

The Value of a Designed Object: Is there a Formula for Creating Value?

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Introduction

How can a designer provide value? Is it possible for designers to foresee the potential increase or decrease in the value of an object over time? How do consumers perceive value? Is there a formula for creating or sustaining value? By taking a deeper look into various notions of value, this paper will attempt to answer these questions, or at least provide designers with additional concepts to consider when thinking about the objects they're designing.

Perceived and Real Value

What do you think of when considering whether or not to buy a bottle of water at the grocery store? For some users, bottled water is considered a cleaner, safer choice that comes from pristine sources located somewhere in an untouched, natural setting. When in reality, most bottled water comes from factories that may or may not involve such immaculate, wholesome sources.



Regardless of the source of the water, the facility in which the water is bottled, and the style and look of the container, the attitude of a buyer who is considering purchasing a bottled water product is based on the *perceived value* of that product. Perceived value is a value attributed to a product based on attitude or expectation. This expectation can come from anticipation of such things as utility, improvement of the quality of life, establishment of individuality, social belonging, etc. This type of value is usually established prior to a user's interaction with the object and, as a result, is distinct from *real value*.

Real value involves the ability of an object to fulfill user expectation and is established through interaction with an object. In our example involving bottled water, the real value might lie in the water itself as the principal product being considered. In such case, if the quality and safety of this product as well as the cost of this product are examined we would find that, in most cases, bottled water often comes from a tap in another city. Not only are bottled water companies required to test for harmful microbiological content once weekly (as opposed to multi-weekly testing of municipal systems in the US,) but the cost of some bottled water is actually higher than that of the same quantity of gasoline. Given this information, perhaps the real value of bottled water falls well below a more common alternative, despite having a higher perceived value.

Product Lust and Apathy

We all experience, at one time or another, a strong feeling of desire for an object, whether it's based on the object's visually seductive appearance or the anticipated benefits of owning the object. This initial attraction is called **product lust**, an emotionally based and often impulsive desire for something that typically occurs prior to its purchase. There is an assumption that the desired object will fulfill certain preconceived needs, wants and expectations of the user. Perhaps by using/owning the object a user could achieve higher social standing, better grades, an improved physique, a more fulfilled life, etc. These expectations may or may not be realized upon actual use of the object, but nonetheless serve as

very strong motivating factors when a user conceives of the object in his/her mind while considering whether or not to purchase/obtain the object.



On the other hand, once we have lived with “the object of desire” for a certain period of time that feeling evolves one of two ways. The user either becomes more invested or attached to the object through the shared experiences (lust turns to love) or, more commonly, the feeling of desire wanes and the sentiment of **product apathy** sets in. Perhaps aesthetic obsolescence has created a desire for something stylistically newer or technical obsolescence demands the most current technology or the product performance may have diminished through the wear and tear of use.

Although the concepts of product lust and apathy lie on opposite ends of the “desire spectrum,” it is common for the same object to be subjected to both sentiments throughout its life. For example, a user experiences product lust for a new briefcase before purchasing it then slowly grows tired of it (product apathy) after a year or two and stores it in the back of the closet. Years later, the user’s son finds the forgotten briefcase and is immediately filled with a desire to own it for himself. This type of subjection to both lust and apathy with the same object over time introduces the concept of a **value lifecycle**.

Value Lifecycle

Throughout its existence the value of an object, as regarded by the user, fluctuates depending on a variety of factors. This fluctuation can be viewed as the object’s *value lifecycle* and occurs because of the dynamic nature of value over time. Consider the various stages of an object’s life cycle; at each “stage” in the object’s life, it is subject to a range of valuations. This concept can be illustrated by looking at the value lifecycles of three different types of car models, from the time of their availability on the market to the present.



1957 Chevrolet Bel Air:



In 1957, this car sold for roughly \$2,700, or about \$20,000 today according to the Consumer Price Index. In its early years, the '57 Chevy was valued by consumers for its distinct rear fins, wide grille and smaller wheel size. The car became a popular used choice for consumers in the 60s and 70s, going for around \$600 - \$3,000 (or \$3,200 - \$16,000.) It wasn't until the late 70s that the '57 Chevy started to become a “collector’s vehicle.” Since that time,

the value of this “all-American-classic” has skyrocketed. A restored vehicle today can cost as much as \$120,000!

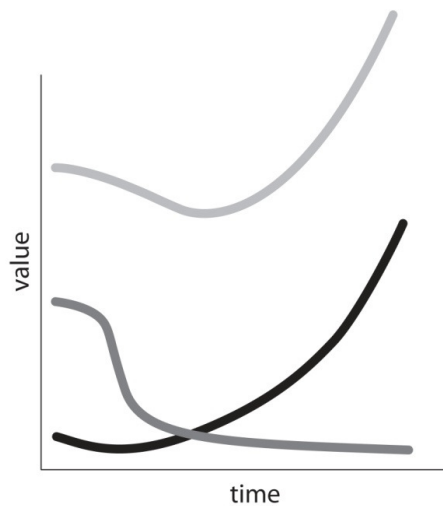
1971 Ford Pinto:

The 1971 Ford Pinto sold for around \$1,900 (or \$10,000 today) when it was originally released. This inexpensive vehicle with European sub-compact styling sold at high volumes in the early and mid- 1970s until a scandal erupted involving an alleged fire hazard and poor engineering. Since then, the Ford Pinto has never fully recovered its reputation as an economical, sensible vehicle. The current price of a reasonably well-kept vehicle today is \$2,200, or about one-fifth the original market price.

1958 Ford Edsel:

With its unique styling and extensive publicity, the 1958 Ford Edsel made quite a splash when it entered the market for today.)

to meet sales than half of the point and went out In the decades since however, the Edsel collector's item. The restored vehicle \$45,000.



\$3,000 (\$22,000 Unfortunately, it failed expectations – less projected break-even of production in 1960. its initial release, has become a current price for a hovers around

From all of this possible to compare these three vehicles

identify the manner by which the value of an object can dynamically shift during its lifetime:

information, it is the value lifecycles of and, by doing so,

In this simple graph, three value lifecycles are mapped out. The Bel Air shows an initial slight decrease in value, a more pronounced decrease, then a significant increase; the Pinto shows a slight decrease in value then a sharp decrease and the Edsel shows a slow decrease followed by a significant increase in value.

This mapping exercise illustrates the value lifecycle of each vehicle without identifying why the value for each vehicle behaves this way or even what type of value is being considered. But is this a fair comparison? One vehicle may have had serious engineering issues that brought about recalls and, therefore, caused its value to



decrease significantly. Another vehicle may have become the “All American Classic” and, as a result, has a value that consistently increases year after year. It is apparent through the limitations identified by this graphing exercise that a deeper investigation would prove helpful in examining the value lifecycle of an object.

Four Types of Value

Considering different types of value might provide a better understanding of how and why an object is valued by its user. The following categories of value are significant and distinct from one another: economic, pragmatic, emotional and psychosocial. Although these categories are separated, none is mutually exclusive of the others and, by providing examples of each, could lead to a more broad understanding of value and how it pertains to an object.

Economic

The economic value of an object relates to the market price for that object. Depending on the object, this value can be determined simply by how much a buyer is willing to pay and how much profit a seller would like to earn, or it can be determined by prices set on the international market. When considering an example of an object that holds significant economic value, it is common to refer to materials such as gold and diamonds or staples such as milk and bread. However, there is one substance in particular that behaves as both a commodity to be traded on a large-scale in the international marketplace and as a staple that is negotiated on a much smaller, more individual level. This substance is corn.

Not only does corn have a certain economic value as a food staple for humans and animals in North America, but corn is also sold on international markets in the form of futures, or the price to buy a bushel in the future at a certain price per bushel. In recent history, the amount of corn grown to satisfy food supply demands has shifted towards satisfying the increasing popularity of ethanol biofuel. This shift has resulted in a dramatic increase in its cost, both as a food commodity to individual buyers and as a futures commodity in the marketplace. One significant result of this increase in cost is the tripling or quadrupling of the price of corn tortillas, a major dietary staple for a majority of Mexicans. The increase is also affecting other food-related markets such as corn syrup, a major ingredient in processed foods, and poultry and pork feed.



How does this affect product design? Compostable plastics are a new generation of polymers, which are biodegradable and compostable. The most commonly used raw material for making compostable plastics is cornstarch, which when converted into a polymer with similar properties as normal plastic products, are not hazardous/toxic in production and decompose back into carbon dioxide, water, biomass, etc. when composted. Higher corn prices will impact the cost of sustainable product solutions. This situation illustrates how the economic value of a single item can affect a wide variety of markets ranging from global to local and from technical to low tech.



Pragmatic

In the adage, “form follows function,” the pragmatic value of an object is the ‘function’. It is the useful, practical, and functional performance of a product to complete a task efficiently and safely

while benefiting the user. Along with economic value, it is what Consumer Reports publications focus on: an evaluation and comparison of benefits, features and performance.

The ubiquitous outdoor garbage can falls into the pragmatic category and is rated on its durability, capacity and transportability to the street. It is not a product that merits an affectionate nickname nor available in many colors; it commonly resides hidden from view but is a necessary utilitarian brute that keeps ugliness and smells at bay.

The simple toothpick, although used very personally, is another nominee for pragmatism. It does its job very well, has two ends, can be used for many other purposes, is very inexpensive to produce and can be disposed of easily.

Emotional

The accidental breaking of a coffee mug and resulting upset feelings spurred Rob Walker to more closely examine why such an impersonal, mass-manufactured object held so much significance. In an interview with *Good* magazine, Rob explains: “Years ago, I broke a coffee cup—which was from a diner in Baltimore where my now wife and I had gone early in our relationship. It would be meaningless to anyone else. It was just a coffee cup with the name of some diner on it. But I was just so upset about it. Why? Of course, it’s the story that was attached to it.”

From here, Rob partnered with Joshua Glenn to create an experiment to examine how the economic value of an object can be increased if there was a good, emotional story attached to it. The experiment, put simply, involved purchasing an object at a garage sale or thrift store for a meager amount, creating a fictional story involving the object, then selling both the object and story on eBay for as much as buyers would pay by bidding against each other.



“junk” item + fictional story = significant object

The results were (and continue to be) dramatic. In their first round, 100 objects originally purchased for just over \$100 ended up selling on eBay for over \$3,600.



What does this mean? The idea that an object of mass-production, which bears no significant uniqueness in comparison to the same type of objects on a shelf, can hold such significance in the mind of the owner is an example of *emotional value*. Emotional value has to do with the feelings and sentiment attributed to an object by its owner. This usually has to do with the owner’s experience with the object, the giver of the object or a memory related to a situation in which the object was involved. Emotional value is not something that can be designed into an object, instead, rests entirely upon the user/owner to confer.

Psychosocial

During a recent conversation with a friend, he excitedly showed me his new watch. “Why is *this* watch so special?” I asked. It looked like a nice watch, with its stainless steel case and sporty rubber band, but did not seem especially unique or flashy in any way. His response was, simply, “\$9,000.” This launched us into a discussion about why an object like this expensive watch held so much significance for him. The watch is a very high-end brand, made in limited quantity with a number on the back that tells him which edition he owns (think art print), has more features than he’ll ever need (no chance of him diving to 300 meters to test the water resistance), and it has an economic value that will appreciate over time. But this doesn’t get to the deeper reasons behind his enthusiasm for this object.

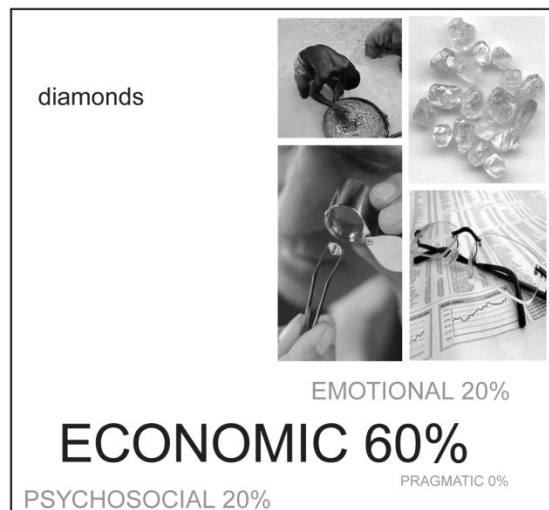
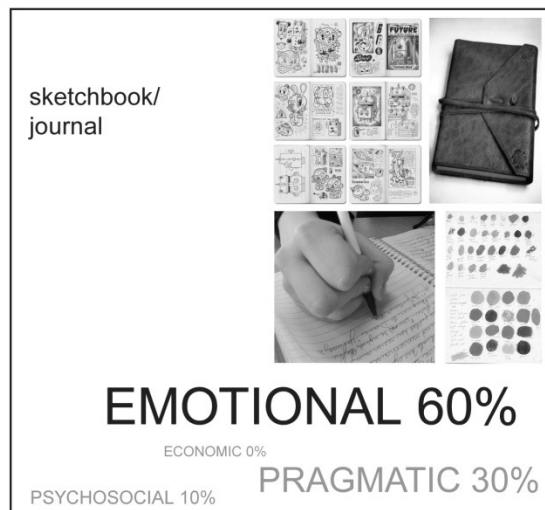
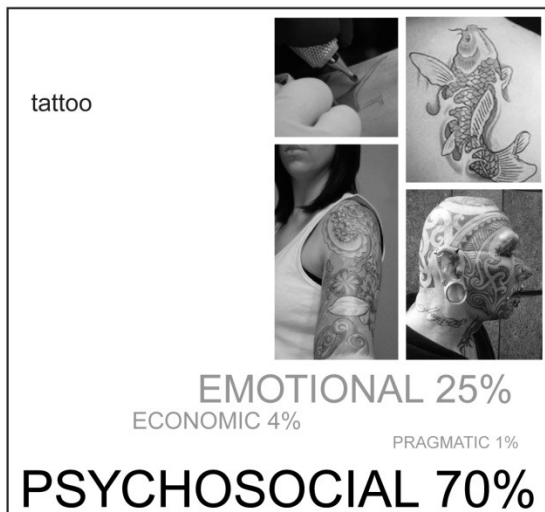
My friend works a job that requires him to wear a certain type of “uniform” consisting of high-end suits, understated ties and nicely polished shoes. His only personal accessory opportunities are his wedding band, cuff links and the watch he chooses to wear. Wearing this particular watch helps him feel as though he is achieving a sort of individualization among his peers. And it is only his peers, the ones who also spend thousands of dollars on watches, who truly understand the significance of this timepiece.



Ultimately, for my friend, the true value of this timepiece is a *psychosocial value*. Psychosocial value is the least logical qualifier of value and consists of the significance a user attributes to an object based on desire, expectation and aspiration. Products falling under this category of value tend to offer the user a sense of well-being because of perceived benefits such as individual expression, status, ego bolstering, social inclusion, exclusivity, etc. Although my friend’s watch may hold a high pragmatic value to a member of the Italian Royal Navy, or may achieve a sort of economic value for exclusive traders, for him the value is undeniably psychosocial.

Putting it Together

Four categories of value have been examined individually, but these value categories are not mutually exclusive. Instead, most objects subscribe to more than one value category at a time. This can be illustrated by looking at four separate objects that each have their own unique composition of value categories.



As illustrated in the preceding graphs, each object has an overlap of value categories, even if there exists one significant value category to which that object primarily subscribes. This assigning of value categories is a subjective exercise and other combinations can (and do) exist for each object.

Unexpected Value



In the 1980s, the Haleakala Dairy on Maui introduced a new fruit drink called Passion Orange Guava juice and advertised it on their milk cap inserts as POG. Blossom Glabisco, a Honolulu teacher who played a milk cap game as a kid on Maui, taught it to her students which quickly led to the phenomenal popularity of the POG game worldwide in the mid-1980s and into the 1990s. Children were consumed by the game and spent many hours collecting, playing and organizing their collections. The whole phenomenon of POGS was not anticipated nor could its explosive growth be

predicted. It is one of the marketing miracles that occur occasionally and is impossible to foresee.

Toy companies found the success of POGS to be a great blessing; they could be easily printed and marketed, and towards the end of 1995 POGS were everywhere and being made by everyone. They could be found in cereal boxes, TV dinners and were being made by every card and comic company. This led to the over-saturation of the market and diluted their appeal. Also, because many children would keep the POGS they won in games from other players, many school districts considered it a form of gambling. Children traded their lunches to enhance their collection of POGS and proved to be a cause of major distractions in class and the source of various playground arguments. These elements eventually led to the banning of POGS from various schools across North America and many other countries such as Germany, U.K. and Australia. This is a powerful example on *unexpected or unanticipated value*.

Personal Value

One way to add value to a product is to personalize it by giving it a unique identity, name or even human qualities. How many of us name our stuffed animals, talk to our cars and spend hours personalizing our living spaces?

On today's college and high-school campuses, you are what you drink from, and a flimsy throwaway water bottle just won't do. In addition to their durability, convenience and environmental benefits, Nalgene water bottles now have an additional feature: a clean, colorful surface (aka canvas) that you can personalize and what you put on it screams volumes about you to anyone interested. It has truly become a campus fashion accessory and a personal billboard. Matt Kesl, a Seattle Pacific University senior says, "You can tell a lot about a person by looking at their Nalgene." Today there exist "Nalgene bottle decorating" workshops at youth centers and various websites devoted to how to tricking out your Nalgene and making a statement.



What five things would you grab in a fire?

Thirty year ago, when asked what you would take with you from a burning house the common answer was the family photo album, a diary or journal, family heirlooms and other highly personal irreplaceable items.

Today, on a popular community discussion forum, MacRumors (October 2006), the question was posed, "What are your most valuable possessions?" The results, not including life, health, loved ones and pets, were items of great economic worth such as a house, car or property. Those who did not own anything of great monetary value frequently answered: a laptop computer, a cell phone, an MP3 music device, an education and memories.



While some answers are not surprising and haven't really changed over the years, what is slightly astonishing is the evidence of the degree to which people have documented and categorized various aspects of their lives using technology. Today the family photo album, diary, and memories are cached on a hard drive that has become a highly treasured document of a person's life. Entire music collections are stored on, updated and shared from singular devices.

For the last decade industrial designers have preached the idea of "designing the experience," but this is not technically possible. Instead, designers can only facilitate the experience by designing products or

systems that become the 'hardware' to *enable the experience*. And it's not the 'hardware' that is coveted nor the laptop computer but rather the personal data contained therein such as an archive of favorite music, a collection of photos, personal blogs, access to close friends on Facebook, saved emails or instant messages from lovers. It's not the MP3 player that is important but the music stored and played through it that is most valued. Hardware can be replaced, but five years of music downloads and thousands of photos would be impossible to fully restore. Ultimately, it is the content and not the vessel housing it which is most highly valued by users.

Conclusion

This paper has explored various ways in which objects hold value and it has looked at how the value of an object changes dynamically over time. The following conclusions have been derived from the preceding examination and may help provide designers with new ways of looking at the value of the objects they create:

- 1) Perceived value and real value can occur with the same object; the prior is based solely within the mind of the potential owner whereas the latter is proven through use over a period of time.
- 2) Product lust has the potential to wane over time. This can be brought about by stylistic or functional obsolescence. Product apathy is the result of such shift from desire to boredom.
- 3) Different products have different value lifecycles. Quality and prolonged functionality help maintain a higher level of value over the course of an object's lifecycle.
- 4) Economic value is set by market prices and is difficult to predict. The effects of changing economic value can sometimes spread throughout multiple markets.
- 5) The more useful and functionally appropriate an object the higher its pragmatic value.
- 6) Emotional value is imparted onto an object by its owner. Because this type of value is completely dependent on the owner it is difficult to "design" for.
- 7) Psychosocial value is the most fickle of all types of value; it is based solely on expectation, desire, self-expression and image.
- 8) Some objects are used in unanticipated ways that create new types of value. The unexpected value is almost impossible to plan for as it often comes about through accidental discovery and modification by users.
- 9) A more significant sense of ownership is achieved through customization and objects that allow for customization often achieve a high level of emotional and psychosocial value for users.
- 10) Those objects which are claimed as being the most highly valued by owners are often vessels for the truly significant objects contained within; their value is content-based rather than hardware-based.