emergent themes

We will now present six analytical themes that emerged from our grounded theory analysis of the interviews and discuss each of them in some detail (see Table 2). These themes form the basis for the theoretical framework presented at the end:

- design qualities and know-how
- design-oriented thinking
- innovative design and aesthetic vision
- design durability
- design organization
- creation of customer value through design.
Table 2. Themes and sub-themes extracted from the data – grounded theory analysis

<table>
<thead>
<tr>
<th>Design Qualities and Know-how</th>
<th>Design Durability</th>
<th>Design Organization</th>
</tr>
</thead>
<tbody>
<tr>
<td>Idea of the Product</td>
<td>Design Durability is not Timeless Design</td>
<td>Design as a Company-wide Phenomenon</td>
</tr>
<tr>
<td>Form and Function – Inner Qualities</td>
<td>Consistency and not Uniformity</td>
<td>Organic Approach to Design</td>
</tr>
<tr>
<td>Human Imagination vs Human Intellect</td>
<td>Stylistic Fluctuations/Design is not a Trend</td>
<td></td>
</tr>
<tr>
<td>Tacit knowledge as the Basis of Design Know-how</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Design Oriented Thinking</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Customer (Market) Oriented vs Customer (Market) Driven</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Make Compromises but never Concessions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Role of customer research</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Innovative Design and Aesthetic Vision</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Design Innovation is not Imitation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Meaning of Innovation – Aesthetic Creativity To Design is not to Stagnate</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mixing Apples and Oranges (Fusion of both)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Creation of Customer Value through Design</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Customer Orientation through Human Touch</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Emotional Appeal (Designer as Manager/Architect of feelings)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Design qualities and know-how

When asked to define what is design, different respondents answered differently, but with some common understanding of the essential elements involved in the creation of a product. These elements adhere to the following principles.

**Idea of the product.** Design begins with the ‘idea of the product’ and ‘to design is to create something innovative or that which did not exist before’ and ‘to design is to produce customer value’. The idea of the product was further elaborated as follows: ‘it is the right balance between form, function, and material’. However, ‘in the final analysis no one element dominates at the expense of the other’. In addition, design qualities were described in terms of a combination of various components whereby ‘the visual whole becomes greater than the sum of its parts’.

For example, one respondent said:

> Well, in my opinion, it is very difficult to tell what good design is, but when you see it you recognize it. It is about a certain balance between various aspects, between form and function. The tactile and the visual. It is extremely difficult to put your finger on it, but essentially it is about something that is well thought out and well carried out. It is all the things that come together as in a symphony.

In sum, two things stand out. First is the newness of the product. The second refers to the visual balance that results from a combination of different factors that go into design. The metaphor of symphony produces a powerful visual image.

**Form and function – inner qualities.** The relation between form and function was the one most referred to, and respondents emphasized that design involves both. Form, however, could not be reduced to a mere representation of function as held by the functionalistic design ideology ‘form follows function’.

Other comments were equally insightful:

> Designing is the creation of a product whose inner qualities are more important than surface qualities.
One inner quality refers to visual durability and lasting value.

This notion of lasting value poses a challenge for many design companies that are caught between the competing, but by no means contradictory, objectives of introducing new elements into the product and meeting customer demand for enduring value.

**Human imagination vs human intellect.** Here is a quote from a designer who thinks of her role conceptually in a way that is quite compelling:

Design has more to do with *human imagination* rather than *human intellect* [italics added].

By any measure, this is a powerful insight because it elevates imagination to a higher level than intellect. Imagination is also the essence of aesthetic vision (Martin, 2009). Presumably, intellect is a sub-set of imagination; this comment refers to the notion that design is not simply a rational process, but involves creativity and originality in executing various intangibles.

The designers emphasize different aspects of design, but one might summarize their collective opinion this way: 'Design refers to creation of a product that has lasting value for the customer with the right balance between form, function, and material – with a higher premium on human imagination than human intellect.' Creation of customer value can also be viewed as customer orientation, which is a crucial test of a well designed product.

**Tacit knowledge as the basis of design know-how.** The above exercise in how to define design also sheds light on the fact that creative design is driven by the use of 'tacit knowledge' and sometimes analogical thinking (Dahl and Moreau, 2002). The inability to define design precisely does not present an ontological problem for design practitioners, nor is the seeming imprecision in articulation necessarily a sign of lack of clarity in thinking. Instead it is linked to the conception of design quality as something that has to be experienced in a visual (or sensory) way in order to be fully understood. While designers are certainly people with ideas and are visionaries, they reach their final fulfillment through practice and material creativity. They do not necessarily have to be able to reflect theoretically about what they are doing as long as they are able to translate their ideas into concrete performance. Their knowledge is mostly tacit and not necessarily bookish. Here we need to make a distinction between 'the theoretical' and 'the conceptual' because designers do view their world conceptually; they live in and with design ideas.

Proposition 1: Design orientation puts greater emphasis on imagination than on rational or technical knowledge.

**Design-oriented thinking**

**Customer (market) oriented vs customer (market) driven.** None of the companies perceived innovation as completely customer-driven in the sense that we have understood in our discipline (e.g. the marketing concept). As one of the respondents said:

The customers cannot control us. If that would be the case, we would no longer be interesting or innovative. Design is always a question of doing what you believe to be right. Design is staying ahead of the customer and when the customer arrives . . . we are already there to greet her.
This conforms to the idea expressed by Bucci (1998), that design and fashion are essentially a question of 'going beyond the market'. Consequently, they are better characterized as being 'idea-driven' than 'market-driven'.

The metaphor of working like an artist came up in more than one interview, when the issue of the relation between design quality and the market was brought up:

It is as if an artist would go out and ask people what kind of paintings they would like the artist to paint. It is absurd. You do not achieve any cultural advancement in that way. It is completely doomed to fail. And as a progressive company – if that is what we are – we cannot simply ask people straight off what they would like to have and then give it to them. And yet, we will be very foolish not to ask people [eventually] what they want.

In this context, the best way to describe design orientation is that it is customer-focused but not necessarily customer-driven.

\textit{Design is 'making compromises but never concessions'.} Expanding on the previous concept, one of the respondents explained that design orientation was more a question of 'listening to customers without necessarily doing as they say' and 'making compromises but never concessions'. This implies that the relationship between the design and the market is not perceived as \textit{no} relationship at all but rather as a special kind of relationship, despite the fact that some companies in the study declared that they made proposals to the market based upon their own subjective judgments. The existence of some kind of relationship was further emphasized in the concern for 'timing' that was brought up during interviews. 'Design is about remaining in the frontline but it is also a question of timing,' one respondent said. Furthermore, design was also a question of 'being in tune with the times without following it'. Hence, the view of aesthetic innovation within design companies did not conform to the modernistic myth of artistic production where creation bears no trace of the social and cultural context of which it is a part. It rather reflects a view that aesthetic innovation has a social purpose (Julier, 2000; Friggieri, 2006). Art does have a transformative power, and innovation is primarily based upon a capacity to see things aesthetically (Schroeder, 2002; Joy and Sherry, Jr, 2003). As Marcel Duchamp (Cabanis, 1987) showed with his ready-mades, there is nothing wrong in using things that already exist and transforming them into something artistic. As Herbert Simon (1983) observed in a different context, design strives to make the ordinary look wonderful and the wonderful look even more wonderful.

\textit{Role of customer research.} Among some designers, there was skepticism about doing customer research, especially prior to the initial design processes. In fact, the whole idea of doing customer surveys as inputs to the design process did not sit well with some of our respondents. Their lack of interest in using market surveys can be interpreted to mean that while consumers may enjoy good design and emotionally respond to it, they may not be able to articulate their aesthetic desires. This is certainly a debatable issue within the current marketing lore, if not a controversial one. Experiencing a well designed object is not the same as being able to rationally express its qualities prior to its creation. Obviously, this goes against the conventional wisdom that underlies most market research. One respondent said:

Evidently you can ask people what they want and then proceed from that. But the basic idea is still: What feels good and what is it that you want to have for yourself? Are you supposed to go out with a
paper and pencil and ask people, or what? It does not work that way. What kind of answer are they supposed to give you? They cannot tell exactly what the product is going to look like, since they have to experience it. It is only then that it works.

Customer surveys are still considered important by designers, but only at later stages of product development.

In general, this view reflects the distinction between ‘market driven’ and ‘driving markets’ that is made by Jaworski et al. (2000).

Proposition 2: Customer (market) oriented design strategies but not customer (market) driven strategies ensure greater success in a competitive marketplace.

Innovative design and aesthetic vision

Design innovation is not imitation. In order to be considered a design company, it is no doubt important to be innovative. To be a follower or an imitator is simply not an option because, as one respondent said, ‘then we would not be a design company.’ Design companies refuted the idea of imitating and copying other successful designs, although they admitted that from a commercial point of view it happens quite often. The respondents made a distinction between being influenced by competitive ideas and mimicking them. As one respondent said:

For the sake of my own integrity, I would never ever copy somebody else’s design. At the same time, you cannot, of course, be completely uninfluenced by others. You do not reinvent the wheel . . . if you know what I mean.

Another respondent expressed her feelings in the following way:

If somebody attempts to make a look-alike, they will probably fail somewhere, because they have not understood the basic underlying idea. However, I am not opposed to mixing of styles if the outcome is a synthesis of all that has gone before . . . [I]n my opinion, it is always the original that wins the battle.

The importance attributed to innovativeness was linked to the idea of being unique and having a ‘style of their own’. Design companies typically do not try to mimic for fear that they will lose their identity. As one of the respondents said:

We would never sell ourselves. We never would. We would never go that far in adapting ourselves. We never follow fashion slavishly.

The emphasis on innovativeness was also linked to an element of surprise, as expressed by one of the companies in the following way:

People must still be able to recognize our company. However, we must always be able to surprise them.

Meaning of innovation – aesthetic creativity. Innovation did not necessarily imply the introduction of new objects all the time just for the sake of being new. In some cases, it involved the re-introduction of older designs in creative ways, i.e. the discovery of modes of aesthetic expression that had been too advanced for their time in the past and for which the market had not been quite ready. As one respondent said:
Well, it can be both new [aesthetic] expressions and old ones, as I see it. Think, for example, of a chair today. It is not easy to make a chair that has never been made before or that is unique in some sense. Everything has already been done. It is more a question of finding the form that is in vogue. In the end, all chairs have to consist of a seat, back rest, and legs. It is more about finding a new interpretation somehow, at a particular point in time.

This quote clearly lays down the principle of how designers avoid the collision between function and form, and the new and the old, and strive towards a harmonious creation. This also resonates with the discussion on the one hand on the potential for artistic vision (Szirigin, 2006; Bradshaw et al., 2009) and on the other, the issue of ‘exploration’ versus ‘exploitation’ in the innovation literature (March, 1991).

To design is not to stagnate. Stagnation occurs when companies get bogged down in specific aesthetic styles or institutional histories. This is a constant threat, particularly for companies with strong traditions. A respondent at one company founded in the early 1920s said:

The biggest challenge is to preserve our cultural heritage, and to carry it along with us into the next era, so to say. In a way you treasure your cultural background and at the same time you update and modernize it.

In other words, a long history and strong tradition were regarded as an asset, in the sense that it was something that made the company unique. One respondent said:

What makes us unique is our cultural history, that we have this long history. We might as well exhibit at a museum as in a shop. So we might say that we are both a commercial and cultural institution.

Innovation is about mixing apples and oranges. Another designer described innovation this way: 'People say that you cannot mix apples and oranges ... I think innovation is all about mixing apples and oranges, or for that matter anything with anything else.'

Proposition 3: The basis of successful design oriented innovation is not only to think outside the box but to integrate seemingly contradictory idioms.

Design durability

Design durability is not timeless design. The idea that design-making was connected to the creation of enduring experiences was accentuated among the design companies. This was reflected in their desire to create objects that possessed design durability. However, durability does not extend to infinite time horizon. As one of the respondents remarked:

Strictly speaking, there is, of course, no such thing as timeless design. However, you can work more or less consciously with changing tastes, or find a form that lasts for a longer period of time. Regarding my own designing, it is about dropping these very expressive forms that sometimes occur during the process. I feel that they are just great, but then I think, 'How will it feel like when you have seen this object a hundred times?’ Then you will just not stand for it.

In other words, durability does not preclude being in tune with the times and incorporating contemporary expressions.

Design durability seemed to be a quality that distinguished a good design from what was trendy. One of our respondents lamented that design is often confused with stylistic patterns. Another
offered the view that a good style may be a necessary condition but is not sufficient. To him, a successful design from a marketing standpoint must take into consideration the question of timing. Extending this idea, he pointed to a paradox:

Design is something that represents the times and is also timeless at the same time. I am aware of the fact that I am contradicting myself, but . . .

**Stylistic fluctuations/design is not a trend.** Continuing on the preceding theme, the respondents described design quality as a movement away from stylistic fluctuations. Design was differentiated from trend and, in fact, was considered quite the opposite, for trend was perceived as a superficial and short-lived phenomenon that lacked deeper qualities. As one respondent explained:

It is difficult to describe, but there is a very large difference. Trend lacks this well-thought-out idea that you can see. You can see that in that specific case [referring to a competitor], they have adjusted the surface in order to make it marketable. You can feel that this is not something that the company makes because they believe in it. This is something they do because they have seen that other companies are doing it, and they have seen that it has been successful. And therefore they believe that it is something that they ought to make as well. But you can easily see that it is a copy.

Trends were associated with an over-emphasis on superficial stylistic attributes at the expense of other durable dimensions. As experiences, trends are short-lived, quickly consumed. Another respondent referred to the *aura* of the object, giving it a Benjamin like (:968 [1936]) inflection referring to some sort of glow that excites the imagination of the consumer.

**Consistency and not uniformity.** Rigid uniformity in terms of style was consciously avoided. However, consistency was valued by the design companies, though it was not considered the same as uniformity. One of the respondents explained the meaning of consistency in the following way:

Consistency is created by not being static. In order to be consistent you need to be also flexible. Because you live off a business idea that is extremely distinct – we do – we ought not to get stuck in a specific concept, just because we have produced some successful designs, in the way that 'Let us do yet another lamp in the same style'. The only thing that really matters is that you can be different at different times and under different situations, but within the framework of what the company perceives of as its design-management policy.

One respondent said that the blending of different styles made the product assortment more compelling. A respondent at another company told us that the company occasionally did such things as producing decorative or flamboyant patterns. The purpose was simply to challenge the existing image of the company. The idea behind such action was to avoid being perceived as repetitive and monotonous. The same idea was expressed by another respondent:

During certain periods, requirements turn up such that we have to work with predetermined systems. However, I do not like the idea since everything becomes so rigid and quite dreary.

Proposition 4: Design durability is one of balancing long-term design goals with contemporary expressions without becoming too trendy.
Design organization

Design as a company-wide phenomenon. A central point of our empirical analysis is the realization that design management is a company-wide activity and cannot be relegated to a single unit or individual (Dumas and Mintzberg, 1991). The companies in the study were all product-oriented. At the same time, they claimed that design could not be reduced to the product alone. Design quality also had to be considered in relation to other activities such as communication, advertising, service, distribution, and store displays, which are all part of the creative project. Here is a quote that illustrates this point:

Design is the sum of all the company's activities. It does not only involve product design -- although it is the most important of all. Design consists of all the finer details of the organization, its culture, people and practices ... all taken together.

A related question in the organizational context is, 'What does the designer do?' Here is how one designer of a multinational technology-oriented company described his view:

The traditional perspective of design is what designers do. In this model, the designer is the creative artist who sits in the back office and comes up with great ideas and products. When I started life as a designer that is how I used to think. But now there is a changing view of design. Design process must be managed from the beginning to the end, from conception to market execution ... the entire organization must be design-oriented. Design is a transformational organizational process.

Organic approach to design. Truly design-driven organizations think organically rather than structurally; design is their DNA, or genetic code. A sense of design must pervade the entire organization, for, in the final analysis, what surfaces is the articulation of design, its expression, execution, and, finally, reaching the market through the idea of design. The organization begins with the notion of design, as the following quote explains:

You do not want to start with the product for the product is the final deliverable. Design is a way to achieve a competitive position that begins with an innovative idea and permeates all aspects of the organization. Think of design as the seed from which a tree grows. Thus the genetic code is the seed that pervades the entire tree. Extending this metaphor, design management is akin to growing a tree. The seed is the vision, tending the tree is the innovation, the fruit is the product which is plucked by the customer. Don't confuse the seed with the fruit; the fruit is what the customer experiences, but the tree needs to be carefully nurtured.

Proposition 5: Design orientation is not an isolated or a back-office function but represents a top-to-bottom execution of design philosophy throughout the organization.

Creation of customer value through design

Customer orientation through human touch. One of the respondents from a company that made custom products mentioned that she preferred to imbue a human touch in the objects she designs. This is how she expressed her feelings:

I like objects with some variations in them, because then I can feel the human presence. Otherwise you believe that the objects come as if they are from a soul-less outer space, products of great workmanship, but completely devoid of human qualities.
As she explained, one way to achieve the human quality is to use production techniques or materials that diminish the possibility of achieving two identical pieces of furniture. She was opposed to defining quality in terms of machine-like perfection. She talked about the ‘unexpected’ aspects of design and seemed to draw her inspiration from the world of art where look-alikes are viewed with some skepticism.

*Emotional appeal – designer as manager/architect of feelings.* Another respondent explained that creation of customer value meant that the object had to respond not only to the senses but to the emotions (see Norman, 2004). This particular quality, which he himself regarded as very important, is often neglected.

Visual quality appeals to the emotions as well as to the senses. It cannot be defined or quantified, which concerns some people who have a strictly analytical orientation. One respondent explained:

> When you talk about the emotional state [in the context of design] – it is, of course, unacceptable in some circles. That’s because they forget that art to a great extent appeals to the emotions. So, why should design be different?

Q. So, how then do you bring emotion into the design?

I consider a well-designed object is a combination of form, function, and emotional appeal. In other words, a well-designed product is itself [emphasis itself] the object of one’s emotion and not a means to elicit emotion. The distinction is subtle but critical.

When pressed, the respondent said:

Typically people think of design features as eliciting some emotions, but design incorporates emotional qualities directly into the object.

The subtle implication here is that instead of expecting some attribute to arouse a particular emotion, the attribute itself becomes an emotional entity.

The idea that design involved a quality that had to be emotionally experienced was expressed by another respondent, who explained that she considered herself an ‘architect of feelings’.

> Proposition 6: The ultimate success of a design-oriented company is to capture customers’ hearts more than customers’ minds.

**Discussion – generating theoretical ideas**

The purpose of the study was to generate theoretical ideas based on empirical analysis. This study is based primarily upon in-depth interviews and company visits with design-oriented companies that have a high design profile (i.e. design is central to the company philosophy and a means to create customer value). The study involved small- to mid-sized companies with a reputation nationally as well as internationally for producing high-quality designs. Six design-oriented themes emerged from our study: design qualities and know-how, design-oriented thinking, innovative design and aesthetic vision, design durability, design organization, and creation of customer value through design. Under each major theme several sub-themes were generated along with a set of propositions. Thus six theoretical propositions were identified based on a grounded theory approach.
Proposition 1: Design orientation puts greater emphasis on imagination than on rational or technical knowledge.

Proposition 2: Customer (market) oriented design strategies but not customer (market) driven strategies ensure greater success in a competitive marketplace.

Proposition 3: The basis of successful design oriented innovation is not only to think outside the box but to integrate seemingly contradictory idioms.

Proposition 4: Design durability is one of balancing long-term design goals with contemporary expressions without becoming too trendy.

Proposition 5: Design orientation is not an isolated or a back-office function but represents a top-to-bottom execution of design philosophy throughout the organization.

Proposition 6: The ultimate success of a design-oriented company is to capture customers’ hearts more than customers’ minds.

Design quality remains a major issue, since it relates to articulating aesthetic vision and the elevation of human imagination over human intellect. And design quality was seen as the result of a sense of qualitative unity rather than as a reflection of any particular element. For the next theme, design-oriented thinking, where customer focus is central to the enterprise and listening to the customer is important, a distinction was made between listening to the customer and following the customer. The former implies that the organization retains control of the design process. Innovation remains a central theme but in the sense of creating a durable value rather than creating something new just for the sake of newness. Metaphorically speaking, innovation is about sowing the seed and nurturing it. Design is an organizational activity and not just the domain of a designer whose vision is important but is not adequate. Finally, customer value is created not by resorting to functionality alone, but by appealing to aesthetic preferences and catering to emotional experience.

Design orientation involves a strategic way of employing a company-wide vision that integrates design into the creation of customer value. The concept of design durability is a key idea running through this analysis. Durability is not merely a function of timelessness, but a mixture of and lasting value. Design was also referred to as something that has more to do with human imagination than with human intellect.

The reference contemporaneity to design as a feeling is yet another interesting aspect of the interviews. This feeling was often alluded to as a life-infusing inner quality, something that the object breathed or that provided the object with a soul. It was a feeling that some objects were able to evoke but not all. Two important implications can be derived from this. First, design was associated with some kind of elevatory element rather than merely appealing to sensual stimuli. Second, it referred to something active and experienced rather than static. This was made particularly clear when one of the respondents explained why market surveys were not used as a tool during the product development process.

Innovativeness was in many cases associated with the launch of new expressions. A new expression was defined in terms of a perceived quality rather than in stylistic terms.

Aesthetic vision was primarily conceived of as a transforming force. The notion of ‘timing’—which implies some kind of relationship with the market, including taste—as well as the importance attributed to ‘tradition,’ both as a resource as well as a limiting factor, further suggests that aesthetic innovation must be understood as being part of a system of a larger visual landscape.
The notion of design vision (i.e. design thinking) and its articulation through design practice implies that true innovation is a company-wide phenomenon and cannot be left to single individuals as a marginalized function within a company. Thus it should be neither an afterthought nor something added to the main course. It is true that the companies selected for the study are design-oriented to begin with, but regardless of the type of companies we deal with, design cannot be simply a back-office activity. For many companies, competition is not limited to functionalities, but also requires attention to aesthetic experience. In such a competitive environment, much innovation depends on how design is built into the company offering from start to finish. Thus design is not to be confused with style, which can be added and removed from the company offering on short notice. This is what is meant by design as vision or a state-of-mind.

Study implications and conclusions

The notion of design thinking or ‘design as a state-of-mind’ and its articulation through design orientation implies that true innovation is a company-wide phenomenon and cannot be left to single individuals as a marginalized function within a company. Many companies do struggle with developing an aesthetic vision (not to be confused with style), which can be added and removed from the company offering on short notice. This is what we mean by design thinking that incorporates aesthetic vision as the driving force of the organization. Some basic conclusions are:

- Successful Design Orientation is a company-wide phenomenon, and the best way to view a company is organically rather than structurally.
- To avoid stagnation, a design philosophy should include notions of creativity, uncompromising originality, and market realism.
- Successful Design Orientation is customer oriented but not customer driven.
- Design Orientation involves integration of organizational goals, aesthetic vision, and customer welfare in addition to technical performance.
- Successful design companies give greater prominence to ‘imagination’ and ‘intuition’ rather than ‘intellect.’ Winning customer hearts may be more important than winning customer minds. This is the basis of building customer trust.
- Design Orientation goes beyond ‘problem-solving’ to transforming the world into a better place to live.

In many respects, the companies in the study seem to project a view of design that is perceived as something dynamic rather than static, and as a quality that refers more to human imagination than human intellect. Design quality is associated with a quality that seems to lie far beyond the reach of time and yet is subject to it.

This study is not without limitations, for the companies are not representative of all the design-oriented companies one encounters in the marketplace. But the ideas emanating from the study are worth examining across different product and company scenarios. Future research could examine how design is managed in other types of companies, especially those concerned with the latest technologies and those involved in the design of services, as well as those based in different countries.

References


Appendix

Interview strategy

Interviews were semi-structured. Although the general nature of questions was the same, they varied slightly from case to case, depending on issues brought up during the interviews as well as the specific situation of the company. Knowledge acquired from previous interviews was integrated in later interviews.

The idea of the interview has not primarily been to collect specific pieces of information, rather to give rise to a discussion from which we could learn – also from the unexpected. In cases where the respondents started to talk about things which we felt might be interesting we decided not to interrupt. Our approach is also related to the fact that we are trying to capture ‘ideas’, ‘a state-of-mind’ or a particular ‘design thinking’ – which can be expressed in multiple ways – rather than specific methods or procedures. Questions were kept simple. We allowed for free flow of ideas.

Key Questions

Start-up questions

- Please explain how the company was started and what its origins are.
- What is your basic design philosophy and how has it changed over time?

Design/product

- How do you (or your company) come up with design ideas??
- What is your definition of innovative design?
- How would you describe your philosophy of design?
- Distinction between art and design?
- Distinction between trend/fashion and design?
- Distinction between craft and design
- Is function important? How is it related to form?
- What renders certain objects become design classics and not others?
Product development/marketing

- What is a ‘new’ product according to you?
- What are the driving forces behind the product development?
  trends? customers? customer value? tradition?
- Is there a method or is it ‘gut feeling’?
- How do you determine the market needs?
- How would you describe the ‘style’ of the company? What is the common denominator in the collection?

Management

- It is sometimes claimed that design is a state-of-mind? What does it mean to you?
- What do you think of the enormous increase in design interest during the last years?
- Implications for your own business?
- Other companies that you think are interesting from a design point of view? Why?
- How do you manage the design process in your company?

Alladi Venkatesh is Professor of Management and Associate Director at the Center for Research on Technology, University of California, Irvine. His research interests are in the areas of technology diffusion, aesthetics of design, and cultural economies. His research has appeared in *Marketing Theory* and other leading journals. Address: CRITO (Center for Research on Information Technology), The Paul Merage School of Business, University of California, Irvine, CA 92697, USA. [email: avenkate@uci.edu]

Theresa Digerfeldt-Månsson has a PhD in Design Management from Stockholm University School of Business. In her thesis she studied the way design is looked upon as a creative resource within Swedish innovative and aesthetically oriented design companies. Her research interests are in the areas of management of design and aesthetics, ‘design and innovation’, and experiential knowledge/visual thinking. Address: School of Business, Stockholm University, SE 106 91, Stockholm, Sweden. [email: theresa.digerfeldt-mansson@bredband.net]

Frédéric F. Brunel (PhD University of Washington; MBA Illinois State University; BSc Ecole Supérieure des Sciences Commerciales d’Angers) is on the marketing faculty at Boston University. He is an applied consumer researcher dedicated to informing several domains of marketing practice: consumer relationships, consumption communities, and product design. He has published extensively in journal articles, book chapters, managerial articles, teaching cases, and conference proceedings. He has been a reviewer for the major journals and conferences in his field, a track chair and a member of the program committees for international conferences. His work is used by some of the largest corporations and he is regularly quoted and interviewed in a wide array of print, radio, TV, and electronic media outlets. His commitment to higher education has been recognized through several teaching, research, and service awards. Address: Department of Marketing, Boston University School of Management, Office # 659, 595 Commonwealth Avenue, Boston, MA 02215, USA [email: brunel@bu.edu]

Steven Chen is an Assistant Professor of Marketing at California State University, Fullerton’s Mihaylo College of Business and Economics. Before joining Cal State Fullerton, Steven received his BA in Studio Arts and a PhD in Marketing Management from the University of California, Irvine. Steven’s principal research is centered on design thinking and new product development. His research is published in scholarly journals such as the *Journal of Product Innovation Management* and the *Journal of Business Research*. Address: Department of Marketing, Steven G. Mihaylo College of Business and Economics, California State University, Fullerton 800 N, State College Blvd., Fullerton, CA 92831, USA. [email: stchen@fullerton.edu]