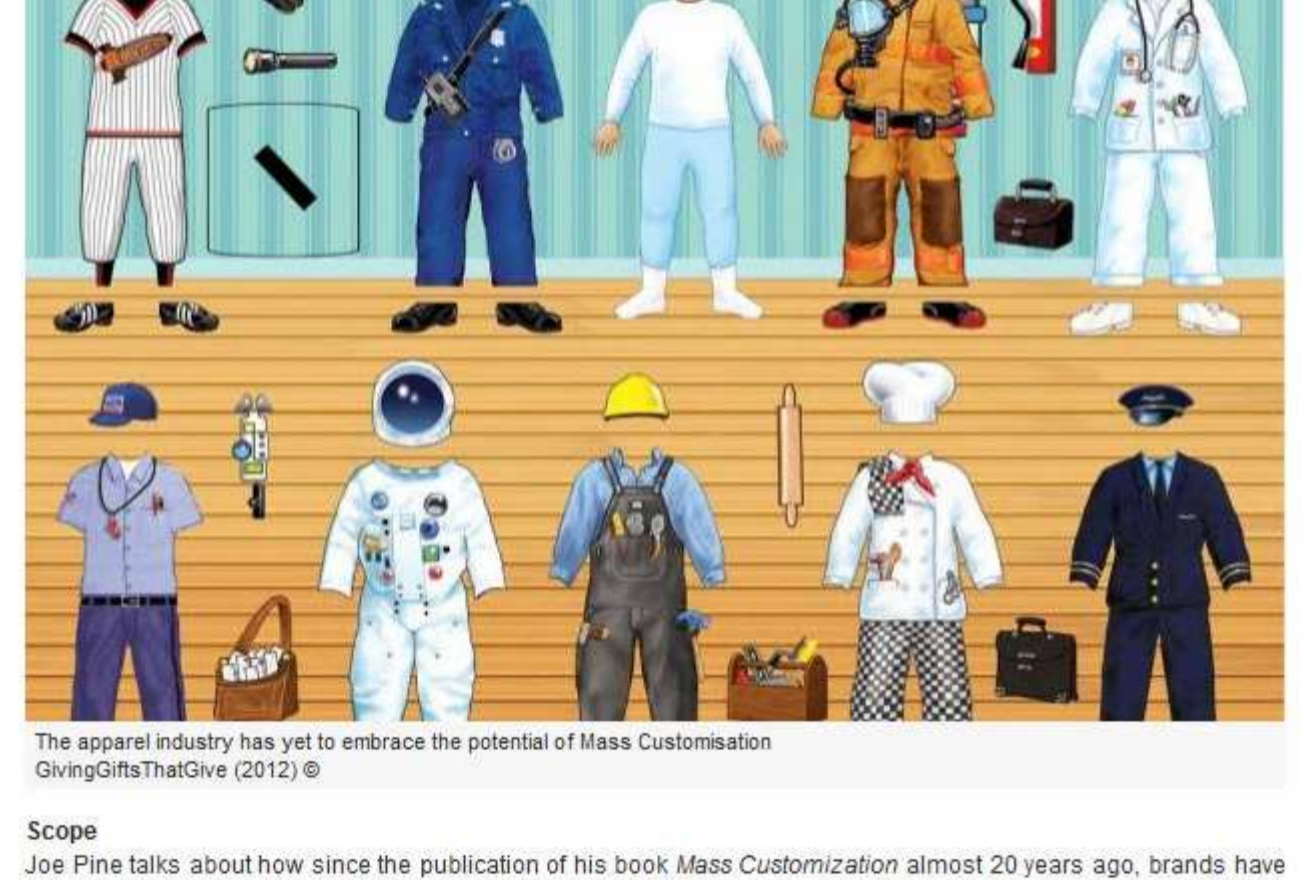


Report

Mass Customisation, two decades on

24/01/2012
Joe Pine



The apparel industry has yet to embrace the potential of Mass Customisation. GivingGiftsThatGive (2012) ©

Scope
Joe Pine talks about how since the publication of his book *Mass Customization* almost 20 years ago, brands have seen the importance of creating products which cater to consumers' sense of identity - but there are still several notable industries which have yet to catch up.

Why are you looking at updating the book now?
I'm looking into updating the book because it's apparent that the concept is gaining traction; there is a lot more movement on Mass Customisation now than when I wrote it. Things always go more slowly than you expect - you expect the world to understand the book and ascend to the same ideas, but it takes so long for change to happen. And now change is really starting to happen, partly because of the continued progress of technology, and partly because of customer demand.

Has the fundamental definition of Mass Customisation changed - is the prevalence of algorithms and machine learning changing how people experience it?
I got the definition wrong in 1993 - I described Mass Customisation as "variety and customisation through flexibility and quick responsiveness". I now recognise that variety is definitely not the same thing as Mass Customisation. Shipping out more and more variety is basically the last-ditch effort of mass producers to make the paradigm work, where they recognise that people want things differently so companies react by providing more variety. But it's still pushing products in the hope that customers will come along and say, "Yes, that is what I want". Conversely, Mass Customisation is solely based on customer demand. Mass Customisation is when an end product is produced to suit an individual customer, efficiently and often with high volume.

Are there eco and ethical benefits to that mode of production?
There are. Mass Customisation is much better for the environment and very sustainable. There is a presentation by a PhD student at MIT, Ryan Chin, which showed you use fewer of the Earth's resources if you mass customise rather than mass produce. Again, there's no finished goods inventory and you're producing something when you know that somebody wants it. You get rid of waste in the system.

At the other end of the spectrum, where does Mass Customisation sit with the Filter Bubble argument, in which too much personalisation constrains discovery?
It is a risk that you only get exposed to things that you already know you want rather than get exposed to things that you discover you want. This isn't a new problem, by the way. This is about *Serendipity* - and this issue has been there since I started writing about Mass Customisation.

But you can 'programme in' serendipity by exposing people to new things. If newspapers were truly mass customised, I could be exposed today to an article that architects found most interesting yesterday. Or designers, or programmers. You can be exposed to various pockets of interest.

And - the other potential negative - what about decision fatigue? Will people always want to customise things?
They don't always. I wrote about this in the article 'You never step into the same river twice'. There are multiple markets within each customer and we will want different things at different times, which makes the imperative for Mass Customisation much stronger but equally much more difficult to fulfil than what we may have originally understood.

"One of the easiest mistakes companies make is overloading customers with too many choices. Fundamentally, customers don't want choice; they just want exactly what they want."

We can't assume that because a customer wants a product one way that they are going to want it that way all the time. So we have to reach them where they live. Related to that question, one of the easiest mistakes companies make is overloading customers with too many choices. Fundamentally, customers don't want choice; they just want exactly what they want.

Who has done Mass Customisation really well recently?
A perfect example is the music industry. Sites such as Last.fm, Pandora and Spotify are doing well because you can figure out what music an individual likes, and present them with the opportunity to rate it. This allows you to get more of what you like and less of what you don't like. This is less time-consuming for businesses because you present consumers with options, and then you let them rate it so they get more of what they want.

So more of a process over time rather than an instant configuration?
Precisely. Then every interaction becomes an opportunity to learn more about the customer. Then you get this virtuous cycle that ensues; the more you interact with a customer, the more you learn about them; the more you learn about them the more you can customise for them; the more you can customise for them, the more they benefit, and the more they benefit, the more they are willing to interact with you.

Where are companies going wrong?
The one issue that often gets in the way is mindset. It can be very difficult to break the Mass Production mindset and move into Mass Customisation. The two industries, above all industries, that should shift to Mass Customisation but have not, are the apparel industry and the automobile industry. Both of them produce such personal goods; if there are two things that we deserve to have customised to us, they are cars and clothes. The automobile industry is struggling because of the high fixed cost; they think they have to continuously push to be efficient. Unfortunately, they don't recognise that the inventory costs are killing them. Similarly, the apparel industry is struggling because it has failed to understand that everybody is unique. I read that as much as a quarter of apparel that is made is not sold. This is bad for companies, customers, the environment - everybody.

Another concern is that these companies don't make figuring out what a customer wants easy or enjoyable enough - they need a design tool. Ideally that design tool is a virtual design experience where you can visually see what you are coming up with rather than a mere configurator that allows you to make choices along various options. And then at the back end, there often isn't a tight enough link between what customers want and what they are able to produce - I worked with a mass customiser of shoes a number of years ago and the demand was overwhelming. Yet they didn't have a good enough algorithm for matching customer measurements to shoe styles. Because of that missing link they ultimately failed.

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How does Mass Customisation sit with the rise of DIY and hacker culture?
It's a very good fit for what's going on, but what DIY culture is doing is not mass in sense of volume but mass in the sense of efficiency. We can now do things that we couldn't before more efficiently and cheaply. However, the DIY culture is not mass in the sense of mass market. There aren't different variations of people wanting the same thing. In DIY culture people often want things that nobody else wants. This is the megatrend of individualisation where companies are able to meet individual desires efficiently.

An example of this is TechShop in San Francisco, where we're holding the first infinite Possibility workshop in the US on 22-23 February 2012. The shop gives hackers and DIY-ers access to millions of dollars' of equipment on a membership basis - tools that let them make anything they want. However, it is not mass in the sense that they have a huge scale, but mass in the sense they are able to achieve a certain level of efficiency they would otherwise not have been possible. There are a number of multimillion dollar businesses that built their prototypes at TechShop before getting funding.

To what extent is Mass Customisation still about self-definition/Brand Me?
I guess there is a lot of that - people construct their own identities. People are choosing who to buy from and what to buy. What consumers view as authentic are things that match their own identity. It is from the discovery of new things that match our identity that we can create who we are - our 'Brand Me'. Mass Customisation helps that, because once we know who we are, we are able to individualise things to ourselves. This helps us figure out and exemplify those identities to others based on what we buy, what we wear, how we act and what we do.

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Given that so much of their offering to date has centred on the idea of customised and 'bespoke' products, how do you think luxury brands will evolve and differentiate themselves?
It's an interesting question because luxury brands often have a level of design and cachet that says "we don't want people to change the design". But that's starting to change - see Burberry's Art of the Trench. Conversely like Nike I made my own shoes - bits were brown, bits were green - and they turned out to be incredibly ugly. However, I used the same colour scheme with Adidas and they looked beautiful. Nike didn't have the logic in its system to tell you which colours didn't work together. However, Burberry has done that - when you make certain choices it cuts out other choices so you can't design something that doesn't fit within the Burberry brand. You are left with a product that fits with the brand and that fits with your identity. I think we'll now see more luxury brands realise that what the brand can stand for is not the particular design they have created, but the ability to help customers discover their own design which also matches who that brand is. The important thing is that the control of the brand isn't visible; customers are being guided to decisions, not being forced into decisions.

Where does mass customisation sit in your 'progression of economic value' slide, core to the Experience Economy?
The slide identifies the five levels of economic value companies can create for customers - first commodities, then goods, then services. We're now in an Experience Economy, whereby customers look for experiences that engage them in an inherently personal way and create a memory inside of them. Where I came up with this progression of value was actually through my work on Mass Customisation - I realised that mass customising a good turns it into a service. Goods are standardised and services are customised. Goods are tangible and services are intangible, but Mass Customisation is the intangible service of helping customers figure out what it is they want. Thus when you customise a good, you are in the service business. As a result, businesses will now help customers design, define, make and deliver industrialised goods to individual tastes.

Then I examined what Mass Customisation does to a service. If you design a service for a particular person which is exactly what they need at that moment, you turn this into a memorable event that creates a special experience. Moreover, experiences can be commoditised like goods and services; the second time you have an experience isn't as good as the first. Eventually, customers will say "been there done that". But mass customising an experience - where you create that 'Wow' moment - can result in what we call a life-transforming experience. We're now using experiences as a raw material to guide customers to change.

Increasingly, with transformations - the fifth and final economic offering in the progression of economic value - companies should charge for that outcome. The goal is to help customers achieve their aspirations, and then get compensated based on that outcome. There is no more economic value you can provide - whether selling to consumers or businesses - than to help customers achieve their aspirations.

If there was only thing you could tell brands to remember, what would it be?
The most important thing to remember is that every customer is unique. Every customer deserves to get exactly what they want at a price they are willing to pay, and you need to figure out how to make that happen to stay relevant to individual consumers now and in the future.

Interview conducted by Debbi Evans

The first Infinite Possibility workshop in the US will be held 22-23 February 2012 at TechShop in San Francisco. For further information and tickets, see [here](#).

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