



Joe Pine addressing the 2017 MCP Conference.

CREDIT: JOE PINE

Stop marketing and start consumering

SERGIO DULIO

Mass customisation is certainly not a new topic nor an exotic trend that is making the headlines in technical publications or magazines in general. Its applications in the footwear sector have been discussed on several occasions in *World Footwear* magazine, with regular updates on how companies were adopting the idea of selling to their customers shoes with various degrees of personalisation as a result of a growing demand for products more suited to their individual needs and tastes.

Yet something is changing. In 2016 Deloitte released the 11th Edition of its Consumer Review, totally focused on the growth of the personalisation demand. The authors stated that while personalisation is the heart of serving consumers in many niche businesses, mass personalisation is also finally becoming a reality. Companies have not only developed the capability of

measuring specifically what each individual consumer wants, they are now also in a position to finally link their processes and resources to provide it.

What has changed is the fact that, empowered by social networks and their digital devices, consumers are increasingly dictating what they want, and where and when they want it. They have become both critics and creators, demanding a more personalised service or product and expecting to be given the opportunity to shape what they consume. The Deloitte research showed that over 50% of consumers expressed interest in purchasing customised products and, not only would the majority be willing to pay more for a customised item, they would like to be actively involved in the process.

The logical consequence of these findings is that businesses that do not incorporate an element of

personalisation in their offering risk losing revenue and customer loyalty. However, for many companies, demand for personalisation runs counter to the dominant model of providing high volume products through mass distribution. The move from mass production to mass personalisation can have big cost implications, so there must be a net benefit for the business to pursue this model. The challenge is to determine how many options are necessary for a product to feel unique while still being profitable.

BECOMING A REALITY

It looks as if mass customisation is finally becoming a reality. This has been made possible by advances in manufacturing and distribution technologies. Flexible manufacturing and 3D printing enable mass personalisation at lower costs and allow manufacturers to radically

rethink their supply chains. Companies can now delay production until the latest point possible to allow individual customisation, combining approaches such as on demand manufacturing and assemble-to-order with advanced tools to connect retail and production in real time. Beyond the ability to provide more customised products, delaying production in this way can help reduce inventory levels and ultimately increase plant efficiency.

But besides investing in technologies to deliver customised products, companies can now take advantage of their more extensive analytical capabilities. The growing use of data analysis means that product providers are becoming better at knowing what consumers do or do not want and are adapting their operations to respond accordingly. Depending on the degree of customisation offered, analytical tools are vital in matching the right consumer to the right outcome. Delivering personalised products and experiences can provide benefits for both companies and consumers.

Offering mass customisation gives companies the opportunity to demonstrate the value consumers obtain from their personal data being used. At the same time companies gain deeper insight into consumer behaviour; it also allows them to simplify their product range, which means lower marketing and production costs while creating more predictable demand. For the consumer, it makes it easier for them to understand the offer while, at the same time, getting better value for money.

MCP CONFERENCE

The 9th Mass Customisation and Personalisation Conference (MCPC) was held last November at RWTH Aachen University in Germany, one of Europe's leading centres for technology and innovation. More than 20 years after the initial publications and entrepreneurial applications, MCP is among the hottest subjects in digital business models today. The MCPC series has been following and facilitating this development since 2001. The main topics the latest conference aimed at tackling were services, digital manufacturing, Industry 4.0, and related technological enablers which can create a new breed

of mass customisation business models that are more sustainable and also create shared value for customers, companies and the environment.

The conference series was originally initiated by Prof. Mitchell Tseng (at that time at Hong Kong University for Science and Technology, and now Feng Chia University, Taiwan) and Prof. Frank Piller (at that time at TUM Technical University, Munich, and now at Aachen) as a biennial, interdisciplinary community gathering for all persons interested in technologies, business models, strategies, and consumer behaviour for mass customisation and personalisation. It has always had a highly interactive character despite its size of up to 600 participants.

MCP strategies aim to profit from the fact that people and businesses are different. Their objective is to turn customer diversities into profit opportunities by realising 'long tail' business models with near mass production efficiency. The 2017 conference aimed at stimulating research and practices that see MCP as an opportunity to extend or even revolutionise business models. The current trends of Industry 4.0, digital manufacturing, and the rise of smart product ecosystems, allow for a fresh perspective on MCP: Customisation 4.0. The conference was able to place a new set of values in the centre of the debate.

A world with finite resources, global population growth and exacerbating climate change, needs smart thinking to engage the most effective capabilities and use of resources. The conference was therefore an opportunity to discuss how Customisation 4.0 fosters sustainable development and creates shared value for companies, consumers and society as a whole. While devoted to sharing and discussing the latest research in the field, the conference had a strong focus on real life applications. This made it truly unique and provided an opportunity to connect thought leaders, technology developers and researchers with corporate entrepreneurs putting these strategies into practice. The event was organised as a multi-track conference featuring a combination of high profile keynotes with expert talks, exhibitions, panel discussions, paper sessions, workshops, receptions and laboratory tours.

On the one, hand entrepreneurs and domain experts presented their hands-on experiences and learning about MCP in the exhibition hall of the conference. On the other, researchers presented conceptual, empirical or experimental studies selected through a blind peer review process. In addition, MCP scholars pitched ongoing research studies in breakout sessions and exhibited their key research ideas also in the exhibition hall. The conference was organised in four tracks, each one focusing on a different aspect of the overall MCP scenario.

Track I: Customisation and personalisation via smart products

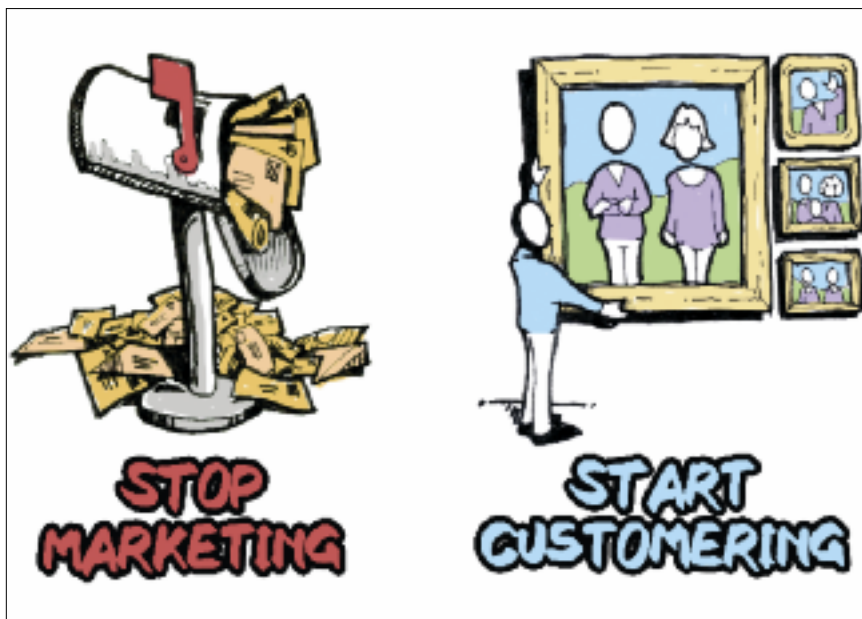
The rise of smart products enabled by advancements in ICT (integrated sensors, microprocessors, big data technologies, machine learning, etc.) has led to new thinking and offers great opportunities for meaningful customisation and data-driven service personalisation. Topics in this track included the role and value of smart products for MCP, co-creation and user innovation with smart products, smart product service systems, technical foundations of personalisation via smart products, data analysis for smart services and product platform/ecosystem development.

Track II: Digital manufacturing

Digital manufacturing has the potential to fundamentally change the way we make things, challenging current modes of thinking and established theories and practices surrounding the manufacturing firm. Moreover, digital manufacturing is becoming a core driver of flexibility and ultra-high variety. The topics presented in this track included technology developments in digital manufacturing, business model innovation for digital manufacturing, globalisation, flexible automation and reconfigurable manufacturing, process modularity and process platforms, additive manufacturing and 3D printing, and advanced robotics.

Track III: Sustainability and mass customisation

Environmental challenges and exacerbating climate change have sparked a global debate about



Joe Pine says there are no markets, only consumers.

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business competitions' was published in 1992, so the conference celebrated the 25th anniversary since its first appearance. The event was greeted, as is the case in these situations, by a sumptuous birthday cake in recognition of the continuous work he has devoted over the past 25 years to expanding the concept and spreading its values to the business community.

In his captivating keynote, he introduced what he believes is the ultimate evolution of the concept. Since the initial formulation of the basic principles of mass customisation, new evolutions have been presented in all his books showing how shopping for consumers must become an unforgettable experience 'The experience economy; how they seek authenticity 'What consumers really want: authenticity', how digital technologies are transforming our lives in all their expressions including shopping 'infinite possibilities' and, ultimately, how the approach of companies towards markets and consumers must inevitably change.

In his final message, Pine stressed that, since there are no 'markets' as such (they were a necessary invention to cope with the complexity of the real world when the right tools to understand individual consumers were missing) but only consumers, we should stop talking about 'Marketing' and focus all our attention on 'Consumering', targeting all our efforts and capabilities to capture each individual consumer's attention, understanding as much as possible their needs and desires, and finding the best possible way to satisfy them.

This, in his opinion, is the ultimate evolution of mass customisation. Don't try to match your customers' desires with the best approximation to their needs that you happen to have in your product portfolio, but rather capture these needs as early as possible and turn them into truly customised, individualised objects of desire. Eventually we will all learn that in reality there are no multiple customers in a market, but rather multiple markets in each single customer. Understanding them and offering the right product or service will be the key to success for companies of the future. 🎯

ecological thinking and sustainable production and consumption. Companies are experiencing an increasing demand for the development of so called 'Win-Win-Win' strategies, which are sustainable in terms of economic, social and environmental aspects. In accordance with this rising challenge, contributors who could show the potential of MCP to be not only an economically but also an environmentally and socially beneficial business model, were invited to present their work. The presentations in this track covered different themes from the economic, social and environmental value of MCP to sustainable supply chain management, co-creation as well as sustainable consumption, societal need satisfaction through MCP Design for adaptability upgradability and sustainability.

Track IV: MCP success factors

In addition to the dedicated themes of the 2017 conference, speakers were also invited on the evergreen topics of MCP research and practice. This large track featured the participation of successful MC entrepreneurs sharing their experiences on topics such as best practices and business models, strategy, capabilities and organisational culture, marketing and consumer behaviour, operations management and logistics, configuration systems and toolkits for

co-design and finally MPC in diverse cultural settings.

Giving a full account on the several keynote speeches and the dozens of technical presentations in the various tracks of the conference would be impossible. What can be done, however, is to comment on the important messages that the various audiences (over 500 attended over the two days of the conference) were able to take home with them, starting with Prof. Piller's opening speech.

Frank Piller pioneered the first MCP Conference in 2001, when he had the idea of sharing with other researchers and practitioners, the experience and learning he had gathered while focusing on this topic during his doctoral studies in Germany and the US. His inspiring presentation gave a full overview on how far the early concepts have evolved in past years and how much mass customisation, intermingled with all the most recent technological evolutions such as digital transformation, Industry 4.0 and the Internet of Things, is receiving new momentum perfectly in line with the findings of the Deloitte study previously mentioned.

Another key speech came from Joe Pine, truly to be considered the 'father' of the modern concept of mass customisation. His landmark book 'Mass Customisation: the new frontier in