

6 Matching the product to the market

This chapter describes the processes and techniques involved in developing new or adapted products for the market. Checklists are again used to identify key points of the methods used by designers in most countries.

The processes of research and analysis shown in previous chapters are adapted versions of market research used by many commercial enterprises around the world. The reader will already have noted that substantial useful information has been obtained by: studying craft enterprise capability; identifying target markets; finding new market channels/customers; finding new product or range potential, and selecting a trade fair.

Such information is used to prepare a new marketing strategy or to adapt an existing one. This in turn influences the marketing, business and product development plans. These plans are usually made or updated every year by any enterprise. The definitions given below are business planning terms which relate to Box 3 (p. 20): 'Typical business cycle for exporting crafts enterprises'.

Marketing strategy consists of selecting and analysing a target market (the persons that the organization wants to reach) and creating and maintaining an appropriate marketing mix (production, distribution, promotion and price).

Marketing and business plans are the tools by which companies think ahead, establish objectives and implement strategies on a daily basis.

Product development plans are intended to guide and brief designers in their activities as part of the enterprise's strategy for market development.

Product development

Before asking designers to create individual new products, the enterprise has to develop or adjust the product categories, collections and ranges so that they incorporate the findings of the latest market research.

Building a range

A range is a group of individual products having a family relationship, be it in terms of style, shape, colour, pattern, size, price or use, or any combination of these.

The significance of range building in terms of increased sales and profitability is based on the following five factors.

Controlled variation. This improves the attractiveness of any product by providing an element of choice to both retail buyer and consumer. For the retail buyer, choice is a professional contribution to the supply of consumer needs. An infinite choice, however,

may be confusing ('You can have what you like, in any size and in any colour') and may not necessarily lead to a sale. Buyers like to hear an opinion before making up their minds. There should therefore be a reason for, and something to say about, every inclusion in the range.

Supportive relationship. A range augments the perceived value of individual items in combination with the positive features of the others. The co-ordinated trade stand or shop window has more appeal than a selection of unrelated items. A range fixes itself in the mind more clearly when the buyer is browsing from stand to stand or shop to shop, and simplifies the essential first buying decision ('I don't know yet what I shall finally buy, but it will be one of these'). If a consumer buys only one from a range he or she still carries away some of the excitement generated by the total look, and may also increase the purchase to two or more. Retail buyers can more easily visualize the grouping in their shop and are therefore likely to place larger orders, which are conducive to batch production.

Restricted offering. Uncoordinated groups of visually appealing products tend to sell in a more random way. A logically planned range in which every item has a reason for existence will even out the spread of sales. It also simplifies the preparation of specific sales pitches. Further it assists in reducing loss of profit from excessive tooling up, surplus raw materials and dead stock.

Repeat selling. Existing customers gain confidence if they are told simply what parts of the range are to continue, what is new and why, and if future inclusions can be forecast. Their reactions form part of the market research, give them some involvement, and make the next offering more immediately acceptable.

Lower trade-fair costs. There are financial constraints on how much can be transported to a fair, and the space on the stand. The formation of a range or of subranges avoids the need to show every permutation. For example, if there are four shapes in three sizes and four colours, by showing two of the shapes in all three sizes, the other two shapes in one size each, with the colours spread across these samples, a total range variety of forty-eight products is being presented using only ten samples. These should be backed up by a simple chart showing all shapes, sizes and colours.

Preparing the product design brief

Having identified potential products and new market channels and niches, it is necessary to create a product specification to which designers may work. This is called the product design brief. This document should contain all the relevant data to assist the designer in creating the most suitable product for the target market. It will include: target cost price and production deadlines; potential sizes; desired raw materials; current market colour trends; envisioned ranges and sets; special physical needs: stackability, folding, flatpack; packaging and labelling, and special market requirements, i.e. ecological, environmental, legal, health and safety.

Influences on product design

Modern product design and development techniques have grown in importance, expanding to include craft businesses. Some marketing companies invest millions of dollars developing hundreds of new products every year, linking design to intense market research studies. Designers are sent from importing countries to advise craft producers, so that the end product is as close to the market ideal as possible. Craft enterprises should be aware of the importance of the design process in the export market. There are many different influences on the product under development, some of them very important.

Functional influences. Products that human beings use must relate to the target market usage patterns. For example, some Eastern cultures use chopsticks as their basic eating utensil. Artisans hand-beating cutlery for an export market may not know the preferred sizes and shapes of spoon, fork and knife used for eating in other cultures. Products that carry weights or are under stress when in use must be durable. Containers for food products must be easy to clean, and must not be made from materials that may be toxic. Handles should be both strong and comfortable. Production technology and costs change, and this too can affect the introduction of new materials and products. There are many publications which will keep companies up to date on the latest technologies of most craft industries.

Ensure that products have the most suitable function for the target market.

Dimensions and sizes. The size of products for export is most important. Clothes must be made to fit both the larger persons of the West and the lighter persons in the East. Making the wrong size probably means not receiving repeat orders. Furniture very often has standard measurements in Western markets, but these standards are not necessarily the same in the United States and Europe. There are standard dimensions for household linen. These are published in the market countries because their own manufacturers have to conform to these rules. Paper and books are made to standard sizes. ISO standards are used in the European Union, while the United States has its own standard paper sizes. Photocopiers and other office machines are made to accept standard paper, so standard paper sizes should be considered when making hand-made paper products.

Ensure products are the correct size for the target market.

Style and appearance. For many craft and fabric manufacturers, the style and appearance of products change very rapidly. The export market-place requires new products on a regular basis, because consumers become bored with old products. Part of the market process includes changes in style and appearance. These styles and appearances have also to blend with the tastes and fashions of target markets. While there are general trends of tastes in European, Japanese or North American markets, each country and ethnic group has specific tastes and preferences. It is advantageous if the producer can make products to suit these tastes.

Colours. Colour tastes vary considerably in all markets. For example, for many years Scandinavian countries have had strong preferences for pale and muted colours, while African and Caribbean peoples enjoy brilliant colours. But even these colours change regularly to keep the market interested.

In the fashion and accessories export market, colours change twice or three times a year. These changes are planned three to five years ahead, and there are publications in developed markets that provide forecast information on colour changes for garments, furnishing fabrics and paints. Many customers will provide such information when ordering products, but manufacturers should ask customers to provide the latest forecast. The garment industry has the most colour changes in a year. The household goods market changes colours less frequently, introducing changes every year or two, depending on the product. Decorating materials and paints for houses change every year. Floor coverings may last up to twelve years or more, and colour changes in these sectors are slower, but the forecasters are working there too.

Many agencies exist that provide these forecasts for colour and fashion changes. Some of this information is free, and some very expensive. The Centre for Promotion of Imports from developing countries (CBI) in the Netherlands supplies free information on fashion forecasts and about standards and legislation on health and safety to producers in developing countries. The International Colour Authority (ICA) sells high-quality forecast publications containing an abundance of accurate information on market trends and are the favourite publications of many professionals. Certain magazines provide accurate information on the current state of markets for fashion and interior design in many countries. For example: *Vogue* (Europe), *Elle Fashion* (United Kingdom/Europe/Australia), *Elle Décor* (United Kingdom/Europe/Australia), *House and Garden* (United Kingdom/United States/Canada/Australia), *Homes and Gardens* (United Kingdom/United States/Australia), *The World of Interiors* (United Kingdom) and *Abitare* (Italy). These can be obtained from publication importers in many developing countries.

In modern markets colours are usually specified by providing the manufacturer with colour samples from a PANTONE® Colour Specifier. This colour specifier is the industry standard and means that control of colours is absolute throughout design and production. Addresses for some of the agencies above can be found in Annexe II, Information Sources.

Keep in line with colour changes and trends in the target market.

Fashion and market trends. The fashion industry is one of the largest in terms of turnover and formal and informal employment. Trends and changes are tightly controlled through strict specifications. Garment manufacturing is usually a form of subcontracting where the maker has no say in the design of the product. Most specifications are controlled totally by the buyer. There are smaller companies, which buy specialist clothes, very often for the luxury market. Such businesses work with smaller artisan manufacturers of very high quality, and the business relationship is more often a mutual process of product development.

Standardization. Standards are rules that control certain aspects of products, making it possible for people to buy goods that fit and are safe within a national or regional market area. Standards exist in most developed countries. The European Union (EU) has both European standards and individual national standards within the EU standards. The United States has its own standard systems. Whatever the case, exporters should study the relevant standards in force. Key standards include: health and safety – toys, paints, dyes and chemicals; banned products – certain hair, wool, reptile and animal-skin products, ivory, endangered animal species; flammability of textiles – subject to stringent testing; dimensions, weights and measures of furniture, household linen, paper; precious metals – gold and silver hallmarks; electrical goods standards – appliances, switches and plugs; foodstuffs – packaging and labelling.

Any enterprise's products that fail to meet these standards may be banned from import and confiscated by customs authorities in the most serious cases, or suffer from reduced sales because customers are concerned about safety, or because the product is the wrong size. For instance, toxic paints and nails in wooden toys lead to toys being banned and destroyed in many developed markets. Certain furs and skins from endangered animals are banned from import. Textile products used for clothing or household furnishing must now be treated to reduce fire risk. Imported silver and gold are not necessarily tested in the market country. If these metals are not stamped with hallmarks, the buyer is likely to be suspicious about the purity of the metal.

Always check for standards in target countries. Products that fail to meet standards will never sell.

Labelling

Product labelling has a variety of functions. Some labels tell consumers where a product is made, what it is made from, and how it should be cared for. Other types give information about the culture or history of a product and the people who made it. In modern retailing businesses, labelling gives the product size and colour and other specifications. Common label types are: product label with product name, code number, material, size, colour and price; care label indicating how to clean the product; standards certification tag; maker's label with country of origin; and health and safety warning label.

Craft enterprises should check what information the customer requires on labels. Many importing companies provide manufacturers with their own labels to be attached in the workshop or send the manufacturer artworks to make up labels locally for products.

What are customers' labelling requirements? Do the producers have their own labelling standard? What are the regulations for labelling in the target market? Do certain products need a safety label?

Some label types and requirements

Label types. Garment and fabric product labels are usually printed or embroidered on fabric and are described as 'Sewn-in cloth tape labels'. 'Hang-tags' are printed card labels tied to the product with a cord. 'Adhesive labels' are used on wooden, plastic and metal products. 'Shelf display cards' are used when the product is too small for individual labelling.

Country of origin. Most major market countries require products to be labelled with the name of the country of manufacture and export. In certain cases, additional certification is required as proof of the origin of products.

Raw material contents and product sizes. Many market countries require the raw material contents to be indicated on the product. In some countries each state has individual regulations on contents description. Food-product labels may have to show ingredients and nutritional values, and garment labels carry the fabric content and percentage of material mixtures.

Care instructions. Garment and fabric products carry labels with indications for cleaning. International standard label symbols are used to describe washing, drying and ironing instructions. Customers frequently provide their own labels for this purpose. In countries that have a large garment industry, companies make labels to manufacturers' specifications. Some labels indicate the best way to maintain the product finish in the case of wooden articles.

What label information and type of label are required in the target market?

Packaging

The design of a product is affected by packaging. Some products need to be designed in knock-down form (e.g. furniture) to avoid expensive freight charges. Customers sometimes want their merchandise pre-packed for ease of distribution to their retail outlets. New packaging requirements must be planned. Packaging should ensure proper protection at low cost. Two main types of packaging are used worldwide.

Transport packing. All products must be packed for shipment to the market-place. Packaging must ensure protection against water, moisture, dust and dirt. Individual products can be packed in cardboard cartons or plastic bags. Garments are often sewn into plastic-lined cloth bales. Customers often have their own specifications for shipping packs. Wholesalers need products packed in batches for onward distribution. Some customers need small items pre-packed in display baskets ready to be unwrapped and placed directly on shop shelves. Garment customers require high-quality plastic bags and boxes to show off clothing. Any discussion about packaging should be detailed and instructions quite clear to avoid confusion for manufacturer and customer.

Once the products are packed, they are placed in wooden crates or larger cardboard cartons which are then transferred to a shipping container.

Retail or consumer packs. Special packaging for the retail market makes products look attractive on display and provides protection until the product is purchased by the consumer. Every effort should be made to ensure that merchandise reaches the customer in perfect condition. Display packaging also promotes the manufacturer or retailer of the product. Brand name or other distinguishing packaging is very important as a marketing tool. Importing customers frequently do not want manufacturers' names on their products, but rather their own image or logo. Importers will be keen to maintain quality and image standards in their packaging. Many customers' specific colours and logos call for great accuracy in reproduction.

There are specialist packaging requirements for each and every market. Plastic bags with header cards may be used to display small items such as jewellery, by hanging them on racks in shops. Garments are usually individually packed in anything from plastic bags to expensive presentation boxes. At the higher end of the market, cosmetics and jewellery are individually presented in more expensive packs which reflect the value of the product. Even middle-level jewellery should be elegantly packaged at retail points of sale. Following international pressure from environmental agencies, many importers now use recycled paper and cardboard card and paper packaging.

Packaging and safety

Some countries have recommended weight and size limits for bulk packaging in order to reduce injury to handlers in warehouses.



Checklist for preparation of product design brief

1. Product information

- Target cost, export price and production deadline
- Quality control factors influencing design
- Functional requirements of product
- Preferred product sizes related to function and market requirements
- Raw material requirements
- Product collection, range and set specifications
- Latest market indications as to colours, finishes and raw materials
- Packaging requirements
- Transportation requirements
- Production requirements
- Sample quantity requirements (a minimum of three is recommended: master sample for production unit, second for exhibition, third for meetings with customers)

2. International standards

- Current legal documentation from the target market for international standards on: health and safety issues; dimensions, weights and measures; safety testing; banned substances
- Labelling requirements for: customer; target market; country of origin; material content; care; safety instructions
- Current market regulations for packaging: sizes and weights for safe package handling; eco-friendly packaging materials

The more relevant the information given to the designer during briefing, the better the product will relate to market requirements.
