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Challenges in the interior design studio

How to innovate the interior design service process

Master's thesis

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Abstract

The Danish Design2020 Committee is making efforts in branding Denmark as a design society by the year 2020. Design is perceived as a driver for innovation and economic growth. The market analysis breakdown of the number of establishments in Denmark shows that there are more 1-4 men firms than larger studios within the interior design industry. This supports the theoretical presentation of the industry that describes the industry as an industry where business models are created around the roles of the designers and the themes approached in projects.

The thesis provides a description of the interior design service and looks at it as the value provided to the customer. Since the value is in the service process, innovation has to happen in regard to the process.

The thesis discusses the challenges that an interior design studio faces while trying to have an innovative approach. Johannes Torpe Studios claims that it has a holistic approach to design and that makes it different in the industry. The case analysis shows however that their claim contradicts the theory and their own actions. Moreover, such an approach creates tensions that make the studio change the service offering and it pushes it out of the interior design industry. This also affects the identity of Johannes Torpe Studios because at present time the studio still offers services in interior design and branding.

Based on the case of Johannes Torpe Studios the findings show that in order to have an innovative approach to the business model within a creative industry, strategies needs to be developed.

The Service-Design Thinking approach offers a perspective on how the studio can innovate the process of interior design and create value both for the customer and the organization. The tools and methods proposed are based on research that is valuable for the development of the business model.

The thesis presents an overall picture of how the industry runs, what elements define the industry and how by innovating the interior design process, the business model will be developed along and customer satisfaction will be enhance which ultimately adds onto the industry growth.

1. Introduction

Offering 3D aesthetical and functional solutions to spaces is no longer enough to attract new customers. People nowadays are well informed and do research before they make a purchase or use a service. The online environment presents a variety of options for customers to find rapid and convenient solutions to their problems, contrary to hiring an interior designer which might seem time inefficient and price inaccessible.

Giant players like Ikea dominate the interior design market because they provide products that encapsulate innovation, simplicity and are financially accessible. Ikea Home Planner offers the possibility for customers to play the role of a designer by providing a software program through which clients can insert the measurements of their rooms and select their own furniture modules. This program allows customers to create 3D renderings and change up the project as many times as it is necessary. At the end, the program provides an offer with the items selected in the project that can be purchased from Ikea stores. (ikea.com, 2016)

Aside from online programs like the Ikea Home Planner, customers can get inspiration from social media platforms such as Pinterest and Instagram that are constantly updated with the latest trends in interior design. All virtual tools that used to represent an advantage for interior designers are now available to the end consumer. This accessibility that consumers have these days affects the industry and challenges the innovation within.

This industry is affected by a lack of interest with regards to business matters as the main focus is on creativity.

In an industry where every player competes based on the in-house creative skills Johannes Torpe Studios comes in with a different approach. This approach, however, is not well integrated in the business model which does not only affect the innovation process within the company, but also its identity. Despite this, it seems refreshing to look at a business model that seems to have an innovative approach.

Service design thinking has proven to be successful for companies operating in other industries that were in quest for innovation of their business models. Could the use of this approach bring innovation to the process of interior design and help studios build competitive advantages? Can creative firms structure down their business model by embracing the service-design thinking approach?

1.1. Delimitation & Problem Statement

Even though the theoretical framework of this thesis presents the interior design industry by describing the roles of the designers and business model themes, the two topics will not be an area of investigation or analysis to cover in the current research paper. They only come in support of understanding the structure of the industry.

With regards to the case description, the thesis will not provide a broad description of the history of the case as the information available is scarce and it is not relevant in achieving the goal of the paper.

As this thesis is focusing on studying structures within established studios, it will not take into consideration all of the working styles a designer can perform during his career path, such as: apprenticeship, group practices, teams etc.

The Holistic Design Approach concept by (Woo, 2007) written in the article *A Holistic Experiential Approach to Design Innovation* is described in support of the case study, but it will not be the main focus of the paper. I will also leave out the *Cognitive Interactions in Design* concepts as they tap into a different area of research which does not represent an interest in the paper. The Holistic Design Approach is used to illustrate the contradictions between the case study analysis and the theoretical concepts provided by (Woo, 2007)

The theoretical framework will not describe the Toolbox of Service-Design Thinking as the authors (Stickdorn & Schneider, 2015) provide a really good explanation in their book *This is Service Design Thinking, Basics-Tools-Cases*. The Toolbox is only used to exemplify ways in which Johannes Torpe Studios could innovate the interior design service process however it does not aim at underlying a specific tool's role in the innovation process.

My empirical data was gathered during 2016, however the documents available online are from the previous years. Changes to the studio's structure have occurred, but they have been backed up with the interview. Moreover, Johannes Torpe Studios is just used as an example of a creative company that is in search for innovation and tries to differentiate itself in an industry characterized by lack of structure.

My analysis of what the challenges are at Johannes Torpe Studios and who the players involved in the design process are will only be performed from an outsider's point of view and may not be as accurate as if the research would have been conducted by Johannes Torpe Studios themselves.

1.2. Conceptual framework

JOHANNES TORPE STUDIOS

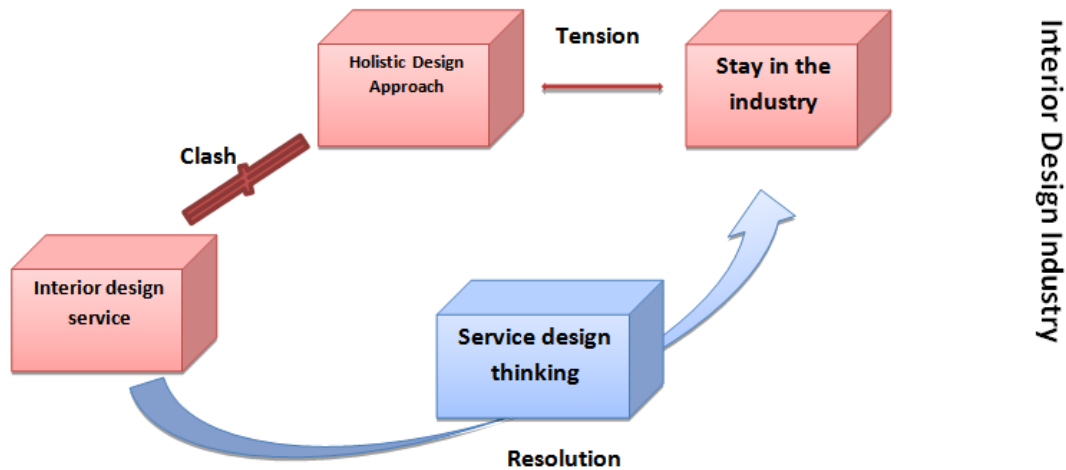


Figure1. Conceptual framework used in the research paper. Compiled by the author; 2016

The conceptual framework of the paper covers the area of my main research interests. As part of the interior design industry, the selected case company bases its services on creative skills. Johannes Torpe Studios with an innovative approach to business experiences challenges in defining its offers in the environment it activates in.

By conducting the research for the current paper I have identified three challenges with regards to the business model of Johannes Torpe Studios that can be related to the theoretical concepts presented in the thesis. The first challenge is represented in the figure above as *clash* between the service offered and the innovative approach to the business model. This clash needs to be resolved because otherwise it creates a *tension* (a second challenge) between the business model and the specificities of the industry it operates in. Represented outside of the figure, along with the interior design industry characteristics, is the name of the studio Johannes Torpe Studios. This portrays a third challenge that the company faces and it refers to the identity of the firm. These challenges call for a theoretical framework that has

the potential to turn challenges into opportunities. The service design thinking approach is proposed as a resolution to the challenges encountered by the studio.

1.3. Research objectives

Based on the above introduction it becomes apparent that interior design studios need to find new ways to define and to innovate business models in order to gain competitive advantage in the industry. Therefore, this topic represents an interest to be investigated further on. The current market situation has to be illustrated and exemplified through an empirical case analysis that supports the above description of the market.

Moreover, the thesis will investigate how the *Service-design thinking approach* can provide theoretical concepts and tools in order to bring innovation to the process of interior design service and therefore to the business models existent in the industry. Based on the ideas mentioned above the overall research objective has emerged:

To determine the structure of the interior design studio in terms of general industry characteristics and to define the interior design service process as the value provided to the customer, and to connect these findings to theoretical concepts that can bring innovation to the service of interior design and ultimately to the business model.

Research questions based on the objective:

1. How can service design thinking and the creative process of interior design be combined in a more systematic way in order to innovate the business model and bring about competitive advantage?
2. What are the current challenges of the case study exemplified in the thesis and how can these turn into opportunities for future growth in the interior design industry?

2. Methodology

This chapter outlines the research design applied in the thesis and it provides an explanation of the logic behind it. It is based on the book *Social Research Methods fourth edition* (Bryman, 2012) and it uses methods that the author defines in the book.

2.1. Research Design

This subchapter will present the reason that stand behind the conducted research and the research design selected for this paper. The purpose of the study was to study the structure of the interior design studio and the challenges it faces and to propose a new approach in order to innovate business models in the industry that can build competitive advantages. In order to gain more in depth understanding of the research objective, a qualitative approach was chosen for this paper.

I conducted a single case study as it provides a detailed and intensive analysis because it focuses on the complexity of the case in question. The case study design is related to theory testing as the peculiarities of the case selected were matched with the existent appropriate theoretical concepts. The case is based on an intensive examination of the setting, in particular Johannes Torpe Studios. An inductive iterative relationship between research and theory is developed because of the qualitative predominance in the research strategy. I started by observing the interior design industry and looked at the appropriate theory for it. Afterwards I selected a case study within the interior design industry and connected it to the related theory.

The case of Johannes Torpe Studios is selected because it provides a suitable context for the exploration of the research objectives of this paper.

2.2. Strategy and research methods

This subchapter presents the techniques used for data gathering. For data collection a semi-structured case company interview was conducted and relevant documentation came in support of the analysis. Observations from different sources and from the author's own experience within the industry about

the industry in question were also used for data collection. The interview guide is included in the thesis and can be found in the Appendix 1.

2.2.1. Observations

Observations about the structure of the interior design industry and the elements that define it were made along the project timeline. Despite this it must be mentioned that the author had previous knowledge about the industry from personal experience working as an Assistant Manager for the Marketing and Sales Department in an interior design studio. Sources of observations included websites such as architonic.com; archilovers.com; freshome.com and magazines such as Zeppelin Romania.

2.2.2. Documentation

Documentation about Johannes Torpe Studios was gathered with the goal of developing the case study. The main source of information was the website of the company johannestorpestudios.com. In the *Press* section of the website there are media articles that provide multiple interviews with Johannes Torpe, the CEO of the company. Only the English articles were selected as some of the Danish ones seemed to be asking the same questions repeatedly. Observations on the company's website and social media platforms such as Pinterest, Instagram, Facebook and Twitter were made. Online search functions were used as part of the data gathering process. The key words used in searching information related to the case of Johannes Torpe Studios were: "Johannes Torpe Studios"; "Johannes Torpe"; "holistic design approach+ Johannes Torpe Studios"; "multidisciplinary studio"; "interior design studios in Denmark"; "Johannes Torpe Studios social media platforms". The findings were supported by the case interview. The customer's perspective is not taken into consideration as this research focuses on investigating the industry and the business model.

2.2.3. Interview

A face-to-face interview was conducted with Josefine Carstad, PR & Communications and Rachel Jayne Mackay, the Head of Branding. Convenience sampling was used because Johannes Torpe Studios decided on the interviewees. However, Josefine and Rachel were able to answer all of my questions due to their positions in the company and the fact that team work and a shared mindset is representative of the company. Ahead of the interview I have approached the studio by email to explain the goal of my research. Josefine replied to my email and an exchange of emails set the time and the date for the interview. I also reviled ahead what the main topics of the interview will be, but the questions were only asked in the interview as I did not want to data collected from the interview to be affected by any type of control. The interview lasted for around 50 minutes in length. The entire interview was recorded. The semi-structured open-ended interview was conducted in the form of a conversation. The reason behind it is that I wanted the interview to be a conversation so that the interviewees would have a great deal of leeway (Bryman, 2012) in replying. The questions asked in the interview were supported by a Prezi presentation of the interview guide so that the interviewees can stick to the topic of the question asked. The question guide allowed me to lead the conversation in the direction desired. The open-ended interview aimed at acquiring the insider's perspective of the studio's business model and activities by sharing their own vision.

2.3. Setting and participants

2.3.1. Case interview

With the intention of conducting an intensive and detailed examination of the case, I relied on participant observation and a semi-structured interview.

I first decided upon the topics that would be developed in the interview in relation to the research objective of the paper. Afterwards I created an interview guide listing open-ended questions based on the topics identified earlier on. The interview was conducted with the following experts:

Josefine Carstad, PR & Communication Johannes Torpe Studios

Josefine has been in charge of the PR & Communication department of the studio for almost one and a half years. Her role in the company is to communicate the image of the studio externally by promoting the different approach they have to the business model. She is also in charge of developing different strategies on how to approach new target audiences. Josefine is in close collaboration with Rachel Mackay and Nicholas Jensen (head of Business Development).

Rachel Jayne Mackay, Head of Branding

Rachel has been working for the studio for over four and half years. She is in charge of the branding department and together with Josefine also in charge of the visual interpretation of the studio's brand to the public. She is working strategically and creatively with clients in solving their problems and helping them achieve their goals.

Since the research used convenience sampling, both interviewees had to answer questions related to the business model, the holistic design approach, the services offered, the structure of the company and social media.

The emphasis of the interview was put on researching the topic of the holistic design approach applied to an interior design industry.

The interview was conducted simultaneously on the 17.05.2016 at 16:00.

2.4. Data processing and Analysis

2.4.1. Codification

Grounded theory was used as a framework for data analysis. Themes have been assigned to the transcribed interview form (Appendix 1) and the relevant documentation. For an alleviated and accelerated process I decided upon certain colors that would be representative of the themes. The color code used is: business model [blue]; interior design service [green]; industry [yellow]; identity [red]; social media [pink]; the codification was only applied to the interview, however information based on the above themes was extracted from the relevant documentation as well, but without following the

codification process. The reason behind the decision is that the documentation consisted of short press articles in which themes were easily identifiable without the needs of a codification process.

2.4.2. Figures and tables

To structure the analysis of empirical findings, figures based on empirical findings and theory were constructed around the themes that emerged with the intention of comparing the findings to the theory. The figures were built to allow outside reader to understand the logic behind the analysis. The figures were built based on Johannes Torpe Studios and on the theoretical concepts referenced. The figures are inserted in the content of the thesis.

2.5. Validity and Reliability

Qualitative research relies on the researcher's unsystematic view upon what is important and relevant what it is not. (Bryman, 2012) With the intent of increasing reliability I used figures to connect theoretical concepts with the empirical findings. The internal validity for this qualitative research can be seen as strength because of the author's participation in the industry which allows for a high level of compatibility between theories and observations. In spite of the consistent use of research tool, the results are difficult to generalize and replicate in a qualitative research. The research was based on a case study which means that the results cannot be applied for generalization outside of the research context. I acknowledge that bias might exist as the research was conducted by one person and it is difficult to stay objective when conducting a social science research. The researcher's subjectivity might have affected the findings and possible new interpretations might be derived from the findings.

2.6. Access

The main challenge in writing a research paper is getting access to a case company. As a foreign student I did not have a network within the Danish interior design industry. It was a combination of effort persuasion and luck that I managed to establish a connection with Johannes Torpe Studios.

2.7. Limitations

Limitations in this research paper relate to the Internet sources used as the content provided online can easily be modified and erased. Staying within the realms of the online environment, by selecting the search engine I have also chosen to limit the study to the results provided by that specific search engine which only provides a portion of the information that can be accessed on the web.

Other limitations were related to the documentations provided in other languages than English. The documentation found in Danish, German or Dutch were not used in the research process due to the fact that translations made with online engines might not provide accurate data. That means that there might have been relevant information in those documents that was not used.

Due to its qualitative approach, the study is also limited in generalizing the research findings.

3. Theoretical framework

This chapter presents the theoretical framework that supports the case study and analysis of the current research paper. It aims at providing a picture of how this industry operates and introduces theoretical concepts that could bring innovation and structure to an interior design studio's business model and ultimately spillover value to its customers.

The chapter starts by presenting the roles of an interior designer in the industry and the business models created around these roles, it continues by defining the service and product that a studio offers and wraps around the theoretical concepts that aim at bringing innovation to the business model.

3.1. The Interior Design Industry

3.1.1. Roles within the industry

Although the focus of the thesis is not on defining the roles of the designers in the industry it is relevant to describe them for two reasons: (1) recently researchers have been focusing on proposing other roles that architects and designers could take on and less on researching the business models when in fact (2) the business models in the industry are developed around the roles they can perform as creative minds;

The architecture and interior design industries co-exist and their goal is to find functional and aesthetic solutions in the construction industry. The difference is that while architecture is more concerned with the construction of buildings in accordance with national codes, interior design focuses on finding functional and aesthetic solutions for the activities performed in these buildings (Donatelli, 2016). Because of the relationship between the two and the market these industries share, some of the examples presented in the current research paper will be with reference to the architecture industry.

To start with the first reason, in her thesis, (Gissel, 2012), references Thomassen (Hougaard, Sørensen, & Marius, 2007) who rethinks the role of the architect and proposes the idea of an architect who can perform more functions in the firm besides the ones that require creativity and vision. (Gissel, 2012) As

mentioned above, this concept is not debatable in this thesis, but it is worth mentioning in connection to (Knackstedt, 2012), description about the roles performed by interior designers.

In her book *The Interior Design business handbook* (Knackstedt, 2012) presents the five traditional ways of work in this industry. She describes the designers as fulfilling either one of the following roles: (1) designer- in this role, the designer provides the design service by offering the project concept based on drawings, rendered images, documents and everything necessary in terms of conceptualizing the interior space. (2) agent- the designer is responsible of managing the process of placing the client's orders with showrooms and manufacturers and he may sometimes do the design project; (3) the designer plays the role of merchant- the designer is in charge of procuring and selling the merchandise and making sure they are properly installed; (4) employee- in this case the designer is paid a salary to work for a design (either product or service) firm, retail stores, architectural firms etc.; (5) contractor- the designer is responsible for employing the people that will execute the design project (people in charge of handling flooring tiles, wallpapers, installing the lightning systems etc.). (Knackstedt, 2012, pg. 3-4)

Nonetheless, this categorization of roles does not mean that an interior designer embarks on just one of these ways of working. The roles can complement each other depending on the activity and complexity of the undertaking's business model. These roles, or ways of working, explain why there is not so much information about specific business models in the industry. Designers choose to work in a style that fit their personality the most and that makes it difficult for people to understand the structure of the industry. (Knackstedt, 2012)

Apart from having different working ways, this industry is also characterized by the different specializations in areas of design. A few examples of such specializations would be: Residential design, Retail design, Restaurant design, Barbershop and Beauty Salon design, Design for children, Space branding and many others. (Knackstedt, 2012) Most of the times interior design studios can take on projects on any of the above mentioned areas of expertise due to their designers' educational background. They may have one or two specializations as their main offering, but that does not stop them from providing services in other areas.

As mentioned above, the second reason for describing the roles and ways of working of the designer is due to the connection between roles and business models developed around them.

3.1.2. Business models in the industry

The dynamics and characteristics that describe the creative industries bring about difficulties in describing specific business models in this industry.

Although the information on business models within the interior design industry is scarce, there are a few topics that firms base their business model on.

Knackstedt mentions in her book that designers are entrepreneurial by nature. They prefer working independently because they can manage their own schedule and that fits their creative personality. (Knackstedt, 2012, pg. 4) This explains why the industry presents a high number of 1-4 men firms. Having both the creative and technical skills to work on a project alone gives them the confidence to open up their own design studio. There are however other types of working styles and (Knackstedt, 2012) presents some such as teams, group practices, design associations, design/build team or apprenticeship (Knackstedt, 2012, pg. 4-5). The author provides a short description of each style, however they all relate with the fact that is either a partnership or team based business. The roles presented earlier together with the working styles provide a better picture of the industry.

Interior design offers opportunities for companies to work in an international environment since projects are developed through software programs and do not require the constant physical presence of the designer at the location of the space. But working in an international context pushes companies to learn more about different cultures and how to adapt projects to those cultures. For that reason many firms focus on specific themes and build businesses around them.

Latest trends show that emerging business models start to develop around certain issues such as sustainability, or community-focused design. The Zeppelin Magazine webpage presents a few articles of projects, such as: *Remnants of prayers; A House for children. And not just that; High Green, Low Green* etc. (Zeppelin Magazine, 2015)

There are, however, niche markets that allow the emergence of other types of business models. The focus of these models can be on lifestyle, travels, leisure etc. In an article about the emergence of new business models in the interior design industry, the author (Marini, 2012) talks about the need that studios have to rethink the current business model and the need to innovate it. The author mentions the importance of creative thinking combined with collaborative and team management approaches. (Marini, 2012) The idea that Marini proposes about collaborative approaches relates to (Knackstedt, 2012) working styles mentioned above which leads us into thinking that although designers are described as being entrepreneurial by nature, they need support in building a strong team that can support the business.

But independently of the business model or the market they approach, there is one thing that interior design studios compete on: the service design offering.

3.1.3. Service is the product

Design and architectural services are cultural services that according to (Lorenzen, Jones, & Sapsed, 2012) figure of *The dimensions of creativity in industries* score high on the creativity in process axis and low in the product dimensions and its symbolic content axis. The author also mentions that architecture and design services have very high replication costs and must be customized for luxury users. (Lorenzen, Jones, & Sapsed, 2012, pg.2-3)

In the case of interior design the service offered is the idea, the concept for a space that can be transformed into a more functional and aesthetically attractive one. Projects are realized by using software programs for modeling and design animations, such as 3DS Max and AutoCAD. These programs support the service by creating rendered images of the designer's concepts based on the specification of each room's parameters. Rendering is a special art that combines graphics with fine art and design (Knackstedt, 2012, pg. 23). At the end of the design process the customer does however receive rendered images of the redecorated space, but that is just a result of the service offered. Even though the images provided help customers in visualizing the project, the value stands in the service and not necessarily in the renderings.

The idea above is supported by (Vargo & Lusch, 2004), who claim that marketing theory has seen a shift in perspective from a goods-centered view (G-D logic) to a service-centered view (S-D logic). In their study, they define “service” as the process or activity through which the supplier makes use of its knowledge and skills in order to produce effects that will satisfy the customer. (Vargo & Lusch, 2004)

To be more specific, this view sees “service” as the interaction between the supplier and customer and not as the benefits that are being supplied to the end consumer. The service-centered logic stresses the importance of the customer’s engagement in the co-production process. It sees the customer through the glance of a feedback provider whose input is extremely important in delivering a qualitative service product. (Macaulay, Miles, Wilby, Tan, Zhao, & Theodoulidis, 2012)

The service-centered view, as (Vargo & Lusch, 2004) describe it, is based on several fundamental views that support the idea that the fundamental unit of exchange is not the goods it produces but the application of knowledge a firm possesses. The goods are only seen as an indirect unit that covers the fundamental one. The physical and mental skills a firm contains represent its actual competitive advantage. (Vargo & Lusch, 2004)

This thesis will apply this definition of the terminology “service” with a focus on the process taking place between the supplier and customer in order to create a tangible output.

3.1.4. The process of interior design

For a better understanding of interior design, The International Council of Societies and Industrial Design (ICSID) offer a broader definition of it. According to ICSID interior design does not only refer to the profession of finding functional and aesthetic solutions to spaces, but includes the design of processes, systems and services as well: *“Design is a creative activity whose aim is to establish the multi-faceted qualities of objects, processes, services and their systems in whole life cycle. Therefore design is the central factor of innovative humanization of technologies and the crucial factor of cultural and economic exchange.”* (Verganti, 2009, pg. 24)

To provide a picture of the process of design this part of the paper will present the main steps. The American Society of Interior Designers (ASID) offers a great description of the process of design.

(ASID video, 2008) A research on different interior design websites supports this classification of steps and references to these websites are used in this part of the thesis.

Although each company can develop the process and add more steps in the design process, there are a few steps that are essential for each company offering such a service.

Programming. At the beginning of the process, the designer needs to get acquainted with the customer. The first step is the consultation phase when the designer gets to discuss the main purpose of the project, he gets to have a first glimpse at his client's tastes and preferences, and together with the customer establish a budget for the space. Once the parties agree on establishing a collaboration and details of the contract are discussed, the contract is signed. (ASID video, min. 03:30; The High Road design studio, 2016)

Site measurements. As a second phase, after signing the contract, the designers need to see the location and take measurements of the spaces. Being on site, measuring and taking pictures ensures the designers that they have an accurate image of the space they are going to design. (The High Road design studio, 2016)

Development. The third step is based on space planning and design concept. During this phase the designers work on developing the floor plans and on creating the concept for the space. Meetings are scheduled to discuss the floor plans and make the necessary changes. (ASID video, min. 04:34; The High Road design studio, 2016)

Design concept. Communication with the client happens across every step in the design process however the meetings are scheduled on a more frequent basis during the fourth phase for this is the stage when materials, from flooring tiles to wall paint, are selected. At this stage, the client will receive samples of material, drawings and images of the concept created so far. This fourth phase is also meant at revising the client's budget and making the necessary changes to the project to better adapt to the budget. The *design concept* phase is the longest phase in the design process and it can last for several weeks. (The High Road design studio, 2016)

Project presentation. This last phase is based on presentation of the project. Some companies offer more than one options for certain elements of the project (due to *transaction costs* such as time and

money they have to limit themselves to only a few elements). This step requires the customer's approval. The design process can be extended if approval is not given, but there are additional costs involved in the process. Once approval is given, the rendered images together with the plans and advice from the designers have been handed to the client. By the end of this stage the project is ready to be forwarded for implementation. (The High Road design studio, 2016) Depending of the area of activity that the project is developed for and the trust given to the designer, some customers prefer working on the implementation process while the project is in the *design concept* phase, while others wait for the final result of the design process before implementing the project. Independently of the business model or the number of steps in the project, all design firms collaborate and discuss the project with the execution firm to assure the customer that the project is implemented at high standards.

3.2. The Holistic Design Approach

The holistic design approach has been described in various ways depending on the company or industry embracing this concept.

Some companies in the interior design industry see it as the designer's ability to create projects that are integrated in a specific context. For example shaping the space of a room by considering the elements around it and the activities destined to be performed in that room. Architects can argue that for them a holistic design approach would mean working on a project that is not only environmentally sustainable, but is in harmony with its surroundings.

Woo, 2007 proposes a model for a holistic design approach for experiential design. According to him experiential design is a “[...] *transformational process between concept and experience, with a holistic view of design phenomena.*”(Woo, 2007, pg. 1)

Cross, 1982 looks at design as an open-ended problem-solving activity that is based on great creativity. He considers that the typical style of the designer's behavior underpins that creativity. (Woo, 2007)

In his 2007 research paper on the concept of holistic design, Woo starts by explaining the concept of experiential design (ED). According to his paper, ED is a fairly new discipline that consists of diverse disciplines such as digital media, interior design, graphic design, architecture, storytelling etc. that is

based on collaboration between all of the earlier mentioned themes. The author references Cain, 1998 and defines ED as an interdisciplinary approach that provides methods for business strategies, product managers, designers and marketers to examine, interpret and organize everyday experiences in a useful way. (Woo, 2007)

The focus of experience design is on the user experience throughout the entire process of engaging with the product, from its discovery to the memory of complete relationship by looking at aspects of usability and durability or any other type of relevance it might have for the user. The communication throughout the process, the form, content and the context are also highly important in this approach. All in all experiential design is a user-centered practice of designing products or services, processes or events at a more complex level and it requires heavy research into applying it. (Woo, 2007)

Woo, 2007 aimed at setting up a model for a holistic design approach (HDA) by arguing for an integrated design process. To create the model Woo, 2007 applied experiential design knowledge to stages of design innovation (research, design, and innovation). (Woo, 2007) Designit, a Danish company, is a good example of a strategic design firm that has mastered the holistic design approach framework. Designit has a 360° design approach (or HDA) to designing product-service experiences. With a 5 step strategic design process, the company provides solutions by combining customer journey methodology with business insights, future trends, and technology and design capabilities. (designit.com, 2016) Although the design process has more steps than the framework proposed by Woo this iterative process sums up the same stages companies with a HDA go through: deep research, concept design and the innovation phase when the outcome is in use.

3.3. Identity

In the article *The Role of Media in the Co-Production of Identities in a Filmmaking Company* Reff and Strandgaard, 2008 investigated the narrative forms and processes that a firm has to undergo in the quest of creating and maintaining its identity. They took a narrative stand at it and argued about the work involved in the construction of identity. The authors argue that although a company tries to present its version of the story in a successful manner it will come across counter-stories as the identity of an organization is now built both internally and externally. (Reff, Strandgaard, 2008)

Referencing Albert and Whetten, 1985; Gioia, 1998 the two authors of the article explain at first the features that describe the internal identity of the firm. The first feature talks about the *central* aspect that identity has in an organization. The second one underlines the *distinctiveness* of an organization from others and the third is the staff's perception upon what makes the organization *enduring* by looking at the history of it and the future goals. All of the three features are looked upon from an organization's internal point of view as they have an important role to play in the identity construction process. (Reff & Strandgaard, 2008)

However, people no longer believe what companies state and challenge the identity image that organizations try to portray. (Reff & Strandgaard, 2008) reference Gabriel, 2000 in explaining about the *unmanaged spaces* (such as media) that contribute to the identity creation process. They argue that organizing for identity as a coproduced process between the managed image by the organization and the unmanaged one created by other individuals. The authors also argue that the intention of promoting a successful story through coproduction can sometimes remain as an intention as the storytelling process depends upon the multitude of voices involved. (Reff & Strandgaard, 2008)

3.4. Service-design thinking approach

The theoretical framework described above offers an understanding of how the interior design industry works. It provides a picture of the roles, business models developed around the roles, the service offered and the process of design. The service design thinking approach comes in support of the theoretical concepts mentioned earlier on in the paper.

“When you have two coffee shops right next to each other, and each sells the exact same coffee at the exact same price, service design is what makes you walk into one and not the other.”

-31 VOLTS SERVICE DESIGN, 2008 (Stickdorn & Schneider, 2015, pg. 33)

There is no official definition for service-design thinking. “*Service design thinking is an interdisciplinary approach that combines different methods and tools from various disciplines.*” (Stickdorn & Schneider, 2015, pg. 29) This approach aims at helping companies innovate or improve their services in order to create more value for the customer. Although the ultimate goal of this approach is to deliver services that enhance customer satisfaction, service-design thinking proposes tools and processes that companies can use to achieve that goal. (Stickdorn & Schneider, 2015, pg. 30-33) As Stefan Moritz, 2005 describes it, service-design thinking “*is a new holistic, multi-disciplinary, integrative field*” (Stickdorn & Schneider, 2015, pg. 31). This approach gives firms the opportunity to innovate and rethink their business models as it considers customer needs, the service offered, and the participation of the service provider in the process, stakeholders and the entire process developed around the service.

3.4.1. The 5 Principles of Service Design Thinking

A good description of the five principles is essential in understanding the relationship between concepts of interior design and the service-design thinking approach. Service-design thinking is a dynamic approach based on five principles and it is:

USER-CENTRED. This principle is easily identifiable in the interior design industry as the services offered have to be customized to the needs of the customer. The user-driven innovation strategy looks into understanding the customer needs and into finding solutions for those needs. (Verganti, 2009) mentions in his book *Design-Driven Innovation Strategy* how user-centered innovation is opposed to the design-driven one by underlining the importance of market analysis in the user-centred strategy. (Verganti, 2009) The user-driven innovation strategy can easily be identified in the goods industries (for example mobile phones batteries innovated to last longer that were improved based on market research).

As any other service, the interior design one also needs customer participation. (Stickdorn & Schneider, 2015) argue that although statistical data and empirical analyses of the customer’s needs are important, companies that embrace a design-thinking approach in their quest for innovation have to empathize with the customer. They consider that there is untapped value in understanding how each

customer has a different mindset and experiences services in an individual manner. (Stickdorn & Schneider, 2015, pg. 36-37)

The authors suggest that the tools and methods provided in their book are destined to help companies get an authentic insight into their customer's needs and establish a common language for the service that everyone can understand starting with the user himself. (Stickdorn & Schneider, 2015, pg. 36-37)

CO-CREATIVE. With this principle, (Stickdorn & Schneider, 2015), emphasize the participation of different stakeholders, staff and managers and of course users in the process of defining the service proposition. Service designers create an environment that facilitates the generation of ideas coming from different groups involved in the process by using different tools and methods. This tools and methods will be discusses later on in this chapter. (Stickdorn & Schneider, 2015) believe that the engagement of different groups in the service design process, whether it is creating a new one or improving an existing one, evokes a co-ownership feeling and fosters customer loyalty (Stickdorn & Schneider, 2015, pg. 38-39)

The interior design process is a complex process. It involves customers, designers, other stakeholders, managers of different departments, suppliers, execution team, depending on the size of the studio. Identifying all the groups involved in the design process is important as these groups can bring value to the process and improve the service offered.

SEQUENCING. This principle talks about the deconstruction of service processes into touchpoints that taken together would create *service moments*. It looks at the entire process a user goes through in his desire to benefit from a service. (Stickdorn & Schneider, 2015) describe the process into three steps: (1) *pre-service period*, when a customer learns about the service, (2) *the actual service period*, when the customer experiences the service, and (3) *the post-service period*. (Stickdorn & Schneider, 2015, pg. 40-41) Understanding the service timeline and touchpoints a customer has with the service provided allows a company to gather information both about the customer's needs and gather feedback on the service that can eventually be used in the innovation process.

For example, in the case of an interior design project, the first touchpoint of the pre-service would be the moment the client discovers the need to change the interior or exterior of a space and researches the

offers on the market via websites or word of mouth or any other means. The actual service period would be the moment the collaboration with the selected interior design studio starts and the service is provided. The post-service period would be the moments after the project presentation has been approved.

EVIDENCING. People get emotionally attached to tangibles. Service evidence has the potential to extend service experiences long into the post-service period. Emails, brochures, signs, souvenirs etc. add a tangible component to the experience so that people can remember about the service and recommend it to others. These types of evidencing need however be used effectively so that the customer does not get annoyed by them. Service evidencing needs to be connected to the story of the service and it has to continue from the previous touchpoint sequence. (Stickdorn & Schneider, 2015, pg. 42-43)

As an example for an interior design service project, a metallic plate with the company's logo that can be placed in an office or coffee shop would be such form of evidencing. It would not only provide the customer with a souvenir of the experience provided, but it would also play the part of stamp for the quality of the service and promote the services further on.

HOLISTIC. The fifth principle overlooks at the whole picture when providing a service. It considers the way individuals experience the service, the touchpoints and the changes necessary at the service sequence level and the identity of the service provider at organizational level. All processes need to be mapped out and understood by the entire organization so that the perception the customer has about it and about the service provided is accurate. This holistic approach allows the service provider to better control processes and it can help increase customer and employee satisfaction. (Stickdorn & Schneider, 2015, pg. 44-45)

The holistic approach is very often mentioned in the architecture and interior design industry. Companies usually refer to it in terms of the project they develop. For example, building a house by considering its environment impact is holistic design (McMahon, 2016).

Having a holistic approach when designing services is about understanding where the interior design process sits by considering the entire picture of the customer's experience.

All of the principles mentioned above are the foundation of the service design thinking approach. The goal of this approach is to achieve corporate success by enhancing customer experiences, employee satisfaction and by integrating technological processes into the process. (Stickdorn & Schneider, 2015, pg. 44-45)

3.4.2. Stages in Service design thinking

Just as writing this thesis, design processes are non-linear, however articulating an outline structure that is iterative in its approach. What the authors of the *This is Service Design Thinking* book mean by this is that at every stage in the process of service design there might challenges that will send the service designer back to the previous stage in order to improve the process. (Stickdorn & Schneider, 2015, pg. 126).

(Stickdorn & Schneider, 2015) propose a very basic iterative four step approach in the attempt to structure the design process. (Stickdorn & Schneider, 2015, pg. 126) The figure below presents the four steps, however it is important to mention that this process is just a basic process that can be adapted to every particular service and project provided.



Figure2. The iterative process of service-design thinking
Stickdorn, Schneider, This is Service Design Thinking, 2015, page 122-124

1. *Exploration.* Although the user-centred principle sits at the center of the process, the process starts from within the company. Because the inputs brought to the process come from various

groups from within the company and because this a process that is co-creatively constructed, all employees involved need to understand the organization's perspective. Before they can think of finding a solution, they have to understand the real problem from the customer's point of view. Successful service design requires that the organization has a clear image of a certain service from the perspective of the customers. This stage in the process requires a more in depth understanding of the customer's behavior and mindset, beyond empirical research. A variety of methods and tools can be employed in the process (such as ethnographic research) that is not only meant to gain insight into the customer behavior, but also meant at articulating the problem the company faces. However, (Stickdorn & Schneider, 2015) remind us about the importance of having a holistic approach to the process so that details do not overshadow the entire picture of the process. (Stickdorn & Schneider, 2015, pg. 128-129)

2. *Creation.* This is the stage when the concept design is created. At this stage ideas and concepts are tested and retested and mistakes play a huge part in it as the costs of doing mistakes at this stage are marginal compared to the costs involved in the implementation stage. The *creation and reflection stages* are the most iterative stages in the process of service design. The creation stage is exploratory and looks at generating solutions identified in the previous stage. (Stickdorn & Schneider, 2015, pg.130-131)
3. *Reflection.* After the ideas and concepts have been created the next step in the process is to test them. Testing services is far more complicated than testing products. A product prototype is tangible and easy for the customers to understand, but services are intangible and that brings challenges for the service designer. Customer emotional engagement is essential in this situation. Since in the *reflection* stage the service prototype is under an assessment and costs need to be kept low, methods such as roleplays come in support. Testing intangibles in real-life is not an option, therefore companies need to create a context in which service situations can be played so that participants can get a good mental picture of the service. This method also allows for co-creation and gathering of creative responses. (Stickdorn & Schneider, 2015, pg. 132-133)
4. *Implementation.* Implementing new service concepts requires change that is based on a strong service concept that was formulated and tested during the previous stages. This process of change necessitates a clear understanding of the new concept created by all employees in the

company. However, getting employees involved in the prototyping of the service eases the implementation stage because they already have a good picture of the service created and provided their input in creating it. But to keep control over the processes and its deliverables, another exploration stage can be set. Service design thinking is an iterative process and the cycle should not end after the implementation stage. (Stickdorn & Schneider, 2015, pg. 134-135)

Each one of these stages described above explain how service design thinking works. They all rely on methods and tools that can be used to support the design or redesign of a service. Nevertheless, while designing in details is part of the approach one should not forget of the holistic principle of it. Each touchpoint and each method is part of a bigger picture.

3.4.3. The Toolbox of service design

As described earlier on service design thinking is a multidisciplinary approach and all the processes involved are tailored to the service provided by a company. As such there is no set of instructions on how to apply or use service design. There are only tools and approaches from different disciplines that organizations can use and that have to be adapted to the specific service. It is about finding the right combination between these tools that can bring innovation to the service. (Stickdorn & Schneider, 2015, pg. 148-149)

Therefore in this part of the theoretical framework of the thesis a figure of the tools proposed by (Stickdorn & Schneider, 2015) will provide a picture of what kinds of tools companies can choose from, but not restrict to.

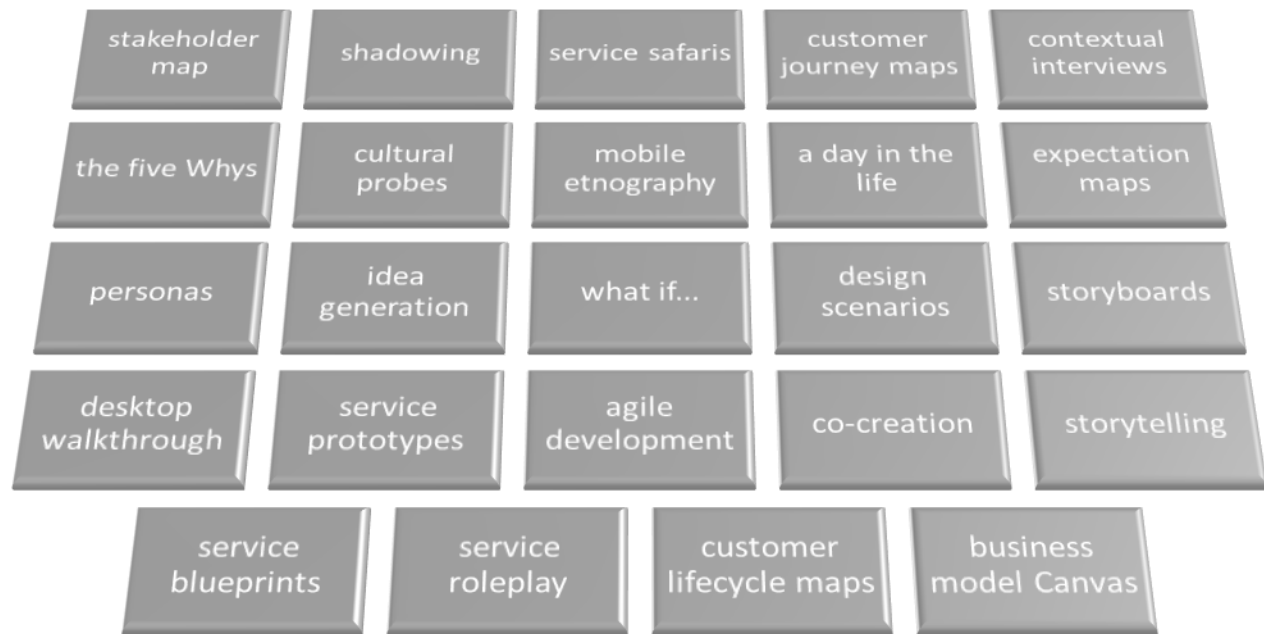


Figure3. A representation of the toolbox of Service Design; This is Service Design Thinking, What are the tools of Service Design? Methods & Tools; Stickdorn, Schneider, 2015; pg. 146-215

The figure above is an illustrative representation of the tools provided in the book *This is Service Design Thinking* and it is made by the author.

Because of the above mentioned reasons and because of the complexity of the process, this chapter will not describe the tools presented above. (Stickdorn & Schneider, 2015) provide a very good description of each one of these tools in their book *This is Service Design Thinking*.

4. Market description

As a part of the creative industries, the interior design industry accounts only for a small percentage of the economy. In terms of statistical data, interior design is under the same category as the fashion and textile design, graphic design, furniture and industrial design category.

In Denmark 6% of the total number of enterprises operate in the creative industries. With a number of around 85,000 people working in these industries, the country's exports account for just 7% and the value created is of around DKK 49.1 billion every year. However, most of this value is created by the fashion industry with a total turnover of DKK 45 billion just for the year of 2009. (Danish Business Authority, 2016)

The Danish industry raises interests in this sector as there are quite a few policies being developed by the Government and the Design2020 Committee in trying to brand Denmark as the design society by 2020. They perceive design as a driver for innovation and see the use of it in terms of economic growth and productivity and growth contributor. Although the strategy does not refer solely to the interior design industry, this industry will for sure be affected by the actions taken in the related industries. (Design2020 Committee, 2011)

A worldwide report on the interior design industry by Barnes Reports 2014 presents statistical data about the industry in Denmark. The analysis conducted by Barnes Reports presents the following sub-industries in its statistical data gathering: Interior Design Services, Decoration Service for special events, Interior Designer, Interior Decorating. (Barnes Report, Worldwide Interior Design Service Industry Report 2014, pg. 31)

According to this report, Denmark has seen a small but progressive increase during the years of 2011-2015, except for the year of 2012 when the number of established firms dropped from 204 to 203 with a decrease in the number of employees from 897 to 893. Despite this drop, the industry has not been affected in terms of sales and has seen an increase on a yearly basis from DKK 801 million in 2011 to DKK 913 million in 2015, with the highest growth between 2014 and 2015 of DKK 45 million (5.2% growth). (Barnes Report, Worldwide Interior Design Service Industry Report 2014, pg. 59)

INDUSTRY ESTABLISHMENTS, SALES & EMPLOYMENT TRENDS

	Year					Percent Change Year-to-Year			
	2011	2012	2013	2014	2015	11-12	12-13	13-14	14-15
Establishments	204	203	206	209	215	-0.5%	1.6%	1.5%	2.8%
Sales (\$Millions)	147	150	154	159	168	1.7%	2.8%	3.6%	5.2%
Employment	897	893	907	921	946	-0.5%	1.5%	1.5%	2.8%
Sales (KronersM)	801	815	838	868	913	1.7%	2.8%	3.6%	5.2%

Fig. 4 Industry Establishments, Sales& Employment trends, Denmark; page 59
Barnes Reports: Worldwide Interior Design Services Industry-Industry Market report

A breakdown of the total numbers shows us a more accurate picture of the current situation of the industry. Out of a total number of 215 establishments in 2015, 171 are 1-4 men firms, 19 firms have 5-9 employees, 6 companies have up to 19 hires and only 3 out of 215 have between 20-49 employees. (Barnes Report, Worldwide Interior Design Service Industry Report 2014, pg. 60)

To have an even better understanding of the statistics in the industry, the same study offers a breakdown of the numbers of Employment by size of firm. We can see that in 2015, 558 people were working in a 1-4 men firm, 122 in a 5-9 employee establishment, 97 in a 10-19 undertaking and a number of 90 in 20-49 employee firms. (Barnes Report, Worldwide Interior Design Service Industry Report 2014, pg. 60)

SIZE OF FIRM INDUSTRY ESTIMATES

Year	Establishments by Size of Firm									Total
	1-4 Emps.	5-9 Emps.	10-19 Emps.	20-49 Emps.	50-99 Emps.	100-249 Emps.	250-499 Emps.	500+ Emps.	Unknown Emps.	
2013	164	18	6	2	0	0	0	0	15	206
2014	166	18	6	3	0	0	0	0	16	209
2015	171	19	6	3	0	0	0	0	16	215
	Sales (\$Millions) by Size of Firm									Total
2013	63	18	16	17	6	5	5	0	24	154
2014	66	19	16	17	6	6	5	0	25	159
2015	69	20	17	18	6	6	5	0	26	168
	Employment by Size of Firm									Total
2013	535	117	93	86	26	21	12	0	17	907
2014	543	119	95	87	27	21	12	0	17	921
2015	558	122	97	90	27	21	13	0	18	946

Fig.5 Size of Firm Industry Estimates, Denmark; page 60
Barnes Reports: Worldwide Interior Design Services Industry-Industry Market report

If we consider the sales/employee value we can see that the highest percentage is generated in establishments that have a higher number of employees. For example, the 3 establishments whose size is between 20-49 employees generate 0.2% of the total sales of the industry, compared to those whose size is of 1-4 employees and generate only 0.12% of the total sales.

Although the report offers statistical data about sales generated by companies whose size is up to 499 employees this thesis will omit to consider those as the number of establishments in the Barnes report is 0. Statistical information that will also not be considered is the Unknown employees category defined by Barnes and that decision is based on the fact that the current research paper is focused on proposing solutions to innovate the process in established interior design firms.

In Denmark most of the studios provide services for the Restaurant and Coffee Shop design market. In terms of Residential design, Johannes Torpe thinks Denmark is still conservative. The Danish public opts for a more white-gray color pallet and still desire design products from the 50's and 60's signed by Arne Jacobsen or Hans Wegner (Copenhagen Exclusive, 2012).

Observing the industry in Denmark comes in support of the theoretical description about how the industry is constructed. It provides statistical information that shows the need for more structure within the industry. It also provides an overview of the market that the case study presented in the thesis operates in.

5. Analysis

This chapter presents the analysis, interpretation and evaluation of empirical data on the basis of the theoretical framework introduced in the beginning of the paper. This analysis includes emerging themes recognized through an iterative process between the data findings and the literary review. The themes presented in the analysis are:

- The Interior Design Industry (Role, Business model, Service, Process)
- The Holistic Design Approach
- Identity
- Service design thinking

In the following subchapters I will conduct the case analysis of Johannes Torpe Studios according to the themes mentioned above. This section of the research paper will start with an introduction into the case study. The aim of the analysis is to find similarities between theoretical concepts and the empirical findings.

5.1. Case introduction

Founded in 1997 under the name Turbo 2000 Kunstkontrolle ApS (Carstad, 2016, App. 1), the design firm that operates today under the name of Johannes Torpe Studios is an international interior architecture and design studio based in Copenhagen, Denmark.

A medium-sized firm, considering the structure of the industry (Barnes Report, 2014, pg. 60), with a team of 15 people (Mackay, 2016, App. 1) the studio covers different areas of expertise in the design industry. Together with the founder of the studio, Johannes Torpe, the team includes spatial designers, furniture and product designers, architects and graphic designers (johannestorpestudios.com, 2016), a business developer, a branding specialist and a PR & Communication specialist (Mackay, 2016, App. 1).

The studio started its activities in the interior design industry and mainly focused on creating projects for nightclubs, which Johannes Torpe co-owned (Torpe, desktopmag.com.au, 2016) and continued in the industry of commercial design starting with fashion brands (Carstad, 2016, App. 1).

With an unconventional, holistic approach to design, today the studio wears the label of a strategic design firm. It moved its focus from being just an interior design firm to offering solutions in *interiors, in branding and in creating original products* that accompany all of the other services. (johannestorpestudios.com, 2016)

Johannes Torpe Studios embraces a holistic multidisciplinary approach to design in creating projects for companies that seek for help. (johannestorpestudios.com, 2016) The firm operates mainly, but not exclusively on the B2B market and believes in co-creating the projects with the customers. (Mackay, 2016, App. 1)

5.2. Interior Design Industry

Johannes Torpe Studios with its unconventional business model approach operates in the dynamic design industry that consists of a range of actors from freelancers to large companies (including architecture companies).

The studio houses multiple skills such as “*interior designers, architects, graphic designers [...] and then we have the administration and PR sort of team which is Josefine and someone working purely on administrative and finance and Nicholas who’s doing the business*”. (Mackay, 2016, App. 1) Although one of the services offered is product and furniture design, the company has ceased to have in-house product designers: “[...] *we used to have product designers, but we don’t anymore [...]*” (Mackay, 2016, App. 1) The reason behind that decision was not disclosed, but one can assume that it has to do with the studio’s decision to rebrand itself and move into a different area of expertise. In an industry that is characterized by development of business models around the roles of the designers, Johannes Torpe Studios has managed to define the roles of each employee within the studio. In this case, the designers only perform the role of the designer by creating concepts based on 3D renderings and graphic interpretation of brands. Based on the theoretical framework of this thesis, the designer is an employee. The designers at Johannes Torpe Studios are employed for their expertise in the area and their capabilities and skills in creating original pieces.

However, it is worth mentioning that although the designers at present time are employed for their skills, the history of how the studio came about proves that in this industry, business models are developed around the roles of the creative mind. Although Johannes Torpe, the CEO of the studio, does not have the qualifications to call himself a designer he started the company because of his abilities to do design. He calls himself a *design activist*. In a recent interview, Johannes explained what that means: *“I’m a design activist in a sense that I’m not a designer, I’m not an architect, I’m not a clothing designer or graphic designer. None of those. I do not have the educational qualifications to call myself that. Despite that, I’ve been able to do architecture, clothing design, lightening design, interior design, product design and furniture over 20 years. I’m not a specialist; I’m an activist within multiple fields.”* (Torpe, desktopmag.com.au, 2016)

His love and passion for the industry show his entrepreneurial side. Looking at Denmark, out of a total number of 215 establishments in 2015, 171 are 1-4 men firms (Barnes Report, 2014). That leads us into thinking that more and more designers decide to become entrepreneurs based on their technical and creative abilities which supports the idea that business models are created around the roles of the designers, but also based on their area of expertise. We can also notice the transition from a small company, with Johannes Torpe acting as the designer, into a 15 people studio where Johannes employs designers. To conclude this section one can say that in this industry the size of the studio and the business model change in close connection to the necessity to create a mix of skills in the firm.

The combination of skills and creativity allows the studio to offer a range of services from *spatial design* (indoor & outdoor design), *branding solutions* and *product design*. These services show the areas of expertise that the studio operates in. Considering the services offered, one could say that the company operates within the framework of the interior design industry although they say that that is the past: *“in the past it’s been very much focused on interior design”*. (Mackay, 2016, App. 1)

The services offered do not revolve around a certain theme as even they say that every project is very different from each other and it depends on the client and what his needs are.

The working style inside the firm is based on teams. Rachel Mackay, 2016, mentioned: *“we’re working in teams, but also sometimes as one large team”* and that is due to their approach to *“holistically*

designed spaces which includes the many different disciplines” (Mackay, 2016, App. 1). From the start of the company, the business was based on external collaborations. Josefine, 2016, mentioned that *“we also work with external collaborators if we need someone who has insights into an area that we don’t have within here.”* (Carstad, 2016, App. 1) (Lampel, Lant, & Shamsie, 2000) describe the need for creative companies to understand the balance between what skills companies need to acquire in house and what they need to buy on the market. (Lampel, Lant, & Shamsie, 2000) Johannes Torpe Studios is a good example of how the industry runs.

As mentioned earlier on in this research paper, in the interior design industry the actual product is a service based on concepts and ideas transformed into projects. These concepts are intangible, but they are represented for the customer through 3D renderings. Looking at the case of Johannes Torpe Studios one can interpret that their services are representative of interior design. Most of their works are interior design projects within the retail and commercial sector, such as restaurants, cafés, bars, pastry shops etc. The company does indeed take into consideration all aspects when working on a project and adds value to the projects by considering the customer’s customers. As they revealed in the interview: *“we are working as problem-solvers and to create value for their customers and affect the behaviour of their customers so it’s much more than just aesthetic”* (Mackay, 2016, App. 1).

Based on what the company communicates to the audience, in contrast to other companies in the industry that provide just the service of interior design, the firm’s offer considers other needs that the customer might have. For example, the project for the Danish cupcake café *Agnes Cupcake* was taken upon with a holistic view on it. The studio did not only develop the interior design project (more specifically the 3D functional and aesthetical concept of it), but also created the visual interpretation of the brand. With a 360° multi-sensory approach to branding experiences, Johannes himself was involved in every aspect of the project (Mondo Arc Magazine, 2013). However, graphic interpretations of brands and product offerings are according to theory just other areas of expertise that the company activates in. Even they specify: *“[...] is it a restaurant, or is it website or is it a cupcake for instance? We are providing a lot of different services actually.”*(Mackay, 2016, App.1)

According to theory and by observing the market, a project of interior design is a concept developed by considering functional parameters and aesthetics with a theme in mind. The fact that a project is developed with these ideas in mind does not make it any different from any other interior design studio. The only difference here is that whereas Johannes Torpe Studios has the capability to provide those services other studios might need to buy those skills on the market.

There is a conflict between the theoretical concepts and what the company communicates. By analyzing the studio's service offering one can definitely say that the studio's activities are in the interior design industry.

The process of designing does not seem to be any different from what other firms do either. Because the service offering is more complex than creating just renderings, the phases in the process are more developed. However, the process is the same. Following the theoretical framework of the thesis, the first phase entitled *Programming* is the phase where the designer gets acquainted with the customer. In order to avoid clashes during the process, the studio spends a considerable amount of time in building a relationship with the customer before the process even starts: *"working with the client strategically and looking into their DNA it's something that we very much implement as part of our design process or creative process before we even start designing anything is really sort of going into the core of the client and what they represent and what they need"* (Mackay, 2016, App. 1)

The *Site Measurements* phase is a necessary step for any company working in the industry.

The *Development and Design Concept* phases are in fact the most complex phases for our case study because it involves numerous participants and are based on close collaboration with the customer. The two phases are iterative because concepts and floor plans change based on the discussion with the client. These two stages are a perfect example of a situation when the interdisciplinary aspect of Johannes Torpe Studios is revealed. Interior designers, graphic designers, the branding specialist etc. co-create the project with the customer: *"[...] but most of the times there is gonna be clients who also want to involved creatively in the project as well so they think they...they're trying to....they wanna be a part of the process which is also something that you have to learn as a company is how to involve the client in the right way. So that they feel they are contributing and they do contribute when it's necessary but to a certain degree. So I think it's a balancing act between the client and company"*

(Mackay, 2016, App. 1). Although the studio has a deep understanding of the client's need, his input in the process is valuable. These projects can take up to several months before being completed and keeping in touch with the customer on a constant basis is essential in order to avoid clashes and project failures: *"We had that a few times where a client comes in and as a project progresses we find out we're not able to help them with their problems because we see too differently on the solutions and on the directions that they should go in order for us to have a genuine and fruitful collaboration with them. And that's also something you have to realize that your mindset is too different from that of the client and then you have to end the collaboration"* (Mackay, 2016, App.1) Customer preferences might change and so can plans for his envisioned space, especially if the project runs on the B2B market. They say: *"yea we are very much basing our designs and our work on concept development"* (Mackay, 2016, App. 1) which shows the importance of these phases in the process.

Although the studio did not offer a description of the process, one can assume that there are other steps running during the Design concept phase as aspects such as the graphic design of the brand or the development of a specific product for that particular project might be needed.

The *Project presentation* phase is the stage when the client is introduced to the final concept and decides whether he approves of the project.

The analysis of the roles within the company, the services offered and the process of design based on the theoretical concepts introduced at the beginning of the paper show that Johannes Torpe Studios is still an interior design studio.

5.3. The Holistic Design Approach

Johannes Torpe Studios is in the process of rebranding itself: *"[...] we differentiate ourselves from being an interior design studio and don't call ourselves that because it's much more strategic than that"* (Mackay, 2016, App. 1). The studio is making an attempt at becoming a design company, moving away from offering interior architecture and design services into offering just design services. They

already promote themselves “*as problem-solvers and to create value for their customers and affect the behavior of their customers so it’s much more than just aesthetics*” (Mackay, 2016, App. 1).

According to Josefine Carstad, 2016, the “*holistic approach or the 360 approach is about looking at the problem from all possible position or directions and seeing ok what do you actually need*”. (Carstad, 2016, App. 1)

According to Woo, 2007 the HDA is a process based on three stages: research, design and innovation (Woo, 2007). All of the three stages are complex and require tools and methods and a cross-disciplinary design process.

In the research phase several tools and methods are implied in investigating the customer behavior and in understanding his needs and usage of the product, the meaning the customer needs to the product and anticipate future habits. These tools are based on heavy technological investments and deep ethnographic research. As shown above, interior design services require a certain degree of customer research and Johannes Torpe Studios asks the questions before the start of the project: “[...] *ok what really matters? What’s the DNA? Where does it hurt? Where does it have meaning? [...]*” (Carstad, 2016, App. 1); “[...] *looking into their DNA it’s something that we very much implement as part of our design process or creative process before we even start designing anything [...]*” (Mackay, 2016, App. 1)

However, the tools employed in the studio’s research phase are not sufficient to support what the holistic design approach research phase would require. The studio uses social media platforms to dig into the customer’s “*soul*” and meetings with the customer are scheduled in order to find out his preferences and needs. Rachel mentioned in the interview that she is “*more looking into the client themselves for their social media*” and also “*looking at the kind of things...we don’t have like a tool for doing it but what are they mostly liking, where is their biggest interest, that kind of thing is very easy to find out from social media*”. (Mackay, 2016, App. 1) This is the phase when the problem is discovered.

The second phase in the process based on (Woo, 2007) HDA model is the *design phase*. During the design phase team-based projects require multiple skills to create a product that will eventually satisfy the consumer. Concepts are developed and recombined, functions are established and evaluation for technical and economic criteria is conducted. This step in the process is complex because it involves skills such as graphic and interior designers, storytellers, architects and many other skills that can drive a product to the innovation stage. Johannes Torpe Studios involves interior and graphic designers with branding personnel, but the limited number of skills it houses does not provide ground for stating that they can support a design phase as described by the theoretical framework.

The innovation stage is of course affected by the lack of skills in the studio. In the third phase of the process a new or improved product or concept is being brought to the market. If we look at the interior design service, a new project does not fall under the new service category. The HDA looks at developing products or services that have potential for replication at low costs. According to (Lorenzen, Jones, & Sapsed, 2012) this kind of service involves high replication costs and has to be customized to every customer because every project is different. (Lorenzen, Jones, & Sapsed, 2012) Even if consider the offering of product design it is hard to see the relation since the studio has dismissed the product designers it used to have employed in house.

Based on the analysis offered above one can argue that Johannes Torpe Studios does not apply the holistic approach to design, at least not in accordance to the model developed by Woo, 2007. Although the studio supports the idea that the approach “*it’s both very incorporated in the business model seen that we are a full service company, studio, but it’s also within the specific projects [...]*” (Carstad, 2016, App. 1) it seems that what they actually do is have a holistic theme approach to the projects running. Thinking of the customer’s needs, considering the needs of the customer’s audience, adding elements to the projects such as a graphic sign and a lamp falls under the holistic theme label rather than holistic design approach.

Nevertheless, this analysis leaves us under the impression that if the studio wishes to implement this approach as part of their business model and turn into a strategic design firm it will have to move away from the interior design industry.

5.4. Identity

In this subchapter I aim at tackling the third challenge that Johannes Torpe Studio faces which is organizing for identity. The analysis is based on the definitions provided in the theoretical chapter and reference (Reff & Strandgaard, 2008).

During the investigation process I have identified three voices that construct the studio's identity. These three voices are divided between internal and external voices. It is curious to look at how the challenge arises not from the clash between the external and internal story, but a clash between two internal stories.

First I will define the managed spaces as the voice of the employees and the voice of the studio's website. Second I will define the unmanaged space as the media. Based on the interview conducted and on the qualitative research on the studio's website I have discovered that there is a confusion created between the services the organization says it provides and the services promoted on their website.

Although they admitted in the interview that *"In the last couple of years we've been sort of changing the identity and the way we communicate and what we communicate and sort of redefining who we are as a company and we're still under that process"* (Mackay, 2016, App. 1), they seem to have omitted the voice that talks directly to the customer on their website. The studio can easily be found online by using key words such as *interior design studio in Denmark*. The studio also presents on their webpage a description of the activities they perform by stating: *"We create interior designs that deliver a clear and strong spatial interpretation of our client's brand identity. We deliver design solutions that spark curiosity, through engaging user experiences.*

We endeavour to change the way people observe, interpret and interact with a space. Ultimately, we add value to brands by creating spaces that tell their brand story with authenticity." (johannestorpestudios.com, 2016, About page) This description leads us into thinking that they are an interior design studio. However, in the interview conducted it was stated that: *"[...] we are not a design agency that is based on aesthetics we're not like painting walls based on like what we feel like personally or what the trend is or whatever [...] we differentiate ourselves from being an interior*

design studio and don't call ourselves that because it's much more strategic than that” (Mackay, 2016, App. 1)

This contradiction builds a confused internal identity and it could potentially affect the overall business as new potential customers might not know what the area of activity of the company actually is.

The internal identity is however addressed as a successful story. They promote the studio as having an innovative approach to business however successful story is shaken by the clash created between the services they provide and the services they say they provide.

The external story produced by the media seems to be supportive of the image the company wants to communicate. The documents gathered for the analysis of this paper are mostly interviews offered by Johannes Torpe, the CEO of the studio, to different magazines. In the majority of articles the journalists are supportive of the image the studio created however one could argue that this is due to the journalists asking most of the questions with regards to Johannes Torpe's career. This distracts the reader from understanding exactly what the studio focuses on. Nevertheless, in the articles, different interior design projects under the Johannes Torpe Studios signature are mentioned.

To conclude this subchapter it seems that the organization provides the public with two types of stories that are being told in three different voices. Internally they communicate the identity of the studio as being a strategic design firm with a holistic approach, but promote it on the website as an interior design firm, whereas externally, through the media they build an image of an innovative interior design firm. The identity of the firm represents a third challenge for the company that needs to be strengthened and reorganized in the same timeframe as the re-branding process.

5.5. Service Design Thinking

This subchapter aims at proposing a framework that brings innovation to the business model while keeping the service offering of the studio within the realms of interior design.

Looking at the two theoretical concepts of holistic design approach and service design thinking one can observe that they are inter-related. At their core, they both rely on the same principles. They involve

processes that are user-centered, co-creative and holistic. They start from the same premise that conducting deep customer research and looking at their needs while keeping the big picture in mind and getting the customer involved in the process of innovation will enhance customer satisfaction.

Both theories rely on the same iterative process when bringing innovative services and products to the market. Although the number of stages in the process might differ depending on the industry that the concept is applied to, the process itself unfolds in a stage of deep research about the consumer, a stage of conceptualization and a stage of innovation when the new product or service is brought to the market.

Despite these similarities between the Holistic Design Approach and the Service Design Thinking approach there is a difference between the two concepts. Although, there is no official definition on what the difference is one can observe that whereas the HDA is applied when developing products, service design thinking is applied to innovating services. The holistic design approach looks at the experience provided when using a product, whereas service design looks at what the customer experiences when he is a participant in the process of designing. Service design thinking does not only place the customer in the middle of the design process, but other stakeholders, staff and service providers as well.

This subchapter of the thesis argues that the Service Design Thinking Approach is more beneficial for Johannes Torpe Studios than the Holistic Design Approach is.

In the previous subchapters the paper debated whether the HDA is in reality an approach that works in the interior design industry that is characterized by the intangibility of the services offered and the structure of the industry. The conclusion was that although Johannes Torpe Studios claim that their holistic approach is a differentiator in the industry, they are no longer part of the interior design industry. However, the services offered are very much within the realms of interior design which confuses the audience.

Therefore the framework of service design thinking allows us to shade some light over how the business model can be innovated without moving away from the interior design industry and by enhancing the experience of the customer.

Based on the stages of the service design thinking process correlated to the fundamental principles of the approach and considering the tools and methods proposed, the paper aims at applying the theory to the service of interior design in the case of Johannes Torpe Studios.

5.6. Service Design Applied to Johannes Torpe Studios

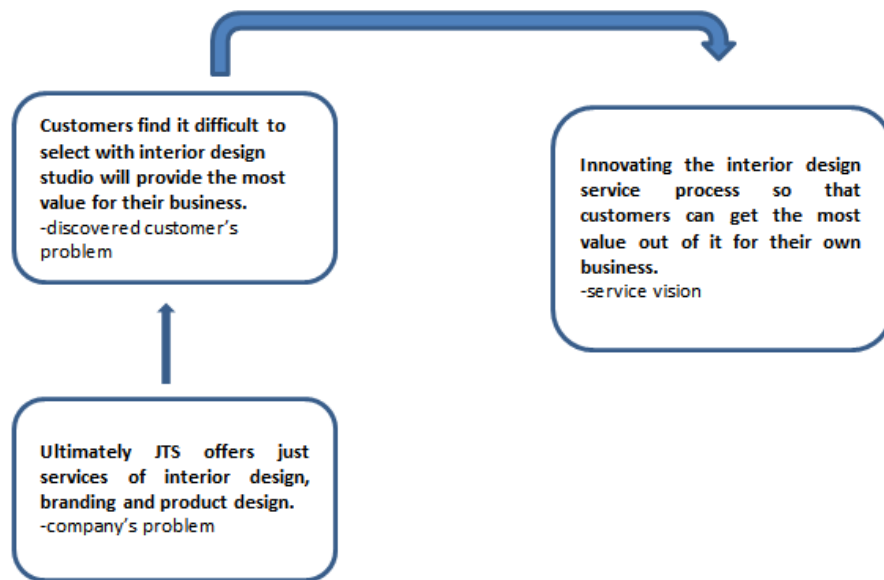


Figure6. Exploration of the interior design service problem;

The figure above is created by the author, however it is inspired by a figure from the chapter *Applied Service Design* from the book *This is service design thinking*. (Stickdorn & Schneider, 2015, pg. 223)

The customer- Companies (restaurants, cafés, nightclubs etc.)

The service is aimed at the existing and potential customers within the B2B market that Johannes Torpe Studio operates on.

The problem- Confusion about the service offered

Within the multitude of interior design studios on the market customers find it difficult to select which one to approach. Studios compete based on the designer's ability to create aesthetical projects and rely on the network they have created for themselves to attract new customers. Some studios offer just the service of design while others provide full service in the execution part by supplying the products proposed in the projects.

Apart from encountering this first issue, customers also come across the issue of finding out about the studio since they promote themselves as a strategic design company and rely on web searches that use key words such as *interior design* and *product design* to get to the customer. When asked about how people find out about the studio and if it is mainly due to Johannes' credible figure in the public eye the answer was: *"A lot of them is because of him. Also our website's just organic searches: design studios in Denmark for instance, and then yea I think Johannes is the main through his speeches and his activities around the world. It's kind of what he does these days and then there's word of mouth as well which I think it's sort of our new business"* (Mackay, 2016, App. 1) In fact, one can observe that there are two problems: the first one would be the difficulty for the customer in selecting which interior design studio to approach and the second one is having trust in the services offered by Johannes Torpe Studios due to its confused identity. However, this paper will only consider the first issue as the second one can be resolved afterwards.

The service designer and service provider- Johannes Torpe Studios

Starting from the idea that the studio would provide the interior design service we can think of how this service can be improved by looking at internal skills. With a holistic design approach that is already part of the mindset of the staff, Johannes Torpe Studios needs to define the focus of the services provided. *"So on an overall sense I think yes everyone shares this mindset, but at the same time we don't always agree of course"* (Mackay, 2016, App. 1).

The stakeholders

Although the studio was founded by Johannes Torpe on private capital, we can look at other stakeholders that could benefit from this process. Therefore, we could say that project execution

companies, product and furniture manufacturing companies, suppliers, and collaborators are all stakeholders. They all benefit from the projects that Johannes Torpe Studios develops and all have an input into the service provided.

Johannes Torpe Studios proposed innovation process

Johannes Torpe Studios needs to bring innovation to the service process in order to gain competitive advantage and really differentiate itself among the other studios in the industry. Re-designing does not mean changing the process. It means looking at the links and touchpoints between the customer and the service provided and selecting the right tools proposed by the service design thinking approach to add value for the customer at each phase during the interior design service process.

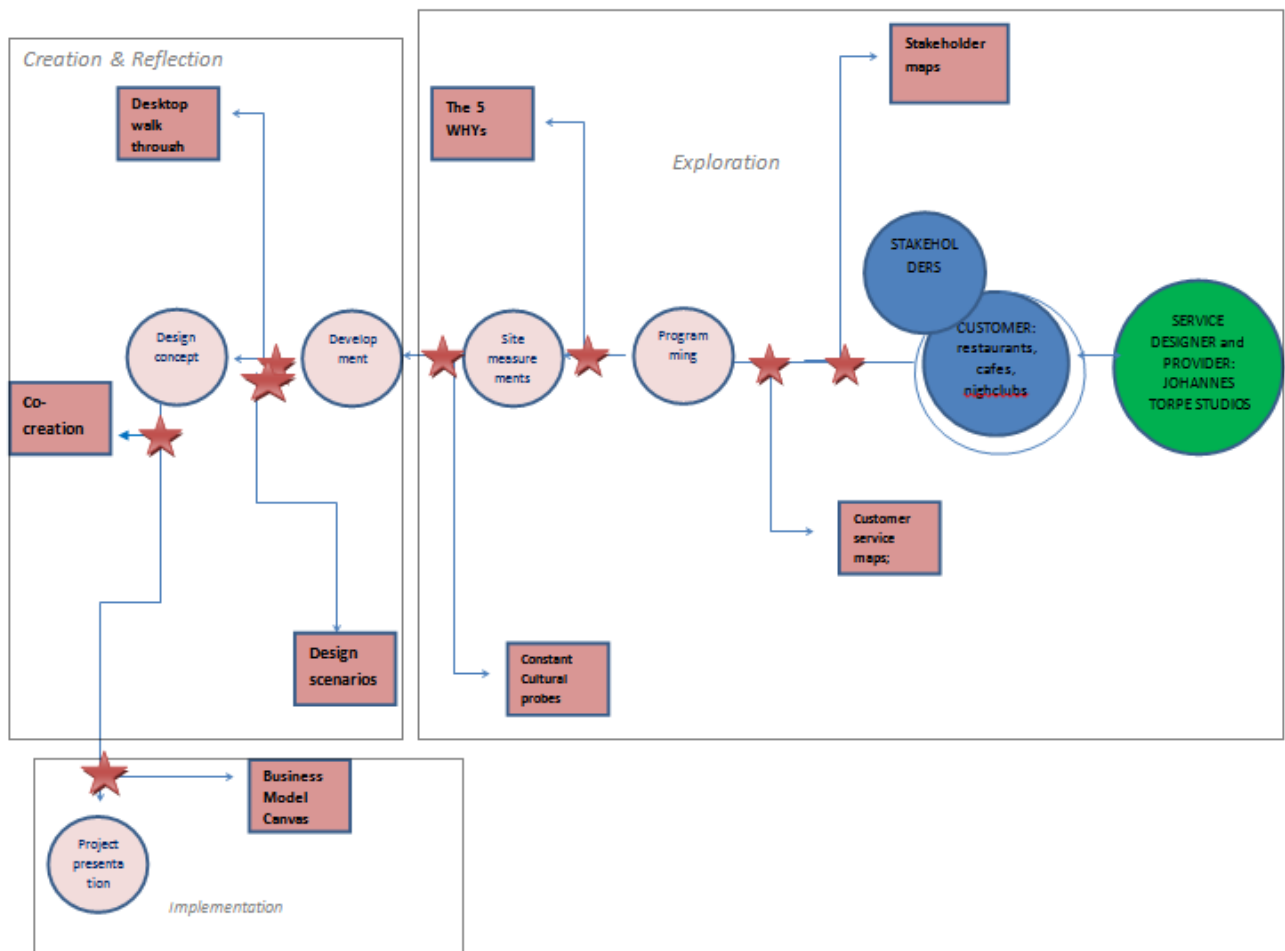


Figure7. Service design thinking applied to the interior design service process. Created by the author; Based on the illustration of (Stickdom & Schneider, 2015, pg. 44-45) and on the stages of interior design service process;

Phase 1: Exploration: mapping the interior design industry

The process begins by mapping the industry. What is important during this phase is that the firm finds all the links in the industry between the stakeholders, the organization and the customer.

Tools such as *Stakeholders maps* and *Customer Journey Maps* allow organizations to figure out those links. (Stickdorn & Schneider, 2015, pg. 150-151; 158-159)

By using a *Stakeholder Map* the studio can identify all of the players that bring and have the potential to bring value to the service. A visual representation of a studio's stakeholders such as the staff, the customers, the Johannes Torpe Studio collaborators from China and Italy, project execution collaborators, product and furniture manufacturing companies etc. would provide a better picture of the interplay between these parties. This mapping provides the studio with information that can be charted and analyzed and used to add value to the process of design.

But before figuring out the connections, the studio needs to invest a fair amount of time and resources in desk research, interviews and in drawing a list of what the interests and benefits for each stakeholder are. (Stickdorn & Schneider, 2015, pg. 150-151)

Customer journey maps are aimed at visually deconstructing the service experience of the user. Identifying the touchpoints between the customer and the service allows the studio to create a story of the user's interaction with the service. (Stickdorn & Schneider, 2015, pg. 158-159). As most interior design studios do, the touchpoints can easily be depicted into stages during an interior design project. Based on those stages, the studio can involve methods such as meetings and interviews with the customers to chart the emotions and situations a customer goes through before, during and after the service and visually represent it.

This tool provides the studio with a high-quality overview of all the factors that influence the user experience from the customer's perspective. This overview allows the studio to identify the problems and opportunities for innovation. *Customer journey maps* allow the studio to compare different experiences and it also provides it with a comparison between the studio and its competitors (Stickdorn & Schneider, 2015, pg. 158-159).

In this example, the two tools are placed before the start of the interior design service process. The reason behind it is that the more information the studio has about its customers and about the industry the more control it has over the service it provides.

After the customer has decided to sign a contract with the studio, there is another stage during the *Exploration phase* where the studio can ask the *5 Why's questions*. During the stage of signing the contract the designers get acquainted with the purpose of the project and with the customer.

The studio has to always be one step ahead by thinking of the potential problems that might arise during the process. By identifying the potential problems early in the process, before the *site measurements* stage begins, the organization's staff can formulate potential explanations. *The 5 Why's* tool challenges the process and it may include stages in the process what the customer oversees. (Stickdorn & Schneider, 2015, pg. 166-167) Johannes Torpe Studios admits that it has a reputation in challenging the customer: "*maybe challenge you in numerous ways and make you feel uncomfortable and then use that to come up with optimal design solutions and in those solutions*" (Mackay, 2016, App. 1)

An example of what the usage of *5 Why's tool* for Johannes Torpe Studios might be is:

- WHY does it take so long to deliver an interior design project? (Because there are many participants in the process and it is difficult to coordinate all the processes);
- WHY the development phase always is reshaped? (Because the floor plans need some changes along the way that could not be predicted in the beginning);
- WHY does the design concept have to suffer compromises? (Because designers need to revise the customer's budget and adapt the concept to it);
- WHY does the customer need more than one version of the project? (Because his initial perception of the concept is not in line with the end result);
- WHY is the customer struggling with the implementation of the project? (Because he cannot find the right people to execute and supply the products presented in the rendering);

However, before the development phase of the project can begin, the interior design studio needs to acquire *Cultural probes*.

Cultural probes is a tool used during the *exploration* phase that consists of information gathering packages. (Stickdorn & Schneider, 2015, pg.168-169) By using this tool Johannes Torpe Studios could potentially gather insights into the customer's beliefs and desires thus add value to the project by customizing it. This tool helps in constantly monitoring the insights by using probes such as photographs or text messages where customers inform the designers about what inspires them and what they would like to see in the project. Customers could also create their own Pinterest boards to document their inspiration. The interior designers would follow the customer in order to get insight into their preferences. This tool would be valuable to Johannes Torpe Studios as they already use social media platforms to get to know the customer: "*So looking at the kind of things...we don't have like a tool for doing it but what are they mostly liking, where is their biggest interest, that kind of thing is very easy to find out from social media.*" (Mackay, 2016, App. 1)

The accessibility of using this tool is that designers do not have to be present or next to the customers to gain insight into it and the evidence can still be authentic.

Phase 2: Creation & Reflection

This phase is the most iterative one because it goes back and forth between project concept creation and making the changes needed for the customer. It is the phase where the interior designer expresses his creativity and collates with the customer's vision of the project. During this phase the customer has to be introduced to the idea and *Desktop walkthroughs* and *Design scenarios* seem like suitable tools to control any clashes that might appear between the customer's vision and the designer's one.

Desktop walkthroughs is a tool used during the second phase that allows the customer to see a small-scale 3D model of a service. Props like Lego figures can be used to explain an environment. (Stickdorn & Schneider, 2015, pg. 190-191) Since the stage of *Development and Design Concept* are the most complex ones during a design process Johannes Torpe Studios can use this tool to make customers visualize the story behind the project: "*we're always creating a story at core in what we wanna tell and*

what we wanna communicate in the design and therefore what is that design” (Mackay, 2016, App. 1) For example, if the project request is the concept for a restaurant, the studio can create a simple 3D scale to explain how they envisioned the customer would act in that restaurant environment. This allows them to back up certain design solutions suggested for the project and create a profile of the public for that restaurant.

Desktop walkthroughs allow designers to provide a common language that the customer understands and to strengthen the process in the most critical touchpoint. This is an advanced phase in the interior design service and misunderstandings about the project concept can be disastrous. Johannes Torpe Studios has come across such situations when the end result was the termination of the collaboration with a customer: *“we find out we’re not able to help them with their problems because we see too differently on the solutions and on the directions that they should go in order for us to have a genuine and fruitful collaboration with them. And that’s also something you have to realize that your mindset is too different from that of the client and then you have to end the collaboration”* (Carstad, 2016, App. 1)

Design scenarios are hypothetical stories meant to explore all service aspects. This tool allows the company to develop scenarios and challenge situations in order to understand what factors define the service. (Stickdorn & Schneider, 2015, pg. 184-185) This tool can be used to the studio’s benefit in gathering data about the critical touchpoints. Text, storyboards and videos can support the studio’s approach in the project and in creating scenarios to benefit the customer. Johannes Torpe Studios challenges the customer: *“it’s part of the process of working with us and feeling a bit uncomfortable at times, having to answer a lot of difficult questions and look inside yourself and your own company but only do it in order to find out: ok what really matters? What’s the DNA?”* (Mackay, 2016, App. 1)

Although the entire service offering is a co-creative process, the stage between the *Design concept and Project presentation* requires a *co-creative* philosophy. Before the project is sent for approval, designers have to revise if everything that has been discussed so far with the customer, the staff and stakeholders is pieced together. It is also the stage when final adjustments to the products can be done without involving extra costs. The *co-creation session* looks at gathers many perspectives in the process in order to improve the final product (Stickdorn & Schneider, 2015, pg. 198-199)

Phase 3: Implementation

The tools mentioned above can be used at any stage during the process because it depends on whether we look at analyzing the situation by having a focus on the customer, or we look at analyzing the situation by having a focus on the business model. Either way, the value is spilled over. Every method is meant to strengthen the service process and provide value both for the customer and the organization. During the phase of *Implementation* the new service is being brought to the market. This is the moment companies can analyze and bring all aspects of the process together in order to define their business direction.

The *Business model Canvas* is a nine sections tool that is useful during this phase because it allows the company to define: their customer segments, customer relationship, and the company's value proposition, key activities, key partners, key resources, channels, cost structures and revenue streams. (Osterwalder & Pigneur, 2010) The model can be used as a focusing tool in understanding the studio's business model better. Even though this tool can be used in the beginning of the process to clearly communicate the company's offering, in the current case study using it at the end is a way to define the studio's competitive advantage and clearly communicate value of the service provided. The tools exemplified above are meant to bring structure to a business model in a creative industry.

Going through the three phases does not mean that the process is complete. Studios should follow up on the implementation phase and continue exploring new territories and area for innovation.

To conclude, the service design thinking approach offers methods and tools that can bring innovation the process constantly. Design studios can benefit from it because it is up to each one of them to use the methods that suit their market best and find their own ways to build competitive advantage.

6. Discussion & Recommendations

This part of the current research paper aims at interpreting the significance of the findings in connection to the research objectives presented at the beginning of the thesis. The research is based on the challenges that a studio with an innovative approach to business encounters in the creative and dynamic industry of interior design. It also proposes theoretical concepts that have the potential to bring innovation to the interior design service process and therefore to the business model.

During the analysis process certain issues have emerged that will be discussed further on.

While investigating Johannes Torpe Studios I have identified a clash between the interior design service and the characteristics of the Holistic design approach in relation to (Woo, 2007) description of it. Although Johannes Torpe Studios claims that they are multi-disciplinary studio, which is an important element in the holistic design process, one can argue that they lack the skills that can support that assertion. A description of the roles within the studio provides an understanding that the team is built upon design skills (graphic, interior design, architecture, product and furniture). A cross-disciplinary approach means adding other types of skills to the process, such as acting, ethnography, psychology etc. or any other types of skills that could bring a different input to the process and create a more enhanced experience for the end consumer.

Moreover, the process stages of an interior design service rely heavily on the interior designer as he is the specialist who can develop concepts for a space. Taking this into consideration, Johannes Torpe Studios seems to have the right in-house skills because the process itself only needs creative and functional skills in contradiction to the complexity of the process that a holistic approach requires. Therefore, based on the features of service design and based on the elements of the HDA process the findings discovered show that Johannes Torpe Studios does not have a holistic approach as the services offered are contradictory to it.

This clash challenges the position Johannes Torpe Studios has in the interior design industry. The characteristics of the elements that describe the industry (roles, business models, service, and process) and activity of the studio are tensioned by the holistic design approach that the studio says it embraces.

The analysis shows that if Johannes Torpe Studios wants to become a strategic design firm then it will be moved into the industry of strategic design which is considerably different to the one of interior design. This difference between an interior design firm and a strategic design firm would have been a topic of considerable importance in the thesis as it would have strengthened the interpretations formulated however the thesis is limited on describing the first one. It is however a topic recommended for further research as it would bring value in the attempt of defining the interior design industry.

Nevertheless, becoming a strategic design firm will not only push the studio into a different industry, but it will also require significant changes to the structure and business model of the studio. In order to be competitive the studio will need to bring different additional skills in the process of designing. Although the process will continue to be user-centered the value provided will stand in the end product and not in the service itself.

Based on the findings in the analysis chapter it becomes clear that Johannes Torpe Studios is trying to go through a rebranding process, however not successfully. The identity of the studio is affected by all the challenges it faces. Promoting an image of a successful strategic design firm requires content that needs to be backed up by projects within that industry. So far Johannes Torpe Studios provides services in interior design and branding and not even product design which they decided to remove from the offering. The services offered at present time are not specific to strategic design which is why the identity communicated is not consistent with the services offered. This is a challenge that the studio needs to overcome because it confuses the customer and all potential customers. People in search of innovative interior design studios (including the author) can be bewildered with the identity of the company. Presupposing that a customer realizes during the design concept phase that the actual service and process offered is highly distinct from what the company communicates through the media can have severe consequences for the image of the studio.

The case analysis provides findings that can be correlated with theoretical concepts that can solve the main challenges. The *service design thinking approach* was proposed and analyzed in the thesis as a resolution for Johannes Torpe Studios. The model based on the theoretical concepts of (Stickdorn & Schneider, 2015) is inter-related to the service design process. It aims at finding ways to add value to the process in order to innovate the business model and spillover value for the customer. This model

considers the touchpoints, the phases and the stages during a design service, but it takes a business perspective to it. Using methods and tools it researches the environment and the customer journey and it anticipates problems that might arise during a service design process so that they can be grasped as opportunities. The model proposed in the thesis aims at finding a structure that can innovate the business model so that the value created through research is beneficial for both the studio and the customer.

Despite the fact that the model created presents tools that Johannes Torpe Studios can use that does not mean that those are the ones to guarantee the success of the model. The tools are just used to exemplify ways of adding value, but there are other methods and tools that can be added or swapped to enhance the process. Considering the complexity of this process Johannes Torpe Studios would have to figure out which ones are more recommended for their particular studio.

There are however other concepts such as (Pine & Gilmore, 1999) experience economy that could be used in the innovation of the service process. The reason for selecting the service design thinking approach is because of the holistic principle it relies on. While experience economy looks at creating an experience that surrounds a product in order to enhance its value (Pine & Gilmore, 1999), service design thinking looks at the overall picture of what defines the service by defining all elements that influence that service.

The industry description part is intended at providing statistical data about the structure of the industry in Denmark. Most of the information is focused on interpreting the data with the goal of figuring out if the number of employees in a studio reflects the success of it. Although the interpretation shows that, I must admit that it needs to consider other factors such as social, cultural, economic etc. in its support. A well-structured interior design industry description for Denmark is a subject that can be investigated further on. It would bring value not only for the studios, but also in building policies in support of the industry.

The case study findings are limited by lack of information. Qualitative data could have been backed up by financial reports which would have provided a better insight into the studio's activities. Although my initial intention was to use purposive sampling and interview the CEO Johannes Torpe and some of

the interior designers I was deviated from doing so since the organization decided upon the personal that would be interviewed.

For the sake of healthy development of the studio, Johannes Torpe Studio needs to make a decision about the industry it wants to activate in. In order to avoid going through dramatic changes such as studio structure, changing the service into a product and building a completely new image, it is recommended that they take a new approach to their business model and develop the existing service.

In-house skills need to be diversified because they can bring value to the process which in this industry represents a competitive advantage.

Johannes Torpe Studios needs to communicate and identity that is consistent with the activity it performs and not the activity it wants to perform in order to avoid confusions. Based on the research conducted it is recommended that the content communicated to the media is less about Johannes Torpe the design activist and more about Johannes Torpe Studios. Relying on the image of Johannes Torpe as a design activist and creating a celebrity image around him can overshadow the image of the studio. Having a celebrity image can be beneficial as long as it is used to communicate the success stories of the studio.

It is also recommended for the studio to use social media to dig deeper into their customer's journey. During the interview it surfaced that social media platforms are only used to understand the DNA of the consumer so that the designers can build upon the customer's preferences. There is potential for relevant information that can be used to enhance customer experiences.

In order to build a strong story and brand around them, Johannes Torpe Studios needs to find ways to overcome the challenges discovered in the analysis section. Proper planning and management of the service design process can alleviate these challenges and develop strategies that can bring innovation to the business model. Creating a strong identity and staying true to it can build a brand that differentiates itself in an industry based on competition between creative skills.

7. Conclusion

The conclusion chapter summarizes the main ideas developed in the research paper with the intention of clarifying the importance of the topics presented.

After conducting research in the interior design industry I have come to an understanding that there is need for structure in this particular creative industry. Studios are born constantly because designers graduate in the hope that they can build their own business based on the creative and functional skills acquired, however they fail to survive or grow because of the features that describe the industry. The complexity of the service provided along with the dynamics of the industry raise challenges that designers are not ready to face on their own. Studios need to look at the design process as the value provided to the customer and only look at the 3D rendering concept as an output of the entire value.

Studios need to come to an understanding of the importance of balance between creativity and business. They need to build stronger strategies to define their business models and compete on that. Creativity is no longer a differentiating factor.

Roles and working styles within the industry define the revenue streams for a studio, but they also define the business model approach.

On a more general note, an innovative approach can prove to be successful if implemented strategically and can redefine the structure of the firm.

In this particular type of industry the structure of the studio provides an overview of skills within it that with a multidisciplinary approach can redesign the process of the service offered in ways that are valuable for both the customer and the organization.

Building a strong business model assures growth and builds a strong brand with great competitive advantage.

The findings presented in the paper are relevant because they tackle issues that creative companies face in an industry that shapes our lives. Interior design is a form of expression and we surround ourselves with it.

To end up on high note studios need to understand that: *“Design is not just what it looks like and feels like. Design is how it works.”* (Steve Jobs, 2003)

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Appendices

Appendix 1- Transcribed Interview

Appendix 2- Interview Guide

APPENDIX 1

INTERVIEW JOHANNES TORPE STUDIOS, 17.05.2016

Diana, min.00:01: I'm Diana. I'm from Romania and I came to Denmark....four years ago to do a Master program at CBS. It's called Management of Creative Business Processes..aaa...and it deals with management within the artistically creative industries like fashion, film, music, interior design, and everything that has..aaa..that hires creative minds. What we practically learn is how to understand and interpret the creative minds so you would have the balance between art and commerce. You don't want to compromise on art, but you still want to make some profit out of it. And I'm also working. I have a full time job at Abercrombie and Fitch as an Assistant Manager.

I'm just going to brief you into what I'm discussing in my thesis so you would understand why I considered your studio. I'm writing a thesis about obviously interior design. I've worked for a year in the industry as an Assistant Manager for the Sales and Marketing department for a studio and I've realized how chaotic the industry can be and how much need there is for structure and innovation. And I feel that companies compete based on their creative minds, like whom they hire and that's how they differentiate themselves and I could see that your approach towards it's a lot different, it's bigger idea than just "oh, I have a designer who is creative and we are going to start doing projects". In my thesis I'm focusing on the spatial design service, just because it's intangible and it's a lot more difficult to market and I've come across this theory about service design thinking which has a holistic approach to the service and to the business and you can look at a bigger picture of what's happening within the company. There were a few things about your studio that really related to this approach, like the holistic principle and the fact that it is a multidisciplinary approach...so I kind of felt it relates very well to it.

But I spoke a lot right now and I want to ask you to introduces yourselves and tell me what is your role in the company?

Rachel, min.02:43: My name is Rachel and I'm the Head of Branding in the company and as I've told you I've been here for 4,5 year. So I'm in charge of both the branding of our company as a whole and working with Josefine on sort of the visual interpretation of our brand in the public, but mainly in the branding division of our company which is focusing on branding projects when working with clients.

So that's why most of my time is working strategically and creatively with clients in helping them achieve their brand problems or objectives that they have. The reason they come to us and the reason they hire us. And so that is quite diverse and it is also then linking with the interior designers and architects when the projects are going hand in hand but it's also sort of its own leg sometimes when we're working specifically just on branding related objectives.

Diana, min.03:43: Thank you.

Josefine, min. 03:46: My name is Josefine and I've been with the company for a year and a half now as the head of PR and Communications. My role here is to communicate the company and the team and our competencies externally, create the different strategies in which to approach new target audiences basically. I work very closely with Rachel and also with Nikolas who is our Head of Business Development and yea so that's what I do: tell the world what we can do and how we do it and why they should work with us.

Diana, min. 04:35: That's great. I'm just gonna show you this (a prezi interview guide) so that you would understand how the interview will roll. I just want to make it more of a conversation and not have very structured and as an academic interview and it's also because I really want to learn more about your approach to the business. So I've noticed there is not a lot of information out there about the history of the company when was it founded, how did it start and I know who founded it but there is not much information about the time and place). Can you brief me a little bit into it?

Josefine, min. 05:16: To the best of our abilities we can. Johannes Torpe initially founded the studio under the name 2000 Turbo Kunstkontrolle and quickly changed the name to Johannes Torpe Studios, but he did work under the other name for a few years, but that was back in 1997 so we state that as our founding year.

Diana, min. 05:48: Alright. Do you happen to know how many employees he had at the time?

Josefine, min 05:54: That was just him.

Diana, min. 05:55: Just him?

Josefine, min. 05:56: Yea. Working together with collaborators, or people that just came in for projects, but he was working back then very much on projects where he was also engaged as an owner for the companies that he was working for, basically designing night clubs for the first couple of years.

Diana, min. 06:20: That's interesting to know. I will continue now asking about the multidisciplinary approach your studio has and I can already see that you have a mix of skills and you even stated it on your website that you work..."we have graphic designers, and furniture designers" and all of the types of skills and having the interview with you I know your skills as well. Is there something more that you add or can you describe the roles you have in your company?

Josefine, min. 07:00: do you want it right now? Because it changes a little bit and we also work with external collaborators if we need someone who has insights into an area that we don't have within here.

Diana, min. 07:28: but on a constant basis, you would have Nicholas, you said he is the business developer and you're also here..the two of you and you have the designers...

Rachel, min. 07:40: yes, we have interior designers, architects, graphic designers, we used to have product designers, but we don't anymore, and then we have the administration and PR sort of team which is Josefine and someone working purely on administrative and finance and Nicholas who's doing the business. So then I'm working mainly with the graphic design teams and then overlapping when necessarily with the interior design team and architects when we're doing sort of like these more holistically designed spaces which includes the many different disciplines. So we're working in teams, but also sometimes as one large team because we are pretty...you can say we're not a huge design company, we're only (I can see that's a question you have there as well)..at the moment I think we're 15 people and it's rough-fully staying around that mark. We have grown in the last few years so it went from 5 to 15 quite quickly..so and there is only in the last couple of years that we've even started focusing on..what I'm working on...on the branding stuff cause in the past it's been very much focused on interior design.

Diana, min. 09:00: That's good. You've mentioned the holistic approach. Do you take that approach with regards to the service you provide or is it for the entire business model?

Josefine, min. 09:19: it's for both. It's both very incorporated in the business model seen that we are a full service company, studio, but it's also within the specific projects. Of course, depending on the client and on the problems that the client presents to us and that we need to help them find solutions for, but the holistic approach or the 360 approach is about looking at the problem from all possible position or directions and seeing ok what do you actually need? Do you need a 3D space and interior project or do you actually need a lamp or a physical product or new visual identity or do you need all these things to come together to one?

Diana, min 10:20: So in providing a service you kind of see every touch point you have with the customer and identify the needs that they might have?

Rachel, min. 10:28: yea. The touchpoints are sort of the end product. So before that comes, working with the client strategically and looking into their DNA it's something that we very much implement as part of our design process or creative process before we even start designing anything is really sort of going into the core of the client and what they represent and what they need in order to achieve whatever they are coming to us for and therefore it makes sense to see is it a restaurant, or is it website or is it a cupcake for instance? We are providing a lot of different services actually but we are always sort of focusing at the core first before we then create those designs.

Diana, min 11:13: So you get to know your customer really well before..?

Rachel, min. 11:16: yes, yes . That's what we believe is actually the most important part because we are not a design agency that is based on aesthetics we're not like painting walls based on like what we feel like personally or what the trend is or whatever it is...we are working as problem-solvers and to create value for their customers and affect the behaviour of their customers so it's much more than just

aesthetics which that's why we differentiate ourselves from being an interior design studio and don't call ourselves that because it's much more strategic than that.

Diana, min. 11:50: It sounds like it is. And I think it's very related to the theoretical framework that I have in my thesis because everything that you mentioned is related to that. But you've also mentioned just now that you work a lot for companies and for their customers as well. Is the B2B market the only market that you focus on?

Josefine, min. 12:13: It's our primary market, but we also do projects for private clients.

Diana, min. 12:23: Alright. Is there a specific reason? Is it easier to adopt this approach on the B2B market, or?

Rachel, min. 12:31: It's mainly that we're working with companies. So of course it's easier as well because it's more aligned I guess...like a private person probably, maybe most of the times cannot afford to come to a big company or maybe it's not relevant to them or whatever, but you know maybe they work with one person or two people who are sort of better...so of course it's mostly companies that are approaching us and that we are sort of seeking out, but mainly in some interior solutions where it's a private client and we will make exceptions...depending on who they are we're working with clients that need to make sense to us as well as a company.

Diana, min. 13:18: Of course, at the end of the day you promote yourselves through the projects you create for your customers so it makes sense that you want to narrow it down a little.

Rachel, min. 13:27: Yea, and there's sort of different avenues of value for us which can be PR value or they can be financial value or they can be new business value. So depending on what they are offering us we will say yes or no.

Diana, min. 13:42: It's actually interesting to hear that because when you say you have a holistic approach and by you proving this examples I can actually understand what this approach is about and how you relate everything and I was wondering, do you communicate this internally? So when you

embark on a project for example, does everyone get involved in understand the project or do you create teams that will work on specific projects?

Rachel, min. 14:07: We create teams, but we do of course communicate the project to everyone, but not every single detail...because everyone..we're working on multiple projects at one time so you know we have meetings where we are talking about everything that's going on and in a more broad sense but we have teams working on specifically those and the we have projects where we're working with clients and the designers are involved.

Diana, min. 14:35: Ok and I have another question about the internal communication: does everyone working in the team, you said you're 15, do you all share the same mindset in understanding the touchpoints, in understanding how the service is developed?

Josefine, min. 14:57: I think it's difficult question to answer because it is..I think the approach is what makes people want to work here. So on an overall sense I think yes everyone shares this mindset, but at the same time we don't always agree of course..

Rachel, min. 15:29: But that's also the point we challenge each other.

Josefine, min. 15:32: Because an architect will prioritize some touchpoints more than a graphic designer than a communication person will. And that's also what brings in new interesting perspectives to the projects and then to the clients.

Diana, min. 15:51: Yea, I mean it's good to challenge each other because that's how you get creative and can create great projects, but yes that was my question if they all understand that you have to look more in depth into the business and see how everything relates.

Josefine, min. 16:09: That's the overall approach of the company, so...

Rachel, min. 16:13: Not everyone is involved in all area of that process, but yes I can see that that's just our general way of working.

Diana, min. 16:27: So by the time they get to apply for a job here they already have this mindset or at least try to..

Josefine, min. 16:32: Or they would quickly be introduced to it because when we're interviewing people for new positions that's something that we're open about that that's the way we work so ...everyone...maybe it's an interior project so it makes more sense for the architects to take lead , but that doesn't mean that Rachel's input is less important in the process before we finalize the concept so there's like this open work process before we're finalizing and then some people can take charge and make the decisions. Does that make sense?

Diana, min. 17:13: Yes, it does, it does. At least to me. But I want to get back to the customer relationship a little bit because you said you get into the DNA of the customer which is great, and this next question is more in terms of promotion and in terms of how you conduct research on your customer cause I can see you're on Pinterest, on Instagram, Facebook and it's very clear, at least to me that you have different strategies on what you post on one social media platform and what on the other...amm. Do you only use social media as a promotional tool or do you also see that there's value you can extract about your customer?...like some market research information. Do you use it as such a tool as well?

Rachel, min. 18:07: I do yea.

Diana, min. 18:14: Do you measure it somehow?

Josefine, min. 18:19: Do you mean our own profiles or the social media in general?

Diana, min. 18:20: I mean for the studio's profile. How do you extract information about the customer?

Rachel, min.18:26: Looking at the customer.I'm more looking into the client themselves for their social media. But I definitely think...depending on the company that you're working with...it's kind of when you're looking at the client you're also looking at the customer right? So looking at the kind of things...we don't have like a tool for doing it but what are they mostly liking, where is their biggest interest, that kind of thing is very easy to find out from social media.

Josefine, min. 19:05: But we don't have...just..I think I'm answering your question now, otherwise she can just stop me. From our own social media channel we gather some information, but we are not...of course we are working very strategically with social media, but we're not gathering information about the people that we're interacting with in the sense that newbees. Not as directly as Im thinking your question is leading towards. It is something that we have discussed many times and that would be wonderful to be able to do in the future, but right now we simply don't have the resources. So we look into different things and different posts every month we sit down and evaluate, but not so much to specific companies and who's interacting in that sense.

Diana, min. 20:11: Alright, yea that was exactly my question, if you gather information about the responses you get on your social media platform.

Josefine, min. 20:18: Most of the times it will be very obvious if it's someone we should contact with our portfolio: hey, thank you for liking us...we do that a little bit but only when it's very obvious because it's extremely time consuming to monitor all actions that's going on.

Diana, min. 20:49: And maybe it's not as valuable for the business that you have...

Rachel, min. 20:57: It could be.

It could be, we don't know because we don't monitor it in that way. So there could potentially be a lot of leads that are dropped on the floor. But right now how we focus on social media is of course communicating our work but about how we are making ourselves approachable and relatable in different customer groups or target groups for the different social media platforms

Josefine, min 21:33: and then moving forward then perhaps we'll be working a bit more strategically with gathering information about the people that are also interacting with us, but for now we're just trying to establish a presence and yea..

Diana, min 21:45: and inform your customer about...I've read it on facebook I think that you've moved your location over here because of some fire that happened around the area...so that's good because you keep them updated

Rachel, min 21:59: and we've been redeveloping our brand presence over the last couple of years so because it is a company that Johannes has built....you know it's been under the same name for almost 20 years now. In the last couple of years we've been sort of changing the identity and the way we communicate and what we communicate and sort of redefining who we are as a company and we're still under that process where I think social media has been one of our largest tools in how to start in getting the new perception out there and start to try new things and see what happens.

Diana, min. 22:44: Alright. You were saying something about your identity and Johannes is talking a lot in interview about the magic and about what would you want this brand to be. How would you describe the magic of the studio?What would make me approach your studio and not go to another one?

Laughter

Diana, min 23:06: That's a trick question ahaha cause he talks a lot about magic. He says "you have to believe in this magic"

Rachel, min. 23:14: Yea, but I think that's when he's talking about magic as well.yea we are very much basing our designs and our work on concept development so as I said if you come to us you're not gonna get something that's based on aesthetics. You're gonna get something that's suited to you as a client, we're gonna understand you, we're gonna get into your soul and pick up your brain and maybe

challenge you in numerous ways and make you feel uncomfortable and then use that to come up with optimal design solutions and in those solutions we're always creating a story at core in what we wanna tell and what we wanna communicate in the design and therefore what is that design. So I think that is our way which is thinking a little bit thinking different from other people and sort of putting the brand first rather than our personal taste or your personal taste, or whatever it may be, putting your brand first and the client first and usually what is achieved is something that is much more lasting and has much more foresight and more strategy and usually are more successful for the client.

Diana, min. 24:25: That's actually interesting because I know how this industry is and they all say "we are doing things differently" but at the end of the day they create aesthetically and functional products and projects and that's just it. Whereas you see the bigger picture and I do understand that this would make me come to you cause you see all of my needs and try to link them together and create these projects, whereas other studios would just provide me with a nice rendering or a nice product and that would be it. So as you said the story you create around is what differentiates you.

Rachel, min. 25:12: Yea I think so. Do you have more to add to that?

Josefine, min. 25:14: Well yea you've been pointing one thing that Johannes talks a lot about which is the magic, which I think can be translated also into surprising elements. Something that is different and surprising because you were expecting something else. So there's a play with perceptions that I think it's very much a key element in a lot of the designs that come up from here and this again is also related to the client and how bold and brave they are and also what they want to provide to their customers but most of the times I at least understand that people seek out working with us because they want us to push the boundaries and break down some of the walls that...you know they wanna be challenged and sometimes they enjoy being challenged, but they pick a conventional solution but it's part of the process of working with us and feeling a bit uncomfortable at times, having to answer a lot of difficult questions and look inside yourself and your own company but only do it in order to find out: ok what really matters? What's the DNA? Where does it hurt? Where does it have meaning? And try to translate that into actual experiences for their own clients

Diana, min. 26:57: Alright. Talking about this relationship with the clients and as I said my thesis is focused mainly on spatial design and I know that designers want to be creative and they want to use all of their ideas and sometimes it can get frustrating for them if the customers say “no, I don’t want this, I don’t want that”. Have you seen this happen?

Rachel and Josefine, min. 27:25: Yes ahaha in every single project

Rachel, min. 27:26: That’s something that you learn to deal with as a designer because there’s difference between being a designer and being an artist and as I said it: as a designer you are solving problems which are not about you, so you really have to...every since working in the company I’ve had to put my personal ego and all that kind of thing aside and realize we’re working for a client and for, you know I’m not making these projects for myself. And of course there’s gonna be times when you think the client is gonna suggest something that you don’t believe is right for them and we’ve come up with various problems many times and in the end is about saying they also have to trust our opinion and say this is what we think is right for you and if they don’t agree then they can also say: look we wanna go in a different direction and sometimes you also have to bite the bullet and be like: ok, well we can advise you as much as possible and sometimes it depends on the relationship with the client as well. Usually often you’re working with clients where there’s a sense of sort of they’ve hired you for a reason and there’s trust and they say: ok, here do what you believe is best, but most of the times there is gonna be clients who also want to involved creatively in the project as well so they think they...they’re trying to....they wanna be a part of the process which is also something that you have to learn as a company is how to involve the client in the right way. So that they feel they are contributing and they do contribute when it’s necessary but to a certain degree. So I think it’s a balancing act between the client and company.

Josefine, min. 29:15: And then there’s also a question of knowing when to back up completely. We had that a few times where a client comes in and as a project progresses we find out we’re not able to help them with their problems because we see too differently on the solutions and on the directions that they should go in order for us to have a genuine and fruitful collaboration with them. And that’s also something you have to realize that your mindset is too different from that of the client and then you have to end the collaboration.

Rachel, min. 30:01: And sometimes it happens too late in the process where is not optimal and I think the reason why we try and know our clients so well in the beginning is so that we can avoid that. Because we want to make sure that you are establishing a very..the course for a very fruitful collaboration and sort of pinpointing any problems or any red flags and you know say ok maybe this is not the client that we wanna work with because we have experience where you've gonna deep into a process with people and then it's just like hmm

Diana, min. 30:37: So that can be a bit frustrating. How do you see the studio evolving in the future, or what are the future plans? I know that you're expanding internationally and you have operations in China and Italy, but what about the Danish market? Do you think you're gonna start approaching different segments of the market?

Rachel, min. 31:03: Yes, and we no longer have an office in China. We used to have an office in China, and we actually don't have offices anymore we decided to focus more on this core studio and potentially after and this is sort of re-established because as I said we're looking at the whole company from the bottom up, and then we're gonna reconsider: do we wanna go back to China or do we want to have offices in other places, but actually what we're doing right now is looking at our company and strategies and our core team and the kind of business areas that we wanna focus on. As I said we're been starting over the last 6 month this year on working with brands more strategically so we're definitely look at opening, well I am at least, into more commercial sectors and working with brands that are ..well yea not the first thing that would come to your mind when you think of companies that you would like to work with, but actually the companies that are a bit more mainstream but still need a lot of design help and how we can start to work with this.

Diana, min. 32:24: So you take it on as a challenge.

Rachel, min. 32:26: yea, I think that's one of the new things we've been talking about recently.

Diana, min. 32:40: I know that Johannes is promoting this approach and the studio and the things that you guys do everywhere he goes which is great because he is a very respected figure, but how do you

think customers find out about you? Let's say newbies. How do they find out? Is it because of him or...?

Rachel, min. 32:59: A lot of them is because of him. Also our websites just organic searches: design studios in Denmark for instance, and then yea I think Johannes is the main through his speeches and his activities around the world. It's kind of what he does these days and then there's word of mouth a well which I think it's sort of our new business.

Diana, min. 33:32: because I presume that your database of clients is not that big because of the services you offer. So I guess word of mouth has a big influence in their decision to come and ask you to work for them.

Josefine, min. 33:34: Aham, yes.

Rachel, min. 33:51: And obviously we have quite an extensive portfolio of work.

Josefine, min. 33:59: Yea, I was just about to say the projects themselves, of course also communicate and send us a sales points around the world and Rachel mentioned that the office in China closed down and closed down two years ago I think, but we still have a lot of projects and clients in China and we just collaborate with the Chinese company on the execution part so we do the design part here in Copenhagen and have very good collaborators that we've worked with for many years and can trust that they also deliver...

Rachel, min. 34:38: They are sort of acting like our studio in China and it's a good process.

Josefine, min. 34:44: And the office in Italy, it's never really been an office in Italy in Padova, but it's a close collaborator that Johannes has done a lot of projects with in the past. A lot of fashion projects, a lot of big Italian fashion projects and brands and that was also actually so...if I understand it correctly that was his main point when he went into the retail market back in the '90s. That was through collaboration with them.

Rachel, min 35:24: And I think that is another thing that we will potentially do more in the future; is reaching out to more...we don't wanna expand any..we don't wanna become a 100 person design studio, we would rather keep ourselves sort of like a tight group of people and work with external companies in various ways and we will be looking into sort of new collaborators and new companies that we would link up to in various projects cause that has proved to be very successful.

Diana, min. 35:53: So you talk about the collaborators and especially with the ones that execute the projects. Do you have certain collaborators that you always work with because I know you want the project to be as close to what you've thought about from the very beginning and some customers just decide to compromise on that and they go for other collaborators

Rachel, min. 36:21: Yea and that's exactly why we choose our collaborators and the one in China that's especially important for us because when it's in China we work a lot in China and if you hand over files to other companies who are going to build a manufacturing or work and you can't, you don't really know what they are gonna do, then it's very risky for us as designers. So we often try to, yea they are sort of like part of our company in that sense when we're getting the work and we say "look we have people who can manufacture" and it's not only a bonus for the client because they get usually a better deal and quite easily access to a very high quality manufacturer or producer or whatever it may be and we ensure that our work is delivered in the highest quality.

Diana, min. 37:05: And after you're done with implementing a project and all that, do you still keep in touch with the customer and see how their business evolves? Is it a way to build a relationship with them?

Rachel, min. 37:21: Yea, yes and that is of course not with every project but a lot of the clients we work with it will be sort of not just one project it will be sort of small little projects and they will be ongoing so you would be working with them in that way anyway.

Diana min. 37:41: So you make sure they are happy even after the post-service period

Rachel, min 37:44: Yea of course and seeing their success and seeing you know what did the gain from changing these things and doing these things is very interesting for us to figure out and also to reflect and see what we could have done better and you know things that maybe we've missed out or they've missed out and all these kind of things super important for them moving on with new clients and learning more everytime.

Josefine, min. 38:17: It's also important in the overall communication of the projects and the success of the projects and the value that we provide our customers with both in project descriptions and on our websites and also in the press when they talk to press and we talk to press and when Johannes is up on stage that he can present a concept and an idea and then he can follow up with a year after what did we actually meet with revenue, we did something with the customer flow or we opened up this area and whatever it can be in the specific project so keeping in close contact with the client provides us with a lot of insights in the usability and the value of the work that we do and along the line hopefully it makes us more successful and a better collaborator.

Diana, min. 39:18: I can imagine. Before we wrap it up, because those were my main questions that relate very well with the case and I think that you both answered right on point, I wanted to ask you what's your perception about the industry? Is it stagnating or is it going to develop some more?

Josefine, min. 39:43: We work in many different industries so that's very difficult to answer.

Diana, min. 39:46: I mean the interior design industry..spatial design.

Josefine, min. 39:57: Yea I mean it's just so many different things because spatial design is everything from styling a room to showrooms to retail concepts, the food sector specifically, but on a general level I see a lot of things happening especially in the retail sector, a lot of companies that are, and I don't have a specific example here to give you, but it's just a lot of companies working with e-commerce solutions and integrating that into physical space so working with those two and how to make them relatable. A lot of companies that start online with product, find out that they need to find a physical space and the other way around, you can enhance your physical space by also providing a service online and figuring out how those two customers touchpoints work together in your specific context

with your specific product and the story and it's something that a lot of companies are working very much with and acquiring a lot of intelligent solutions I think.

Rachel, min. 41:22: yea, I think the focus is on experience design as we also work with in here because now any company like the digital solutions and like that's what everyone is sort of focused on. It's much easier for people to visit companies' website and they sort of have this need to provide something extra and extraordinary in a physical space so we're really focusing on how the customer interacts with physical things and sensory design and all these kind of things that activate different parts of the consumer's brain and behavior through something which is not digital. Because otherwise it becomes obsolete- the physical space.

Diana, min. 42:10: Thank you so much for your time and for answering all of my questions and you've been really helpful.

APPENDIX 2

Interview guide:

Business Model related questions:

1. What, in your perspective, are the core professional skills in this industry?
2. How segmented is your market and which segment represents most of your business?
3. Can you please describe your current business model?
 - 3.1. Is your studio based on private capital?
 - 3.2. How do you financially support the business? Do you look for investors?
 - 3.3. Who's the creative mind and who is the executive manager?
 - 3.4. What kind of innovation are you aiming for? Do you have a strategy for that?
4. What in your opinion drives customers to your services? Do you think they approach you based on your network or based on your offerings?
5. What exactly do you offer to your customer?
6. The user-centered innovation strategy considers the needs of the customers and relies on market analysis. Of course, in this industry, understanding the client's needs is essential. Would you say that your projects are based on their needs and on finding solutions to those?
7. What differentiates you from your competitors?

Customer related questions:

1. Do customers know exactly what they want?
2. Who is your customer?
3. This service requires collaboration between the designer and the customer. Would you describe this process as collaboration or a relationship? How well do you get to know your customer?
4. I was reading in a recent article that the Danish market is just now starting to move towards a new design era where colors and patterns are starting to be embraced by the Danish customer. How was it for a designer to try to be creative on a market that was so much oriented towards classic Scandinavian design?