

MASS CUSTOMIZATION & OPEN INNOVATION NEWS

Notes and ideas on mass customization, personalization, customer integration, and open innovation – strategies to co-create value between manufactures and customers. Edited by Frank T. Piller.

www.mass-customization.de • Vol. 10 (2007), No. 1 • January 2007

This newsletter documents the last months' postings in Frank Piller's blog on mass customization and open innovation, <http://mass-customization.blogs.com>. This is the **direct web link** where all new contributions will be published first. Once I discover an interesting topic, I post it there. **Subscribe to the blog's RSS newsfeed to get access to all news immediately.**

The **Permalink at the end of each article** in this document is the link where you find this post on the web. Go there to follow all hyperlinks and access more material. Have fun! *Frank Piller*

Contents: What do you find in this issue?

Upcoming Mass Customization Events 2007 & Call for Papers & Speaking Proposals	2
Interview: B. Joseph Pine II on the State of Mass Customization and Why Authenticity in Business is the Next Big Issue	4
Interview: Detlef Schoder on the future of the newspaper , personalized printing, and how we can get our daily blog feed into the morning paper	8
The next customization trend: Gadget Tattoos -- and how you easily can participate	10
Personalization in Health, Food, and Pharma	10
Amazon's Next Twist: Will the Online Retailer Become a Key Enabler of User Manufacturing?	11
Donal Reddington on Customerism: Great Analysis of Recent Developments Along the Active Customer	14
IHT Reviews Bodymetrics' Mass Customization Program at Harrods and Selfridges in London	15
Custom Fashion 2.0: How a new Korean project wants to lift mass customization in the apparel business to a new level	16
Trend: Ultra-Cheap Custom Clothing – How Ziami uses multi level marketing schemes to sell custom goods	17
Footwear Customization 3.0: The First Rapid Manufactured Shoe	18
Offline Customization -- Morgan Miller Fashion Shoe Workshop in South Beach, Florida	19
Adidas Finally Adds Experiment & Service to its Mi Adidas Product – New mi Adidas Innovation Center Opened in Paris	20
SAP Info on Open Innovation & Innocentive	21
InnoCentive launches nonprofit unit: Crowdsourcing solutions for the world's problems	22
Today Is MC Day in the Blog Sphere: History, Future, and a Missed Trend	22
Book Review: Mind your X's and Y's: Why do people want to co-create and to customize?	24
Book Review: Outside Innovation: New book by Patricia Seybold builds a bridge between open innovation & mass customization	26
Book Review: Wikinomics Is the New Crowdsourcing	27
DNA Style Lab goes Beta: A new model for the custom t-shirt economy that also looks beyond the internet	28
Printing T-Shirts and Money – Inside Story in the Chicago Tribune on Threadless	29
Deutsche Mass Customization Community -- A Special for the German Mass Customization Community (in German Language)	31



 **Zukunftsstrategien für Mass Customization. Alle Infos: www.mass-customization.de/mc07/**

Upcoming Mass Customization Events 2007 & Call for Papers & Speaking Proposals

A number of great events are coming forward in the mass customization domain in the next months:

8th Mass Customization Conference for the German-speaking Community: Salzburg, 16 Feb 07



The **8th German Mass Customization conference in Salzburg on Feb 16** is our annual German-speaking event for people doing mass customization. While the SportsDesign Forum event before provides a focused view on one industry, sports, and has great general speakers, the MC 2007 Salzburg event offers the opportunity of a much more **focused discussion of the concept of mass customization** and is **the community meeting of people DOING mass customization** in their daily businesses.

Meet in beautiful Salzburg on a Friday (perfect starting day for a skiing weekend in the Alps :-)) to discuss with great speakers and panelists **Strategies for Mass Customization – how to align mass customization with the overall corporate strategy**.

Companies presenting their MC strategies include:



All information on www.mass-customization.de/mc07/



6th VOLVO SportsDesign FORUM on Personal Design: Munich (ispo trade fair), 3 Feb 2007

"Personal Design: Developing one product that is serial but also corresponds to one individual only." This is how the planners of the **Volvo Sports Design Forum** describe the idea of this year's event that will take place on the first ISPO weekend on **Feb 3, 2007**, in Munich, Germany. **Speakers are prominent:** Formula 1 icon **David Coulthard**

will highlight in his speech the efficiency and necessity of the personalized sports equipment within the competing world of Formula One. Computer pioneer **Steve Wozniak** – he invented 1976 with the Apple I the Personal Computer – will present his visions about technology and society. **Stefano Natoli**, **Rick Ridgeway** and **Jeff Hakman**, top-class representatives of NIKEiD, Patagonia and Quiksilver, will talk about Personal Design in footwear and textile industries.

Participants also have the chance to directly implement and live their theoretical experiences in several workshops. I will provide an input for the conference's opening session and organize with Adidas an **exclu-**

sive workshop on the mi adidas mass customization system. And the forum provides an unique opportunity: Both Nike and Adidas will demonstrate their latest customization offline toolkits so that you have a direct comparison between both systems.

More information and registration here: <http://www.ispo-sportsdesign.com/>

The 2007 World Conference on Mass Customization & Personalization (MCPC 2007);
Boston and Montreal, 7-12 Oct 2007



The **World Conference on Mass Customization & Personalization (MCPC)** is the primary event to discuss the management and implementation of MCP strategies. Bridging academic research and management practice, the conference provides an interactive and interdisciplinary platform to share ideas about mass customization strategies and to discuss the latest technologies and enablers.

In October 2007, the MCPC will take part in two parts:

- **Part 1, Oct 7-10, 2007: MCP Research & Innovation Conference, hosted by the MIT Media Lab, Massachusetts Institute of Technology**, in Cambridge/Boston (USA) with an interdisciplinary focus on the new advancements in the field.
- **Part 2, Oct 11-12, 2007: MCP Business Seminar, hosted by HEC (Haute Études Commerciales) Business School in Montreal (Canada)**, with a focus on applying mass customization & personalization in a retail setting.

Call for Papers & Speaking Proposals



We invite submissions and speaking proposals for the conference's first part at MIT. The conference is designed to engage academics, business leaders and consultants in fundamental debates through a set of plenary presentations, discussion panels, and paper presentations.

In addition to the traditional functional conference streams of the MCPC conferences, we **especially welcome**

submissions from managers and consultants reflecting upon the conference theme.

Please refer to the MCPC 2007 web site for a list of questions for discussion in the MCPC 2007. We encourage participants and authors to engage in these questions and to bring forth their experiences from an interdisciplinary and cross-functional perspective.

Download the Call for Papers for all further information and a list of the full program committee:
<http://www.mcpc2007.com/mcpc2007cfp.pdf>

Paper submission system open: Feb 15, 2007
Deadline for submissions: **March 19, 2007**

Conference web site: <http://www.mcpc2007.com>
Download Call for Paper: <http://www.mcpc2007.com/mcpc2007cfp.pdf>

International Mass Customization Meeting (IMCM'07)

In June 2007, Thorsten Blecker organizes again the Joint Conference of **IMCM'07 & PETO'07** (June 21-22, 2007, Hamburg/Germany): "Innovative Processes and Products for Mass Customization", a research focused smaller event on mass customization in Hamburg.

More information and call for papers here: <http://www.manufacturing.de/calls/imcm07+peto07>.

Interview: B. Joseph Pine II on the State of Mass Customization and Why Authenticity in Business is the Next Big Issue

B. Joseph Pine II is known to most readers of this blog as the author of *THE* book on Mass Customization (*Mass Customization: The New Frontier of Business Competition*, Harvard Business School Press, 1993).



Published in eight languages, this book opened the debate on Mass Customization and made the concept widely known around the world.

*Together with his partner **James H. Gilmore**, he also wrote *The Experience Economy: Work Is Theatre & Every Business a Stage* (Harvard Business School Press, 1999).*

*This book demonstrated how goods and services are no longer enough; what customers want today are experiences – memorable events that engage each customer in an inherently personal way. He and his partner followed that up by editing a collection of Harvard Business Review articles entitled *Markets of One: Creating Customer-Unique Value through Mass Customization* (Harvard Business School Press, 2000).*

Joseph Pine is also an internationally acclaimed speaker and management advisor to Fortune 500 companies and entrepreneurial start-ups alike. He is co-founder of

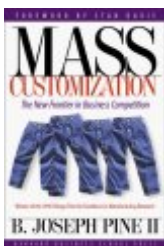
Strategic Horizons LLP, a thinking studio dedicated to helping businesses conceive and design new ways of adding value to their economic offerings. Prior to beginning his own company, Mr. Pine held a number of technical and managerial positions with IBM. One of his many assignments was key to the effective launch of the Application System/400 computer system, where he managed a team that brought customers and business partners directly into the development process of the system.

I am very glad about the opportunity to start the 2007 blogging year with the following great conversation with Joe Pine. He was always a main source of inspiration and ideas for me, and I am still grateful for his spontaneous willingness to provide a wonderful introduction into my first German book on mass customization (in 1997).

Joe, what was your first encounter with mass customization?

I first became interested in the topic when I worked directly with customers on the AS/400 system at IBM. I realized that every one of those customers was unique. They used the system in different ways, applied different applications with different data sets, and connected to different hardware. We didn't really take that into account in developing the system, designing it for what we thought was a large, homogeneous market that simply did not exist.

After the system came out I joined strategic planning and soon read **Stan Davis'** 1987 book *Future Perfect*. When I absorbed his chapter on mass customizing, it was like the heavens opened up and the angels sang! It explained everything I saw happening, and gave me a context for thinking about what we could do about it. I made sure Mass Customization became an integral part of our strategy, and when IBM gave me the opportunity to get my master's degree at MIT, I decided to write my thesis on this subject and turn it into a book.



And the rest, as they say, is history! Indeed, almost everybody reading my blog has also read that book, Mass Customization. Is there anything in this book you would phrase different today? And is there an idea in your book that was a bit overlooked?

Yes, indeed. I put everything I know about Mass Customization into that book – and then some! I would definitely do it differently today – and perhaps you and I ought to think about joining forces to do exactly that, Frank – starting with one glaring fact I got wrong. I defined Mass Customization as “variety and customization through flexibility and quick responsiveness”. Variety, however, is not the same thing as customization. Variety is still putting some-

thing in inventory in the hope that a customer will come along and say they want it. It's only true customization if it's done in response to a customer order, reflecting the needs of a real, live, breathing customer.

Today I define Mass Customization more exactly as the low-cost, high-volume, efficient production of individually customized offerings (which, incidentally, may be goods, services, experiences, or transformations). Or even more simply, to use the phrase coined by my friend **Steve Goldstein** of Growth Advisors, it is efficiently serving customers uniquely.

The perhaps overlooked idea – well, I don't know if it's the most overlooked idea, but it is the one with the greatest potential impact – is the Product-Process Matrix framework provided in Chapter 9, which was originally developed by **Bart Victor** (now a professor at Vanderbilt) and **Andy Boynton** (now Dean of the Carroll School of Management at Boston College). We extended this model in "Making Mass Customization Work", our 1993 Harvard Business Review article and other places, most completely in Victor & Boynton's book [Invented Here](#) (Harvard Business School Press, 1998) – an overlooked book that should be widely read, particularly by everyone reading this blog.

I affectionately call this model THE 2x2, so powerful is it for explaining the shift to Mass Customization. It frames the entire debate on changes in business competition, and contains a pattern – a fractal – yielding insight at many levels of analysis, from the entire history of business at the top level, through what happens in industries, companies, units, processes, and even what happens in the brains of individual people as they learn and work. I also find that same framework and pattern popping up in widely diverse subject arenas, from how ecologists see forests growing to Jim Gilmore's and my work on how theatre is performed.

What is the state of Mass Customization practice today? Are we beyond or behind the situation you envisioned when writing the book almost 15 years ago?

Yes and no. I did expect it to be more pervasive in consumer markets (particularly apparel, where every body is unique), but on the other hand it's quietly become widespread in B2B industries, for companies can more precisely gauge the value of the customization their suppliers can provide.

There are also a number of industries that have been revolutionized by Mass Customization, including personal computers, eyewear, painting, sign-making, textbooks, lighting controls, windows, car rental, and insurance. And there are some incredibly significant industries that simply could not exist without it; mass customizing is the only way to do, for example, check printing (think Deluxe), package delivery (FedEx), internet search (Google), and digital music delivery (Apple iPod/iTunes).

In this vein I should give one mea culpa on my first book. It's amazing to think (even to me), that in 1992 when I finished it I didn't include what is now clearly the world's premier mass customizer, Dell, Inc. Indeed, I view **Michael Dell** as the Henry Ford of Mass Customization – the man who put it all together and created a shining example for the world to see. But I suspect I was too blinded by the company I worked for at the time to take them seriously. What a mistake – for IBM even more so than for me.

Do you see any upcoming mass customization trends with regard to new players, technologies, markets, etc.?

I think the biggest trend is the realization of everything implied by the principle that anything that can be digitized can be customized. Once it enters the realms of zeroes and ones, one can instantly change a one to zero and vice versa. With the advent of digital technology and especially the rise of the Internet, so much more can be digitized today than before, and soon everything that can be will be. In some cases (such as music) the actual offering can be digitized, in other cases the process for creating the offering can be digitized (such as book publishing), and in all cases information about the offering can be digitized. Any company in the world, therefore, can reach any potential customer in the world with a digitized representation of what it has to offer, and can change that representation – and then the actual offering – to meet the needs of that individual customer.

(I also look forward to the day when everyone in business recognizes that the phrase "individual customer" is redundant; until then you and I will keep pushing the case.)

One other thing I'll mention doesn't relate to new players, new technologies, or new markets – rather, new offerings. As alluded to earlier, in *The Experience Economy* my partner Jim and I show that there are two offerings beyond commodities (which, by definition, can't be customized), goods, and services: experiences, memorable events that engage each person in an inherently personal way, and transformations, effectual outcomes that change each individual to achieve his aspirations. There's precious little that has been done to mass customize either experiences or transformations, and a world of opportunity for firms that wish to start.

Recently, there is all this hype about Web 2.0 and Social Commerce. How does this fit with Mass Customization and the Experience Economy, if at all?

They are part and parcel of the same trends. Web 2.0, as I understand it, is about the web becoming a platform – a modular architecture – for weaving everything available on the Internet into a dynamic flow that is right for each individual. Social Commerce brings in the aspect that much of the available content is not created by companies, but merely facilitated by them while being generated by individual people (I hate using the term “users” in this context). So together you have the beginnings of a truly mass customized, digitally delivered experience.

The other phenomenon this brings to mind – although probably not directly related to your question – is virtual worlds. What is happening with Everquest, Worlds of Warcraft, There, and all the rest – especially all the commercial activity going on in Second Life – is fascinating to me. Now the opportunity exists to mass customize virtual offerings to the avatars of real people!

What are the main challenges for companies doing mass customization today? What questions should managers ask themselves when considering entering the mass customization market?

The main, overarching issue is still mindset. The executives, managers, and workers in the company have to understand how the mindset required to properly mass customize differs from that of Continuous Improvement, Mass Production, or Invention organizations (to allude now to THE 2x2 that I mentioned earlier). If you don't have that, you flat-out will make decisions antithetical to what's required to efficiently serve customers uniquely.

I truly believe there are few if any non-commodity markets where Mass Customization can't be a success. (Every single time I say to an audience that I don't think it would work in a certain industry or endeavor, someone invariably points out a company that's already doing it in some way, shape, or form.) The question isn't one of “Is there a market?”, but rather “What do we need to do to find the market?” And the way to find that market is to ask “Where do customers sacrifice today?”

A term that **Chris Hart** of Spire Group first said in work we did together, customer sacrifice is the gap between what a customer wants exactly and what he has to settle for today. As opposed to customer satisfaction, which relates to expectations, customer sacrifice looks at what each customer really and truly wants and needs. Companies need to uncover the few dimensions, or even just the one, solitary dimension of sacrifice that will yield the most value for their customers, and for them. Think of Select Comfort, which focuses relentlessly on the one dimension of mattress firmness and you can see how effective this can be.

Today there are plenty of people doing academic research on Mass Customization – your original thoughts have started an entire new discipline. Are there any particular research questions that you think are especially fruitful to pursue for future research?

First, **Stan Davis** should continue to get all credit for coming up with the idea and the term – and **Alvin Toffler** as well for presaging the idea in his 1970 book Future Shock. That said, it is indeed gratifying to see how far this idea I was able to popularize has come, and how many have latched onto it as an arena worthy of research. In my mind, the key research areas include: modular architectures, process technologies (particularly in bringing the concepts to industries where some invention is still required), design tools, financial models (a big one!), and, again, applying the principles of Mass Customization to experiences and transformations.

You once told me you are writing a new book. Can you share a bit about your new thoughts: What is your next big idea next after Mass Customization and the Experience Economy?

Jim and I are indeed finishing up a book, expected to be published (once again by Harvard Business School Press) in Fall 2007, on authenticity in business. We realized that in the Experience Economy people increasingly question what is real and what is not. Authenticity is therefore becoming the new consumer sensibility – the buying criteria, if you will, by which people choose what to buy and whom to buy from. They no longer accept the fake from the phony; they want the real from the genuine. Therefore, rendering authenticity needs to become a new management discipline whereby companies diligently manage the perception of authenticity amongst their customers.

And, yes, as you might expect we do believe that offerings mass customized to individuals tend to be perceived as more authentic than mass produced, standard, off-the-shelf offerings done for anybody in general and nobody in particular! All of our ideas and frameworks relate to each other, and flow from one common world view.

Can you share a little bit about the "private" Joe Pine? What moves you beyond writing and working with your clients?

In this year's Christmas letter my wife Julie just wrote how her job is handle absolutely everything around the house so I can work, read, and golf. So, mostly, I work, read, and golf! The reading (four daily newspapers, over fifty periodicals, and scores of books every year) informs my work, enabling me to recognize patterns going on in business as well as the world at large. Golf lets me enjoy friends and the great outdoors while enabling me to focus on something that I can get better and better at – while keeping me decidedly humble.

I would also add that I adore my wife and family – one daughter, Becca, is now a freshman in college, with Lizzie a junior in high school – and seeing my kids grow and mature is a great joy in my life. I would also add that my business worldview is informed by my personal worldview, which is firmly Christian and shared with Jim. My early goal at IBM was to rise up the management ranks until the age of 45 or 50 (a band I am now within), and then go back to get a Ph.D. and teach and write for the rest of my life. The only question was whether that degree would be in business/economics or theology.

So I was basically fortunate to begin that path 10-15 years ahead of schedule on the business front. At some point, I may swing back over and focus my remaining days on Christianity, particularly in apologetics.

To conclude: What is, in general, the greatest mass customization offering ever – either one that is already existing or that you would like to get in the future?

Well, the one I'd like to see is what Jim and I call experience guiding. With so many companies getting into the business of experiences and transformations and with the very real limits in the time, money, and attention any individual can give to these offerings, what emerges is the crying need for companies to wade through this growing mass of possibilities and help individuals determine what is right for them. People are beginning to ask, and will eventually clamor, "What experiences should I encounter?" – that is, determining what would be most gratifying; "What transformations should I undergo?" – that is, what would be most edifying; and, overarchingly, "What offerings are right for me?" – that is, what would be most authentic.

Transformations are experiences guided to achieve particular demonstrated outcomes; that's why I call this experience guiding – the capability of understanding, determining, recommending, and managing the set of experiences individual customers have to effect the transformations they desire. Note that it applies just as much to business customers as to consumers. With individuals in businesses, there also is an overload of possibilities for the knowledge they need in order to transform their own businesses, with limited time, money, and attention to gain that knowledge. For knowledge is experiential information, learned by experience and applied in experience.

While no one has put it all together – indeed, I think all the functions being lumped into Web 2.0 will be required – there are many elements coming together, with companies increasingly doing parts of it.

And if somebody actually does experience guiding well, perhaps that will be my signal finally to turn to pursuits other than the world of business!

Thanks a lot for your comments and thoughts, Joe! And keep on your productive and creative thinking in 2007!

Contact Joe Pine at www.strategichorizons.com, bjp2@aol.com, +1 651 653-6850

January 04, 2007 | Permalink http://mass-customization.blogspot.com/mass_customization_open_i/2007/01/interview_b_jos.html

Interview: Detlef Schoder on the future of the newspaper, personalized printing, and how we can get our daily blog feed into the morning paper



Professor **Detlef Schoder** is known to me since years as one of the most active German researchers on mass customization. But he also is an entrepreneur and one of the driving forces behind the idea of **a mass customized newspaper – a newspaper that is daily personalized according to each individual reader's personal taste and preferences**. His company Medieninnovation.com provides technology and consultancy for custom publishing solutions. In this interview, he reflects about today's state and the future of custom printing.

Prof. Schoder studied business administration in Germany at the universities of Munich and Passau. He obtained both his PhD and Habilitation (Higher Doctorate) from the University of Freiburg, Germany. Professor Schoder has worked not only in Germany, but also in the U.S.A., Republic of Kazakhstan, and Japan. He was an invited visiting scholar at Stanford University, MIT, and the University of California, Berkeley.

In 2003 he became Head of the Department of Information Systems and Information Management at the University of Cologne, Germany.

His teaching, research, and project management focus on the economics and management of telecommunications in organizations, especially electronic commerce/electronic business, mass customization, peer-to-peer, ubiquitous computing, and new media management. In the mid 1990's, he conducted one of Europe's largest empirical studies on web-based electronic commerce. In addition, he is an adviser for electronic commerce to the German Parliament and consults the European Commission on research projects conducted under Information Society Technologies Framework Programme. Detlef Schoder holds a patent for "an individualized printed newspaper" (WO03052648).

Detlef, can you share a bit about your activities in this custom publishing business?

Our new cross-media product **improo** provides a synthesis between online and offline world. improo contains articles from high-quality newspapers, which are purchased for reuse, notifications from agencies and contents from our own editorial staff. Furthermore it includes internet elements, e.g. newsgroup messages, RSS feeds and blogs. New qualities are generated through calendar, forecasts and other information, which the reader can customize and add to his newspaper.

How is this idea different to the customized online versions of, for example, The Wall Street Journal?

First of all, improo is not restricted to an online version, but it is delivered as a real printed newspaper (which customers can take everywhere they want). improo provides information taken from many different sources, e.g. high-quality newspapers (like Financial Times, Wall Street Journal), Weblogs, professional journals, or information service providers (like market letter, newsgroups or notifications from eBay or Amazon). At the same time, a customized edition contains only information which meets each individual reader's demands.

But why do customers want a personalized newspaper? Is not the element of surprise a major part of the enjoyment of reading the morning paper?

Most people are reading always the same sections of their usual newspaper. Day by day, they are overstrained by information overloads and spend a lot of time for filtering and seeking for the right information. Therefore improo saves time and fits the more individualized lifestyle of today's modern society where people have several very special interests and hobbies. Furthermore improo still contains "surprising" breaking news and some kind of serendipity for this reason. And imagine, if you have much more news likely closer to your interests, or to the interest of your peer group, than -- I believe -- you will have much more surprising news and effects than a general newspaper can usually provide.

Who could benefit from your innovation improo besides the reader?

There is a clear business case. Not only our own studies, but other studies as well predict a market size of several hundred million Euros just in the German-language region. So anyone interested in becoming part of this great venture is invited to approach me for a joint realization :-)

This sounds like a perfect long-tail-application. Given these advantages, why do we not all read a custom paper already? I believe the technology is not the main hurdle anymore.

Technology is only one hurdle besides consumer acceptance and investment barriers. The improp system is a complex one which has to be developed especially for this purpose. Yet there is no product or system comparable to this. Although consumer demand has been approved by a representative survey, such an innovative product requires rethinking and open mindedness. But since people are getting used to customization through customizable internet online portals and news aggregation services, there is already a lot of acceptance. Actually many people already read customized news and retrieve specialty information via internet. A printed individualized newspaper is just the next evident step.

How do media companies and publishing houses react if you discuss your ideas with them?

In several discussions we discovered a wide interest in our individualized news paper. Especially traditional publishing houses suffer from shrinking markets and competition with e-medias. For them improp offers a chance to modernize their business and revive the media industry. However, it is a risky step to try this innovation and – so far- they do not want to take the risk. Others will...

Are there any other good examples of mass customization in the publishing industry?

First approaches to mass customization can be seen in regional/local editions and in books printed on demand. Also, direct mailings often include customized brochures or booklets. Customization in the internet (electronic editions of newspapers) is also common. But there is no publisher who customizes a printed newspaper for individual readers and delivers it to their homes.

Do you see any upcoming trends with regard to new players, technologies, markets, etc. of mass customization in the publishing industry?

As mass customization becomes more popular, new forms emerge, building especially on customer integrated innovation like user generated content. There is a strong demand for localized, specialized and individualized content with high editorial quality and augmented information with additional value like personal market letters or shopping assistants. There is also a new need for intelligent news aggregation. Just think of several millions of blogs out there. Even if only a fraction has high quality content, you still need filtering and customization to read the best and create a high quality of time spent with news.

Your role in the mass customization community is unique as your main job is that of a professor at one of Germany's leading business schools. So how can you connect your professional activities with your academic research? Can you share any recent results of your academic studies?

Yes, of course. The idea to create such a media innovation resulted from my academic research. Also many students and university staff members contributed to the project. Academic and business contacts combine well and I was able to build up a wide network in the areas of publishing, media and mass customization. The research primarily focuses on the acceptance and explanation of mass customized goods. It is evident that users have to invest time, money, and cognitive efforts.

On the other hand there are clear advantages of mass customized products over standard products. We develop integrated models which explain customer behavior and allow for extrapolation of usage patterns. All this is based on large scale empirical surveys and latest multivariate statistical procedures. Thus, academic insight as well as our market research not only advances science but also help to shape market communications and the effective introduction of such a disruptive innovation in the mass market of printed media.

In general, based on your experience both in practice and research, what questions should managers ask themselves when considering to enter the mass customization market?

Is the product suitable for mass customization? Do customers want and understand the value of mass customization? Is the market ready for such an innovation?

Is there a clear benefit of customization which is more than worth the effort? I think this is a crucial question managers should have an answer. Usually, only a market test campaign (piloting) can reveal the answer!

To conclude: What is, in general, the greatest mass customization offering ever – either one that is already existing or that you would like to get in the future?

This should come at no surprise: A mass customized newspaper. As we hold a bunch of patents in this field, we are at the heart of mass customized printed news. I am very optimistic to hold this innovation one day in my hands!

Contact: Universität zu Köln, Seminar für Wirtschaftsinformatik, insbesondere Informationsmanagement, Pohligstr. 1, 50969 Köln, Germany. Tel.: +49 (0)221-470-5325. E-Mail: Schoder@wim.uni-koeln.de

Information on the mass customized newspaper is available at www.medieninnovation.com

January 20, 2007 | Permalink http://mass-customization.blogs.com/mass_customization_open_i/2007/01/interview_detle.html

The next customization trend: Gadget Tattoos -- and how you easily can participate

I was pretty busy with my university job in the last weeks, and so I missed this really interesting story that [Springwise reported](#) last week, but that has been around some weeks longer. It is a nice example for this blog as it **perfectly mixes its two main trends**: mass customization and open (source) innovation:



Adafruit offers custom laser etching of laptops, iPods, phones, cameras and more. Among the hip tech set, laser etching is a next step--somewhere after stickers and custom Timbuk2 laptop messenger bags—focusing on personal flair on top of a laptop, not just its screen (how cool is that: synchronize your desktop image with your laptop case).

Adafruit currently operates in New York and is planning to set up a location in San Francisco early this year. Customers can have a small gadget etched for USD 30, and a laptop for USD 100. Bulk rates and services are available to businesses. To open such a business, is not too difficult: Just get an etching machine, some training and let the crowd come. And it is even easier.

Adafruit is a company with an **open source business model**: It freely shares its business model with other entrepreneurs interested in setting up a customization shop. The company was launched by **Phillip Torrone**, senior editor of Make magazine, and **Limor Fried**. The laser etching machine used by Adafruit is an Epilog, priced at around USD 20,000 and capable of doing highly detailed etching (1200 dpi). If a group of interested etchers organizes in a group to buy the machines in a larger batch, they should be able to make a head start by getting the machine's price down.

So if you're interested in setting up your own laser etching business, **contact Adafruit** at laser@adafruit.com.

More information:

Video: one.revver.com/watch/122276

http://news.com.com/2100-1041_3-6143072.html

<http://www.techmeme.com/061212/p70#a061212p70>

January 20, 2007 | Permalink http://mass-customization.blogs.com/mass_customization_open_i/2007/01/the_next_custom.html

Personalization in Health, Food, and Pharma

IEEE Workshop on Personalized Health Informatics in London, UK January 24-25, 2007

One of the major fields of growth in mass customization & personalization is the health sector. The traditional system is focused on "block buster" pharmaceuticals (= standard mass products) and the care-taking of

"illnesses". A new approach is to personalize medicines (**pharma-cogenetics**) and to develop customized nutrition, wellness offerings, and fitness / training programs to match individual requirements.

During the upcoming MCPD 2007 conference, Personalization in Health, Food, and Pharma will be a special track !

The IEEE, a main standardization body, has now initiated a **new working group** to develop an comprehensive set of solutions for that shall "facilitate the development and usage of a comprehensive set of Internet-based tools that place the individual (and his/her dependents) at the center of an encompassing architecture of services that promote and enhance health."

Thanks to MadeForOne.com I learned about this group. I think that this kind of joint collaborative activities are what it needs to push mass customization further.

Jose C. Lacal, one of the group co-chairs and a Sr.Manager at Motorola's Seamless Health Center of Excellence, described the objectives of the group as follows:

"There is a need for **Personalized Health Informatics (PHI) systems** to manage all the relationships that influence an individual's health. This standard is geared towards optimizing an individual's health, mostly outside of the scope of a health care provider. This standard is not about personal health records (that is being address already by many other organizations). This proposal is to create a "family health dashboard" where all relevant information (nutrition, environmental issues, published research, etc.) are brought together in an easy-to-use tool to enhance a family's health. Most people would be familiar with a 'financial dashboard.'

There is an **open call for participation** at the **first workshop** of the IEEE2407 working group. At a time when health delivery systems worldwide are under enormous strain, IEEE2407 is designed to provide consumers with the tools to both stay healthy and to improve their health.

The workshop will take place on Wednesday and Thursday, **January 24 and 25, 2007** in London, UK. The workshop will be hosted by Motorola and Kingston University's Mobile Information and Network Technologies Research Centre (MINT@K).

The latest agenda is available at http://www.ieee2407.org/files/ws01_agenda.pdf

More information at <http://www.ieee2407.org/ws01.html>. For those unable to attend, a conference telephone bridge will be provided via e-mail once you register.

January 10, 2007 | Permalink http://mass-customization.blogs.com/mass_customization_open_i/2007/01/personalization.html

Amazon's Next Twist: Will the Online Retailer Become a Key Enabler of User Manufacturing?

User manufacturing as an alternative model to mass customization – and how this can become the next big trend of user-driven value creation

User manufacturing is an alternative (or supplemental) idea to mass customization, building on the notion that (some!) users are able not only to configure a good within the given solution space of a manufacturer, but also (at least partly) to develop such a solution space by their own. And then transfer their individual creations in a product.

Consider a PC: Most of us are now used to the idea to mass-customize a PC using an online configuration toolkit as, e.g., Dell offers it. Here you can just select what the manufacturer has already provided. Indeed, a main task of a configuration toolkit is to exactly ensure that a custom configuration meets the pre-developed manufacturing specs and design of the producer.

But there are also some more extreme users that really build their own, very custom PCs. They do not just configure what a manufacturer has done, but really craft very individual PCs (see the projects at pimprig.com to see what I mean). In this industry, the actual manufacturing is not too difficult, as PC architectures are modular and build to be interchangeable. But you still need some skills and dedications to do so.

Here now the idea of user manufacturing starts: I have included this within the last year or so frequently in my talks and lectures, but have not blogged too much about it yet. But this posting is the start of a series of articles to formulate this idea better:

User manufacturing (perhaps there is a better term?) is a business model where **users (customers) are becoming not only co-designers, but also manufacturers, using an infrastructure provided by some specialized companies.**

[Update] User manufacturing is **enabled by two main technologies:**

(1) Easy-to-operate design software that allows users to transfer their ideas into a design without much experience in how to operate a CAD software. **eMachineshop's** software is a good example for this (see below). Eric von Hippel called this tools "toolkits for user innovation": Think of mass customization configurators with a much broader solution space.

(2) Easy-to-access flexible manufacturing technology. New manufacturing technologies, first of all rapid manufacturing (e.g., laser sintering or 3D printing) enable users to transfer their ideas into concrete objects -- even if they are not pure digital products. Laser printers made publishing possible for anyone (combined with DTP software to design the stuff). Similarly, future manufacturing technology will make the manufacturing of physical goods possible for everyone.

Well, perhaps not everyone but everyone interested and involved enough with the product to invest the time in the design and manufacturing. At the beginning, user manufacturers will show lead user characteristics, i.e. users that really are ahead of a trend with regard to an application and who really hope to benefit from getting a specific product design. With a continuous improvement of tools and manufacturers, however, user manufacturing will turn mainstream.

This also allows (expert) users to set up an **instant company** that designs, makes and globally sells physical products could become almost as easy as starting a blog or creating an eBay store — and the repercussions would really change the way we still think about manufacturing today.

In such a world, "**user-generated content**" would not solely refer to media (blogs, citizen reporters, YouTube movies etc.) but to just about anything: user-generated jeans, user-generated sports cars, user-generated candy bars.

Some examples:

In the world of printed goods, user manufacturing is pretty much established: Companies like **Lulu.com** enable everyone to become their own publisher and provide publishing and fulfillment infrastructure that up to a few years was only of the hand of a few specialized, huge publishing houses.

eMachineshop.com is a great venture that provides full-scale manufacturing capacity to everyone. Over the internet, users can here access the entire infrastructure that before was only available for "real" manufacturers, or demanded complicated and transaction-cost intensive search process for local job shops. But with a very flexible toolkit at eMaschineShop, users now can design their own components and place them on diverse manufacturing outlets.

A similar idea has **Big Blue Saw**. The company was founded by Simon Arthur, who, as a hobby and later job, build fighting robots for Battlebots, the Robot Fighting League and other robotic sporting events. Doing this, he thought about ways to make it easier for inventors, artists, and hobbyists to create anything using modern machining technology. Big Blue Saw is the result. Its customers can upload their designs to their website. We then make these designs come to life in metal and plastic through the use of advanced robotic machining technology like waterjet cutters.

These companies are doing something really new: They provide technology that before demanded high investments and operating skills not to everyone. Well, everyone that really knows to design and assemble.

To increase the potential of user manufacturing, some other companies come in. They offer not only manufacturing, but also some supporting services. And actually provide a product, but not only components. Consider **Crowdsprit**. This company tries to provide everyone the capability to become the maker of next iPod. Their focus is electronic manufacturing. [Springwise recently reported about this idea](#) :

What blogs, citizen journalism and YouTube have done for media, CrowdSpirit hopes to do for product development. ... How it works: Inventors submit ideas for innovative new products and contributors submit problems for inventors to work on. Members vote, define a product's specifications, and can invest money in finance development. After a first prototype has been created, selected members test and help fine-tune in cooperation with manufacturers. Once the stage of product development has been completed, contributors

continue to be involved, for example by acting as a product's ambassador and promoting it to retailers, or by providing product support, like translating instruction manuals.

CrowdSpirit's primary focal point is electronics with a market price below USD 190. If all goes well, this will be followed by more expensive electronics, and other sectors as the concept develops. A selection of inventions will be launched in parallel, so that the community can work on several projects at the same time.

And now Amazon:

In an [interesting article](#) (thanks to MIT colleague Ethan Mollik for this link!), [USA Today technology reporter Kevin Maney](#) places the known activities of Amazon to let others use their infrastructure in the new light of user manufacturing:

"Point, click, make a product to sell to the world ... That's the future Amazon.com CEO Jeff Bezos hopes to set in motion with the company's new direction. If you tease out Bezos' plan, you get to a point where a high school cheerleader sitting at home with a laptop could theoretically harness computing power, design capabilities, manufacturing and distribution from around the world, and make and market a cute little pink hot rod that would compete against General Motors.

... You can rent space on Amazon's computers to run a business, or rent out its transaction capabilities to sell things and collect money, or rent pieces of its warehouses and distribution system to store and ship items — or all of the above. So, with almost no start-up costs, anyone anywhere could become a retailer. It's not just contracting with Amazon to sell your stuff, the way Target does. It's leasing pieces of Amazon to create something totally unrelated to Amazon. ...

What's new about Amazon is the leap to physical products. This might be one of those evolutionary milestones, like when the first fish crawled up on land, or Jimi Hendrix discovered feedback on his electric guitar and altered the path of rock music.

Amazon's platform will be the first to include physical distribution. "You could notify us to expect inventory from you, tell us when to pick it (from warehouse shelves), and we'll send it to any address," Bezos says. "We've spent 12 years getting good at these things, so why should somebody else have to start from scratch?"

Bezos' idea cracks open an intriguing can of worms. Why shouldn't an established manufacturer do the same, leasing out factory space and industrial design teams and its expertise the same way? Sure, there are limitations. Factories aren't as flexible as warehouses or data centers, which can handle business from just about any industry. So a manufacturer's markets would be narrower. ...

Maybe this trend would not be such bad news for GM. It has excess capacity and nearly 100 years of manufacturing expertise. If it created a carmaking platform, GM could enable the creation of dozens of new niche-market car companies, all using GM to make and distribute their designs."

As Kevin Maney observes, this model is not far afield from today's **contract manufacturers** in Asia, which make batches of cellphones or toys or shoes on demand for Western brands. User manufacturing would transfer this model to everyone in much smaller batches, using rapid manufacturing technologies and easy, but flexible design tools.

Just imagine what would be possible if Amazon would add to its shared online-selling and distribution capabilities some physical manufacturing capacity as, e.g., offered by e-machineshop (they do this already in the context of book printing with print-on-demand). **Then we all could design, click and manufacture a product to sell to the world. Welcome to the world of user manufacturing.**

Context information:

- The [Elite Vintners wine customization toolkit](#) can be interpreted in this way: This is not a real configurator (as much too complex), but more the provision of the infrastructure of a professional winery to everyone.
- [Spreadshirt](#), [Cafepress](#) and [Zazzle](#) enable user manufacturing within a bit more constrained solution space in the fashion industry. They allow much more than the usual t-shirt configurations.
- [Tim O'Reilly characterized](#) recently [Threadless](#) as a model of user manufacturing, but I disagree. This is crowdsourcing of design, but otherwise a more traditional (if revolutionary) business model. But Tim has a number of other good examples in his post.

- The review of the [history of mass customization by Donal Reddington](#) also makes this bridge from mass customization to more active users.

- And **researchers of user innovation like Eric von Hippel** have always noted that innovative (lead) users, who find no manufacturer that would produce their idea, turn themselves into manufacturers. Lead users, however, had to build their own manufacturing capabilities. [Here is a great study](#) by Eric with Christoph Hienerth and Clariss Baldwin about this area.

- **Books: Neil A. Gershenfeld: [FAB: The Coming Revolution on Your Desktop--From Personal Computers to Personal Fabrication](#)**. And in GERMAN: **Andreas Neef: [Vom Personal Computer zum Personal Fabricator](#)**, a book on fabbing, rapid manufacturing and new flexible manufacturing technologies.

UPDATES:

- If you live in **Singapore**, **join this workshop** exactly to the topic on Feb. 27, 2007:

<http://genometri.com/DIY/>

- Paul Krush reports his story of **opening a user manufacturing service bureau** [in his new blg](#).

December 05, 2006 | Permalink http://mass-customization.blogspot.com/mass_customization_open_i/2006/12/amazons_next_tw.html

Donal Reddington on Customerism: Great Analysis of Recent Developments Along the Active Customer

Many of you will know the [great blog](#) of **Donal Reddington**, who regularly reports about developments, company announcements, and new technologies in the mass customization and personalization domain.

Recently, he posted a [great feature on "Customerism"](#), explaining different recent trends in business and technology seem to be converging into a new business model, that includes mass customization but also user innovation, crowdsourcing, and other developments.

His main arguments in brief (but [read the entire post](#) – there is also a [great picture summarizing his thoughts](#)):

Customer Empowerment: "The idea of empowering customers with a higher degree of control over their relationship with business has gained widespread acceptance. Various terms have been devised to describe different approaches or strategies that empower the customer."

The Rise of Mass Customization & History of Product Configuration: "The major impediment to wide adoption of mass customization in the early 1990's was the absence of an efficient communication channel for customers to describe their requirements. But then, the right tools came up: The Product Configurator. My research suggests that the earliest work on what would be considered a product configurator was carried out by [Ron Brachman](#) at Harvard University in 1977. ... In the mid-1980's, Brachman worked at the Artificial Intelligence Principles Research Department at American Telephone and Telegraph (ATT) which developed the PROSE product configuration system for use in the telecoms industry. A few years later, unrelated research by Tim Berners-Lee would produce the first web-browser. By 1996, Dell had combined these two technological innovations into the first web-based product configuration system, that would allow anyone to specify their requirements when purchasing a computer."

Micro-Manufacturing: "The first examples of how mass customization could be the catalyst for new business models came about at the turn of the Century, with the launch of two companies: Zazzle and CafePress. Both of these companies offered conventional personalization of everyday products ... However, the most important aspect of their business was that they were also 'micro-manufacturers'" – allowing creative users to sell their creations to others.

User Innovation: "Ideas about involving the customer in the innovation process had been around since the late 1980's, ... devised by Eric Von Hippel at the MIT. Von Hippel discovered that most products and services are actually developed by users, who then give ideas to manufacturers. This is because products are developed to meet the widest possible need; when individual users face problems that the majority of consumers do not, they have no choice but to develop their own modifications to existing products, or entirely new products, to solve their issues."

Crowdsourcing as an alternative model of MC: After discussing Threadless etc., Donal concludes: "While to date crowdsourcing has been used mostly in the area of visual design, it could easily be adapted to issues of technical design also. Who is to say that an electronic equipment company could not use crowdsourcing to develop new products? There could be thousands of engineers itching to submit designs for new devices or contribute to the design of a new product. ..."

Customerism: This is where we are now then: "A collection of separate business concepts and enabling technologies, that encourage user/customer participation, whose attributes overlap with one another to a significant extent. ... While there is no single word that can take in all of them ('**masspeercustomization-commonsmarketplace**' doesn't roll off the tongue!), my personal opinion is that the term 'Customerism' is probably the most suitable word to describe a series of ideas that empower the customer ..."

Great observations and conclusions, again: **read his entire post!** I asked Donal what motivates him to spend so much time and effort to documenting mass customization and Customerism with this dedication. And his answer was a **typical example for the motivation of empowered users** in the new market space:

"As regards motivation, I guess you could say it is mainly interest in the topic. I researched MC as part of a master's degree a few years ago. I couldn't use my MC knowledge in my 'day job' (working for the Irish Government), so I set up the website as an outlet to pursue these ideas further. My view at the time was that if I did nothing, my work on the topic would 'go to waste'."

It is only through the great contributions of people like Donal that mass customization is really catching up. There are very few consultants or people who do mass customization professionally that have contributed so much back to the community – and doing this with so much modesty and intellectual generosity. **Thank you, Donal!**

November 30, 2006 | Permalink http://mass-customization.blogs.com/mass_customization_open_i/2006/11/donal_reddingto.html

IHT Reviews Bodymetrics' Mass Customization Program at Harrods and Selfridges in London

Robb Young recently published a [nice review](#) of mass customization enabler **Bodymetrics, London**, in the [International Herald Tribune](#). I visited this shop-in-shop several times and was appealed by its great design, but also noticed that store traffic seems to be slow. But as the IHT article tells, Bodymetrics is becoming a success story.

Bodymetrics uses a 3D Scanner to start the selling process with a 3D body of a customer's. "Body shapes vary infinitely," **Suran Goonatilake**, Bodymetric's founder, is quoted in the article. "Classic measurements are merely body landmarks. One of the most crucial parts of getting any garment to fit right is shaping, how your body is curved. You can have two people with identical jeans measurements but the end result is a completely different fit."

Goonatilake started his mass customization venture from a project for the Centre for Fashion Enterprise, a business development program based at the London College of Fashion. The first Bodymetrics boutique opened in Selfridges in 2004, targeting a largely female clientele with private-label jeans and licenses with other denim brands. In 2006, a second boutique opened in Harrods, expanding the service to include women's tailoring for brands like Vivienne Westwood and Nick Holland.

This approach of using combining mass customization capabilities with existing brands and design seems to be very promising. Bodymetrics an enabler or intermediary, but does not have to build its own brand or designs.

Compared to most other mass customizers in the fashion world, Bodymetrics is focusing on a female clientele, Goonatilake says in the article. "At the moment, men's sales are still small but when we officially launch our men's range this spring, we're aiming for around 10 percent and the ultimate target is something around 25 percent" of the company's overall business.

Clothes are made in the Far East or North America in special factories that manufacture garments one by one and can do finishings by hand. Sales are good, despite high prices start around £250, or \$482, per pair of jeans "We carry no stock, we're never on sale and we get the cash up front before manufacture," Goonatilake is quoted "That's why we have such very high sales per square foot — about \$2,000 — and that's everything in retailing."

The article announces a competing version of **Archetype's Zafu service** : Bodymetrics plans to scan a partner brand's merchandise in a variety of sizes and then can match an item to a customer's scan to identify any fit problems. Such a system would allow better fitting garments without expensive one-of-a-kind production.

Other than these details, the article reveals no new details. But it is another sign that even rather basic mass customization offerings are still an appealing topic for many papers – more than 15 years after Levi Strauss introduced its Personal Pair. And the journalist was very pleased with the fit of his trial jeans.

January 20, 2007 | Permalink http://mass-customization.blogs.com/mass_customization_open_i/2007/01/iht_reviews_bod.html

Custom Fashion 2.0: How a new Korean project wants to lift mass customization in the apparel business to a new level

On Monday this week, the i-Fashion project was launched in Seoul, Korea. I was invited to speak at the opening event of this interesting initiative. Its objective is to create an entire **infrastructure for mass customization in the fashion industry** by integrating a number of technologies which today have not been applied in larger scale. Sponsored by the Korean Ministry of Commerce & Energy with about US \$7 mil., it combines a consortium of 9 apparel companies and a few technology providers.

As you would expect from a high-tech country like Korea, the exhibition on the opening even was dominated by numerous huge flat panel screens. These screens were, however, no sheer illustration but actual part of a totally new selling process. The entire process builds on virtual models which are generated by a 3D body scan of a consumer. The customer can then create on a touch-screen kiosk her new apparel, including the design of the fabric. Designs are illustrated real-time on the customer's avatar. This avatar and virtual garments shall be also used in mobile applications (where South Korea is famous for) and traditional online shopping environments. Also this idea is not new, but has – to my knowledge – never been integrated in a real shopping infrastructure. One of the project partners, the Hyundai conglomerate, will open a test store in its department store chain already this year.



A co-speaker on an international seminar for this project was Prof. **Nadia Magnenat-Thalmann**, a leading expert in virtual modeling and the Director of University of Geneva's MIRALab. I had heard of this lab before, but was astonished to see the scope of its activities. Prof. Magnenat-Thalmann reported from her work as part of the LEAPFROG project, an European project with the objective to modernize and ultimately transform the European clothing sector into a flexible knowledge-driven high-tech industry. Drivers of the project are a radical move towards rapid customized manufacturing through flexibilization and integration of cost-effective and sustainable processes from fabric processing to customer delivery and a new focus on customer service. MIRALab contributed to this project with the development of a 3D virtual try-on platform, including real-time

body sizing and cloth simulation.

Projects like i-Fashion and LEAPFROG are very important for the realization of mass customization in the clothing industry as they go beyond automatic pattern generation (based on 3D scans) or flexible manufacturing technologies, but try to create an integrated platform where most of the traditional physical design, manufacturing, and sales processes are shifted to the digital domain.

One of the interesting parts of the project i-Fashion project in this regards is the large scale application of digital-printing for high-end fashion items. This enables the efficient productions of individual patterns and may solve the problem of huge inventories which are required for customization on the component level. i-Fashion Project partner **Yuhan-Kimberley** demonstrated their latest existing technology during the opening event. I was surprised by the quality of the printing process, but also its speed and cost efficiency (comparable to normal paper photo printing). Also, the garments do not need any further processing or finishing after the printing process. This technology, which shall be improved even further in the project, but first of all integrated in a complete business model, could allow also the legions of custom t-shirt printer a more sustainable production technology compared to today's heat transfer process.

More project info in case you speak Korean: <http://textile.konkuk.ac.kr/englishhome/index.html>

Or contact the project's director, Prof. **Chang Kyu PARK** from the [Department of Textile Engineering](#) at Konkuk University, Seoul (cezar@konkuk.ac.kr).

October 18, 2006 | Permalink http://mass-customization.blogs.com/mass_customization_open_i/2006/10/custom_fashion_.html

Trend: Ultra-Cheap Custom Clothing – How Ziami uses multi level marketing schemes to sell custom goods

I always have argued that mass customization has large potentials for huge cost savings along the entire supply chain. Established companies like [Dolzer](#) in Germany have shown since 25 years that custom made clothing can have the same price tag as conventional standard apparel (in the 200-300 Euro range for a custom suit, 50-70 Euro for a custom shirt). Most mass customization clothing offerings, however, come in a price range of 800-1000 Euro (far beyond the price of bespoke tailoring, but with a premium to your average Boss suit).



But as everywhere in retail, there seems to be also a trend of **discountization in mass customization**: New players like [Ziami](#) or [Aston](#) offer CUSTOM made shirts for **29 Euro**, and a **custom suit for 99 Euro**. Especially Düsseldorf, Germany based [Ziami](#) seems to enter the market aggressively with its range of custom apparel items. Manufacturing is done in China and Thailand, measurements are taken by sales associates by hand, fabrics are cheap and limited, but the customization options quite large. Ziami's approach is based on a multi-level marketing (or: pyramid) approach. This means, all products are sold by independent sales associates who purchase a 50 Euro starter package that enables them to become a custom shirt seller. This package includes everything to sell Ziami shirts, like a "How to measure"-DVD, one sample shirt, fabric samples, measuring tape, needles, 50 ordering flyers, 50 promotion flyers, a brochure containing all the necessary information and the official license to sell Ziami clothes. Distribution partners purchase a custom shirt for 22 Euro, and resell it for the suggested 29 Euro. In addition, they are motivated to recruit further sales associates, as they will participate also on the margins generated by those 2nd tier partners.



One of the more active Ziami partners, Stangl in Vienna, Austria, has described this system very neatly in an [English presentation on their web site](#). And another motivated promoter of the company has even created a [nice YouTube Video](#) that describes the system and provides some insight in the rather easy measurement process.

Can you make a custom shirt for 29 Euro? Yes, of course, given that consumers are willing to wait (as for this price, you cannot use single item air-freight from Asia to Europe) and compromise for the quality of the fabric. Reviews and feedbacks by customers on the internet are mixed. Some really love the system, others are rather annoyed and complain about unstable quality, bad customer service and poor fabrics (just Google Ziami and you find numerous forums and newsgroups discussing Ziami's shirts).

According to their own claim, Ziami, founded in 2003 by Designer **Ersin Canga** and **Philip Kamp**, have risen to become Europe's #1 Producer of Custom Tailored Shirting (however I could get no proof for this, interview requests with the founders were not answered). Ziami most recently expanded its offerings to include Custom Designer Jeans and Cashmere Sweaters available for \$29.95 each. Also belts and other accessories are offered in "custom designs". But what really astonished me was the price for their custom shoes which will be offered soon: "The shoe is made from the highest quality leathers to your exact foot measurements for just \$79.95 (\$600 retail value)". From everything I know from footwear customization, this price is not possible, neither with manufacturing in China or elsewhere, given that this is a real custom shoe.

Is this good or bad mass customization? Well, I am not quite sure. I think the danger of such a system is that it cannibalizes the efforts of higher-quality vendors of mass customized apparel. It also is a low-tech version that depends strongly on the personal skills of each sales associate (this I regard as the largest challenge of this model). It may also discourage customers to try more custom goods once they purchased a Ziami shirt, waited for 4-8 weeks to get it delivered, and then were disappointed by the cut and quality.

On the other hand, this system shows what you can do if you really rethink the value chain in the apparel industry. Extreme cases, as this ultra-discount mass customization offering, are always great examples to study and to test the boundaries of a system. As such a case, I really appreciate this experiment and will observe curiously where this will lead us.

Update: Just by chance I had the opportunity to order a custom shirt from Ziami recently. I will report here how this works out and how it fits. And I learned that the 29 Euro retail price for the custom shirt is just marketing: You always have to pay a 5 Euro handling & shipping fee per shirt, also if you order several at one time. And then there is a 10 Euro "measuring" fee for your first shirt. So **in total, you pay 44 Euro** -- which sounds not as spectacular as the 29 Euro before (and there are many players in this price range -- with local manufacturing and professional tailors taking your measurements -- and MUCH faster delivery).

October 18, 2006 | Permalink http://mass-customization.blogspot.com/mass_customization_open_i/2006/10/trend_ultrachea.html

Footwear Customization 3.0: The First Rapid Manufactured Shoe

Footwear customization brought to a really new level: Today, I had the opportunity to have the **world's first working prototype of a totally new shoe concept** in my hands: a **100% laser-sintered shoe**. What looks like a normal shoe, is a real revolution and one of the largest achievements I have seen in the mass customization world.



The shoe, developed by **Marc van der Zande** from TNO Science and Industry (a Dutch research institute) and independent designer **Sjors Bergmans** of Sjors Bergmans Concept Design, comes out of the manufacturing machine as you see it in the pictures on the left – in one manufacturing process, no assembly required (only some finishing, polishing, etc.!) And no one cares any longer if each product is custom or just a replication of a standard design.

The TNO shoe concept, named **'Head over Heels'**, is the first **application of rapid (digital) manufacturing technologies** (more about RM) to an entire product in the footwear industry. Such a concept would allow the rapid customization of shoes to a radical extreme – without any of the constraints of conventional custom manufacturing mechanisms like the need for custom lasts, custom cutting of materials, and a new organization of the work process in manufacturing. With rapid manufacturing, a digital design (CAD) can be transformed directly into a tangible product.

In an earlier venture, UK-Based Prior2Lever introduced a soccer boot that contains a rapid manufactured component, the outsole. But the shoe developed by TNO goes much further. To come up with such a concept, the entire design of a shoe had to be redesigned. A flexible element in the sole allows for high flexibility, and integrated elements in the upper are providing flexible hold.

In the moment, this project is in the proof of concept state. According to a colleague who tested the shoes (in the first design just available in a 38 size), they are at least as comfortable as conventionally produced shoes. Future development will include a wider range of models (including a model for men) and an easily scalable design so that in the end a foot scan can automatically be transferred into a custom design. Also, manufacturing costs have to go down. Today, a pair of rapid manufactured shoes comes still with a heavy price tag of 600 Euros. But TNO project manager Marc van der Zande expects that production costs can be dropped to less than 100 Euro within a few years, given the present speed

and scope of application of rapid manufacturing technologies in many industries. With this larger scale, materials and machine costs will become much cheaper.

For me, this shoe presentation today was a great glimpse into the future. Just think five years ahead: Then you may really get your feet scanned, and a moment later, your new shoes will be 3D-printed immediately in the store. With this, the long tail of footwear could be driven to an extreme! But most important, the 'Head over Heels' concept provides a strong further proof that digital manufacturing technologies like laser sintering are not just for prototyping any more, but are rapidly becoming a standard manufacturing technology.

More information on the 'Head over Heels' Laser Sintered Shoe:

- For more information on the footwear design, contact Marc van der Zande (marc.vanderzande AT tno.nl) or Sjors Bergmans (comengo AT gmail.com).
- The concept will also be presented on the **TNO Symposium on Rapid Manufacturing**, Evoluon Conference Center in Eindhoven, The Netherlands, Tuesday, **Oct 31, 2006**.

Context information:

- **Jochen Krisch** recently had a good overview on [companies offering rapid manufacturing capabilities](#) for everyone in his blog.
- **John Marshall** writes about the older, but still great application of rapid manufacturing for the [lamps of the Benelux company Materialise](#).
- And my own more recent posts on [customization of footwear](#), [Open Source Footwear](#) and the [interview with Sergio Dulio](#) on latest developments in this area.

October 24, 2006 | Permalink http://mass-customization.blogspot.com/mass_customization_open_i/2006/10/footwear_custom.html

Offline Customization -- Morgan Miller Fashion Shoe Workshop in South Beach, Florida

[Madeforone](#) today discovered the link to an [interesting story](#) in the **Miami Herald** about another **off line experience for footwear customization**.



So to continue the stream of posting around this theme, here **some extracts from the Miami Herald** article. For me, the entire concept sounds very much like the **Via Della Spiga Concept store** of watch maker **Swatch** where consumers also can co-create (craft) their own custom watches in a store (see [old posting on Swatch's customization store](#)). I believe that there is still much growth potential in this business model.

So this is what you can do – since Nov. 1, 2006 -- in Miami at **Morgan Miller** (1634 Euclid Ave., Miami Beach, 305-672-6658), a customization boutique owned by Morgan Miller, 24, a graduate of Marymount Manhattan College with a bachelor's degree in communications:

"Ever find a pair of strappies you loved, except the straps were all wrong Now you can design your own—from the heel up—at Morgan Miller, a **unique design-and-go shopping experience that takes only 30 minutes**. At 24, designer Morgan Miller, owner of the new South Beach boutique, has put an innovative, rock star spin on the shoe-glutton movement.

"**We provide the ingredients for women to be their own designers** so they are able to put their own stamp on things," said Miller, a New Jersey native. Clients choose from a mélange of soles, straps and buckles to create a shoe exactly to their liking, at prices ranging from \$150 to \$500.

There's a **buffet of kitten heels, cork and wooden wedges of various altitudes and attitudes**. There are high heels, low heels and chunky heels in black or white lacquer. Straps can be had from more than 100 options, including lizard, python, ostrich, alligator, leopard-print hide and the leathers: patent, metallic and pearlized. Buckles can involve Swarovski crystals or faux bamboo **Strap and buckle samples are attached with Velcro to a wall of black velvet so clients can handle all their options**. And once the style combos are chosen, bubbly is served and the foot is measured."

Another website, **Daily Candy**, [describes the customization process](#):

Step 1: The base. Stiletto, kitten heel, cork platform — she's got you covered, from beach to banquet.

Step 2: The strap. Go conservative with black or sex things up with turquoise python — there are plenty of fabrics and colors to choose from.

Step 3: The accessory. You've got more than 100 options: Bling out with crystals and jewels or keep it simple with a silver chain or nothing at all. Of course, you're not expected to actually make the shoes. The in-house cobblers take care of that.

But in the end it is all about the experience, as [the Miami Herald writes](#):

The **boutique resembles a candy store for grown-ups**. Big candy jars hold rhinestones and other embellishments. Crystal chandeliers illuminate the sparkling shop. The shoes, which can resemble those by Jimmy Choo, arrive a mere half-hour later—on Tiffany & Co. silver platters. ... A self-confessed shoe freak, Miller plans to expand her made-to-order shoe business to include handbags and belts, but with a longer turnaround of two-three weeks.

Context information: Previous postings on offline customization stores:

- [Adidas Paris miAdidas flagship store](#)
- [Selve Footwear Customization Experience](#)
- [DNA Style Lab](#)
- [Korean iFashion project with virtual mirrors](#)
- [Personalization Stores collection](#)- at CS Scout
- [Via Della Spiga Concept store](#) Posting in old newsletter

November 14, 2006 | Permalink http://mass-customization.blogs.com/mass_customization_open_i/2006/11/offline_customi.html

Adidas Finally Adds Experiment & Service to its Mi Adidas Product – New mi Adidas Innovation Center Opened in Paris

I recently wrote about the opportunities of bringing mass customization into stores and **selling the experience as much as the custom product** (see the [DNA Style Lab posting](#)). Now **Adidas**, a premier example of mass customization in my talks and lectures, has expanded its in-store presence with a huge new mi Adidas retail outlet in its new Paris flagship store.

The 1,750 square meter Paris **adidas Sport Performance store** occupies two floors on the Avenue de Champs Elysees and features a wide selection of adidas products. The core part of this store is a pimped mi-adidas sales system, called **mi Innovation Center** (mIC):

"The "mi Innovation Center" will change the way consumers shop and their expectations at retail. It is a true first and we are thrilled to premier the mIC in Paris offering customers a whole new dimension of interaction with adidas products," **Karen Feldpausch-Sturm**, Senior Vice President of Global Retail for Adidas, is quoted in a press announcement. Adidas, headquartered in Herzogenaurach, Germany, plans to roll out the new high-tech concept stores in major cities worldwide, including one in China in the run-up to the 2008 Beijing Olympics.

Features of the new customization unit in the mIC include:

A large glossy, black cube is the focal point of the center. Here, customers can customize their own "mi adidas", using now a larger **flat-screen configurator** to alter the details of the shoes by simply pointing a finger to the screen. Laser and infra-red technology then translate the gestures into commands. Foot scanning and pressure scanning is done as in the mi adidas stores before.

New is also a **virtual mirror** where users can see their personalized shoe on their own foot without even removing ones shoes!

But customization is not only high-tech: Customers are accompanied by specially trained "adidas experts" who, like a personal trainer, **advise on nutrition, exercise and products**. With a portable hand-held PC, the sales associates record a consumer's personal data and desires, creating a user profile that he/she can view at their convenience via the internet.

In addition to the cube, the center also provides some insight into **new approaches of selling standard products**: At a table, a sliding carriage can be moved over a desired shoe and then specific product information will appear on the screen via Radio Frequency Identification (RFID) technology.

Update: On YouTube is now a [Video showing exactly the new mi adidas customization process](#) (thanks to [Rebang](#) for the link).

I don't had the opportunity to visit this store in person, but a sneaker enthusiast [posted a nice review](#) on the **BKRW blog** (the reviewer seemed to have not heard before that Adidas is offering basically the same service since 2001, thus not in such a fancy retail outlet):

"Well, to be honest we were really impressed and can't wait to test it for real (don't worry we will be in the first row...) ! The concept is really simple, it's a kind of NIKE ID applied to performance shoes. It means that you

can customize our own performance shoes, according to the way u need it. You can change the design, change the colors, add some words or some special tags, but most of all you can even materials of the shoes : sole, mid-sole, chassis, uppers, studs... The truth is that ADIDAS is pushing the whole performance concept with the even way of customizing your shoes, because even being in MI INNOVATION CENTER is a travel into the future: as we said you are running on a video carpet, each salesman has a touch screen tablet to change into real time your adjustments and preferences, while you are directing your mouse on the menu screen by the means of a laser system of pointing..."

Is all this just another marketing gimmick?, asks Business Week in a report about this store.

My answer is yes and no. Regarding customization of the product, it is just a pimped up version of the mi adidas retail units that are in place since years. But regarding the overall strategy of customization, it is a large step forward. For the first time, the company is not focusing on the custom product, but on the **custom service and experience** users get when purchasing the shoe. The custom nutrition program and fitness guides offer much more value as yet-an-other color-option at NikeiD. So while Nike had an easy win with the Ipod-Nike-combination offering individual tracking of your running behavior, I think Adidas has beaten its competition with this integration retail innovation by far – if they are able to scale up this system and deliver what they promise.

Business Week quotes **Fiona Fairhurst**, director of Zero Point Zero One, a sports consultancy in Nottinghamshire, England, on this:

"These days if you look around the gym, everyone is their own fitness expert. People know how to use heart-rate monitors and measure their own level of hydration ...An individual will steer clear of a brand that doesn't fit properly, no matter how exclusive that brand is. If you know that Adidas fits you perfectly and comfortably then they have a customer for life."

November 08, 2006 | Permalink http://mass-customization.blogs.com/mass_customization_open_i/2006/11/adidas_finally_.html

SAP Info on Open Innovation & Innocentive

While this is an audacious act of self promotion, I still want to guide you to a nice interview I did with SAP Info, the global customer magazine of Software Company SAP. The topic was the U.S. company Innocentive that specializes in Open Innovation. Karim Lakhani, who worked as a Ph.D. researcher in the same group at MIT that I am visiting, got some fascinating performance data on Innocentive, on which I comment in this interview.

The interview answers questions like:

- From Open Innovation, it is only a small step to companies developing products with the help of their own customers. Does this mean that manufacturers and customers are once again communicating directly with each other about the products, like in the good old days of the corner shop? Is it possible to prevent submitted entries, even those that haven't won, from being used commercially, patented as someone's own idea or sold on?
- Isn't it still more lucrative for someone with good ideas to secure themselves a patent rather than accepting a comparatively small amount of money anonymously from Innocentive?
- Does Innocentive have a monopoly at the moment or are other companies already copying its business idea?
- How could external and internal innovation specialists usefully share out the work in future?
- Open Innovation has been called the "Ebay of ideas". Do you see a danger of people's gift for invention being sold off cheap?

Read the answers and the full interview in English here (the translation from German is not always very good). There is also a version in German language.

October 07, 2006 | Permalink http://mass-customization.blogs.com/mass_customization_open_i/2006/10/sap_info_on_ope.html

InnoCentive launches nonprofit unit: Crowdsourcing solutions for the world's problems

Now this is a good idea: Innocentive, one of the major examples of crowdsourcing innovation using the principles of "interactive value creation", today announced that it has teamed-up with **The Rockefeller Foundation** to launch a "nonprofit" application of its distributed innovation tool.

InnoCentive should be known to most readers of my blog, even if I never reported extensively about them (as they are not based on the input of customers or users): In brief: Innocentive is a company based here in the neighborhood of MIT that specializes in matching scientists with corporate clients to solve research and development problems.

It has been shown that this "broadcasting" of problems instead of seeking for a problem internally is a highly efficient mechanism. **So using it not only for commercial firms, but to generate science and technology solutions to pressing development problems, is a great idea.**

The **non-profit Rockefeller Foundation** area on InnoCentive's scientific platform will bring to bear the talent of thousands of world-class scientists, innovators and entrepreneurs in solving the most pressing and complex humanitarian challenges posed by non-profit entities selected by the Foundation.

Under the agreement announced today, The Rockefeller Foundation will select non-profit entities and others with charitable intent eligible to use the InnoCentive platform under preferred conditions, and will pay access, posting and service fees on their behalf to InnoCentive, as well as challenge awards to those researchers solving the technology problems the non-profits pose. The Foundation will launch a new area on its own Web site, www.rockfound.org, to recruit and screen organizations seeking this subsidy to use the InnoCentive platform.

The new agreement is the first step in a larger Rockefeller Foundation initiative aimed at promoting innovation in a manner that spurs development, and that specifically increases access to proven innovation models for work on behalf of poor or vulnerable populations around the world. In some cases, the initiative will also help to advance access to, or distribution of, specific innovations that can be of important benefit to poor or vulnerable people.

The foundation will screen the problem seeker and pay for that company to register on the Web site. If a problem solver is matched with the seeker, **Peter Costiglio**, director of communications for foundation said. The foundation would then fund the award for the problem that's solved, provided that it is solved satisfactorily.

"It is difficult for us to give a specific dollar amount in terms of what type of funding we're talking about," said Peter Costiglio. "What we want to do is have problem seekers matched with problem solvers. This is a platform to enable that to happen."

I think this is a very promising new approach for solving social problems. It has been shown that many solvers at Innocentive are motivated by the spirit of solving the problem as much as by the cash reward. Working on a social problem may spur this behavior. This seems a much better model to find answers for fields where commercial solutions will not come up easily (as the market potential is too small, as, e.g., in the field of Malaria treatment) than the usual direct funding structure.

December 18, 2006 | Permalink http://mass-customization.blogspot.com/mass_customization_open_i/2006/12/innocentive_lau.html

MC in the Blog Sphere: History, Future, and a Missed Trend

Two great and one interesting post on mass customization and creative customers stroke out the mass of general postings just mentioning the term. And an update on Zafu in the NYT.

Tim O'Reilly on Threadless and custom fabrication. Tim O'Reilly, master guru of Web 2.0, today [posted about Threadless](#) and why he loves this business model. Why I do not share his evaluation that **Threadless**

is a perfect example of the Long Tail (see my [comment](#) on his post), Tim makes a good observation where this will lead us in the future:

Right now, Threadless is just making t-shirts. But custom fabrication devices like laser-cutters, water-jets, and 3D printers are currently at about the price points of typesetting machines back when desktop publishing took off in the early 80's. Even traditional manufacturing techniques can now be harnessed by small companies and individuals, who can hire overseas factories to make short runs of custom designs. How far off is a future in which the creative economy overflows the thin boundary that separates "information" from "stuff"?

We've been fascinated with this idea since Marshall Burns and James Howison gave a talk entitled [Napster Fabbing](#) at our first P2P Conference in 2001. They pointed out, quite rightly, that in a world of personal fabrication machines, stuff could be shared as easily as music is shared today.

But what would the mechanisms be by which new designs first come into play? Will they merely be copied from traditional manufacturing and brands, or will there be a new economy in which users compete in creative abandon?

I am preparing a longer review posting on **user manufacturing** and the new infrastructure that is just coming up to help consumers to turn their creative ideas into physical outputs (and sell those to others) – an alternative model to the today dominating mass customization model. Stay tuned for this next week or so.

But Tim's post is a summary of the idea and what will come up. Or, as he [says](#) with William Gibson's words at the beginning of his post, "The future is here. It's just not evenly distributed yet."

Tom Evslin on the history of mass customization. Tom Evslin, a technology veteran and pioneer of many core technologies of the information age, [posted in his blog today](#) – in a comment of Tim's post – a great story on the history of mass customization.

Until today, I always paid tribute to **Alvin Toffler** for mentioning the concept first, who quoted (in 1970) Robert H. Anderson, at this time Head Information Systems, RAND Corporation, that *"The most creative thing a person will do 20 years from now is to be a very creative consumer... Namely, you'll be sitting there doing things like designing a suit of clothes for yourself or making modifications to a standard design, so the computers can cut one for you by laser and sew it together for you by NC machine ..."*

But Tom has the [following story](#) to share:

In 1963, IBM paid me overtime for attending courses and lectures at its System Research Institute subsidiary – plus an all-expenses-paid drive into NYC. One Tuesday night the lecture was on the kind of future that computers would make possible. Those who thought about that at all thought of a Big Brother sort of world and enforced uniformity since computers liked dealing with millions of items which were all formatted just the same.

But the speaker at SRI said that computers would make mass customization possible.

"Imagine," he said, "going to a store and seeing a dress you like (nb. no online shopping in the dark ages). The clerk takes your exact measurements but then asks if you would like any changes to the design. You say 'I'd like the fleur de lis a little smaller, the straps a little wider, and the hem an inch higher.' After just a short wait a machine disgorges just what you want. Computers will make it possible to undo the uniformity and conformity that began with the industrial revolution and mass production."

Wow! Not that I bought any dresses with or without fleur de lis in those days but I was really turned on by this. Didn't really have anyone to discuss it with because my co-workers at IBM were much older than me and not as given to bursts of enthusiasm and no one else knew what a computer was.

So why are we not all customize our dresses (or dress shirts) today? Here the third provides an answer.

Robyn Waters on Mass Customization. [Business Week today posted](#) an interview with Robyn Waters, a "Trend guru" on "spotting what is next" and former vice-president of Trend, Design, and Product Development at Target.

While I really love her work for Target and how she turned this company in place for great shopping experience and discoveries (Target's high-profile, high-revenue "design-for-all" marketing strategy, developed by Waters, is a industry benchmark), she really missed the point when asked about the **which companies she recommends watching that are great in mass customization?** [Her answer:](#)

"Mass customization refers to products for a mass market that are designed so customers can personalize them to their exact needs or desires.

Companies doing a wonderful job of mass customization are: The U.S. Postal Service and the www.mystamps.com site. You can design your own postage stamps...upload a photo, chose a color, a border, a denomination, pay by credit card. Jones Soda uses digital technology to customize labels. The customer uploads a photo, writes a label, selects the flavor of soda, and a case of custom-labeled soda is shipped to their door. Starbucks allows you to customize your cup. There are purported to be over 19,000 ways to order your coffee drink at Starbucks.

M&Ms allows you to select special fashion colors, and 95% of Mini Coopers are customized. Cold Stone Creamery customizes your cone with mix-ins. My Twinn is a doll that is customized to look exactly like your child. TiVo turns you into your own TV programmer. iPod gives you all the controls for your music when you want it.

I prefer the term "customer-made" to "custom-made." These examples turn a customer into a designer."

I totally share her last comment. But are the companies she quotes really good examples for mass customization worthwhile watching. I doubt this. Most of them are examples of online mass customization of the first generation. Are you really a designer if you order a latte with skimmed milk and extra cinnamon at Starbucks? Are you a designer if someone create a doll that looks exactly like you? Is a custom soda label the future of customization? Well, then I should stop writing this blog.

Tom's 1963 quote of mass customization of much more insightful and futuristic -- almost 45 years ago! I just mention this as it are exactly this kind of examples that make it difficult to bring mass customization forward and shift it out of the niche of custom embroidery etc. If forward looking thinkers like Robyn Waters use these kind of old examples and narrow ideas, then it will be difficult to motivate other managers to really see a sustainable business model behind the concept.

Update: One post that I just found today: [The New York Times has a good review of Zafu.com](#), the mass customization alternative [I wrote about some while ago](#). While the article in general praises the Zafu service, it remarks that it does not weigh heavily enough a user's brand preference. But the label of a jeans is a as a big factor as the fit. The [article](#) also comments on the increasing use of other personalization services, like gift-finders or recommendation engines. Nothing new, but finally getting implemented.

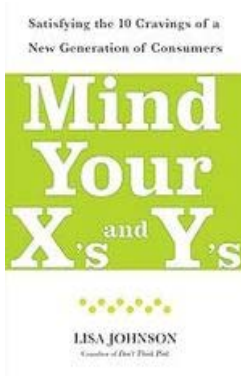
November 20, 2006 | Permalink http://mass-customization.blogs.com/mass_customization_open_i/2006/11/today_is_mc_day.html

Book Review: Why do people want to co-create and to customize?

A new [book by Lisa Johnson](#) provides some good answers -- and some great new case studies, too.

Yes, we know today that modern consumers not just want to solely consume, but are active and co-creating and (a few of them) co-innovating – and want just what they want.

But why is this so? This still is one of the fundamental questions – also for companies that want to benefit from [“crowdsourcing”](#) or [interactive value creation](#).



To answer it, you either have to rely on heavy sociological texts or studies from anthropologists, or on pretty weak trend assumptions by marketing consultants (I have summarized both discussions in my German MC books).

One of the **few exceptions** is the great book by Harvard Prof Shoshana Zuboff and her manager husband James Maxmin, **“The support economy: why corporations are failing individuals and the next episode of capitalism”** (London: [Viking Penguin 2002](#)), which contains a great analysis why the (US American) consumer wants more personal service and customized offerings.

The focus of Zuboff and Maxmin are baby boomers, the post-war generation now in its best living and spending age. However, most co-creation activities that are cool in the moment come from **younger generations, today 14-to-40-year olds**. Also these consumers are savvy, sophisticated, and particular – and they are becoming more and more immune to traditional advertising, while exploring the huge choice of [“long tail”](#) markets.

Divided by marketers in the Generation X (30+) and Generation Y (teens and twentysomethings), these groups shape today's pattern of consumption and value creation. And **Lisa Johnson**, a marketing consult-

ant, does a great job in her book **“Mind your X's and Y's: Satisfying the 10 carvings of a new generation of consumers”** (New York: The Free Press 2006) to describe why and how.

What I really liked about this book is that it is all about Web 2.0 and Social Commerce without even mentioning these terms, but bringing them into a more general, better founded and buzzword-free framework.

Her starting point:

“Whether we like it or not, recent technologies have changed how our brains operate. They have altered the way today’s consumers think – not just what they buy, but how they buy, how they act and react, and which products and services they find compelling.”

Resulting from this is a different mindset that Johnson calls “the five essential criteria” which describe qualities consumers expect from all kind of products:

- **Experience:** The desire to get out and try new activities, to explore, text, and see what is possible.
- **Transparency:** The market as an antispin zone. Full disclosure for companies and consumers alike with accountable choices and decisions.
- **Reinvention:** Due to fast adaptation of new technologies that allow to do old things differently, markets are a place of constant change.
- **Connection:** Cooperation of people blending their talents and perspectives to improve the experience for everyone.
- **Expression:** Anything is possible. The desire to express the layered facets of ones personality and individuality by customization and personalization.

These five criteria inform how consumers operate in the market. And Johnson uses them to describe **ten consumer cravings that cross industries and age brackets as they drive – in her opinion – every decision made by members of the Generation X and Y.** Let me introduce five of them which seem more relevant for the themes of my blog. While the following quotes describing these trends are pretty much marketing-jargon, their description in the book is actually more profound:

Shine the Spotlight: Extreme personalization gives marketing a new face: "Clamoring for personal recognition. They're itching to stand out, stand up, and be celebrated with their names in lights (or print or pixels). Brands that tap into this powerful need with highly creative efforts will get not only great buzz, but a whole new level of loyalty and brand ownership to match."

Make Loose Connections: The new shape of “families” and social networks. "This generation is rejecting traditional associations and club-style memberships in favor of loose connections that more accurately reflect their interests, lifestyles and busy days."

Filter Out the Clutter: Editors and filters step into a new role of prominence. "In a world that's inundated with choices, editing is a critical market phenomenon and an important process in our daily lives. Consumers rely on editors to sift through the raw data and identify the top picks. As a result, many savvy brands are learning to build editing mechanisms into their brands, products, and websites."

Keep it Underground. The rejection of push advertising and the rising influence of peer-to-peer networks. "A select group of people discovers something new, from shoes to bands to politics to neighborhoods, and translates it to satisfy a much wider audience. This is the way of the underground."

Build it Together. Connected citizens explore their creative power and influence change. ".. we've only just begun to tap into the power of web-based networks. The Connected Generation is becoming intoxicated by their growing ability to spark change – both as consumer groups and end users. This awareness is spurring mass creativity and launching a power shift away from companies and into the hands of consumers."

And, just for record, the remaining five carvings are:

- Raise My Pulse. Adventure takes its place as the new social currency.
- Give Me Brand Candy. Everyday objects get sharp, delicious, intuitive design.
- Bring it to Life. Everyday activities are orchestrated to deliver a dramatic sense of theater.
- Go Inward. Spiritual hunger and modern media find common ground.
- Give Back. Redefining volunteerism and the meaning of contribution.

Regarding her first trend, Shine the Spotlight and Extreme Customization, she provides a number of good arguments why consumers want this kind of customization and expression of their personality – regarding the **need for (mass) customization especially for product offerings that address aesthetic design and personalization:**

- People are burned out. "Consumers are cynical and extremely educated about the entire marketing process. Add in a collective obsessions with celebrities, and people everywhere are longing to experience the insider treatment. They want to feel like someone really cares about their dreams and desires."
- People have seen what is possible. New tools and websites allow consumers to share their unique personalities.
- There's a sense of entitlement. "I deserve it and I am ready for it now, is the common attitude.
- People want profile in familiar formats.
- People want promotion without the appearance of self-promotion.

To illustrate this trend, Ms. Johnson uses a **number of case studies** which I personally find not too extreme or convincing, there are much better examples out there (like the new Adidas Pars Innovation Lab, DNA Style Lab's idea or Build-a-Bear): Jones Soda that allows you to place personal labels on standard soda, lamtoy.com, who create handcrafted superhero alter egos of your loved ones, DNA Artwork that uses your DNA for a custom picture. But you get the point.

Among the many other, much better case studies in the remaining chapters of the book, is the venture of an active member of our mass customization community: **Andreas Schuwirth** (<http://www.xxpo.de>), who developed a body measurement solution for the bike market that allows a totally new sales experience there. The book describes in large detail the application of this system in a new chain of **bike stores in the US, "roll:bike"**. These stores are envisioned by an industry outsider, **Stuart Hunter**, who wants to provide customers a custom shopping experience with a highly edited and customer-centric store. The book describes here a great case study of an offline-customization (matching) system that really provides customer value.

What the book is missing, however, are all forms of co-creation that go beyond operational marketing or improvements of merit, but which do address topics like lead users or other forms of user innovation (Patty Seybold's book does a better job here). Ms. Johnson stays in the traditional regime of thinking – but this is also where most co-creation activities do take place anyway.

I could go on with quoting from this book, but just recommend that you get a copy and read it for your self.

November 18, 2006 | Permalink http://mass-customization.blogs.com/mass_customization_open_i/2006/11/why_do_people_w.html

Book Review: Outside Innovation: New book by Patricia Seybold builds a bridge between open innovation & mass customization

Outside Innovation: How Your Customers Will Co-Design Your Company's Future, by Patricia B. Seybold. New York: Collins, October 2006. ISBN: 0061135909, about 26\$.



This book review has been overdue for more than two months when I got the pre-version of **Patricia Seybold's** new book, "**Outside Innovation**". I immediately read it with very large interest, as Seybold is one of the authors I have quoted often in my own books. In her bestselling title '**Customer.com**', she provided a great analysis of how the internet is changing consumer markets. So meeting her here in Boston for several occasions in the past year and discussing with her some ideas of her new book was a great opportunity. Here is the result of her recent research: In "**Outside Innovation**", Patricia Seybold provides one of the first general-management books on co-creation of value between firms and customers.

Well, there have been other books on this topic before (starting with the great, but today almost forgotten book by **Rafael Ramirez** and **Richard Norman** on Value Co-Creation [1994: '**Designing Interactive Strategy**'], **Prahalad & Ramaswamy's** [2003] highly abstract book on customer co-creation, and of course **Eric von Hippel's** [2005] fantastic review of three decades of academic research on user innovation in '**Democratizing Innovation**').

But Patricia Seybold's book is **full of great and very up-to-date case studies** that make the idea of value co-creation really lively and accessible. She describes (in great detail and with plenty of background information) many classic examples like Lego's co-development of the new Mindstorm toy, Threadless, Flickr, BBC Backstage or National Semiconductor, but has also some great new (at least for me) examples of customer-

centric innovation like the development of a new fitness machine (Koko Fitness – great story and concept) or SEI Wealth Networks.

And her pitch line why her book is important tackles one of the main problems of integrating customer and users in a firm's innovation process:

"The good news is that customer-led innovation is one of the most predictably successful innovation processes. The bad news is that many managers and executives don't yet believe in it. Today, that's their loss. Ultimately, it may be their downfall."

I hope that her books can support more managers to consider customer/user integration not only as a nice add-on pilot initiative, but to make it a crucial part of the company's core strategy. The book, however, offers no recipes or frameworks how a manager could do so. Its core contribution is to document and describe what is happening in a world that is not any longer dominated by companies creating things FOR users. And as Seybold does this in great detail and style, this record of promising practices may convince managers to turn away from old prejudices.

Patricia Seybold bridges in her book between innovation and operation, between users and customers, between leading edge contributors and average customers. **Eric von Hippel** strongly differentiates between these levels. He argues that for functional novel innovation, firms have not to listen to their present customers but to search for "**lead users**" who face a specific need ahead of the market and have turned this need already into a solution for themselves. In many cases, these lead users are in a different domain than the manufacturer and are not its present customers. Gathering input from lead users thus is totally different to market research methods of any kind.

Seybold uses the term "**lead customer**" to describe a group of a firm's current customers who are truly innovative: "These may not be your most vocal customers, your most profitable customers, or your largest customers. But they are the customers who care deeply about the way in which your products or services could help them achieve something they care about." Getting their input may also be the result of a more conventional market research approach.

This distinction is worthwhile to note when you read the book. Otherwise, without previous knowledge, you may get a bit confused where in her cases real innovation starts and more general customer-focused business strategies end. But as she argues, this is exactly the beauty of co-designing with customers: You start with some small steps, perhaps within the context of a mass-customization-toolkit, and suddenly your customers want more and get motivated to innovate on their own.

My conclusion: A book very worthwhile to buy and read. Its great collection of case studies will inspire you to look for more and deeper information on this topic – or to start to brainstorm immediately how you can benefit from the creative potential of your customers.

For abstracts from the book and an insight into the cases, have a look in Patricia Seybold's blog, <http://outsideinnovation.blogs.com>.

October 19, 2006 | Permalink http://mass-customization.blogs.com/mass_customization_open_i/2006/10/outside_innovat.html

Book Review: Wikinomics Is the New Crowdsourcing

Don Tapscott has been one of my favorite authors for a long time with regard to everything on the digital economy. Finally, he is also jumping on the co-creation and crowdsourcing trend and comes up with a new book on the topic with the wonderful title "**Wikinomics: How Mass Collaboration Changes Everything**". Together with co-author **Anthony Williams** from New Paradigm, a think tank focused on business innovation, the book promises to provide an easy-to-read discussion along the line of Benkler's Wealth of Networks thinking.

The book will be published at the end of the month, and once I have it, I will post a review. But I already wanted to provide you today one more buzzword to impress your colleagues at the next holiday party: The next trend in business is [Wikinomics](#).

From the announcement of Wikinomics:

"Smart firms can harness collective capability and genius to spur innovation, growth, and success. ... Wikinomics builds on this research elucidating a new age where thanks to the Web 2.0 masses of people can

participate in the economy like never before—creating a TV news story, sequencing the human genome, remixing their favorite music, designing software, finding a cure for disease, editing a school text, inventing a new cosmetic, or even building a motorcycle."

Along the promised **case studies**, only the first in this list is new to me, but sounds very interesting:

- Rob McEwen, the Goldcorp, Inc. CEO, former investment banker, and gold mining newbie, who used open source tactics and an online competition to breathe new life into a struggling business cobbled by the rules of an old-fashioned industry.
- Flickr, Second Life, YouTube, and other thriving online communities that transcend social networking to pioneer a new form of collaborative production that will revolutionize markets and firms.
- Smart, multibillion dollar companies like Procter & Gamble that cultivate nimble, trust-based relationships with external collaborators to form vibrant business ecosystems that create value more effectively than hierarchically organized businesses.

There is also a [web site](#) with some more information. And **Dan Farber of ZDnet** has a [video interview with Don Tapscott](#).

December 12, 2006 | Permalink http://mass-customization.blogs.com/mass_customization_open_i/2006/12/buzzword_collec.html

DNA Style Lab goes Beta: A new model for the custom t-shirt economy that also looks beyond the internet



If the number of new ventures started around one idea is an indicator for the strength of this trend, then **custom t-shirts** and related fashion items are the **hottest area of mass customization** in the moment. I lost track of all the recent announcements of new sites where users can co-design their t-shirts. Next to "established" forerunners like Spreadshirt, Cafepress, or Threadless numerous start-ups entered the customization world recently. Have a look on [Adam Fletscher's t-shirt blog](#) to get an overview in form of his great interviews with the founders of the players in this **custom t-shirt economy**.

So just let me introduce you to one of these upcoming sites: **DNA Style Lab**, the brainchild of **Samantha McDermott**, who got first experience with customized handbags in the late 1990s. Her idea is to combine elements of some of the existing systems of the custom t-shirt economy with new ideas.

The core idea is that the company commissions a number of artists from around the world. These artists are in varying stages of their careers, some are already more established, others are just getting known. Artists will contribute design elements which consumers then can place freely on different apparel products and accessories. Pricing of the products is modular: the more graphic elements an user selects, the more expensive the final product gets.

If artists allow, consumers can also change certain aspects of the supplied art. The company itself makes its profit from selling the core products (US \$10-20 for American Apparel garments), artists get the full price users pay for the graphic elements they select (about \$5).

Sounds very much like **Stagr** or **Innertee** ... sites which do not leave the entire co-design process in the hands of the consumer but **propose to split the process**: Experts provide the input and variety by basic designs, individual consumers get the freedom to combine these elements, providing them the experience but not the pain of a co-design process.

But what makes Ms. McDermott's venture really special is her plan to stay not just in the online world, but to **move also to brick & mortar stores** where customers can actually leave the store with an item they designed. I think this is what it requires to grow and scale the idea of aesthetically customized fashion products. In the end, the major **value of a custom t-shirt** or similar product is **not additional ergonomic value due to better fit or function, but the hedonistic value of experiencing** the co-design process itself and the rewarding feeling of the final product.

Mass customization pioneer Nike also discovered that just offering custom shoes online is not enough and thus opened its **NIKEiD Lab** in New York's Elizabeth Street, and Puma even started offline with its great **Mongolian BBQ**. And one of the largest mass customizers – and a real role model for me – **Build-a-Bear**, has

founded its fantastic growth story entirely on offline customization, selling in the end more the process of customizing a toy than the custom product itself.



Given the joy of shopping for fashion products for many consumers, a business model based on providing co-design in an offline environment could become a large success. There are some local players in this area (like [Neighborhoodies](#) in New York or George&Frank in Munich), but not really scalable and thought-though system that could replicate Build-a-Bear's success in the toy industry for the fashion industry.

For a start, however, DMA Style Lab is **still an online business only**. Its present toolkit is obviously very beta and demands a few minutes to learn, but then is easy to operate. The company told me that this will be improved very soon, including the order taking process. But you get already a good idea about the basic elements of the concept: The main focus today is on the artists who provide the work. This is a great combination of the co-design trend with its countertrend: strong orientation at external peers and idols.



They will be adding a "Soundlab" function soon -- discover independent artists (bands) so that you can listen to their music while designing you new t-shirts. As with all of these sites, functionalities to support the community of users and artists are crucial for success. Here, the usual tools like customer pages, upload of user photos, sharing of designs, forums, etc. will be implemented.

I am curious to see how these ideas will come into place and which segment of the market DNA Style Lab will be able to capture. The traditional market for custom graphic t-shirts (fashionable late teens and young tweens) has been occupied by the existing labels (many of them working in the traditional way without any customization). But Samantha McDermott and DNA Style Lab may be able to create a new market of custom customers, older and perhaps more sophisticated, also more interested in art than in music.

Context information: Here are some links to recent news around the custom t-shirt economy:

- [Innertee](#) ([see my previous post](#)) went beta last month
- [STAGR](#) plans to allow the customization of top brands (Great [three-part interview](#) on HipHipUK)
- And (*if you speak German*) a [collection of recent posts](#) on [Exciting Commerce](#) on Custom T-Shirts and related products,

November 02, 2006 | Permalink http://mass-customization.blogs.com/mass_customization_open_i/2006/11/dna_style_lab_g.html

Printing T-Shirts and Money – Inside Story in the Chicago Tribune on Threadless



The Magazine of the **Chicago Tribune**, one of the large US quality newspapers, recently featured a LARGE (7 page) cover story on [Threadless](#) and their user-design t-shirt business. I talked extensively with [Steve Johnson](#), the article's author, some weeks ago about the business idea behind Threadless. He did a great job in documenting the past, present, and future of Threadless. [Read the entire story here](#).

Here are some interesting quotes from this article:

The Art-Gallery Model.

"They [Threadless] have this innate understanding that what they are really selling isn't a T-shirt so much as the tale of how it came to be, a narrative that involves an artist, a community and a company that sets itself among, rather than above, that community.

"I always compare it to an art gallery," says Nickell, who's 26 and holds the title of president because, in addition to programming the site ... and doing designs of his own, he deals with the lawyers and accountants and landlords. "You have people who come in and look at the art, people who made the art, people who are buying the art."

User manufacturing. In the article, Jim Coudal, a Chicago based consultant, summarizes the Threadless model with the great phrase "If they come, we will build it." And indeed, that is some of the quintessence of the Threadshirt business model -- and of other businesses which focus on providing manufacturing capabilities to users:

Threadless is "not building something and selling it to an audience. They're building an audience and selling them what they say they want. ... The Internet has also helped Threadless find and take advantage of the world's "distributed creativity." Just as there are great writers who now have an outlet via blogging, there are great designers who have an outlet via things like the Threadless competition."

Interactive value creation. Steve Johnson then quoted me very neatly, summarizing why Threadless is a perfect example of "[interactive value creation](#)":

Distributed creativity "is a very difficult thing to get. In a normal company, you identify the coolest artist and commission him or hire him. What they do is they broadcast their problem: Who makes me the best T-shirt? From an economic point of view, you don't have to know who is the best person. You let them self select. Of course, it only worked because, in their case, they have a lot of desperate artists out there. You have a lot of unemployed graphic design graduates. And they somehow exploited this, but to mutual benefit."

Fashion as Pop-Songs. Patric King, a prominent Chicago designer, compares in the article the Threadless model with a pop song:

"What [Threadless is] doing is just sort of building the wearable equivalent of the pop song," King says. "They throw it up and see what climbs up the Top 40. I've run across a couple of other companies trying to do the same thing, but the work's just not as good. For some reason they just get prettier stuff. Their community has just sort of trained themselves that that's their standard."

A new support industry. Share of labor is the oldest economic principle. And it also helps at Threadless. The article reports about Cody Petruk, a graphic designer for a Canadian software company who owns "about 60" Threadless tees and has seen three of the 13 designs he's submitted get printed. But Petruk also runs a web-site, [threadies.org](#), which supports user designers to participate and win in the Threadless contests. A consultancy for t-shirt designer (McKinsey and BCG, listen!).

The limits of the Threadless model.

"But there are also questions about how much growth a community can endure before it stops feeling like a community. Right now the site is a free-flowing and very entertaining mix of design submissions, which registered users grade on a scale of one to five, blog postings about the designs, links back to other projects and, of course, the store. In a recent week, Nickell says, they had almost 10 million page views from just 500,000 unique visitors.

But already, some longtime site users grumble that as the group has grown, the designs have moved away from their artsy roots and become too cutesy, too clever or too pop. The all-time best-selling Threadless shirt certainly isn't cute. Called "Flowers in the Attic," it depicts a svelte young woman shooting herself in the head, causing birds to fly out. The company has sold 30,000 already, compared to a typical first printing of 1,200 shirts, and is printing another 10,000 for the holiday sales rush."

And the article finishes with a **job offer**: The Threadless founders are currently considering to hire a COO to run the daily business of the company. Condition: a suit and no t-shirts.

After the article has been published, the **Threadless users commented quite enthusiastically**. One comment, posted by Radioactivejosh a few hours after the article was published, provides a great perspective why users love Threadless:

"The article hit it right on point; we don't just buy the shirts for the design, but for the story, the meaning, the explanation and the excitement of new prints. It all plays a factor. If I didn't read the explanation of Poet-Trees and I just saw it in Target, it would mean nothing to me. ...

I LOVE when i see people with Threadless tees, because i feel like I know them. They understand the shirts, they visited the site and browsed and saw something they liked. They weren't just trying to be trendy and went into Urban Outfitters ad bought a tee shirt they saw. Threadless tees have a lot more going into them than just buying them."

More information:

- [The entire Chicago Tribune article in full text.](#)
- [The article with all pictures](#) as an user scan.
- [Discussion about the article at Threadless](#) with more customer voices.
- [My report on Threadless](#) in this blog
- [How Look-Zippy developed the Threadless model further](#)

PS: If you want to know EVERYTHING about the upcoming T-Shirt-Economy: Adam Fletcher, who wrote his master thesis about Threadless and is now working for Spreadshirt, maintains a great blog about t-shirts, with plenty of references to mass customization and user co-design: www.hiphipuk.co.uk

September 24, 2006 | Permalink http://mass-customization.blogs.com/mass_customization_open_i/2006/09/printing_tshirt.html

Deutsche Mass Customization Community -- A Special for the German Mass Customization Community (in German Language)

(The following posting is in German language only as it covers German events and publications. Sorry!)



Zum achten Mal wollen wir die deutschsprachige Mass-Customization-Community in einer **Fachtagung** zusammenbringen. Am **16 Februar 2007** treffen sich wieder Anwender und Wissensträger rund um die kundenindividuelle Massenproduktion - dieses Jahr im Audimax der FH-Salzburg.

Im Fokus der Tagung stehen diesmal **Zukunftsstrategien für Mass Customization: Welche strategischen Optionen bietet Mass Customization, und wie kann dieses Konzept in eine nachhaltig erfolgreiche Unternehmensstrategie integriert werden?** In einem **Intensivworkshop am Nachmittag des Vortrags (15. Februar)** besteht zudem die Möglichkeit einer intensiven Einführung in die Thematik.

Aufgrund des Feedbacks der letzten Veranstaltungen ist die Tagung dieses Jahr **noch interaktiver** gestaltet. Klassische Vorträge werden durch themenfokussierte Panel ersetzt und durch Workshops ergänzt, um eine intensive Kommunikation unter den Teilnehmern zu ermöglichen.

Erfahren Sie in einem **Dialog mit herausragenden Unternehmensexperten** im Gebiet,

- welche strategischen Optionen Mass Customization bieten kann,
- wie Mass Customization die Profitabilität steigern und Kosten senken kann,
- welche technischen und organisatorischen Voraussetzungen Mass Customization besitzt,
- wie Mass Customization die derzeitigen Mega-Trends Web 2.0, Social Shopping und Customer Co-Creation konkretisiert und ergänzt,
- welche Erfolgs- und Misserfolgskriterien bei der Einführung von Mass Customization zu beachten sind.

Die Tagung ist das **Nummer-1-Networking-Event zum Thema im deutschsprachigen Raum** und eine optimale Ergänzung der internationalen **MCPC 2007 Conference**.

Die Tagung wurde auf einen **Freitag** gelegt, um Ihnen die Möglichkeit zu geben, das anschließende Wochenende mit Freunden, Partner oder Familie im winterlichen Salzburg oder den angrenzenden Skipisten zu verbringen.

Alle Information zu Programm, Anmeldung und Anreise finden Sie hier:

<http://www.mass-customization.de/mc07/>

20. Deutsche Montagekongresses

"Kundenbindung durch reaktionsschnelle Montage" lautet das Thema des **20. Deutschen Montagekongresses**, der am 6. und 7. Februar 2007 vom iwb-Institut der **TU München** veranstaltet wird.

Zu diesem Thema treffen sich an diesen Tagen in München Fach- und Führungskräfte aus dem Bereich Montage. Neben Informationstechnik und Logistik stehen diesmal die **Flexibilisierung der Anlagentechnik sowie Baukastensysteme und low-cost-Automation** im Mittelpunkt der Veranstaltung.

Referenten sind neben iwb-Institutsleiter Gunther Reinhart u.a. Adolf Kraus, Leiter Logistik und IT bei der

BMW AG in Leipzig, Festo-Vertriebsleiter Deutschland Rolf Storr und Michael Freitag, Leiter Supply Chain Management und Logistik der Vaillant Group in Remscheid. Ich halte den Eröffnungsvortrag am ersten Tag zum Thema Mass Customization und Open Innovation.

Das ganze Programm und weitere Informationen auf der Web-Site der Veranstaltung:
<http://www.m-i-c.de/mic/veranstaltungen/873702.php>

Web 2.0 Report von Z-Punkt



Z-Punkt, ein deutsches Trendforschungsbüro hat gerade den **Web 2.0 Report** veröffentlicht, der vor allem Managern, die sich über dieses Thema einführend, aber umfassend informieren wollen, Hilfestellung gibt. Der Web 2.0 Report liefert eine umfassende Analyse des Phänomens Web 2.0 im deutschsprachigen Raum.

Aus der Ankündigung:

Web 2.0 – was ist dran? Von Consumer Empowerment und Geschenkökonomie schwärmen die einen – aber wer bezahlt die Rechnung? Eine zweite Dot.com-Blase bespötteln die anderen – aber ist das Netz nicht längst erwachsen geworden? Ein gutes Geschäft wittern dritte – aber was ist das Geschäftsmodell?

Der Report analysiert das Thema Web 2.0 aus der User-, Technik- und Businessperspektive. Und gibt so eine eher salomonische Antwort auf die Frage: Hype oder Quantensprung: Der Hype wird verschwinden, das Phänomen wird bleiben – und an Bedeutung gewinnen. Web 2.0 ist keine neue „Version“ des Netzes, wie der Begriff suggeriert, sondern eine Metapher für einen evolutionären Wandel. Gleichzeitig steht Web 2.0 jedoch für etwas qualitativ Neues – für eine neue Art, wie User mit dem Netz umgehen, für neue Ansätze in der Webtechnologie und für einen neuen Zugang zum Business im Internet.

Der Report zieht **drei Entwicklungslinien in die Zukunft**:

- User-Driven Economy: Der User wird zum Wertschöpfungspartner
- Cybersourcing: Geschäftsfunktionen werden ins Netz ausgelagert
- Mash Up Your Business: Zukunftsmärkte sind Schnittstellenmärkte

Unternehmensprofile von vielen bekannten, aber auch etlichen nicht so bekannten Unternehmen, runden den Report sehr schön ab (z.B. 37signals, Flock, Netvibes, Nooked, qype, AllPeers, Cyworld, Outside.In).

Info: 115 Seiten als PDF im Querformat, Preis: 170 Euro inkl MwSt. [Info und Bestellung hier.](http://web2.0report.de/)
<http://web2.0report.de/>

Neue Bücher zum Thema



(1) Interaktive Wertschöpfung: Open Innovation, Individualisierung und neue Formen der Arbeitsteilung Unser neues Buch zum Thema dieses Blogs ist erschienen !!

Das Thema: Open Innovation, Social Commerce und Mass Customization sind aktuelle Strategien, bei denen die Kunden eine neue Rolle bekommen: Sie sind nicht mehr nur passive Konsumenten, sondern aktive Wertschöpfungspartner. Kunden gestalten heute Produkte oder Dienstleistungen aktiv mit und übernehmen teilweise sogar deren gesamte Entwicklung oder Herstellung.

Aus betriebswirtschaftlicher Sicht kommt es damit zu neuen Formen der Arbeitsteilung. Das Konzept "Interaktive Wertschöpfung" (IWS) diskutiert die daraus resultierenden Strategien und Prinzipien und stellt eine neue ökonomische Theorie vor, die die neuen Formen der Arbeitsteilung erklären soll.

Das Buch steht in weiten Auszügen kostenlos zum Download zur Verfügung (Open Access). Mehr Informationen auf einer eigenen Web-Site: www.open-innovation.com/iws

(2) Mass Customization Buch bei Gabler in 4. Auflage erschienen

Mein "blaues Buch", das Mass Customization aus einer wissenschaftlichen Perspektive betrachtet, ist nun in der **vierten, vollständig aktualisierten Auflage** erschienen. Vor allem die Fallstudienübersicht im Anhang und die Literatur wurden überarbeitet, aber auch z.B. die Definition von Mass Customization konkretisiert. Wenn Sie eine der früheren

Auflagen schon haben, lohnt sich der Kauf eher nicht (angesichts des hohen Preises, den der Verlag fordert), ansonsten freue ich mich über den Kauf.

Einen Auszug aus dem Buch als Download hier (PDF von Vorwort, Inhaltsverzeichnis, Leseprobe).

(3) Neue Fallstudien zu Mass Customization beim Symposion Verlag erschienen



Während das vorangehend erwähnte Buch eher wissenschaftlich ist, habe ich zusammen mit meinem Co-Autor Christof Stotko in unserem **Buch "Neue Wege zum innovativen Produkt: Mass Customization und Kundenintegration"** eine eher praxisbezogene Herangehensweise gewählt. Dieses Buch behandelt auch ausführlich die Verbindung zwischen Mass Customization und Open Innovation (Mehr Infos zum Buch, das Ende 2003 erschienen ist). Eine Besonderheit dieses Buchs ist, dass sich **jeder Leser dieses selbst konfigurieren und individualisieren kann**. Dazu dient neben dem Grundtext vor allem ein ausführlicher Fallstudienanhang, geschrieben von verschiedenen Fachexperten. Dieser wurde nun um 10 neue Fallstudien ergänzt.

Die NEUEN Fallstudien im Überblick (**teilweise handelt es sich um Aktualisierungen**):

- My Personal Channel: Kundenindividuelle Fernsehangebote
- IKEA: Die individuelle Lösung für Ihre Küche
- InVIDO GmbH: Mass Customization in der Möbelindustrie
- Kfz-Versicherungen: Kann man Kundentarife individualisieren?
- Kreditkarten: Die eigene Wunschkarte konfigurieren
- Lands' End Custom: Hosen und Hemden maßgeschneidert
- Karstadt und Maille: Zwei Konzepte für Herrenmode nach Maß
- NIKEiD: Individuelles Design von Sportschuhen
- Dynamic Packaging: Mass Customization in der Reisebranche
- Linel: Mass Customization in der Wasseraufbereitungsbranche

Alle Fallbeispiele können Sie zum günstigen Preis zwischen 4 und 6 Euro direkt beim Verlag beziehen. Die Auswahl erleichtert Ihnen dabei unser Fallstudien-Konfigurator (einfach "alle Beiträge anzeigen" lassen, die neuen sind eindeutig gekennzeichnet). Dort bekommen Sie auch mehr Informationen zu den einzelnen Fallstudien. Natürlich können Sie sich auch einzelne Abschnitte des Grundtextes des Buchs einzeln als PDF-Download erwerben:

<http://www.symposion.de/msc/konfig/index.htm>

Impress and Contact

Mass Customization & Open Innovation News -- Notes and ideas on mass customization, personalization, customer integration, and open innovation. **Vol. 10 / 2007**. Edited by Frank T. Piller

MIT Smart Customization Group, Cambridge, MA 02139, USA; **Tel +1 617 326-3748**

Technische Universität München (TUM), TUM Business School, Research Group „Customer Driven Value Creation“, Leopoldstrasse 139, 80804 Munich, Germany; **Tel. +49 (0)89 289-24800. piller@mass-customization.de. <http://www.mass-customization.de>**

Subscribe and unsubscribe at <http://www.mass-customization.de>. You will find also a collection of old issues on this web site.

This newsletter is published by Frank Piller under a "**Creative Commons Attribution-ShareAlike License**". Some rights reserved. **Read the full license** at <http://creativecommons.org/licenses/by-sa/2.0> for details how to use content from this newsletter in your own work. **Share this newsletter** with other interested parties: We are glad if you forward this newsletter to your friends and colleagues.

Please contact me to learn more about our corporate lectures, speaking assignments, workshops, case studies, and consulting activities.

Copyright 2007 by Frank Piller. Some rights reserved.