Stiven Kerestegian

Designer, Strategist in innovation and social entrepreneur born in Chile, raised in the USA and currently living in Copenhagen. His objective is to promote initiatives with a positive impact on society, the planet and business through the power of innovation based on design. Stiven has led the development and launch of dozens of successful products for services and experiences on three continents. He has held strategic leadership roles at Microsoft and LEGO, and has also collaborated with emerging companies and NGOs from Silicon Valley to Patagonia. Currently, Stiven is the Head of Innovation and Strategy at CIID (Copenhagen Institute of Interaction Design) and co-founder of Chilote Shoes (www.chiloteshoes.com).

Interview held on February 11th 2017 by **Mònica Llop**, journalist (University of Valencia, 2013) and Art Director (Postgraduate in Art Direction, ELISAVA, 2016).

designer

future

open innovation

metaverse

narrative universes

The designer as transmedia narrator

The American theorist, Henry Jenkins [1] coined the phrase "transmedia narrative" to analyse the social effects of new technologies, a phenomenon that is evolving exponentially on a par with science and the Internet. The transmedia universe is still the focus of media interest and is also a very useful tool for analysing brand performance and consumer behaviour. In this regard, the design thinking and co-creation expert, **Stiven Kerestegian** [2] is one of the key exponents of design and innovation against the backdrop of a transmedia society. Kerestegian, who now works for the CIID [1], led the strategy and implementation of open innovation for the world's largest toy manufacturer, **LEGO®**. He has also worked for influential corporations like **Microsoft** and **Kodak** and with a variety of consulting firms specialised in design and innovation. Stiven has introduced dozens of products and services for the global consumer market. His portfolio of projects ranges from the design of product hardware, to software to social innovative or open platforms. Stiven's commitment, and above all his methodologies, reflect the **changing role of the designer** and the educational and cultural challenges faced by increasingly competitive and technologically advanced societies.

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From central theme to omnidirectional transmedia vision

The transmedia narrative is an instrument that reinforces the existing bond between a public and a concept or between a customer and a brand. It can even create more potential, but more risky, sales opportunities. According to Stiven, "**transmedia channels are becoming more diversified"**. In the beginning, all interactions revolved around a central theme and only took place after (not before) the product was distributed through different channels. "At a company like LEGO®, the ideas and interactions were planned by the company in a highly controlled atmosphere. Nowadays, transmedia narratives [3] still emerge from a central theme but at the same time there are various **omnidirectional interactions"** according to Stiven**.**

Another feature of the transmedia phenomenon noted by Stiven is that it has to do not only with telling a story "but also with co-creating narrative universes, products and experiences". "We live in a world where the consumer is becoming the producer", says the designer of Chilean origin. "We consume a great deal of information and that is connected with participation and engagement", he says. "Lately we've seen some very

1. The **Copenhagen Institute of Interaction Design** is a school of design and consulting and a talent incubator with an avant-garde research group. CIID's main objective is to create a positive impact and a better future by designing innovating products, services and environments.

Image 1 Frame of the new Lego Nexo Knights television series.

interesting examples, like **LEGO Nexo Knights** [2], a television series, video game and line of toys. The narrative is based on collecting powers and in order to do so the user has to scan the game's shields using a smartphone or tablet. The shields are found on the boxes LEGO® boxes and products, in shops, in magazines and at Legoland [3]. The interaction of the game has to do with collecting powers that are distributed over a growing range of physical and digital media. The game is highly complex, involving a connection, certain stimuli and the need to navigate through different media in order to participate and experience the game to the fullest. One of the characteristics of LEGO Nexo Knights is that information on the consumer's participation such as number of scans, interactions, etc. is available in real time", explains Stiven. These types of initiatives or creations make it possible for the company to analyse the public's reaction and take action in real time.

As we see in the example above, the created world becomes a macro-universe characterised mainly by its fertility, a world that is capable of creating countless other micro-universes that enrich different aspects of the central theme, idea or brand. Another peculiarity of the transmedia concept that Stiven believes is important is **"the dramatisation of experiences through multiple media".** With all the technology available to us today we have the potential to enhance the emotional experience of a physical game. "While a child or adult is playing with a physical object, they may also be using a digital app that heightens their sensations (sound, light, vibration). Many smartphones and other devices include motion sensors, cameras and different ways of intensifying the experience (noise, lighting, environmental influences). LEGO® has joined this trend of utilising multiple sensory channels to augment and dramatise gameplay" says Stiven. "In the near future the adoption of internet of things (internet of toys) [4] technologies will create omnidirectional connections and experiences that will erase the current boundaries between the physical and digital world", he affirms.

LEGO®: the most powerful toy factory in the world

The Danish brand LEGO® is one of the clearest examples of the transmedia narrative. The company, which started out as a boutique in the small town of Billund in Denmark, was on the verge of financial collapse less than ten years ago, before it rose up to become one of the world's most powerful toy manufacturers. It was a symbolic event when in 2015 the Danish astronaut, Andreas Mogensen, took off into space aboard a Russian Soyuz rocket carrying 20 LEGO® figures. As its products travel to space, the company itself is clearly on an upward

2. **Nexo Knights** is an animated Lego television series that first aired in 2015. In a medieval yet futuristic world, Clay, Aaron, Lance, Princess Macy and Axl are five young knights who protect the kingdom of Knighton and it's capital Knightonia from Jestro, the Book of Monsters and their army of Lava Monsters. They also receive help from the Knightonia Royal Family, the digital wizard Merlok 2.0, Robin Underwood and Ava Prentiss. The Nexo Knights are the defenders of Knighton.

3. **Legoland** is a chain LEGO theme parks.

trajectory. Sales continue to break historical records with annual growth rates close to 20% in a context of recession in the toy industry.

The company has not made significant changes since it began manufacturing its well-known pieces in 1949. However, the design and concept of its bricks are the key to its success. LEGO® continues to be a traditional company but in recent years has outperformed large American businesses in sales and profits [5]. "The brand is clearly very powerful thanks in part to the experiences of adults with the firm and the strong connection to creativity," according to Stiven. "I think that part of LEGO's® success is that parents believe that by buying a LEGO® product for their children they are fostering their creativity, thereby encouraging them to be designers, architects or engineers" says Kerestegian. The company's revenues come mainly from recreations of transmedia stories like Ninjago, Star Wars or the Marvel superheroes, among others. " LEGO® gives children the opportunity to increase their creative ability to solve problems. If they start in childhood on a platform like LEGO® to produce their own games, designs or stories and do not limit themselves to building models and previously created stories, they will have a greater competitive advantage", says Stiven. He adds: "We consume to inspire ourselves but also to empower ourselves to produce and react to all of this".

One of the areas where Kerestegian worked during his four years with LEGO® was the **Future Lab,** a department that focuses on research to foster creativity, Creative Play and the integration of physical and digital gaming into One Reality. "For adults, there is real reality and virtual or digital reality. However, for the vast majority of children there is no difference between digital and actual reality", says Stiven. Future Lab consists of a team of R+D and innovation strategy, the future of play, which is responsible for ensuring that the company remains a contemporary and innovative enterprise. The innovation laboratory is also tasked with identifying opportunities for growth and ensuring that LEGO® stays ahead in the race. Future Lab also promotes radical innovation within the company and the brand's value propositions.

"LEGO® is clearly a platform. LEGO® designers are experienced professionals. The firm does not create too many new physical products; rather, it designs new experiences on the same platform or library of existing bricks. This is responsible for much of LEGO's® financial success compared to other companies. When a brand makes a new toy or creates a new concept, it makes a big investment in producing the moulds, advertising campaigns, etc. If the product is not successful, considerable economic losses are incurred. The investment required in LEGO's® case is less, since the company merely reconfigures the existing pieces into new formats without having to make too many new moulds or invest in infrastructure. This enables the company to reinvent products on this same platform at a lower cost and these products are in turn compatible with all of the company's previously existing products. What all of this adds up to is higher value for the different proposals", explains the designer who resides in Denmark.

The Design Thinking methodology

In the new world of **convergent culture** [4], designers and artists are learning to see themselves as narrators, assimilating the concept of the transmedia narrative as the most effective way of conveying concepts and ideas [6]. The methodology is important in the process of creating any product or concept since it determines how effectively the "problem" or paradigm faced by the designer is resolved. "The process is something that guides and structures the work to be done. The **creative process** is the same whether you are designing a mass-produced industrial product for a large company like Microsoft or wool and salmon leather shoes. The design, research, learning and innovation process and the application of creativity to solve the problem and generate value is exactly the same. It's exciting to know that the same methodology can be used to solve any kind of problem, regardless of the context" explains Stiven.

The design process defined by Stiven is **design thinking** [7]. This methodology is a tool aimed at effectively systematising innovation in organisations. Applying this methodology brings significant benefits to the design of solutions and enables enterprises to achieve better marketing results. Design thinking develops people-centred innovation that is able to detect needs and satisfy them. It exploits the designer's sensitivity and problem-solving skills to satisfy users' needs in a technologically feasible and commercially viable way.

Even if the designer uses a specific methodology, there is sometimes a "high percentage of evasion from the chosen process." "You need to know that there is a 'right' way to do things but once you've gained some expertise on the subject, you have to surpass your own limits and create your own style. As with jazz, we must

4. The **culture of convergence** represents a change in the way we think about our relations with the media in that we are effecting change primarily through our relations with popular culture but that the skills we acquire through play can have implications for the way we learn, work, take part in the political process and connect with other people all over the world.

know when to break the rules. The designer should feel comfortable with the problem he is facing and **not allow the process to dominate him**. Most clients will ask us to implement one of many possible solutions. What is interesting and important in this regard is to understand the root of the problem. If you get to the root of the problem, you find that the 'right' answer is one of many different paths that can be taken to solve the problem. In my case, I use certain types of research tools to identify and extract insights (awareness of the different layers of the problem and ability to identify new opportunities or unresolved areas or make connections). This helps me to structure the design and put it into practice more systematically than I would on a purely creative level" says the designer.

In short, design thinking is a very useful methodology that is increasingly visible in the most innovative organisations as a means of developing products and solutions, thanks to an understanding of the users and the expertise of multidisciplinary teams who bring different points of view to the table during the design process.

Open innovation

Years ago, the generation, development and commercialisation of knowledge followed a linear process. In other words, research led to a certain technological development after a certain amount of investment and a specific period of time. The results were measured in terms of patents and licenses, without taking other market players into account. This situation has changed to the point where more and more companies are now moving towards open innovation. This initiative involves improving and advancing through **dialogue and interaction.** The basic idea behind open innovation is that there can be no innovation without collaboration with company management, including all internal and external stakeholders [5], employees, customers, suppliers and, in some cases, competitors.

When Stiven joined LEGO® the company had just decided to create an open innovation department with a very broad vision. "We restructured the entire management system to develop channels of interaction with individuals in four different areas on a digital platform designed for interacting and managing ideas. We created an **open innovation platform around** LEGO®" [8].

One of the areas is **employees** (process called 'in to in'). Any designer or employee from any area of the company who has an idea can present it on a digital platform. "It is satisfying to generate work of value that is impossible to predict," says Stiven. All employees have online interfaces with their own profiles where they can present projects which are then rated and voted on by colleagues. Another area is the ***partners***. For example, the company in charge of packaging "proposes new ideas such as the possibility of producing more creative, sustainable and strategic boxes to reduce costs". Then we have the **users** who include fans, parents of children, teachers, etc. The real and perceived added value is much higher. About 100 million people have a LEGO® in their homes. The pieces in fans' homes can be reconfigured as desired. "The idea of being able to make something different is very attractive. They take a take a photo, upload it to the platform and convince their friends to vote for their design/ proposal. If you get 10,000 people to vote for your proposal, there is a possibility of your design being marketed as a user-LEGO® co-creation." The fourth and most complex area is dedicated to **entrepreneurs**, a diverse sector that uses the platform to develop new business. Currently, "there are more than 1,000 initiatives related to LEGO® that have no formal relationship with the brand. It is difficult to know if entrepreneurship is positive or negative for the company. For example, there are companies that produce USB flash drives in the shape of a LEGO® brick. "These companies pay for a license to use the brick icon and for the product to be associated with the Danish brand. Fans may not be interested or need to buy a USB drive, but as loyal fans of the brand they do not question it and just buy it" says Stiven.

With open innovation, "one of the biggest limits is that the vast majority of companies make decisions from a short-term economic point of view. There are scenarios where the competitive edge lies in co-creation being involved in order to generate more interest in the products, to connect more with customers and to align the offer more with customers' needs and desires. As for LEGO®, the profits are clearly higher when the company sells 10,000 pieces of the same set than when it sells 10,000 from different sets", says the designer, who is also an entrepreneur. "As long as companies continue to have high sales of their popular lines such as *CITY and Ninjago*, it is difficult for the company to prioritise the product development model through open innovation. There is value that clearly satisfies one niche that does not satisfy the other" says Stiven. "I see a lot of enthusiasm at LEGO® for the brand and broad acceptance of co-creation. However, products that are still developed in the traditional way are in such high demand that LEGO® keeps open innovation at a minimum percentage, despite its potential", he says.

5. Term that englobes workers, social organizations, shareholders and providers, among other actors that are affected by the decisions of a company.

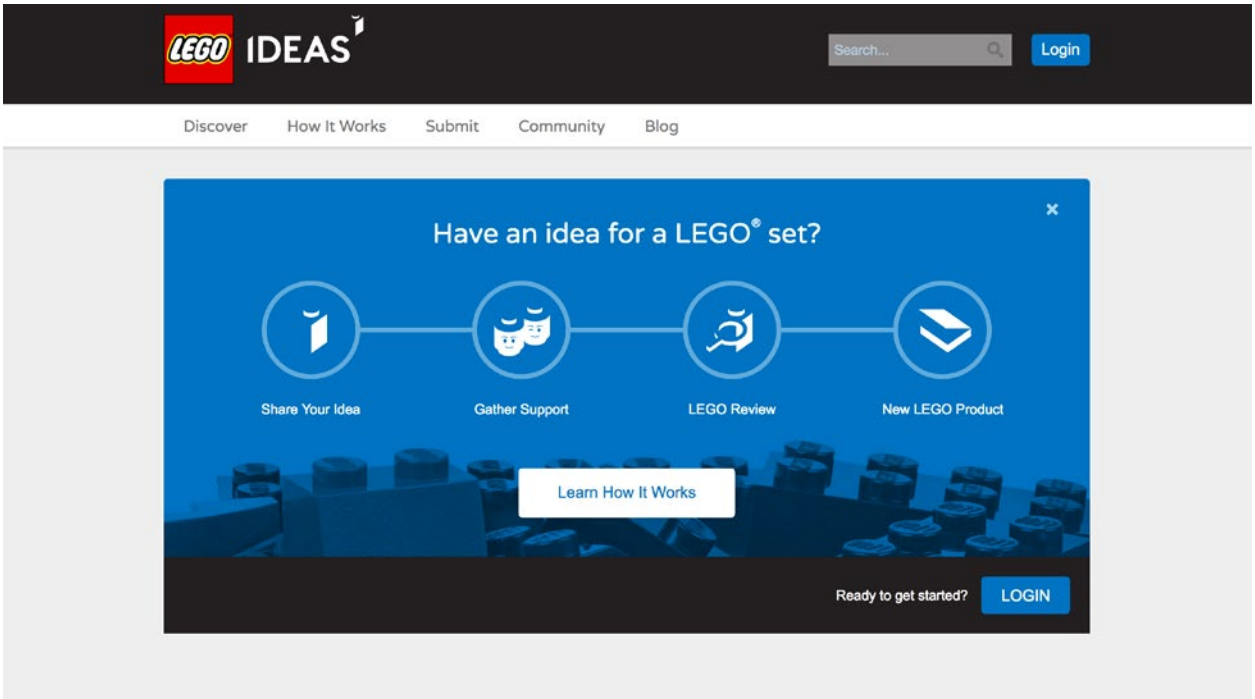

Image 2 Online interface of the LEGO open innovation platform LEGO®.

This type of innovation is being subtly integrated into companies and enabling a **more social and inclusive type of consumption.** "This model is being integrated into our daily consumption habits, just like *Google Search*", says Stiven. Open innovation is "very valuable" because it takes into account effects "such as ecological impact, in the sense that it saves the company from making products for which there will not be sufficient demand". It is a way of gathering meaningful information about the possible success of the product even before it is produced.

From passive consumer to active producer

The narrative techniques cited above lead to unique opportunities for audience participation and entertainment, as well as greater public engagement of the public with the brand or fans of the product. "As the ones who are going to pay for this service-experience, we must provide consumers with value. It is critical to have a thorough understanding of peoples' needs. We find that there are some successful companies that focus exclusively on economic value and distance themselves from the honesty of the product relative to its users. That is when the company dies", according to the designer. He goes on to say that "One can **reconstruct opportunities to provide value.** If we ask customers what they want, they will give us an answer based on the context in that moment. It is therefore important to **find tools that help us to decontextualize".** By now, all major brands have begun to develop different ways of creating interaction, products and services that have different connection points with the end user to create opportunities for co-creation in the process. Advances can now be identified through the product development process to co-create even when the product is already on the market.

"In my opinion, anything that helps transform the user-consumer into an active producer is positive, because instead of keeping consumers in a passive role, it is a way of encouraging them to play an active role by participating and using their creativity", says Stiven. "Not all children develop their creativity naturally without external stimuli. We must be capable of determining what level of stimulation each child needs. Most children like fast food and sweets because they contain fat and sugar. However, a chef must use his creativity, experience and empathy to turn a vegetable into an attractive food for the child. Herein lies the crux of the matter:

Image 3 A Magic Leap project .Magic Leap©.

how can we help children develop their creativity with minimal intervention or stimuli?", Stiven asks. "Is society's participation in companies positive or negative? It depends on the context. If you plop the kids in front of the screen, turning them into update addicts who react like hypnotised zombies, that is not positive. But if this type of interaction or stimulus is well designed, at the right time and with the right level of intervention for the context, I think there is a tremendous potential to generate better experiences which are much more conducive to childhood learning and development than the current options: television, video games or addictive apps that consist of pushing buttons on the screen", explains Stiven.

The snack culture

"The **Snack Play** concept has been discussed at length at LEGO® (an area where the experiences are shorter, since the traditional brand experience requires more time). It is related to a change in daily habits [9]**.** When I was little I had a lot of time to play, but that's not the way it is these days. Children's play time is very fragmented for several reasons: multiple media options, the Internet and the plethora of existing offers. The parents' lifestyle and the number of extracurricular activities also contribute to this. The process of building LEGO® bricks is the same as it was thirty years ago: remove the packaging, put all the pieces together and follow the instructions. It takes time to follow the instructions and set up the game. It takes 1 or 2 hours, an amount of time that is difficult to find during the work week in the 21st century," declares Stiven. The playtime of yesteryear has been interrupted in the information age. "For example, we would spend hours installing and readying the space where we were going to play. Many children today do not have that kind of patience. We move from one digital world to another very quickly; we travel from game to game with a simple click", says Stiven. The friendly face of this era could be the **Strategy Games,** games that require more time than other video games, although they are designed to keep the consumer more addicted.

Metaverse: The real world as operating system

When we speak of transmedia, the metaverse is the most exponential channel currently under construction. The great brands of the world are developing devices that allow access to the metaverse, be it a pair of glasses or a special headset. There are different formats where you can generate a new dimension that cannot be seen without these gadgets or intermediary mechanisms. Within this context we find some companies developing platform hardware and others developing standards for companies and even users to develop content for the metaverse. "If we develop standards, it does not matter whether the device is Microsoft or Google. We can access this new dimension that makes the metaverse possible in the same way as the web content that is currently available", explains the designer.

The metaverse is still an empty dimension but there are "many companies that want to participate in the creation of this «alternative universe»." In the metaverse there are no limits of any kind; there is no gravity, there are no physical boundaries. It is a world with a high potential for interaction and creativity. A phenomenon that is still in the early stages and whose final impact is still unknown. The only thing that is clear is that it has the potential to change human interaction forever. Personally, I do not find living in that kind of a world appealing, but the ability to generate that kind of experience is amazing" says the entrepreneur. The most important thing about the metaverse is that it can create a type of reality in which the perception of the boundaries between what is real and what is virtual is lost. "A good example of this is **Magic Leap** [6] [10], a company in which Google is already investing hundreds of millions of dollars. The company's founder discovered that what is captured by the human is a very low percentage of what our brain actually processes. The signal sent by the retina to our brain is low compared to the resolution of our sight. Therefore, our brain acts by rebuilding and filling in", says Stiven. In experimentation with the metaverse, our brain does not differentiate between a **synthetic signal** and a real one. "In the case of Magic Leap technology, a signal is sent to the brain through the retina so it is received by the body naturally. Rather than superimposing an image on the real world by creating an optical illusion, this device, according to its creators, will be able to deliver a signal that mimics the signals we interpret naturally. The earliest versions will require a device but in the future the signal will be emitted omnidirectionally through space without the need to have an instrument attached to the body. When you enter this space, the signal is synchronised with your processing and position" explains Stiven. The metaverse is a **new dimension** [11], an augmented reality in which everything is possible, where the boundaries between the real and virtual disappear, where creators and artists can express themselves and can develop their ideas in a format never before imaginable.

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6. Magic Leap is a company that mixes the real and virtual in the same space. Companies like Google have invested 542 million in it. https://www.magicleap.com

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