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Designfunding as an Instrument for Co-Creation Efficiency Enhancement

Matthias Kulcke

Hamburg University of Technology, Institute for Applied Building Technology, Hamburg, Germany
HafenCity University, Department of Architecture, Hamburg, Germany

Abstract: *Designfunding, a segment of crowdfunding is described and explored as a means of defining the solution-space for new MC-products. With the goal of reducing variable parameters in the stage of product-development and -refinement in an early dialogue with customers, capturing user-desires, the different strategic elements and layers of designfunding as well as their role in the course of a campaign are discussed and analyzed.*

Key Words: *Mass Customization, Designfunding, Crowdfunding, Co-Creation, Collaborative Design*

1. INTRODUCTION

A designer or manufacturer who decides to use a crowdfunding-platform to collect money from customers before the product-development has even reached the stage of the DFM-prototype, which helps but isn't considered mandatory for a campaign-launch [1], has also the chance to define the width and depth of the solutionspace in dialogue with future users, if he considers following and refining a MC-strategy.

For this approach the crowdfunding-platforms offer several tools, which are useful for a successful designfunding (or designcrowdfunding) out of the perspective of MC. Using combinations of variable incentive placement, experimental product variety display, different package-deal arrangements in try-outs and in combination with feedback processes via the blog and the integration of social media, entrepreneurs can check on how many and what kind of variable parameters their future product offer really needs, to which level of personalization it has to be taken and with how much complexity the configurator, production and logistics will have to deal approximately in professionalizing and steadying the product-sale.

In regards to the rising economic importance in the EU of crowdfunding overall in the last years [2], it seems appropriate to invest in reaching a more differentiated view on how this channel to approach customers could be strategically used to launch MC-product-concepts. This should also be considered in view of the economic value of customer-integration in design-processes [3,4].

2. LAYERS OF DESIGNFUNDING-STRATEGIES

A designfunding, like crowdfunding in general, is as stated above not solely a tool to gather funds for the realization of a product or a product-series. In addition to the financing layer, there are for example the layers of customer-identification, crowdsourcing of product-development and/or refinement, marketing for the product and the enterprise behind it. Since a successful designfunding needs a lot of effort on the part of the campaigner, all these layers should be considered and used, for the maximum benefit of the initiator and the customers.

2.1. Campaign-Identification and Communication

On starting a designfunding the campaigner writes a short description of the product, his/her goals, what the funds are used for and who he/she is. The last aspect is very important as a first step to connect to supporters. To get them engaged and willing to reveal themselves through blog-comments or even just through liking the campaign the campaigner has to identify him-/herself on a somewhat personal level.

3. TOOLS FOR DESIGNFUNDING-STRATEGIES

Crowdfunding platforms make a number of tools available to communicate the ideas behind a campaign and to sell the product of a designfunding.

Here a selection of these tools/elements are described using the example of the German platform www.startnext.de, which are most suitable to move an MC-product strategy forward in a collaborative design process with the target group.

3.1. Heading/Title/Titlepicture

If a MC strategy is to be followed the title and/or the titlepicture can hint at this fact for example by displaying variations of the product [5].

3.2. Embedded Video

Startnext has made it mandatory to embed a descriptive video explaining motivations, content and goals of the campaign, since the administrators of the

platform have discovered that such a video enhances the success of a campaign in a significant way [6].

Many successful campaigners have used the video to appear themselves to their audience, very likely with the effect of making their campaign more personal. The video can also be used to appeal to the customers to be part of the design process and to contribute individual ideas, variations and add-ons.

3.3. Campaign description

On startnext the campaign description is composed of five parts i.e. questions to be answered by the campaigner to explain his product and goals.

- What is the campaign about?
- What are the goals, who is the target group?
- Why should the campaign be supported?
- What will happen to the money in case of success?
- Who is the initiator?

In answering these questions the initiators can explicitly utter their desire to integrate the supporters in the design work during the course of the campaign. To use the first three points for this is fairly obvious, but also in the fifth point it should be stated that one is generally a person who likes to work in a team with colleagues and customers, that maybe the steps leading up to the campaign were already characterized by this style of work; helpers on the way should always be mentioned.

On www.facebook.com/designfunding the author aimed to communicate the different strategies for incentive-placement by using a comic figure called "Design Fun Ding" (figure 1) to students and pupils participating in the 2013 designfunding-contest on the platform nordstarter.

Lade die crowd ein,
Ergänzungen zu Deinem
Design und Varianten
vorzuschlagen!



Fig. 1. "Invite the crowd to suggest variations and add-ons to your product (via blog or mail)"

3.4. Incentives/Perks

The conceptualization and listing of incentives or perks is probably the hardest but also the most vital part for long-term success. Here, the customers make their decision to buy the product and also they find out if their desires are met. On startnext.de, as well as on kickstarter.com and indiegogo.com they are listed on the right hand side of the UI, on default sorted by price starting with the low-price items.

Biete Dein Design in unterschiedlicher Ausführung und Materialität, mit verschiedenen Zusatzteilen, zu unterschiedlichen Preisen an.

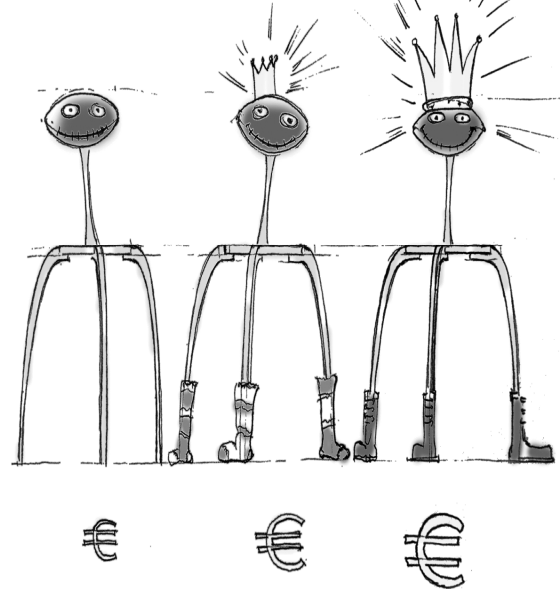


Fig. 2. "Offer your product in different materials, with different add-ons and price them accordingly "

Usually there are low-price, mid-price and high-price incentives. Not all of them have to be variations of the main product (as suggested in figure 2), but it is advisable that they relate to one another and more importantly to the all-over campaign(-strategy). The element of collaborative design can also be integrated here, for example by leaving the color-choice or other selections up to the supporter.

4. CONCLUSION

A crowdfunding consists of many parameters itself that require a strategy and decisions on the part of the campaigner. Each of these decide the fate of the campaign and moreover (at least part of) the future of the product itself.

Although crowdfunding-platforms are not specifically directed at designfundings - which form a subgroup - their tools and elements can be used nonetheless to make the process of defining the solutionspace of an MC-product more efficient and sustainable. By eliminating unnecessary variety and focussing on as well as creating just the desired level of choice on the follow-up offer via an online-configurator,

the communication during the product-configuration and -purchase than becomes less complicated and closer to customer needs right from the start.

This is also bound to reduce costs for the conception and programming of the configurator as well as for investments in the process design.

The integration of customers in an iterative and collaborative design-process (figure 3) as part of the overall strategy of a designfunding is thus especially attractive for MC-product concepts in the first stages of the market-approach.

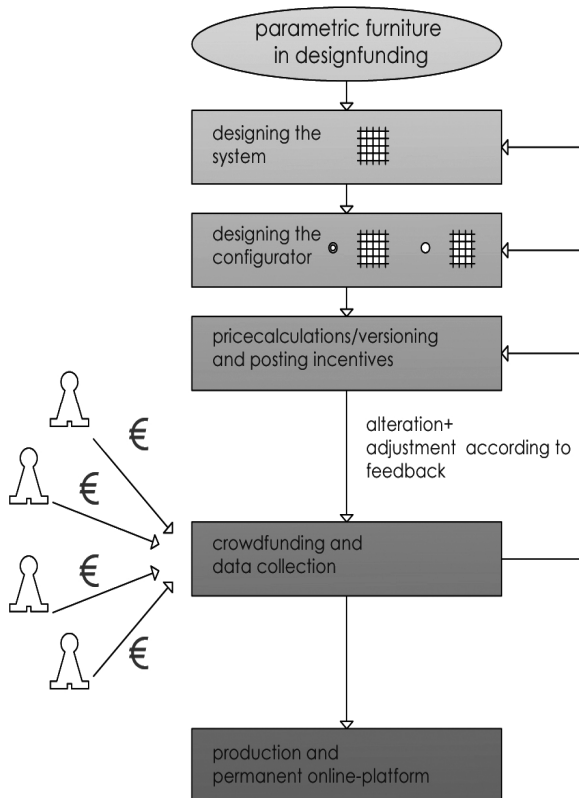


Fig. 3. MC/Parametric design in designfunding

5. REFERENCES

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CORRESPONDENCE



Matthias Kulcke, Lecturer
Hamburg University of
Technology
Institute of Applied Building
Technology,
HafenCity University Hamburg
Department of Architecture
Am Batardeau 1
25348 Glückstadt, Germany
matthias@kulcke.de