

Post Graduate Diploma in Management: 2018-20

Design Thinking

Sub. Code: IB-503

Trimester – V, END-TERM EXAMINATION: December 2019

Time: 1 Hr 30 Min

Max Marks: 30

Roll No. -----

Instructions:

1. Students are required to write their Roll No on every page of the question paper, writing anything except the Roll No will be treated as **Unfair Means**. In case of rough work please use answer sheet.

SECTION A (3X6=18 Marks)

1. Using the 6-D framework, please explain how business education could have exponentially better outcomes in the next 10 years? (CILO-1) 6 marks

OR

Many of us are vulnerable to some cognitive biases that prevent us from thinking in exponential terms. Which are some of the main cognitive biases that prevent us from doing so? (CILO-1) 6 marks

2. Using the framework of the Value Proposition Canvas, articulate the value proposition for any service provider of your choice? (CILO-2) 6 marks

OR

It is said that an entrepreneur should work towards framing and reframing a problem for which he/she is seeking to develop a solution. Use the Abstraction Laddering tool to frame and reframe the problem "We need to redesign the experience for our customers" for any retail outlet of your choice. (CILO-3) 6 marks

3. Develop an interview guide for the problem of "Designing a delightful customer experience" for the customers of any quick service restaurant. (CILO-3) 6 marks

OR

Develop an 'empathy map' for your research done by you in your Design Thinking project. (CILO-3) 6 marks

SECTION B

(Case Study) Note: Case Study is Compulsory
(12 Marks)

Airbnb: A Design Thinking success story

2009. Airbnb is on the verge of bankruptcy. Like many of the startups that emerged in those days it was practically unknown. The company's revenue barely reached 200 dollars a week and losses were crippling its three founders. What was happening? The founders, along with the creator of the business incubator Y Combinator -who then took part in Airbnb's business-, Paul Graham, began to examine the behavior of their ads in New York to find out what was going on. They realized that there was a common pattern in the 40 ads published: the similarity was in the pictures. They weren't very good, since the owners took them with smartphones, not all the rooms of the homes were shown and those interested had no idea where they were going to live. People were not booking rooms because they couldn't even actually see what they were paying for.

After realizing what the problem was, they came up with a solution that not scalable or very technical: to travel to New York, rent a camera and spend time with the customers in their homes to take good pictures of the houses. They did it with no preliminary study, guided by intuition. A creative solution that was born with the seal 'design thinking': one of the founders, Joe Gebbia, had given up computing to enroll in the Rhode Island School of Design. He there heard about design thinking and he thought that they had to put themselves in the shoes of their customers to find out what they needed. Following an unusual and more creative approach, the team tried to get into the heads of those who were going to use Airbnb and see what they were actually looking for.

A week after visiting the homes in New York and enhancing the pictures, Airbnb began to turn over twice as much a week, 400 dollars. The team realized that they were on the right track. Thanks to Gebbia, who chose a solution that was not scalable, the business was able to avoid the crisis that was on the verge of killing Airbnb. They skipped codes they had learned at school for a business to work and followed the rules of design thinking: empathize, define, design, prototype and test. Paul Graham told them that work could be done differently, that they could forget about computer codes, that they had to put themselves in the shoes of others to solve the problems. A visit to the homes solved what the three founders had been unable to solve in front of their computers for months. Meeting customers in the real world was the best way to deal with the problems and come up with smart solutions.

Gebbia believes that talking to the customers and putting oneself in their shoes is vital for ideas to be successful. This is why he asked his team to think the way customers did. All those joining the company have to make a trip the first week and document it. The idea is for them to make a number of questions, for the employees to see with their own eyes the problems that may arise, and then be creative. For example, one of its designers, according to an interview in Firstround, was told to study the function of the stars given to the establishments. After spending a day, the designer decided to replace the star with a heart, thinking that users rewarded the service too coldly with the stars. The heart, however, went deeper. He got it right. The simple fact of replacing a star with a heart increased business by more than 30%.

Airbnb has gone from making 200 euros a week to revolutionizing tourism: more than 1,500,000 ads in 192 countries and 34,000 cities with a total number of roomers in excess of 40 million in 2015.

Questions

1. Apply the Abstraction Laddering approach to reframe the initial problem that Airbnb faced.
(CILO- 1 to 3) 6 marks
2. Critique Airbnb's approach as explained in this case study? 6 marks