

UNDERSTANDING PERSONALISATION

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UNDERSTANDING PERSONALISATION

NEW ASPECTS OF DESIGN AND CONSUMPTION

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Personalisation

Understanding Personalisation is a guide to how the most powerful technologies of our times are affecting us as designers, consumers, citizens and persons. As designers, we have been given a very powerful tool which we love to wield, but by more deeply understanding what it does for people and what it can do to people, we will be able to apply it more responsibly. By understanding personalisation as consumers, we will be better prepared to embrace what is good in personalisation and resist being exploited.

The commercial power of design is to create a better experience, shape customer behaviour and grow business—generally by increasing sales. Design as part of the market economy has enabled the extraordinary quality of life we enjoy in the developed world. Working in design over the last 30 years, I have witnessed the power of segmentation and personalisation to improve the quality of products and services and drive profit. In its simplest form, segmentation is a way to divide customers into groups who value products and services differently. Designing different products and services for each group of customers, we can offer more value to each group, which means that overall customers are willing to pay more. Crudely, segmentation is a way to first better serve and second extract more money from customers. Taken to its extreme, in a world of mass customisation or personalisation, we can create unique designs for each customer, perhaps even tracking how their wants evolve over time. In this way, a producer can maximise the value to each customer and, correspondingly, what they are willing to pay. Segmentation and personalisation drive profit.

Of course, there are practical limitations to segmentation in the physical world—as segments become smaller and more specific, the cost of differentiation begins to exceed the incremental revenue. For many brands, each type of product is often offered in just three segments: 'good, better and best'. Even so, brands like Nike and Mini have gone a long way towards providing unique solutions for customers through colour and accessories which can be combined to create thousands of variations. There is also additional value to the customer in just the feeling that your purchase is bespoke, or that you were involved personally in the design or creation—cocreation—of the product you buy. Nike's shoe customisation service: 'Nike By You' equates your choice of colours with your creation of your shoe.

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Over the last few decades, we have learned to value *experiences* more than just products. Experiences are the total journey of our interaction with a brand's products and services through all of their 'touchpoints'—how a brand touches a person over time: whether physical, digital, verbal, environmental or interpersonal. We pay more for better experiences with the same product, for example, a more luxurious shopping experience, a restaurant with good service and a more convenient store. The movies we watch, the online games we play, the music and podcasts we immerse ourselves—all of these are today intangible *experiences* on top of physical products, and they occupy an increasing share of our time and wallets.

From the point of view of the overall sales and use cycle: awareness, consideration, purchase, use, service, recommend; the permutations really are—if not infinite—then certainly more than there are people on earth. From a producer perspective, the earlier and later parts of this journey are important because they directly drive sales. How did you decide to watch a movie, which movie did you choose to watch, who do you tell after you have watched it? Data from observing people's behaviour on the internet has enabled us to design these parts of the experience in ways that were not possible before. With customer data, a Customer Relationship Management (CRM) system can gain insights into the needs, wants and aspirations of each customer in order to uniquely customise or personalise aspects of their experience and maximise the probability that the customer will buy. For example, the result of my internet search for a "custom shoe" will probably be different to yours depending on where I am, my search history and what Google knows about me. As designers, we are no longer creating the specific experience for each customer, but just crafting an overall framework. A computer will then complete the job with a personalised solution for each customer. In the virtual and data-rich world of online experiences, infinite customisation of the customer journey for each person is possible at low cost.

The commercial power of personalisation is evident in the wealth of the companies which are central to the process: Google, Facebook, Amazon, Salesforce, etc., in the United States; Alibaba, Tencent and Baidu in China, all of which are amongst the largest companies in the world. Profit from personalisation is driving the growing revenue of these internet firms, which they are investing into new technologies to understand us even better, to improve personalisation and to make even more money. Machine learning, face recognition, voice recognition, affective computing, cloud computing and CRM systems—the core technologies that enable companies to

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understand our hearts and minds—are dominated by internet companies. The scale of investment in technology by internet companies now dwarfs what is possible by most governments in the world.

We have reached a point of extreme asymmetry in information. These technologies are so powerful they understand us quicker and better than we do ourselves, and so pervasive that we no longer notice them. We think we are making choices, but our choices are so seamlessly guided by this new combination of human and computer-designed customer experiences that they are no longer completely our own. As we are confronted by more and more options carefully curated by a Customer Relationship Management machine, we might feel that we are achieving an ever-finer design of our extended self. However, that fractal need for more and better can never be satisfied, because producers in a market economy are rewarded by offering us even more and even better without end. To be a person is to value, choose and act; if our choices are directed for us by a machine, then our values are bent, and our personhood is diminished.

This book, *Understanding Personalisation* by Iryna Kuksa, Tom Fisher and Tony Kent, is a vital analysis not just of how personalisation happens and what it does for us, but also of what it does to us. By probing deeply into how personalisation works and how it connects to who we are as persons, it brings together profound insights into design, psychology and philosophy. Personalisation is such a powerful force in our lives that we have a responsibility to understand it.

Indeed, our future may depend on it. As individuals we are intent on optimising our own personal experience—personalisation is the commercial expression of individualism. But as individuals, we can be picked off one by one by commercial AI's and turned into consumers. As a result, collectively we are all consumers, consumerism is now the dominant economic force and together we have driven consumption to the point of destroying our environment and creating extremes of inequality in our society. Even as many of us recognise the collective damage from overconsumption, as individuals we find it difficult to resist the hidden power of personalisation because the technologies behind it so powerfully exploit our individual psychology.

But personalisation technologies may also be a way forward. The commercial power of design is to create a better experience, shape customer behaviour and grow business. The customer behaviour is generally shaped to increase sales, but in a different regulatory or cultural context, we could use the same technologies, capabilities, and processes to different ends—to

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nudge people towards different choices, to consume less and to share more. To do so, we would need to reassert control over our choices, not as individuals, but collectively—there is safety in numbers—to resist the lure of an optimised individual experience and find ways to redirect the market economy towards a better collective one. We need to design the regulation of personalisation for our collective good. That is, our next imperative as designers, consumers, citizens and persons.

Harry West

Professor of Practice in Mechanical Engineering, Industrial Engineering and Operations Research at Columbia University Principle of Invisible Design, former CEO of Frog, Senior Partner at Prophet and CEO at Continuum

PART ONE

Personalisation: expectations, challenges and reality

'The most delightfully personalised experiences are ones that are not blatantly so; that have magically formed their way around you and, in a very intuitive manner, have created that special user-product connection. The downside of that, on reflection, may be a very low tolerance for when the user is not presented with the option to control. And we, as users, are not necessarily very forgiving of breaches of trust in the quest for personalisation. We want products to read our mind until we don't. That's a user-centred trust tension that needs to be considered.'

Dana Cho, Chief Design Officer at Verily Google Life Sciences This page intentionally left blank