

## UNDERSTANDING HOW DESIGN INFLUENCES BUSINESS

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Throughout my undergraduate years I have always been fascinated with how design intersects with all types of disciplines and industries. Having almost completed my degree in Experience Design with a minor in Entrepreneurship, I have seen the complex relationship between business and design unfold throughout my studies. After a few years of careful reflection it was easy to see how these industries directly correlate and I wanted to understand how design truly influences business. In this paper I will break down the ways in which design directly affects a business's success. Because of the distinct overlap in core principles and how they intersect in the working world, it is clear that business is what gives design a functional purpose, but design is what drives the success of a business. Ultimately, design drives sales.

Before diving into research and analysis of this compound relationship, it is important to understand each industry as it exists on its own. What is at the fundamental core of these disciplines?

There are many nuances to business processes and strategies that would take hundreds of pages to expand upon. While the intricacies of these fundamentals are extremely important, there is one rudimentary backbone to a business's production: economics. We can simplify this even further and say at the very center of a business is value. This value can translate in a few different ways, the most important (for a

business) being monetary value. In order to keep a business up and running there needs to be a positive revenue or else an enterprise will go under. As it relates the core principles of business strategy, value is also the value that is offered to the customer from a business's product or service; in other words, is your business worthy to the customer? This term of value helps to structure the fundamentals of business as an industry.

Similar to the large umbrella that is business, the design industry encompasses a multitude of concentrations within the field. This industry has evolved with technology overtime and seems to exist as an essential part of many fields. At the substructure of the field is design thinking. Design thinking is a process for innovative problem solving that prioritizes a user centered approach which is adaptable to any role or industry ("What is Design Thinking?"). With this heuristic overview we can draw connections between the world of design and business. Both fields revolve around a sense of value, solutions, and a target audience.

The way a business is represented and defined to its target market has an enormous impact on its success. Design acts as a bridge between the company and the consumer through branding and product design. Brand design includes every visual element a business uses, from the logo and iconography to the interface of the company website (Katy Gioeli). Branding touches the many layers that make up a business and therefore requires consistency throughout to create a sense of continuity. Designers understand

how to position a business into the minds of the consumer through their user centered practices. Design creates a distinctive identity for its target audience to relate and connect to through the visual elements that encompass the brand. Studies have shown that “the average person processes visual scenes in less than 1/10th of a second. In just 150 milliseconds, we can recognize a symbol, and 100 milliseconds later we are able to attach a meaning to it” (Katy Gioeli). This cognitive science about visual processing shows how brand design can heavily influence a customer’s connection to a business.

Dating back to the 1960's, methodologies originating at Procter & Gamble identified the most important layer to be branded as what is tangible to the customer: the product (“Creative Strategy and the Business of Design”). How branding is utilized in the design of a product is an extremely valuable practice that can help drive sales. One of the clearest examples in history of successful product design is Coca- Cola. A “In 1949, a study showed that more than 99% of Americans could identify a bottle of Coke by shape alone”(Alexander Obenaue). Famous for its white scripted type on red background and patented bottle shape, Coca- Cola captures the essence of branding through their product. With over 130 years of success the company’s strategy has been intensely studied to determine what has made them so successful. Amongst the many theories, psychological science was a trend. Psychological studies have shown the impact visual displays have on brain processing. In a brief created by the Industrial Designers Society of America, they discuss the power of cognitive association : “Sight is our strongest

sense, making up 90% of information transmitted to the brain” (Alexander Obenauer). They also identified that, “cognitive processing of images has ‘ been found to be associated with increased affect,’ as ‘ high aesthetics activates the reward center of the brain” (Alexander Obenauer). Because of this strong physiological connection, product design becomes synonymous with the product itself as it “embodies the consumer’s understanding of and desire to own and interact with it” (Alexander Obenauer).

One of the beautiful things about the business world is how many products and services exist that provide a solution to the same problem. However, this can be a drawback for businesses if they don’t prioritize design. This is yet another place where the impact of product design can be seen. Now that we understand the impact visual elements provide on their own, we can dive into the technical processes of product design and what that brings to the table.

Through design, a business’s value proposition comes to life. A value proposition is a “statement that identifies measurable benefits prospective customers can expect when buying a product or service”(“What is a Value Proposition?”). Essentially, this defines the problem that the business will be solving and addresses what market it will cater to - whether that’s through a product or service. This proposition is the heart and soul of what makes up a business and how they aim to succeed in the market. The main goal is to satisfy the customer; In other words, without customer satisfaction a business will fail. Identifying what your customer wants and needs is the starting point for designing

competitive products (“Use design in your business”). Designers use design thinking to reframe the unknowns of a problem to prioritize what is most important to the user. Cognitive scientist and Nobel Prize honoree, Herbert A. Simon, first mentioned design thinking in his 1969 book *The Sciences of the Artificial* (“What is Design Thinking?”). Since then universities and companies, like IDEO, have further outlined the structure of design thinking. These practices have been supported by organizations, industries, and companies, such as Google, Apple and Airbnb, that “find design thinking a valuable means to problem-solve for the users of their products and services” (“What is Design Thinking?”). Through their problem solving techniques, designers can hone in on the problem a business is trying to solve and make it achievable through product design.

It can sometimes be hard to separate the intricacies of product design from the visuals. Quality product design involves much more than the beautifully shaped Coca-Cola bottle or a sleek app; it focuses on the technicalities of the product and experience of the customer. When a business is providing a tangible solution to a problem in the market, it needs to ensure that their customer service is just as good at mitigating the issues, if not better. What better way to do this than providing solutions at the root of the problem? Usability is as prioritized in design as aesthetics are for this purpose. Design principles yield “designs that are aesthetically pleasing and functional” (“Breaking Down the Principles of Design”). One of the stages taught in design thinking involves collecting data on the user and synthesizing the information to identify potential problems of the product (“What is Design Thinking?”). Through many intentional

prototyping iterations designers integrate solutions to relieve users of pain points when using a product. This research and development in the design process elevates a business's customer service from within the infrastructure of the product.

These approaches can also apply to businesses that don't offer a physical product. Interaction and Experience design play a huge role in the success of service companies through the same processes mentioned above. Experience design still focuses on how a user is interacting with a technology or system; this includes anything from a "website, mobile application, desktop software and basically any form of human/device interaction" ("The Importance of User Experience Design"). Defining functional customer journeys creates meaningful user experiences for your service that "are most conducive to business success" ("The Importance of User Experience Design"). It's pretty intuitive that by making a task as effective and efficient as possible it will make a user's life easier. Steve Jobs, the co-founder, chief executive and chairman of Apple, perfectly states, "Design is not just what it looks like and feels like. Design is how it works."

As much as a business hopes to be completely unique in what it brings to the market, this is almost never the case. As previously mentioned, there is no monopoly that completely controls each market; however there are companies that excel far beyond others. "America's top fifteen 'design conscious companies' outperform their peer group by 228% on a market asset value basis" (Alexander Obenauer). The companies that are

able to do this utilize design to communicate competitive advantage. A clear example of this utilization can be seen when General Motors (GM) invested their efforts into an Art & Colours department. In the 1920's Ford's manufacture of the Model T was General Motors direct competitor leading the auto industry (Alexander Obenauer). After GM pivoted their focus to producing models that varied in design, they were able to surpass Ford in annual sales and have since kept their gain (Alexander Obenauer).

As shown in GM's business, their differentiation also led to customer retention. Design highlighted the features and benefits specific to their company which induced a positive response from their target market. This response can be deemed emotionally positive as they were able to maintain their capital advantage after the initial roll out. GM's experience was not coincidental. Discussed in the IDSA's brief, "emotional responses and connections to products and brands are "among the biggest drivers of repeat business" (Alexander Obenauer). An aesthetically designed brand and product is enough to demand a distinguishable place in a competitive market. Quality design has even been shown to overshadow negative aspects of a product's functionality (Alexander Obenauer). Even though this shouldn't be a part of the goal, constructive design can even provide supplementary benefits.

The integration of design in business has been around for decades and has ample amount of support to show how lucrative it is. This is heavily supported by countless methodologies, design practices, and cognitive scientific studies. "By choosing the right designs for your target audience, you can influence conversions and improve your

return on investment (ROI)” (Katy Gioeli). Prioritizing design in business strategy will help drive sales through the execution of fundamentals that make up a business.

I reiterate, *business is what gives design a functional purpose, but design is what drives the success of a business.*

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