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Design Management in the Context of Challenges Posed by New Generations of Recipients

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Summary. The article proposes a thesis that one of the ways to answer the challenges posed by new generations of recipients C and L is to apply the principles of design management in the practice of the actions of organizations. The study has a theoretical character and will be verified empirically in the future. The article describes the reason of dealing with the issues, the essence of design management as well as the dichotomy of generations of recipients. On the basis of literature analysis, recommendations have been made on how to use the rules of design management in company actions, giving the answer to the needs of new generations. An integral part of the study is the conclusion.

Introduction

The issue of design management is becoming more and more significant. On the one hand, the interest of enterprises in this subject is noticeable as well as the increase in the number of postgraduate studies,¹ in which classes in this field are conducted. Nevertheless, it should be stated in here that they mainly concern

¹ Warsaw University of Technology, SGH Warsaw School of Economics, SWPS University of Social Sciences and Humanities, Institute of Industrial Design, The West Pomeranian Business School.

industrial design management, what is a considerable simplification and narrowing of the issue.

On the other hand, the growth of interest in this subject matter has been dictated by the establishment of new generations of recipients C and L (Dziadkiewicz, Maśloch, 2013, pp. 81–94), at the same time a research gap in this area is noticeable, because previous research concerned the indication of the role of design, meaning the industrial design, in management and introduction of the benefits coming from its implementation as well as presentation of reference groups, for whom designers create communication strategies.

The aim of this article is an attempt to answer the question on how companies, using the methodology of design management, may respond to the need of new generations including C and L. In order to verify the hypothesis, a literature study has been conducted.

The main conclusion of the research is that the application of the design management technique in enterprises, which allows for creation of modern products with innovative functions, with the implementation of new technologies and good design, is the answer to the needs expressed by Generations C and L.

Generations of recipients

21st century has seen significant changes of civilization. Finding oneself in new reality is a challenge both for consumers and enterprises. We live in this turbulent environment, where processes of changes are obvious, economic crises are frequent, and the society is more and more aware of unlimited possibilities, among others, through access to information. In such a situation we need to prepare ourselves not only from the technological side, but above all from the mental one.

A departure point is a fact that needs and behaviours of the newly identified generations are completely different from the previous ones. Generation, which was managed in a predictable way, is vanishing.

Former research on consumer generations and employees would accept the moment of birth as a criterion. It has been indicated as follows (Kopertyńska, 2012, p. 299):

- Baby Boomers Generation, born 1946–1964,
- Generation X, born 1965–1980,
- Generation Y, also known as Millennials or Echo Boomers, born 1981–1994.

Kopertyńska (2012, p. 299) explained, however, that the division into individual generations is conventional and ambiguous. She claims that the differences between the proposed periods are small and come to about 5 years.

People from Generation Y actively use technology, and thanks to globalization and Internet connection have contacts all around the world. They live longer with their parents and delay becoming adults. However, this makes it possible for them to allow themselves for personal development and their own needs, as opposed to the peers who have loans and families to support. The quality of life and life experiences become more important for them than possessions. Thus, they tend to surround themselves with beautiful items, they travel, test, experience and become open to new trends and cultures. Steady job for a longer period of time is not as important for them as for the older generations that frequently used to work in one, two companies through all their lives. Generation Y is tolerant and open to innovation, but also disloyal towards their work, offered products and anything stable. They treat supervisors as equal employees, only with wider competencies. Therefore, when thinking about promotion or higher earnings they invest in their personal development (Dziadkiewicz, Maśloch, 2013, p. 94).

There are plenty of people, who despite the fact that they should be qualified as Baby Boomers or Generation X, act, dress and spend their free time like Generation Y. While research indicates that mental gap between Gen Y and people born earlier is enormous, not only in terms of mentality, way of work, perception of reality, but also in terms of self-perception, the sense of their own achievements and further self-realization (Plink, 2009, p. 2). On account of this, it seems that currently the age criterion is not an objective factor that truly explains peoples' behaviours: employees and customers. Thus, a better criterion of verification may be the behavioural factor.

Today's recipients and users, Generations C and L, differ considerably from previous generations. The dichotomy between the generations of recipients as well as entrepreneurs is noticeable. They have completely new preferences and behaviours when compared to Baby Boomers, Gen Y, and Gen X, to whom the theory concerning them has already been well established (Dziadkiewicz, Maśloch, 2013, pp. 93-97). In case of research on new generations, there appears a new field, the behavioural criterion, as earlier research distinguished generations according to their age.

Taking into account the behavioural criterion, it is more common to talk about Generation C – young or middle-aged people, who are characterized by intense usage of mobile and Internet connectivity. These are the people who are constantly connected to the Internet on their laptops or smartphones. They use information content at work, school and home. They want to be in touch with their friends all the time, creating social communities, with whom they cooperate and co-create content. Their main indicator is change and constant communications. This is the generation of so-called digital natives who do not know the world without computers, Internet and mobile phones. They move around both

the virtual world and reality equally efficiently (Pickett, 2017; Dziadkiewicz, Maśloch, 2013, p. 94).

Generation L is another attempt to characterize new customers, employees and recipients of marketing communication. These are the people born just before the millennium. This generation meets all the characteristics of the described above Generation C, but it places an emphasis on particular, specific features of behaviour and mentality that do not exist in the previous groups. The name of the generation comes from the first letters of the words that characterize this group. Firstly, it describes them as lazy people. These are the people characterized by passive activity limited to clicking “Like” on Facebook and at the same time supporting charity campaigns, events and other actions through their computer screens. Another feature is the “link”. Generation L has got used to using web pages, on which instead of content there are only links to further web pages. They use social media, i.e. Twitter, Facebook and others, adding there links to the content they have found earlier. To the next features characterizing Generation L there should be added a penchant for short information, news (so called leads). Moreover, Generation L shares information on their private and professional lives with other users of the Internet. The last feature of Generation L worth highlighting is the usage of geolocation services (local) – through smartphone applications (Hatałska, 2013).

Design Management

The term design management can be described from various perspectives. Through years this idea has evolved, changed its meaning and context (Erichsen, Christensen, 2013, p. 107). It is particularly visible when analysing the relation between terms – design and management (Bonaccorsi, 2008).

At the beginning, it should be described what the design management is. Gorb, in his article, defines it as management of industrial design “the effective deployment by line managers of the design resources available to an organization in the pursuance of its corporate objectives” (Gorb, 1990, p. 68). Therefore, he suggests that determining the meaning of this term concerns the role of industrial design in the development of an enterprise, and influences the solution of significant management problems. It also concerns the preparation which is needed by managers in order to effectively use the design. However, the definition only refers to industrial design, which currently is too much of a simplification.

According to Erichsen and Christensen the definition has been transformed into a uniform term understood as “design management” (Erichsen, Christensen, 2013, p. 109). It is a simplification of this issue and a limitation to a merely narrow scope.

Whereas Hollins describes this phenomenon as “the organisation of the process for developing new products and services” (Hollins, 2002). The limitation of the definition only to developing new products is also too narrow approach.

Ramaswamy and Gouillart state that design management is one of the management concepts whose operationalization occurs through implementation of methodology in an enterprise or project teams, together with auxiliary methods and techniques (Ramaswamy, Gouillart, 2010, p. 109).

As visible in the above review, there are plenty of definitions of this notion. However, the term is still ambiguous and changes depending on the author, place of publication, area in which it appears. It depends on such factors as context of the usage or qualifications of the people using this term, it is differently understood in an academic environment, among professional designers (Miller, Moultrie, 2013, p. 161), industry, public and government institutions (Best, 2009, p. 12).

For further research in the field, the author chose one definition, on account of its universality and completeness. Design management is an effective management of people, projects, processes and procedures during designing everyday products, services, surroundings and experiences. It is a comprehensive approach towards an enterprise both from the side of design and industrial design, as well as management – including marketing, finances, strategic planning and operational activities (Best, 2009, p. 12; Best, 2010, p. 8; McBride, 2007, p. 18), thus it is a management technique.

Challenges of new generations

Currently generations of consumers are characterized by “nanosecond culture”, they do not have time for anything and stay in a constant rush. They are exerting bigger and bigger pressure on market environment and they contribute to the evolution in plenty of the economic sectors. Thus, it is well-known that the keynote of 20th century enterprises – “to meet the needs of customers” has no correlation with Generations C and L. Enterprises, offering their products and services to this group of people, have to actively change their business model, adapting it to the reality changing at a dizzying pace. It is the only way to avoid exclusion from the market (Dziadkiewicz, Maśloch, 2013, p. 97). In case of these groups one of the answers to their needs may be the offers proposed by enterprises applying design management in their action methods.

Therefore, the changes include the way of providing services, the attempt towards the customer during negotiations and sales, the marketing rules and the way of communication. Thus, new innovative enterprises have such a huge advantage over companies still cultivating stiff rules of management, which depend on the knowledge from the “pre-Internet” era.

Those enterprises, which are aware of the challenges resulting from the differences between the needs of the former Gen X and current Gen Y, Gen C or L, know that the only way to succeed is the change of the attitude towards management (Dziadkiewicz, Maśloch, 2013, p. 100). This is why there is a demand for benefits resulting from the implementation of the new concept that is the design management.

Conclusions

Looking at the generations in the classic way, in other words on account of the moment of birth, Generation Y is the most interesting one for enterprises. It results from the fact that this is the generation that postpones becoming adult, allows itself for personal development and its own needs, as opposed to the peers who have loans and families to support. The quality of life and life experiences become more important for them than possessions. Thus, they tend to surround themselves with beautiful items, they travel, test, experience and become open to new trends and cultures, which means that they are active and dynamic buyers.

On the other hand, from the behavioural criterion, there are Generations C and L.

Generation C is characterized by intensive usage of mobile and Internet connectivity, usage of information content, creating communities, and their main indicator is change.

Generation L meets all the characteristics of described Generation C. Moreover, it is characterized by passive activity limited to clicking “Like” and sharing information on their private and professional lives with other users of the Internet as well as using geolocation services.

Enterprises that want to avail themselves of the opportunities, resulting from the needs of described generations, should apply design management in their activities. It may mean a bigger chance of product sales. It results from the fact that products created in accordance with design management are well designed and made, which means they are sustainable, they fulfil new – innovative functions, they are being created by multidisciplinary teams that take into account various aspects of their future usage. These products are characterized by new and good design, they follow trends, and they answer customers’ needs. Most of the time these are unique items when compared to other products (cf. Caban-Piaskowska, 2016). Moreover, enterprises manufacturing for those consumers have to be in a constant contact with them, involve them in their projects and creation of new products. Such enterprises, thanks to the application of the design management technique, adapt to the changing surroundings and transform their organizational structures to more efficient and effective performance.

Plenty of companies with a global reputation, including Kraft, Samsung or Procter & Gamble, owe their success precisely to the implementation of the design management (Ramaswamy, Gouillart, 2010, p. 109).

The article has a theoretical character and is just a proposal of the model (point of view) that has to be verified empirically. The author's assumption is to create a complete research that will present the functioning of design management in the context of answering the needs of new Generations C and L from the behavioural standpoint.

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***Design management* w kontekście wyzwań stawianych przez nowe pokolenia odbiorców**

Słowa kluczowe: design management, nowe pokolenia użytkowników, kryterium behawioralne

Streszczenie: W artykule postawiono tezę, że jednym ze sposobów odpowiedzi na wyzwanie stawiane przez nowe pokolenia użytkowników C i L jest zastosowanie zasad design management w praktyce działania organizacji. Opracowanie ma charakter teoretyczny i będzie w przyszłości weryfikowane empirycznie. Wyjaśniono w nim przyczynę zajęcia się problematyką, istotę *design management* oraz dychotomię pokoleń odbiorców. Na podstawie analizy literatury sformułowano zalecenia, w jaki sposób można wykorzystać zasady *design management* w działaniach przedsiębiorstw, odpowiadając na potrzeby nowych pokoleń. Częścią integralną artykułu są konkluzje zawierające rekomendacje.

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