



**BETTER BY DESIGN:  
STUDY TOUR 2018 INSIGHTS**

# SHAPING THINGS TO COME: A U.S. PERSPECTIVE

## WHAT KIWI BUSINESSES CAN LEARN FROM US GIANTS

BY BLYTHE REES-JONES

### SIX DAYS, 37 KIWIS, 2 CITIES

I've been a designer for many years, helping Kiwi businesses understand the power of design and how they can connect with their customers through insight and innovative products that impact lives. Having worked extensively with New Zealand Trade & Enterprise over the years, I was one of five lucky design coaches invited to join 29 business leaders from 17 New Zealand export companies and 3 from the Better by Design Team on an epic study tour to visit some of the world's leading customer-centred organisations.

My role, on tour, was to help the Kiwi delegates (from world-class brands such as Zespri, Villa Maria and Furnware - I'm talking really progressive companies hungry for insight) soak up what they were seeing and translate it to a local context to help them become bigger, better, faster and stronger for New Zealand. It was a huge privilege to be part of the Better by Design US Study Tour again (I've been part of this tour before, but this one was next level). The New Zealand delegates, and the US companies we visited, were the cream of the crop. I also collected several subtle yet powerful emerging ideas that will shape things to come.

### PAYING IT FORWARD

We boarded a plane in September 2018 and spent six days in New York and San Francisco, immersing ourselves in worldly inspiring stories, ideas and innovations. Key leaders from each of the companies invited us into their space for a front-row view of where the magic happens (often leaving us full of contemplation). Learning from these companies was truly something, but being across the world with a bunch of like-minded Kiwis? Equally as powerful.

After digesting the tours, presentations and Q&A sessions each day, a few key themes started to emerge. I'll provide an overview here, but stay tuned for a couple of follow-up pieces which will explore two major themes—building a cultural narrative and employing a data-driven approach to customers.

Let's start with a name synonymous with design and disruption—Air BnB.

# AIRBNB

**THERE'S NO DOUBT ABOUT IT—AIRBNB'S WORKPLACE IS INSPIRATIONAL.**

**Imagine a four-storey converted Westfield mall in downtown San Francisco, with each room modelled on a different accommodation listing [on Airbnb's App] from across the world, from a log cabin in Alaska to a living room in India. Even though it doesn't sell a physical product, Airbnb uses creative design elements to bring its workspace to life and connect staff to the company's vision and offering.**

What's even more impressive, of course, is Airbnb's growth story. What started as a small concept now boasts more than 4.5 million listings worldwide, and more than one million bookings every day. That's right—one million bookings per day and they don't own hotels!

Jenny Arden, Director of Design at Airbnb, spoke about the main drivers behind the company's growth, namely its data-driven approach to customers.

Right from the get-go, airbnb started collecting data and bringing objective insights into the decision-making process. By doing so, it was able to improve the user experience and gain loyal following wanting a different experience.

Its data-driven culture extends to the employee mix—there's more than 130 data scientists running 1,500 experiments per day (some tiny, like moving a button, and some large).



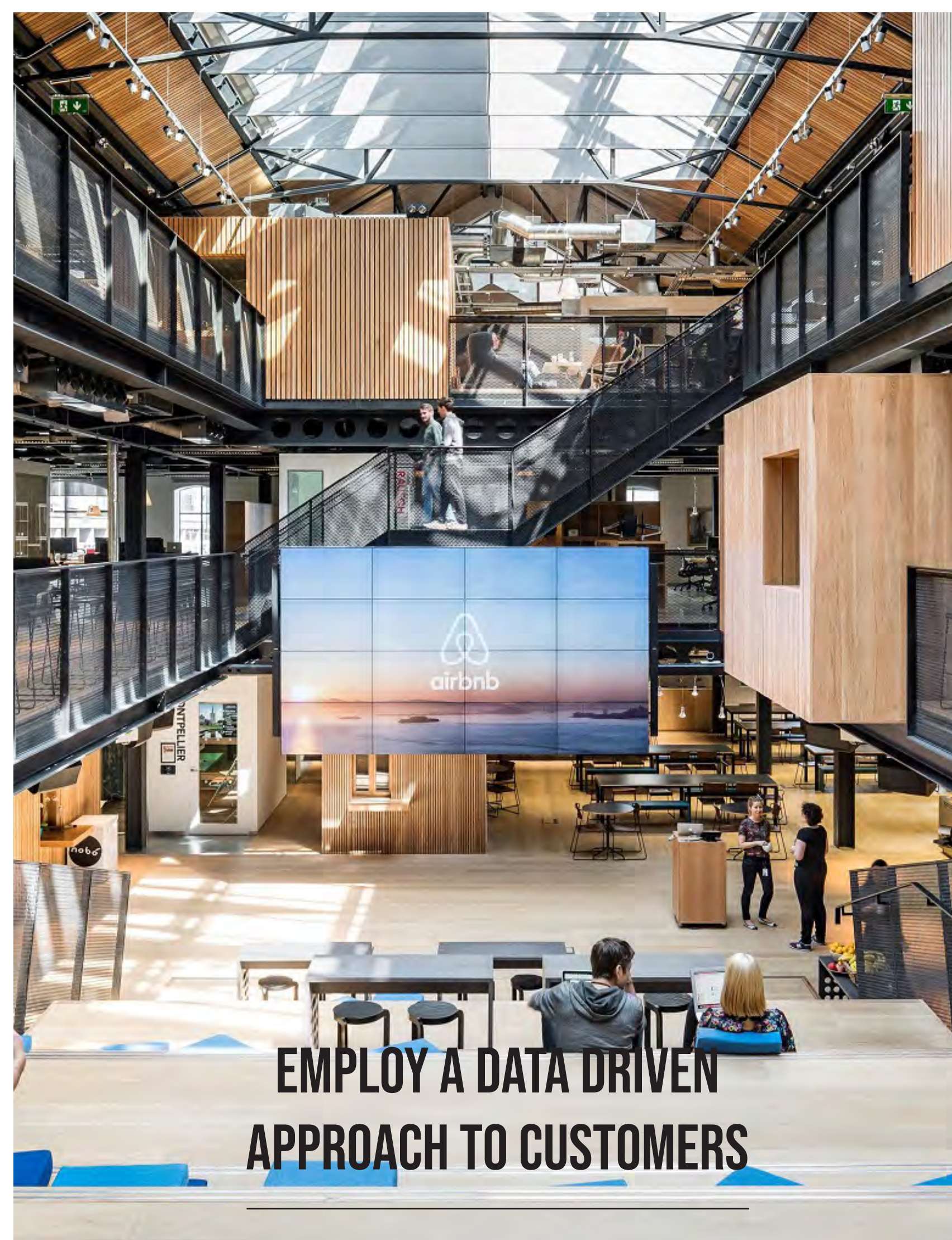
They're always testing. They're fast. They're agile. They're ready to adapt.

Yes - Airbnb is an exemplar, and there are lots of things we can learn from it. All businesses, regardless of industry, need to embrace 'digital' and data science. Information from data is powerful, and it's readily available on your own platform - regardless of what business you are in.

A key take out here is to start placing more value on insight and information. Start measuring what you're doing, and evolve accordingly. Using what you learn from empathetically driven data insight behaviour.

### Not sure where to start?

- Look at businesses you admire, might. How might they be collecting and extracting information? Is it through digital marketing, social media or adaptive digital product iteration. How might you begin or advance?
- Use data acquisition to foster a relationship with your potential customers—get to know them and understand them and learn their preferences and interests through the observable patterns you can identify in digital analysis and testing.



**EMPLOY A DATA DRIVEN APPROACH TO CUSTOMERS**



## TELL GREAT STORIES

## CONTENTLY

**WANT TO CONNECT WITH YOUR CUSTOMERS ON A DEEP AND POWERFUL LEVEL? LEARN TO TELL GREAT STORIES.**



**As humans, we tell stories every day. We tell stories to get to know each other, to remember things, to convey ideas and to have our voices heard.**

A lot of businesses try to hide their human emotions, but not Contently—founder Shane Snow has absolutely nailed the art of storytelling. He's even delved into the neuroscience behind it, which is something we should all try to get our head around because it explains why storytelling is so effective in terms of marketing. Here's the crux of it: stories fire up our entire brain, and they spike a nerve chemical called oxytocin. Oxytocin is our empathy drug (the feeling you get when someone hugs you). It sends us a signal that we should care about someone, or something—like your brand.

Imagine two charity advertisements. The first shows a bunch of statistics about a problem and calls for donations. The second shows a father, an everyday kind of bloke people can relate to, telling a moving story about his child. Which advertisement would prompt you to donate? Contently put this exact question to the test, and found people were more willing to donate after watching the second advertisement. They were also shown to have more oxytocin in their bloodstream.

If you're able to captivate your audience through a good story, you're more likely to earn their trust. To allow people to truly connect with your brand, Shane suggests in good stories feature four icy elements:

**1 Relatability:** people need to relate to you in some way (Buzzfeed has a whole strategy around this, à la 'five things only people who went to Stanford will know').

**2 Novelty:** once upon a time, we'd watch anything at the movies. Today we'll only go if we're super excited. Brand content will be the same—keep your stories novel and genuine.

**3 Tension:** a good story is made between 'what is' and 'what could be'. Your story should establish this gap, then try to close it.

**4 Fluency:** people are busy—make it easy for them to understand what's going on! Through history the most successful stories are actually written in a low frequency which helps form wider appeal.

### Not sure where to start?

- The trick here is to communicate your brand's 'purpose' (why you exist and what's important to you), then be overt about telling your story. Do it with intent, spend time and energy on it, remove your mask and stop resisting human emotion. Incorporate storytelling into every customer touch point. Take a risk, be open, be vulnerable, and go for it with confidence.
- What we're seeing globally is brands that try often and who remain authentic win the respect of the people they care about. Even if they stumble along the way, their customers appreciate the effort. Even on a small budget, Kiwi brands can have a go. Your stories don't always need to be polished, especially with all the new media options out there, they just need to connect emotively.

# ALLBIRDS

**“BEING AMBITIOUS WITH YOUR BUSINESS GOALS ISN’T ARROGANT—IN FACT, IF YOU’RE NOT AMBITIOUS, YOU’RE RECKLESS. BACK YOURSELF. THINK BIG, ACT SMALL.”**

**These were powerful words from Tim Brown, Kiwi ex-pat and former All White, who in 2014 (with co-founder Joey Zwillinger and designer Jamie McLennon) created a lifestyle sneaker using New Zealand merino wool.**

Tim reached out to us early in his journey with some questions for the development of the base fabric for the upper of the wool runner, and I’m so happy to see his product winning in the US because, despite what you might think, Allbirds wasn’t an overnight success. Tim spent many years chipping away at his dream and its a huge story of his perseverance.

Many New Zealand companies tend to think of Asia in terms of export potential and Tim’s example shows we might not be putting enough thought into how we can become relevant in the US market. Allbirds has proud Kiwi roots (the name is a reflection of our land once being ‘all birds’, after all) but it fully embraces the community it’s trying to reach, which has allowed the flavour of America to penetrate into the brand. Take a look at their photographic style, for example—it’s deeply rooted in U.S culture and tech style.

Tim also talked about great ideas happening in the space between the pavement. “We didn’t invent wool, or shoes. We made a considered product that focused on thoughtful materials, new design, comfort and sustainability—and we spent a lot of time investing in the brand story.”

## **Kiwi business looking to export?**

Let’s take a feather out of Allbirds’ book. By basing themselves in San Francisco, Tim and Joey built a brand that culturally relates to its customers.

**AllBirds HQ**  
San Francisco

**Speaker:**  
Tim Brown  
Co-Founder

If you’re a long way away from your customers, creatively explore how you’re committing to spending quality time with your target market to connect with your customers on a cultural level (not just a needs-based level). You only have to look at Whittakers and L&P to realise the brands that stand the test of time are those that are culturally significant.

Tim and Joey found the Kiwi/American business cocktail (the understated yet highly capable Kiwi way, coupled with the super confident, big thinking US dynamic) had the potential to inspire some really progressive ideas. There’s a huge opportunity for Kiwi brands to make it big internationally— and investing in building cultural connections is extremely important. The Primary Innovation Hub in the US is set up to help Kiwi companies better connect in the Americas (stay tuned—more on this down the line).

## **Everyone is your customer—including your people.**

Another stellar piece of advice. Your staff are part of your community, so let them help you activate your brand! Allbirds’ staff live and breathe shoes, and by embracing the products in their personal lives, they’re organically spreading the word throughout their social circles. If you want to export to the US and you don’t have a group of people championing your products there, you’re missing out on a really big opportunity. Start by employing the right people, and then empower them to do their magic with confidence. The right people will genuinely love your brand and want to share it. Remember that brilliant Steinlager add to the early 90’s: They’re drinking our beer-there?



# THE ART OF CULTURAL CONNECTION



## FOCUS ON THE CUSTOMER JOURNEY SEGMENTATION

## CASPER

**CASPER IS A BILLION-DOLLAR VELOCIRAPTOR STARTED BY A GROUP OF SWITCHED ON 20-SOMETHINGS, AND IS ONE OF THOSE KNOCKOUT STORIES.**

**Buying a bed is never fun. The sales folk always know more than you do (because, let's face it, we buy a bed every five - ten years). Then there's the issue of getting the mattress home—usually by trailer or truck—up the stairs, unwrapped and in place...I'm tired just thinking about it.**

What Geoff Chapman and Casper's other founding partners managed to do was work out their customers' pain points and create a simple product that completely disrupted the bedding market. They took the air out of the mattress, vacuum wrapped it and packaged it in an invitingly Instagramable box. All of a sudden, mattresses were cool, and Casper went from zero to several hundred million dollars in revenue extremely fast. Geoff says "It was like a Velociraptor."

Let's take a step back - Geoff shared with us it all started with smart intentional design research, customer journey and segmentation work. They focused on one hero product for a single channel (online to start with), simplified the distribution and had a clear play book strategy for how they were going to execute. Through deep ethnographic research, they figured out where the opportunities lay, then built a brand and story around their product that was

truly alive. When Kylie Jenner posted an image 'un-boxing' her Casper mattress in her new flat, thousands started sharing their own Casper moments online (you guessed it, propelling Casper to cultural object status).

**Customer segmentation to cultural significance.**

Casper understood the product was a somewhat boring but integral part of life, and by focusing on its customers, managed to inject fun, playfulness and life into a category that had literally been asleep.

The key takeaway here? Design research and customer segmentation to turn your product into a cultural object and to start building a cultural narrative.

This can be hard if you offer little opportunity for the user community to be involved. By understanding your customer, zero in on a profound point and then offer opportunities for sharing and interaction. Consider collaborations. Experiment with different ways to build relevance. Show your customer that you believe wholeheartedly in your product (like Casper's 100-day money back guarantee). Try, try, and try again.

**Casper HQ**  
New York

**Speaker:**  
Geoff Chapman  
Co-Founder

# GOOGLE

**“FOCUS ON 10% CRAZY STUFF THAT WILL DISRUPT YOUR CURRENT BUSINESS, 20% BOLD NEW IDEAS, AND 70% ON WHAT WE NEED TO DO NEXT.”**

**You know those experiences in life where you walk out thinking ‘what did I just see?’ That was me at Google. Patrick, another beloved Kiwi and a lead engineer at Google working on Duplex, Google’s artificially intelligent (AI) assistant. Think high-tech personal assistant on your phone on steroids.**

Google announced the Blue Ginger project as part of its 2018 keynote. Imagine saying “I want to book a table for three at Blue Ginger restaurant at 8:30pm tonight.” Then your phone dialed the number and a digital voice (technically a robot, but one which sounds amazingly human) makes the booking for you. The incredible level of syntax embedded in the code means this AI technology is capable of holding a conversation with a real human. They can even engage in small talk. Check out the keynote here.

When Patrick played us two different recordings—one digital voice, one human voice—we literally couldn’t tell the difference. Imagine what this means for future business?

Technology and AI is about to get real. I walked out thinking how many Kiwi businesses are seriously thinking about



**Google HQ**  
New York

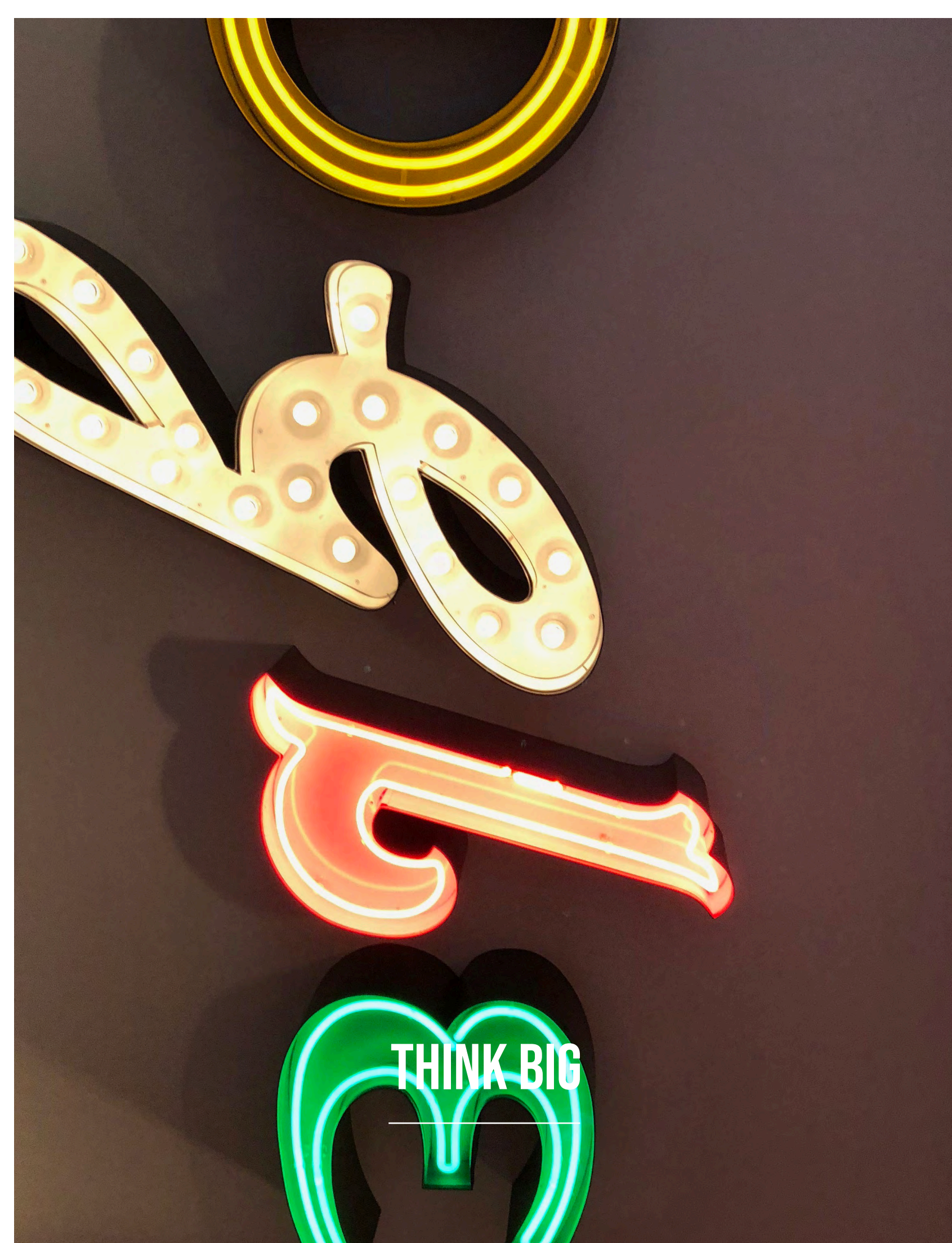
**Speaker:**  
Patrick  
Lead Engineer

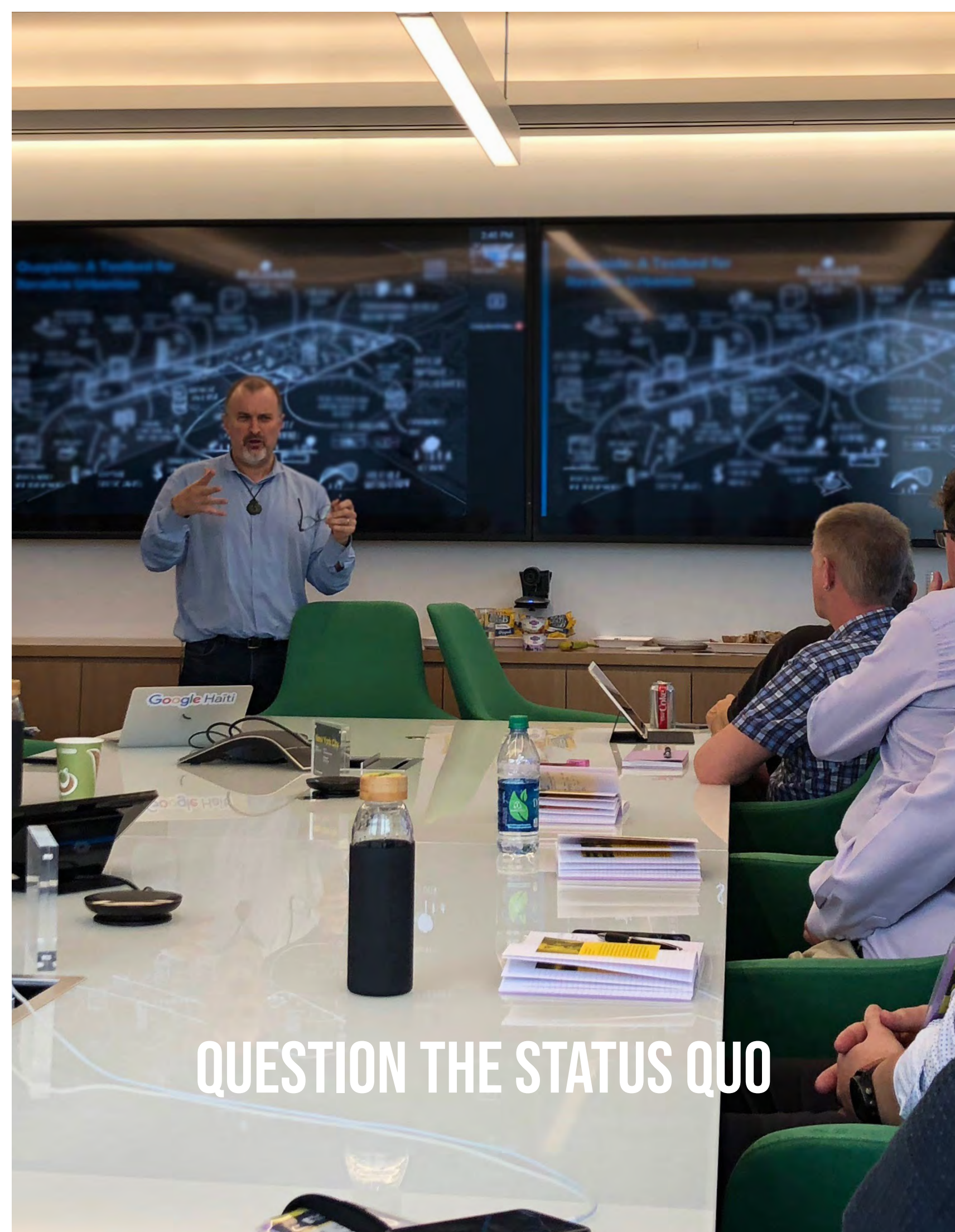
the impact of AI? It’s far more advanced than many realise. If you’re not aware of this or attune to what’s happening with AI, it’s worth actively trying to understand where it might intersect with your business and stay ahead of the curve. The closest thing to this shift is when we went from analogue to digital. This transition may take us from digital to Autonomous Intelligence.

### **The ‘10/20/70’ rule.**

When Google’s leadership team say follow the 10/20/70 rule, you listen! Focus 10 percent of your time on super-crazy ideas that would really disrupt (and inventively replace) your existing business, 20 percent of your time on bold new innovative ideas that might or mightn’t work with your existing business model, and 70 percent of your time on the things you need to do next (and please don’t confuse ‘next’ with ‘business as usual’).

Sounds simple, right? But let’s be honest, how many companies are actually doing that 10 percent? If we’re going to change the world, we all need to prioritise time to focus on those wild, big, beautiful ideas.





QUESTION THE STATUS QUO

## SIDEWALK LABS

**SIDEWALK LABS IS AN ALPHABET BUSINESS (WHICH ALSO OWNS GOOGLE), THAT IS TRANSFORMING CITIES OF THE FUTURE WITH THE POWER OF TECHNOLOGY.**

**Craig Neville-Manning, one of Google's top leaders and absolute Kiwi treasure (he's referred to as one of America's greatest immigrants) is now designing, building and running futuristic cities from scratch via Sidewalk Labs.**

Sidewalk Labs isn't afraid to question the status quo. Why should we wait at traffic lights when there's no traffic? Why can't buildings rotate with the sun, so people in apartments can all have access to sunshine? Why can't our environment move with us via smart roads?

Craig gave us some insights into his latest project—a prototype city currently being built in Toronto which aims to improve life by achieving a 14 percent reduction in the cost of living, zero carbon impact, abundant green spaces, community happiness and one extra hour per day in residents' back pockets thanks to less traffic. This is how they're doing it:

- Transportation that prioritises walking, biking, shared rides and dynamically allocates roads to improve congestion (we're talking roads that switch between highways during peak traffic and public spaces when cars don't need them);

- Self-driving vehicles, sensors, responsive traffic signals and self-driving 'taxibots';
- New types of flexible cost-effective buildings that increase efficiency and affordability built sustainability;
- Viewing the neighbourhood as a platform that integrates the physical environment with digital technology, creating optimal conditions for urban innovation.

Future cities envisioned like this will impact every part of how we urban live.

The digital age is going to impact our cities more than the elevator. We had delegates who didn't think this future insight applied to their business, but by unpacking the wider implications and consequences, realised smart cities could be extremely disruptive to the future of their current businesses. Digitisation of our environment and smart cities will change the rules, and what this could do for positive environmental impact could be phenomenal.

If we measure the value of our nation on GDP and export earnings - how might our products enhance this future city?



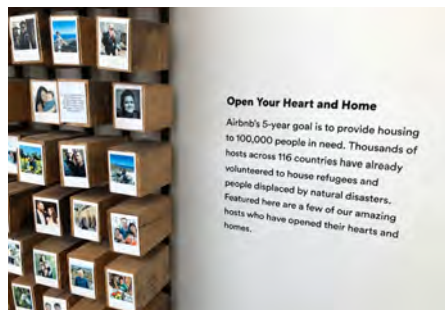
**Sidewalk Labs HQ**  
New York

**Speaker:**  
Craig Neville-Manning  
Designer

# KEY TAKE HOMES.

The 2018 Better by Design Study Tour made one thing very clear - the future is closer than we think, and Kiwi businesses have the potential to shape this future. Here is a few strategies we can all explore:

AIRBNB



BRING YOUR CUSTOMER INTO YOUR SPACE WITH DATA

CONTENTLY



TELL YOUR STORIES WITH GENUINE EMOTION

ALLBIRDS



THINK WORLDLY CONNECT LOCALLY - CULTURALLY

CASPER



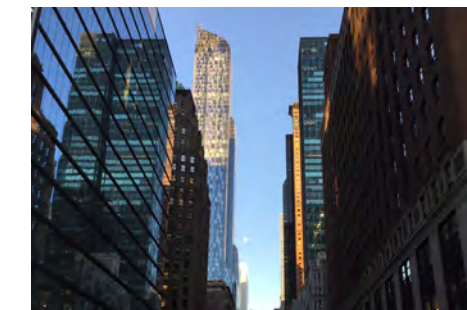
FOCUS ON CUSTOMER SEGMENTATION

GOOGLE



HAVE AN AI STRATEGY AND WORK TO THE 10/20/70

SIDEWALK LABS



ENVISION FUTURE CUSTOMERS IN SMART CITIES

## Strategies to explore:

- Put your customer first—understand them and engage them with empathy - there's no substitute for direct interaction.
- Be positive when it comes to customer acquisition—this is a leading wedge for US start-ups.
- Form a digital data strategy and focus on data that will enable new insightful possibilities, and develop solutions accordingly.
- The 10/20/70 rule—focus 10 percent on crazy ideas, 20 percent on bold ideas and 70 percent doing what needs to be done next.
- Everyone is your customer, including your people. Recruit the best, then enable and empower them.
- Your brand is only as strong as the quality and authenticity of the stories you tell.
- Brands are a community shaped by culture, so focus on building your cultural narrative to turn your product into cultural objects.

## Follow up reading:

To help get your creative juices flowing, here's a list of inspiring reads from the U.S:

- [Do Less Better](#) - John R. Bell
- [The Storytelling Edge](#) - Shane Snow
- [Stories for Work: The Essential Guide to Business Storytelling](#) - Gabrielle Dolan
- [Inspired: How to Create Tech Products Customers Love](#) - Marty Cagan
- [Applied Empathy](#) - Michael Ventura
- [Extreme You](#) - Sarah Robb O'Hagan
- [The Hard Thing About Hard Things](#) - Ben Horowitz
- [Don't Die With The Music In You](#) - Wayne Bennett