

Manufacturing competitive advantage: A global tale of place, brand and design

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Distinctive design remains the most effective way to produce a product and survive in business today in high cost manufacturing locations, according to researchers at the University of Birmingham in a book out today (Thursday 9 December 2010) entitled 'Design Economies and the Changing World Economy'.

The study by researchers at the University's School of Geography, Earth and Environmental Sciences states that companies that compete on the basis of design are most successful because they build many different associations into their products that appeal to consumers.

The importance of 'place' and its association with a product is key. The location where a product is manufactured is inextricably linked to its design. A product can be designed in one location and manufactured in another, for example, a product label may state that it is designed in Italy, made in Germany.

Professor John Bryson, author of the book and Professor of Enterprise and Economic Geography at the University of Birmingham said: 'These sorts of designed associations with 'place' are critical in forming customer expectations about a product or brand and can shape and influence consumer demand as there is a particular perceived image about quality and design attached to particular geographical locations.'

The importance of place also comes into play when dealing with consumer demands and preferences in different countries. The researchers have found that companies that are able to secure their positions in a variety of locations around the world, by establishing design centres and offices on different continents, are both able to localise their products for a multitude of consumer markets as well as prevent other companies from copying their products, processes and strategies. For example, a company based in the UK that wants to expand into the US market must understand American consumer behaviour in order to break into that market and maximise its sales, so it is advantageous to have expertise in the target country so that cultural differences are incorporated at the design stage.

Professor John Bryson explains that the interaction that occurs between place and design is a vital element in the competitiveness of firms and nations. He said: 'There are very few truly global products and the difficulty in developing global products highlights the importance of localised products. Establishing a network of design centres in different countries makes it very difficult for other companies to copy a business, its products and processes. Expertise can be based in many different places, and offices will work together to come up with a product that is localised to a particular market.'

He continues: 'Design matters and is crucial for the competitive success of companies. It is especially important for companies creating high value added products and for firms that want to continue to manufacture in countries with high labour costs. Design is critical for the competitiveness of the British economy and should be given a central role in the School syllabus'

Currently Chinese companies are competing only on price and are using western designs. Professor Bryson claims that when Chinese companies start to compete on design, manufacturing products with Chinese designs and brands, British, European and US companies will need to start thinking about new ways of competing.

Notes for Editors

1. Design Economies and the Changing Economy: Innovation, Production and Competitiveness is published by Routledge and is available at www.amazon.co.uk
2. Professor John Bryson holds the Chair of Enterprise and Economic Geography at the School of Geography, Earth and Environmental Sciences at the University of Birmingham.
3. Case studies from the research:
 - a) John Smedley is a designer and manufacturer of high quality knitwear - a luxury brand with roots in Derbyshire where design and innovation keeps the company at the forefront of contemporary fashion.
 - b) Arthur Price of England manufactures cutlery and is a family run company with a commitment to quality with particular lines in designer cutlery endorsed by well known designers.
 - c) Aga, based at Coalbrookdale, Shropshire, sells top of the range cookers and has joined together with the pottery designer Emma Bridgewater to manufacture a signature polka-dot Aga. The company trades on its heritage and its home in the heart of the birthplace of the industrial revolution.

For further information:

Kate Chapple, Press Officer, University of Birmingham, tel 0121 414 2772 or 07789 921164.