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[Field Research]

Design Strategy Based on Designer Roles in Design-Oriented Firms: A Comparison of Hanssem and Ikea*

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Abstract

Purpose – This paper addresses the role of designers in design-oriented firms and how they should work together with other organization members. The aim of this paper is to investigate how designers generate ideas and cooperate with others as well as how their participation in decision-making reflects on corporate design strategies.

Research design, data, and methodology – An in-depth exploratory study examined how designers actually perform their roles in enterprises; in addition, information, knowledge, communication among designers, and sources of creativity were examined. Hanssem and Ikea grew as design-intensive businesses in a declining industry. Data were obtained from interviews with the design staff of each company as well as secondary sources.

Results – Designers were found to use their designs to communicate with customers as well as with communities outside of the enterprise; they also participated in overall decision-making in relation to important design strategies.

Conclusions – This study emphasized the increasing importance of the innovative and creative role of designers; thus, it might substantially help companies to develop their own design capabilities and deploy design strategies.

Keywords: Design Management, Designer, Design Strategy, Collaboration.

JEL Classifications: D21,D70, O21.

1. Introduction

Product design is the activity of materialization by creatively planning and aesthetically expressing a product that is produced

within an industrialized production system by considering its environment from social, economic, technologic, ecologic, and psychologic aspects. Good product design understands the needs of consumers and adds a differentiated value to a product while communicating with those consumers(Bloch, 1995). Contemporary design satisfies the demands of the consumer according to the purpose of the product, innovates the product concept, takes charge of product cost reduction and the aesthetic function, and factors as a strategic element that connects consumer and product. Consumers try to choose an appealing design product, and corporations aim at releasing appealing design products by cooperating with managers, designers, and manufacturers by understanding the needs of the consumers from a strategic level.

Important elements of design management are building a management mindset for the designer, improving a design mindset for the manager, and the role of the designer. In other fields of management, the ability of the manager is emphasized, but for design, instead of many facilities and equipment, the sensibility of the manager is required so that the role of the designer becomes highlighted. Designers nowadays are not only experts in the area of design, as was in the past, but also perform the role of organically connecting each area for corporate goals and act as advisers that have both a design management ability and a mindset of design as managers(Bettina, 2004).

Corporations are using design as a strategic point, and academia is performing research on design management with a focus on both design and management. However, there is relatively little research done on designers who build design, and, in particular, research in the management strategy field that views the agent of design strategy as the designer is almost nonexistent. Therefore, the study looks into what differences in design strategy emerge according to the role of designer in the implementation of corporate design strategies. The study will investigate the actual success factors, namely, design strategy, from the aspect of management of innovation, by targeting design intensive industry corporations, while concerning research questions on how the role of designer has changed in design corporations, how designers actually get ideas and achieve cooperation, and how designers participate in the overall corporate strategy and reflect their opinions. The study will also cast light on the change in the role of designer as the agent of in-

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novations changes to the designer. The study suggests a direction of development for divergent design of organizations, related to the future design products and design development of corporations, and reveals that design acts as a differentiating element in corporate strategy. Also, the design element can be proposed as a new method of corporate design strategy for discovering potential consumer needs and values.

Hanssem, the foremost furniture company in Korea, and, IKEA, the foremost furniture company in the world, were selected as the research subjects. The reason for choosing the furniture industry was that it uses design as a channel for obtaining "knowledge" and "information" about consumer needs by innovating design as the furniture industry grows into a design intensive industry. By looking into the furniture industry in which design is becoming more and more important, the study can investigate consumer needs, knowledge transfer, communication, and cooperation mechanism through design innovation. Furthermore, the study investigates the importance of design strategy through products and the practical level of contemporary furniture, to propose, from a design strategy aspect, a direction for design furniture corporations by analyzing the design strategies of each corporation.

2. Theoretical Framework

2.1. The Orgins of Design Management and Design Strategy

The term design management was first used in 1966 when the Royal Academy of Arts established its design management award. World renown designers and managers established the Design Management Institute(DMI) in Boston in 1976 and the word hit its stride, while Harvard Business School began design management courses for part of its MBA curriculum in 1992. As part of management strategy, design management has been defined as follows.

In particular, research has been conducted, which reveals how design statically affects corporate results in the area of management strategy and creates a competitive edge(Borja de Mozota, 1993 ; Hertenstein, and Platt, 1997). Moreover, research has proven that design plays an important part in corporate strategy by acting as a mediator between design differentiation and image making(Borja de Mozota, 2003). Corporate brand strategy accomplished through design, together with continuous support for design teams within an organization creates good designs that improve product image and corporate image, while, design, as tacit knowledge during this process, is used as an important management resource when releasing ne products in the future. The organizational culture of a corporation is at times created by design, and because creativity as well as conversation, cooperation and interpersonal relationships between organization members affects the creation of good design, design becomes a management resource for creating the corporate culture of an organization(Jevnaker, 2005). Such design ability acts as virtuous circular link that takes charge of corpo-

rate differentiation and image making so that it is used as a strategic element for accomplishing a competitive edge in the market(Berkowitz, 1987).

A representative method of a corporation using design as a strategy is the design strategy of Borja de Mozota(2003). Borja de Mozota(2003) arranged a design management strategy by suggesting a reestablished design strategy for cost saving, image, and particular users, with Poter's three original strategies of cost advantage, differentiation, and centralization.

2.2. Literature Review

The first is a strategy that uses design for improving productivity and reducing product costs, which involves using a simple design so that prices are lowers, distribution channels reduced, and price competitiveness obtained. Innovation for maintaining technological leadership and effort for lowering product costs are involved in this strategy. A typical example is IKEA.

The second design strategy is to improve corporate value through corporate image and brand through design products. In this category, there is Alessi of Italia, which has earned good responses from consumers through unique and sophisticated design differentiation despite a high price policy compared to other companies, though this company deals with the same kitchen products.

The third strategy is to utilize design in order to fulfill particular product needs and a particular segmentalized market. This strategy is for particular types of users or a particular market and involves specialization in a single segmentalized market. Each strategy utilizes design as a strategy according to the conditions and environment of an organization and creates a competitive edge with design as a resource. The reason design becomes such a main management resource is the innovative aspect of design. Innovation is the process of choosing a creative idea and converting it into a useful product, service or process(Amabile, 1988). It is the work of creating an output by successfully implementing creative knowledge or ideas(Oldham & Cummings, 1996), and its implementation is accomplished by a process of knowledge-seeking, selection, materialization by the manager.

Bettina(2004) revealed the following similarities between innovation and design because he saw design as a process of conscious decision making in which information or ideas are completed into the forms of material products or immaterial services. First, design because design is a process of making final results such as cars or cameras, it is similar in that the final product is completed as a material result. Second, design is similar to innovation in that it is an extremely creative activity. Third, design is similar to innovation in that it is a process of changing information or knowledge into material results.

Design is a process of building ideas and expressing them into the result of products, which is because it is process of choosing the most adequate solution among several alternatives. At this time, creative ability is required from the innovative organization in particular the innovative agent(Kirton, 1976), and for design corporations, the designer has a creative mindset, understands consumer needs, and becomes the innovative agent in that he or she creates a new market.

<Table 1> Existing Definition of Design Management

Author	Definition of Design Management
Simon (1982)	Design management is an element of a management strategy that refers to the process of devising better products with the purpose of changing the existing situation.
Maldonado. (1991)	Design management has the same definition as the International Council of Societies of Industrial Design(ICSID) and involves the process of adjusting all elements in the production, distribution, and consumption of a product.
Bettina Von Stamm (2004)	Design management refers to all activities for launching new items in the market, and involves design management planning, production, and adjustment activities in manufacturing.
Kathryn Best (2007)	It is effectively arranging tools, conditions necessary for the teams and planning, and the passion and desire for creating production and understanding the role of the designer in order to achieve the strategic goals of an organization.

<Table 2> Design strategy based on Porter's fundamental strategy

Design strategy	Cost-driven design strategy	Image-driven design strategy	Market-driven design strategy
Poter's Strategy	Cost advantage strategy	Differentiation Strategy	Concentration Strategy
Design Role	(1)Production improvement	(2)Market share improvement through image and brand	(3)Expert position that appeals to particular users
Aesthetic Positioning	The structural and technological advantage of a company design system	The semantic dimension advantage of a company design system	Functional dimensional advantage of a design system
Representative Case	Ikea	Alessi	Duoback

2.3. Expansion of the Designer's Role

Despite active research on design management, research is lacking on the ability and role of the designer, who is the main agent of this role. Even when there is research on the designer, the role of designer is only helper or cooperater, which is due to the bias that considers designers as only performing the role of stylist at the last stage of product development as when the definition of design was restricted to only exterior styling in the past. However as the definition of design expands from exterior design to production design, marketing design, and strategic design, so has the role of designer, from sketch, modelling, and styling to participating and product planning, and performing the role of propelling corporate image strategy and related activities, as well as, social and cultural activities(Yasuhiko, 1995).

When achieving differentiation by design, the designer makes the greatest contribution to the corporation. Unlike the role of the designer in the past, where differentiation was accomplished under a designated direction, the participation of designers in corporations is increasing and design influences corporate image(Yasuhiko, 1995). Thus Bettina(2004) defined the designer in design corporations as an innovator. Research is necessary to shed new light on strategy, design management in business management, and among others, the role of designer, who is the innovative main agent.

Research is necessary from a design aspect on how designers use corporate differentiation through 'innovation' and how they utilize design in competition strategy. From this viewpoint, the study clarifies the role of designers who are in charge of actual design strategy and its innovation and aims at suggesting the role of designer as a tool for discovering values and potential consumer needs which may act as differentiating corporate

elements that help the deployment direction of design strategy when concerned with future product and design development.

Jevnaker(2005) organized the work of the designer in the process of releasing new products. According to his research, the process of releasing a new product begins in the problem posing and direction establishing stages. In other words, it is the design seeking, analysis, and creative conceptualization stage. According to Jevnaker(2005)'s research, the beginning of the design process already involves designers before the strategy or marketing research stage. Karen(2000) claimed, in the case study of Braun, that design is included in the initial stage of the new product development stage and belongs to "idea" stage. The designer grasps the needs of consumers, combines and interprets the meaning of a product, uses creative knowledge so as to complete a product, and attempts an independent role in the design process.

3. The Research Method

The research method of this study is case analysis. According to the research of Yin, the case study can be conducted with qualitative or quantitative data, with the combination of data or quality of data being considerably trustworthy displaying a high synergy effect. From this viewpoint, qualitative data, in particular, is used for in-depth understanding of the causal relationship. The case study is useful for achieving an answer to research questions concerning why or how, and is the most suitable method for explaining the process or situation of something happening(Eisenheart, 1984). The study chooses two furniture companies for this purpose, interviews persons in the design team for Hanssem, which is a domestic company, and uti-

lizes a method of collecting secondary data. For IKEA, the study was not able to do direct interviews, but looked into the differentiated design strategy direction of each corporation and the role of the designer as the main agent, through media like newspapers and books, and conducted comparisons and analysis on cases by using existing documentation

4. Analyzed Results

4.1. Analysis of Hanssem

4.1.1. Growth Background of Hanssem

Hanssem was founded in 1970 when it began with kitchen furniture. The modern kitchen furniture of Hanssem introduced a standing kitchen culture, and opened a new chapter in kitchen culture as a space for all family members. Under its corporate philosophy of contribution toward human advancement and improvement in living environment, Hanssem cultivated its design capability through business in the most difficult and complicated field among indoor space, the kitchen, and in 1997 expanded its area of business to several spaces within the house including home furniture, bathroom and kitchen machinery, and lighting fabric. In 2005 for the first time in the furniture industry, Hanssem exceeded sales of 500 billion won, thereby suggesting a new business model in the furniture industry, and becoming the leading corporation in the furniture industry. The Hanssem 'Design Research Center', which was founded in 1990, has been recognized for its design capability, by achieving, with its vision "Design Oriented Best Company", GD(Good Industrial Design Product Exhibition), KIDA(Korea Industrial Design Award), Japanese GD(Good Design) certification marks. The evaluation of Hanssem's brand value, its sales standard, and success factors for being the number one in the furniture industry will be examined in design capability.

The Communication of Hanssem Designers

"Hanssem designers do not stop at just styling and planning products. Hanssem designers determine a direction by grasping the potential needs of consumers by investigating the market for a product, choose materials, and select a method. They are in charge before and after the release of products, marketing and promotion. In short, from the beginning and end of a design product's release, the designer is involved a 100%." (Hanssem bedroom and closet team section chief 2010.11.)

After the design team sets a basic direction through social change inquiries and customer analysis, and this passes through the executive team meeting, Hanssem begins releasing stage of a new product. Designers analyze products with a critical viewpoint, pose problems with everyday ideas, and go through a discussion to interpret in idea into a design by reaching agreement with the sales department and the engineer team(support team).

The beginning of strategic planning in the basic organization is originally accomplished by the manager of the planning and

operation department, and the planning and the motion of the design team are carried out under the designated goal and direction. However, at Hanssem, the designers carry out all tasks from design planning, cooperation with technical assistance team, sample production, marketing and cooperation with the display team. If the design department of other corporations is the cooperation department of product planning, the design department of Hanssem is the leading department that forms the project team which supports other departments, with focus on the design team.

The main work of Hanssem designers is 85% idea meetings, and their goal is to set a direction for product design. Cooperation between designers and departments is achieved through these meetings, and anywhere in the design research center is capable of being used as a meeting room. (Deputy Head of the Hanssem Design Research Center, 2010.11)

Communication between designers is achieved through 'meetings'. Designer meetings in the design research center are carried out daily, and once a month an executive team meeting is conducted for sharing ideas. An open office and meetings carried out daily enable cooperation between designers as well as cooperation with other departments. In particular, much cooperation with the engineer team is carried out to adopt core technology and reflect this into the product, while hardware experts are stationed at the factory, having expert meetings with digital experts according to the digital technology used in each project. Internal cooperation within the company together with communication is carried out at the design research center, and for outside cooperation, besides the design development team, the design cooperation team prepares a list of experts in each field, contacts outside designers, and carries out cooperation. Outside cooperation was accomplished through the 'DBEW International Design Contest' which began in 2001. This contest is path for producing new designers, and accomplishes cooperation with distinguished overseas designers. Daily meetings and cooperation create a free and flexible corporate culture for Hanssem, and the rational pursuit from free thinking, harmony, and cooperation by designers is reflected into design.

4.1.2. Idea Creation by Designers and the Design Goal of Hanssem

"The direction of design at Hanssem is clear. The way Hanssem must go is a Korean design that adds an eco-friendly friendly design plus, and harmony between East and West. The ideas are obtained from travel and include temples and ancient places, which are the peak of Eastern architectural beauty." (Deputy Head of Hanssem Design Research Center, 2010)

While touring through buildings including temples and ancient places, which are the peak of Eastern architectural beauty, Hanssem designers participate in 'building management' which obtains design ideas. Designers are able to make official tours every three months or once a quarter, and up to now, have visited the Secret Garden at Changdeok-gung palace, the small lecturehall in Gyeongju, Sudeoksa temple, AndongHahoe village, and Byeongsan lecture hall. Designers confirm direction or iden-

tity through these tours and use them as opportunity for getting ideas. Also, Hanssem is operating a design research center. The design research center is called the DBEW design center, taking the name from Hanssem's design management philosophy, 'Design Beyond East & West'. Designer meetings, TFT meetings, and expos are held here, and designers share ideas and ideas are yielded.

"There is a reason why the Hanssem design research center is located between narrow alleyways at the Korea style village at Wonseo-dong. Korea is already so much westernized that the reality is that people do not know what is ours. Finding Korean beauty is the only way to differentiate in the furniture industry and survive. Already 76 Italian furniture brands have entered into the Nonhyeon-dong furniture town. So there is no way for undifferentiated furniture to survive. If products are unable to give off a feeling of better friendliness to Korean customers, they will find it difficult to compete." (Deputy Head of Hanssem Design Research Center, 2010.11)

The outside of the Hanssem design research center was built by attempting a building type abstracted from the 'Hwagye(terraced flower bed)' of ancient palaces or the 'furniture method' of palace architecture, and is also located inside the alleyways of the Korean style village beside Changdeok-gung palace.

The interior of the research center has a wide-open structure and designers gather to work in a wide space. Everything is for cooperation so that a design strategy that seeks harmony between East and West as well as Eastern beauty can be realized. A representative product is the kitchen furniture 'Kitchen Bach'. Released in 2006, Kitchen Bach is a first class brand by Hanssem, which integrates the philosophy of Hanssem to show a design beyond East and West. Kitchen Bach integrates the effort of designers to add the design and function of the East to a Western style kitchen, by applying design that uses the white porcelain form and the four trigrams in the Korean flag.

4.1.3. Design Strategy of Hanssem, which goes through the Designer

Hanssem designers pursue innovative design, under the goal of harmony between East and West, and in particular, for kitchen furniture in which technological areas are emphasized, they are continuously carrying out efforts to build brand image by their products together with technological innovations. This belongs to the first design strategy analyzed by Borja de Mozota(2003) which involves improving productivity and reducing costs as well as the second strategy which goes through image and brand.

Hanssem designers do not do design simply for design. Design efforts are not simply for appearance, and in particular, for kitchen furniture, function design which is supported by technological innovation must be considered with priority. The C channel system which swept the Good Industrial Design Award, the Korea Industrial Design Award and the Japanese GD award is a typical example. The C channel system developed without a handle exclusively by Hanssem is able to highlight its neat design, has better touch for the handle, and may be quietly

used through its automatic closing function and touch open style door of the drawer. Another slogan of Hanssem is 'quality and design superior to Italian products, prices lower than China'. It is a strategy to obtain competitiveness between products in the non-brand market by lowering prices and pursuing utmost quality.

A typical effort to reduce production costs from a design related aspect is to downgrade the material, but Hanssem designers tend to add effort to develop materials through an innovative construction method rather than use cheap materials. Even when finding material, they consider which material is more eco-friendly, which are harmful substances, and which are recycled material. As part of this effort, not only do they use eco-friendly material but also have applied for non-toxic substance patents involving nanopet and nanofoil, acquiring eco-mark certification. These technological efforts and selection of eco-friendly material has allowed Hanssem to establish its design identity and build the product and corporate image of Hanssem.

4.2. Study of IKEA

4.2.1. Analysis on the Growth Background of IKEA

"Over 580 million people in 40 countries visit 330 IKEA stores annually, and 1.5 million customers around the world visit IKEA everyday."(Ingvar Kamrad, 2012).

IKEA is a power brand that ranked fifth among the world's top 100 brands in 2004. IKEA, which was founded in 1943, takes the initials of founder Ingvar Kamrad I.K and the first letters of the names of the farm and town he grew up in, E.A. Initially it sold ballpoint pens, wallets, frames, watches, accessories, nylon stockings, but began focusing on furniture after 1951. Since that year, they have made catalogues for use as a marketing means. Since 1956, they created furniture with high cost competitiveness compared to quality by reducing packaging, shipping, and storage costs by creating ready-to-assemble furniture, the symbol of IKEA. Beginning with its entrance into Norway in 1967, it attempted to go overseas and has created opportunities for producing inexpensive furniture.

IKEA has been reborn as a global corporation that currently operates 250 stores in 36 countries around the world including Australia, China and the US. IKEA started out with the vision of its founder Ingvar Kamrad, and today his vision is being used as a basic principle of business management. His vision and philosophy involves "by providing excellently designed, practical, and diverse home furniture at an inexpensive price purchasable by everyone, we help many people live a better life today." This is currently accomplished in management with the slogan of its corporate vision, 'A better everyday life'.

4.2.2. IKEA's Differentiated Design Policy :focusing on a practical design that emphasizes cost

IKEA's design concept is 'Simplicity is a virtue'. Any designer can design a 300 dollar desk, but a good design is one that

has a functional and cool appearance and can also be sold at 30 dollars." (Ingvar Kamrad, 2012)

"We have an obligation to provide good design and quality at the best price possible." (Anders Dalvig, IKEA group president)

"Beautiful design at expensive prices is very easy. Great design, at low costs and practicality is an even greater challenge." (Ryd erg Dumont, president of IKEA Sweden)

"Twenty years ago, I designed a three legged chair. It wasn't just for a cool look. It was designed for a cafe that required 400 chairs, and even if you take out a leg for each chair, that's 400 less. I made the three legged chair with the thought that it would reduce the possibility of waiters colliding with chair legs while service food in a narrow space by 400 times. My design starts from love and interest to human beings." (Philippe Starck, IKEA designer)

The design policy emphasized IKEA is high quality design that bears in mind low prices. It aims reducing prices by 2~3% annually. The greatest characteristic of IKEA designs is that it created 'flat-packaging furniture' which can be disassembled. This reduces distributions costs by 50%. Furthermore, it tries its best to lower prices by getting raw material from countries in Eastern Europe and China, where mass-production is capable and wages are cheap.

On the other hand, the design characteristic of IKEA is Scandinavian. Scandinavian design is simple and diverse, and also popular in that it always satisfies the needs of ordinary people. IKEA's design is practical and functional. Therefore, IKEA designs always design product by considering the cost. IKEA products were designed in a method that allows the configuration of the packing to reduce transport and storage costs. So IKEA's designers carry out projects that start from a few months and extend up to three years in order to create designs that lower prices as much as possible, but have high quality and are wanted by consumers. Actually IKEA has over 20,000 products. Among these, 9,500 are the simple, functional core items that can be commonly seen in stores around the world. IKEA's importance marketing means is the catalogue, which is ultimately up to the designer who designs the furniture. Therefore, the role of the designer in marketing is very important. IKEA is annually adding 3,000 new products in order to satisfy the rapidly changing wants of the public.

All IKEA products are marked with the name of the designer who designed that product. Name and photograph of the designer is published in displays and catalogues so that they can take responsibility and pride over products they have designed. At the same time, this has the effect of producing trust toward products. Because products are purchased with the real name, designers compete with each other, which allows inexpensive products with sophisticated design. Also, the IKEA website shows the story of each product starting from its design and lets customers feel the truthfulness of a product.

On the other hand, IKEA designers who value quality compared to cost personally go to production facilities to check and make evaluations. Also, until the product finally gets to the consumer, each department associates with each other to draw a

detailed product development goal and performs the task of deciding not only product design by establishing detailed goals but also prices and material. Because designers must know the importance of reducing the cost of raw material during the production process, they design products based on various information on production taken from production experts.

4.2.3. IKEA's differentiated design strategy - the customer becomes the designer

"You can also become the designer of your room." (IKEA design phrase)

"We completely decided to stand at the side of the majority. What is good to our clients is also good for us." (Ingvar Kamrad, Testament of a Furniture Dealer)

IKEA's design is beautiful, bright, and use primary colors. Client-oriented, IKEA uses a strategy to arrange furniture which brings about a bright energy to the home. At the center of IKEA design is the home. The characteristics of IKEA design involve homeliness, popular appeal, and functionality. Such a design strategy by IKEA belongs to the design strategy for satisfying particular consumer needs and a particular segmentalized market, which is the third strategy proposed by Borja de Mozota(2003). Also, One characteristics of IKEA furniture design is DIY(Do It Yourself) furniture, which the customer personally assemble. By personally assembling the furniture, the consumer creates furniture.

Such DIY furniture assembly reduces costs by reducing the furniture processing stage, and also allowing the customer personally to make furniture provides the opportunity for endowing one's individuality to the furniture and instills fun by letting the customer to create the furniture, although the customer is not the one who designs the furniture. The consumer belongs to the IKEA brand by participating in the production of the furniture. THE DIY style is an IKEA design strategy that bears in mind the popular appeal of customers from a particular class who value inexpensive costs and practicality in the initial design stage.

The characteristics of IKEA design are modern, functional, sensible, and people-oriented. Also, it shows variously designed furniture and attempts to differentiate by satisfying the tastes of customers who have various needs. This strategy can be interpreted as a brand strategy for improving marketing ability and image quality, which is the second strategy of Borja de Mozota(2003). Such a strategy, while enjoying a marketing effect, has become an opportunity for promoting transformation to a practical customer-oriented, differentiated furniture image solely for IKEA.

5. Comparison between the two companies

5.1. Role of the Designer in Both Companies

Designers commonly take on product planning by understanding the needs of consumers during the process of new

product development. They are in charge of the innovative and creative role in a corporation while communicating with customers and society, which are outside the corporation, as well as internal communication within the company. However, the two companies show differences in the detailed role and method of the designer.

Hanssem lets its designers actively play an autonomous role in the overall release of its products, while for IKEA, the role of the designer is concentrated on product planning. This is because Hanssem grants much discretion to its designers from an unrivaled position domestically, while for the global corporation IKEA, the dealers who are in charge of manufacturing, are located in countries all over the world, which is the result of having to manufacture furniture with a competitive edge in bulk by choosing the countries that are capable of manufacturing products at low costs beginning in the design stage. Therefore, the task of design is concentrated on product planning and design. Concerning the method of communication, Hanssem achieves internal and external cooperation through institutionalized meetings and design contests, whereas IKEA achieves internal communication by focusing on its design research center in its head office in Sweden.

5.2. Comparison of the Design Strategies of the Two Companies

Hanssem, from among Borja de Mozota's(2003) design strategies, pursues a brand segmentalization strategy which involves dividing the integrated furniture market through segmentalization of the customer base in order to build the best domestic brand image by concentrating on design strategy through design strategy, image, and brand, which are for improving productivity and reducing raw material costs. IKEA also, while pursuing improved productivity, reduced raw material costs, and brand management, values fundamental IKEA Swedish style furniture, and performs a differentiated design strategy. This is because IKEA is a corporation whose designs influence the tastes of the public, while spreading their style all over the world with a Scandinavian, IKEA-style originality. Being more creative and unique, IKEA actively carries out its design strategy, and is able to conduct an aggressive design strategy by highlighting various designs that allow people to freely choose according to their own taste.

<Table 3> Designer role differences between each corporation

	Hanssem	IKEA
Expansion Aspect of the Designer's Role	Hanssem designers do not stop at being a stylist but actively participate in the new product development process to be in charge of planning direction, manufacturing, promotion, and display. The play an active role in the selection of detailed material, method, and decision making. Designers participate 100% in all product development processes as core personnel of the company.	Designers play the greatest role in production an planning, and are endowed with responsibility through the real-name design system which marks the name and photograph of the designer on the product Usually decision making is done after negotiations with the design research center and related departments. The participation and role of the designer is expanded to the new product development and planning process.
Method of Communication	Institutionalized meetings and free communication between designers contribute to a communicating corporate culture. Internal communication is emphasized- a designer meeting is carried out everyday and an executive team meeting for sharing ideas is conducted once a month.	Research data is shared at the design research center which is located within the department, and this makes internal information sharing easier. The company values communication with outside customers, especially the public and bears in mind what the public wants in its designs, working hard to express individuality through its furniture so that consumers can choose variously according to their tastes.
Creative Idea Source	Participation in building administration- Designers can officially travel every three months or every quarter, and have used this as a chance to get ideas and confirm planning direction or identity while travelling in the Secret Garden at Changdeok-gung palace, the small lecture hall in Gyeongju, Sudeoksa temple, AndongHahoe village, and Byeongsan lecture hall.	By marking the name of the designer on each piece of furniture, designers are urged to design differentiated, individual furniture. Communication with clients is stressed by creating designer stories on its website and relaying this to customers. They are recommended to use various materials from all over the world.
New Product Development Process	1) Establishing a product direction- existing products are analyzed and problems are posed by analyzing customers and making inquiries into social change. 2) Creative conceptualization stage- to find a solution for selection and realization of a suitable idea 3) Visualization and prototype stage- prepare a samples and a product showing, which is the modeling follow-up work- segmentalize customers that will be used together with the sales team and marketing team, conduct FGI survey inquiries.	1) Product planning stage- new product development begins with a suggestion from the planning team, and before this suggestion, there is a process of cooperation with the design team. 2) Before the product is finally open to the customer, each depart will work together to establish a detailed product development goal. The role of the designer influences the whole process of new product development, and the basic strategic direction is carried out in the strategic department, while participation by the designer is low in marketing.

<Table 4> Differences between each firm's designer strategy

Hanssem	A design strategy for improvement in productivity and raw material price reduction is the first strategy analyzed by Borja de Mozota(2003), while a design strategy through image and brand is the second strategy. Hanssem designers pursue innovative design, a design strategy that carries out brand image building according to the product and technological innovation.
IKEA	Targeting consumers around the world, IKEA tries to popularize functional and sensible furniture pieces by making designers concentrate on product design with a strategy of making furniture as a way of life the same way as clothing. A strategy that aims at unique and creative furniture, this strategy belongs to the segmentalization design strategy, the third strategy by Borja de Mozota(2003).

6. General discussion and implications

Hanssem and IKEA suggest a vision involving a new lifestyle for changing future residential space. They act as leading corporations in the furniture industry by leading, together with new market creation, the declining furniture industry into a transformed design intensive industry, with various design strategies. The core factors for creating a continuous competitive edge are to understand the consumer and to find potential needs and values. Case analysis allows corporations to understand potential needs and values during the process of creating a competitive edge, and the designer is the main agent who transforms this into corporate value.

The study will be able to lead new product releases as the main agent of design strategy, to emphasize the role of the designer who communicates with customers and society inside and outside of the company, and to establish an opportunity for extending the designer as a new research topic.

The study provides information on the strategy that product planners and designers in the industry may use to succeed, and establishes an opportunity for enabling corporations to grow with the inherent design strategy of each corporation. However, there exist realistic restrictions that make generalizing the implications of each corporation difficult for other furniture companies or the whole furniture industry, just by looking at the cases of two corporations.

Therefore, in the future, applying critical thinking to the whole furniture industry may allow for a statistical research on designer participation and cooperation. Also, the study suggests research on the manager as designer, who lacks managerial knowledge, so that research can be done in the future on topics like the building of a management mind for the designer, planning and marketing capabilities of the designer, and on designer and management strategy.

The study has significance in that it proposes a direction of establishing strategy and detailed implementation plans concerning design management as a differentiated value supply from the corporation, regarding management strategy, by researching the fact that the furniture industry, which was recognized as a declining industry, can be changed into an industry that creates new markets through corporate design strategy, and the fact that corporations create differentiated value with design as a tool, as well as by researching the importance of designer par-

ticipation as the main agent.

Through the cases of Hanssem and IKEA, which have transformed into successful design corporations, the study was able to help understand strategic design characteristics and help build a differentiated strategy and a plan for obtaining a competitive edge through design strategy.

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