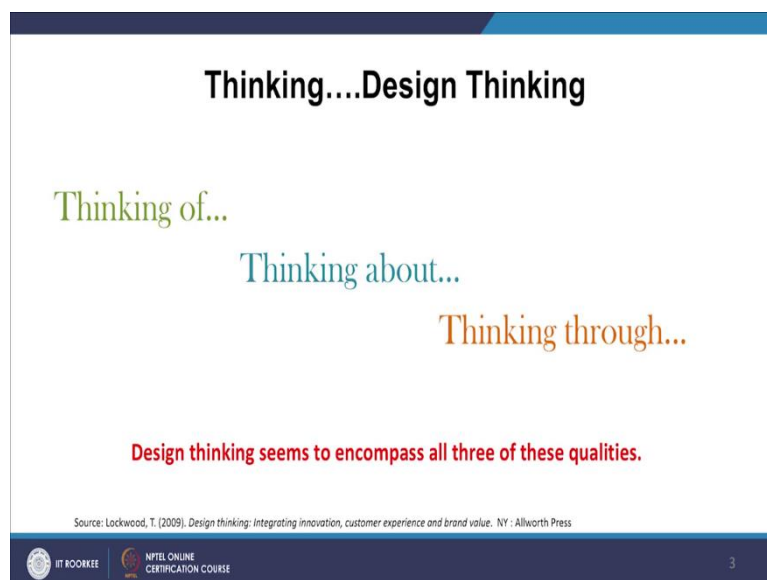


Product and Brand Management
Professor. Vinay Sharma
Department of Management Studies
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Lecture No. 29
Design Thinking – I

Hello friends, welcome back to Product and Brand Management with a perspective of design thinking. Now, let us look at this art as a strategy and this is one of the most enduring aspects of this subject. Looking at everything, what we have discussed and what we are going to discuss in future with the perspective of a specific thinking framework which is actually very wide and despite its abstract nature, it has so much of scientific elements involved. It has lots of logic imbibed in itself and it entails and generates lots of coherence in almost all the elements which we have discussed now.

You will realize that if we start thinking this way, product management becomes a wonderful experience. Product management actually becomes scientific in character, though with an aspect of art in its nature. Let us see what design thinking tells us, and I will be initiating the discussion on design thinking with references from the thoughts of one of the most important thinkers of our contemporary times, Thomas Lockwood. He talks about design thinking with a very enduring perspective.

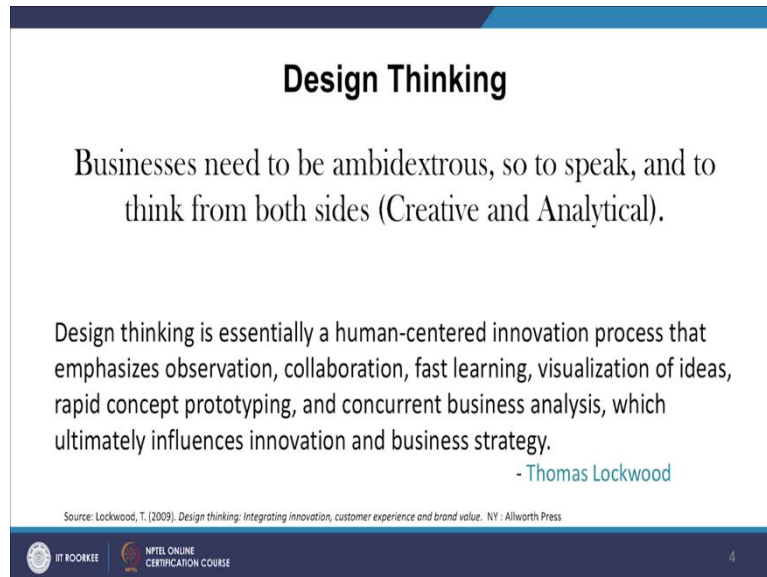
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Thinking, design thinking, thinking of, thinking about, thinking through; design thinking seems to encompass all three of these qualities. Thinking of subject, object, everything is there, the objective is there, about how to look at the complete thing, and thinking through,

you see interconnectedness. It is a wonderful thing, it is such a simple interpretation which I have done in front of in terms of this composite expression and how composite it is, we will just see.

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Business needs to be ambidextrous, so to speak, and to think from both sides, that is creative and analytical, and that is why I am talking about science and art in coherence with each other. Design thinking is essentially a human-centred innovation process that emphasizes observation, collaboration, fast learning, visualization of ideas, rapid concept prototyping, and concurrent business analysis, which ultimately influences innovation and business strategy.

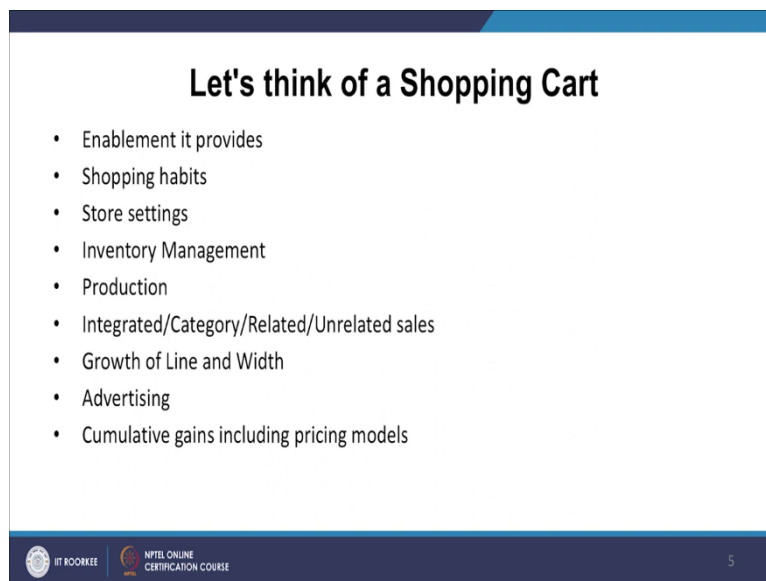
You see here, in this definition, Thomas Lockwood is suggestive of the fact that design thinking influences innovation and business strategy. Product strategy is a composite part of business strategy. We have seen that product is at the core, the product is there, then only other things are there, that is the central aspect associated with the product or let us say value or importance or relevance of a product.

And the other aspect that this definitional frame talks about is that it is a human-centred innovation process, that emphasizes observation, which means you learn from all sides, you look at every aspect including your customer desires, customer needs and so on. It emphasizes collaboration, interconnectedness, linkages, working in coherence, fast learning, and visualization of ideas, and how far this idea would go?

I will be telling you this through a narrative just after this. Rapid concept prototyping and concurrent business analysis are on the parallel side, continuously the sales and the profit elements along with the business model, associated revenue model, and business model, all of it is going in parallel that is what this definitional frame says, that is why it is one of the most composite descriptions, I prefer to follow.

Now, let us take an example to develop a perspective around the definition which we have seen by Thomas Lockwood. Let us think of a shopping cart, let us think of the enablement it provides to the shoppers.

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Let's think of a Shopping Cart

- Enablement it provides
- Shopping habits
- Store settings
- Inventory Management
- Production
- Integrated/Category/Related/Unrelated sales
- Growth of Line and Width
- Advertising
- Cumulative gains including pricing models

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Very simple, you require a shopping cart to move around in the departmental store or in the mall wherever you go. It is an enabling kind of a thing because you know, kids are also riding the shopping cart and you are filling it up with so many goods which you cannot carry otherwise, and it is logical, and I would not go into that description. How is it related to the shopping habits that is an important thing.

You see, imagine that someone who was designing the shopping cart was considering these kinds of elements or these elements came to him or her in due course of time. Let us just for a while think of this. So how shopping carts would be affecting the shopping habits of consumers? That means a simple interpretation can be that they might buy slightly more or they tend to postpone their buying decisions in case of some goods which they might have bought later on, in terms of the weight, which the shopping cart can carry, and you know in today's credit card world, one does not have to carry that kind of money always.

Store settings. Earlier, when shopping cart would not there, so then store settings would have been different in terms of where this was an explicit kind of behavioural exposition that customers would come purposely, and would carry a basket, and would purchase the desired goods, mandatorily put what he or she wants to purchase.

But when the shopping carts come into the picture, then you have this liberty of looking at the attractiveness of the goods, the time of the customer visiting the place, and several other elements went up. You would have realized that you know in general, or you know many stores are very innovative in, as far as their internal designs go. The placement of the sections and the goods is such that they want people to spend more time on the floor, and people are comfortable, because they are carrying carts, they can just put on those goods, anytime.

What I am trying to imply here is that store setting is also many times associated with the aspect that there is a cart with us, and other behavioural elements definitely are there to support this argument. Inventory management, definitely, the levels of purchases rise inventory management, definitely becomes easier or if you are having a larger number of goods, then complicated obviously, but again the point is inventory management is also affected.

In today's world, wherein you know sellers are connected to the manufacturers, through and through, so when you pick up a good the manufacturer knows how inventory is moving, and then you see. So, in today's era, apart from that messaging kind of an element, the inventory which you are keeping in case of some goods is different as compared to many goods, not only because of the difference in as far as the characteristics of the goods, but definitely behaviour led or I should say enabled because of one simple thing, shopping cart.

Here, I am not denouncing or discarding other elements which are influencing the behaviour, I am just actually developing a prominence around the shopping cart. I want you to imagine what this simple thing has done as far as the complete scenario goes. And that is what the design thinking perspective is. We have just seen that in a definitional framework, then you see there are several elements to which shopping cart may have contributed in, and it is a matter of lots of observation and understanding.

For example, you know integrated good sale, category sales, related goods sales, and unrelated goods sales. While moving out and reaching to the cash register you have to wait in queue, and at that particular moment some goods are placed, while you are moving out and you are you still have space in your cart or you do not have to carry the bags and then you

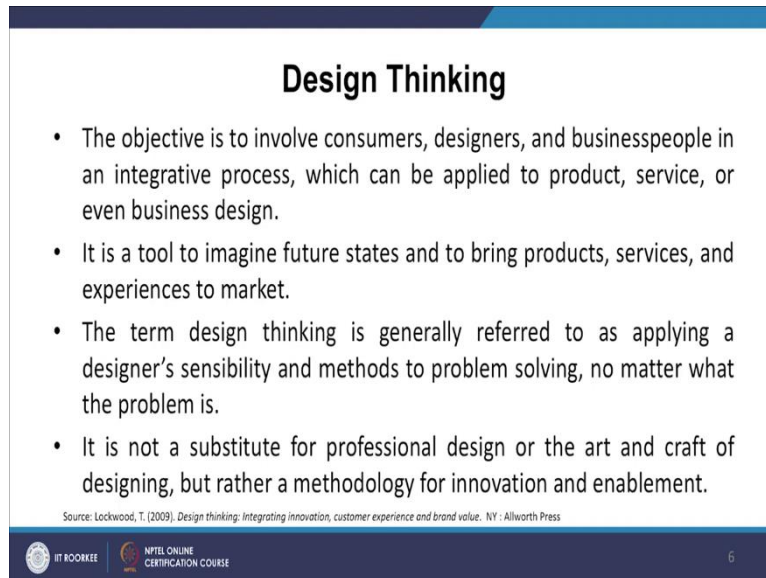
know at that particular moment your hands are free. Then you just pick up few more goods, that is what I am trying to say here. So, does it have to do something with as far as growth of product line and growth of product width as well?

Many companies might have started thinking in terms of growth of lines, and growth of width on the basis of the higher sales volume which they are achieving. I am sure product managers would have been giving a due credit to this small little thing, although if they are not then there is an element of design thinking which has to percolate down to these levels.

Advertising, obviously, we have seen in preceding sessions that how distribution communication and all those things are interrelated and they are specific strategies by themselves. So, advertising also is influenced. Or let us say communications related to propelling further sales on the basis of that people should buy larger volumes may have been designed on the basis that people would buy larger volumes in one go. Cumulative gains including pricing models are also directly or indirectly related to the kind of picture, which I am generating in front of you.

This is where, let us briefly revisit the definition once again, and I will go to the objectives of design thinking after that. Design thinking is essentially a human-centered innovation process that emphasizes observation, collaboration, fast learning, visualization of ideas, rapid concept prototyping, and concurrent business analysis, which ultimately influences innovation and business strategy. Now, think of shopping cart, and now think of all the elements which I have described in front of you, let us go to the objectives of design thinking.

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Design Thinking

- The objective is to involve consumers, designers, and businesspeople in an integrative process, which can be applied to product, service, or even business design.
- It is a tool to imagine future states and to bring products, services, and experiences to market.
- The term design thinking is generally referred to as applying a designer's sensibility and methods to problem solving, no matter what the problem is.
- It is not a substitute for professional design or the art and craft of designing, but rather a methodology for innovation and enablement.

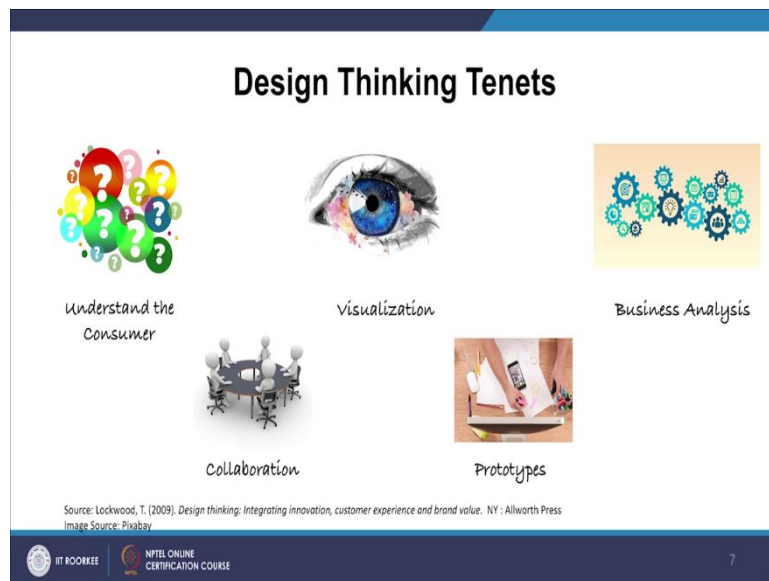
Source: Lockwood, T. (2009). *Design thinking: Integrating innovation, customer experience and brand value*. NY : Allworth Press

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One of the major objectives is to involve consumers, designers and business people in an integrative process, which can be applied to product service or even business design. It is a tool to imagine future states and to bring products, services, and experiences to market. The term design thinking is generally referred to as applying a designer's sensibility and methods to problem solving, no matter what the problem is. Does it, you know sound familiar when we think of shopping carts?

Can we think of problem-solving here? Can we think of aspects of understanding of problem here? Yes, we can try to fit in those aspects here. It is not a substitute for professional design or the art and craft of designing, but rather a methodology for innovation and enablement. And that is why I started the description wherein I said that shopping carts enabled, the shoppers.

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Design thinking has several tenets. One is understanding the customer or consumer. Visualization is another important tenet, along with business analytics. Obviously, whatever elements we are talking about, one element is influencing the other elements, and somehow when an integrated change is experienced all through, all is a matter of understanding through business analytics at a later stage. Collaboration, prototypes, and so on, and again this is not a limited list basically as there are several elements which can be added to this.

Now, let us think of multiplexes, this, let us make it more interesting. You see, there was a time when people were very fond of going to cinema halls. Slowly cinema halls started losing on their kind of I would not say reputation, but the kind of attention they had in terms of people going there, because somehow, they did not focus on developing the infrastructure, the ambience, and so on.

Suddenly VCRs, Video Cassette Recorders and players came in when people were enabled to watch movies at their own discretion, in their home settings. These were new kinds of products, and by that time somehow viewers were trying to find something new along with getting slightly demotivated by the unchanging ambience and perspective of cinema halls and the cinema managers, whichever way you want to look at it.

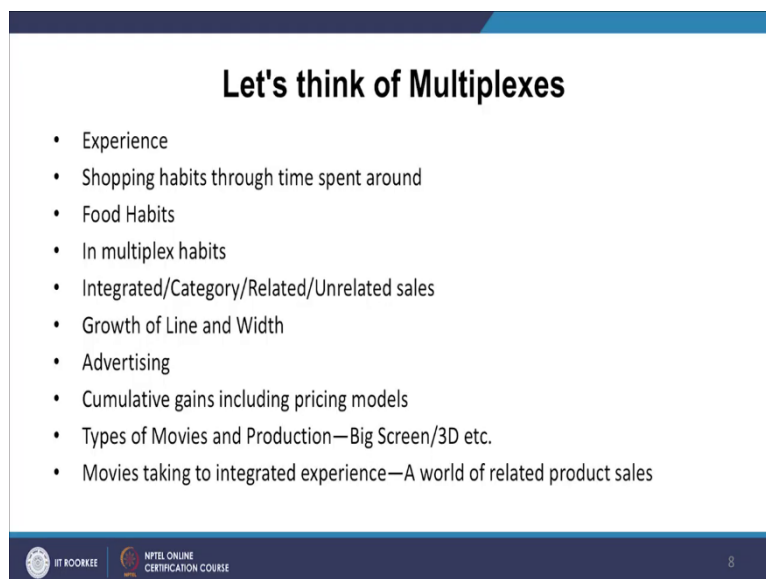
So, you see the kind of enthusiasm that one should have for going to a movie house to watch the movie was getting lost somewhere. After many years of successful association of video recorders, CD players, and those kinds of electronic gadgets and equipment, multiplexes came in, and it almost changed the way viewers go about watching movies.

Multiplexes focused on generating an experience. First of all, because that was what the viewer was expecting, and here we are referring to this kind of an example with a design thinking perspective. Does it have to do anything with ones again shopping habits, especially, if multiplex is associated with a shopping mall?

In most of the multiplexes, there are standalone multiplexes as well, but then also you have food courts, restaurants, and so on, and lots of products which customers would look at once they visit there, and I will be talking about that. But if a multiplex is in a shopping mall, so you are going for an experience-based kind of viewing in a multiplex, you come out of the mall, you just do not want to go empty-handed. You just stroll around, and you end up buying a few things. So, shopping habits through time spent around also got positively influenced by the presence of multiplexes.

Food habits, as I said, several restaurant chains took advantage of that situation within the multiplex and outside the multiplex. In multiplex you have so many options wherein you know people end up. I do not know, if there is established research, I will try to find out and you can also do that, that while we are watching an interesting movie, and then we are comfortable, we feel like eating something. So you see that is where multiplexes food sales is high, and anyways you want some drink of water, and so and it is a substantial component of that spending which customer does in a multiplex.

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Let's think of Multiplexes

- Experience
- Shopping habits through time spent around
- Food Habits
- In multiplex habits
- Integrated/Category/Related/Unrelated sales
- Growth of Line and Width
- Advertising
- Cumulative gains including pricing models
- Types of Movies and Production—Big Screen/3D etc.
- Movies taking to integrated experience—A world of related product sales

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Then again, integrated categories and related and unrelated sales, definitely are affected there. You end up purchasing so many things which are slightly not related to your movie watching at all. Growth of line and width definitely, advertising once again, cumulative gains including

pricing models also, and one more very interesting thing, types of movies and production, big screen movies, 3D movies.

You see movie producers noticed this. They imagined that now you have a big screen in front of you and they started putting up scenes which you would like on a big screen, and you feel happy while sitting and watching that movie, not just because of the story, not just because of the fact that it is your favourite cast, but also because of the scenes, also because of the 3D experience which you would be having in that cinema hall.

And just to remind you of the fact that 3D televisions were also launched. But I do not think they were so successful. Somehow, customers did not find 3D viewing at home so comfortable or they might not have enjoyed that. But in cinema hall people look forward to several 3D movies, and that is again multiplexes influenced the type of movie production as well, and you see movies taking us towards an integrated experience.

That is how several kinds of changes have been brought up by multiplexes. I have just given you a clue, now onwards whenever you visit a departmental store and you are strolling along a shopping cart, just observe your own buying behaviour, and suddenly you would realize the element of design thinking there. And once you are going there to watch a movie, just try and observe everything you are passing through as a consumer, you are getting motivated to do as a consumer, and then again you would realize the importance of design thinking.

Let us think of Scotch Brite, a very interesting product produced by 3M, and one of my favourite examples. But when you will look at this product from a design thinking perspective someone observed that there are several kinds of methodologies people are using for washing their utensils. Although in this era, we have dishwashers. But in the Indian context where we are very fond of oily and masala dishes, it is not easy for a dishwasher to help us there. Although they are quite successful, still in most cases utensils are washed with hands.

3M was noticing this around all over the world basically, and they came up with this product. Again, it is related to the enablement it provides. Washing habits, you see there might have been stages wherein utensils would have been washed, during particular parts of the day while collecting those at particular places and so on. Probably in today's era, when you have a comfortable washing enablement with you know in the form of Scotch Brite, then people quickly wash their utensils as quickly they use those, probably these kinds of habit changes are coming up.

Types of utensils might also, you know be one of the elements, I am not saying that utensils have been cast or developed because now Scotch Brite is there, but I have noticed one thing that earlier people used to use specific kinds of utensils on occasions, now those utensils are becoming the mainstay as far as the dining table goes because it is easy to wash them. You can take good care of your utensils which are precious to you.

So, that is again, and if you are using them more, then you are purchasing them more than some elements of the redesign as far as the utensils go, the production element definitely is associated with them all through. And as I have talked about this in earlier examples, the integrated, category-related, unrelated sales, and are we noticing that 3M or our 3M's product Scotch Brite is actually complementing dishwashers?

You see dishwashers are not replacing Scotch Brite, but Scotch Brite is actually enabling the dishwashers. So that is again one correlated fact, growth of line and bits definitely is there, advertising definitely is there, they are very innovative advertisements related to this product, cumulative gains including pricing models are obviously there. A simple product like Scotch Brite is capable of generating and instigating change all through in so many segments. And lastly, it is not a trivial kind of a thing basically, probably because of this product, several dishwashing liquids or soaps have been introduced.

When the companies realized that Scotch Brite enables dishwashing, so liquid utensil washers are also introduced. It is not just because of this, but this is one of the reasons, specifically if you will look at it from the consumer's point of view. So, you see that is where design thinking comes in and keep that definitional frame and objectives in your mind, I would not reiterate those at this moment, I will be ending this discussion with another very enduring wonderful example.

Let us think of a simple change in the headlamp of a car, and let us imagine design thinking. For example, if you name a vehicle, specifically like Mahindra Scorpio. How do you want the eyes of Scorpio to look at you? In the case of a Scorpio, round and oval? So, if you are trying to put up that design, what kind of design changes you should be having in the vehicle itself?

What kind of a consumer response or customer response you would be generating because of that kind of design change? What other manufacturing changes are associated with that? What kind of changes, let us say distribution channel partner changes or channel partner enablement would have to be brought in terms of promoting that particular thing which you are actually thinking of as a part of the design? What kind of a communication perspective

you should introduce for this vehicle to be looked at as you want your customers to see that or do you want your customers to feel that a Scorpion is standing in front of them?

See, I am not saying that you know this vehicle became successful because of x reason or y reason, but we all know Scorpio achieved humongous success. If you will look into the stories associated with Scorpio, and if you will look into the intelligence of Dr Pawan Goenka and his team, who steered Scorpio and changed the landscape of the Indian automotive sector, you would realize that their team is a group of design thinkers basically, who not only visualize, but they actually imagine, the kind of the sequence of changes, their design would create in terms of production processes, consumer behaviour, and so on.

Just read about that, just try to talk to people from their organization if you can, and just talk to the customers, people who passionately drive that vehicle, talk to their retailers, write emails to them, inquire about it, read their stories, just google about that, there are several pivotal stories and narrations about them. You would realize that the success of this vehicle is the resultant of the design thinking endeavours made by them.

It is a wonderful narrative, and it will actually demonstrate it completely. There are several other examples, and there is a whole lot of literature available on design thinking. There are several thinkers who have contributed to the subject including Thomas Lockwood, Tim Brown, and so many other thinkers of our contemporary times. Just surf for them, read their articles, read their examples, enjoy this subject, and I will build upon this subject in my next session. Till then, Good bye.