

Everything you need to know about the economics of Design

24/08/10 [Strategy](#)

The APCI, the Cité du Design and the IFM have published a study of Design in France

The Agence pour la promotion de la création industrielle (APCI), the Cité du design and the Institut Français de la mode (IFM) joined forces to bring out a study on the design economy in France at the request of the ministère de l'Économie de l'Industrie et de l'Emploi (DGCIS).

The study includes a four-part analysis:

- the design offer (independent designers and agencies)
- the demand for design from business

- the economic weight of design
- the changes in the profession and the impact of the current economic crisis

It also includes a synthesis of the main European studies on the subject as well as ten case studies.

The design offer

This is the largest study to have been carried out so far in France. Over 462 structures (agencies and/or independents), representatives of over 1000 designers (and a total staff of 4278 people) answered the questionnaire for the study, covering all of the design professions: product, brand identity, packaging, commercial architecture, interactive design, fashion styling, etc. The results were compared to those from an APCI study that dates from 2002 and that covered 240 structures. The profession remains concentrated in two regions with 70% of business located in the [Ile-de-France](#) and the [Rhône-Alpes](#), with a rise in the (25% /15% in 2002). This percentage is even higher when dealing with agencies with more than two people, half of which are in Ile-de-France, and almost all are big agencies. However, certain other regions are emerging: Pays de Loire, Aquitaine, PACA, Bretagne.

Young structures

Over half are under ten years old and only a quarter over twenty. In addition, the study confirms the scattering of the profession into a number of smaller structures, the flexibility doubtless helping to face the current harsh climate and a growth in sub-contracting between agencies and independents. 24 % of the agencies regularly call on the service of freelancers and 61% do so occasionally. This is different to the situation in great Britain where the staffing levels of agencies has grown considerably since 2005.

The design activity

The traditional activities retain their place: product design (50%), refurbishing spaces, graphics, visual and corporate identity, packaging; but some new activities have developed: design consultancy (35%), service design (11%), interactive design (9%) that constitute the main activity of certain structures. Only 18% of the structures analyzed are design-only businesses and 65% have three different activities (40%) or more (25%). Basic design remains the main activity in the profession (85%) with a growth in the percentage of

contributions to new creations (81%) and diversification (31%). Technical follow-up remains stable (57%) but the important element is the huge growth in consulting and research (57%): forecasting studies, concept research, strategic consulting, design audits.

The clientele

Design continues to grow in all sectors of the economy with a high level of development in the hotel-restaurant sector (20% as opposed to 10% in 2002) and the level of development in public administration has continued to grow (37%). Small and medium businesses are the main clients with 79% of business. The percentage of agencies working with big companies and small to medium businesses is twice that of independents. The structures are shared over a number of clients – half have over eight clients and the biggest client represents over 40% of turnover for 34% of them.

A very spread-out daily fee

Fees are the main payment method with very variable and not very high daily fees in general especially in smaller structures: an average of 750 Euros, but less than 500 Euros for over a third of structures. The cost of jobs is also very spread out with average fees that are quite low, 8 361 € for product design, 8 601 € for packaging and spaces. The highest fees are for space design (12 513 €). Over 70% of structures bill abroad, mainly in the European Union (39%) and in Asia (16%) a jump from the 50% level in 2002; but for 40% overseas billing represents less than 5% of their turnover.

One of the lowest levels of demand in Europe

The level of use of design in business of the sample (40%), is among the lowest in Europe (almost 50 % in great Britain and northern Europe, 70% in Spain). This level is over 80% for the online sample which confirms that they are more design-oriented. The main activity of design for a third of sample quotas concerns advertising and brands, then digital and multimedia followed by space design. Online businesses are mostly into product design. This trend was also obvious in a study carried out in 2006 by the APCI on businesses applying for the *Observeur*. Taking users into account seems to be a key factor, notably through creating online special interest groups. However, the intervention of a designer at the start of a process is systematic for only 12% of businesses. Sample quotas outsource design more (52%) than those in the online sample (33%). Using an internal designer as opposed to an external one doesn't seem to be parallel but both are progressing equally. The most common use of external designers is by businesses that also have internal designers for the online sample. 2.3. Internal design resources › Design, when used, is mainly dependent on top management, rarely on operations. In other cases, we have seen a difference between the quota samples and online samples: the former involves marketing and the latter R&D. › Over half of the companies with an internal design department have a design manager. In 50% of cases, it is a single person who plays the role of design manager with other departments in the business and external resources. › The staffing levels in internal design departments are 42% higher in the online sample (higher level of use). Even in the online sample, the structures remain small (34% have one person, 41% between 2 and 4, 25% 5 or more).