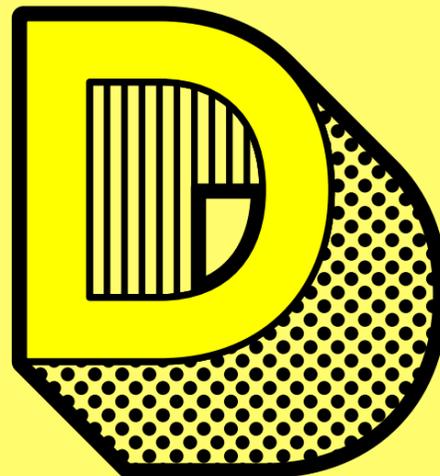
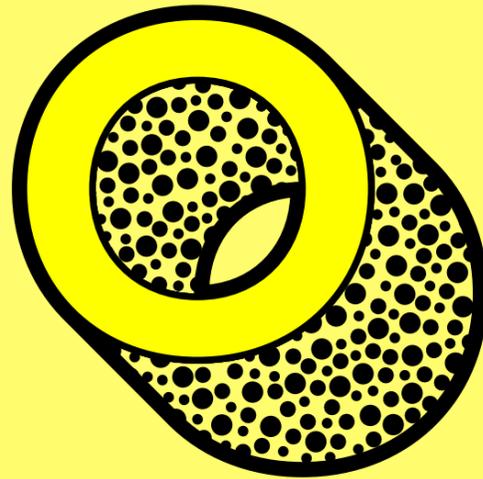


Return
On
Design
Investment



Balancing
Quantitative &
Qualitative Metrics To
Deliver Measurable Value





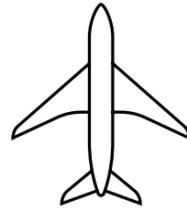
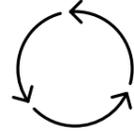
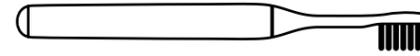
Hello. We are Play&Co.

We are a strategic industrial design agency that delivers world-class design services for start-ups through to global organizations. Founded in 2015 with offices based in Portland, Oregon and Melbourne, Australia, our products have won iF, Red Dot, Good Design, and Edison Awards. Our work has been featured in Fast Company, Core77, and other related media channels. Clients include Blokable, Philips, Ergobaby, and HP.

We launched Play&Co(nversations) because we care. If design is to have a future, it must solve critical issues in an inspiring way.

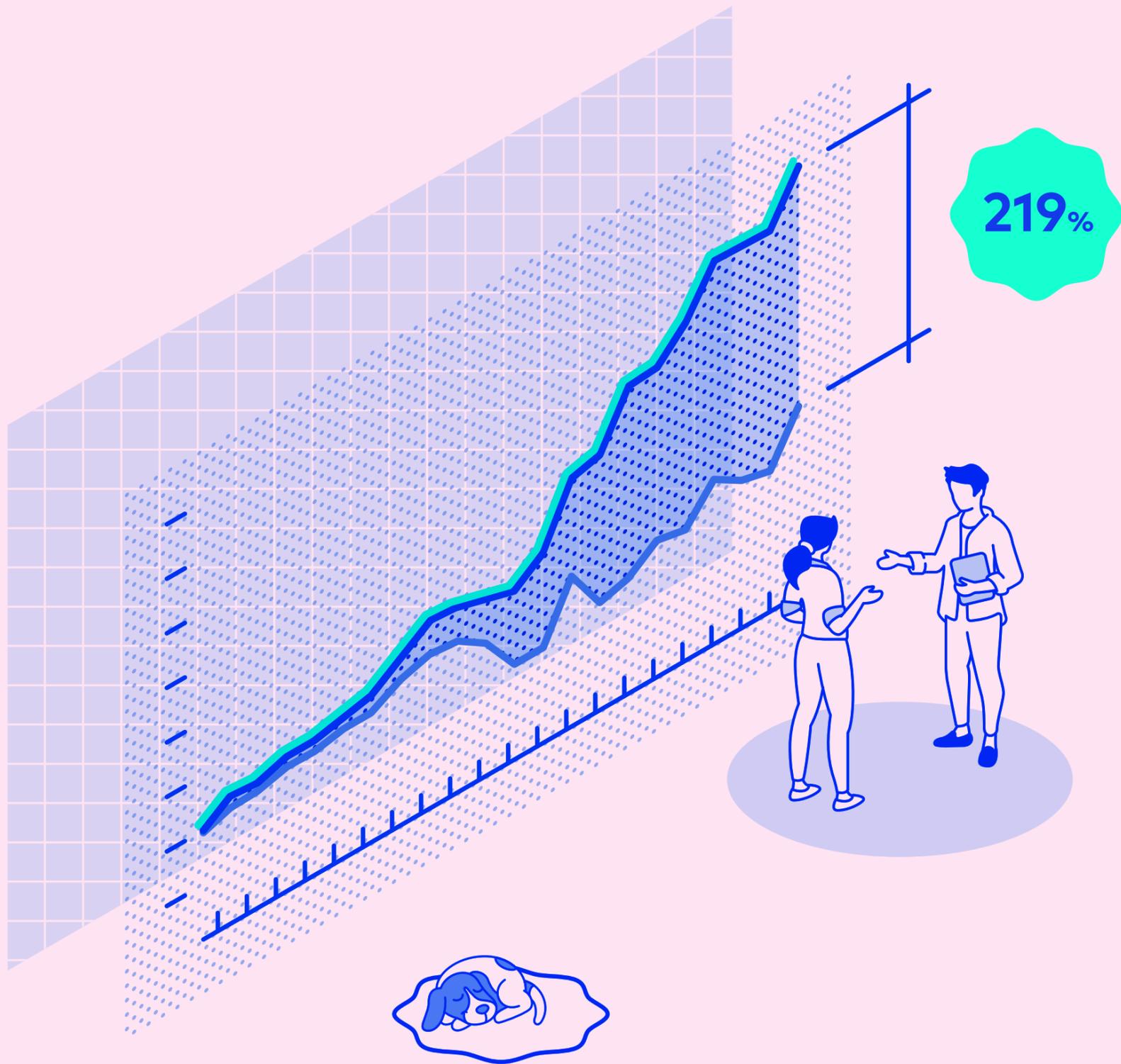
Put simply, 'We Take Play Seriously'.

Learn more at www.playandco.com



We design award-winning meaningful experiences for visionary brands.





“ Good Design is Good Business ”

The statement that “Good Design Is Good Business” was first made by IBM’s CEO Thomas J Watson Jr. more than 50 years ago and is still relevant today – design-driven companies outperform the S&P 500 by 219%.

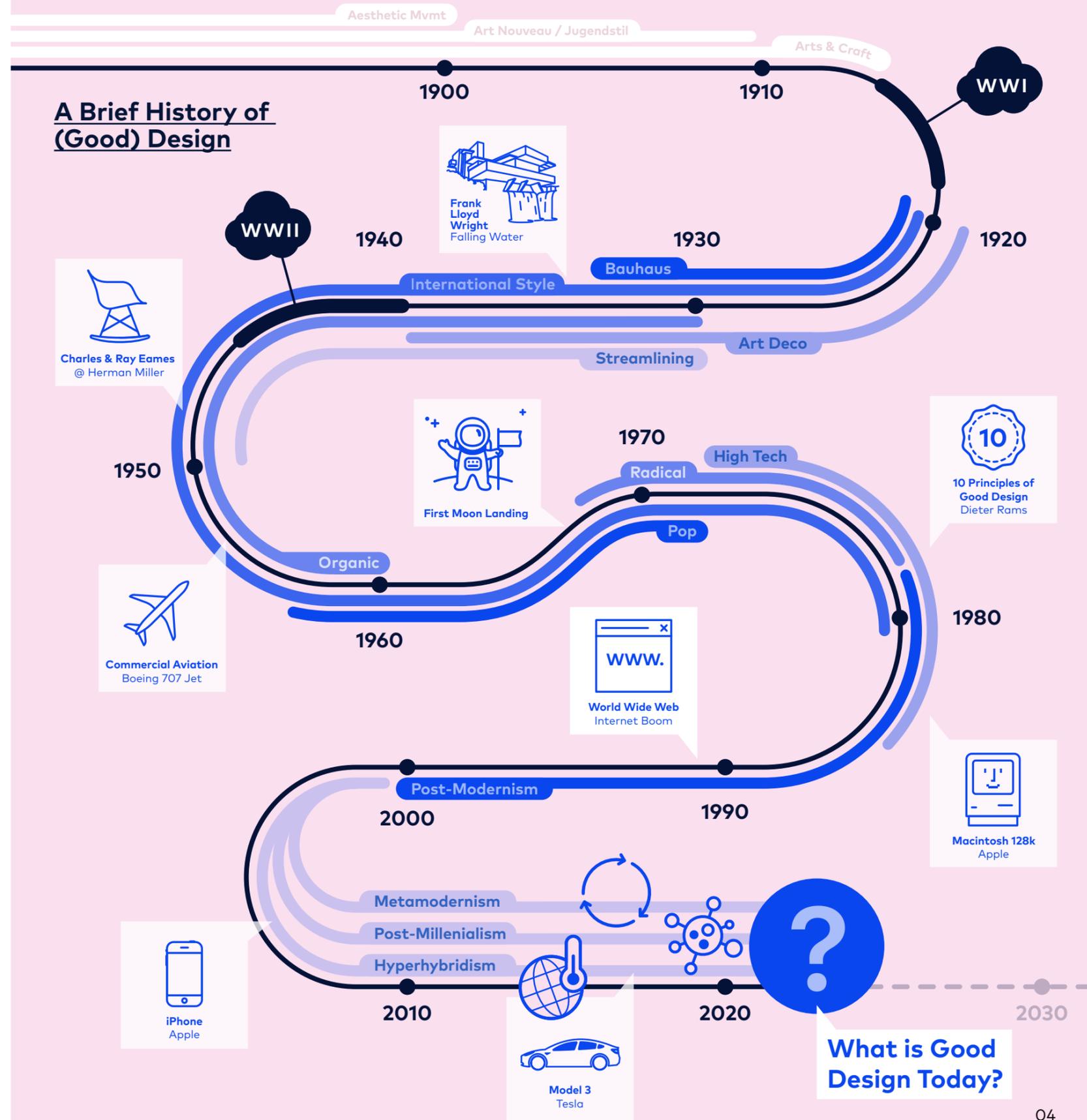
Given that “good design” can radically alter the course of an organization, how do you measure it, and what is it?

What is Good Design?

Mass industrialization in the 20th century catalyzed design's evolution from nascent practice to established profession. Along with leading artists & architects, designers across the globe defined and promoted philosophical movements that epitomized 'good design'.

But the 21st century is a different beast. Recent history indicates that reactive organizations will not lead the future. Beyond being a recipe for bad design, reactive mindsets set the conditions for business failure.

Today, design-led organizations build on [Dieter Rams' 10 Principles of Good Design](#). They operate with a planet-centric vision and alignment with their customers' values and needs, underpinned by rigorous research and strategy. This, in turn, leads to 'holistically-designed' products and services that personify their brand, drive positive impact and lead industries.



“ Because
anticipating
problems is an
investment, and
ignoring problems
is costly.

So, why is Good Design Good Business?

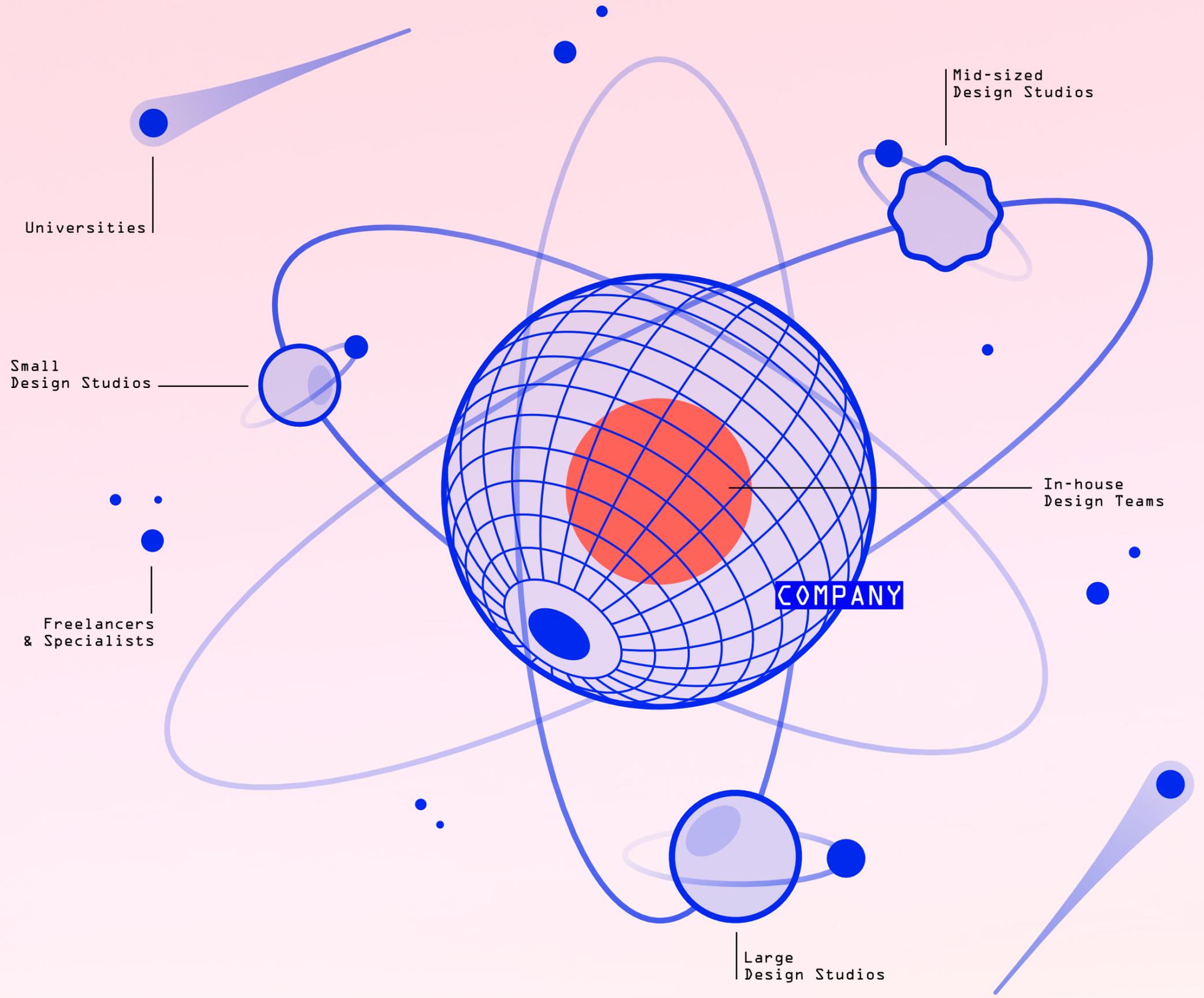
[A recent survey](#) of 2,229 companies worldwide found that design teams had proven impacts on revenue, cost savings, time to market, and valuation. Quantitative research provides tangible evidence of the link between design and business performance.

Furthermore, software-centric businesses have reinvented every industry over the past two decades, resulting in a meteoric rise of the all-encompassing profession of [digital design](#).

The influence of digital design on the wider design profession has been debated for some time, but there is no doubt that it has (tangibly) [elevated the value of design](#). In every case, the goal of good design is the same, whether digital or physical, software or hardware-based: to increase business value and quality of life.

While the metrics are incredibly encouraging, it begs the question - if good design is indeed good business, then how?





Who is Responsible for Good Design?

The Design Solar System

Design teams of all shapes, sizes and specialties contribute to sustainable company growth. Each with varying degrees of specialty, strength and weakness.

In-house teams are embedded SME 'nuclear' enablers of design programs. Agencies provide unique and fresh perspectives and agile project support. Freelancers serve as 'designers on tap', while universities offer valuable research and resources for R&D programs.

The net success of design's influence on an organization boils down to **strategic orchestration**, usually by a 'Head of Design', or increasingly – a CDO.



What Makes Good Design Great?

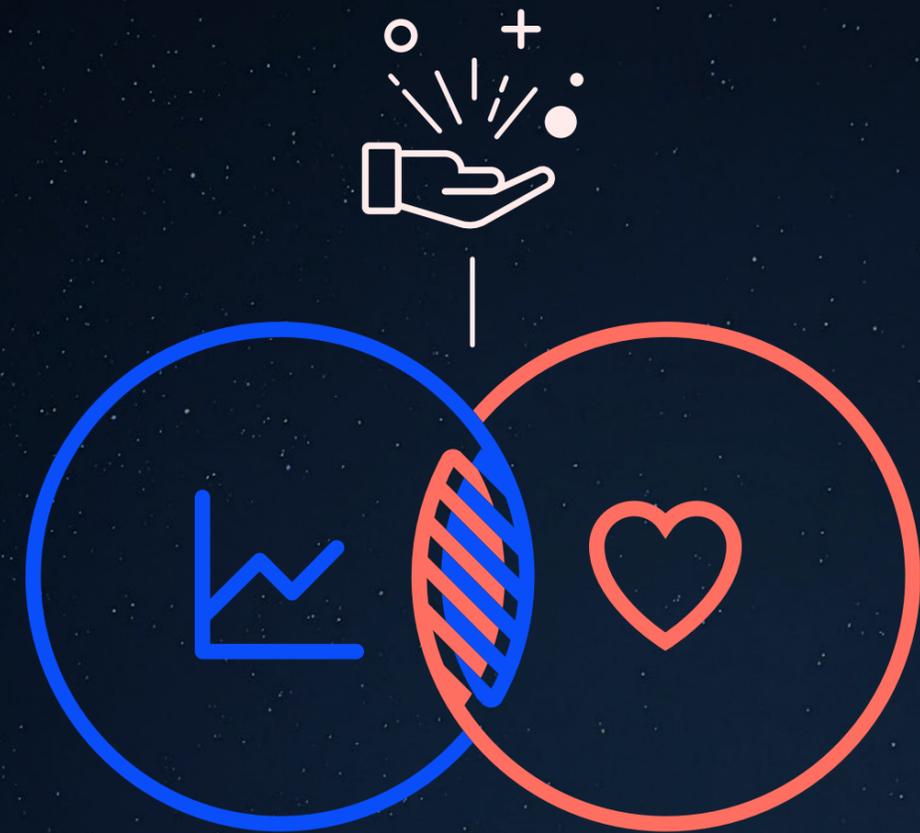
How Return on Design Investment can be Measured and Leveraged.

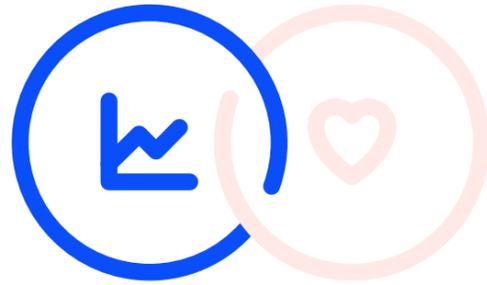
Studies on this topic have historically leaned towards the tangible, the known, the quantifiable... the 'numbers' associated with sales. Though this is an essential business metric, many companies fail to realize the importance of understanding the intangible, the unknown, the qualitative, the emotional... the **magic!**

The totality of a product's value, for both the user and the company, goes far beyond the moment of purchase or unboxing. Well-designed products are emblematic extensions of your brand and values, directly increasing sales and influence. In order to design products that are truly valuable, it takes a great deal of inspiration and sweat... as Edison said, "success is 10% inspiration and 90% perspiration".

It is ultimately important to design not just for the final product, but for the entire user experience and journey - involving all stakeholders every step of the way.

Now, let's take a look at how businesses can measure the impact of design.





The Hard Stuff. Measuring the Numbers in Good Design

In the same way that sales or marketing performance can be measured, **design performance can be measured using key performance indicators.** The value contribution of a design team to an organization can be evaluated using these KPIs. What KPIs can businesses use to determine whether their investment in design was worthwhile?

Sales

It's a simple concept, but robust sales metrics are clear validation that (a) regions & retailers have confidence in your product, and (b) consumers see the value and are buying your product. A product that is filling a 'value gap' or addressing an 'unmet need' in the market is one that grows steadily / enduringly / holding the price point (without discounting). The resulting sales numbers and rate-of-return, across multiple markets and demographics, can be the measurable KPIs.

Marketing

Well-designed products often drive social media interest due to their 'eye-candy' aesthetics or 'stopping power'. In other words, compelling product design markets itself, communicating its value and unique functionality - quickly and memorably. This is critical in a world drowning in user-generated content.

With its fun, youthful product personality and a variety of colors, the Philips One electric toothbrush exemplifies this. These emotionally driven attributes form the backbone of highly effective emotional content for marketing. The resulting engagement rate on social media, including audience growth, sharing, and link-clicking actions can be the measurable KPIs.

Prestige

Consumers today are smarter than ever when it comes to appreciating good design. As such, displaying prestige through reviews, "must have" lists, and design awards can mean the difference between a product that flies off the shelves and develops positive brand awareness versus one that gathers dust.

Design awards, such as the Red Dot Design Award, are extremely prestigious and carry a stamp of approval because they are judged by international design committees who acknowledge another designer's outstanding design work, which carries its own unique award and reaches new audiences. Total awards won, as well as media mentions from reviews or "must have" lists can be easy-to-measure KPIs.

Investor Pitching

You can't have a solid pitch deck without a strong narrative and seriously enticing visuals. For most startups, that means relying on designers to create eye-catching storytelling renders to court potential investors and other stakeholders. While a good salesman might have the right words, it's the designers who typically translate ideas into visual communication and work out "blind spots" in the actual design of the product itself — such as engineering constraints or BOM details that could affect the cost of production, among other critical details.

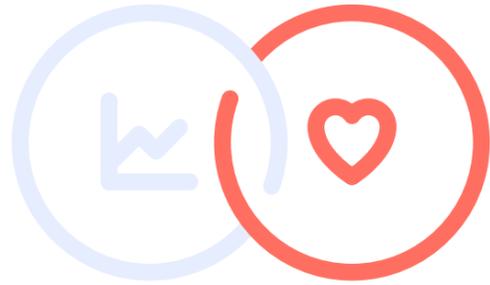
Crowdfunding

Despite crowdfunding being uncommon for most organizations, smaller organizations can use it as a valuable testing ground before investing in full manufacturing and marketing. Over 50,160 design-related projects have been funded through Kickstarter since its launch in 2009, totaling over \$1.5 billion.

In order for customers to open their wallets for a product that doesn't yet exist and might not be delivered for months (if at all - in some cases), the design must be appealing and believable to gain their trust. You can measure these KPIs by looking at total dollars raised, sentiment about the project including community engagement during product development, media mentions, and successful delivery of the product.

Material and Manufacturing Optimization

Although globalization has blurred the lines between where and how we assemble deliverable products, profit margins have remained razor sharp, which can easily disappear if design and engineering optimization are not accompanied by strategic supply chain management. Through KPIs, cost comparisons or producers can be compared, manufacturing ease or platformization is optimized, materials and processes are optimized, and package design can be optimized.



The Soft Stuff. Measuring Sentiment in Good Design

Consumers and users have developed high expectations for their product and service experiences. Furthermore, people expect more corporate responsibility and transparency with regards to **social and environmental matters**. Their purchasing power and social influence can directly affect a brand's profitability.

If quantitative performance indicators measure numerical results of a design contribution, then qualitative performance indicators can measure the promise, the emotions, and ultimately the desirability. These build brand equity and are just as important as quarterly sales numbers.

Product relationships

German-American designer Hartmut Esslinger (born 1944) is the founder of frogdesign who follows the principle "form follows emotion." Esslinger criticized the still young high-tech industry for making its products look like purely technical instruments in the 1980s. To him, the sight, but above all the use of such products, should be a sensory experience. As a result of Esslinger's work, audiences have been able to better access technical products through design's use in enhancing their relationship — and intuitive usability — with devices.

Design research

An organization can develop a deep and empathetic understanding of user needs through a variety of inter-disciplinary design thinking methods. Among the possible tools are user experience flows, pain point mapping, cultural context mapping, and identifying new market opportunities.

As a result, these insights and opportunities can further increase the value of a design team, as well as create an up-to-date knowledge bank for the organization to uncover new business opportunities and improve existing ones.

Brand or product narrative

The strongest brands create ironclad and inspiring stories that carry the product and/or service concept through to production and beyond. Simply put, stronger brand stories create stronger brand value. Designers create those moments of delight, inspire the consumer, and fuel engagement. As a result, many consumers are transformed into champions or loyalists by the best brands, products, and services. At any given time your brand values, mission, and product narratives must be clear. As Jeff Bezos once said, "your brand is what people say about you when you're not in the room" — so it's critical to give them something positive to talk about.

Culture and Mission

"Design creates culture. Culture shapes values. Values determine the future." - Robert L. Peters. Just as brand and product narrative can transform consumers into champions, the right culture and mission can make or break brands. Many companies attempt to use quantitative measurements like Employee Net Promoter Score (eNPS) to monitor the emotional 'performance' of the brand, but "culture is like the wind. It is invisible, yet its effect can be seen and felt." - Bryan Walker. Design-led organizations operate with a clear vision driven by research and a deep understanding of user needs. Customers will never champion your brand until the employees do it first. Design is the silent ambassador for your brand.

Ratings and surveys

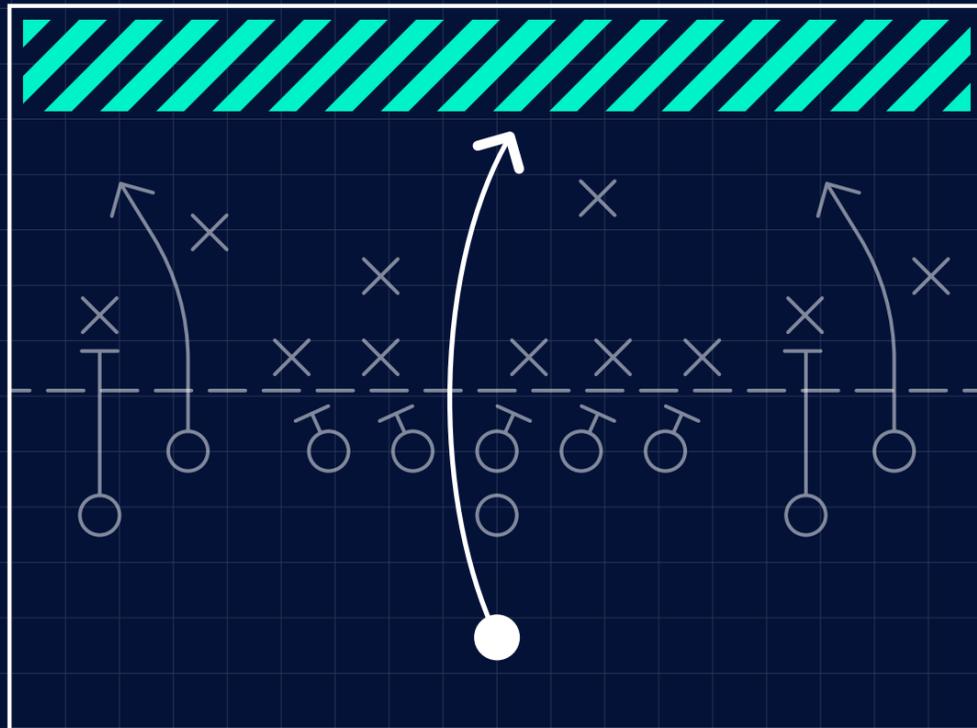
It is one thing to make a product look good, but ensuring that build quality, reliability and ease of use are sound is an entirely different matter. Agencies that specialize in customer sentiment gather anonymous information about consumers perceptions of a product and its usability, whether positively or negatively. Based on the data collection method used, these can be satisfaction, ease-of-use, and perceived usability scores. In recent years metrics like sustainability or environmental impact have become an additional factor that can boost an overall product rating.

Online reviews and user-generated content

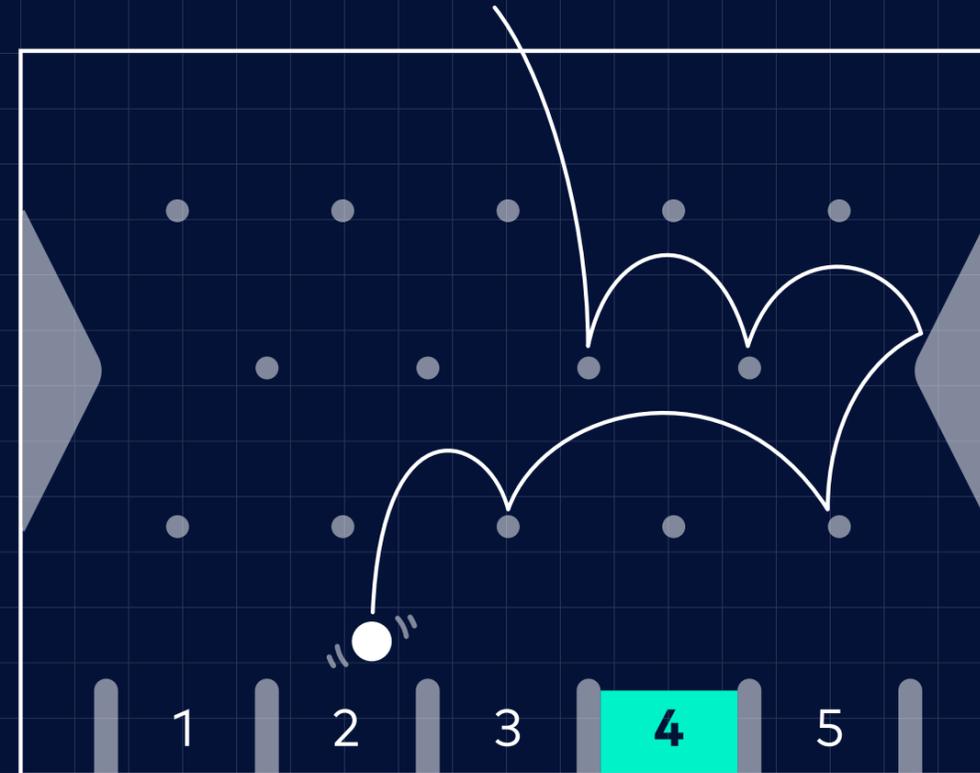
Even though ratings and surveys can be conducted privately, public reviews and social media posts that are published on websites, YouTube, or other social media platforms can easily establish (or break) an empire overnight. It cannot be overstated the importance of positive brand or product sentiment online today, whether it's a media or personal product review published online, Amazon or other e-retailer product reviews, or social media mentions.

Creative Leadership vs Creative Reaction

Strategic Anticipation vs Tactical Reactions



VS



PLAYBOOK



Quantitative + Qualitative = Anticipation.
Balancing quantitative and qualitative design metrics enables companies to better anticipate market and user needs. Additionally, it stimulates cross-functional alignment, collaborative cultures, encourages resourceful teamwork, fosters progressive mindsets and creative leadership - all essential ingredients for generating repetitive organizational innovation.

PLINKO



Quantitative = Retrospective Reactions.
When organizations only focus on quantitative design metrics, they measure the results of design's effort (after the fact). Looking backwards to plan forwards often misses opportunities for new product or business value. Furthermore, complacent 'business as usual' company mindsets create a false sense of security and expose businesses to disruptive competition.



If You Don't Cannibalize Yourself, Someone Else Will.

- Steve Jobs, on the value of having creative-led thinking in business.

Consumer expectations are higher than ever before. Beyond well-executed products and services, they demand greater social and ecological action and leadership from brands.

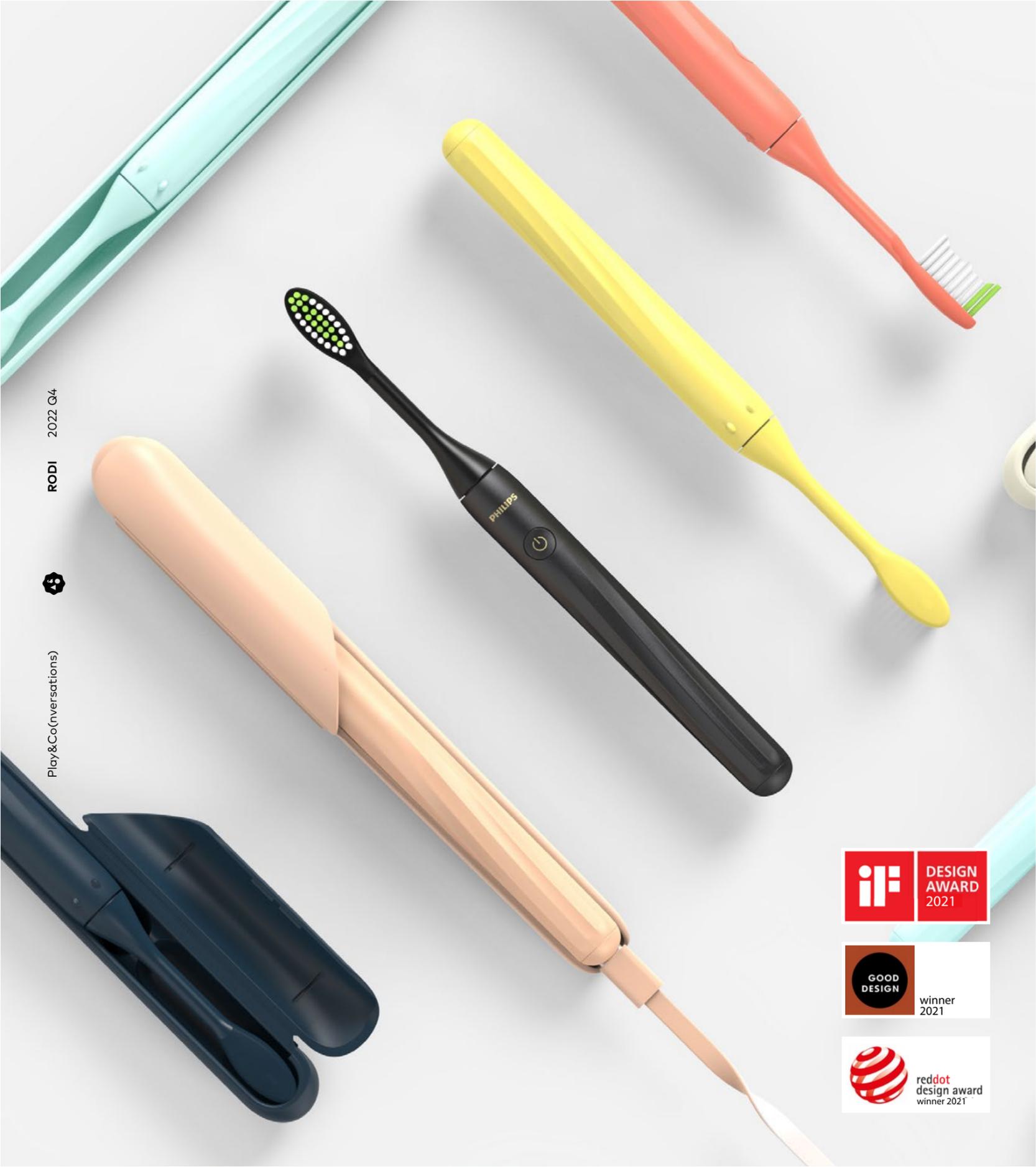
When the iPod was introduced, who would have thought that Apple would need to kill it off to make way for their revolutionary iPhone? Yet, that's exactly what Jobs realized needed to happen.

The iPod played a critical role in raising society's expectations for holistic designed experiences, paving the way for the iPhone.

If technology advancements catalyzed the past two decades of innovation - what does good design look like in the face of the climate, energy, and global health crises we're poised to face in the coming decades?

Is your company design-led or design-reactive?





RODI 2022 Q4



Play&Co(nversations)



Good Design in Action

Philips One Toothbrush

Our approach led with qualitative user-centered design objectives, supported by quantitative objectives. The resulting product is a tangible example of 'Return on Design Investment'.



Quantitative

Increased Sales. Market demand continually exceeds company forecasts. Tangible gains in lower quartile market share within the first year of launch.

Marketing. Amplified audience growth and engagement across all social media platforms.

Prestige. Winner of several international design awards.

Product Optimization. Maintaining target margins through careful design specification and rigorous value-engineering.

Ratings and surveys. Majority 4-5 star customer reviews.



Qualitative

Engaging product relationships. Designing intuitive 'gestures', and an innovative travel case.

Breathing new life into a traditional brand. A focus on fun, personality and lifestyle brought a new dimension to the Philips brand.

New Market Opportunities. Leveraging design research insights to connect with consumers and define new business opportunities, like the [Sonicare Power Flosser](#).

Social validation. Featured in The Strategist, Travel + Leisure, Oprah's Favorite Things 2021.

Influencers. User generated content and product champions continue to drive online sales.

[Learn More](#)



Play&Co mixes trends analysis with extensive industry-specific knowledge to help our clients create clarity from the chaos. We pull from our creative toolkit and apply Design Thinking to cross-pollinate insights from seemingly unrelated domains to add value and unlock opportunities for our clients' success.

Put simply, 'We Take Play Seriously'

Ways to action on this:

1. Innovation Workshop
2. Experience Design
3. Design Research & Strategy

Business Enquiries
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∞ Meta

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PHILIPS



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