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It's More Than Just the Perfect Price

by Mark Schar

“Expect more, pay less,” the tagline of discount retailer Target, might be the downfall of Western Civilization, according to Ellen Ruppel Shell, author of the book, *Cheap: The High Cost of Discount Culture*.

Cheap is dangerous? Really?

Ruppel Shell, a contributing editor for *The Atlantic* and professor of science journalism at Boston University, has been researching the cost of products. As Ruppel Shell sees it, the drive for lower priced goods has come to define the American way of life, starting with John Wanamaker's 19th century “Grand Depot” department stores. In her new book, she asserts that cheap goods—whether cheap furniture, cheap clothes, cheap food—are all paid for by somebody, even if it's not the person taking the cheap goods home.

Shell begins by detailing the history behind America's obsession with cheap. By lengthening store hours, cutting down on labor costs, optimizing store layouts, creating acres of free parking, and building stores in close proximity to neighborhoods, early entrepreneurs during the 19th and 20th Century were able to create the shopping culture that persists today.

Furthermore, while some things cost substantially less today than they did in the 1970s, like clothes (-32%), appliances (-52%) and food (-18%), many things cost much more like mortgages (+76%), health insurance (+74%) and childcare. The march downward in price is nothing more than the “process of creative destruction,” a signature of a healthy economy as defined by Harvard economist Joseph Schumpeter. And developing countries certainly have benefited from the move to a manufacturing economy, lifting the standard of living for billions of people. Cheap is here to stay,

Ruppel Shell uses a series of examples to show how price tags do not reflect true cost. In a chapter ominously titled, “Death of a Craftsman,” she recounts her trip to Helsingborg, Sweden, home to IKEA's corporate headquarters, to learn how IKEA tries to achieve its vision: “to make good products at low prices.” After visiting IKEA, the average consumer might initially assume that all IKEA products are manufactured in Sweden. In fact, the majority of its products are produced by more than 1,300 vendors in 52 countries.

The consequence of IKEA's relentless pursuit to achieve the lowest cost and extensive product supply system often means that deforestation, material waste, and toxic chemical flame-retardants are considered sim-

ply unavoidable. IKEA obtains a significant amount of the timber from Eastern Europe and the Russian Far East, where half of all logging is illegal.

She concludes that IKEA's ultimate success is “convincing millions of people around the world that mass-manufactured furniture that looks, feels, and smells like extruded Lego blocks is not only affordable and stylish but soulful.”

Ouch.

In the end, Ruppel Shell offers few solutions to the Cheap problem. Her definition of “the perfect price” is an amorphous concept borrowed from her mother, something she calls “the happy medium” between affordability and sustainability.

What is the lesson for designers? On a whole, Ruppel Shell provides an informative and critical look into the social, political, and emotional forces that drive the consumers' pursuit of cheap prices. We as designers do not always create new products and services with price as the only constraint—there are many factors that drive design. At the end of the day, it is important to think about how what we produce affects not only the end user, but more importantly our environment and every individual involved in manufacturing these objects.

Cheap: The High Cost of Discount Culture, by Ellen Ruppel Shell. July 2009. Penguin Press, 320 pages. Hardcover: ISBN-10: 159420215X, list \$25.95.

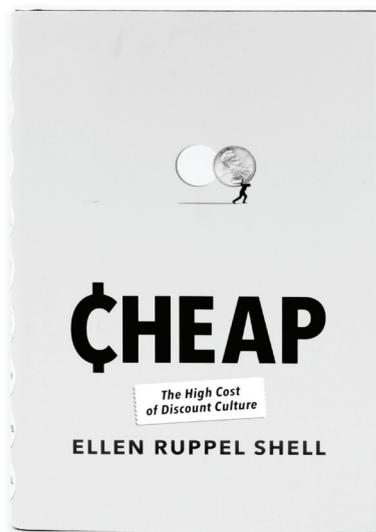


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