The role of design in the competitiveness of the Italian Industrial System

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Italian Design: a different approach to innovation

- Italian SMEs and industrial districts were extremely successful in competing with large firms (Piore and Sabel, 1984)
- The model of innovation put in place by Italian firms is different from large firms’ one. (Rullani, 1993)
- Italian firms did not invest intensively in R&D and innovation technology but they leveraged on manufacturing excellence, focusing on aesthetic and artistic dimension of the product.
The features of Italian Design

**Art** (aesthetics, good taste, Italian style)

**Local Culture** (specific production practices located within industrial districts)

**Customer intimacy** (working closely with sophisticated customers (Porter, 1998))

The result is that the product is a **cultural good** and not *just* an industrial one.
Design within industrial districts: a distributed process

- The **interaction** between art, good taste, competences and professional skills takes place with industrial districts.
- This collaboration is made possible by the “physical” and **social networks** that operate in the territory.
- Communication is granted by virtue of sharing common **practices** and languages.
- Design and the style of the product are **implicit** due to the contiguity between places of consumption and places of production.
How globalization is affecting Italian design?

- Globalization is changing the scenario of the Italian design:
  - Design is no more a unique Italian feature (e.g. Apple)
  - Industrial districts are on the move (Sabel, 2004, Chiarvesio, Micelli and Di Maria 2006, Corò and Volpe 2003)
  - New niches of sophisticated customers are emerging outside Italy
Methodology

- Our research is based on qualitative methods: case studies and focus groups.
- We put under scrutiny three sectors:
  - Home furnishing
  - Engineering (Mechanics)
  - Textiles and apparel
- For each of those sectors we identified the most design oriented firm. The selection was made by using structured criteria (turnover growth rate, investments in design and communication) and by peer-to-peer reviews (designers, creative professionals).
Emerging models

- By analyzing Italian case studies, it is possible to point out three main models of innovation based on design:
  - Art and exclusivity
  - Renovation of Italian cultural traditions
  - Developing networks with customer
Art and exclusivity
Salvatore Ferragamo: developing firm’s museum

- Ferragamo organized an exhibition of its most important shoes in Mexico City. 300,000 people visited the exhibition by paying a ticket.
- Moreover, Ferragamo considers their own shop as a distributed museum and organizes exhibitions of young artists working on shoe prototypes inside their shops.
ListoneGiordano: working with network of artists

- Working with artist could change the way you communicate and present your product focusing on exclusivity and aesthetics
- This is what happens to Listone Giordano when they decided to participate to Guggenheim Collection Intrapresae
Renovating Italian cultural traditions
Bisazza

- By the work of artists such as Fabio Novembre and Patricia Urquiola, Bisazza was able to transform an old artisan practice (mosaic making) into an innovative and flexible product.
Salviati

- Salviati asks to many artists to rethink traditional products (glasses and vases) and to start new businesses (jewels)
Nonino

Nonino established an International prize (Nonino Prize) for awarding writers, directors, musicians, scientists which distinguished for a work in line with values proposed by Nonino.
Developing networks with customers
Alpinestars: transterritorial networks

- Alpinestars opened a branch in LA to stay closer to its more sophisticated customers.
- Design and style are explicit. Style follows the places of consumption and design is relative to the places of production and it is enriched by technological elements (security, innovative material, products’ test, etc.).
Open questions

- How sustainable is our upgrading process? New countries are investing in design, e.g. South Korea
- IP rights and design. The match has to be done (Counterfeiting)
- Design and manufacturing, the risks of decoupling at least for the higher end of the market.