The market for Design

Activity One – read the text, paying attention to your intonation and stress, then

What future for design students?

It's no wonder that small businesses in France are struggling and even calling in the administrators! In the current economical environment going bankrupt is on the cards for many small businesses even if they were a huge success story in their heyday. Some have very high overheads and are unable to cope with the dip in spending brought on by the rise in living costs. Some have failed to offer a broad appeal in increasingly competitive times. Meanwhile the big global companies scoop up the business. They have the financial security to write off the last few years simply as a bad period in treacherous times. They are able to pull this off by controlling costs, using their vast financial resources and finding cheaper ways to manufacture their goods.

Ikea stands out as a very good example of this phenomenon. The bottom line is that I would rather be working for a stable company like this, with the ability to survive a global financial crisis, than for a small outlet with far-fetched dreams of making it big.

Some young designers decide instead to work in small cluttered boutiques, or minimalist luxury design studios, but they turn their back on any kind of job security and one side effect of their choice is often a small pay packet.

Although small furniture companies are often a hothouse for design ideas and talented craftsmen, I would rather focus my attention on finding a job with prospects in a big, safe company with design at the heart of its preoccupations and real values. This is why I would like to apply for a job with Ikea once I graduate from furniture design school. The current state of affairs in the industry means that more and more graduates with make similar decisions.

Activity Two – Try to use each of the following words or expressions in a sentence.

Call in the administrators
It's no wonder
On the cards
Hangout
Heyday
Broaden appeal
Dip
Success story
I told you so
Treacherous
Scoop up
To write off
To pull off
Bottom line
Stand out
Cluttered
Stuff
Sale
State of affairs
Hothouse
Focus
Side effect
Outlet
Focus
Turn your back on
Craftsman
Far-fetched

Activity Three – read the questions, then the text. Then answer the questions.

1. What has happened to Habitat?
2. How many jobs have been lost?
3. What questions are the media asking?
4. What different options have been discussed for Habitat?
5. What has Habitat achieved?
6. What kind of a company was Habitat at the start?
7. What did it become?
8. What did Conran have a talent for?
9. Why were people disappointed in 1992?
10. Why was it hard to pull off good design at affordable prices?
11. How did Habitat lose its unique brand identity?
12. What is the general state of affairs in the market?
13. Why does a furniture chain need connections in industry?
14. What do you think will happen to Habitat in the future?

Habitat in Crisis

There has been a lot of discussion since the news that Habitat has **called in the administrators**, with the and the potential loss of 750 jobs, **it's no wonder** the media has been quick to ask questions about the future of "British design". This is not the end of Habitat, what direction it will take is not clear, as there is an association with Homebase **on the cards**. However it is a big fall for the company that, until the arrival of Ikea, had done more than any other to modernise the homes of the British middle class.

In its 1960s **heyday** it was quite the glamorous **hangout**, before **broadening its appeal** into a multi-billion pound business that floated on the stock exchange in 1981 and turned its founder, Terence Conran, into the UK's designer-in-chief. Yet it was not Conran's originality that made Habitat a household name, but the opposite: his talent for adapting European and American modernist designs to British tastes.

There have been **dips** in this **success story** before now. In 1992 when Habitat was sold to Ikano Group (the owners of Ikea) people were disappointed about the sale of a great British brand to a Swedish flat-pack giant. Some people **wrote it off** then, but they had to wait 19 years for their "**I told you so**" moment. So where did it all go wrong?

There is no simple answer. Certainly it is true that, as in the fashion industry, the middle of the market is the most **treacherous** channel, with all the profits being **scooped up** by the Ikeas and the H&Ms at the bottom, or the luxury brands at the top.

In such a competitive global marketplace, Conran's original vision of high-quality design at affordable prices is increasingly hard to **pull off**. In a recession, why buy solid oak from Habitat when you can have oak veneer from Ikea for a third of the price? But this is not just about the consumer's **bottom line**. Somewhere along the way, Habitat lost the unique brand identity that enabled it to stand out in an increasingly crowded high street.

Habitat is best known for marketable versions of Scandinavian-infused mid-century modernism - lots of wooden furniture and paper light shades - with touches of contemporary

innovation here and there. Classics include the Days Forum sofa, designed by Robin Day in Habitat's founding year, 1964, and still sold today. More recent bestsellers include Tord Boontje's laser-cut metal Garland lamp shade and Claire Norcross's Aperture pendant light, an origami paper creation. Lighting, along with flatware and bed linen, is what most people head to Habitat for.

But these days it's hard to see what's unique about Habitat. I paid a visit to the Tottenham Court Road store the other day, and the furniture on offer was more generic than I remembered. The shop floor was **cluttered** with choices, none of them **standing out**. And there's a reason for that. The pressure to keep manufacturing costs as low as possible means that high-street furniture brands now manufacture most of their products through the same conglomerate sourcing agents. In other words, Habitat uses the same Asian factories as the likes of John Lewis, Marks & Spencer, Next and B&Q. And while the in-house design team will create certain signature products, many are simply bought off the shelf from these factories. So the problem in the high street is that in many of the stores they are selling the same **stuff**.

Are Habitat's problems symptomatic of a broader malaise in the design market? Partly. The problem of generic merchandise is made worse in this country by the high price of high-street rents and a perpetual **sale** culture forcing prices down.

But to see this **state of affairs** as a failure of British design is like blaming the Atlantic for sinking the Titanic. The UK is a global design **hothouse**. The fact that there are so few **outlets** for that talent is simply a **side-effect** of an economy **focused** on services - such as design - rather than products.

With so few connections to industry, it's understandable that more and more young designers are **turning their back** on industry and designing products in small editions made by **craftsmen** or even by themselves. And in that reality lies a clue to the future of a company like Habitat.

The chain's predicament suggests that the strategy of selling mass-produced, generic design has reached its sell-by date (unless, like Ikea, you have the muscle to force everyone along the supply chain to play by your rules). The middle of the market will have to diversify. It would be too simplistic to argue that we should manufacture furniture in the UK again - it's far too expensive - but bringing Asian manufacturing back to Europe is less **far-fetched**.

Now that it has only three stores (owned by Home Retail Group, the UK's fourth largest retailer), Habitat should commission local talent to design products that distinguish it from its rivals. In other words, it's back where it started in the 1960s, with the same core values but a new mission. That's not such a bad place to be.

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Activity Four – More Questions – What do you think distinguishes Ikea from Habitat? How do you think Ikea will cope with the economic crisis if it continues in Europe? What is Ikeas unique brand identity?