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**Hong Kong Design Centre**

1/F InnoCentre, 72 Tat Chee Avenue,  
Kowloon Tong, Hong Kong  
Tel: +852 2522 8688  
Fax: +852 2892 2621  
Email: info@hkdesigncentre.org  
www.hkdesigncentre.org

# Ideas into **innovation**

5 companies > 5 stories > 1 commitment to design excellence



## Apm

### Customer experience design

"To design apm we needed to get into the skin of our young, high-energy customer. We then built a team of equally young and energetic people to inject creative design into every aspect of the project, from the location and lighting to the choice of retailers and promotional events."

## FAIRWOOD

### Retail design and rebranding

"From the quality of our menu and the mindset of our staff to the location and visual impact of our restaurants, our radical rebranding transformed a poor performing business into a regional success story."

## OCTOPUS

### Service design and convenience

"For us intelligent design means keeping our customer experience as simple, consistent and convenient as possible. But we can only achieve this by having the most sophisticated level of back-end technology and design expertise."

## OVO

### Home furnishing design and identity

"What makes someone pay a premium for our home furnishings? Quite simply we focus on quality, beauty and giving every piece a story and a heartbeat. We want people to talk about their OVO chair, or sofa in the same way they talk about their art or music collection."

## WOWWEE

### Product design and technology

"Our team mantra is 'knowledge'. We encourage our highly qualified, high bandwidth people to have a broad spectrum understanding of consumer trends, technology, science, and style — all are vital to the success of WowWee designs."

**“For us intelligent design means keeping our customer experience as simple, consistent and convenient as possible. But we can only achieve this by having the most sophisticated level of back-end technology and design expertise.”**

Cindy Cheng, Sales and Marketing Director,  
Octopus Cards Limited

**“What we don’t show the customer is the incredible level of sophisticated technology that goes on behind the scenes. It’s like watching a duck swimming. Smooth and graceful above the water, but the legs are kicking away furiously below the surface”**

The things you can do with an Octopus card have changed dramatically since they were first launched in 1997, but the one thing that’s barely changed is the card and the way to use it.

“This is entirely intended,” says Cindy Cheng, Sales and Marketing Director, Octopus Cards Ltd. “Our number one priority with all aspects of our business is that the customer experience be as consistent, easy and convenient as possible.”

So whether you’re travelling on Hong Kong’s public transport system, buying groceries at a local convenience store, parking your car or accessing your building, the card and the mode of use remains the same.

“But what we don’t show the customer is the incredible level of sophisticated technology that goes on behind the scenes,” adds Sammy Kam, technical director, Octopus Cards Ltd. “We say it’s like watching a duck swimming. It’s smooth and graceful above the water, but the legs are kicking away furiously below the surface!”

This is especially true of the way Octopus works with each of its merchant partners. “We have the most talented technical designers who are committed to adapting the Octopus technology to suit each company,” says Kam.

Kam cites the minibus operators as an example. “The design in this case wasn’t about finding the most sophisticated technology, it was about finding the most workable solution for the minibus operators. So we developed a simple and cost-effective PDA solution which allowed the drivers to retrieve transaction records out of the bus and send them back to us using normal telephone lines.”

“By developing other innovative business models, we have been able to expand our service to areas such as retail outlets, wet markets, self-service businesses, leisure facilities, schools, parking and access control.”

“But despite this success, we are always looking for more ways to enhance our customer experience so our loyalty programme, ‘Octopus Rewards’, was a natural progression,” says Cheng.

The programme was designed with the same core beliefs in mind: simplicity, convenience and ease for the customer.

As such the rewards are easy to collect and equally easy to redeem. “We also wanted to make it easy to register your card, so we offered multiple methods: online, in person, by fax or by post.

Another recent innovation has been to allow auto-recharging of the Octopus card. “Again our focus was on designing the best possible customer experience. We wanted to save people time, so now you can opt to have your Octopus drip-fed from your credit card,” says Cheng.

Asked whether it’s time to slow down, Cheng laughs. “Innovation is our lifeblood. We’re constantly looking at new ideas. We’re starting to export our expertise, for example to the Dutch transport network. We’re moving into China and Macau and we’re looking at more applications for our portable Octopus readers.”





# OVO

Home furnishing design and identity

[www.ovo.com.hk](http://www.ovo.com.hk)  
[www.ovogarden.com.hk](http://www.ovogarden.com.hk)

**"I wanted to design a customer experience you can feel. It starts from the moment you see the OVO brand or enter an OVO home store. It's an environment that embraces our customers on a number of sensory levels"**

**Design wisdom ...**  
**"Expanding your horizons through travel, new people and new cultures is essential – it allows you to soak up new influences as well as getting you closer to your customer experience."**



**"What makes someone pay a premium for our home furnishings? Quite simply we focus on quality, beauty and giving every piece a story and a heartbeat. We want people to talk about their OVO chair, or sofa in the same way they talk about their art or music collection."**

Ed Ng, OVO founder and director



## Company profile

OVO was set up in 2000 by a team of four design enthusiasts, including Ed Ng and Thomas Ma. In six years, OVO has grown into a flourishing business with offshoot businesses in floristry and interior design. OVO has attracted customers across Asia and further a field and is exploring expansion ideas in Western Europe and North America. In 2005 it introduced its first annual OVO ESSENTIALS collection, which brings its combines its flair for western design sensibility and eastern aesthetics into a style of timeless simplicity.



For OVO not having a strong design identity was never an option. In a market as competitive as home furnishings and a market as competitive as Hong Kong, innovation and creativity in all aspects of the business was a must, explains founder and business director Thomas Ma.

"Consumers here are sophisticated and discerning. They have a range of options from giant mass market retailers and competitively-priced made-to-order furniture from Mainland China to some of the highest quality premium international designers," says Ma.

To succeed in this market Ma – who came to OVO with a strong background in hospitality and customer service – says it was a priority from day one to incorporate design not only into our furniture and home furnishings, but also into the way the business was run.

"I wanted to design a customer experience you can feel. It starts from the moment you see the OVO brand or enter an OVO home store. It's an environment that embraces our customers on a number of sensory levels. We develop lay-outs that show different pieces working together – and we change these regularly so that each visit is fresh."

OVO also puts heavy emphasis on staff training and creativity. "Our people understand the design process. They're experienced in understanding different client needs and advising on a whole range of issues, from style and aesthetics to practical things such as taking care of the pieces," explains Ma.

On the product design side, OVO employs a small and passionate team of local designers, as well as carrying items from other Asian designers who share the company's design vision. "We've focused on creating a distinctive Asian feel, without tying ourselves to traditional images from Asia, such as traditional Chinese, Balinese or Thai designs," says Ed Ng, the key design visionary behind the OVO product lines.

OVO has also introduced a tailor-made service allowing clients to customise OVO pieces with different materials and fabrics.

"Both Thomas and I are committed to travelling in Asia. We want to soak up influences, from different cultures, different styles and different materials. It's a massively enriching process that we bring back to our furniture design – and it gives each piece a story," says Ng.

OVO's focus on the 'story' of each piece is apparent in their showroom where small cards describe the origin, ideas and materials behind a specific chair, table, bed or sofa.

Finally, Ng explains, we take a very creative approach to the office environment and promotional work. "We're regular columnists in style magazines and speakers at design events. We have an open house for the media and we promote OVO at major interior and design events."

"In our showrooms and staff offices we create an atmosphere that invite ideas, and we make sure that we listen to them all," says Ng with a smile.

# WowWee

Product innovation, design  
and technology

[www.wowwee.com](http://www.wowwee.com)

**“Applied science was certainly the primary catalyst, but design style is essential to give our many items personality, play depth, and appeal”**



**“Our team mantra is ‘knowledge’. We encourage our highly qualified, high bandwidth people to have a broad spectrum understanding of consumer trends, technology, science, and style — all are vital to the success of WowWee designs.”**

**Mark W. Tilden,  
products physics development, WowWee Ltd**

The idea of a robot toy sounds simple enough, yet no innovator has been successful in combining high technology and design with the durability and low price essential for the mass market.

Well, not until WowWee designed, built, and marketed its award winning Robosapien, which has sold (and continues to sell) millions of units worldwide.

“Our goal was to come up with a fluid, efficient, engaging entertainment robot at a great price. Humanoid robots for the home have been promised for years. We wanted to be the first to make it a reality,” says Mark W. Tilden, former NASA robotics expert now responsible for product physics development at the Hong Kong-based company.

Dovetailing design and advanced physics was vital in the initial innovation, explains Tilden. “It all starts with an inventor (sometimes me) building a working physics prototype based on “biomorphic engineering”, a physics which uses natural angles instead of blocky ‘squares. We play with it’s parameters to make it fun, then our local design team fashions a shell around it to make it look great.”

“Applied science was certainly the primary catalyst, but design style is essential to give our many items personality, play depth, and appeal,” adds Tilden.

For WowWee the success of the innovation and design process depends on a range of professional sectors “A WowWee robot may start with one inventor, but by production you can have up to 1,600 people involved. Physics, mechanics, sculptors, electronics, software design, animators, and of course production engineering, promotion, marketing and, most importantly, quality manufacturing,” explains Tilden.

Design continues to play a key role in new item development and the protection of the company’s intellectual property, according to Tilden. “Robosapien technologies have been difficult for others to copy because of our unorthodox design methods, but often the best way to beat piracy is keeping ahead of the game. So we build on our prior successes to introduce completely new items every year.”

Tilden explains that despite being British-Canadian (working as an American scientist during the 90s) Hong Kong was a natural base to turn his technology into a business. “All our robot development is now done in Hong Kong where we have a strong team of skilled experts, and, of course, this is the ideal place for working closely with manufacturers in Mainland China. When you have millions of robots to build, this is simply the best place to do it.”

Customer feedback is also essential to gauging the success of toys and helping WowWee in future designs. “There are several dozen unofficial websites, books, movies, shows, videos, and even massive press devoted to our products, giving us really useful feedback on what our customers like. We also travel a great deal to talk at schools, museums, colleges, universities, and tech seminars to listen to what the market has to say.”

One of the developments that WowWee designers and technicians enjoy watching is the ‘hacker’ trend - people modifying their robots in strange but interesting ways. “Hacking is an extended form of play and we encourage our customers zany efforts. A robot is a cool gadget after all. It’s natural that many would want to open them up to see how they work,” says Tilden.

## Company profile

WowWee was founded in 1988 as a research, development and manufacturing company, focused on incorporating affordable, cutting-edge technologies into toys and other leisure items. In the late 1990s the company started to produce toys under its own label. With the introduction in 2004 of the first Robosapien robot, WowWee’s focus shifted to the creation of breakthrough consumer robotics and electronic products.



**“To design apm we needed to get into the skin of our young, high-energy customer. We then built a team of equally young and energetic people to inject creative design into every aspect of the project, from the location and lighting to the choice of retailers and promotional events.”**



Hong Kong developer, Sun Hung Kai Properties, had a special vision for an industrial area in East Kowloon, far from the sparkling towers of the city centre. Extensive market research in the area identified a strong youth market with a desire for a new and exciting place to shop, eat and meet friends.

“Our research gave us a clear idea of what students and young professionals were looking for in a shopping mall,” explains Maureen Fung, Sun Hung Kai’s General Manager – Leasing.

What our 19-39 target group is looking for is more of a ‘omni-lifestyle magazines concept’, explains Fung. “So we brought together a young and professional marketing team to work on every aspect of the project. Our focus was on designing a stage for our retailers and customers that offers a high level of energy and creativity.”

The result was a 630,000 square foot, 170-shop, complex with massive open spaces for daily lifestyle events, activities and promotions. Opened in March 2005, everything from the lower case name – created to resonate with the SMS generation – to the interior design was designed to appeal to the youth, or young at heart, audience.

“Our customers told us they wanted to play more and sleep less, so we factored in natural light during the day and artificial lighting late into the night. Our retailers are open until midnight and our F&B outlets are still serving up to 2am,” says Fung. “We even gave the mall a name that reflects this all-day-all-night concept: a mix of ‘am’ and ‘pm’,” says Fung with a shrug.

Other design features include the ease with which people can enter and leave the mall. This runs contrary to the usual practice of trying to retain people once they enter a retail area. “Again we listened to our customers. And they didn’t want to be tied down. What we’ve found is that if you create a ‘drop in’ environment, people will come and go more frequently. They appreciate the freedom of choice,” explains Fung.

Building on the ‘omni-lifestyle magazine’ theme, apm encourages a variety of events to use the mall, including arts, fashion and sports events. “During the Football World Cup in 2006 we put up massive screens and designed tie-in promotions. In one day alone we welcomed 460,000 people and our retailers were delighted,” says Fung.

**“Everything from the lower case name – created to resonate with the SMS generation – to the interior design was designed to appeal to the youth, or young at heart, audience.”**



apm also has a calendar of events, much like a theatre or cinema, says Fung. “We’ve created the platform for the youth and we invite anyone who has a creative idea to share or who appeals to our customer base. It’s made apm a very popular location for design exhibitions, celebrity sightings and youth-focused promotional events,” she adds.

The results have been clear to see and have silenced critics who said East Kowloon could not sustain a mall of this size. “Since opening we’ve had more than 80 million people through our doors and retailers have reported sales in excess of HK\$26 billion,” says Fung, adding “Quite simply it shows the power of understanding your customers, listening to their needs and designing every aspect of the business with them in mind.”



**Design wisdom ...  
Once you identify your market, make sure that every aspect of your business has them firmly in mind. When you’re designing a customer experience you can’t try and please too many people at the same time!**

## Company profile

apm is a Sun Hung Kai Properties development. The company was publicly listed in 1972 and is now one of the largest property companies in Hong Kong. It specialises in premium-quality residential and commercial projects for sale and investment. SHKP is currently one of Hong Kong’s largest landowners with a land bank of 42.4 million square feet.

# Fairwood

Rebranding in the restaurant retail sector

www.fairwood.com.hk

**"From the quality of our menu and the mindset of our staff to the location and visual impact of our restaurants, our radical rebranding transformed a poor performing business into a regional success story."**

Dennis Lo, Chairman



## Design wisdom ...

- Research is essential to understanding your audience
- Change has to start from inside the company
- It's essential to get buy-in from your staff – communication is the key
- It's not about cosmetic changes – it's about attitude changes
- Keep listening to your staff and customers – with an open mind
- Be prepared to invest time and resources to reap rewards



**"From our staff uniforms and in-restaurant music to the style of our dishes and our interior design we swept away the old and brought in a new wave of contagious enthusiasm"**

In 2000 Fairwood chairman Dennis Lo realised he had to do something bold and radical to inject new life into a declining family business. In the face of a substantial profit slowdown and falling staff morale, Lo embarked on a major audit of customer perceptions of the Fairwood brand.

"What we discovered was that there were major quality inconsistencies in our food, restaurants and staff service – and most importantly our brand was seen as old and worn out in comparison with our competitors in the fast food sector," says Lo.

Armed with the evidence, Lo drew on his background as a graduate of the famous New York Parsons School of Design school to propose a bold and radical rebranding programme to the Fairwood board.

"My priority was to look at our people," says Lo. "They were always the key to a rebranding exercise of this magnitude. We needed buy-in from within the company."

Major strategies rolled out over an 18 month period included closing selected restaurants and opening new ones in locations more popular with young professionals, enforcing a restaurant-wide smoking ban, adding freshly brewed coffee to the menu and raising the quality and consistency of the food.

"We felt the relocation of some of our restaurants was essential as we wanted to target younger professionals. We also worked with the kitchen staff to improve the variety, consistency and quality of our menu. We were the first to use olive oil for our pastas, and to insist on al dente cooking," says Lo.

The cosmetic side of the rebranding was equally important. "We looked at a number of options that simply refreshed our existing crown logo. But I asked [famed Hong Kong designer] Alan Chan if he had his own ideas," says Lo. "Alan came back with the orange leaping man and it jumped off the page as a high quality, high energy brand," he adds.

Once we had the logo and the vibrant orange colour, Fairwood, with help from interior specialists Yasumichi Morita and Steve Leung, set about injecting the essence of the new brand into all aspects of its restaurants, says Lo. "From our staff uniforms and in-restaurant music to the style of our dishes and our interior design we swept away the old and brought in a new wave of contagious enthusiasm."

And the impact was immediate. Staff morale improved, new customers flooded in, till receipts rose and the market sat up and took notice.

"It was incredible to see how quickly the changes we implemented took root, both among our staff and our customers," says Lo.

"This was a simple case of innovative thinking and design excellence turning a business around. Our bottom line has rebounded robustly, our share price is keeping our investors happy – and most importantly I feel Fairwood has really set the benchmark among local fast food outlets. I've enjoyed watching them play catch up," says Lo.

## Company profile

The first Fairwood restaurant opened in 1972. The second opened five years later. A major expansion programme started in 1981, culminating in 52 restaurants by 1991 when the company was listed on the Hong Kong Stock Exchange. Following a major slowdown in the late 1990s and early 2000s the company underwent a major rebranding programme. The results were impressive, with Fairwood more than doubling its market share in three years. The company's share price also rose from \$1.77 in 2004 to \$8.30 in 2006 (November 2006).

