

Major Assignment 3 Global Design Firms

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## **The Effects of brand globalization and the design industry**

This document sets out to discuss the effects that brand globalization has with global design firms and implications and effects that this has with local design practices.

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The Landor Associates being one of the oldest and largest global branding establishment. Founded by Mr Walter Landor in the 1941, in a time where the concept of 'A Brand' was being grasped by companies and society. The definition of how a brand could empower a company's image and products and be the foremost communication.

Landor was pushing the concept of the brand through their clients to arrive in contemporary times as a brand focused design firm, pushing the notion that a concept that would create an identity for a company and link the company synonymously through all forms of media and society, a identity that would represent them in a national and a global scale would equal a brand, identifying the company, its values and adding credibility under the one umbrella. Thus they coined the term ' Brand Led Business Growth' which evolved the design practice of Walter Landor to a design firm and the establishment it is today. With more than 20 offices globally and a portfolio of global blue chip clients Landor Associates would be the definition of one of the first global design firms.

In contemporary times design practices have followed this formula of globalized brands and have also evolved from design practices to global design firms. Each firm creates with it a unique style or caters for a particular set of clients, competition is fierce for accounts so constant innovation is a crucial element in success is bred into the ethics and vision of each firm with a uniqueness which is usually inherited from the firms founders.

Landor Associates credit referrals as their main form gaining operational business initially. However as the company expanded and it gained momentum several reviews of direction were conducted, transitions from just design to a marketing base was incorporated into the company was the result of one such review, through to uncovering weakness in their business model. Once such issue highlighted through internal reviews was the company's success was creating complacency in the company. This was addressed with the creation of an internal client development team who were to seek, define and engage new prospects. A revision of thinking, methodology, mind set and staff ethics also ensured that the company balanced its operations and reviewed its position and image on a routine level.

Business by referral from existing clients was discovered to be the main source of new business, another review of this suggested that Landor failed to build upon new clients relationships which lead them to focus more on clients requirements and relationship building which changed the mind set and approach of the company to building relationships rather than creating new projects. The result of this was the appointment of Client Relationship Managers who were to undertake the responsibilities of engaging clients hospitably, requirements by the firm and nurture the relationship with reports of the relationship made back to the top management.

We speak of design firms as establishments on a global scale, when we speak of design companies we speak of local design practices which cater for creative media and intellectual property development.

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A design firm is the natural progression of a design company which has acquired in their client portfolio companies which are expanding their reach on a international level and have sought to employ the services of the same design company to carry their identity to the new territories. At this stage, the design company ceases to be just a design company and starts the progression to the realm of a branding firm. As the client expands, so too does the design company, then from setting up the first international base that design company has to redefine the brand in an alien culture and environment, this can be a daunting task, but one which eventually rewards the investment with a snowball effect with the acquisition of more global clients and the further expansion of the design company, come firm, on a larger scale.

Global brands are utilized on a global scale, so it would be common sense for a company in any discipline seeking to be represented world wide to engage the services of a global design firm. Local design firms should not compete with a global firm, rather work in conjunction with them and learn the methods and formulas of success and expansion, a design firm is set up first and foremost for communicating a brand, while a design company is set up first and foremost as a creative company which creates the physical brand identity and intellectual media which the global design firm distributes and promotes through their network of establishments for the marketing and representation of the client company.

Although a design firm serves similar purpose and may design the physical branding media, the role of firm has a lot more to do with brand and commerce then just with design. A design firm therefore could be summarized as almost a conduit and an outlet for a marketing company and the client company, more so then a creative, which would be a local design company.

In present times the lines which define a design firm with a creative design practice seem to have become blurred, as more and more client company's are employing the services of design studios rendering them with additional tasks which relate to branding and marketing which in reality exceed the handling capacity of the design company.

We have become a fast paced society with the advent of faster online and media communications and a digitalized society. Global distance in communications has decreased, the time frame of communications inception, development and delivery has also been been drastically reduced, this has led to global companies establishing internal brand representatives and managers who are given the task to source local design firms and deal in accordance with their delivery needs.

The local establishments of a global company are aware their parents nominated global design firm which undertakes branding communications, but given the choice each local company would sought to elect a smaller local design practice which can handle their requirements, as utilizing their global design firm takes the toll on internal communications for brand media approval and reduces the delivery time further due to the size and complexity of communications required between the design firm and the client company.

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Landor Associates identified a similar problem in their system of work and addressed this by appointing Client Relationship Managers who are consultants for a client companies in this design firm and who are to report back directly back to top management on the relationship and developments of clients and their branding requirements globally.

Usually a creative design company do not specialize in actual marketing, yet in present times have been forced to do so due to the speed of delivery required of the communications media. We would say that this seems to be a faux form of marketing and branding globally as the design company do not have the expertise or commerce background to influence the brand in a market locally or internationally.

There fore a local design firm should not take the attitude that a design firm is competition to them, on the contrary a design firm could be a great source of business and exposure. A local design company could and should create relationships with the global companies as a means of outsourcing required projects and to deliver them in a detailed and reliable fashion, even to the point of emulating the approach Landor takes by appointing Client Relationship Managers in their own right to deal with accounts outsourced from the design firm.

The positives that this can generate could be that the design firm would seek to acquire the outsourcing design company and this could lead to mutual benefits socially and financially for both companies. It is the best interest of any business to grow and gain value in order to be viable as an asset, however ultimately the decision would have to be made by the group of executives or proprietors of the design company whether it is of benefit or the path they wish to take to be aquired by a global design firm.

These are the implications that a design firm must face, but many design companies like to indulge in a variety of work, as stated by Paul Rodger of Bull Rodger. Also that work sometimes follows trends as the clients like to play it safe, this leads to little innovation and the design company may become complacent and stale. If a local design company were to be tied down to one major account outsourced from a design firm, these may be some of the consequences , but as the company is not owned by the global design firm it may pursue other projects and clients for variety of work and to work their skills at innovating new forms and means of communications.

There is always new business opportunities for most smaller design companies, so one should not see a global design firm as threat to local design companies.

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