

**Business of
Design**
Design in the
Digital Age



SEE, LIKE, BUY: DESIGN IN THE DIGITAL AGE

BY BARBARA THAU

THERE IS A TALMUDIC PROVERB THAT STATES “AN EDUCATED MAN CAN NEVER BE POOR.” That is to say, unlike material things that are fleeting, knowledge is an invisible, yet invaluable and enduring asset.

The interior design community is now finding itself pressed to share a similar message with clients in the era of online shopping.

For consumers, the internet has opened the floodgates to an endless stream of merchandise, while pulling the curtain back on the price of nearly every conceivable product.

This instant, at-your-fingertips access to voluminous, global home furnishings options, décor ideas, and price information has privileged product and cost over process in the minds of some consumers, blunting the value, expertise, and distinct role design professionals play in creating bespoke spaces, according to design executives. Today, “the interior design community tells us one of the biggest challenges the industry faces is educating consumers about what they do and why it’s worth paying for,” says Liza Hausman, vice president of industry marketing and community for Houzz, the online global market for interior design services.

Meanwhile, home-makeover television shows have spread a false narrative on what it takes to create a space, sources note. And, in turn, professional designers are faced with clients who believe their homes can be remodeled in a weekend. “The proliferation of the interior design world do-it-yourself and online purchasing has been both a blessing and a curse,” notes Jason Kasper, principal of IDEATE Design Consulting and president of the Board of Management of Interior Designers of Canada (IDC). “We discuss it a lot in our office and with colleagues.”

While it has catalyzed heightened awareness of—and an expectation for—good design, the click-and-immediately-receive mindset is commoditizing design objects, “just as the 30-minute home-makeover shows devalue the design process,” adds Kasper.

Phyllis Harbinger, an interior design business strategist who is founder and principal of Harbinger Design Consulting, agrees: “It’s a timely issue and something that cannot be ignored. I coach my designers not to [dwell on] how we did business in the past, and [focus on] how to work in this new paradigm, as it’s not going away.”



Images: Houzz.com



Designers, online players, and traditional merchants are finding new ways to co-exist, cost-effectively complement each other's business, and streamline projects, be it via platforms ranging from retailers' design-trade programs to digital-idea boards.

The New Normal

A new normal, where consumers scour the web for goods and services, comparison shopping, and price checking, has awakened the design community to hit the reset button. As a result, designers are zeroing in on educating, and reeducating, consumers now informed by the vast digital marketplace, a resource that often can be misleading. An experienced designer, for example, will be able to steer clients away from the countless knockoff goods masquerading online as original designs, a consistent issue for the design industry (see "One of a Kind," p. 36).

The community is shifting its messaging, placing the emphasis on the rarified, highly specialized expertise and institutional knowledge that the professional design trade brings to crafting interiors, a skill set that even countless online shopping sites can't replace, designers say.

The message: They're trained to provide custom design, not design for the masses.

But, the design community also has work to do in bringing a greater level of cost transparency to their own businesses.

Despite these new challenges, the democratization of design does have its gifts, according to both designers and retailers. Designers, online players, and traditional merchants are finding new ways to co-exist, cost-effectively complement each other's business, and streamline projects, be it via platforms ranging from retailers' design-trade programs to digital-idea boards.

Sell "Brilliance," Not Merchandise, with a New Transparency

One of today's challenges is that designers are grappling with the paradox of choice. They are curating from exhaustive global sources online "that didn't exist before," says Harbinger, while clients also have launched their own exhaustive product and design searches. So, it's not uncommon for a consumer to latch on to the product-procurement element of the designer/client relationship. However, that's ultimately not the fundamental contribution a professional designer brings to the equation, she notes.

To counter that narrative, Harbinger reminds her designer clients, "You're selling your unique brilliance and intellectual property, [so] start thinking of charging for [that], instead of charging for the things that you buy." For example, "a shopper might see a couch they like online but the scale is all wrong. We're curating a selection for aesthetics and appropriateness," which is not the expertise of a layperson, she says.

Some designers have taken to offering "planning services," where they specify everything, charge a flat fee for that service, and then leave it to the client to do the purchasing. That's mostly how Harbinger has always done business, counter to how much of the design community has worked. "Normally, designers pay for all the merchandise being bought for clients. The client gives you a retainer, and you deduct for the retainer, and that worked for many decades," she explains.

But, it doesn't anymore, as the web opened Pandora's box. "Once the internet really started to come alive, [clients] became savvy about what they thought something would cost," says Harbinger. "The marketplace has made it so that you have to be transparent."

As a general proposition, paying for a client's merchandise can cloud the value of what a professional designer offers, which is "to curate spaces where people live, work, play, and heal," she notes. The shopping model also can invite the impression among consumers, who can price check an item in minutes on their phone, that they're being overcharged. So, "clients are pushing back now," says Harbinger.

She skirts all that by charging a flat fee for her design services. If a client opts for "purchase management," where the firm orders and tracks goods for a project, they're charged a 30 percent to 35 percent fee for that service. But, when it comes to the merchandise itself, says Harbinger, "there is no markup on the sale, they give me their credit card."

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The lesson is that “you have to pitch curated, holistic services as opposed to product shopping,” explains Harbinger. And, communicating the design and personalization process to a client cannot be underestimated. “I get inside my client’s head, understand who they are and what they love, versus who I am. When you can sell it that way, you take away the whole notion of big box and online [shopping].”

Fighting the Quick-Fix Mentality by Changing the Narrative

The industry also is grappling with the quick-fix mentality that has seeped into the consumer conscious as a result of home-makeover programs. These shows have fostered an oversimplified, shortcut-to-design misunderstanding of the work and industry knowledge summoned by professionals to create a customized space. Clients watch these shows and see complete home revamps achieved in 30 minutes, not registering that “so much of that work is done off camera and behind the scenes, which devalues the process,” says Kasper. Process is critical to interior design, but “it’s such a difficult phenomenon to sell, because it’s invisible to clients.”

Disabusing clients of these short-cut notions of design means reeducating the public, he adds. Kasper’s firm is doing just that by changing the client conversation, and by taking professional designers’ *je ne sais quoi* out of the abstract for them. A designer’s value lies largely in crafting “the spaces between objects” in a home—the “placemaking,” as Kasper calls it—where sentiment and nostalgia often reside. That can only be “cultivated with clients through discussion in order to be brought to life. Good designers translate people’s

emotions and expectations into design solutions, overlaying their experience and knowledge base—including the things they’ve done wrong in the past. I once heard: ‘Standards are documented evidence of people’s past errors’...That’s what [the client is] paying for,” he explains.

Co-Existing and Collaborating

Design trade programs run by traditional brick-and-mortar retailers, as well as e-commerce merchants, can serve as one path to a fruitful, mutually beneficial relationship, according to interviewees.

The concierge-like services from retailers, such as Room & Board, Restoration Hardware, Crate and Barrel, and Lamps Plus, that work exclusively with the design trade have been an asset in resourcing goods per project, offering interior designers special rates, according to Harbinger.

Houzz, which features designer profiles and project portfolios, while also selling goods for purchase, says its trade program is helping the design community as it becomes more transparent with clients about the price of products available at retail. “One of the many ways that Houzz supports the interior design community is through our Houzz Trade Program,” says Hausman, noting the company’s “dedicated account managers reduce the time interior designers need to spend on administrative tasks.”

At the same time, notes Harbinger, online visual platforms have brought a new ease to exchanging ideas with clients, collaborating on design direction and making product selections. Clients can share their ideas on virtual scrapbooking sites, like Pinterest, for one, and others geared toward professionals, such as Houzz Ideabooks and Wecora, where designers can share their vision boards with clients. The site streamlines the ideation process. “You can invite clients to the board and save yourself multiple meetings,” she adds.

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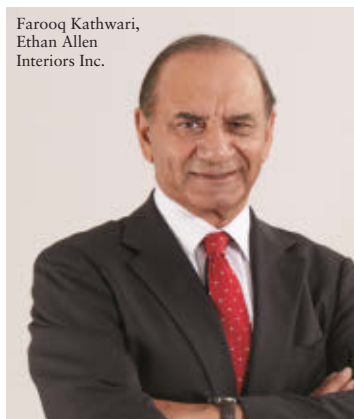
Liza Hausman,
Houzz



Phyllis Harbinger,
Harbinger Design
Consulting
(Image:
Dawn Sela
Photography)



Jason Kasper,
IDEATE
Design
Consulting
(Image:
Michael
Rodgers)



Farooq Kathwari,
Ethan Allen
Interiors Inc.



Image: Houzz.com

Retail as a Path to Growth?

Despite the narrative that retail and online shopping are creating new competitive challenges, they actually can lead to more business for interior designers, states Hausman and Farooq Kathwari, chairman, president, and CEO of Ethan Allen Interiors Inc.

Ethan Allen, for one, consistently collaborates with outside designers—7,000 to date—through its interior design affiliate [IDA] program. “Ethan Allen is vertically integrated to handle all the logistics for them,” from order processing to customer support and in-home delivery, Kathwari says. “This leaves the IDA members completely free to focus on what they love best: design.”

And, Houzz claims its site has been a boon for designers. “We have incredible stories from designers about how Houzz has helped them grow their businesses, and has brought them projects and clients, both locally and from countries in Europe, Asia, Africa, and more,” says Hausman. [“We’re] driving the industry forward by showing consumers the value that our talented community of interior designers provides to their clients.” ●

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is a business journalist specializing in the retail industry and consumer news and trends. She currently is a contributing writer for Forbes.com for which she writes the weekly column, “Minding The Stores.” She has been cited as a retail expert for media outlets, including USA Today, National Public Radio, and CNN Money.



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