

PRODUCING AND DISTRIBUTING AN INNOVATIVE PRODUCT

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I am a young Belgian designer. I studied engineering in Belgium. After three years of experience and travels abroad of Europe, I am living and working in Milan. According to industrial typology of every nation, design research might have a different sense: for example, the Italian industries compared to industries from the central northern Europe where I come from.

I would develop this abstract in two parts: “*To produce innovative products*”, and “*To distribute innovative products*”, describing my own working experience in the Italian market.

To produce innovative products:

In Italy, there are many micro factories, specialised in one specific field. The owner of the small factory (“piccola impresa”) works usually alone or with 2 or 3 other members of his family. The small specialized factory (“piccola impresa”) is very typical of Italy. Medium sized industries work in collaboration with small external factories. There is a hierarchy of the manufacture system.

Also, some regions are recognized specifically to produce spectacle frames (Belluna), furnitures (Brianza – north of Milan), leather goods (Tuscany), and stockings (Mantova), just to name a few.

While, Belgium, in the middle of Europe has a network of multinational companies. Every branch companies installed in Belgium have a different work link with the headquarter company. One branch company will work maybe more on the research or on commercialisation than production aspects of the product. There is a fragmentation of the manufacture production.

As a designer, Italian industrial systems seem easier to understand and to deal with : I am going to work with a craftsman specialised in one field, whereas in Belgium, where I need to figure out first where the research department of a product company is based.

In Italy, should you want to manufacture new kind of shoes with innovative fabrics: you will meet several specialized suppliers only for the soles and the heels of the shoes, suppliers only for the fabrics for the shoes, suppliers only for the glue to manufacture the shoes and so on. Then with your design and ideas you will meet a craftsman, who has made 352 different prototypes of shoes for 120 different producer companies.

Micro-specialised factories could give an answer to a few requests as well as to producing in higher quantities. There is a flexibility to produce few pieces, to make some samples, because there are specialised in one field. It would be more complicated, if the factory was not so specialised, and if there is a production line. This is a strong point for innovation.

From historic point of view, as I know, after the second World War, there was an expansion of micro-specialised factories, based on the ability to provide high quality hand-made products. A phenomenon observed often when a country is in a phase of re-development with a few economic resources to use the new technology that would bring in machinery, results in encouraging the development on manual work, as we have observed in Asian developing countries.

In Italy, micro-specialised factories are less than before, but they still exist, because I think that there is a family tradition: the father gives his knowledge to his son and so it is passed on down the generation. I have often noticed that Italy is a country that values the maintenance of archives, tradition and the conservation of a cultural heritage. At the same time, individuals wouldn't want to appear backwards. In Italy there is this strong antagonism of innovation and tradition, especially at the moment with interaction design for services. For example, in Milan supermarket online works just as well as street market, and the same for the very old trams in the city and new technology trains with SMS (small message sending) booking.

Today, the Asian market (China, India, Indonesia, Thailand) is taking away a part of specialised production from Italy, such as for shoes, bags, clothes and fabric. But I believe that the ability of Italy to produce in a small quantity is a *forte* not only for the reasons explained above (innovation and flexibility) but also for the results of the survey on the competition against the rise of the Asian market.

Until now, to decrease the cost and to increase benefits, many attentions were paid to control production bills, also to divert the budget for marketing (for communication, publicity, and mainly brand name). Today, this is an old strategy.

For young designers wouldn't it better to focus to on lowering the cost of distribution rather than the cost of production?

To distribute innovative products

Investments are necessary to develop innovative products. How are innovative products distributed? How do consumers behave towards innovative products?

Let's analyse different strategies of distribution, from traditional distribution to more innovative initiatives.

A traditional distribution, for a brand company (well-known design houses), is to have some showrooms and a network of shops all over the world. If you are not a brand company, a traditional distribution is to participate in trade shows held in important cities in the world.

Moreover, some parts of the world are more adapted to welcoming an innovative product.

From a cultural point of view, taking the case of Italy, I have noticed that Italians can be a great consumer in a certain specific field. If one product goes in fashion ("di moda"), everyone buys it, everyone wants it. Certainly in Belgium, there is this fashion phenomena "di moda" but not at this level. At the opposite, there is a little tendency to have something different from their neighbours.

Italian phenomena of popularisation is quite nice for a designer, as you know that when one thing starts to function in an Italian city, little while later, it will certainly work on the scale of the country. In other countries where there is no such "fashion phenomenon" culture, it probably would require the extension of your distribution, looking for the target category in other countries, if you want to reach your quota.

Another observation about traditional distribution is that in Italy, they don't have a great distributor brand as there are in the Northern Europe. H&M for clothes, Ikea for furniture, Auchan for food. To not to have a great distributor brand could be a problem to amortise a cost of research and innovation. But maybe this observation can be linked of what I have said above,

Italy is made up of small/medium sized companies and have a diversification of network distribution.

A tendency I have noticed also is that certain shops which sell innovative product, a kind of concept stores, try not only to sell the product but try to provide other kinds of services for the customer, or for the product designer. As an example of a customer in a concept store, he can find a bar inside or a travel agency, because the process to sell is followed by a succession of services: you buy beach clothes at the same time as a promotional travel trip in the sun, or a book to read at the same time with a cappuccino to drink.... Whereas for the product designer, some concept stores have press office for merchandising the product inside the shops. The press office provides also a benefit for the shop when it rents the products to the magazines, which introduce the products in an article. Those shops offer a double service for the designers: a selling point and a press office.

This example of concept store, makes me think about “Convenient Stores” in Japan, that I discovered 6 years ago on a trip to Tokyo. A “Convenient Store” is 24-hour store where you can find all what you need, cash machines (ATM machines), groceries, photocopying, clothes, services to bring your luggage from your home to the airport, and so on. As explained above, a succession of services offers you in addition to the initial need of buying a product. All concentrated in a small shop all over in the centre of the city.

From the moment, I start to make a research about innovative products, I had an interest also to understand some innovative strategies of distribution. I believe that with the explosion of Internet and cellular phones created a new fraction of consumers who can be potentially receptive to a new strategy of distribution by the means of communication. This area is going to be explored in the near future.

For example, a range of distributors is not only a physical network of shops and malls, but it could also be **magazines that distribute** a certain kind of products. Recently we have seen that the magazines with a small supplement of the cost, come with a bikini, bags, CD, books, *etc.* The distributing products together with magazines can be applied to any products that can be packaged and sent.

Designing of products has always followed some rules such as cost limit, aesthetical tendencies of the moment, international ergonomics rules, techniques available for the production and so on. Maybe at this moment, designing of products could be conditioned to the ways of distribution.

As a second example for a new strategy of distribution, Internet has demonstrated to function not only as an instrument of communication, it has provided new means of shopping for a certain types of products.

People as buyers, or investors are very doubtful for a certain kind of products to be sold on-line: need to touch, to approve the product etc before buying. If a new product has to be launched and is presented in a several showrooms, so that it could be touched and appreciated by consumers, and sold only via the Internet, this would satisfy the consumers needs and reduce the cost of distribution, which is the objective of this approach. The difference between the products that are sold well on-line are already well-known by the public (supermarket products, airplane tickets). The marketing of new products should be accompanied by tactile approach, to gain the confidence and the recognition of the product.

Some years ago, after I had seen an exhibition on the work of Issey Miyake and his revolutionary idea about how to design and how to produce clothes by the industry, using numeric control machinery. I would like to add a few notes to this abstract about the new strategy of distribution linked to the location of production. Until now location of production was decided with possibility to save money on manufacture, but never on the cost of transportation. It would be nice to imagine a design, which doesn't have a production location, because this design product would have a certain quality production applying numeric technique of control that are very common, together with few hand-made ability. In this case the cost would be reduced for the transportation as the production is done near the person to whom the product would be delivered.

All those strategy of distribution needs a certain kind of investment, the more the cost of the distribution is decreased, the more the cost of communication can be increased.

Taking the case of Internet, the large choices of research for a internet-surfer, makes his research orientated always to a brand he knows.

It's important to notice and distinguish brand name product to brand name designer. I would like to mark that again in the particular case for Italy. Famous designers (e.g. Armani for clothes, Ferrari for cars) more often became a brand name product and control all the process of the study, the production and the distribution of the product. In contrast, in other regions where the development of the industry involved in the finished product is not as organised, a famous good designer becomes a brand name designer.

In summary, specialised small factories provide interesting opportunities to develop research and innovation. According to several factors such as geographic position, manufacturing-culture heritage, particular "way to consume", a nation is more adapted than others to make a research on the product.

This opportunity of innovation can be affirmed if it is supported by a wide distribution and the consolidation of the brands. Innovation needs investment. It is possible to amortize the cost not only looking at the production but also at the distribution and the transportation.