The value of design: How does design enhance commercial value in co-branding strategy development?

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Emergent trends of co-branding strategies are increasingly being utilised in fashion marketing and retailing; as such, the role of design is becoming paramount in collaborative partnerships when devising co-branding strategies. In particular, designers are central to the process of collaborative partnerships when developing highly novel products more that are attractive to demanding consumers. This paper critically examines the role of co-branding strategies as a source of innovation in fashion marketing; and to understand how organisations draw upon co-branding to inform the development of new products, services and brands. Branding strategies, new product development, design, innovation, and fashion marketing are discussed and critically analysed.

Keywords: Co-branding strategies, Fashion marketing, new product development

1. Introduction

In historical context, fashion consumption is image the sign of status and rich in culture (Fernie, J., & Grant, D. B., 2015). In today, fashion consumption is a common behavior to every people in daily life. By the society development, consumer’s consumption structures have started to change. From very basic necessities product consumption demand, consumers have more varieties desires for fashion consumption. As fashion consumption demand increases, apparel producers and fashion retailers are now starting to transform their design, branding and marketing strategies. Along with strong competition in the fashion retail market, co-branding strategies have become a highly popular tactic to enhance the relationships between fashion retailers and consumers. In addition, co-branding strategies build connections between fashion brands and designers, it enriches the attributes of fashion products, improves the awareness and popularity of fashion brands, and innovation of fashion concepts.

A cooperation brand strategy prevailing in the contemporary market, Fashion retailers need to respond quickly with rapid iteration, innovation is increasingly becoming more important. Between joint brands, selection of partnerships, co-branding model, co-design product collection are also becoming complex and diverse. This paper will explore and critically debate the role of design as a driver for market orientated innovation, and how design can provide the company an invaluable source of differentiation in competitive marketplaces. Findings from the literature will inform the second stage of research activities (empirical data collection) due to be undertaken by the authors. However, for the purpose of this paper, it will offer a comprehensive overview of current literature on branding and co-branding strategies.
1.1. The Value of Design and Design Strategy

By definition, strategy means “a plan to make or achieve something” or “a careful method”. Lockwood explained it is not too difficult to see the similarities between design and strategy; however, in today’s typical large organizations, the strategy department and the design department are different sectors. The challenge in building design strategy is to bring these two disparate discipline into an alignment. Both strategists and designers share a common ground in the desire to accomplish business goals. When combined, both the strategist and the designer can be a powerful force working together. He added, “No one really expects the strategist to become a designer, but it’s not so unlikely that the designer will start strategizing. This is precisely one of the roles of design management: to bring design and design thinking into organizations, in support of the development of corporate strategy.” (Lockwood & Walton, 2008).

Today, businesses have recognized how important design is to financial success. Which means they are prepared to invest big money into creative projects. However, clients often look for certain assurances that designers can deliver a work that understands their business problems and that the results will bring a return on their investment. This is where strategy in design comes into place; it creates value for the designer. Strategy gives design more context; it allows it to become research driven and ensure the success of the project. Incorporating research methodologies to the process of design can transform a designer into a consultative role, which brings more value to the profession (O’Grady, 2009, p. 11). It is widely known, that clients pay accordingly to the quality and reputation of the designer. It is widely accepted that the role of design at a strategic level can lead to successful product or service developments, which can ultimately lead to commercial competitiveness. This means, adding strategy can increase the design firms perceived value of whatever they are offering while also differentiating from competitors. Successful organizations will no longer focus on lower cost, but strive to value added products that are distinctive and appealing.

Depending on how big the organization is the roles of Design Manager and Brand Strategist varies. In large design firms, it is most likely that Design Manager and Brand Strategies work in separate departments, where a Brand Strategist would take on a role where he will solely focus on brand building, strategy and brand evaluation, while the Design Manager will focus on other sectors of innovation & design within the company. However, in micro and small-medium design firms, it is common for the employees to take on multiple roles at once. Normally, the person who founded the company are the strategist, manager and designer themselves. For example, an art director who previously worked for a large design firm, decided to step down and start her/his own design firm where at the beginning he would be the CEO, Creative Director, Design Manager, and Brand Strategist all at the same time. This situation is very common for companies with less than 10 employees, and it is getting popular nowadays with the high growth of design start-up companies. Naturally, the roles of both Brand Strategist and Design Manager are similar; the role of Design Manager has a much wider range of jobs especially within the company, while the Brand Strategist often works under a Design Manager specifically working on Branding.

Identity design is a common project for freelance designers and small design firms. There has been numerous studies on what branding is all about, and what identity system is. However, still in the industry these two words are often misunderstood as the same thing. This often occurs on small-scale projects involving a freelancer or a small design firm and a small-medium company. ‘Branding’ is commonly used as a title of a project, when clients approach a designer for help. However, what they really meant is they need help with an ‘Identity’; because usually what they need is a logo, packaging, stationeries, and all things that support the brand as a whole. Branding has a much broader meaning that just focusing on the visual elements. This happens when the client is not aware about the differences between the two terms, and is the job of the designer to make sure at the beginning of a project.

2. Brands and Branding: an overview

In general perspective, according to many authors and institutions give some similar definition, both the American Marketing Association (MAM), Keller (2003) and Neil (2018) quoted Aaker (1991) define that the brand combines certain elements set of name, term, sign, symbol (sign, logo, trademark) or design, which is aimed at identifying the products and services of sellers and to distinguish them from those of their competition. As the argues that one perspective of brand is “a name with the power to influence”, which means the brand should have the ability to construct a community with reliable, passion, respect and so on to consumers. Neil (2018) argues that the classification of a brand could be diverse; it is associated with the construct, commercial and legal.
Keller (2003) emphasized branding is the process of creating differences, and the main point of branding is consumers should think that in the category of brands are different. Both individuals and firms achieve important benefits from brand. In addition, Aaker (2003) also discussed when a brand faced with competing brands trying to offer similar products; it should protect the producer and consumers from their competitors. Kelly (2003) discussed that consumers could gain important benefits from brand, regardless of Individuals or firms.

For building a brand structure, Keller established a model with six building blocks (1) brand resonance, 2) brand judgments, 3) brand feeling, 4) brand performance, 5) brand imagery and 6) brand salience) and four steps (Brand identity, brand meaning, brand responses and brand relationships). Each of these processes involves building a strong brand and building a long-term stable customer relationship. Keller also discussed the creation of brand ‘meaning’ involves the establishment of brand image and brand characteristics. Many researchers argued the positive loyalty brand is strength, favorability, and the consumers prefer brand (Shen, B et al, 2014) (Kelly 2003).

Keller (2003) argues that when branding for services or products, giving the consumers a label of a product could distinguish it from other branded products, in part, to explain the meaning, function and specific attribute of the products. However, this “label” could be processed as not only a product level, but also as an event, a person, an organization and so forth. The rise of social media appearing a number of bloggers and celebrities, who create their own social media account to promote brands, and then start to collaborate on brands and products, using their names as brands in their own particular right.

Furthermore, Keller (2003) argues that Brand strategy refers to the way to use brand elements in company products. Laforet and Saunders (1994) cited by Rao et al. (2004) discussed three classifications of branding strategies, which are 1) joint branding, 2) mixed branding, and 3) house of brands. Among of them, joint branding strategy, the co-branding name is not only occupying a dominant position in all or part of the product and service of the firm but also is an element of the product brand name (Rao et al, 2004).

2.1. Brands and Branding

The use of brands has developed considerably, especially in the last century. We live in a branded world, almost each day we interact with brands. As stated by Maurya and Mishra (2012) brands are omnipresent; they penetrate almost every aspect of our life: economic, social, cultural, sporting, even religion. Due to brand tendency to pervade everywhere, they have come under growing criticism. In postmodern societies where individuals want to give the name to their consumption, brands can and should be analyzed through various perspectives: macroeconomics; microeconomics, sociology, anthropology, history, semiotics, philosophy and so on (Kapferer, 2004). Indeed, the words ‘brand’ and ‘branding’ are now such a common currency that their original meaning is in danger of being weakened (Hart & Murphy, 1998).

According to de Chernatony & McDonald (2003), ‘a successful brand is an identifiable product, service, person or place, augmented in such way that the buyer or user perceives relevant, unique, sustainable added values which match their need more closely.’ The definition starts with successful brand. To develop a brand takes time and money, and is in effect an investment, which if properly managed, should produce healthy rewards. Unfortunately, some organizations do not take a sufficiently long-term view of brand building and, because they do not achieve rewards early on, cut back on investment (De Chernatony, 2006). Brands are a direct consequence of the strategy of market segmentation and product differentiation. Branding means more than just giving name and signaling to the outside world that such a product or service has been stamped with the mark and imprint of an organization (Maurya & Mishra, 2012). Branding consists in transforming the product category; it requires a corporate long term involvement, a high level of resources and skills (Kapferer, 2004). Branding is probably one of the most misused word in the industry.

Most designers think of branding as a re-designing or creation of a logo or an identity system, the truth is there is much more than that. According to Marty Neumeier, author of the book The Brand Gap, logo is short for logotype, a design-speak for a trademark made from a custom-lettered word. A trademark can be a logo, symbol, monogram or other graphic device, but it is not a brand. A brand is a person’s gut feeling about a product, service or company. We cannot control the process, but we can influence it (Neumeier, 2006). Therefore, without understanding a larger context of branding, an identity design or a logo design would be merely a pretty looking symbol. Branding is about solving a business problem; every brand is usually linked to a specific target audience, a segment. This segment consists of a group of consumers who share a similar set of needs and wants (Kotler & Keller, c2007). The principal purpose of branding is to distinguish the goods or
services of one producer-provider from the goods or services of all the others in the same class, category or sector. Branding differentiates. Branding separates. Branding reduces consumers’ confusion. It makes life easier for them (Brown, 2016). Adding to the point, brand-building or branding is highly beneficial for the longevity of the business, many studies show that powerful brands are able to command premium prices (Apple, Nike). In addition, successful brands can easily extend or innovate into new category of products. For now, it is sufficient that branding works. MRI scans of consumers’ brains show that branded versions of products like coca cola are more desired by consumers, even when the actual drinks being tested are identical (Lindstrom, 2008).

2.2. The Brand Identity System

As Robert Jones (2017) stated, ‘Branding works on our rational brains.’ Through our experience with using a product, and through the messages conveyed by its advertising, we build up a set of beliefs about it. This is the rational side of branding. Aristotle, the ancient Greek philosopher, anticipated the techniques of branding in his book Rhetoric, and talks about this as logos: the word, or the rational argument. (Logos is also the origin of ‘logo’, the term we use to mean ‘brand emblem’.) (Jones, 2017). However, the real power of much modern branding is that it goes deeper. It also appeals to our intuitive, unconscious, irrational, and emotional selves. Through the pleasure a product has given us, through the memories it evokes, through the attitudes we have picked up from friends, through the storytelling in its advertising, through the colour of its logo, we build 26 up a set of feelings. In these ways, branding creates a ‘brand personality’, and helps us to feel that a particular decision is right. (Jones, 2017) Brand Launching in a new market requires a firm to design a strategy for creating a set of associations to the brand in terms of ‘What the brand stands for’ and ‘What the brand promises to deliver to its customers’ (Brand Identity).

Aaker described Brand Identity as ‘a unique set of brand associations that the brand strategist aspires to create or maintain. These associations represent what the brand stands for and imply a promise to customers from organization members.’ Brand Identity could be regarded as to ‘provide direction, purpose and meaning for a brand’. (Aaker, 2010). One key to successful brand building is to understand how to develop a brand identity – to know what the brand stands for and to effectively express that identity (Sharma, 2013). As competition has become increasingly intense, it is more important than ever for a firm to differentiate itself from other firms and to effectively communicate these differences to the public (Nandan, 2005). He added, ‘strong brand identity can create and maintain brand loyalty. Nevertheless, a brand identity should represent the firm’s vision and how they want the customer to perceive them as. The visuals, logo, colours, all associated with brand identity speaks to the instinct of the customer, and the customer actually does not have words to describe. A well-designed brand identity creates an emotional connection between the firm and the customer. In particular, the focus of a brand identity can become confining and ineffective. In particular, the focus of a brand is too often restricted to product attributes, existing brand images, brand position, and the brand’s external role of influencing customers (Aaker, 2002, p. 76). Aaker stated, ‘a key to developing a strong brand identity is to broaden the brand concept to include other dimensions and perspectives.’

3. Co-branding strategies

Many researchers have offered a diverse range of definitions of co-branding. Tom Blackett and Nick Russell defined that co-branding is often engaged with two or more brands, all of the brand names in the cooperation are kept on the same product. A co-branding strategy is normally a medium to a long-term partnership, but it is not enough to create a new brand because its net value creation potential is too small (Leuthesser, 2003) (Blackett and Russell, 1999). Leuthesser argued that co-branding should be accompanied by a long-term agreement and cooperation. In terms of the development of new products, the brand names should appear on the logo or packaging of the new product. Moreover, one of the main aims of co-branding is to launch new products in new markets or existing markets. Leuthesser (2003) argues that co-branding involves combining two or more well-known brands into one product. At the same time, co-branding has the potential to accomplish “the best in the world” cooperation and to make novel products and new markets by taking advantage of the unique advantages of the two co-brands. The new products created by the two or more brands as a branding strategy, will produce a new brand name for the unique product. (Park et al, 1996). In addition, the joint products belong to one or both of these two brands. Additionally, Grossman (1997) stated that the two partners of the cooperative brand could collaborate in many marketing contexts such as advertising, products, product positions and distribution outlets.
Besharat (2010) suggests a branding strategy for marketing, some companies launch new products by an established brand. Brand extension strategy and co-branding strategy is quite similar but not the same, Leuthesser (ibid) argues that brand extensions strategy and co-branding encountering a number of problems. Comparing with brand extension strategy, for instance, new product development strategies, launch a new product line to extent brand collection, co-branding has some advantages. To assess the relative attractiveness of co-branding, it is important key to understand the customer’s perception of co-branding (Leuthesser, ibid).

Two brands working together to create a new marketing project are popular in many industries (Shen et. al, 2014). Co-branding becomes a popular approach in brand extension strategy because co-branding can acquire the distinctive features of the brands of the two companies, and the brands of the two companies can complement each other. Leuthesser (ibid) also argue that three features of co-branding strategies need to be considered. Firstly, in the case of brand cooperation between the companies, the perception of co-branded products may have spillover effects on one of the companies, and the less well-known one may be more affected. Moreover, when the “high status” company brand is associated with the “low status” brand in, the "high status" company brand may not be adversely affected. Meanwhile, co-branding can have a negative impact on less well-known brands. (Cunha et al, 2015)

In addition, the customer base that one of the two brands brings to the joint product will provide potential customers for the other brand in the partnership. The perception of consumers is also one of the main factors influencing brand cooperation. Consumers can find the degree of correlation between the brand assets of two different brands, and the feelings generated have more influence on the harmony or consistency between products (Ahn et al, 2010). The collaboration of the two brands with complementary attributes are better than expansion of a dominant brand or two very popular but non-complementary brands (Park et al, 1996).

4. Fashion retailing

Fashion retail contains a diverse range of retailer types, and it can be defined into varieties of sectors, such as luxury brand, designer brand, high street, fast fashion, supermarket (Bhardwaj et al, 2010). Moore (2010) stated that among international retailers, the most productive sector is fashion marketing. Fashion retailing has significantly transformed the shopping behaviours of customers (Fernie et al., 2015; Bruce et al., 2006).

Fernie & Grant (2015) argues that there was a new phenomenon when, the fashion market began to change, fast fashion retailers changed marketing on the high street. Fashion retailers have certain significant characteristics. Firstly, one of the purposes of fast fashion is to get new clothes into stores in the shortest time (Bruce et al., 2006). They keep delivering a large number of designs in small batches, so the latest designer clothing is always on display (Fernie et al., 2015). Fast fashion brands reduce the time to put fashion products into stores, commit to a seasonal buying system that keeps the product range updated throughout the season (Barnes et al., 2010). Indeed, the mass fashion brand has a variety kinds of collections in different colours, types, with the amount of stock (Bruce et al., 2006), so that the display time of products is short. In that case, markdowns and sales are the most common strategy (Fernie et al., 2015), this kind of approach is to get rid of excess inventory quickly and replace them with more fashionable products (Bruce et al., 2006). Thus, the price of most fashion merchandise is affordable (Fernie et al., 2015), when compared with luxury or designer brands.

Luxury retailers have many significant differences. Depends on the elite culture in historical, only a few privileged class can use Luxury brand (Wong et al, 1998; Tsai, 2005; Fernie et al, 2015), after developed in few ages, now it became more affordable for more mid-market consumers (Tsai,2005), but the price is still unexpansive when compared with fashion products. Fernie and Grant (2015) argue that the purpose of consumers purchasing luxury goods is for expressing their own values and symbolism. Luxury brands by definition are based on the features of the luxury concept (Fernie, 2015). Moore and Doherty (2007) summarized five attributes of luxury fashion retailers as exclusive design for retailer, unique branding identify, high-class design quality and craftsmanship, pricing above the average market level, sold at leading retailers, such as in the hotel (Fernie,2005), flagship store (Moore et al.,2003). In addition, Fernie and Grant (2005) summarized more luxury brands as - a global brand reputation, a better shopping experience, a heritage of artisanship, a relationship with the original country, a limited amount of products and purchase channels.

Among fashion retailers, marketing strategies are both in-store and online strategies. As a conventional way of retailing, in-store strategies have advantages as they are an effective way of interacting with customers, such as the window display, layout, and display of the stores, showroom, fitting room, can enhance the shopping
experience to customers in the physical environment (Barnes et al., 2010). In contrast, online strategies in fashion retailing advantages are working on shopping experience mentally (O’Brien, 2010). Online fashion retailing is more focused on better understanding consumer behaviour (Rowley, 2004). Such as more promotion, more choices of products, more comfortable to compare different products with reviews, more accessible to purchase and return (Blázquez, 2014).

Fernie and Grant (2005) stated that a multichannel-retailing platform is the most effective way of all fashion sectors because customers desire information of products from various sources and willing to purchase and return goods. Thus, many retailers use click-and-collect as a way to attract customers with both online and in-store channels, so to enhance the customers experience (Fernie et al., 2005). Multichannel retail could bring more benefits to fashion retailers and also improve the customers shopping experience (Blázquez, 2014).

5. Co-branding strategies in fashion collaboration

Co-branding in the fashion industries as branding strategies is becoming a widespread phenomenon, in both luxury brands and mass brands (Oeppen et al., 2014)(Shen et al., 2014). The phenomenon of fashion collaboration can be turned into varieties of branding strategies (Ahn et al., 2010), more connections between two cooperative brands in the joint marketing, brand extension, ingredient branding, composite branding and so on (Oeppen et al., 2014; Ahn et al., 2010). Cooperation with a brand with the same usage situation, user identity, and brand perceived value is a necessary condition for allying with a fashion brand with variable relationships and various symbolic meanings (Ahn et al., ibid).

For the rapid development of cooperative brand partnerships in the fashion industry, many scholars offer the following perspectives. Firstly, it is a positive way to expand the existing market scope (Oeppen et al., 2014). What’s more, in the perspective of companies, co-branding brings to the fashion industry a steady stream of new things and competitive advantage. From the perspective of designers, it provides a good chance to get new ideas, and consumers enjoy new experiences (Shen et al., 2014). Furthermore, co-branding in fashion industries bring benefits for both partner brands. The use of co-branding to attract future brand partners by increasing brand awareness with other potential brands (Oeppen et al., 2014). Cooperative brands can obtain a high media exposure rate, and joint brand products are fast becoming the most popular commodities.

There are many different forms of cooperation between fashion brands, even with other non-fashion brands, additionally; all the international fashion brands are trying to launch joint brands collections. These include:

1) With different attributes of branding partnerships – luxury brands and fast fashion brands co-branding collection (Shen et al., 2014). Through the cooperation with luxury designer fashion brands, the affinity of the brand was increased, and the image of the fast fashion brand was enhanced (Shen et al., 2014). For instance, H&M is a typical example, Alexander Wang (2014), Versace (2011), Marni (2012). Recognized luxury brands most often work with mass-market brands, often creating lower-priced products. At this point, short-term cooperation can protect the brand from being negatively viewed by its existing consumer base and stimulate consumers’ interest in a new market through mass-market retailers (Oeppen et al., 2014).

2) Similar attributes of brand cooperation, such as two luxury brands involved one collection (e.g., Burberry & Vivien Westwood). Fashion cooperation strategies can be used as a means to promote high-end cooperation between luxury brands and well-known brands, and such cooperation will become a branding management experience (Oeppen et al., 2014).

3) Collaboration with an individual objective, with celebrities, bloggers or designer, such as puma & Rihanna (2015), Celebrities who cooperate with the brand generally have similar values or connections with the brand. Celebrities have their own image and popularity in the minds of consumers and have a certain degree of fan base. Therefore, celebrities can leverage the relevant elements of a brand and are feasible brand partners (Seno, 2007).

4) Collaboration with an e-commerce platform, such as End clothing & Timex (2018), Mr. Porter & Balenciaga (2018). E-commerce retailer platform and fashion brands have the relationship of interdependence, and these e-commerce retailers have clear positioning of customers (Reichheld et al., 2000). In addition, e-commerce retailers gathered multi-ranges of fashion brands, exclusive collections that can satisfy the customers’ need for uniqueness (Shen et al., 2014) (Hippel, 2005), improve customer loyalty (Reichheld et al., 2000) for the platform so to enhance the competitiveness of online retailers.
5) Fashion brands cooperation with non-fashion brands. So called inter-industry collaborations (Varley et al., 2019). Fashion brands collaborate with technology, such as Nike & Apple (2006), Samsung & Armani (2007). The cooperation between fashion brands and different cultures can form the diversity of customer division. Fashion brands collaborative with homeware retailers, such as Anglepoise and Paul Smith Lamps.

6) Multi partnerships co-branding such as Uniqlo x Kaws x Sesame street (2018), Chanel x Pharrell x Adidas (2017). The collaborative of triple brands means that the customers’ group are extended and diversified. Meanwhile, the difficulty of cooperation between parties will increase so as the potential risk for participation also increases. For example, maintaining the individual brand features while harmoniously integrating the design elements of the three brands is a challenging element. Co-branding strategy does not always strengthen the brand image, on the contrary, after the failure of cooperation it may cause brand image damage (Geylani et al., 2008).

6. Open Innovation in Fashion

A strong brand can influence the relationship between the brand and its customers, and it can also cause creative activities (Neil, 2018) and extend to the pricing of innovative products. Increasingly more joint brands occupy a place in the market, and two different brands are used for the same product. The relationship between brand and innovation could be extended to the joint brand. Neil (2018) argues that co-branding has positive advantages for product innovation. Although only one brand has strong strength, as long as it brings benefits for both brands, it indicates that co-branding in product innovation allows the development of the less powerful brand. Whether the relationship between joint brands and innovation is different from that between brand and innovation becomes another argument (Neil, 2018).

Moreover, with the rising popularity of the concept of design management, Design becomes an indispensable part of the branding process. In addition, design is a strategic tool for creating a strong brand with integrated experiences (Kent, 2003). Kent also points out that the general positive interaction with customers of developing new products and services could be easier by combining design management with the branding process and new product development (NPD). Indeed, enhancing brand experiences and promotion is a dynamic set but not a static process, which should be consistent through the impact of design (Kent, ibid).

The fashion retail industry is becoming much more competitive in particular to new market entrants on a daily basis. Almost all the established fashion brands have been formed by their own culture with their own concepts, as such, demands of customers have changed, for satisfying more demands of customers, innovation is necessary, and co-branding strategies in the fashion industry was transformed by the development of changing consumer needs; non moreso than the millennial market segment. The cooperative brand strategy makes the old fashion house popular again and opens up new elements for the fashion industry. The retailers need to establish effective connections with customers through innovative techniques and upgrade technical support to improve customer experience (Blázquez, 2014).

Fashion has become more democratic; customers have different personal requirements. With the development of changing consumer behaviours, customers’ demands for personalization are increasing gradually, and more customers are willing to pay and get the customized product. (Hippel, 2005). The original custom service was meeting the needs of some special small groups, such as traditional garment customization by manual labour, technical is typically handcraft. In the 1980’s Booms and Bitner (1981) introduced the concept of ‘servicescape’, which draws a correlation between services offered by the company and the environment in which they are provided to the consumer. In relation to the fashion retail landscape, the retail interior plays a critical role in reinforcing and communicating brand values, and how service provision is integral to reflecting these values. Retail environments are complex areas of design consideration where visual communication elements and merchandising have to be carefully integrated and orchestrated. Zaccai (cited in Lockwood, 2010) articulates design as “a way of thinking that creates insights that inform what and how you execute, as well as how you communicate, market, support, and service once the product is introduced.” (Lockwood, 2010, p. 18). Thereby, design informs the whole business strategy. However, the decision by an organisation to become more design-centric depends on the personality of the company leadership. Zaccai suggests that a gradual implementation of design-driven approaches could be the first move. If it is first applied in one part of the business, it could learn from the mistakes and lately transfer it into the entire organisation (Lockwood, 2010). A formal framework is established by Fraser (2009) introducing design as a path to understand stakeholder needs, a tool for visualising new solutions and a process for translating novel ideas into effective strategies. Fraser proposes a methodology called ‘The Three Gears of
Business Design: Gear One makes reference to get a deep user understanding where new opportunities are revealed. This helps reframe the business challenge through the eyes of the end user and set a human context for innovation and value. Gear Two is the phase of development where there is a broad exploration of possibilities to meet the needs found in gear one. New solutions are generated and visualised through prototyping. Gear Three aligns the new idea with the proposed future by designing the business itself. It is about exploring what it takes to take the idea to the market, identifying the strategies that will drive success and prioritizing the activities the organisation must do. The final step is the integration of the new concept into the current operation as well as the identification of the barriers and how they will be overcome. Along this methodological framework, Fraser proposes a mindset for the individuals in the organisation consisting of: (1) mindfulness, (2) open-minded collaboration, (3) abductive thinking, (4) permission to risk early failure, (5) imperfection and iteration early in the process, (6) creative resolution of trade-offs and constraints. The combination of both is what drives breakthrough strategies for enterprise success.

7. Design and new product development

Very often, the term ‘design’ is commonly associated with the aesthetics of an artefact. When the activity of design is carefully managed and incorporated within business strategy, the ability of design providing a unique set of value propositions is desirable for target users. Design is an indispensable part of contemporary business, which can extend the life of companies and their associated brands for long-term development and success. With the increasingly fierce competition in the commercial marketplace, new technologies are constantly providing advantages and disadvantages for traditional business models. Design is a vital relationship between market requirements and product development, and it can transform consumers need into product development (Dorst, K. 2010).

Holston (2011) points out that design process can gain innovative solutions through multiple perspectives: from business, competition, consumers, and other strategic sources. He also stated that design process is a comprehensive method to achieve innovative design concepts that differentiate products from their competitors and connect with the consumers at a deeper level.

If the design is simply to meet customer needs and design innovation is not enough, organizations should have a broad vision; look far ahead a higher level of design needs. Repeated offers of similar products that only meet a single need lead consumers to consumption fatigue. Moving beyond the traditional ‘product’, design is moving into new realms of commercial activity and importance, whereas 5-10 years ago it would have been considered inconceivable as a vital source of meaningful activity (Jassawalla, A. R. & Sashittal, H. C. 2002).

Design can be used effectively regardless of company size, structure and market orientation; it is an equally powerful tool that benefits organisations from micro start-ups operating within highly niche and specialised markets, through too small to medium-sized enterprises, and older more established organisations competing in a fast moving dynamic market context. What a healthy and balanced economy requires is not more SME’s but small companies that wish to grow into larger organisations that are more profitable. A significant percentage of SME’s do not possess the capabilities, capacity or indeed the desire to increase in size - the key is to encourage and support well-managed high-growth potential companies to use design as a mechanism for long-term success.

8. Summary and Further Research

In today’s retailing background, brand and design are closely related, the relationship between brand strategist and designers is worth in-depth study. The emergence of a co-branding strategy evidence that the business model of the retail industry is changing with the time changing and the demands of consumers. Co-branding retailing should focus on brand marketing and relationship marketing. The quality of the product can effectively affect consumer’s perceptions of the fashion products. Additionally, brand marketing and relationship marketing can effectively improve customer satisfaction and customer stickiness, which will lead to long-term business growth. It is able to increase the target customers’ brand loyalty and customer satisfaction.

As an important role in the business operation, designers need to respond accurately to consumers’ preferences and market demands. Fashion as a public necessity, it is not only relevant about the retail industry, but also a series of values such as culture, entertainment, aesthetics and so on. Besides, the design could reflect business performance. Design is not only a function of aesthetics, but it can also develop and give
play to commercial value. Although the value of design cannot be simply estimated, the value of design can still be found in products, services, communications, and consumer comments. In the context of the creative era, designers should be more closely connected with the whole process of product development and enterprise value chain.

In the competitive fashion retailing environment, co-branding strategies is a highly innovative strategy. From the perspective of fashion retailers’ internal. Co-branding strategies can create trends and generate more selling points. Fashion industry has certain particularity affairs, these different elements; culture collision stimulated the enthusiasm of consumers. However, as collaboration strategies increasingly trendy, much negative effectiveness has come up. New collaboration products are coming out faster, co-branding news explosion in social media; the NPD process has been compressed. The quality of product becoming decline, it causes consumers will soon start to get bored, and also have the risk to loss original consumer groups. So how to stand out from the numerous competitors has become one of the most concerned in the industry.

The theoretical research of this paper provides the theoretical background for the design commercial value in fashion retailing business. This paper is the basis of the academic in the library, literature on the Internet and some of the user experience analysis report; it would be valuable to conduct this research with a rich case study to explore the insights of collaboration in design and retailing of partnerships brands. Moreover, gain the perceptions into consumer’s experience from the marketing. Although the future of co-branding strategies in fashion industries is unpredictable, it is changing the brand business model. And also, from the perspective of current cooperative brand development, the co-branding strategy has not yet reached its maturity. It is still a challenge to make the right response to new elements in design and business.

References


