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# **KNOWLEDGE TRANSFER IN WEBSITE DESIGN**

Exploring the processes and benefits of design  
collaboration for non-creative Micros

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Doctor of Philosophy

**ASTON UNIVERSITY**

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## KNOWLEDGE TRANSFER IN WEBSITE DESIGN

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### Summary

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This thesis explores the interaction between Micros (<10 employees) from non-creative sectors and website designers ("Creatives") that occurred when creating a website of a higher order than a basic template site. The research used Straussian Grounded Theory Method with a longitudinal design, in order to identify what knowledge transferred to the Micros during the collaboration, how it transferred, what factors affected the transfer and outcomes of the transfer including behavioural additionality. To identify whether the research could be extended beyond this, five other design areas were also examined, as well as five Small to Medium Enterprises (SMEs) engaged in website and branding projects.

The findings were that, at the start of the design process, many Micros could not articulate their customer knowledge, and had poor marketing and visual language skills, knowledge core to web design, enabling targeted communication to customers through images. Despite these gaps, most Micros still tried to lead the process. To overcome this disjoint, the majority of the designers used a knowledge transfer strategy termed in this thesis as 'Bi-Modal Knowledge Transfer', where the Creative was aware of the transfer but the Micro was unaware, both for drawing out customer knowledge from the Micro and for transferring visual language skills to the Micro. Two models were developed to represent this process.

Two models were also created to map changes in the knowledge landscapes of customer knowledge and visual language – the Knowledge Placement Model and the Visual Language Scale. The Knowledge Placement model was used to map the placement of customer knowledge within the consciousness, extending the known Automatic-Unconscious-Conscious model, adding two more locations – Peripheral Consciousness and Occasional Consciousness. Peripheral Consciousness is where potential knowledge is held, but not used. Occasional Consciousness is where potential knowledge is held but used only for specific tasks. The Visual Language Scale was created to measure visual language ability from visually responsive, where the participant only responds personally to visual symbols, to visually multi-lingual, where the participant can use visual symbols to communicate with multiple thought-worlds.

With successful Bi-Modal Knowledge Transfer, the outcome included not only an effective website but also changes in the knowledge landscape for the Micros and ongoing behavioural changes, especially in marketing. These effects were not seen in the other design projects, and only in two of the SME projects. The key factors for this difference between SMEs and Micros appeared to be an expectation of knowledge by the Creatives and failure by the SMEs to transfer knowledge within the company.

Keywords: Micro, Creative, Knowledge Transfer, Tacit Knowledge, Grounded Theory

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## 1.1 Introduction

This thesis explores the interaction between Micros (<10 employees) from non-creative sectors and website designers (“Creatives”) throughout the whole process of creating a website from input to outcome. The aim of this research was to unpack the black-box between input and output that occurs when a Micro works with a Creative company in order to create a website that is of a higher order than a basic template site.

The research began with three open questions:

- How does an SME or Micro work with a Creative company?
- Why are these particular working methods used?
- What outcomes are there beside a tangible product?

However, in order to allow the data to direct the research, a guiding precept of Grounded Theory Methodology (Glaser and Strauss, 1967), more defined and detailed objectives of the research emerged much later from the GTM research process as the data collection and analysis progressed.

These were:

- To create a clear overview of the website design process, including identifying required inputs and potential outcomes.
- To identify what knowledge transferred to the Micros.
- To identify the mechanisms of knowledge transfer during the website design process.
- To generate theory as to why these mechanisms were used.
- To develop metrics for Visual Language Ability and Customer Knowledge Placement.
- To clearly map changes in the Micros’ knowledge landscape between the start and the end of the website design projects.
- To compare the findings from this core research to findings from non-Micro and non-website projects to identify similarities and differences.

Understanding what occurs between a Micro and a Creative during the website design process and the outcomes of this collaboration is of particular interest for four reasons.

Firstly, because both Micros and Website designers offer unique insights because of their particular characteristics; Micros are recognised in the academic literature for their predominant use of ‘Socialisation’ knowledge transfer through a ‘friends and family’ network group, rather than the more formal methods of knowledge transfer in larger organisations (DeSouza and Awazu, 2006, Chen

et al., 2006, Devins et al., 2005), so researching Micros in particular offers the opportunity to study 'Socialisation' knowledge transfer in greater detail; Website designers work in a thought-world dominated by visual and tacit communication (Tan and Melles, 2010, Townley et al., 2009, Cross, 1999), dissonant with the Micros they are collaborating with (Micheli et al., 2012, Sunley, 2008, Townley et al., 2009, Eikhof and Haunschild, 2007), so this offers an opportunity to examine preferred modes of knowledge transfer for dissonant thought-worlds and to study how they achieve knowledge transfer and overcome language barriers. The pairing of Micro and Creative, because of their particular characteristics, also offers insights into knowledge transfer with an imbalance of power and transferring knowledge, without resistance, that does not initially fit the worldview of the recipient, both of which are relatively unexplored within knowledge transfer literature.

Secondly, examining the collaboration itself provides the opportunity to explore the relationship aspect of knowledge transfer, especially how building 'ba' enables knowledge transfer in arduous situations that present barriers to knowledge transfer (Von Krogh et al., 2001, Nonaka, 2012), a discussion that is attracting growing attention in the knowledge transfer community (Ko, 2010). Ba is defined as "a shared space for emerging relationships. This space can be physical... virtual... or mental..., or any combination of them... (*that*) provides a platform for advancing individual and/or collective knowledge"( Nonaka and Konno, 1998, p. 40).

Thirdly, despite the predominance of Micros in the UK economy and the increasing domination of the internet and websites as part of commercial life (Simmons et al., 2008, Chen et al., 2003), this phenomenon of Micro-Creative collaboration has received little attention in the academic community to date (Bell and Davison, 2013), although there is increasing interest in research into reasons for small business website adoption and the outcomes of small business website adoption (Simmons et al., 2011). From a practitioner perspective, understanding the features of a successful website collaboration is highly beneficial, offering a way to improve Micros' marketing and their marketing skills.

Finally, it provides an opportunity to study the knowledge landscape of 'caretaker' (Allinson et al., 2000) Micros in regards to marketing and customer knowledge and how those landscapes can change as an outcome of those knowledge transfers. These are companies that do not necessarily have a market-led approach, unlike the small companies studied in Simmons et al.'s 2011 research into Small companies and website adoption; rather they have a lifestyle, product/service orientation. The majority of the companies in this research did not possess the eVision (website strategy) and marketing focus currently considered critical for effective outcomes (Simmons et al., 2008, Simmons et al., 2011) and this research showed that where the website designer led, the outcomes were significantly better than where the Micro insisted on directing the process, a finding contrary to Simmons et al.'s (2008) conclusions that the client must direct for a successful outcome. 'Caretaker' Micros currently receive little attention in the academic community, with the focus being on those

situated closer to the 'Entrepreneurial' end of the spectrum, despite the fact that the caretaker profile is considered to be the most prevalent in small businesses (Potts and Morrison, 2009).

The objectives of the research were addressed through examining the design process and the rationales behind it, exploring the drivers and mechanisms of knowledge transfer during the process and identifying changes in knowledge in the Micros' knowledge landscape and subsequent outcome behaviours. This black-box was broken into three aspects.

First, the exploration of the relationship between the non-creative Micro and a Creative company and ways in which the Creative fosters ba, in order to achieve the knowledge transfer needed for a successful collaboration, both to acquire customer knowledge from the Micro and to transfer visual language knowledge to the Micro.

Second, the identification as to why these knowledge transfers are important to the collaboration process and considering why the Creatives use the knowledge transfer techniques that they do.

Third, the research concluded by examining the outcomes of building ba and the changes in the Micros' knowledge landscape as a result of this collaboration.

This chapter introduces the thesis, examining the background behind the research and providing a brief overview of the three key areas of literature that are the core of this research – Micro companies; Knowledge Transfer; Creative Collaboration and Websites; and identifying the research contribution in these areas. The chapter concludes with an overview of the thesis.

## **1.2 Research Background**

The research for this thesis was part of a larger funded research project that took place in 2009 and 2010. This research used a randomized controlled trial methodology, which unusually combined quantitative and qualitative data (RCT+), in order to evaluate the impact of a grant scheme that provided £4,000 to SMEs (Small to Medium Enterprises), including Micros, in the Manchester City Region. The SMEs were required to contribute at least a further £1,000 of their own towards their projects. While the choice of both creative service and Creative company was left open to the SME, there were two stipulations – that the SME must work with a Creative company they had not worked with previously and must select their Creative company from a gallery of 237 Creative companies who had applied to be Creative partners (Bakhshi et al., 2013).

The rationale behind the project research was that creative businesses are, by their nature, innovative and that this innovative behaviour, through the collaboration process, would influence the ongoing behaviour of the SMEs, providing value beyond the tangible product and improving the SMEs' competitive position. However, little was known about either the collaboration process or what changes in behaviour could be expected. The RCT+ model was designed in order to address

this, combining three elements: randomized assignment of firms to the treatment and control groups, longitudinal data collection, and the use of mixed methods. The mixed methods allowed for a deeper understanding of the quantitative findings and provided triangulation of the data (Bakhshi et al., 2013).

Prior to the scheme's launch, the funding was widely advertised in the Manchester City Region prompting over 2000 enquiries and 672 eligible applications. The applicants, once screened for eligibility, were then placed in a random 'lottery' and 150 companies were selected for awards. There was a prevalence of website design projects amongst the awarded companies, representing 60% of the projects compared to the second highest type of creative project, publication, at 15%. Micros represented nearly 50% of the total awarded companies, although this was still under-representative of the total Manchester City Region Micro population. The Micros had an application proportion of only 1:8 compared to firms with 10-49 employees who had an application proportion of 1:2.

The data for this thesis comes mainly from the qualitative side of the larger project, for which this researcher was responsible, although some of the responses from the quantitative surveys, collected by other researchers, are also incorporated into tables in this thesis. Longitudinal research was required in order to identify the embedding of knowledge and longer-term behavioural changes.

### **1.3 Micro Companies**

Micros represent a large part of the UK's business population and play a significant part in the UK economy generating more than 30 percent of all private sector employment (Devins et al., 2005). However, Micros are poorly represented within the business literature, with the majority of research work being conducted within large organisations. There is a body of literature on SMEs, which generally excludes the Micro demographic, however, research in the Communities of Practice (CoP) area demonstrates that the size of a company greatly affects the thought-world of that company (Brown and Duguid, 1991, Lave and Wenger, 1991, Brown and Duguid, 2001), which suggests that not all of the findings within SMEs would translate into a Micro context. The majority of Micro research lies within entrepreneurial literature, although there is a wide spectrum of behaviour and knowledge that is observed within Micros from 'caretaker' at one end to 'entrepreneur' at the other (Allinson et al., 2000). The majority of the Micros in this research presented as being closer to the caretaker end of the spectrum, an area neglected in the literature, possibly because caretaker Micros are viewed as having short life-spans and no potential for growth (Allinson et al., 2000). There is translatable potential for findings identified within the CoP literature into the Micro context, as CoP bear a strong resemblance in identity and behaviour to that of Micro organisations, each Micro being their own CoP thought-world (Devins et al., 2005).

SMEs and Micros do possess some common traits, both having knowledge gaps in Marketing and Customer Knowledge caused by the limited resources in finance, personnel and time (Freel, 1999,

Chen et al., 2006). The literature also identified that the importance of networking as a key source of knowledge acquisition was inversely proportional to the size of the company (Chen et al., 2006, Beijerse, 2000, Devins et al., 2005, Sparrow, 2001).

## **1.4 Knowledge and Knowledge Transfer**

Knowledge and the nature of knowledge has preoccupied scholars for centuries (Nonaka and Toyama, 2007, Baumard, 1999). In the field of business research, however, the field of knowledge research was only considered to be established in the late 1980's and has proven a source of active debate since that time (Serenko and Bontis, 2013, Edwards et al., 2009, Nonaka and von Krogh, 2009). The vast body of this work relates to knowledge within organisations and inter-organisational knowledge transfer, with little on SMEs (Chen et al., 2006, DeSouza and Awazu, 2006, Hutchinson and Quintas, 2008) and even less on Micro organisations (Panagiotakopoulos, 2011, Devins et al., 2005).

Even now there are multiple definitions of what constitutes knowledge and knowledge transfer (KT) (Nonaka et al., 2001). Initially, the business literature saw knowledge as an explicit object (Edwards et al., 2009, Nonaka and Peltokorpi, 2006). However, around the mid-nineties a different viewpoint emerged (Edwards et al., 2009) seeing knowledge as a process and focusing on the people behind the process (Edwards et al., 2009, Nonaka and Peltokorpi, 2006). Knowledge was no longer considered solely explicit but could also be tacit or unarticulatable or an intertwining of the tacit and explicit (Nonaka and Takeuchi, 1995). The knowledge paradigm in the KT literature moved from objective to subjective, particularly for tacit knowledge, subject to the subconscious beliefs and interpretive schemes of both sender and receiver (Nonaka, 1994, Swart and Pye, 2002, Von Krogh et al., 2000, Baumard, 1999). The importance of trust, beliefs, relationships and mutual languages became a key theme (e.g. Brown and Duguid, 1991, Szulanski, 1996, Szulanski et al., 2004, Cohen and Levinthal, 1990), particularly in the inter-disciplinary knowledge transfer and CoP literature (Nonaka and Peltokorpi, 2006, Edwards et al., 2009). More recently, discussion has opened up on the dimensions of trust, introduced by Mayer et al. (1995), with a debate of benevolent trust vs. ability trust as the key dimension emerging in the late noughties (Ko, 2010). This emergence of benevolent trust is in tune with the concept of *ba*, a mutual communicative space that fosters care, trust and relationships in knowledge creation and transfer, a concept introduced by Nonaka and Konno in 1998.

While the majority of the knowledge literature considers knowledge that is evident either through articulation (explicit) or through behavioural markers (tacit), the field of schemata literature recognises that there is knowledge held that is not currently selected to be part of the decision making process, but could be selected later, if the worldview, and consequently the schemata, of the holder changes (Gary and Wood, 2011, Walsh, 1995, March and Simon, 1958). This potential

knowledge is rarely discussed in knowledge and learning literature, with the focus being on knowledge that is used rather than what is not, with only five papers located in the literature review that examine this potential knowledge (Agrawal, 2006, Day, 2005, Hargadon and Fanelli, 2002, Day et al., 2001, Spires and Donley, 1998). However, as the literature on ba notes, part of the creation of ba involves creating a mutual thought-world between the collaborating groups (Von Krogh et al., 2000), possibly causing a change of schemata and activating potential knowledge, moving the knowledge into the decision making core of the holder's consciousness. This concept is particularly important for the Micro community who, because of limited time, financial and personnel resources are juggling a wide and varied range of knowledge (Devins et al., 2005), which may well result in important knowledge inadvertently being misclassified in the Micro's schemata.

The awareness of the act of knowledge transfer is something that is little discussed within the literature, with the general consensus in the business literature for larger organisations being that it is only knowledge transfer if both sender and receiver are aware of the act of transfer. If both are unaware then it is considered to be diffusion and not transfer. However, in the SME, CoP and entrepreneurial literature, the awareness of the act of transfer is occasionally considered within the realms of experiential or accidental learning, where the participants in the knowledge transfer can be unaware of knowledge transfer occurring. This is also seen in Communication Theory where either sender or recipient or both can be considered to be unaware of the act of transfer depending on the circumstances.

For this research, Knowledge has been defined as something created out of data through the "beliefs and commitment of its holder" (Nonaka et al., 2001, p.13) "that increases an individual's capacity to take effective action" (Alavi and Leidner, 1999, p.5) and make decisions (Kantner, 1999). We define Knowledge Transfer as an intentional activity (Szulanski, 1996) by at least one party in the transfer, and a dynamic process with the balance of tacit and explicit knowledge continually in flux, subject to multiple changes as external and internal factors change (Nonaka et al., 2008, Maaninen-Olsson et al., 2008). This fluid, subjective nature of knowledge better represents the Micro knowledge landscape, where their knowledge requirements are often directed by immediate issues and not long-term strategy (Chen et al., 2006, Devins et al., 2005).

## **1.5 Creative Collaboration and Websites**

Websites are now considered to be fundamental to an organisation's marketing (Sebi, 2013), however website design literature is relatively new with a limited body of research supporting it. The research within the business literature focuses mainly on the functionality of the site after the user has opted to engage with the website and there is no consideration of visual imagery as a communication tool, despite the fact that, within the design literature, communicating through visual imagery is considered a core feature of website design, particularly given that the speed of

initial website selection precludes the use of verbal communication to engage the user (Weinreich et al., 2006, Lindgaard et al., 2006). There are only a few papers on SMEs and Micros and website design within either the design or business literature with the consensus being that most SMEs do not use websites effectively (Küster and Vila, 2011), treating them as a glorified online brochure, rather than as a marketing tool or an opportunity to open and develop an online business relationship with new customers.

There was no literature discovered during the literature review on the process of collaboration between a Micro and a Creative developing a website or any other Creative product, although there is considerable literature on internal and external collaborations within large organisations. The little literature there is on Micros and websites focuses on the tangible product and its effects on the business, ignoring the 'black-box' in the middle that progresses the website from the initial brief to the final outcome.

There was also no literature located on the additional benefits that can accrue from engaging in quality design work, outside of the tangible product, although skills transfer is core to the knowledge transfer literature on collaborative work between different CoP, and behavioural changes or behavioural additionality has recently become a topic of discussion in the research policy literature. Research on collaborative work with Creatives has revealed that the key skills that the Creatives contribute to a collaboration are an almost innate understanding of customer needs and responses (Townley et al., 2009) and a fluency in visual language, to the point it dominates communication in the design community to the detriment of verbal communication (Michlewski, 2008, Lang et al., 2002, Dell'Era et al., 2008, Cross, 1999). What is not identified in this literature is whether this knowledge transfers or remains with the Creative. Instead the focus is on the issues in communication because of the very different thought-worlds of the Creative and the wider business community. Importantly, it was identified that tacit knowledge was prevalent within the Creative Industries and that while Creatives were very aware of this tacit knowledge it could present a barrier to communication and understanding (Townley et al., 2009, Michlewski, 2008, Dell'Era et al., 2008).

## **1.6 Research Methodology**

The aim of this research was to unpack the black-box between input and output that occurs when a Micro works with a Creative company, in order to create a website that is of a higher order than a basic template site. A review of the literature showed that this was at the exploratory end of the research spectrum. Straussian Grounded Theory Method (GTM) was selected as the best fit for the qualitative research given the level of uncertainty identified by the literature review, and that a strong match in ontology to the research and the researcher existed (Strauss, 1987). The focus in GTM is on both theory generation and verification and GTM offered the widest scope to answer the initial research questions (Glaser and Strauss, 1967) of:

- How does an SME or Micro work with a Creative company?
- Why are these particular working methods used?
- What outcomes are there beside a tangible product?

GTM allows the theory to emerge from the data collection process and be grounded through iterations of analysis and comparison (Glaser and Strauss, 1967). However, there are differences in ontology and methodology depending on whether the Glaserian or Straussian position on GTM is adopted. Glaser championed a more intuitive style of data collection and analysis keeping the literature review strictly post-analysis to avoid bias and eschewing the recording of interviews in favour of notes made post-interview (Locke, 2001). Strauss introduced a more rigorous methodology that used a more simple literature review than is traditional, in order to identify significant concepts to direct the research, required the researcher to recognise biases introduced from prior knowledge through memos, and requires recordings to minimise memory bias and allow for more detailed interrogation of the data (Locke, 2001). Straussian GTM, with its more rigorous methodological counters to researcher bias, was identified as being the more appropriate method for tacit knowledge research, given its vulnerability to interpretive bias.

Unlike many other research methodologies, the objectives of the research emerged from the GTM research process to address gaps that emerged as the data collection and analysis progressed, in order to allow the data to direct the research rather than have the analysis forced by the preconceptions of the researcher (Glaser and Strauss, 1967). Where the objectives emerged, along with the evolving research questions and key codes that directed each round of research, are presented in Table 1.1.

Table 1.1 describes how the GTM concept was applied to the current research. It shows how the research started with a research aim of unpacking the black-box between input and output that occurs when a Micro works with a Creative company in order to create a website that is of a higher order than a basic template site, and an open objective of creating a clear overview of the website design process including identifying required inputs and potential outcomes, using three open research questions to direct the start of the Initial Literature Review:

- How does an SME or Micro work with a Creative company?
- Why are these particular working methods used?
- What outcomes are there beside a tangible product?

Table 1.1 then goes on to show how the objectives, research questions and key codes evolved throughout the research process as the theory began to emerge through the data collected, and a stronger understanding of what was occurring when Micros worked with Creatives developed. This evolution led to a final set of objectives for the research:

- To create a clear overview of the website design process including identifying required inputs and potential outcomes.
- To identify what knowledge transferred to the Micros, to identify the mechanisms of knowledge transfer during the website design process.
- To generate theory as to why these mechanisms were used.
- To develop metrics for Visual Language Ability and Customer Knowledge Placement.
- To clearly map changes in the Micros' knowledge landscape between the start and the end of the website design projects.
- To compare the findings from this core research to findings from non-Micro and non-website projects to identify similarities and differences.

Aim of Research: To unpack the black-box between input and output that occurs when a Micro works with a Creative company in order to create a website that is of a higher order than a basic template site.	
<b>Research Start</b>	
Objectives	To create a clear overview of the website design process, including identifying required inputs and potential outcomes.
Research Questions to direct next round of Data Collection and Analysis	How does an SME or Micro work with a Creative company? Why are these particular working methods used? What outcomes are there beside a tangible product?
<b>During Initial Literature Review</b>	
Expanded Research Questions during review	What processes are involved in SMEs or Micros adopting/implementing innovation? Are there identified issues surrounding knowledge transfer that would relate to SMEs or Micros? Are there identified issues for an SME or Micro working with a Creative company? Are there identified issues for inter-disciplinary communication? What outcomes are there beside a tangible product?
Provisional Key Codes	Knowledge Transfer; Thought-Worlds & Communication Effects; Tacit Knowledge; Comprehension; Sticky Knowledge and Absorptive Capacity; Belief and Relationships
<b>Data Collection and Analysis</b>	
Objectives	To create a clear overview of the website design process, including identifying required inputs and potential outcomes. To identify what knowledge transferred to the Micros. To identify the mechanisms of knowledge transfer during the website design process.
Research Questions Round 1	At the start of the project, what do the thought-worlds of the Micros and Creatives look like, in regards to: marketing and customer knowledge base; language and communication style; approach to knowledge acquisition and absorptive capacity? How familiar are the Micros and Creatives with each other's thought-world? To what degree does the Micro value and/or trust the knowledge and skills that the Creatives hold? What are the elements of the design process, particularly points of knowledge transfer? Who leads which elements? What is the relationship between the two collaborators?

	How do the two groups communicate with each other? What knowledge, tacit and explicit, is transferred and to whom? What is the level of understanding? What are the benchmarks being used to identify a successful project?
Key Codes to be Explored in Round 2	Relationship Building; Changes in Thought-World; Knowledge Transfer; Behavioural Changes; Project Outcomes
Additional Objectives for Round 2	To generate theory as to why the identified mechanisms of knowledge transfer were used. To develop metrics for Visual Language Ability and Customer Knowledge Placement.
Research Questions for Round 2	Was the project perceived as successful or not? Did the relationship continue after project conclusion? Were there changes in the relationship? If so, what? Were there changes in the Micros thought-world? If so, what? What knowledge embedded after the project conclusion? What behavioural changes occurred that could be linked to the project? What were the project outcomes outside of the tangible product?
Key Codes to be Explored in Round 3	Longer-Term Changes in Thought-World; Embedded Knowledge; Longer-Term Behavioural Changes; Longer-Term Project Outcomes
Additional Objectives for Round 3	To clearly map changes in the Micros' knowledge landscape between the start and the end of the website design projects.
Research Questions for Round 3	What are the longer-term changes that could be linked to the project? What knowledge has embedded in the longer-term?
Key Codes to be Explored in Round 4	Behavioural Changes: Marketing Strategy; Confidence -External Business Profile; Confidence – Internal Business Profile; Confidence - Understanding Design Process; Confidence – Risk-taking; Networking; Relationships; Valuing Creative Skills; Presentation; Social Media Knowledge Transferred: Marketing; Customer Knowledge; Visual Language
Additional Objectives for Round 4	---
Research Questions for Round 4	What are the longer-term changes that could be linked to the project? What knowledge has embedded in the longer-term? What were the SMEs and Micros explicitly aware they had learnt? What knowledge did the SMEs and Micros demonstrate they had acquired through changes in behaviour and language (unaware of acquisition)? What knowledge were the Creatives aware they had passed on?
Key Codes to be Explored in Round 5	Awareness of Transfer; Creative-Client Relationship
Additional Objectives for Round 5	To compare the findings from this core research to findings from non-Micro and non-website projects to identify similarities and differences.
Research Questions for Round 5	How aware are the Creatives of what knowledge is transferred and when? Can transfer mechanisms be observed? Are these mechanisms intentional? Can the Creatives explain why they use these transfer mechanisms? What is the Creative-client relationship – who drives the projects?

<b>Final Literature Review</b>	
Key Codes to be Explored in Final Literature Review	<p>Knowledge Transfer Process: Relationships; Trust; Placement of Knowledge in Consciousness; Awareness of Transfer</p> <p>Knowledge Transfer Outcomes: Tangible Product (Website); Behavioural Changes: Confidence -External Business Profile; Confidence -Internal Business Profile; Knowledge Transferred: Customer Knowledge; Visual Language</p>
Objectives for Final Literature Review	<p>To bring coding from the research into line with academic terminology. To place the research and identify where the research filled gaps in the literature.</p>
Research Questions to direct Final Literature Review	<p>What literature exists that explains/connects the codes and findings from the research? What gaps does this research fill that are currently evident within knowledge transfer literature, website design literature, entrepreneurial and SME/Micro literature?</p>
Key Codes derived from Final Literature Review	<p>'Building Ba': To explain the phenomenon of how and why the Creatives used a 'familial' relationship and worked to keep the Micros unaware of the knowledge transfers of customer knowledge and visual language, in order to enable effective knowledge transfer without disturbing the Creative-client relationship.</p> <p>'Benevolent Trust': Trust built through friendship rather than recognised ability.</p> <p>'Schemata': How knowledge is selected for decision making, related to placement of knowledge.</p> <p>'Potential Knowledge': Knowledge that exists in Peripheral and Occasional Consciousness, knowledge that could be used in day-to-day decision making but is not.</p> <p>'Automatic Tacit Knowledge': Knowledge evidenced through behaviour but unarticulatable.</p> <p>'Unconscious Tacit Knowledge': Knowledge evidenced through behaviour, only articulatable if deliberately drawn out.</p> <p>'Behavioural Additionality': a re-coding of 'Behavioural Changes' to bring in line with current literature.</p> <p>'Phronesis': the ability to spot opportunities for the common good, in other words opportunities that benefit both business and customer, combined codes from 'Behavioural Additionality' - 'Confidence – external business profile'; 'Presentation'; 'Marketing strategy -customer-oriented' and codes from 'Knowledge Transferred' - 'Customer Knowledge'; 'Marketing'.</p>

**Table 1-1 Emergence and Development of Key Codes, Objectives and Research Questions Throughout the Research Process (author)**

First, it was clear from the initial literature review that there was no clear outline of the Creative-client collaboration process. Therefore, in order to understand the framework and significant factors of the collaboration between SME and Creative, it was important to create a clear overview of the website design process, including identifying required inputs and potential outcomes.

Second, while the initial literature review identified several potential mechanisms of knowledge transfer that related to inter-disciplinary communications in large companies and between Communities of Practice, each requiring different conditions to enable successful transfer, there was nothing located that specifically researched the mechanisms of knowledge transfer between a Creative and their clients. The literature on Creative collaborations focused instead on the input and output of the Creative collaboration, this meant that, in order to fully unpack the black-box of knowledge transfer during the website design process, it was necessary to identify the mechanisms of knowledge transfer and understand the levels of awareness of the transfer.

Third, given the unusual mechanism of Bi-Modal Knowledge Transfer, identified through the research, in order to gain a better understanding of what was occurring during the knowledge transfer process it was required to generate theory as to why these mechanisms were used.

Fourthly, the purpose of knowledge transfer is to effect changes in the knowledge landscape of the recipient, and the initial literature review showed that it was important to understand these changes and measure them to enable an evaluation of the effectiveness of the transfer. To achieve this, in the second and subsequent interviews questions were devised and the data analysed to identify what knowledge transferred to the Micros, and once the significant changes in Visual Language and Customer Knowledge were identified in the later stages of analysis, to develop metrics to clearly map these identified changes in the Micros' knowledge landscape between the start and the end of the website design projects.

Finally, after the analysis was complete and the data considered saturated, in order to see whether there was any potential to expand the local theory of Creative-Micro collaborations on higher-order website design, it was important to compare the findings from this core research to findings from non-Micro and non-website projects to identify similarities and differences.

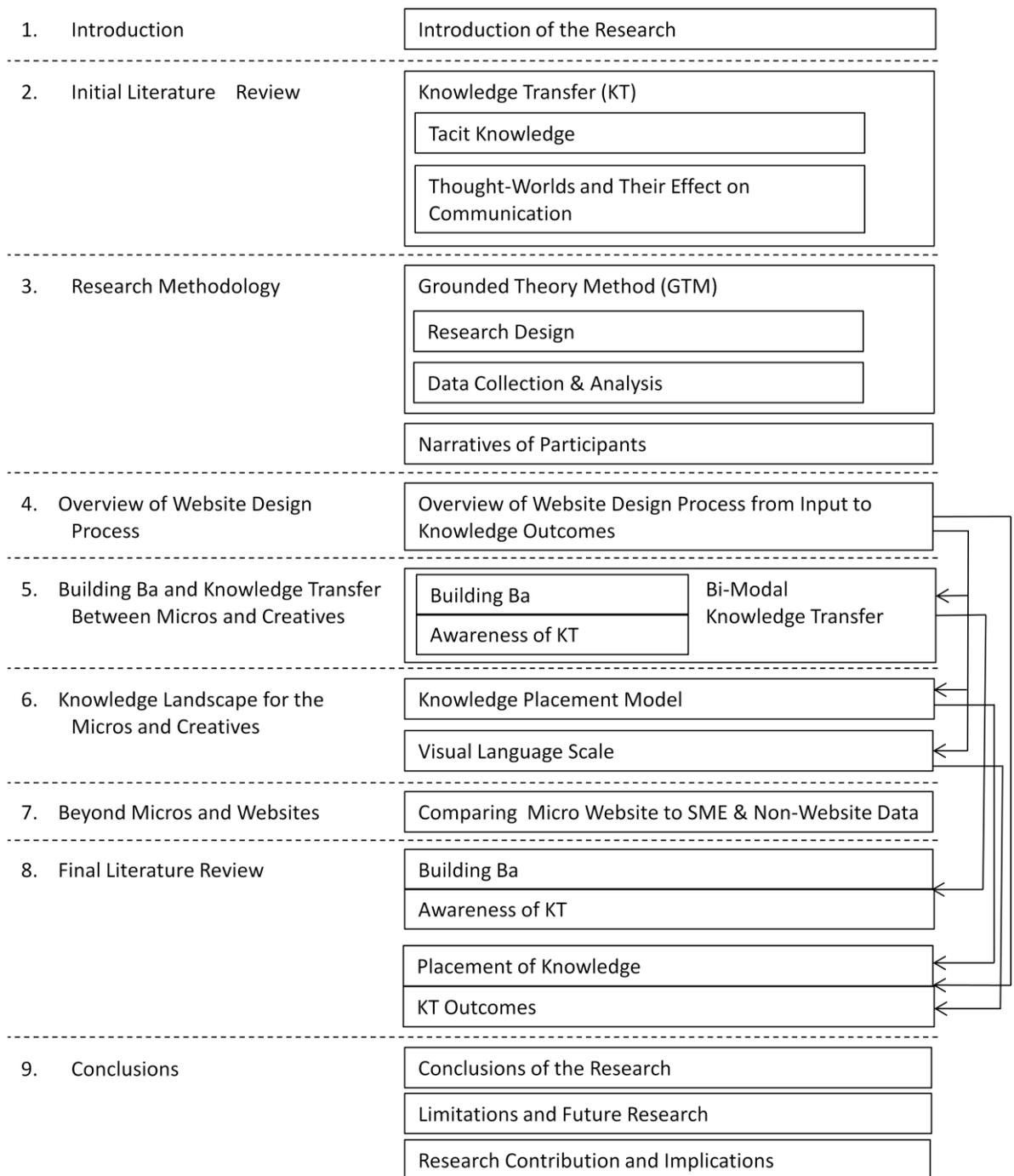
## **1.7 Overview of thesis**

The structure of the thesis is outlined in Figure 1.1.

Chapter 2 covers the initial literature review, particular to Straussian Grounded Theory Method (GTM), conducted at the start of the research process in order to identify key concepts to guide the research. This initial review explores the key concepts of Knowledge Transfer, Tacit Knowledge and Thought-Worlds and their Effect on Communication. These concepts were not explored to the depth that would be expected in a traditional literature review, rather they were used to identify potential directions for the research and to help direct the participant selection process and create the initial interview guide.

Chapter 3 examines the research methodology of Straussian GTM and how it was selected and applied to the research, concluding with a section on the narratives of the participants, identifying

how the participants fit into the case selection process and the backgrounds influencing their thought-worlds.



**Figure 1.1 Chapters and Major Sections of Thesis (author)**

Chapter 4 provides an overview of the overall design process, identifying the input required, the design process and the outcomes – product, knowledge transfer and behavioural additionality. This chapter also provides a clear context for the findings discussed in Chapters 5 and 6.

Chapter 5 examines the knowledge transfer element of the design process, identifying the knowledge transfer mechanisms particular to this process, the new model of Bi-Modal Knowledge

Transfer. It also explores why these mechanisms are used drawing from current theories such as building ba and benevolent trust and relationship building in knowledge transfer.

Chapter 6 examines changes in the Micros' knowledge landscape as an outcome of the website design process. To build a stronger understanding of what was changing in the Micros' knowledge landscape, metrics were developed for the two key areas of change of Customer Knowledge Placement and Visual Language Ability and two models were created and used to map these changes– the Knowledge Placement Model and the Visual Language Scale.

Chapter 7 examines the research findings arising from the non-Micro participants and from participants working in non-website projects to see whether the research could be extended beyond the local conditions of Micros developing websites.

Chapter 8 is the full literature review conducted only after the final data collection and analysis was completed. This resembles the more traditionally understood literature review, although its purpose is to place the research findings within the context of the extant literature rather than to generate hypotheses. The themes explored in this literature review were creating ba, the placement of knowledge within the consciousness, awareness of the act of knowledge transfer and the outcomes expected as a result of collaboration between a Micro and a Creative.

The final chapter, Chapter 9, provides an overview of the research findings, summarising the main themes discussed in the thesis, identifying their contribution to the current body of literature, as well as identifying potential practical applications. The limitations of the research are then discussed and the chapter concludes with a discussion of some potential avenues for further research.

Given the span of literature and disciplines covered in this thesis, and that a number of terms were also generated from the coding process in the research, a glossary of terms is presented as Appendix A.

## **1.8 Conclusions**

This chapter is intended to provide a short guide to the thesis, introducing the aims and objectives of the research, providing the background behind the research and a brief introduction to the three areas of literature this research principally engages with – Micro companies, Knowledge Transfer and Creative Collaboration and Websites. Given this research uses a less traditional methodology, this chapter also provides a brief introduction to Straussian Grounded Theory Method, before concluding with an overview of the thesis.

This chapter shows how the research aim of unpacking the black-box between input and output that occurs when a Micro works with a Creative company in order to create a website that is of a higher order than a basic template site, contributes both to academic and practitioner knowledge. Micros are becoming an increasingly important part of the economy (Devins et al., 2005), the majority lying

at the 'caretaker' end of the entrepreneurial spectrum (Allinson et al., 2000), however, this is not mirrored in academic research, where the focus remains on larger companies and companies with a strong entrepreneurial profile. Understanding how knowledge transfer works within Micros contributes not just to SME literature but also to the extremely active and well-developed field of Knowledge Transfer. Websites are now considered to be fundamental to an organisation's marketing (Sebi, 2013), and understanding the process and outcomes of website creation for Micros contributes new knowledge to the relatively new area of website design literature.

Through the literature overview, this chapter also shows how the final objectives, developed over the research process, were at the exploratory end of research, intended to provide answers that could not be located within current literature - to create a clear overview of the website design process including identifying required inputs and potential outcomes, to identify the mechanisms of knowledge transfer during the website design process, to generate theory as to why these mechanisms were used, to identify what knowledge transferred to the Micros, to develop metrics for Visual Language and Customer Knowledge Placement, to clearly map changes in the Micros' knowledge landscape between the start and the end of the website design projects and finally, to compare the findings from this core research to findings from non-Micro and non-website projects to identify similarities and differences. Meeting these objectives contributed to three key literature areas - Micro companies, Knowledge Transfer and Creative Collaboration and Websites, with a strong focus on the importance of trust and relationships for knowledge transfer and Micros, identifying a new application of 'ba', a term currently used in knowledge creation, which unites themes of trust, relationships and mutual understanding. It also introduced the importance of visual language within website design into the academic conversation on website creation, a conversation that currently focuses on functionality.

The next chapter is the Initial Literature Review, the starting point of the research. As stated earlier, unlike a traditional literature review which uses clear objectives to direct the review, in order to place the research in an academic context and to develop hypotheses, this initial literature review was used as a data collection process in order to identify significant concepts within the literature, using three very open research questions to initialise the research:

- How does an SME or Micro work with a Creative company?
- Why are these particular working methods used?
- What outcomes are there beside a tangible product?

## Chapter 2 - Initial Literature Review

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### 2.1 Introduction

The purpose of this chapter is to describe the initial literature review, which is an essential part of the Straussian Grounded Theory Method (GTM) approach chosen. Unlike other approaches, in Straussian GTM the literature review is split into two parts – an initial literature review which occurs at the start of the research and a final literature review that occurs after data collection and analysis is complete.

For Straussian GTM, the initial literature review is treated as a data collection and analysis process searching for significant concepts relating to the research question under consideration (Strauss, 1987). These concepts are held to be both provisional and conditional and are used only as guidelines to direct the first round of data collection with the participants (Strauss, 1987). Given the target is the identification of concepts and themes, rather than immersion in a literary field, the initial literature review is not as exhaustive as one would expect from other methodologies (Strauss, 1987). This is to help avoid the risk of researcher bias that can occur from complete immersion and allows the concepts to emerge rather than being forced (Strauss, 1987).

The more traditional literature review occurs after the data analysis has concluded (Glaser and Strauss, 1967, Strauss, 1987, Strauss and Corbin, 1998). It is only at this point that the theories generated and grounded through analysis are explored in the context of the extant literature in order to fully place the theories in the context of current peer research (Glaser and Strauss, 1967, Strauss, 1987, Strauss and Corbin, 1998).

Accordingly, the literature review is broken into two chapters. This chapter covers the initial literature review, identifying where the initial provisional and conditional significant concepts emerged from and how they were used to generate the initial themes for the first round of participant data collection. A second chapter (Chapter 8) contains the full literature review conducted after completing the data analysis that places the theories generated in Chapters 4, 5, 6 and 7 in their research area contexts.

As has been noted, this initial review was not exhaustive, but rather provided an overview to enable identification of significant concepts already present in the literature (Strauss, 1987). Unlike more traditional research which begins with a defined set of objectives, in order to allow the data to direct the research, a guiding precept of Grounded Theory Methodology (Glaser and Strauss, 1967), the research began only with the aim of unpacking the black-box between input and output that occurs when an SME or Micro works with a Creative company in order to create a website that is of a higher order than a basic template site. However, in order to provide some direction for this initial round of data collection, three open research questions were identified (Strauss, 1987):

- How does an SME or Micro work with a Creative company?
- Why are these particular working methods used?
- What outcomes are there beside a tangible product?

As the literature review progressed, the first two questions became more refined, evolving into four questions.

- What processes are involved in SMEs or Micros adopting/implementing innovation?
- Are there identified issues surrounding knowledge transfer that would relate to SMEs or Micros?
- Are there identified issues for an SME or Micro working with a Creative Company?
- Are there identified issues for inter-disciplinary communication?

This generated a literature review that spanned multiple areas of research including inter-disciplinary teams, the nature of knowledge, knowledge transfer, tacit knowledge and the characteristics of both SMEs and Micros and Creative companies. This broad spectrum of literature provided a wide base of ideas from which potentially significant concepts could be identified.

The key significant concept was that knowledge transfer provided a unifying link across all the questions. Not only was knowledge transfer identified as core to the collaboration process under research, the literature also identified it as the strongest effect on both the tangible product and the subsidiary outcomes. Knowledge and Knowledge Transfer is a vast field of literature spanning multiple disciplines, but the significant concepts relating to this area were identified as the Nature of Knowledge, Sticky Knowledge and Absorptive Capacity, Belief and Relationships and Comprehension.

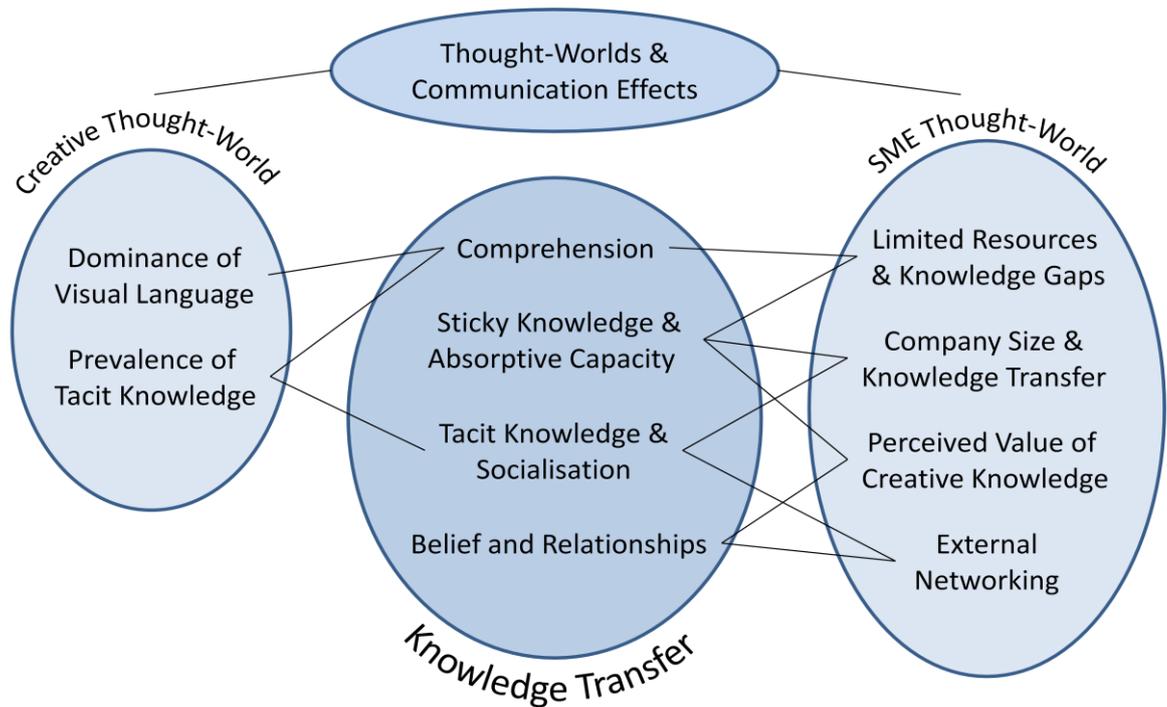
What also became clear from the literature was that Tacit Knowledge was likely to play a significant role in the knowledge transfer between Creatives and SMEs or Micros, both as part of the process and the subsidiary outcomes. The concept emerged that the knowledge transfer under examination might be strongly related to the 'Socialisation' quadrant of Nonaka's SECI Cycle (Nonaka and Takeuchi, 1995), with the knowledge diffusing over time rather than being a conscious act of knowledge transfer (Szulanski, 1996).

When examining the four evolved questions relating to process, the overarching concept from the literature that spanned all four was the existence of communal worldviews - 'thought-worlds' (Dougherty, 1992), how they directed interactions with other groups and how they affected the transfer of knowledge between different groups.

For the SME and Micro, the literature showed that their size and their limited resources had a strong effect on their mutual worldview, creating knowledge gaps in marketing and customer knowledge and distinctive patterns of knowledge transfer and knowledge management in SMEs and Micros. Significant concepts that emerged from the literature include the extensive use by SMEs and Micros

of external networking for knowledge acquisition and the indication that SMEs and Micros may not value Creatives as a source of knowledge.

For the Creative companies, the literature identified a thought-world where tacit knowledge was a fundamental part of their work and their processes, and where the level of awareness of this tacit knowledge was much higher than in the SMEs and Micros. The literature also identified the significant concept of visual language as being the predominant form of communication amongst Creatives.



**Figure 2.1 Connections Between the Significant Concepts Identified in the Initial Literature Review (author)**

The remainder of this chapter is structured around these concepts, with sections on Knowledge Transfer; Tacit Knowledge; and Thought-Worlds and Communication Effects, an overview and then the specific thought-worlds of both the SME or Micro and the Creatives.

## 2.2 Knowledge Transfer

Knowledge Transfer is defined by Szulanski (1996) as being a distinct act, rather than the gradual diffusion that occurs through co-location of differing knowledge bases. The transfer can be an act of acquisition by the receiver, such as Nonaka's (1995) example of learning to knead bread, an act of transmission by the sender, such as a teacher teaching a class or an act of sharing where knowledge is transmitted back and forth between individuals or groups during a collaborative project (Von Krogh et al., 2000).

The initial position of the researcher was that the key outcome of collaboration between an SME or Micro and a Creative company, besides a tangible product, would be transfer of knowledge, either from the SME or Micro to the Creative or from the Creative to the SME or Micro. What was less certain was what information would be transmitted from each group and what and how much information would then convert into knowledge. So the first area of research was knowledge transfer between SMEs or Micros and Creative companies. From this the following four significant concepts were identified.

### **2.2.1 Nature of Knowledge**

As Nonaka et al. (2001) note, in the knowledge transfer literature, the terms 'information' and 'knowledge' are often treated as being synonymous. Nonaka et al. define information as the contextual packets of data being transmitted, and knowledge as something created out of that data through the "beliefs and commitment of its holder" (Nonaka et al., 2001, p.13). Knowledge is the conversion of information into usable decision making potential through the ability to interpret it and the intention of the user (Beijerse, 2000, Morton, 1997). Knowledge is split in the literature into two forms – explicit and tacit (Nonaka and Takeuchi, 1995, Polanyi, 1967).

Polanyi (1958), a philosopher, introduced the concept that knowledge came in two forms – explicit and tacit. Much later, Nonaka and Takeuchi (1995) introduced the concept into a business context in their book on knowledge creation. Explicit knowledge refers to knowledge that we are conscious of and can easily articulate (Polanyi, 1958), and is linked in the Knowledge Transfer literature to systems and hard data, and can exist either personally or communally within an organisation (Beijerse, 2000). Tacit knowledge is personal, defined by Polanyi (1967) as knowledge that is often unconscious and difficult to articulate, working with explicit knowledge to create a fully defined whole. It is seen in the Knowledge Transfer literature as being people-based and difficult to formalise (Nonaka and Takeuchi, 1995, Beijerse, 2000). Tacit knowledge is explored in greater detail in Section 2.3 below.

### **2.2.2 Sticky Knowledge and Absorptive Capacity**

Stickiness is the difficulty of transferring knowledge from one group to another (Szulanski, 1996) and absorptive capacity is "an ability to recognize the value of new information, assimilate it, and apply it to commercial ends" (Cohen and Levinthal, 1990, p.128). Without this capacity the knowledge becomes redundant and will not embed within the recipient (Cohen and Levinthal, 1990, Gray, 2006).

"The three most important origins of stickiness are the lack of absorptive capacity of the recipient, causal ambiguity, and an arduous relationship between the source and the recipient." (Szulanski, 1996, p.36)

Absorptive capacity is based on the prior knowledge of the organisation or individual and the ability to understand and recognise the potential of incoming information that is presented to them (Cohen and Levinthal, 1990, Gray, 2006). Barriers to this absorption include differences in language, coding

schemes and belief systems between specialised groups (Cohen and Levinthal, 1990, Szulanski, 1996, Gray, 2006). Absorptive capacity also becomes part of the culture for an organisation - where a company is open to knowledge acquisition, the intention and ability grow over time, while for a company which is not, they lose the ability to spot new opportunities and become permanently trapped in outdated thinking (Cohen and Levinthal, 1990, Gray, 2006).

Causal ambiguity refers to the difficulty of the sender to fully express their knowledge, often due to the existence of tacit knowledge (Section 2.3) which can result in an incomplete transfer (Szulanski, 1996). An arduous relationship refers to the difficulties of two groups in engaging with one another, either through scarcity of meetings, differing languages or conflicting worldviews (Szulanski, 1996).

### **2.2.3 Belief and Relationships**

As Szulanski (1996) recognises, if the sender or source of the knowledge is seen as unreliable or untrustworthy, then the recipient is likely to ignore or resist any attempt at transfer from that source. Beliefs are based on both rational and irrational information (Morton, 1997) and both explicit and tacit knowledge (Polanyi, 1958, Polanyi, 1967). People's belief systems are based on 'routines of thinking' that have proven to work well for them over time, even though they may possess many factual errors and false connections (Morton, 1997). These routines are embedded within tacit knowledge and affect all decision making (Polanyi, 1958, Polanyi, 1967) and how a person views and interprets the world – their worldview (Morton, 1997). However, with new evidence and new experience, these routines can change over time, where the recipient is willing to allow this (Morton, 1997). The belief that information received has a value and is incorporated as knowledge is based on the receiver's trust of the sender's reliability for this type of information (Morton, 1997, Cohen and Levinthal, 1990, Szulanski, 1996, Polanyi, 1967).

This belief and trust can be strengthened over time by improving the relationship between recipient and sender and developing a mutual worldview - a thought-world, which in turn makes knowledge transfer easier (Szulanski, 1996, Dougherty, 1992).

### **2.2.4 Comprehension**

Mercer (2000) in his book on the nature of communication identified that, for transfer of knowledge to take place, "a shared communicative space" (Mercer, 2000, p.141) must be created. This involves creating or sharing a mutual language. Language is closely related to the belief system. As language develops it affects the worldview of the person and the individual's worldview also helps to direct and develop their language (Mercer, 2000). The natural tendency is for people to believe that the person they are communicating with speaks the same language that they do and so neither look for, nor adapt for, discrepancies, and interpret everything through their own personal language filter (Mercer, 2000). A mutual language is key to effective knowledge transfer (Cohen and Levinthal, 1990), as the recipient needs to understand what the sender is attempting to communicate or the

intended knowledge transfer will be blocked or distorted (Morton, 1997, Mercer, 2000, Cohen and Levinthal, 1990, Polanyi and Prosch, 1975).

These concepts are explored further in Sections 2.4, 2.5 and 2.6.

## **2.3 Tacit Knowledge**

“The skill of a driver cannot be replaced by a thorough schooling in the theory of the motor car.” (Polanyi, 1967, p.20)

Polanyi (1958) introduced the concept that our awareness operates on two levels, “focal” (conscious perception) which is on the action itself, such as throwing a ball and “subsidiary” – the sensorial input and automatic responses to that input. These two are mutually exclusive, if you focus on the subsidiary, then the action becomes muddled and confused. It is this “subsidiary awareness” that is referred to as “tacit” (Polanyi, 1958). Tacit knowledge is usually evidenced by the action or the response generated by the knowledge, rather than explicit articulation of the knowledge itself (Polanyi, 1967). An example Polanyi and Prosch give in their book on meaning (1975) is that of someone pointing to a landmark. We observe the landmark and are consciously aware of it, but unconsciously we are directed to that landmark by the pointing finger. We become aware of the finger only if someone directs our attention to it. Tacit knowledge is like that pointing finger, directing our conscious actions and decisions through unconscious prompts.

In his book on Tacit Knowledge (1967) Polanyi breaks down tacit knowledge further into functional, phenomenal and semantic. Functional relates to physical activities such as throwing a ball and has little relevance to this research, but phenomenal and semantic both feature strongly within design (Tan and Melles, 2010, Townley et al., 2009). Phenomenal relates to the fact that we see much more than we are aware of seeing and respond to the whole not just the part we are conscious of, such as registering someone as dishonest because of eye movement (Polanyi, 1967). Semantic relates to symbols and is linked to our belief system – blue may mean calm and peaceful or businesslike, or childish or cold or something else entirely, depending on the worldview of the observer (Polanyi, 1967).

### **2.3.1 The Role of Tacit Knowledge in Knowledge Transfer**

The literature on tacit knowledge introduced the concepts that tacit and explicit knowledge are intertwined, and that, while explicit knowledge can exist on its own, for it to embed in the consciousness, it must form a complementary part of one whole with tacit knowledge (Swart and Pye, 2002, Polanyi, 1967). However, tacit knowledge is also seen as a major cause of sticky knowledge (Szulanski et al., 2004). This is because of the difficulty of articulating and formalising tacit knowledge (Polanyi, 1967, Nonaka and Takeuchi, 1995, Szulanski, 1996). The possessor is often unaware of their own tacit knowledge, or, if they are aware, they are often unable to put it into words: “We know more than we can tell” (Polanyi, 1967, p.4).

Despite this association with sticky knowledge, tacit knowledge, when it does transfer, can cause deeper and more permanent changes to the worldview it enters than explicit knowledge (Polanyi, 1958, 1967, Polanyi and Prosch, 1975, Nonaka and Takeuchi, 1995, Von Krogh et al., 2000).

Tacit transfer or 'transference of indwelling' (Polanyi, 1967) is possible, but occurs over time through ongoing relationships (Polanyi, 1958, Szulanski, 1996), and happens only if there is a deliberate intent of acquisition, not for the knowledge itself, which may not be seen or recognised, but for the perceived skill that the knowledge enables (Polanyi, 1958) and understanding - both tacit and explicit - of what has been transferred (Cohen and Levinthal, 1990). If there are to be long-term outlook and behavioural changes within the SME or Micro, there must be some form of embedding for the knowledge transfer which will occur over time (Polanyi, 1967).

### **2.3.2 Socialisation in the SECI cycle**

In their book on Knowledge Creation, Nonaka and Takeuchi (1995) introduced the model of the SECI knowledge spiral. They posited that there were four stages of knowledge conversion that occur continuously in a 'knowledge spiral'. These stages are Socialisation (Tacit Knowledge to Tacit Knowledge) – transferring tacit knowledge from one person to another, more akin to Szulanski's (1996) 'diffusion' than knowledge transfer, Externalisation (Tacit Knowledge to Explicit Knowledge), Combination (Explicit Knowledge to Explicit Knowledge) and Internalisation (Explicit Knowledge to Tacit Knowledge).

It is the Socialisation Quadrant that is of interest to this research. Transfer through ongoing relationships lies within the Socialisation quadrant in the SECI model (Mercer, 2000, Von Krogh et al., 2000). Given the high level of tacit knowledge in collaborations with Creative companies identified in the literature (Section 2.6.1) and the predominance of diffusion and accidental acquisition amongst SMEs and Micros (Section 2.5.2) there is a strong possibility that knowledge will transfer in this quadrant rather than in the Externalisation quadrant. The literature indicates that knowledge will be transferred by diffusion rather than an explicit act of Knowledge Transfer.

## **2.4 Thought-Worlds and their Effect on Communication**

"Once formed, professional groups develop not only different knowledge bases, but also different codes for constructing meaningful interpretations of persons, events and objects commonly encountered in their professional world." (Michlewski, 2008, p.374)

Tacit knowledge is particularly vulnerable to the effects of this personal interpretation, given subjective perceptions are in the nature of all tacit transfer and affect what is understood by both the sender and the recipient (Polanyi and Prosch, 1975). To achieve completeness and comprehension in knowledge transfer, there needs to be mutual understanding between the sender and the receiver (Cohen and Levinthal, 1990) and awareness of the need to share knowledge (Cohen

and Levinthal, 1990, Szulanski, 1996). This is highly dependent on the worldview of the sender and receiver (Szulanski, 1996).

From the interpretivist perspective, it has long been established that each individual has their own worldview (Bryman, 2004). Research into teams has shown that groups that work together over a length of time or are subject to similar experiences develop a mutual worldview – a thought-world (Michlewski, 2008, Dougherty, 1992). This thought-world is created from the building of a mutual ‘fund of knowledge’ and ‘systems of meaning’ (Dougherty, 1992, p.182), along with their own language and communication styles. Thought-worlds perceive and interpret reality through their shared understanding, so while communication and knowledge transfer within the group improves, transfer to other groups becomes more difficult (Michlewski, 2008, Dougherty, 1992). The literature contained the significant concept that the profile of the thought-worlds of different groups appeared to be the major influence on the interaction between them (Michlewski, 2008, Dougherty, 1992, Nonaka and Takeuchi, 1995, Polanyi, 1958) - what information is shared, what shared meanings exist and therefore, what level of knowledge is transferred between the two groups (Cohen and Levinthal, 1990, Leinonen and Bluemink, 2008). What also needed to be taken into consideration was that different groups speak different languages:

“Different vocabularies for the interpretation of things divide men into groups which cannot understand each other’s way of seeing things and of acting upon them. For different idioms determine different patterns of possible emotions and actions.” (Polanyi, 1958, p.112)

It also emerged through the literature that the awareness of difference may not exist within the groups. A significant concept identified through the literature was the idea of an ‘assumption of commonality’ that exists, in some degree, in all people – the belief that the person you are talking to belongs to your thought-world, so knows what you know and understands in the way that you understand (Leinonen and Bluemink, 2008, Jost et al., 1998, Polanyi, 1958). This can lead to crucial information being inadvertently omitted and false assumptions of the level of understanding of incoming knowledge (Von Krogh et al., 2000, Leinonen and Bluemink, 2008, Szulanski, 1996, Jost et al., 1998). The level of this assumption differs among individuals – “assessment tendency”, “high assessors” being more empathetic than “low assessors” (Leinonen and Bluemink, 2008). From the literature, the general consensus was that SMEs and Micros were predominantly ‘low assessors’ and that Creatives were predominantly ‘high assessors’.

## **2.5 Thought-World of the Non-Creative SME or Micro**

The literature suggests that the size of the organisation and the often limited resources available create distinct characteristics (Krake, 2005, McAdam et al., 2007, Freel, 1999, Sparrow, 2001).

### **2.5.1 Limited Resources Result in Knowledge Gaps in Marketing and Customer Knowledge**

Marketing knowledge and customer knowledge are often seen as being identical in marketing literature. After all, marketing knowledge is all about the skills to sell a product to a targeted customer demographic. In design literature, however, customer knowledge is much more personal than a demographic profile (Townley et al., 2009), it is an understanding of their thought-world, their social needs and the experiential promises that delight them (Michlewski, 2008).

Poor human and financial resources mean it is not always possible for SMEs or Micros to retain highly skilled personnel within the company (McAdam et al., 2007). The skills shortage caused by this is particularly prevalent in marketing (McAdam et al., 2007, Michlewski, 2008, Freel, 1999, Gray, 2006, Banks et al., 2002, Chen et al., 2006, Krake, 2005). The literature also suggests that SMEs have a poor awareness of their customers and their customers' requirements (Freel, 1999, Chen et al., 2006).

"Nearly half of SMEs (41 percent) have made costly errors or mistakes in the last five years because of inadequate knowledge about customers, and 37 percent of SMEs have repeated the same errors or mistakes." (Chen et al., 2006, p.16)

This identified gap generated the concept that transfer of both marketing skills and customer knowledge were a potential intangible outcome of the collaboration process given the Creatives' possession of these skills (Section 2.6).

### **2.5.2 The Effect of Size on Knowledge Transfer and Knowledge Management in SMEs and Micros**

There is a consistency of thought amongst the papers reviewed that suggests the size of the company has a direct effect on Knowledge Transfer and Knowledge Management (Chen et al., 2006, DeSouza and Awazu, 2006). Knowledge Transfer and Knowledge Management for SMEs, Micros and Creative companies are very different to those for large organisations (Chen et al., 2006, Sparrow, 2001, DeSouza and Awazu, 2006). The size of SMEs and Micros means there are short communication lines, high flexibility and a high management influence (Chen et al., 2006, McAdam et al., 2007, Gray, 2006, Cohen and Levinthal, 1990). Their size often leads to a lack of formal business strategy, which in turn can affect their absorptive capacity as knowledge is not always collected with an intent to apply it (Gray, 2006).

The lack of human resources could also create a culture of multi-tasking, where employees share and swap roles, leading to a high level of Common Knowledge within the SME or Micro (DeSouza and Awazu, 2006, Choueke and Armstrong, 1998, McAdam et al., 2007), shortening communication lines and causing an extremely dominant 'S' (Socialisation) on Nonaka & Takeuchi's (1995) SECI cycle (DeSouza and Awazu, 2006). This led to the concept that not only is this form of transfer the most comfortable for SMEs and Micros when working with others outside of their group as well as within the SME or Micro but that knowledge is diffused in SME and Micro collaborations rather than acquired through a deliberate act of knowledge transfer.

Another low awareness that the literature indicated might derive from the closeness of the social grouping of an SME, and in particular Micros, was that others may not belong to their thought-world, as they are seen by the literature as having a high assumption of commonality (Leinonen and Bluemink, 2008, Jost et al., 1998, Polanyi, 1958). If this was the case, then it meant that SMEs and Micros would neither send nor receive knowledge effectively (Szulanski, 1997), as they would not recognise the need to provide knowledge to the Creatives or recognise the potential for misinterpretation of the knowledge the Creatives may try to transfer to them (Leinonen and Bluemink, 2008, Jost et al., 1998, Polanyi, 1958).

### **2.5.3 External Networking as Key Source of Knowledge Acquisition**

Chen et al. (2006) assert that the acquisition of external knowledge is key to SMEs and Micros, unlike large organisations where nurturing of internal knowledge is the focus. This concept was reinforced when SMEs' and Micros' learning habits were examined through the literature. Due to limited time resources within an SME or Micro, learning was often a by-product of doing something new rather than a deliberate intent of acquisition (Devins et al., 2005, McAdam et al., 2007), often occurring through external knowledge transfers such as networking and outsourcing (Chen et al., 2006, Beijerse, 2000, Devins et al., 2005, Sparrow, 2001). This unintentional acquisition of information from external sources was seen in the literature as being highly important to an SME's or Micro's development, becoming more important the smaller the company is (Chen et al., 2006, Beijerse, 2000, Devins et al., 2005, Sparrow, 2001) (see Figure 2.1). This learning behaviour identified through the literature reinforced the concept that skills such as marketing and customer knowledge were likely to be transferred during the collaboration process. What was less certain was whether this knowledge would embed, as the SMEs' and Micros' lack of strategy in knowledge acquisition runs counter to the requirements for absorptive capacity (Gray, 2006, Cohen and Levinthal, 1990).



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**Figure 2.2 Knowledge Acquisition in the Micro Business World (Devins et al., 2005, p. 544)**

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#### **2.5.4 Perceived Value of Creative Knowledge**

As was seen in Section 2.3.2, tacit knowledge embeds over time and this embedding requires an intent of acquisition (Polanyi, 1967, Cohen and Levinthal, 1990, Gray, 2006). This intent can either be conscious – a component of knowledge transfer, or unconscious – where knowledge has transferred through diffusion. This intent is based on an assessment of the value of the knowledge, an assessment the recipient may have no awareness of (Morton, 1997, Polanyi, 1958, Szulanski, 1996). If the Creative is not trusted to be a reliable source of marketing or customer knowledge, or if the marketing or customer knowledge has no perceived value to the SME or Micro, no real absorption of knowledge can occur (Beijerse, 2000, Polanyi and Prosch, 1975, Cohen and Levinthal, 1990).

The literature suggested that the SMEs' and Micros' perception of the Creatives, as a group, was that they were unpredictable, eccentric, non-conformist and difficult (Townley et al., 2009, Banks et al., 2002, Rickards, 1999). If this was the case, then it was unlikely that the SMEs or Micros would recognise the considerable strategic planning the Creatives use to create the final product (Sunley, 2008) and so would make no attempt to acquire this strategic knowledge for their own use.

In addition to a potential poor perception of Creatives as a group, the literature suggested that the SMEs' and Micros' commercial culture of identifying benchmarks of success with the final outcome places the value of a Creative Company almost entirely in the functional and technical aspects of the final tangible product (Sunley, 2008, Townley et al., 2009, Eikhof and Haunschild, 2007), neglecting the aesthetic, symbolic, cultural and intellectual capital elements (Townley et al. 2009; Banks et al., 2002). If these characteristics applied in this research then it was unlikely that the SMEs or Micros would see the Creatives as a potential source of any knowledge and so would not place any value on any knowledge that the Creatives could transfer. If this were so, this would limit the potential long-term changes possible from the collaboration (Szulanski, 1996, Polanyi, 1958).

Identifying an explicit marker for how the SMEs and Micros may tacitly value their Creative companies was derived from Governmental Policy documents. These relate the value of a Creative Company to the Intellectual Property (IP) it produces (DCMS, 2001, DTI, 2005). The Department for Culture, Media and Sport (DCMS, 2001, p.5) defines the creative industries as:

“...those industries which have their origin in individual creativity, skill and talent which have a potential for job and wealth creation through the generation and exploitation of intellectual property.”

Using this concept, how SMEs and Micros valued Creative companies would be linked to how they valued and protected intellectual property, as, it was surmised, this would demonstrate that they were able to look beyond the tangible product and recognise the Intellectual Capital within the Creative product.

## **2.6 Thought-World of Creative Companies**

While the profiles of the SMEs and Micros and the Creatives are superficially similar given that the majority of Creative companies classify as 'SME' (BDI and UKTI, 2008), this is not the whole picture. Certainly size affects their thought-world and the Creatives share other SMEs' reliance on outside networking to source new knowledge (Townley et al., 2009, Sutton and Hargadon, 1996, Scott, 1999), as well as a strong fund of Common Knowledge and tendency to rely on diffusion rather than active Knowledge Transfer within their organisations (Townley et al., 2009). However in two areas both strongly linked to knowledge transfer, the Creatives' thought-world differs strongly from other SMEs or Micros. Firstly, tacit knowledge, rather than being a subsidiary element of their work, is dominant, and the Creatives' awareness of this tacit knowledge appears much higher than that of non-creative companies. Secondly, the language used amongst designers is predominantly visually based rather than verbally based.

### **2.6.1 Prevalence and Awareness of Tacit Knowledge**

The primary difference was in the Creative's product or service offering. Unlike non-creative SMEs and Micros, whose thought-world is usually centred around a tangible explicit product or service, the Creative company's thought-world is centred around products that exist mainly in the realm of the tacit where "their meaning and significance (is) determined by the consumer's coding and decoding of value" (Townley et al., 2009, p.941). Production occurs mainly through tacit understanding and intuition (Cross, 1999). This suggests that the relationship of the Creative companies with tacit knowledge appears to differ significantly from that of non-creative SMEs and Micros. Fluent in symbology (Tan and Melles, 2010), proficient designers understand that the same symbol can carry different meanings to different people (Polanyi and Prosch, 1975) and understand those meanings explicitly as well as tacitly (Tan and Melles, 2010). While the Creative company explicitly targets these symbols at a specific audience, using an in-depth, almost innate knowledge of customer requirements to market their proposition (Townley et al., 2009, Michlewski, 2008, Dell'Era et al., 2008) it is unlikely that their non-creative client, or the intended audience, has the Creatives' level of awareness of the customers' thought-world (DeSouza and Awazu, 2006, Nonaka and Takeuchi, 1995, Von Krogh et al., 2000, Polanyi and Prosch, 1975). The SMEs and Micros, as low assessors (Section 2.5.2), may well be unable to identify symbols or to make any explicit connection between the images they are seeing and the, often tacit, response they are experiencing (Polanyi and Prosch, 1975). The concept generated from this was, if the SME's or Micro's assumption of commonality is high, particularly if they are also low assessors, then they are likely to select a creative product that generates the intended response within themselves rather than in their customers and the final product is unlikely to succeed.

The same barrier was expected to apply to their marketing and customer knowledge. As noted above, the literature referred to this knowledge as 'innate' within the Creatives and absent or poor

within the SMEs and Micros (Section 2.5.1). This suggested that while the Creatives might be able to intuitively identify and communicate with the SMEs' and Micros' customers, they would not be able to make this knowledge explicit and pass it on to the SMEs or Micros.

### **2.6.2 Dominance of Visual Language**

The literature also highlights the dominance of visual language amongst designers (Michlewski, 2008, Lang et al., 2002, Dell'Era et al., 2008, Cross, 1999), which has a high tacit element, widely open to interpretation by the individual (Polanyi, 1967). In non-creative SMEs and Micros, the more explicit verbal and numerical languages were expected to be dominant (Townley et al., 2009, Dell'Era et al., 2008). Michlewski's (2008) research identifies how important visuals are for Creatives, not only for communicating amongst themselves but in communicating to their clients. While it is clear that the client understands something from the visuals and experiences a tacit response (Polanyi, 1967, Polanyi and Prosch, 1975), what is understood and the depth of understanding is highly dependent on the interpretive 'talent' of the observer (Polanyi, 1967, Polanyi and Prosch, 1975).

The concept emerging from this was that communication would be poor between the groups, as they would be conversing in two different languages. While the literature showed that some Creative companies recognised this dissonance in communication, employing Project Managers as 'boundary spanners' (Cohen and Levinthal, 1990, Townley et al., 2009), to deal with client relations, leaving the designers to focus purely on creative work (Townley et al., 2009), it was not certain whether this was standard practice or whether in smaller companies the designers communicated directly with the clients. If so, there was nothing in the literature to suggest that the Creatives themselves recognised that their clients were unaware of visual language. Thus the original concept was that the Creatives would do nothing to rectify this situation, even if they had the ability to do so, which, given the predominance of tacit knowledge in their work, was not expected.

## **2.7 Potentially Significant Concepts from Initial Literature Review**

The key significant concept was that knowledge transfer provided a unifying link across all the questions. Not only was knowledge transfer identified as core to the collaboration process under research, the literature also identified it as the strongest effect on both the tangible product and the subsidiary outcomes. Knowledge and Knowledge Transfer is a vast field of literature spanning multiple disciplines but the significant concepts relating to this area were identified as the Nature of Knowledge, Sticky Knowledge and Absorptive Capacity, Belief and Relationships and Comprehension.

What also became clear from the literature was that Tacit Knowledge was likely to play a significant role in the knowledge transfer between Creatives and SMEs or Micros, both as part of the process and the subsidiary outcomes and the concept emerged that the knowledge transfer under examination might be strongly related to the 'Socialisation' quadrant of Nonaka's SECI Cycle (Nonaka

and Takeuchi, 1995), with the knowledge diffusing over time rather than being a conscious act of knowledge transfer (Szulanski, 1996).

When examining the four evolved questions relating to process, the overarching concept from the literature that spanned all four was the existence of communal worldviews -thought-worlds (Dougherty, 1992), how they directed interactions with other groups and how they affected the transfer of knowledge between different groups.

For the SMEs and Micros, the literature showed that their size and their limited resources had a strong effect on their mutual worldview, creating knowledge gaps in marketing and customer knowledge and distinctive patterns of knowledge transfer and knowledge management in SMEs and Micros. The literature also showed that these effects grew stronger the smaller the company became. Significant concepts that emerged from the literature include the extensive use by SMEs, and particularly Micros, of external networking for knowledge acquisition and the indication that SMEs and Micros may not value Creatives as a source of knowledge.

For the Creative companies, the literature identified a thought-world where tacit knowledge was a fundamental part of their work and their processes, and where the level of awareness of this tacit knowledge was much higher than in the SMEs and Micros. The literature also identified the significant concept of visual language as being the predominant form of communication amongst Creatives.

From the literature, it was induced that the collaboration process under research has the potential to affect and change the SME or Micro thought-world permanently - both in outlook and behaviours - promoting higher market and customer awareness and better marketing skills.

The similarities between the two thought-worlds in size, high Socialisation (tacit knowledge), high Common Knowledge, and a need for external knowledge should assist transfer. The differences in language, as well as the dominance of tacit knowledge in the Creatives' thought-world were considered to be likely to hinder transfer.

These concepts led to a further development of the research questions:

- At the start of the project, what do the thought-worlds of the Micros and Creatives look like, in regards to: marketing and customer knowledge base; language and communication style; approach to knowledge acquisition and absorptive capacity?
- How familiar are the Micros and Creatives with each other's thought-world?
- To what degree does the Micro value and/or trust the knowledge and skills that the Creatives hold?
- What are the elements of the design process, particularly points of knowledge transfer? Who leads which elements?

- How do the two groups communicate with each other? What knowledge, tacit and explicit, is transferred and to whom? What is the level of understanding? What is the relationship between the two collaborators?
- What are the benchmarks being used to identify a successful project?

Exploring these research questions, particularly given the high level of tacit knowledge and intangible elements identified in the literature, required the identification of explicit, tangible themes that could be researched and linked back to the tacit and intangible. These were:

- **The background of the each partner (internal and external knowledge and networking):** This related to the thought-world of each company. It also related to the level of knowledge already within the company, particularly in their previous experience of designers, as well as exploring their absorptive capacity.
- **The business strategies employed by the SME or Micro:** This related both to the participants' marketing skills and to their approach to knowledge acquisition, particularly their networking strategies, as well as the value they placed on marketing and design. It also explored their absorptive capacity.
- **Interaction of the two thought-worlds:** This was to explore if levels of understanding differed between the two partners, and differences between their thought-worlds. It also helped provide a picture of the relationship between the partners.
- **The process of working with a Creative Company:** To answer not only about the process but to establish points at which knowledge transfer could occur. It also helped provide a picture of the relationship between the partners.
- **Communication; type, frequency and effectiveness:** To establish how the thought-worlds communicated with each other and the level of comprehension. It also helped provide a picture of the relationship between the partners and looked at elements of sticky knowledge.
- **How each thought-world sees and values the Creative Product, including each partner's approach and attitudes to innovation and creativity:** This examined the belief systems of the participants and whether they would lead to sticky knowledge through lack of trust in the sender. It also helped provide a picture of the relationship between the partners.
- **Each partner's approach and attitude to Intellectual Property (IP):** This related to the value placed by the participants on the intangible elements of the Creative product and, it was hoped, would provide a picture of the level of value that the SMEs or Micros placed on the knowledge sourced from the Creatives.

These themes were then used to lead the first round of data collection from the participants.

## 2.8 Conclusions

This chapter has described the initial literature review which is required before starting a Straussian GTM project. Unlike more traditional research which begins with a defined set of objectives, in order to allow the data to direct the research, a guiding precept of Grounded Theory Methodology (Glaser and Strauss, 1967), the review began only with the aim of unpacking the black-box between input and output that occurs when an SME or Micro works with a Creative company in order to create a website that is of a higher order than a basic template site, using three open research questions to provide some direction for this initial round of data collection (Strauss, 1987):

- How does an SME or Micro work with a Creative company?
- Why are these particular working methods used?
- What outcomes are there beside a tangible product?

As the literature review progressed, the first two questions became more refined, evolving into four questions.

- What processes are involved in SMEs or Micros adopting/implementing innovation?
- Are there identified issues surrounding knowledge transfer that would relate to SMEs or Micros?
- Are there identified issues for an SME or Micro working with a Creative Company?
- Are there identified issues for inter-disciplinary communication?

This generated a literature review that spanned multiple areas of research including the nature of knowledge, knowledge transfer, tacit knowledge, and inter-disciplinary teams - to explore thought-worlds and their effect on communication, and the thought-worlds of both SMEs and Micros and Creative companies. Three main significant concepts were identified – the first and key one being that knowledge transfer provided a unifying link across all the questions, the second being that the thought-world of each group was a major factor in the communication process and knowledge transfer outcomes and the third being that tacit knowledge and the transfer of tacit knowledge was likely to play a prominent part in knowledge transfer between SMEs or Micros and Creative companies. Not only was knowledge transfer identified as core to the collaboration process under research, the literature also identified it as the strongest effect on both the tangible product and the subsidiary outcomes. Knowledge and Knowledge Transfer is a vast field of literature spanning multiple disciplines. The significant concepts relating to this area were identified as the Nature of Knowledge, Sticky Knowledge and Absorptive Capacity, Belief and Relationships and Comprehension (Section 2.2). Tacit Knowledge (Section 2.3) and Thought-Worlds (Sections 2.4, 2.5, 2.6) were also identified as core concepts of this research.

For the SME and Micro, the literature showed that their size and their limited resources had a strong effect on their thought-world, creating knowledge gaps in marketing and customer knowledge and

distinctive patterns of knowledge transfer and knowledge management in SMEs and Micros. Significant concepts that emerged from the literature include the extensive use by SMEs and Micros of external networking for knowledge acquisition and the indication that SMEs and Micros may not value Creatives as a source of knowledge (Section 2.5).

For the Creative companies, the literature identified a thought-world where tacit knowledge was a fundamental part of their work and their processes, and where the level of awareness of this tacit knowledge was much higher than in the SMEs and Micros. The literature also identified the significant concept of visual language as being the predominant form of communication amongst Creatives (Section 2.6).

These concepts, summarised in Section 2.7, were then used to provide direction for designing the first round of case study data collection through these developed research questions:

- At the start of the project, what do the thought-worlds of the Micros and Creatives look like, in regards to: marketing and customer knowledge base; language and communication style; approach to knowledge acquisition and absorptive capacity?
- How familiar are the Micros and Creatives with each other's thought-world?
- To what degree does the Micro value and/or trust the knowledge and skills that the Creatives hold?
- What are the elements of the design process, particularly points of knowledge transfer? Who leads which elements?
- How do the two groups communicate with each other? What knowledge, tacit and explicit, is transferred and to whom? What is the level of understanding? What is the relationship between the two collaborators?
- What are the benchmarks being used to identify a successful project?

Given the high level of tacit knowledge and intangible elements identified in the literature, it was necessary to identify themes (outlined in Section 2.7) that would allow the participants to provide an explicit, tangible response that could be analysed and linked back to the tacit and intangible concepts that were identified through this initial literature review.

The next chapter, Methodology, provides a much more detailed explanation of how this review formed the foundation of the data collection process, as well as placing how the initial literature review fits within the methodology as a whole. It introduces Straussian GTM before progressing through the case study data collection and analysis of the research.

## Chapter 3 - Research Methodology

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### 3.1 Introduction

The nature and purpose of research methods is to provide a toolbox for the researcher, to assist them in defining and building a research question, exploring it and interpreting and explaining the findings (Bryman and Bell, 2011, Lee and Lings, 2008). Before the research can begin, it is important to identify and select the tools that are most relevant for the intended work (Bryman and Bell, 2011, Lee and Lings, 2008). These will be defined by the underlying ontology, by the selected research question and by the stage of the research – observation, interpretation or explanation (Edmondson and McManus, 2007, Locke and Golden-Biddle, 1997).

This chapter provides the methodological background behind the research, beginning with why Straussian Grounded Theory Method (GTM) was selected as being the most appropriate methodology for this research. GTM is then explained, particularly the key ontological differences between the two creators of GTM, Glaser and Strauss, and the significant differences between GTM and other research methodologies. This chapter then goes on to describe how Straussian GTM was used in this research, explaining in detail the data collection and analysis process and providing examples of how coding progressed and developed throughout the collection and analysis process. The chapter concludes with brief narratives on the participants in order to provide a clearer context for the results which are presented in Chapters 4-7.

### 3.2 Selection of Methodology

“The key to good research lies not in choosing the right method, but rather in asking the right question and picking the most powerful method for answering that particular question” (Bouchard, 1976, p.402).

This is not the consensus view of the whole business research community, where the established view is that methodologies fit only with specific epistemologies and ontologies, and that these must be considered first even before identifying the question if the results are to be held as ‘valid’ (Lee and Lings, 2008, Morse et al., 2001). There has been much debate over this in the past few decades with the rise in popularity of mixed-methods approaches (Silverman, 1993, Bryman and Bell, 2011, Ritchie and Lewis, 2003, Sandelowski, 2000, Seale, 1999). Some like Bouchard (1976) and Seale (1999) hold the alternative view that the research question is paramount and that everything follows from that. However this researcher, like Bryman and Bell (2011) and Silverman (1993) holds that there needs to be a balance between the two views – philosophy needs to be considered to understand the paradigms that each methodology works through so that consistency in the research can be achieved, but the selection of methodology needs to be driven by what methods of data collection will best meet the criteria required from the research.

From a non-positivist perspective, the researcher's preferred ontology and epistemology must also be taken into account in order to achieve 'empathic neutrality' (Polanyi, 1958, Ritchie and Lewis, 2003). This recognises that researchers are not 'tabula rasa' and so bring their own values into the research. These assumptions must be made transparent from the start (Glaser, 1998, Strauss and Corbin, 1990, Ritchie and Lewis, 2003). The simple fact of holding a theory is likely to change what is observed (Mitroff and Kilmann, 1977, Strauss and Corbin, 1990, Bryman and Bell, 2011) and can provide a block to 'theoretical sensitivity' (Strauss and Corbin, 1990). Theoretical sensitivity is a core precept of GTM (Strauss and Corbin, 1990), in simple terms it is the 'awareness of the subtleties of meaning of data' (Strauss and Corbin, 1990, p. 41).

Before the initial literature review, the researcher has only their personal knowledge base and original worldview with which to direct the selection of the research question and methodology (Strauss and Corbin, 1990). Conducting an initial literature review enables the researcher to expand their perspective through extending their knowledge base and sensitising their original worldview to other ideas and worldviews that can be considered alongside their own (Strauss and Corbin, 1990). So, to achieve 'theoretical sensitivity' (Strauss and Corbin, 1990), the research question and the methodology were identified through an initial literature review to help identify both the maturity of the literature and the knowledge gaps that might exist around the previously identified phenomenon of a non-creative SME working with a Creative (Bryman and Bell, 2011, Edmondson and McManus, 2007). This was done to identify the methodology based on 'best-fit', both for maturity and knowledge gaps (Locke and Golden-Biddle, 1997, Edmondson and McManus, 2007).

The literature showed that while there are numerous studies on interventions with SMEs, the majority are of a quantitative nature examining only input and output (Storey, 2004, Potter and Storey, 2007). Where there are qualitative studies undertaken, these are monitoring rather than evaluation studies, examining the participants' opinion of the outcome after the event - a basic interview that 'requires almost no analysis' (Storey, 2004, p.27). Where there was an observed gap was in the 'black-box' in the middle, the interaction between the two groups, which generated the initial open questions:

- How does an SME or Micro work with a Creative company?
- Why are these particular working methods used?
- What outcomes are there beside a tangible product?

Exploring these questions further through the initial literature review showed that even though several areas of literature influencing this research were of significant maturity, the research questions being explored lay somewhere in between these areas and there was insufficient data to generate a deductive hypothesis for verification (Patton, 2002, Bryman, 2004). The initial literature review, however, did provide enough data to induce some potentially significant concepts that were

‘provisional and conditional’ (Strauss, 1987, p. 12). These concepts were still indeterminate – less so than the original problem but more so than a final theory (Polanyi and Prosch, 1975). While these concepts provide a focus for the data collection, what to look for and where to look, they require the processes of deduction and verification to be applied to the data collected to move from speculative theory to ‘grounded theory’ (Strauss, 1987).

The literature indicated a complex interaction between the SME or Micro and the Creative, with a high level of tacit activity in the communication process – the identification of which is vulnerable to the viewer’s interpretation (Polanyi, 1967) – an ‘interpretivist’ paradigm. The data collected is coloured by the ‘interpretive scheme’ of the respondent (Polanyi, 1958, Polanyi and Prosch, 1975), not to mention the likelihood of data being analysed being coloured by the ‘interpretive scheme’ of the researcher (Strauss and Corbin, 1990). This complexity needs a methodology that allows for a conceptually dense theory to be woven from the data, one that allows the emerging theory to deviate from the initially identified concepts should the data do so. To meet empathic neutrality (Polanyi, 1958, Ritchie and Lewis, 2003), the methodology also needs a level of robustness against interpretive bias (Glaser and Strauss, 1967, Strauss, 1987, Strauss and Corbin, 1990), where the pre-conceptions of the researcher preclude alternative interpretations that may conflict with the researcher’s personal worldview (Strauss and Corbin, 1990).

In addition to requiring a method that provides rigour against an interpretive concept, the lack of a deductive hypothesis (Binder and Edwards, 2010, Glaser and Strauss, 1967) and the process-based questions identified above (Locke, 2001) indicated that Grounded Theory Method (GTM) was the ‘best-fit’ ontology and methodology (Locke, 2001, Binder and Edwards, 2010, Partington, 2000, Suddaby, 2006). GTM is an ontology in its own right, influenced by both realism and interpretivism, but with its own distinct methods for question development and its own distinct tools to use (Suddaby, 2006). A Grounded Theorist examines both the ‘How much?’ and the ‘Why?’ through “constant comparison” (Section 3.3).

GTM is also a strong fit for the level of uncertainty identified by the initial literature review, as the focus is on both theory generation and verification, rather than verification alone (Binder and Edwards, 2010, Bryman and Bell, 2011, Edmondson and McManus, 2007, Glaser and Strauss, 1967, Strauss, 1987).

### **3.3 Grounded Theory Method (GTM)**

Grounded Theory Method (GTM) was first created by Glaser and Strauss in 1967 in order to resolve the perceived conflict in sociology research between generating and verifying theory (Glaser and Strauss, 1967). GTM was created as a dynamic, reciprocal process linking data collection, theory generation and theory testing together, allowing the theory to emerge from the data collection process and be grounded through iterations of analysis and comparison (Strauss and Corbin, 1990,

Glaser and Strauss, 1967, Strauss, 1987, Glaser, 1998). The analysis constantly refers back to previous data and analysis, checking for similarities and differences – ‘constant comparison’ (Glaser and Strauss, 1967). The identification of themes from each round of analysis is then used to direct and focus the next round of data collection – ‘theoretical sampling’ (Glaser and Strauss, 1967). This is done repeatedly until saturation is achieved, in other words, until the data and analysis ceases to generate new findings (Glaser and Strauss, 1967). This is in strong contrast to the more common linear approach to research: theory identification followed by data collection and analysis to validate or disprove the theory initially posited (Patton, 2002).

Also, unlike some other qualitative research, all data including the literature, documentary data and non-academic articles, is considered a valid component of the analysis (Glaser and Strauss, 1967, Glaser, 1978, Glaser, 1998, Strauss, 1987, Strauss and Corbin, 1990). Even the final literature review, although it does resemble the more traditional literature review, placing the research within current literature, can also be used as a final part of the data analysis, refining codes so they streamline better within extant literature (Glaser, 1998, Strauss, 1987, Strauss and Corbin, 1990). The notes – ‘memos’ (Glaser and Strauss, 1967, Strauss and Corbin, 1990) of the researcher – their thoughts and observations that occur during both the data collection and analysis elements, in particular, are seen as a valuable data source for analysis (Glaser and Strauss, 1967, Strauss, 1987, Strauss and Corbin, 1990, Glaser, 1994). Data is not exclusively qualitative, quantitative data can also be used if the researcher feels this is justified. However, the reasoning behind the collection must always be led by the precepts of ‘constant comparison’ and ‘theoretical sampling’. This diversity of data collection enables the researcher to create as holistic a view of reality as possible, which in turn assists the researcher in the task of making highly complex processes comprehensible (Glaser and Strauss, 1967).

However, there was a rift between the two researchers (Locke, 2001, Bryman and Bell, 2011). While Glaser (1978, 1998) preferred to keep the methodology open, flexible and parsimonious, Strauss (1987) recognised that this position presented difficulties especially for early career researchers, who had neither the knowledge nor experience to intuitively select data collection methods or analyse data. Strauss was also concerned that GTM was dismissed by other researchers as being purely inductive (Strauss, 1987) and accordingly revisited the methodology to show there were three phases ‘induction, deduction and verification’ (Strauss, 1987, p.11). This led to a textbook of procedures and techniques, written by Strauss and Corbin, for use with GTM (Strauss and Corbin, 1990). It is this book that is most commonly cited in studies that purport to use GTM (Locke, 2001).

Straussian GTM recognises empathic neutrality (Ritchie and Lewis, 2003, Polanyi, 1958) and incorporates theoretical sensitivity (Glaser and Strauss, 1967, Strauss and Corbin, 1990) as part of its methodology to help mitigate its effects. While Glaserian GTM does provide the robustness that helps defend against charges of researcher bias, it has a less pragmatic approach to dealing with

empathic neutrality - it insists that all research is begun 'tabula rasa' with the researcher setting aside their previous knowledge during the research process (Glaser, 1998). This is a challenging task for most researchers, even those with extensive research experience (Locke, 2001). For this research, the vulnerability of the tacit knowledge data to researcher bias (Polanyi, 1967) and the researcher's extensive background in working with both SMEs and Creatives prior to the research, causing an accumulation of tacit assumptions (Polanyi, 1967), meant that Glaserian GTM could not provide sufficient rigour to achieve the required empathic neutrality. Accordingly Straussian GTM was selected with its methodological counters to researcher bias (Strauss, 1987, Strauss and Corbin, 1990).

### **3.4 Longitudinal Design**

"...if intervention programmes aimed at increasing innovation in organisations are to be effective they must be measurable to show longitudinal changes." (McAdam et al., 2007, p.386)

While GTM is loosely longitudinal in nature, due to its iterative processes, this study possesses a specifically longitudinal element to properly evaluate whether collaborating with Creatives affects and changes the SME or Micro thought-world permanently, improving innovation and marketing skills (Klein and Sorra, 1996, McAdam et al., 2007). This is because tacit knowledge does not transfer instantaneously like explicit knowledge, instead it is absorbed – 'embedded' – over time (Polanyi, 1967) if, and only if, 'in-dwelling' occurs (Polanyi, 1967) (Section 2.3.1). The occurrence of in-dwelling is dependent on an active choice to learn by the recipient, based on the perceived value of the knowledge and their understanding (both tacit and explicit) of what has been transferred (Polanyi, 1967).

To identify any knowledge transfer, see when it happens and whether 'in-dwelling' occurs, five data collection rounds were undertaken, analysing the data for changes in responses and participant perceptions of the initial themes. This was done through two face-to-face semi-structured hour-long interviews at the start (Section 3.5.4.1) and end (Section 3.5.4.4) of the eighteen-month period of data collection, with a brief structured ten minute 'phone interview (Section 3.5.4.2) and a Journeymaking session (Ackermann et al., 2005) in between (Section 3.5.4.3). The fifth round, consisting of three observation days (Section 3.5.4.5), shadowing two Creative companies and one Micro, was conducted very shortly after the last round of interviews.

### **3.5 Data Collection and Analysis**

Unlike most other research methods, GTM is iterative with data collection and analysis inextricably intertwined, each round of data collection being analysed, coded and compared to prior analysis before the next round of data collection begins – constant comparison (Glaser and Strauss, 1967). Accordingly, this section also intertwines data collection and analysis in order to more closely mimic the actual research process.

Analytic procedures of grounded theory method are designed to:

“...provide the grounding, build the density, and develop the sensitivity and integration needed to generate a rich, tightly woven, explanatory theory that closely approximates the reality it represents.” (Strauss and Corbin, 1990, p.57)

Coding is at the heart of GTM (Strauss and Corbin, 1990). It is through coding that the theory emerges, is grounded and verified. Given the longitudinal nature of this research, constant comparison was conducted not only on an interview by interview basis, but also each round of data collection was noted as a separate data unit, with the codes generated for each round compared against earlier rounds to establish how codes changed over time for the individual cases, then comparing these changes across cases for matches and contradictions. This was particularly important for time-dependent concepts such as tacit knowledge transfer (Polanyi, 1967). The final literature review was also part of the constant comparison process, conducted after the analysis on the interview data was complete, comparing the research codes to concepts and terminology already extant within the literature.

The data collection and analysis process began with a memo on the researcher’s background, noting influences and initially-held opinions that might colour the interpretation of the data, done before the initial literature review began (Strauss and Corbin, 1990, Glaser, 1994). This was used throughout the analysis process as a cross-check against new findings, in order to improve the theoretical sensitivity of the analysis and avoid interpretive bias (Strauss and Corbin, 1990, Glaser, 1994).

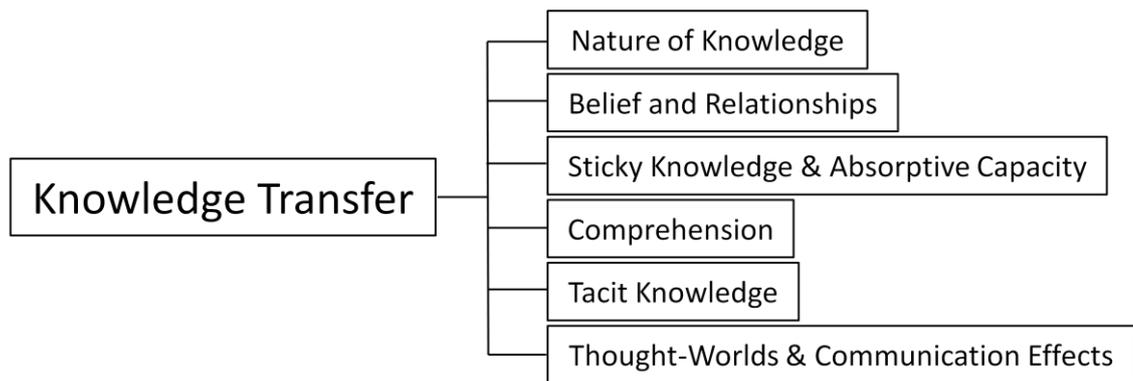
### **3.5.1 Initial Literature Review**

The initial stage of data-collection was an inter-disciplinary literature review. This was not what is widely understood as a literature review - reviewing established authors and prevalent theories in a specific field, in order to generate an initial hypothesis that could be verified (Strauss, 1987, Strauss and Corbin, 1990, Glaser, 1998), something that both Glaser (1978, 1998) and Strauss (Strauss, 1987) feel needs to be done at the end of the research and not the beginning. Instead, following Straussian GTM (Strauss, 1987, Strauss and Corbin, 1990), the review was conducted treating literature from multiple research areas relating to the research problem solely as data, in order to identify significant concepts uncovered by prior research and compare these concepts across disciplines (Strauss, 1987, Strauss and Corbin, 1990). However, no theory was identified or generated at this point and all identified concepts were considered both ‘provisional’ and ‘conditional’, subject to the same ‘constant comparison’ testing as any other data as the analysis progresses (Strauss and Corbin, 1990, Strauss, 1987).

Engaging in this initial stage of data collection improved the rigour of the research as it not only provided a cross-check against researcher bias and personal interpretation throughout the research process, it also provided a richer and deeper understanding of the area of research (Strauss, 1987).

As Wittgenstein (1978, p.29) says “...a man who is not used to searching in the forest for flowers, berries or plants will not find any because his eyes are not trained to see them and he does not know where you have to be particularly on the lookout for them”. Doing an initial literature review before the participant interviews enabled the researcher to be more aware of a wider variety of ‘flowers, berries and plants’ than their prior experience had exposed them to.

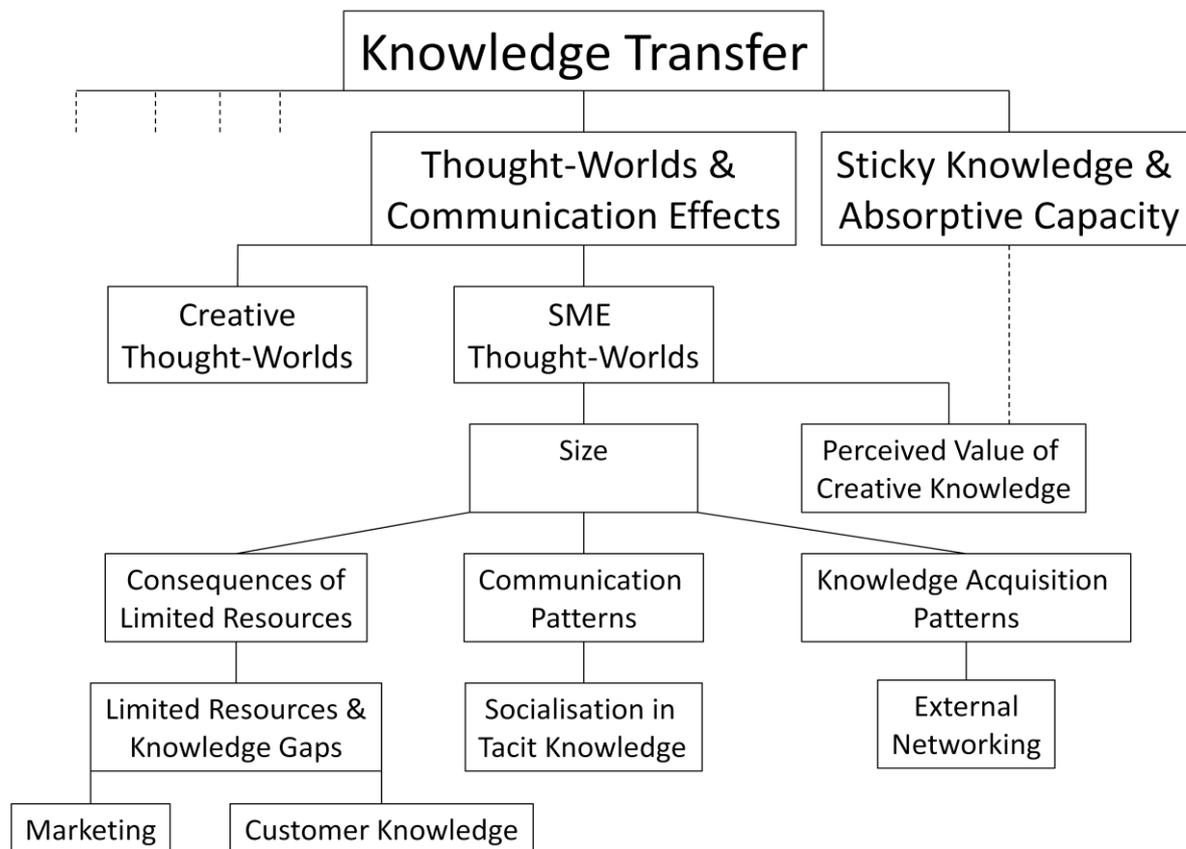
The analysis of the literature began with open coding conducted on literature from multiple disciplines, in order to identify provisional and conditional significant concepts that would direct the initial round of interviews (Strauss, 1987, Strauss and Corbin, 1990) (Section 2.2). ‘Knowledge Transfer’ was identified early on as the Master Code which would direct the research, as it became clear from the literature that, outside of the tangible product, knowledge transfer was the key benefit of collaboration between two groups. Once this was identified, literature was then analysed to identify elements strongly connected to Knowledge Transfer. Six elements were identified and then grouped and given broad codes, such as ‘Tacit Knowledge’, ‘Belief and Relationships’, ‘Comprehension’ and ‘Thought-Worlds and Communication Effects’, as shown in Figure 3.1.



**Figure 3.1 First Level of Codes from Initial Literature Review (author)**

These codes were then broken down further to gain a better understanding of how each element contributed to the Knowledge Transfer process and to identify concepts considered significant in the literature. For example, if we look at how codes that emerged through the parent coding ‘Thought-Worlds and Communication Effects’ were derived (Figure 3.2), the thought-worlds of SMEs and Creatives were dissimilar enough to create two different codings – ‘SME Thought-World’ and ‘Creative Thought-World’. Examining SME literature, particularly in regards to Knowledge Transfer, led to further codings below the parent code ‘SME Thought-World’: ‘Size’ which then broke down into ‘Consequences of Limited Resources’, ‘Communication Patterns’ and ‘Knowledge Acquisition Patterns’. These codes broke down further into individual elements, however only four appeared to be significant in the literature. The first three were coded as ‘Limited Resources and Knowledge Gaps’, ‘Socialisation in Tacit Knowledge’, ‘External Networking: Knowledge Acquisition’. The fourth significant concept - ‘Perceived Value of Creative Knowledge’ was coded directly from ‘SME Thought-World’. These codes were then broken down further which led to the identification of specific

significant features of each code, for example, much of the literature considered marketing and customer knowledge to be a significant knowledge gap for SMEs and so in Figure 3.2 ‘Limited Resources and Knowledge Gaps’ has further sub-codes ‘Marketing’ and ‘Customer Knowledge’.



**Figure 3.2 Significant Sub-Codes of SME Thought-Worlds (author)**

This coding of the literature was done through Nvivo (diGregorio, 2000, Ridley, 2012), using documents that contained notes, memos and potentially significant quotes from each book and paper read in the initial literature review. This enabled the researcher not only to keep track of the literature and the concepts emerging from each research area (Strauss, 1987, Glaser, 1998, diGregorio, 2000, Ridley, 2012), but to identify significant concepts as they emerged from the data (diGregorio, 2000, Strauss and Corbin, 1990). Once the Nvivo analysis was completed on the initial literature review, the codes were transferred to an ‘analysis wall’, with codes considered significant placed centrally and the others placed peripherally, ready to be used should subsequent data change their significance. Nvivo was then not revisited until analysis using the wall was considered complete.

Memos were also created throughout the analysis process, from the initial literature review to the final literature review, in order to provide time-related analysis snapshots so that the analysis journey could be reviewed later for interpretive bias (Strauss and Corbin, 1990).

This review yielded a number of codes, from all levels of the coding, that were considered to be related to the process being studied. Six codes in particular were identified as requiring further exploration in order to provide a more detailed picture of the collaboration ‘black-box’ – ‘Customer

Knowledge', 'Marketing Knowledge', 'Knowledge Acquisition', 'Thought-Worlds and Communication Effects', 'Collaboration Process', 'Perceived Value of Creative Knowledge'. These six codes, and their sub-codes, were then used to identify areas of research that would feed back and help build a stronger understanding:

- **The background of the each partner (internal and external knowledge and networking)** – Thought-World of Participant, Knowledge Acquisition Patterns, Socialisation, Tacit Knowledge, Networking, Knowledge Gaps.
- **The business strategies employed by the SME or Micro** – SME Thought-World, Knowledge Acquisition Patterns, Tacit Knowledge, Networking, Knowledge Gaps.
- **Interaction of the two thought-worlds** – Knowledge Transfer, Comprehension, Belief and Relationships, Thought-World of Participant, Communication Patterns, Knowledge Acquisition Patterns, Socialisation, Tacit Knowledge, Knowledge Gaps, Perceived Value of Creative Knowledge.
- **The process of working with a Creative company** – Knowledge Transfer, Comprehension, Belief and Relationships, Thought-World of Participant, Communication Patterns, Knowledge Acquisition Patterns, Socialisation, Tacit Knowledge, Knowledge Gaps, Perceived Value of Creative Knowledge.
- **Communication (type, frequency and effectiveness)** – Knowledge Transfer, Comprehension, Belief and Relationships, Sticky Knowledge and Absorptive Capacity, Tacit Knowledge, Communication Patterns.
- **How each thought-world sees and values the creative product** – Knowledge Transfer, Comprehension, Belief and Relationships, Sticky Knowledge and Absorptive Capacity, Tacit Knowledge, Thought-Worlds and Communication Effects, Perceived Value of Creative Knowledge.
- **Each partner's approach and attitudes to innovation** - Belief and Relationships, Sticky Knowledge and Absorptive Capacity, Tacit Knowledge, Thought-Worlds and Communication Effects, Perceived Value of Creative Knowledge.
- **Each partner's approach and attitude to Intellectual Property (IP)** - Perceived Value of Creative Knowledge.

Once the research, analysis and initial write-up were completed the literature review was revisited. This time, not only were the literature review findings compared to the research findings to examine for matches and contradictions, the final literature review was also used in the more traditional mode, to place the research within relevant research fields.

The findings of the initial literature analysis have been presented in Chapter 2. The findings of the more traditional literature analysis that was conducted at the end of the research are presented in Chapter 8.

### **3.5.2 Case Selection**

The aim of this research was to unpack the black-box between input and output that occurs when a Micro works with a Creative company in order to create a website that is of a higher order than a basic template site. To be able to do this fully it was important to examine the process both from the perspective of the SME or Micro, and from the Creative's perspective. As explained in section 3.5.1, one of the significant concepts identified from the literature was 'Thought-Worlds and Communication Effects'. To be able to explore this concept fully it was important to look at both sides of the communication process, so the unit of research was an SME/Micro-Creative Company pairing. While this pairing was critical for the first round of interviews, it became significantly less so in later rounds as theoretical saturation was reached.

For GTM, the goal is to achieve saturation of the data, where there is consensus across data-sets (Glaser and Strauss, 1967). Predicting the point of saturation ahead of time is an impossible task as it may occur within three cases or it may take twenty (Glaser and Strauss, 1967). For a non-longitudinal GTM study this is not an issue, as cases are recruited on an ongoing basis until saturation is achieved (Glaser and Strauss, 1967). However, as this was a longitudinal study, with a fixed amount of grant funding to initiate the collaboration between the SME or Micro and the Creative company, some advance estimate had to be made to ensure saturation would be possible. Suddaby (2006) suggests twenty-five to thirty interviews as a guideline. Given that interviews occurred over eighteen months, the decision was taken to select twenty-five pairings to allow for attrition amongst the participant group, provide enough scope for saturation and allow for a number of potential concepts to be explored through theoretical sampling.

Using data collected prior to the start of the research from both the SME and Micro application forms and from a quantitative survey conducted with the 150 SMEs and Micros who received grants, theoretical sampling was conducted. Given the size of the original sample to work with, it was possible to use theoretical sampling on multiple variables. Three variables were identified from the literature and three more variables were identified directly from the data in both the application forms and quantitative survey.

#### ***3.5.2.1 Size of the SME***

The concept of the 'thought-world' was identified as being significant in the literature, where groups working together develop a mutual worldview (Section 2.4). The literature suggested the effect would be strongest within the Micro group of SMEs (Devins et al., 2005) (Section 2.5.3), so the majority of the cases were selected from this group. However, all concepts start as 'provisional' (Strauss, 1987) so a number of larger SMEs were included within the sample to explore whether the process and outcome were affected by the size of the SME.

### ***3.5.2.2 Sticky Knowledge and Absorptive Capacity - Explicit Business Strategy***

At the outset, the literature suggested that absorptive capacity depended on having an explicit business strategy (Cohen and Levinthal, 1990, Gray, 2006) (Sections 2.2.2, 2.5.3). To explore this, using the data from the quantitative survey, the Micro group were divided into those who explicitly used a business plan and those who did not.

### ***3.5.2.3 Perceived Value of Creative Knowledge***

Given the intangible nature of both creative product value and the term 'Value' itself (Best, 2006, McElroy, 2009) this presented a challenge. A tangible marker was needed to signpost to the intangible concept. The literature suggested that companies who valued products of creativity had an explicit Intellectual Property (IP) strategy in place (Section 2.5.4). Using the data from the quantitative survey, the Micro groups of explicit and non-explicit business strategy were split further to give four sample groups. Those who had both IP and business strategy, those who had neither, those who had IP but no business strategy and those who had business but no IP strategy. Representatives of each group were selected for the participant list.

### ***3.5.2.4 The Creative Product***

The application forms used in the theoretical sampling process showed a predominance of website projects being selected by the SME and Micro applicants. To reflect this weighting, the majority of those in the participant sample were those who had selected websites. To explore whether the process was different for other Creative products, a number of other products were selected as an 'outlier' group.

### ***3.5.2.5 Industrial Sector***

The application forms showed the SMEs and Micros came from a wide variety of industrial sectors. To explore whether differences occurred across sectors, the sample group was selected to reflect this variety.

### ***3.5.2.6 Creative Partner***

The application forms showed that a number of Creatives had attracted multiple projects. One in particular had gained a highly significant proportion of the projects providing a unique opportunity to explore whether different processes and outcomes would occur with different Micros and SMEs using one Creative partner. For this reason, three Micros and three SMEs in the sample group were selected because they were paired with this one Creative. For comparison, to explore whether this company was an outlier in more than its marketing strategy, two more multiple pairing groups were also selected, with two companies paired with each Creative.

### **3.5.3 Enrolment**

Despite the wide selection of variables under consideration there was still an excess of potential participants. This meant that even after a number of companies opted not to participate when requested by telephone, there were still sufficient participants to select sixteen Micros and nine SMEs and their partners using the sampling pattern identified above. The twenty-five SMEs and Micros and their seventeen partner Creatives who agreed were sent participation letters outlining the level of their proposed participation and offering them a further opportunity to opt out of the process. The level of participation in terms of time and meetings was over-estimated to allow for the variation required by the GTM process and to ensure that the interviewees' willingness to participate was not abused by over-running the time agreed (Patton, 2002). A full business report at the end of the research was offered in reciprocity for the time taken (Patton, 2002). The letter also made clear that the participants could opt-out at any time, that all data collected would be kept anonymous and that all sensitive information would be kept confidential (Patton, 2002).

Over the duration of the research, three Micros (MW6, MW11, MO4) chose to opt out, with the implication that they had been unhappy with the project outcomes. One SME (MW11) had over-reported their company size and turned out to be a Micro and not an SME. Two Micros (MO3, MO5) and one SME (SW2) were lost because of closure, which left a total of twelve Micros and seven SMEs at the end of the research. The attrition was worse among the Creatives, with six opting out by the last interview (C3, C4, C6, C9, C13, C14) feeling they could add nothing more to the initial interview, and two closing (C1, C8).

### **3.5.4 Data Collection from Participants**

GTM offers data collection through a multiplicity of methods (Glaser and Strauss, 1967, Strauss and Corbin, 1990) such as semi-structured interviews, observation, focus groups, reviewing documentary data such as emails or minutes of meetings, even using quantitative data, if the researcher feels this is justified. However, the reasoning behind the collection must always be led by the precepts of 'constant comparison' and 'theoretical sampling' (Glaser and Strauss, 1967, Strauss and Corbin, 1990). This diversity of data collection enables the researcher to create as holistic a view of reality as possible, which, in turn, enables the researcher make the complex comprehensible (Glaser, 1978).

Each round of data collection with the participants was selected and designed using the concepts identified during the analysis of the previous round, with the initial literature review providing the concepts for the first round.

#### ***3.5.4.1 Round 1 – Semi-Structured Interviews***

Given that the first round was essentially an exploratory expedition, a semi-structured interview designed around the significant concepts identified in the literature (see Section 2.7 and end of

Section 3.5.1) was selected (Strauss and Corbin, 1990, Yin, 2003, Douglas, 1985) (Appendix B). This method allows the interviewer to follow unexpected, yet potentially interesting lines of enquiry, while ensuring information around the identified concepts is also gathered (Yin, 2003, Strauss and Corbin, 1990, Douglas, 1985). It also allows for the concepts to be revised after the analysis of each interview should the findings indicate the need to do so (Glaser and Strauss, 1967, Strauss and Corbin, 1990).

Seven concepts or themes were selected: Company Background; Business Strategy; Project Strategy; Experience of Working with a Creative Company; Communication; Innovation; and Intellectual Property. Following Miller's (1956) advice, no more than two or three top-level questions were asked under each theme. The style was kept loose, to allow for re-wording or re-arrangement of the questions to enable active listening (Douglas, 1985, Yin, 2003). Given that the interviewee is the expert providing insight into *their* world (Douglas, 1985) it was important to have the flexibility to follow their line of reasoning in order to mine unexpected data (Bryman, 2001, Rubin and Rubin, 1995) and explore potential new concepts as they emerged (Glaser and Strauss, 1967, Strauss and Corbin, 1990).

Underneath those top questions, prompt questions were used to probe an answer further or to encourage the interviewee to expand more on their answers (Bryman, 2001, Rubin and Rubin, 1995) (Appendix B). The questions were left open-ended, and kept neutral in order not to lead the interviewee into responding the way they believed the interviewer wants them to respond (Czaja and Blair, 2005). The interviews were concluded by asking the interviewees if there was anything they felt was not covered. This provided the opportunity for revealing the unexpected, something known within the interviewee's world but as yet undiscovered by prior research (Patton, 2002). The duration of the interviews was approximately an hour long.

The decision was taken to digitally record the interviews, a controversial decision in GTM. Glaser (1994, 1998) is strongly opposed to this practice believing it leads to redundancy of work, creating an excess of data, and risks skewing of the data because of the interviewee's consciousness of being recorded. Strauss and Corbin (Strauss and Corbin, 1990), by contrast believe that recording has a place in providing external validity to the data collected, providing a record less open to interpretation than the interviewer's memory and providing a full and complete record where initially overlooked concepts can be discovered later in the analysis process. Using the recordings provided a stronger surety of accuracy than the researcher's memory alone, which may have been tainted by their own interpretive bias (Strauss and Corbin, 1990, Polanyi, 1958). It also allowed the researcher to hear again the inflexions, hesitations and phrasings that the interviewee used which established a stronger connection to the meaning behind the oral discourse of the text, rather than the depersonalized narrative discourse of a transcript (Miles and Huberman, 1994, Peräkylä, 1997, Kvale, 1988). Using the recording rather than a transcript also circumvented the potential issue of

transcriber error (Peräkylä, 1997). This is more in line with standard interview practice today (Bryman and Bell, 2011). In addition to the recordings and transcripts, post-interview memos were written up by the researcher to create time-dependent snap-shots of the research, noting emerging patterns and significant and emerging concepts (Glaser and Strauss, 1967, Strauss and Corbin, 1990). All of these memos add depth to the analysis of the data and help in the interpretation of the responses (Glaser and Strauss, 1967, Strauss and Corbin, 1990, Locke, 2001, Bryman, 1988).

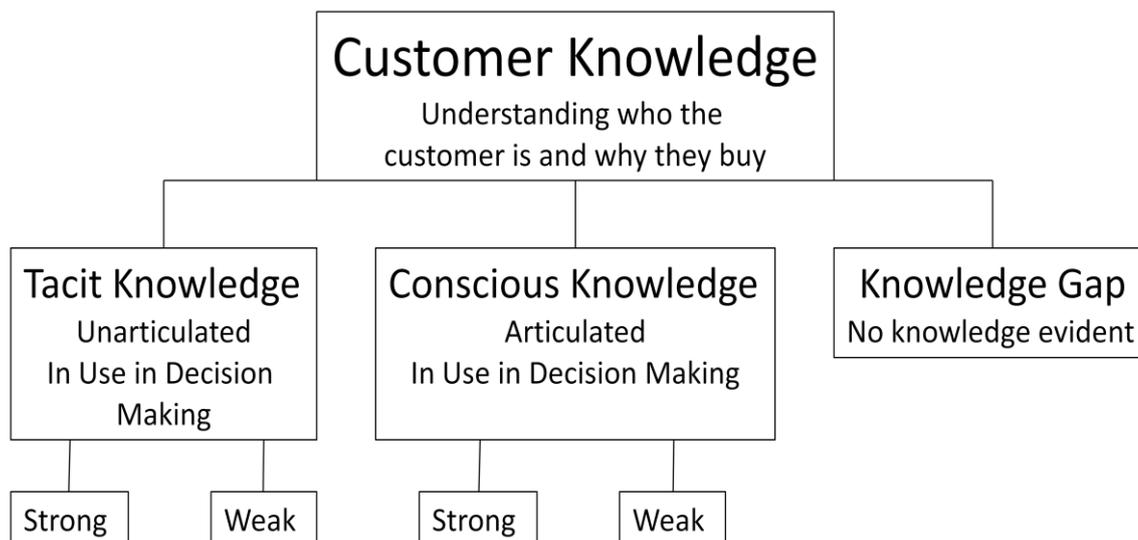
Once the interviews began, each interview was open coded after completion. This was done using the recordings and making notes relating to the emerging concepts, which were then separated into codes or categories (Glaser and Strauss, 1967). This is a variation on the Glaserian methodology (Glaser, 1998) where notes are made after each meeting and then coded, with the codes recorded on separate individual pieces of paper, often with a memo annotated to it (Glaser, 1998). While this is not traditionally part of the Straussian methodology, this researcher felt it helped in preventing 'paralysis by analysis', as well as providing a snap-shot of the analysis as it progressed that could be used for triangulation.

To keep the ongoing analysis manageable and avoid creating a large number of redundant codes (Glaser, 1998, Miles and Huberman, 1994) it was decided not to use the transcripts for the initial analysis of the interview data. An often-overlooked advantage of using the recording and note method of analysis was the portable nature of the recordings. This enabled the researcher to continue their analysis while creativity was stimulated by engaging in activities unrelated to the research such as walking or gardening (Roberts, 2007). This increased creativity enabled new concepts and connections to emerge that would have been blocked by the more traditional process of sitting at a desk and working directly with the data (Roberts, 2007).

Analysis began after each interview during the memo writing process where known codes such as 'Knowledge Acquisition Patterns - External Networking' were annotated alongside the comments on the interview. These coded comments were then put on post-its and affixed to an 'analysis wall', grouped under the relevant code. This wall was originally populated using the codes developed during the Nvivo analysis of the initial literature review. Potentially interesting comments that did not yet fit into a code were written on post-its and placed randomly around the outside. The interview was then analysed in greater detail through the recordings, noting interview, time, comment, memo and code (if a current code applied) on a post-it. These were then organised onto the analysis wall in the same manner as the post-interview memo.

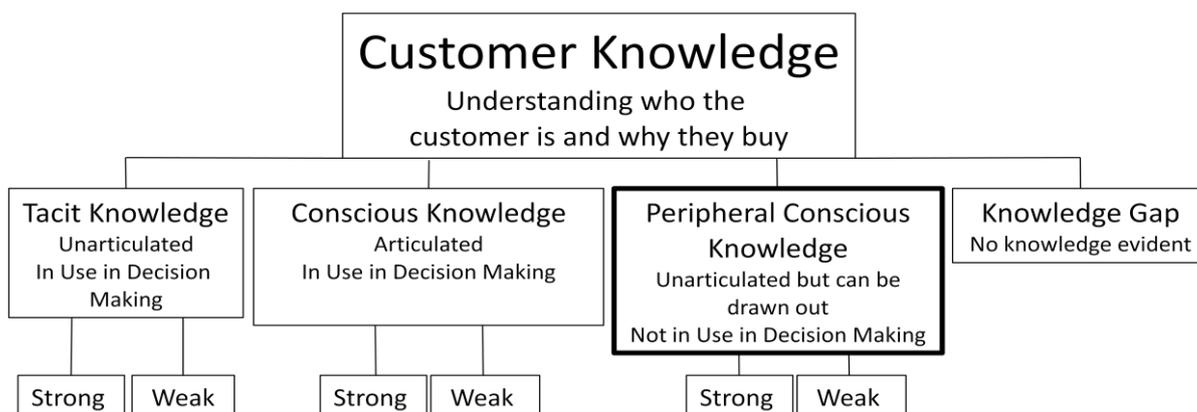
The wall was then examined to look for both matches and contradictions to the concepts previously identified. This is the 'constant comparison' process that is one of the core precepts of GTM (Glaser and Strauss, 1967). Where there were contradictions, re-coding was done to enable a more accurate description of the data. One example of this was when the Creative interviews began to be added to

the wall. During the SME interviews, the 'Customer Knowledge' code was allocated three sub-codes, these being 'Tacit Knowledge', 'Conscious Knowledge' and 'Knowledge Gap'. 'Tacit Knowledge' and 'Conscious Knowledge' were also given the sub-codes of 'Strong' or 'Weak' (Figure 3.3).



**Figure 3.3 Original Sub-Codes of Customer Knowledge after first SME / Micro interviews (author)**

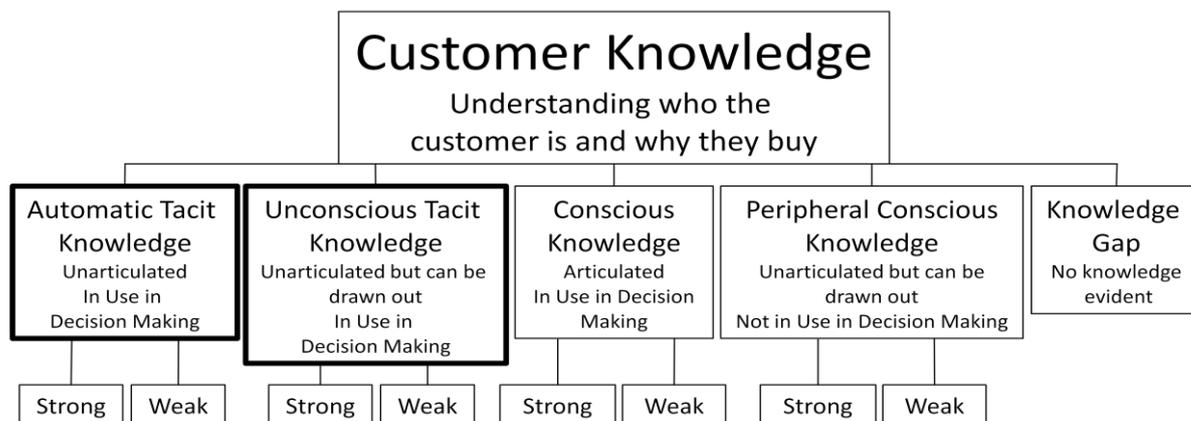
As the Creative notes were added, a clear coding conflict was emerging, with SMEs and Micros who had coded as 'Knowledge Gap' in their own interviews, coding in the Creatives' interviews as 'Strong, Tacit Knowledge'. This did not fit the coding as it stood, because for knowledge to classify as Tacit it must a) be unarticulated, which *was* observed through the data and b) be in use in decision making, which *was not* observed through the data. Revisiting the SME interviews clearly showed that this knowledge was not in use, so it was not a simple situation of lack of awareness or articulation – new coding was needed in order to provide a category for knowledge held that could be drawn out but was not in current use for decision making. This was coded as 'Peripheral Consciousness' (Figure 3.4).



**Figure 3.4 Initial Re-coding after first Creative Interviews (author)**

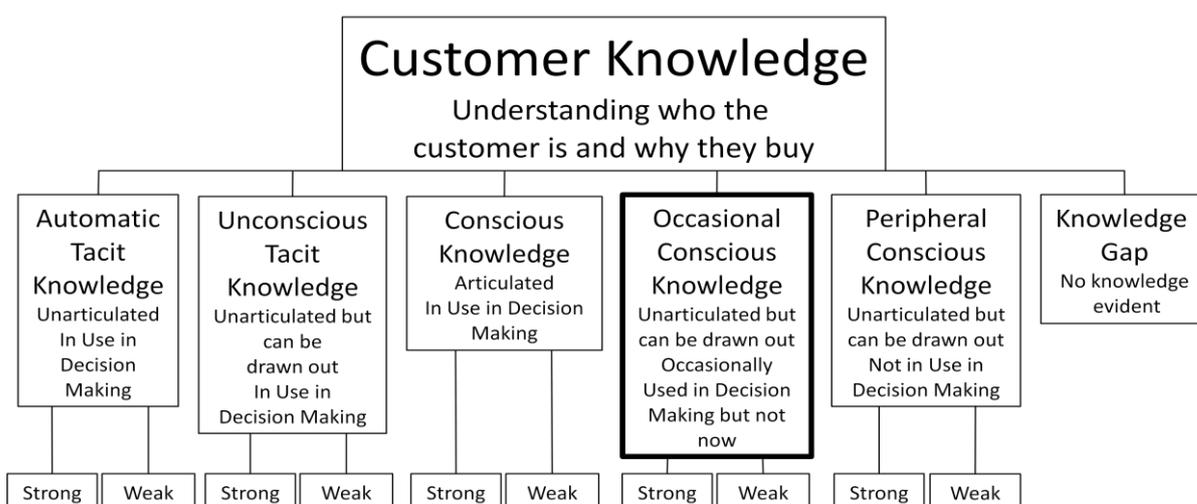
Further perusal of the interview data showed that this still failed to tell the whole story and that two more codes were needed to accurately map what was being observed. First, the Creatives were reporting that they were able to draw out knowledge that had been classified originally as 'Tacit

Knowledge’, which contradicted the original definition of ‘Tacit Knowledge’ as unarticulated. Therefore, the literature was revisited to see if there were variations of ‘Tacit Knowledge’ already noted. Baumard’s (1999) definitions of ‘Automatic Tacit’ and ‘Unconscious Tacit’ were located and used as two new codings (Figure 3.5).



**Figure 3.5 Re-Coding of Customer Knowledge after analysis of first Creative Interviews and revisiting Tacit Knowledge Literature (author)**

Secondly, in the final round of interviews, MW5 and MW8, who both actively used customer knowledge in their decision making in the first round of interviews, were no longer doing so in the final interviews as gaining new customers was no longer a priority. Both made it clear however that if the need for new customers arose in the future, customer knowledge would again become part of the decision making schemata for their business. This did not fit the ‘Not used in decision making’ classification of ‘Peripheral Knowledge’, rather it sat under ‘Occasionally used in decision making but not now’, causing a final code to be added of ‘Occasional Conscious Knowledge’ (Figure 3.6).



**Figure 3.6 Re-coding of Customer Knowledge after final SME / Micro interviews (author)**

Codes were also deleted where the evidence from the data showed original concepts to be flawed. One of these was a code from the initial literature review which indicated a possible association of the use of Intellectual Property Rights with the value placed on Intellectual Property and Design. The

interviews showed clearly there was no such association, with the majority of SMEs not engaging in IPR at all regardless of how much or little they valued design work.

As the interviews and analysis progressed, the wall was regularly examined to identify if patterns were emerging among the un-coded notes or if connections were emerging between the groups of codes. If so, the post-its were re-arranged on the wall to visually represent these patterns, loosely grouping 'connected' codes together to help identify concept 'families' (Strauss and Corbin, 1990). Any emerging concepts were fed back into the interview design to explore them further (Glaser and Strauss, 1967). At each iteration, the codes were reviewed for redundancy (where two or more codes related to the same concept) and significance (Strauss and Corbin, 1990, Locke, 2001). These codes were removed from the wall and placed to one side, available if the patterns changed again.

#### ***3.5.4.2 Round 2 – Structured Interviews***

The majority of codes that emerged during Round 1 analysis were deemed fully saturated by the end of the interviews with no further contradictions emerging. However, the analysis during both the initial literature review and Round 1 did identify five codes that had a longitudinal requirement in order to complete the picture – 'Relationship Building'; 'Changes in Thought-World'; 'Knowledge Transfer'; 'Behavioural Changes'; and 'Project Outcomes'. Given the data was required for comparison against the concepts already identified in the round one analysis rather than the generation of new concepts (Sudman and Bradburn, 1982), a structured telephone interview format (Appendix C) was selected. This second round of data collection was conducted just after the design projects had concluded. Nine questions were used. The interviews were approximately ten minutes long.

One Creative Company (C1) and one SME (SW2) had closed. Two Creative Companies (C6, C14) and one Micro (MW11) chose, at this time, not to participate further in the study.

The responses from these interviews were coded and posted onto the analysis wall and the codes were examined to start understanding potential connections between input, process and outcome. This was the start of the axial coding process (Strauss and Corbin, 1990), identifying links between the groups of concepts and properties relating to the concepts. One such link that was identified was that the same companies that reported a switch from leading the project to a more collaborative approach also demonstrated the effects of knowledge transfer, either through identified learning or in behavioural changes. Glaser considers axial coding as "preconception and forcing theoretical coding concepts on data to the max" (Glaser, 1992, p.63), but as Morse et al. (2001) recognise, by delaying the axial coding until significant codes had emerged and begun to be saturated, it allowed the relationships to emerge organically rather than being forced. This process was repeated for all subsequent data collection, refining and grounding the theory more securely case by case (Strauss and Corbin, 1990, Binder and Edwards, 2010).

### **3.5.4.3 Round 3 – Journeymaking Event**

The third round of data collection, was a Journeymaking event (Ackermann et al., 2005), conducted twelve months after the original projects began. This data collection method was selected in order to help establish a ‘map’ of the additionality derived from the projects, from the participants’ perspective (Appendix D). This additionality related both to tangible elements, such as added functionality of the original product, and to intangible elements such as behavioural changes, raised levels of Innovation, expanded Networks and Learning. This data was collected ‘tabula rasa’, without reference to prior coding to avoid data forcing through directed questioning. Given that the focus was on the SME’s or Micro’s additionality, only SMEs and Micros participated. To evaluate whether the generated concepts extended beyond the cases selected for the longitudinal study, the workshop comprised seven awarded SMEs and Micros who were participating in the study and seven awarded SMEs and Micros who were not.

Given the skill required to conduct a Journeymaking event (Ackermann et al., 2005), a professor highly skilled in this methodology was the facilitator for this event, with this researcher observing and taking notes in addition to recording the proceedings with the consent of the participants.

At the start of the hour-long workshop, a single stimulus question was asked of the participants:

*“What has happened since you finished the project that is different to what otherwise might have happened?”*

As the first activity, the participants were asked to write down their thoughts, on post-its. Then they were encouraged to discuss their ideas. As they did so, their comments were typed into an open mind-mapping software, which was projected onto a screen for all the participants to see. As the comments accumulated, themes began to emerge, which were also input, and the comments clustered around and/or linked to their relevant themes. In a number of instances the comments related to one or more themes and so had one or more links marked up accordingly.

After the event, the post-its were collected and collated. The data from these was added to the notes taken during the session and to the active analysis conducted during the event in order to provide as clear a picture of the SMEs’ perspective of the projects’ outcomes as possible. The tapes were also analysed, in particular looking for changes in language that indicated behavioural changes that the SMEs may not have recognised or reported. All the data was then coded using original codes where possible, added to the analysis wall and reviewed. Some new codes appeared at this time such as ‘Confidence’ – something that the majority of the SMEs reported as gaining. ‘Confidence’ had several sub-divisions such as ‘Confidence – Presentation’, ‘Confidence – Marketing Skills’, and ‘Customer Confidence’. Prior to this round, this was not something that was considered as part of potential outcomes, however these workshops showed that it was a significant contributor to behavioural change as well as generating a positive feedback loop – confidence in marketing and presentation

generated confidence in the customers and the positive customer response in turn boosted the confidence in marketing and presentation. Comparing codes correlated increased confidence with the SMEs viewing the project outcome positively.

The data and coding from this round provided a fairly clear picture of the longer-term effects of the project but did not provide enough data to consider that saturation had been achieved. However it did provide clear signposting to direct the last round of interviews.

#### ***3.5.4.4 Round 4 – Semi-Structured Interviews***

The fourth round of data collection, a semi-structured interview, included both partners in the SME/Micro-Creative pairing. It was conducted eighteen months after the original projects began.

From the Journeymaking event, there were several points of additionality identified:

- **Marketing Strategy** – marketing became more central to business strategy of the SME or Micro and they reported being more customer-aware.
- **External Business Profile** - improved response from their customers, leading to increase in enquiries and sales.
- **Internal Business Profile** - improved confidence in their business offering which encouraged the SMEs and Micros to be more pro-active in marketing.
- **Networking** - Strengthened and expanded existing network of both customers and suppliers, significant emergence of engagement in social media.
- **Innovation** - This was reported as having been stimulated within the business through undertaking the creative project, both through increased confidence and innovative suggestions provided by the Creative company.
- **Learning** - The key areas of learning were identified as the process of working with a Creative, awareness of expertise within the Creative company, marketing methods and presentation skills.
- **Risk-Taking** - The financial input from the funding scheme reduced the risk for the SME or Micro of trying something new.

The SMEs and Micros were interviewed using these themes to explore additionality further and examine whether the effects noted at twelve months extended beyond that point. The Creatives were interviewed in order to provide an external observer viewpoint on this additionality. The format of the interviews was the same as the semi-structured interviews of Round 1, using two or three questions to explore each theme, and allowing for flexibility to pursue unexpected avenues (Section 3.5.4.1) (Appendix E). By this round, further closures had occurred and there were a number of further refusals, particularly from the Creatives. While the Creative refusals would have been an

issue in Round 1, at this point, there was sufficient conformity amongst the responses to consider saturation had been achieved on these themes.

Analysis at this point moved from coding to pattern identification, and in addition to the wall, Excel was used as a cross-tabulation tool cross-referencing codes and participants. An example of this can be seen in Appendix F, an Excel sheet which was looking at awareness of transfer and correlating this with effectiveness of transfer. This is where the concept of Bi-Modal Knowledge Transfer clarified, as although the majority of the Micros showed evidence of acquiring Visual Language, as can be seen in the change in Visual Language before and after the project (Columns 5 and 6 respectively), the Micros are unaware of the transfer, as can be seen in the Visual Language Transfer column for the SMEs (Column 9), whereas in the Visual Language Transfer column for the Creatives, the Creatives appear to be fully aware of the transfer (Column 10). This pattern is also seen in Customer Knowledge, although not as strongly, as some of the Micros had Conscious Customer Knowledge from the start and so were fully aware of the Customer Knowledge Transfer. The majority of the Micros without Conscious Customer Knowledge were unaware of the transfer (Column 7), while the Creatives were aware (Column 8), and a change in Customer Knowledge was also observed (Columns 3 and 4 respectively). As this pattern appeared after the interviews, a final round of data collection needed to be done in order to achieve saturation, through exploring the existence (or non-existence) of Bi-Modal Knowledge Transfer.

#### ***3.5.4.5 Observation Days***

Given the data required for full saturation centred around the level of awareness amongst the SMEs and Micros around what was transmitted and what was not, it was felt that further interviews would serve no purpose in providing the data needed. Instead, two observation days were organised with two of the participating Creative companies to observe both meetings with new Micros to observe the transfer process first-hand and the design process in the office where the knowledge was processed in order to create the commissioned website.

The Creative companies were selected on the basis of their communication skills. One had appeared highly effective from the interviews, with extremely positive results from their collaboration, and one had variable results from extremely satisfied to extremely dissatisfied clients.

Both participants were contacted prior to the observation days and the process explained in detail, and days were arranged where at least one client meeting was undertaken. The participating Creatives gained permission from their clients for the researcher to observe and this permission was confirmed in person on the day. In two cases, permission was refused and the researcher absented themselves during those meetings. To remain unobtrusive, no recording was undertaken during the day and notes only made after meetings had concluded, when the observations were discussed with

the Creative company in order to explore whether the researcher's impressions matched the Creative's experience.

During the remainder of the day, the researcher sat to one side and made notes relating to the identified concepts, occasionally verifying these observations with the participants during coffee and lunch breaks. Care was taken not to interrupt the work of the participants.

The observation days were written up after the event using the themes identified through the previous four rounds of data collection to provide structure (Miles and Huberman, 1994). This data was then compared to previous analysis and confirmed that not only was the Creative fully aware of the transfer but that they intentionally kept the client unaware in order to maintain a familial relationship and avoid disturbing the client's perception that they (the client) were the driver of the project. This highlighted again how significant the 'Relationship' codes, from the 'Belief and Relationships' code tree, were in this particular transfer.

Only at this point, once saturation was considered achieved, was Nvivo used again (Glaser and Strauss, 1967). This allowed more scope for the intuitive side of GTM analysis (Charmaz, 1994) and avoided the tendency to 'lock down' into initially identified concepts that working on the computer can cause (Glaser, 1992, Kelle, 2007, Crowley et al., 2002), as well as avoiding the tendency to fragment the data that working in Nvivo can cause (Bryman and Bell, 2011). Once the theory was felt to be saturated (Glaser and Strauss, 1967), and therefore complete, Nvivo was used as a triangulation tool, to provide rigour to the findings, with the transcripts input and coded using the manually generated open and axial codes (Gibbs, 2002). This allowed large scale comparison of codes across all the transcripts and allowed for easy identification of any discrepancies, omissions or interpretive bias that may have occurred during the manual coding process (Gibbs, 2002). It also allowed the researcher to fully consolidate the data with both the initial and final literature reviews (diGregorio, 2000) linking the findings holistically with current research.

## **3.6 Narratives of Participants**

### **3.6.1 Introduction**

As was explained in Section 3.5.2, a number of selection factors were used to identify potential participants, with the main ones being the nature of the Creative Project, size of SME, use of a business plan and the SMEs' IP strategy. The majority of the participants were selected from the Micro and website design groups in order to reflect the high proportion of Micros selecting website design in the overall government funding scheme. The breakdown of participants, based on their application and survey responses, in relation to these factors, is shown in Tables 3.1-3.3.

SME	Creative Partner	Creative Product	Size of SME	Business Plan	IP Strategy	Industrial Sector
MW1	C1	Video, Website, Copywriting, PR	1-10	Yes	Highly Active	Biotechnology
MW2	C2	Website	1-10	Yes	Active	ICT
MW3	C3	Website	1-10	Yes	Highly Active	e-commerce
MW4	C4	Website	1-10	Yes	Low	e-commerce
MW5	C2	Website	1-10	Yes	None	Consultancy
MW6	C2	Website	1-10	Yes	None	Retail
MW7	C5	Website	1-10	Yes	Low	Consultancy
MW8	C6	Website & Brand Identity	1-10	Yes	None	Consultancy
MW9	C7	Website	1-10	No	Aware	Engineering
MW10	C8	Website	1-10	No	None	Healthcare

**Table 3-1 Selection Profile of Participants - Micro SMEs with Website Design (MW) as their Creative Project (author)**

SME	Creative Partner	Creative Product	Size of SME	Business Plan	IP Strategy	Industrial Sector
MO1	C9	Brand Identity	1-10	Yes	Active	R&D
MO2	C10	Video	1-10	Yes	Low	Biotechnology
MO3	C11	Product Design	1-10	Yes	None	Engineering
MO4	C10	Video	1-10	Yes	Low	Biotechnology
MO5	C12	Brand Identity	1-10	No	None	Consultancy
MO6	C13	PR	1-10	No	Active	e-commerce

**Table 3-2 Selection Profile of Participants – Micro SMEs with other Creative Projects (MO) (author)**

SME	Creative Partner	Creative Product	Size of SME	Business Plan	IP Strategy	Industrial Sector
SW1	C2	Website	11-50	Yes	Low	Printing
SW2	C14	Website	11-50	Yes	Low	Sport & Leisure
<b>MW11</b>	<b>C2</b>	<b>Website</b>	<b>11-50</b>	<b>Yes</b>	<b>None</b>	<b>Biotechnology</b>
SW3	C15	Website	11-50	No	None	Construction
SO1	C7	e-marketing	11-50	No	None	Engineering
SO2	C14	Database Design	11-50	No	None	Market Research
SW5	C2	Website & Brand Identity	51-100	Yes	None	ICT
SO3	C17	Brand Identity	51-100	Yes	Highly Active	Professional Services
<b>SW4</b>	<b>C16</b>	<b>Website</b>	<b>&gt;100</b>	<b>No</b>	<b>Active</b>	<b>Furnishing</b>

**Table 3-3 Selection Profile of Participants – Small and Medium SMEs with Website Design (SW) and other Creative Projects (SO) (author)**

However, some of these responses were inaccurate. MW11, it emerged in the interviews, had only two people in the company, and so was actually a Micro, and SW4 had only thirty, not >250 as was claimed in their application. The use of business plans and IP was also over-reported in the surveys and was not always borne out in the interviews. As the interview data was analysed, other features emerged that also had a bearing on the outcomes, and so a more detailed profile of each participant,

both SME and Creative, is outlined below. It also emerged through the analysis that engagement in, or knowledge of, IP did not change over the project, nor did it have any causal relation to the outcomes of the projects - with the exception of MO3, a product design project.

### **3.6.2 Narratives of SMEs**

**MW1 – Partner C1:** This was a Micro company of three people all based in the one office. Two were financially oriented although both evaluate success in different ways, with one looking at net profit (accountant) and the other at profit margin (account manager). The third was innovation oriented, always looking for new opportunities and solutions (mechanical engineer), which the other two evaluated using their previous experience. All three have successfully worked for large corporations and did not like it, finding the atmosphere too restrictive. They admitted that, while they are always on the lookout for new ideas, they find it hard to prefer other's ideas to their own. Their Creative commented on the difficulties they had in reining in their enthusiasm long enough to get them to listen. They had worked with several other Creatives prior to the project but the relationships were transactional rather than collaborative. They worked closely with one national government business advisor, but felt the local government advisors had nothing to offer. While the product for the Creative project was in Biotechnology, they had products in several areas from Shop Display to Consumer Goods to Safety Equipment with no relationship between products other than the fact that the participants could see a route to market and a profit margin. While they had a business plan, they never used it in practice, preferring weekly review meetings to track projects. All manufacturing was sub-contracted out. After the project, they collaborated with their earlier Creatives on new projects and showed an increased receptiveness to design concepts.

**MW2 – Partner C2:** This was a sole business owner who ran a second business in ICT, as well as the participating Micro. They were under considerable pressure on both time and financial resources at the start of the project, though these eased slightly over the duration of the research, with new offices and staff taken on. The participating company was launching an ICT product, which had been discovered abroad by the owner and re-designed. Over the duration of the research, this product began to generate both sales and awards, which again reduced the stress levels of the participant. The participant was highly organised and had long experience with ICT but was unfamiliar with websites beyond their computer coding. They were very accustomed to telling and not listening and saw the designers as another contractor who were expected to fulfil the exact specs provided. They had taught themselves Dreamweaver and CorelDraw and believed that this gave them equal skill to a designer. Instead they saw the value of the project in the creation of the computer coding that would make the website run smoothly. At the start, the relationship with the Creative was poor, with the participant feeling deadlines were not met, communication was poor and that the Creative's only interest in their company was the fee. These issues were resolved over time and while the participant never recognised any contribution from the Creative during their interviews, behavioural

changes were evident and the relationship was strong enough for the participant to take up offices next door to the Creative and maintain an ongoing working partnership.

**MW3 – Partner C3:** This was a sole business owner launching a new e-commerce website. With extensive experience in the creative sector prior to launching the business, they profiled more as a Creative than as a Micro, and provided several insights such as Visual Language that later became incorporated into the research. They were aware that their business skills did not match their design skills and so employed a Creative who could provide the business mentoring required to launch an e-commerce site. As might be expected, while their business skills improved, there was no change in other areas.

**MW4 – Partner C4:** This company consisted of three people: the owner, their assistant based in the next door office and a buyer who worked from home. The owner was the sole participant in the interviews. The participant had significant experience in e-commerce, running e-tail sites from before the dot com boom. Prior to that, they had been a product designer and a retail buyer for a large company. They were fascinated with the potential for the internet and saw themselves as internet pioneers, working hard on research to maintain an early adopter position. Throughout the interview they continued to work on their computer, pulling up websites, Excel sheets, stats, blogs etc. to illustrate their various points. They were extremely loquacious, with a multitude of opinions and ideas, making it difficult for the interviewer to even partially direct the interview. While they saw themselves as an expert in their field, they were very open to learning and saw the project as an opportunity to learn more about an area that they had not previously considered. While they saw their Creative as highly expensive, they did recognize the design contribution that they made, however, they acknowledged that at the start they had tried to lead the design process, something which they realised, during the process, was a mistake. After the project, however, they switched to other Creatives that they felt could provide the same benefit at a lower cost. Prior to the project they saw their customers as statistical demographics, while afterwards they recognised them as a group who would respond emotionally to an experiential offering.

**MW5 – Partner C2:** This was a consultancy made up of three people all working from home. One member of the group agreed to participate in the interviews. They had considerable experience in the ICT sector, both in working with multi-nationals and in their own consultancy. They had as much business abroad as in the UK. Originally the website design was seen as an IT project, which the participant felt comfortable with. They admitted they would have been more anxious if it had been in the unfamiliar arena of design. However, they developed a strong relationship with their Creative and were willing to learn when they realised they were actually working in design and not IT. They were very product-oriented and previously relied on word-of-mouth and recommendations to generate business. At the start they had no awareness of how their previous website represented them, although they were aware it did not generate any business. By the end of the research they

were discussing their customers' positive experience of the website and how it had helped forge new relationships.

**MW6 – Partner C2:** MW6 was a traditional retailer who ran the business alone, with their partner helping with the books. The business was family-owned and the owner had been trained by their father, now gone. They were highly familiar with their business and with their customers and the USPs that generated purchases, however, the recession and the lack of foot traffic on their street had resulted in a major decline in business. The funded project was to move some of the operation to an e-tail site. The participant admitted they knew nothing about e-tail and were uncomfortable about websites and computers but felt they had to do it as everyone else was. Their Creative had made the first approach, and were selected because the Creative had worked with a personal friend of the participant previously. The participant did not check up on the reference until after contracts were signed and was upset to find that the friend had been unhappy with the Creative's work. The participant seemed unhappy with going ahead at this point but made no attempt to switch partners, even though this was possible under the scheme's rules. After the second interview they opted not to participate further in the research, although the Creative confirmed that eighteen months after the projects ended they were still working with the participant to get the website live but were struggling to get any kind of content to populate the site. The Creative's opinion was that the participant was a technophobe and extremely uncomfortable with the concept of going into e-tail despite several tutoring sessions with the Creative. They felt the participant was the type of personality to ignore difficult situations in the hope that they went away.

**MW7 – Partner C5:** This was a business consultancy working with SMEs and Micros on business strategy. Three consultants worked in the business full-time although there were others who were called in occasionally. The participant had a background in engineering working in large corporations before moving into consultancy for other companies. They had run the consultancy for a long time but were aware that the marketplace was changing and that with so many other consultants in the marketplace they needed a web presence and they needed to be distinctive. To achieve this, along with a brochure website, they also developed management tools for their clients to use online. They had a specific list of criteria for selection, all technical based apart from one. This was the prior experience of the Creative; the participant wanted someone who had worked in their market sector before. At the start of the project, the participant had very clear ideas of what they required and saw the project as transactional. Over the duration of the project they realised that they did not know as much about the subject of website design as they thought and learned to listen and collaborate rather than direct the Creative.

**MW8 – Partner C6:** This was a business consultancy training SMEs in change management. The business was launching at the start of the project, the result of two individual consultants going into partnership. The website was built as part of the launch to form part of the marketing campaign. The

participant had worked in management in a small company and had left to work on their own. They had significant experience in their area and knew their customers as individual people. They had prior experience in working with Creatives and marketing and recognised that visuals were an important component of website design. They explained that this project had caused tension between themselves and the other partner as the other partner saw no value in the project and felt there was no need for it. The participant, on the other hand, felt that with so many in the marketplace with bad websites it was critical to have a well-designed website to stand out and generate business. They were highly familiar with the criteria required for a good website and were extremely thorough in their research, selecting one that had a balance of technical and graphical skills. They began the project as a collaborative process, recognising the designer brought skills and knowledge to the table that the participant did not have. The participant did not wish to acquire those skills or knowledge, preferring to trust the advice of the Creative in both the design and selection process. There was little change by the end of the research, partly due to the strong abilities of the participant at the start, partly because of their conscious decision not to acquire more knowledge and partly because a large influx of work just after the project had delayed the launch of the new company and implementation of the website.

**MW9 – Partner C7:** This was a new engineering business, housed within an older family engineering business. The participant had spotted a business opportunity through working in their father's business and had set up on their own. The website in the project was an e-tail design that the owner had devised to improve the ordering and delivery of one-off fabricated products. The manufacturing side of the business was outsourced to China. The participant was completely product-oriented and while they recognised marketing was critical, was unsure of how to approach it. The Creative was selected both to help with the visual presentation of the front-end of the website and to advise on other marketing strategies. There was little change within the business by the end of the process, although sales had improved for the company. The impression was that the key interest for the participant was still engineering and that marketing was an obligation rather than an activity they engaged with.

**MW10 – Partner C8:** This was an engineering firm supplying healthcare products in a very niche area. There were five administrative employees sited at the main office with the manufacturing done in-house. Three designers/project managers worked in one office with the administration assistant/marketing manager/receptionist working in reception and the sales manager working in a separate office. The participant was one of the engineer designers and had started the company with the sales manager. They had both worked for what is now their key competitor and had walked away with engineering designs that now give them what they see as their USP. Despite this they saw no point in protecting their IP. The participant had little awareness of who their customers were, where to locate them or how to communicate with them in a way to generate sales and showed no

enthusiasm in trying to resolve this, stating the sales manager preferred to follow leads through networking rather than specific strategy. The participant spoke of doing e-shots but felt they were a waste of time as no-one read them anyway, and advertising in trade magazines which, they felt, no-one looks at, and attending trade fairs which 'no-one goes to'. There was a strong sense of helplessness and hopelessness. The participant was told of the funding by the Creative, who was already working on their website, and used it to extend the project they were already undertaking, even though this was proscribed by the funding rules. The participant liked working with this designer because the Creative did exactly as they were told and put in whatever images they were asked to. At the end of the research, the participant could not understand why the website generated no sales even though the website looked 'really professional'.

**MW11 – Partner C2:** The two participants were the sole personnel of the business, responsible for both the manufacturing and running of the business. Both were chemical engineers who were completely product-focused. While they recognised marketing needed to be done if they were to grow their business, they did not like it and preferred to hand the whole project over directly to the Creative. Little time resource was allocated to the delivery of this project and they recognised that delays in delivery were due to their failure to provide the material required to populate the website. The participants were very happy with the project at the outset, although after the first interviews they opted out of the research process. The Creative reported ongoing difficulties in getting the website live as both were too busy to provide the information required to populate the website. The Creative also reported there were issues in trying to get the participants to identify the key selling points rather than providing a full and detailed product description and specification sheets.

**MO1 – Partner C9:** This was a sole business owner launching cosmetic products. The participant had worked in the cosmetics industry prior to the launch of this business, starting in formulations as a chemical engineer before moving onto product design, working with the marketing department. The business strategy was not very focused. During all the interviews, in addition to the product range being branded in the Creative project, numerous other ideas for future products cropped up, as well as discussions of past products that had not made it to launch. The participant, while aware that the design team he was working with worked exclusively for the drinks industry, had not made the connection that the Creative was unfamiliar with the participant's customer thought-world and so were creating the brand for the customer thought-world they were used to. As the participant belonged to the customer thought-world the Creative was used to targeting, the Micro experienced a very positive response to the original designs. After the start of the project, a project manager was brought in to manage both the project and the participant, as the participant was co-located with the designers and using the proximity to keep on interrupting the designers' work with new ideas and altering the design parameters. It was the project manager who recognised that the branding was incorrectly targeted and sent the designers out to learn the language of the new customer thought-

world by researching competitors' brands and retail arenas. By the end of the research, while there was still no discernable strategy in place and the product range of the original project were still pending launch, there seemed a much greater awareness of experiential design in brand creation. This knowledge had been leveraged in other products which had been created as concepts in-house, branded, trade-marked and licensed to other manufacturers still at the concept phase. There was also a strong skills collaboration between the design team and the participant as the Creative expanded their branding into the cosmetics industry.

**MO2 – Partner C10:** This was a two-person technology start-up by two scientists working in a very niche industry. The project was to create an online video that could be used as a marketing tool. The participant made clear that neither of them liked to engage with the business side of the business, both preferring to work on the delivery side of the service. They were pleased with the way that the video was created and how it explained the offering simply, something they admitted to struggling with. However, as they were fire-fighting with financial resources all the time, requiring new equipment they could not obtain grants or bank loans for, the video was left on their website with no pro-active marketing.

**MO3 – Partner C11:** This was a one person company launch; a new technology product. It was still in the R & D phase, with another product designer already outsourced and working on the product. A second product designer was brought in for the project. Even though patent protection was required for the product, the owner had done little research into the process or even the viability of the product for patenting. The company closed shortly after the project completed as it was discovered that the designs infringed another patent and funds were not available to re-design and re-patent.

**MO4 – Partner C10:** This was a very similar company to MO2 both in outlook and set-up. This company worked with MO2 on occasion and had selected the video project based on MO2's recommendation. The key difference was that MO4 was engaged with marketing and used a marketing consultancy prior to the project. They chose not to do the final interview as they felt they had gained nothing from the project outside of the video and so had nothing to contribute in a longer interview.

**MO5 – Partner C12:** This company was a five-person team who had worked in the education sector and were launching into the management sector. The project was used to create a brand and promotional materials for the new arm of the business. The participant in the interviews was already customer aware and enjoyed the collaboration between themselves and the Creative. Prior to the last interviews, the company closed due to two key team members relocating abroad for a new business venture.

**MO6 – Partner C13:** This was a one person company with the partner assisting in the book-keeping. The participant was already familiar with e-tail and understood their customer well both

demographically and experientially. They were unhappy that they were forced to use another PR firm for their project and felt that the project was a failure as the PR drive generated no sales and cost the company in giveaways. They felt that the PR firm never understood who they were or who their real audience was. The PR firm felt the project was a major success as a large amount of publicity was generated, although they felt the relationship was poor as the participant required too much time spent on their project relative to the spend.

**SW1 – Partner C2:** This was a small printing company that was ‘both bricks and clicks’. The project was used to create a website for a new joint venture. This company had worked with website designers before and had graphic designers in-house as well as an experienced marketing manager. Other than a successful website, there appeared to be no further outcomes from the collaboration for this company.

**SW2 – Partner C14:** This company had four members of staff in the main office, with the remainder of the employees in packaging and distribution. The company possessed an exclusive distribution agreement for one major brand which accounted for the majority of their sales. This agreement was by handshake rather than legal document. The project was to create a website to promote this brand further. The company closed three months after the first interview. Once the brand, which the participants believed they had the distribution rights for, had gained a foothold in the UK, a larger chain took over the distribution and cut off the participants’ key source of revenue.

**SW3 – Partner C15:** This company was a construction firm which worked on large building projects. The website was created to promote a new venture and to provide an ongoing interface for clients during the building projects. The business had been built entirely on business relationships and word-of-mouth recommendation and so marketing was a new concept to the company. The relationship with the Creative was a good one and the website had begun to generate requests for tenders for the new venture. Marketing changes were evident in the last interview, which were attributed by the participants to the Creative’s input. Shortly after the last interview, the older business lost several key contracts which put the entire business into administration.

**SW4 – Partner C16:** This was a well-established small company which supplied furnishings through agents and catalogues. They were smaller than declared on the application form, having moved their manufacturing to China. The company consisted of around thirty employees by the participant’s estimate. This was the first website they had created and was intended to replace the catalogue ordering system with something more flexible, more streamlined and cheaper to run. It was the idea of one of the administrative staff in the office and, while it had been cleared by upper management, there was no engagement with the project, either by management or other staff in the office. This caused delays in the creation of the site as the participant struggled to get product images and catalogue numbers assembled in a digital format. In the end, the Creative had to donate their time,

working at a loss in order to build a functioning e-tail catalogue. In the last interview, it appeared that the resistance continued after the creation of the site with other members of staff choosing not to tell the agents about the website and simply sending out the catalogue on each enquiry, and agents who were informed preferring to remain with the catalogue system. The participant in the interviews felt that management had never really supported the project and were uncomfortable with the concept of change.

**SW5 – Partner C2:** This was a small company that specialised in ICT in the education sector. Prior to this project, the company had been sustainable on word-of-mouth marketing but they were expanding and so used the project to build a website to promote their company outside of their established circle, as well as to provide a first point of contact for their more established clients. Through discussions with the Creative company, the project was extended to include brand identity and assistance in improving the visual appearance of a key tender that the participants were in the process of creating. The relationship with the Creative was strong and extended into further work past the project. As a result of the website, marketing gained more prominence in the business strategy and a marketing manager was taken on. The awareness of visual impact extended past the tender and has been incorporated in all ongoing promotional material and external documents. At the last interview, the company had grown as a result of the successful tender and had just been taken over by another looking to expand.

**SO1 – Partner C7:** This was a well-established third generation engineering firm. Four members of staff worked in the main office and the remainder of the employees worked on site or in the engineering workshop. While the father and uncle had retired, they still returned regularly to the office and remained involved. Until the current owner, there had been little change and the business had gradually slowed down. The new owner recognised that change was critical for the survival of the firm and was engaged in ongoing training in new management techniques to engage with the new market conditions. One of the changes was in marketing, as, prior to this project, marketing was done only by word-of-mouth recommendation. The project was to identify new market areas and establish an e-marketing campaign to generate new business. The knowledge acquisition was intentional from the start and the knowledge transfer was fully aware. While not as much business was generated as hoped, business was generated and enabled the company to survive.

**SO2 – Partner C14:** This company worked in market research and while there were a large number of researchers employed on a project by project basis by the company, there were only three full-time personnel in the office. The project was to create a database to work in conjunction with their already established website. The participant was unfamiliar with computer coding or platforms and relied on the programmer to recognise what was required and provide a fully functioning database. However, the programmer failed to check the operating platform of the website and the database turned out to be incompatible. The result was that the Creative had to take on and host the whole

website in order to achieve a functioning database, an outcome the participant was less than happy with. This project was transactional only with no communication between the initial brief and the final product.

**SO3 – Partner C17:** This small company worked in the service industry. Prior to the project, all design work was done in-house, much to the frustration of the marketing manager, who felt that the promotional material was of a poor standard, had no clear message and was damaging the company's profile. The marketing manager, who was the participant in the interviews, had struggled to persuade the owner of the company of the value of good graphic design. They saw the project as the opportunity to use a good designer to develop the brand at a cost the owner was willing to accept. The participant ensured that the owner was included in all meetings with the designer, and involved the top management in the design process as well. In the final interview, the participant noted that the project had been a success, not only in the customer response to the new brand but also in the change in the company culture. Design was now being outsourced with several Creative companies, promotional material was now coherent and conveyed the intended message and the marketing expenditure had been increased.

### **3.6.3 Narratives of Creatives**

**C1 – Partner MW1:** This company closed shortly after the first round of interviews as the Creative moved to a new venture. There were two people who worked with MW1, the participant in the interviews and a presenter who helped develop the video section of the website. The participant had long experience of working with SMEs, particularly in marketing, and felt that MW1 were extreme in their lack of focus. In their interview, the participant made clear the importance of drawing out customer knowledge from the SME without them being aware of it, a concept that became a core part of the research findings.

**C2 – Partners MW2, MW5, MW6, MW11, SW1, SW5:** This company consisted of three core personnel – one designer who was the owner of the business and business aware, one marketing manager who was highly focused on generating new business and one technical programmer who devised the 'back-end' of the websites. In addition, there were other members of staff who were rarely in the office: the sales team who were also project managers, graphic designers who worked on the 'front-end' and programmers who worked on the 'back-end'. The three core personnel worked very closely together in one office and were in constant communication. Communication with the other staff was mostly by email and phone with monthly catch-up meetings. The company worked solely with SMEs and were familiar with a large number of market areas. Prior to the funded projects, telemarketing was already part of the marketing strategy of the company and generated around five small projects per month. With the launch of the funding scheme, all the telemarketing was targeted at SMEs who had been awarded funding, with a very high success rate, gaining 10% of all the awarded projects. This success brought issues with it as there were insufficient staff to

manage the large influx of projects and delays were not brought to the attention of the core personnel. This led to a breakdown of relationships in a number of the projects, although as the issues came to light they were dealt with and new staff were taken on. By the end of the research, all the project SMEs and Micros were still connected to the Creative and were using them for ongoing work, even where the relationship continued to be arduous.

**C3 – Partner MW3:** This was a one-person company who ran a Creative consultancy that specialised in advising SMEs and Micros on how to use design strategically in their business, in particular website design. Work was not done in-house, instead the Creative supplier which best met the required strategic fit was sub-contracted.

**C4 – Partner MW4:** This was one of the largest Creative agencies involved in the funded projects and more used to dealing with large companies than SMEs or Micros although they did work with SMEs and Micros occasionally. They preferred not to, as the amount of time required to work on SME and Micro projects and the ‘hand-holding’ required compared to the available budget severely reduced the profit margin. However, SMEs and Micros provided regular work and cash-flow to cover the dips between large contracts and enabled the Creative to explore potential new markets at a low risk. The designer and project manager working on MW4’s project had both left by the final interview.

**C5 – Partner MW7:** This was a small marketing consultancy company that provided websites as a marketing tool. Unusually for a website provider, there was a full-time copywriter used on all projects. Both owners were marketing rather than design based and they dealt with the clients, with the designers occasionally brought into meetings to discuss concepts. The company had a mix of large and small clients, with the majority at the Micro end of the scale, across a wide range of industries. They felt that their clients were extremely knowledgeable about their customers but often failed to articulate this and struggled to if asked directly. Their concern that their clients’ issue with articulation might be seen as ignorance or stupidity highlighted the concept that Bi-Modal Knowledge Transfer was used in order to avoid this perception by their clients. Reviewing the other transcripts reinforced this concept.

**C6 – Partner MW8:** This company consisted of a team of eight people, a mix of designers and software developers. The participant in the interview, the owner of the company was originally a graphic designer although had now moved into managing the projects and interfacing between the clients and the design team. They worked for a wide range of industries and for a mix of sizes from large to Micro. They felt that each project was individual and that regardless of size they had to put an equal amount of time into researching the market and customers before the start of each project. The focus was on using the websites as a marketing tool and educating the clients in the best way to utilise the website in their marketing strategy.

**C7 – Partners MW9, SO1:** This was a one-person company who did the majority of the work themselves and sub-contracted where necessary. The participant worked almost exclusively with Micros and SMEs in a wide range of market areas and over a range of projects from full marketing strategy to brochure website design. They tailored their working style to the personality of the Micro or SME they were working with, preferring a collaborative style, but adopting a more transactional style if this was the client's preference. They commented on the fact that some SMEs and Micros allowed very little creative input and that they tended to do the bare minimum in those cases as there was no motivation to get creatively involved. They said that, in those cases, they would avoid working for a second time with them. Collaborative projects however tended to lead to a long term relationship, with minor work done every few months and major projects every three or four years. It was these clients who also tended to pass on work through word-of-mouth recommendation.

**C8 – Partner MW10:** This was a mid-range agency which worked for large companies, SMEs and Micros, across multiple sectors. They preferred to work with companies with a marketing director who had a clear brief and felt that the hand-holding an SME or Micro required was a necessary evil. The reason they worked with SMEs and Micros was with a view to building a long-term relationship so that as the SME or Micro grew, so would their marketing budget. They felt the initial project was often a loss leader but as the relationship and understanding built, projects became smoother and less time consuming. They admitted that they did not see the point in training SMEs or Micros in visual awareness. Once the SME or Micro expressed their opinion on the design, if they wanted something else, the participants felt it was easier just to agree with the SME or Micro, even if they knew the design was wrong. This company closed soon after the second round of interviews.

**C9 – Partner MO1:** This was a branding agency that dealt almost exclusively with multi-nationals in the leisure industry. The demographic the Creative were familiar with was male, eighteen to thirty, who had an active social life. The collaboration with their funded Micro partner occurred through a chance meeting at a networking event. The agency saw the collaboration as an opportunity to expand their range in a low-risk environment, while the Micro saw it as an opportunity to work with a high-profile agency. The relationship was strong from the start with the SME being offered the opportunity to co-locate with the agency, and other collaborative opportunities emerging after the initial project. The Micro worked directly with the designers initially but the outcome was poor as, rather than designing for an affluent female, thirty to forty, the branding was still targeted at their usual demographic. In addition to which, the designers' time was taken up by the Micro visiting the design studio several times a day to discuss new ideas. A project manager was then assigned to act as a buffer and protect the designers' time. They also spotted the demographic flaw and re-trained the designers in the new demographic. It was this activity that identified that designers can be demographic specific, rather than simply visually adept. By the last interviews the project manager had left and was not available for the final interview.

**C10 – Partners MO2, MO4:** This company rarely worked with SMEs or Micros preferring to work with large companies who could provide a clear brief. They had chosen to participate in the funded projects in order to explore a new market area. They felt their skill was in being able to understand a very complicated technical proposition and distil it down to a minute-and-a-half video presentation that would be understandable and engage the interest of the lay person. The participant was very product focused, reverting back repeatedly to the technical specifications of their e-video proposition.

**C11 – Partner MO3:** This was a product design company that had very little contact with their partner. They were sub-contracted through another product designer who was the lead in design for MO3. The partnership was set up solely to gain funded design work as the start-up funding for MO3 was severely limited.

**C12 – Partner MO5:** This was a two-person branding company used to working with a mixture of multi-nationals and SMEs and Micros, in a variety of industry sectors. They only worked collaboratively on projects. Where it looked like a client was going to insist on a transactional process, the quote was deliberately overpriced to discourage. They enjoyed working with SMEs and Micros and found little difference between their larger and smaller clients. Even their smallest clients either had a marketing manager or someone familiar with marketing, and they noted that even in the largest companies, the well-researched brief is becoming a rarity and they are now expected to bring more knowledge to the collaboration than they were before.

**C13 – Partner MO6:** This was a large PR company used to working with large brands and full marketing departments. The project was taken on in order to explore the possibility of working with SMEs and Micros in the future, but it was felt that the time invested was too high to be able to generate a return, and so they would not be looking to continue the relationship. They enjoyed working with the Micro and were proud of the coverage they achieved and rated the project a success because it generated an award for them and over £60,000 worth of publicity for the client.

**C14 – Partner SO2:** An award-winning design agency offering a range of services such as bespoke software, website design and brand management. The core team consisted of a graphic designer, a brand manager and a graphic designer. They manage a range of clients from multi-nationals to SMEs and Micros, in a wide range of industries. They pride themselves on their communication skills, although in the case of SO2, this broke down as insufficient information was collected by the Creative at the start and assumptions were made which led to an unusable product. From their experience with working with SMEs and Micros they found that their clients intuitively knew the market and customers very well indeed, although they often struggled to express it if asked directly. They felt that with larger companies there was a problem with this as the marketing director had one viewpoint based on statistical data, removed from the physical marketplace and then the MD would

contradict that position, based on their practical knowledge, leading to all the work needing revision. However, the budgets were bigger and the understanding of the design process was much better.

**C15 – Partner SW3:** This began the project as a three-person company. One was a technical programmer, who also managed financials and scheduling, and two were graphic designers, one of whom was familiar with marketing and also worked as the project manager, meeting clients and managing communications. All worked in the same office and had a close working relationship regularly sharing information and discoveries. By the last interviews, a fourth employee had been taken on to manage social media for their clients and to provide copy for the websites. Their background was in marketing. While they worked occasionally with larger companies, the majority of their clients were SMEs and Micros. They preferred working with the SMEs and Micros as they were working directly with the decision maker and were able to easily establish a collaborative style. If they felt a collaborative style was not possible with an SME or Micro they would price themselves out of the project. In larger projects, they had experienced the frustration of having decisions held up by committee and having decisions overturned arbitrarily with no opportunity for discussion. Their opinion was there was no point in doing the work if they could not contribute their expertise and skills. They were frustrated that visual skills were often not valued and made a point of educating their clients in the power of visuals. Not overtly, as they did not wish to damage the relationship, but through demonstration and exposure to multiple websites and images. It was their initial interview that first introduced the concept of dual awareness for knowledge transfer, as up to this point it had been assumed that both sides were unaware of the transfer occurring. Reviewing previous interviews showed that the phenomenon was not an isolated incident.

**C16 – Partner SW4:** While a Micro company of just three employees, C16 dealt predominantly with large organisations and marketing departments. They worked occasionally with SMEs and Micros for interest and challenge but found them very time-consuming. They recognised that SMEs and Micros did not provide the information for a brief upfront and had downloaded a questionnaire to help draw out the information, although it was not always successful. They were frustrated by SW4 as they did not use the administration system they had set up to manage clients' accounts and instead fired off random emails which often got lost or overlooked, losing time on tracking back to find the communication thread. They were also frustrated by the failure of SW4 to deliver material either on time or in the format specifically requested. However, they liked SW4 personally and had gone out of their way to ensure the project worked because of this relationship, even though it lost them money and they had to work overnight on more than one occasion in order to keep to schedule. They were concerned, however, that the project did not have the full support and engagement of management and were worried that their work would be wasted through non-engagement with the website after the project.

**C17 – Partner SO3:** This company worked mainly with SMEs and Micros although they had some large clients. They felt the biggest difference between the SME and the larger company was the lack of marketing strategy. While for the large companies, getting a website was part of an overarching business strategy, for the majority of SMEs and Micros they worked with, the client simply wanted a website because other companies had one. The company felt it was their job to educate their SME and Micro clients in marketing strategy and develop the strategy with them as part of the brief. They have begun to move their client base to larger small companies that at least have a marketing department, so that accessing customer knowledge is easier. However, they always supplement that knowledge with their own research, immersing themselves in the client’s marketplace in order to gain as full a picture of the customer they are designing to as possible. They make a point in educating their clients that effective design is not about personal taste, it is about the experiential response of the client’s customers.

### 3.8 Conclusions

GTM is widely misrepresented within business literature, often used as a ‘rhetorical sleight of hand by authors who are unfamiliar with qualitative research’ (Suddaby, 2006, p. 633). However, GTM, used properly, has a valid fit within business literature, enabling the researcher to more closely understand the patterns behind relationships and how these patterns affect both input and outcomes of an interaction (Glaser & Strauss, 1967). Given the aim of this research was to unpack the black-box between input and output that occurs when a Micro works with a Creative company in order to create a website that is of a higher order than a basic template site, there was a synergy indicated between the aims of the research and Straussian GTM. This was further strengthened through the initial literature review which demonstrated distinct knowledge gaps and confirmed the importance of the relationship between the SME or Micro and the Creative if knowledge transfer were to occur. Five of the six key codes emerging from the Knowledge Transfer Code connected strongly to relationships:

- **Belief and Relationships.**
- **Sticky Knowledge and Absorptive Capacity** (which recognises the importance of trust between receiver and sender).
- **Comprehension** (which relates to the ability or willingness to understand another’s thought-world language).
- **Tacit Knowledge** (particularly the importance of the Socialisation quadrant of the SECI cycle in the transfer of tacit knowledge).
- **Thought-Worlds and Communication Effects** (especially how thought-worlds develop through CoP and how these thought-worlds affect interactions with other thought-worlds).

While data collection and analysis was highly labour intensive and often resulted in redundancy of both work and data, the longitudinal nature of the work, along with the uncertainty of the theory at the start, meant that to ensure later opportunities were not lost, redundancy had to be built in at the start. The volume of data collected ensured saturation, and the two methods of analysis, manual and Nvivo, provided both rigour and verification of the findings.

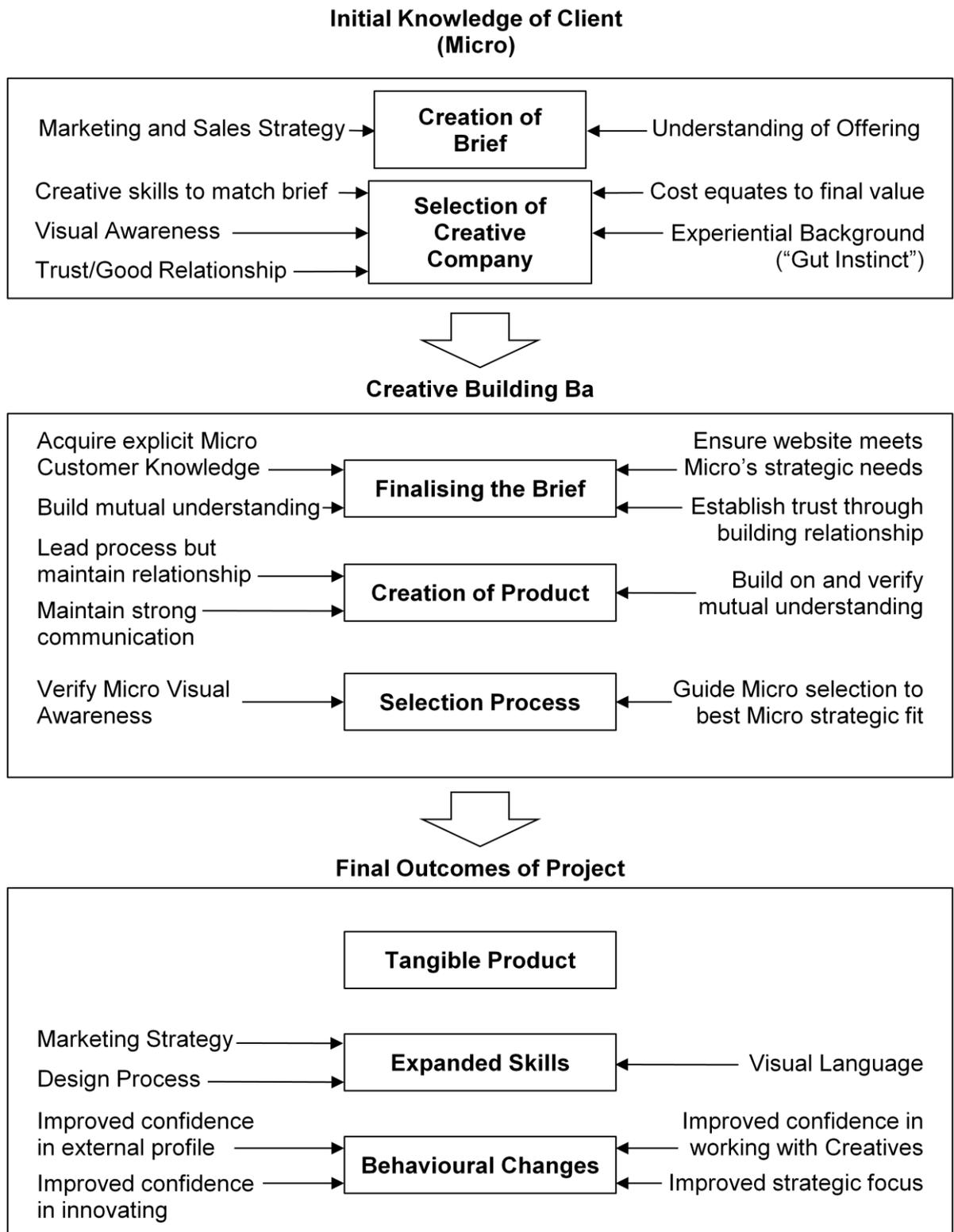
By intentionally choosing not to refine the research aim into more defined objectives to avoid locking the research to the researcher's original worldview or the current thought-world of prevalent literature (Strauss and Corbin, 1990), it enabled patterns to emerge through the data that may not have been identified through another methodology. For example, the existence of knowledge that is not currently used in the decision making process but has the potential to be, knowledge placed in the Peripheral Consciousness, that emerged through the analysis of the first Creative interviews; and knowledge that is used only occasionally but is otherwise dormant, knowledge placed in Occasional Consciousness, that emerged through the analysis of the final round of interviews with the Micros.

Three key findings emerged. Firstly, that there was the potential for significant benefit for the Micro as a result of a collaboration with a website designer, outside of the tangible product. Secondly, that these benefits occurred due to the efforts of the Creative in fostering benevolent trust, in order to enable knowledge transfer in both directions, while maintaining a familial relationship. Finally, that knowledge can be held but not used in decision making and this knowledge can be activated through an external impetus.

These findings will be explored in greater detail in Chapters 4-7. How these findings relate to current literature and how this research addresses current literature gaps is covered in Chapter 8, which presents the final literature review. The way this final literature review was conducted is similar to the more traditional literature review. It is the objectives of the review that are slightly different, being conducted at the end of the data collection and analysis. This final review is used to refine the codes to bring the terminology in line with the extant literature and to place the findings of the research in context rather than provide the initial objectives and hypotheses at the start of the research.

The next Chapter, Chapter 4, is the first of the findings chapters and presents a broad overview of the Website Design Process. This overview chapter provides the foundation and context for the two key findings chapters, Chapters 5 and 6.

# Chapter 4 - Overview of Website Design Process



**Figure 4.1 Model of Website Design Process (author)**

## 4.1 Introduction

The main body of the thesis will focus on two key elements that appear to have the strongest effect on the outcome of the design process – Building Ba and Knowledge Transfer including Micro

Relationships & Information Sources and Inter-Group Communication, and the Knowledge Landscape of each group - their knowledge bases, particularly in marketing and visual language, and where that knowledge is placed within the individual's consciousness. To provide an understanding of where they fit within the design process and why it has been concluded that these three elements are key, it is important to first take an overview of the Design Process model (Figure 4.1). The central boxes (in bold) refer to the generic Design Process while the statements surrounding the boxes refer to the local phenomenon of Micros (<10 employees) developing websites.

Seventeen out of the twenty-five participants in this research chose to use the funding to develop websites and eleven of that seventeen were Micros (MW1, MW2, MW3, MW4, MW5, MW6, MW7, MW8, MW9, MW10, MW11) (the other SMEs falling in the Small category of less than 200 employees). Hence the findings are most robust when applied specifically to Micros developing websites. There is evidence from the data of those participants who were either not developing websites or who were larger than Micro to indicate however, that these local findings may prove more globally applicable through further research. Where data from this group of SMEs is cited, it will be identified in the text to avoid confusion.

This chapter explores each element of the design process (as outlined in Figure 4.1), both from a theoretical perspective of the ideal process and from the pragmatic perspective of what actually occurred when the Micros worked with a Creative company to produce a website.

## **4.2 Initial Knowledge of the Client (Micro)**

### **4.2.1 Creation of the Brief**

There is significant information on the internet about websites and how to go about creating your own. The two most informative sites are the Design Council – which naturally recommends using a designer (Design Council, 2012) and BusinessLink – which gives advice on how to do it yourself (BusinessLink, 2012). Both identify that the website design should be user-centred and created with the SME's business strategy in mind and both discuss the technological aspects required, including Search Engine Optimisation (SEO) but only the Design Council recognises the importance of visuals as a communication tool. The funding body also provided a comprehensive advice pack that discussed creating a brief and selecting a designer, including links to the Design Council website. However, none of the companies interviewed mentioned using either site for information about websites and, for the majority, their actions in both creating the brief and selecting the designer suggest the advice pack (Appendix G) was not fully read either. Instead, it appears that the Micros chose to rely on their own experience.

Before the design of a website can begin, the project ought to be clearly planned. The Design Council (2012) provides clear guidelines as to what information is required at the outset to enable a successful outcome. The three key elements are:

- What key functions are needed for the website.
- Who the intended audience for the website is.
- What the resources are within the company to develop the website and support it post-production. (Design Council, 2012)

These are all identified through the client’s marketing and sales strategy. Identifying the strategic goals for the website not only identifies a target audience but the website functionality, and the skills and resources required to achieve those goals. Choosing to build a website without a strategy to inform it is likely to result in failure.

“We can create a website for them but if they don’t understand the benefit of it or what it’s going to do for their business then there’s very little point of them investing any money in it because they won’t use it correctly.” (C6 – R1)

The key elements for an effective brief can be represented by a simple model (Figure 4.2):




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**Figure 4.2 Key Elements of a Design Brief (author)**

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As was identified within the literature review (Section 2.5.1), it was not expected that the Micros would have sufficient explicit marketing strategy in place to be able to provide this information fully before the project began. While four of the eleven Micros consciously knew about their customer (MW3, MW4, MW6, MW7), none of the Micros in the core focus group had considered all three elements and all required assistance from the Creative to properly develop the brief. This lack of a clear brief was a trait recognised by the Creatives.

“Normally 10% of clients, maybe less, are truly exacting in their requirements and I’d imagine that, therefore, the other remaining 90% of it is that number. Out of that lot probably 70% of them just say I want a great website.” (C5 – R1)

The closest to a fully developed brief came from MW7, but even here, there were elements that had been overlooked and were filled in by the Creative.

“(The brief was) Probably 80% done. 80% core brief, which had 20% fluidity around the outsides... (C5) went into more detail and helped to clarify it.” (MW7 – R1)

#### ***4.2.1.1 Marketing and Sales Strategy***

For all the Micros, the funding made the project possible. Without it, the projects would have been downgraded to a much lower budget (MW2, MW6, MW8, MW10), or postponed by at least two years. Only two (MW4, MW10) were active in marketing, with different results, MW10 gaining nothing from extensive advertising and MW4 steadily growing sales. Only a few (MW3, MW4, MW7, MW9) were able to clearly articulate a clear strategy behind the project other than believing they required a website or wishing to improve the look of their current one. This lack of marketing strategy appears to be a prevalent behaviour trait amongst SMEs and particularly Micros (Section 2.5.1).

The initial literature review (Section 2.5.1) suggested that the SMEs and Micros possessed poor customer and market knowledge. If this proved true, this would prove an issue for developing a website (Sections 2.6.2, 8.7.2, 8.7.3). If the intended audience is unknown, the Creative is left without a crucial piece of information for the final design.

However, the research showed that the Micros possessed strong customer knowledge (Section 6.2.2). The issue lay instead with the awareness and articulation of this knowledge (Sections 6.2.2, 6.3.1). The literature (Sections 2.3.1, 8.6.3) offers an explanation of the knowledge being situated in the Automatic or Unconscious level of consciousness, but the research (Sections 6.2.2, 6.3.1) showed that this was too simple a definition. While direct questioning about customers yielded a poor response, some of the Creatives had developed an indirect method of questioning that drew this knowledge out and made the Micros aware of this knowledge (Section 5.5.1). Working with the Creatives raised the Micros’ level of awareness and in the second round of interviews, the Micros commented on this new awareness:

“It’s given my business a brilliant MOT, and so just refined my whole business proposition. What am I saying? Who am I talking to? Am I doing it in the right way? Rather than, without that advice, it wouldn’t be as tight as it is right now.” (MW3 – R2)

The lack of explicit strategy evidenced by the majority of the Micros and their lack of knowledge about the potential uses of the website was evidenced most clearly when resources for the project were discussed. The majority of Micros in the first round of interviews cited lack of time as an issue on the project, only MW7 and MW8 did not. In other words, the Micros had not allocated sufficient resources ahead of time to progress the creation of the website. Allocation of time and money to maintain the website afterwards was also not discussed in the early interviews.

“So it’s all in our hands really but you get, obviously there’s day to day other stuff that you’ve got to do and it’s really making the plunge and getting on with it really.” (MW7 – R1)

A number of Creatives recognised that failure to allocate sufficient resources was a common trait amongst SME website owners, something echoed by the literature review (Section 2.5.1). A few reasons were suggested for this, from the SMEs being resource starved (C2, C5, C8) to SMEs not viewing marketing and websites as a sufficiently high priority (C1, C2, C3, C7, C8).

#### ***4.2.1.2 Understanding of Offering***

From the Design Council’s website (2012), there are a number of reasons a website might be required by a company:

- “Increase sales by allowing customers to purchase online
- Keep ahead of the competition with a professional online presence
- Decrease costs by doing away with overheads
- Attract more members or customers by promoting a positive brand image
- Encourage interaction and feedback with your customers” (Design Council, 2012)

These were not articulated by the Micros interviewed. What emerged through the interviews was a much vaguer intent of achieving a website presence or providing an online outlet as it was what everyone else was doing:

“More and more people have said ‘Have you not thought about going online?’, you know, because it’s the way, you know, there’s more and more people shopping online... So I thought I’d give it a go.” (MW6 –R1)

The Design Council (2012) makes it clear that more skills are required for web design than just an aesthetic talent:- Semiotics – both visually and verbally; Marketing – especially in brand and corporate identity development; Information design – where and how to place information; Legal know-how, such as accessibility law; Technical skills – metrics, SEO, e-commerce. However, only MW7 fully outlined clear criteria for their requirements, aside from location:

“Secondly, track record in professional services promotion; thirdly, a good breadth of media, so not just in one particular area of media; fourthly, a good capability in financial transactions sitting behind the product promotion, because of the moving the consultancy online, therefore it made sense to have payment online as well, so all the financial stuff. That was one of the big issues actually, that most people were looking to outsource the financial transactions bit. I did not like that. I wanted to keep that tight in.” (MW7 – R1)

Interestingly, MW7 felt aesthetics were a given and stated that their Creative (C5) “probably isn't the best visually “(MW7 – R1), but as their Creative met the other criteria better, they were selected.

All but two of the Micros (MW1, MW4) mentioned the need for technical ability, such as requiring e-commerce, e-marketing, SEO or databases, although MW4 was not interested because they had already outsourced the ‘back-end’ elsewhere. Only four (MW2, MW4, MW5, MW7) discussed the technical aspects and skills required for a website in closer detail, although none discussed ‘calls to action’ – those features on a site that prompt the viewer to a desired activity - a function that the

Creatives felt was crucial to a website. Only one (MW8) mentioned familiarity with their customer base as a requirement. The others who mentioned marketing skills (MW7, MW9, MW10, MW11), saw marketing only in technical terms such as SEO and email shots. MW5 stated that gaining customers was not in a website design's remit – that was the job of a PR firm.

This lack of knowledge at the start of the projects was identified by some of the Micros when the project was discussed after completion and regrets were expressed that they were not more fully informed before they began the process.

“Having done it once I have a better idea of some of the questions I should ask (such as)... the experience of the people concerned, what was relevant.” (MW5 – R4)

Without this knowledge, it was not possible for the Micros to use the available skill-bases of the potential Creatives as part of their selection criteria. For the most part it was assumed that as website providers, all the skills required would be automatically present.

“...if I'd have been better prepared myself, I perhaps could have orchestrated things better. I sort of trusted in them to do more.” MW9 – R4

One of the key missing requirements was that of copywriting, something that the literature suggests is common amongst the design community (Section 2.6.2). The Design Council (2012) refers to content as both ‘words and pictures’. However, only two Creatives (C1, C17) automatically provided a copywriting service to their clients, while two others (C2, C5) provided copy only if requested by the client. The remainder expected the Micros to provide their own copy, even though they recognised that SMEs and Micros often did not have the skills to do this:

“I can build a website for you without having to write a word. I can't do it without a designer and I can't do it without a coder but I can do it without a copywriter... there is a general feeling that ‘Well, the client, it's your site, your part of the contract is to write the copy’. The fact that they are no better equipped than anybody within the agency to be a writer is neither here nor there.” (C3 - R1)

Only three Micros (MW5, MW8, MW11), recognised themselves that they required assistance in copywriting and either intentionally made this part of the selection process or sourced another company to deal specifically with it (MW5).

“...for me it's another critical thing. That's what I can't do, I'm not a good writer... I present often, but I present from slides, yeah? Which has 20 words on in three lines, that's it. The rest is in my head okay. ...So one of the deciding things was, they had to be prepared to assist me writing the copy.”  
(MW8 – R1)

#### **4.2.2 Selection of the Creative Company**

Creating a website is a collaboration between a Creative and their client. Ensuring that the Creative is a good fit for the project is an important part of the process, although, given the wide variety of skills and abilities on offer from template assembler to skilled designer with marketing skills, that will be

discussed in the final literature review (Section 8.7.3), this can pose a challenge for the unwary. This research involved SMEs and Micros who were awarded government funding for a Creative project. The terms of the scheme meant they were not allowed to work with any Creative they had worked with before, although one of the participants opted to ignore this regulation (MW10). As part of this process, the SMEs and Micros were asked to select from a gallery of Creatives who had applied to be part of the project. This meant that they had a much narrower pool of Creatives than the applicants would have had generally, and the search options available, that allowed the applicants to select by services offered, simplified the selection process further. In addition to the gallery, the Creatives were able to contact the SMEs and Micros directly by phone or email in order to try and win the business. This had the potential to make a large difference to the SMEs and Micros involved, which some of the companies recognised:

“Benefit being in being introduced to companies that I wouldn’t have been introduced to before: the fact that I was able to assess them as a group, one by one, which I did for a whole afternoon. The ability to be able to just sit and look all of these creative companies one by one: there would have been no other way of actually coming across them.” (MW4 – R1)

#### ***4.2.2.1 Creative Skills to Match Brief***

Despite this assistance, and the fact that more than two-thirds of the Micros had worked with Creatives before, there was still a lack of knowledge about the services available and only one of the Micros (MW4) spoke of spending any time researching the range of services on offer for websites, although this was done prior to this particular project. C7 suggested this lack of research, prior to the project, was down to human behaviour, stating that people no longer have the time or inclination to process large amounts of information in one go.

“Most people tend to just read in bite size chunks and scan and the only times that people tend to read is when they’re looking at a blog or a news site or that sort of thing.” (C7 – R1)

MW4 echoed this in the final interviews:

“You’re not gonna (sic) learn it in one meeting. You might make some notes. I go (to a presentation) and I make lots and lots, and lots of notes. It doesn’t go in because actually this is probably still in the bag from the last meeting.” (MW4 – R4)

“If I want to learn about Google remarketing, I won’t sit and read... I’ll go and watch a video on YouTube and it’ll tell me exactly what to do.” (MW4 – R4)

This lack of knowledge about what to expect from a website or what to look for in a website designer resulted in a more informal approach to the selection process in a number of cases (MW1, MW5, MW6, MW9, MW10, MW11):

“...we realised, let's see who's in Rochdale and the minute we put down Rochdale website thingys, these guys came up.... I thought these guys look like they're very proactive, contact them and see what happens, and we did and they came down and they were spot on, like we wanted this, this, this, yeah we can do that, we can do that. I said ‘Well, you say you can do that, what have you got?’

so they showed some websites that they have already done and I thought ‘Seems right then, let's go with these guys.’ That's my research.” (MW11 – R1)

Most of the Micros selected the Creative on the belief they could provide the technical skills they felt they needed for their website. As seen earlier, (Section 4.2.1) the more professional aspects of the website design in terms of marketing strategy and customer communication were often not perceived in the early stages of the project. Only in the later interviews were these skills recognised. Providing advice to others who might be considering using a Creative, MW5 said:

“...don't be surprised if they come up with suggestions that are outside your comfort zone, but look at them very seriously because they're coming from a different viewpoint and it can add a lot of value to what you're doing.” (MW5 – R4)

Even MW7, who was fairly specific in their original brief and strategic in their selection process, when asked whether the Creative provided anything that was not originally anticipated responded:

“Marketing advice. Some really good marketing advice.” (MW7 – R4)

This lack of strategy and effort in evaluation resulted in a massive skew in the selection process for the overall funding scheme, where out of 79 Creatives who gained work from the 150 projects awarded, one Creative secured 10% of this work, through pro-active marketing of themselves both through SEO - as noted by MW11 – and by a focused telemarketing strategy.

“We have refined (our telesales) and honed it to the point where we can get through to the right person, get through to the decision maker as such and have a proper conversation...we work through to what people - their aspirations really. We very rarely talk about websites, we talk about what it is that you want to achieve...‘What do you want it to facilitate? Do you want more sales?’ ‘What are your aspirations?’ Then we will work backwards then, find out what they want to achieve as a business and does the website fit in there.... Most of the business that we generate, we generate ourselves from cold calling” (C2 – R1)

#### **4.2.2.2 Visual Awareness**

As stated earlier, another barrier to strategic selection was the lack of explicit customer knowledge (Section 4.2.1.1). Not being consciously aware of the thought-world of their prospective customers, nor recognising visuals as a form of communication, only two Micros (MW7, MW8) factored in market-fit into their selection process. MW7 looked for Creatives who had done website design for others in their market area, MW8 looked specifically for Creatives who were familiar with their customer base and made their final selection from the short-list based on communicating with the customer.

“Has he got the marketing things right? You know, has he got the messages right?” (MW8 – R1)

MW8 was very much the exception in this. The only other Micro to use visuals as part of their selection criterion (MW4) based the decision on their own personal preference, selecting the designers because they looked ‘exciting’ rather than a consideration of how their customers were

likely to respond to it. They were disappointed when their website design was matched to the customer rather than reflecting the Creative's website style, 'all yellow and bright and flashy', a disjoint they recognised during the process.

"Bearing in mind that, when I first saw the design, I thought, ho hum. But then it grew on me because it dawned on me that that's exactly what was needed." (MW4 – R1)

For all the other Micros, selection was not based on how the Creative's own website looked but whether they could fulfil the technical requirements such as content management and e-commerce. Possibly this was because they, like MW7, assumed good visuals were a given or possibly because they did not see it as a design project.

"I was treating it as if it was an IT development project. So I knew what I was looking for in there. If I'd been talking to a graphic designer let's say, then I would want to have it much more detailed because it's an area I don't know about.... Well, they've done me a design and I liked it, if not then I would have complained." (MW5 – R1)

One other company (MW2) saw the project in such a strongly technical light that they provided the design themselves to the website design company.

"If I can do this basic design why can't you? ... I sent them the original files. Why can't they just copy and paste them? So simple. These are the designers." (MW2 – R1)

As will be discussed in the final literature review, this perspective is not unique to the Micros, but is prevalent in the business literature on websites (Section 8.7.3). MW3 was the exception in this group. Strongly visual themselves from a prior graphic design background, they recognised that they needed strategic marketing advice and selected through referral on that basis.

This decision making process was also affected by the Creatives themselves, who, while very aware of the power of websites for their clients, were less effective in presenting their own image. The Micros commented on how many Creatives on the gallery had no website or had only a poor quality one. This meant that the Creatives who did create an effective showcase of their services and skills stood out significantly. During the interviews, the Creatives acknowledged this as an issue but stated that time resource was always an issue for them so they were forced to choose between personal promotion and meeting the clients' expectations. As the majority of their work was gained through personal recommendation, it was felt to be more important to look after the clients properly and build those relationships.

"I'm at the point now where I myself haven't... the website I've got at the moment isn't adequate (Laughter) oh the irony.... it's like, well, let's do this work for the client..." (C7 – R1)

#### **4.2.2.3 Trust / Good Relationship**

Devins et al. (2005) state relationships are a key feature of a Micro's knowledge network, with most information being sourced from close friends and colleagues (Section 2.5.3), and the literature shows that trust and strong relationships are extremely beneficial for knowledge transfer (Sections 2.2.2, 2.3.2, and 8.4). However, only four out of the Micros (MW4, MW6, MW7, MW8) mentioned the potential for a strong relationship as part of the initial selection criteria. Either to make it a more pleasant experience:

"It looked like the type of company I would want to work with." (MW4 – R1)

Or because they recognised they needed a lot of guidance and wished to be able to trust their Creative company to do so.

"I'm looking for someone who a) I click with because I'm going to have to work, I don't want this to be a one off, this is my baby and I hope it's going to grow and I'll need to work with somebody on a more, you know I need to get on with someone because I'll be working on them on a more regular basis... And I need somebody who will hold my hand because it's something new, I need a lot of hand holding in this and I need somebody who will sort of... I could ask any questions and not feel daft." (MW6 – R1)

#### **4.2.2.4 Cost Equates to Final Value**

Something that must not be lost sight of is that the website is a company asset. Over and above its other functions, the website needs to create value from the benefits it provides. This can prove difficult to evaluate as the value can exist in both tangible form such as increased sales and intangible such as improved customer relations. Like other professionals, Creatives come in various tiers and usually charge for their time according their skill sets, their client list and their reputation. However, the size of the fee is no guarantee of outcome, particularly as larger companies are often unfamiliar with SMEs and Micros and may be unwilling to devote any un-billable hours to resolving any issues that may arise from the smaller companies' lack of knowledge. It is important to fit the cost to the intended result. There is no point in purchasing a Lamborghini, if what you need is an around town runabout.

One of the benefits of the funding scheme was to increase the initial investment from the £1,000 that most of the Micros were comfortable with, up to £5,000, which most of the Micros were not. Only half (MW3, MW4, MW5, MW7, MW9, MW11) had considered investing that level prior to the scheme and would have delayed the project for up to two years without the scheme as they did not feel they had the funds to proceed without it. At the start of the process, some of the Micros did not recognise the full potential value of the website and struggled with the sums being charged by the Creatives for the work. MW1 despite getting the website revamped, a promotional video done and press releases written still stated:

"We still think they overcharged at times but hey, we did make that point!" (MW1 – R1)

However, at the end of the process, most did recognise there was a large difference between their original ‘template place-marker’ and the website that was possible with the extra investment:

“...instead of looking like a clacky old website that I was slightly embarrassed by, because the person that designed it originally, the two guys... were not the ones I should have used. I should have been using a professional organisation but I couldn’t afford the design fee because it was too great. So yes, it has improved the confidence in the business in the ability of the business to sell.” (MW4 – R4)

Some were already planning further investment in creative work despite being unwilling to allocate those financial resources at the beginning of the project:

“...there’s a monthly budget, it’s not huge but there’s a monthly budget of £500 or something which goes out specifically to make use of the website.” (MW8 – R4)

#### ***4.2.2.5 Experiential Background – “Gut Instinct”***

Despite the lack of explicit knowledge and an explicit strategy, the majority of the Micros still succeeded in selecting Creative partners who created websites that created a positive customer response (Sections 4.4.1, 4.4.3.2). This could be attributable partly to having at least a vague idea of the technical requirements, partly to luck, in discovering a Creative familiar in working with SMEs and Micros and with the required skill-sets, over and above what was identified, or partly to the increased budget making a higher quality of Creative available to them. However, some of it could well have been down to prior experience where previous mistakes informed their selection criterion – MW5 and MW11 both recognised the need for Content Management having been caught with static sites before, that could not be changed. The Micros’ tendency to select for technical rather than aesthetic criteria could also be attributed to their experiential background, being more familiar with IT and programmes than graphic design. Three of the four (MW6, MW7, MW8) who used relationships as part of their selection criteria all worked more closely with their customers than the other Micros – one running a shop, the other two as consultants. The fourth (MW4) was the most experienced in working on websites having been in e-commerce for nearly ten years and had learnt from previous errors the value of trust and a strong relationship for this process.

These influences on selection were not explicitly identified by the Micros, rather they came out in their discussions about their background and their prior experiences with Creative Companies. However, even though these were ‘gut’ based rather than explicitly identified, they had no less influence on the decision process than conscious factors.

### **4.3 Creatives Building Ba**

The research shows that the balance of skills and knowledge for creating an effective website lies almost solely with the Creative (Sections 5.3, 6.3, 6.4). This means, like any other expert, for a successful outcome, they need to lead the process. However, the research shows that, for a variety of reasons, at the outset, this assumption of the lead is often not explicit, instead the Creatives build

an environment, ba, a concept discussed in the final literature review (Section 8.4), where knowledge can be transferred without threatening relationships or trust.

### 4.3.1 Finalising the Brief

As was identified in the previous section (Section 4.2), the knowledge base of the Micros often proved to be less than complete and the explicit knowledge gaps threatened the project outcomes.

To resolve this, these issues were addressed by the Creatives in a large number of the cases during the finalising of the brief. What was interesting was that the Creative was under no obligation to do anything other than what was specified by the client, and to do otherwise often required a large investment of un-billable hours, often resulting in the initial project with an SME or Micro ending up a loss leader, but they chose to do so because of the relationship.

“...they were such nice people, they are such nice people, and because we knew they didn’t have much budget, we ended up just doing it ourselves, which meant that there was a lot of outside hours...it’s taken us an extra three or four weeks. Which when you’re talking, when we charge by the day, it’s a significant amount of money that we’ve lost. Which is why I think it’s more where we’ve lost money on this website rather than actually, we’ve not even broken even because we’ve lost other things by spending so much time doing it.” (C16 – R1)

One Creative summed up the conflict of the client’s knowledge gaps against the time available for the project:

“There is often a battle between what the end user is looking for and what our clients like. At the end of the day they may hold out for what they like rather than what is right and you have to go with it.” (C8 – R1)

This mirrored their partners MW10’s comments about the process:

“...we just tend to say, ‘I like, this is what I like. I want to do it.’ And he’ll go away and send me like two or three samples and fire it back.” (MW10 – R1)

MW10 also comments: “So (C8) doesn’t know my customers to the extent that I’m trying to do with them (sic).” (MW10 – R1)

This resulted in a website that the Micro was delighted with the look of but which failed to engage the customer.

“As I say it’s allowed us to do brochures and the website and things like that and kick start us off. The previous place I would never have a website as good as that but it’s took like 15 years to have something decent as what we’ve got.” (MW10 – R4)

BUT

“On the internet it’s all set up to contact us but no-one uses it so it’s strange and we have things on there, spares and stuff like that and no-one contacts us for spares. There’s certain bits in your website you just sit and wonder, ‘Well why like?’” (MW10 – R4)

The payoff for this extra time investment for the Creatives seemed to be partly professional pride and partly marketing strategy – an effective website encourages the client to invest further in design, and they often opt to remain with the designer they have a good relationship with.

“You build a rapport up, because we try and do that with a lot of our clients so you really build up like a relationship with them and find out a bit more about them than just the day to day work stuff so that you can actually talk to them about their weekend or whatever it is, so that they basically feel that they don’t want to leave you as a person and therefore the company.” (C6 – R1)

This paid off, not only in generating repeat business but by generating new business through recommendation.

“...probably 70% repeat work, 30% new business. Most of the new business comes through word of mouth.” (C6 – R1)

#### ***4.3.1.1 Acquire Explicit Micro Customer Knowledge***

Given that for the majority of the Micros their customer knowledge was not conscious, explicit identification of the customer and their thought-world was often not possible for the Micro without indirect prompting. However, as will be discussed fully in the final literature review (Section 8.7.3), it is crucial for the design process to identify a clear customer group – who they are, what their wants are and the experiential promise that will engage them – such as the unique selling point (USP) of the Micro’s offering . All of this a Micro may struggle to explicitly identify. As one designer explained about the SMEs’ and Micros’ knowledge of their USP:

“I think sometimes they do (know) but they just don’t know they have it. So like when we start talking to them in a meeting, like we have like a kick off meeting, they’ll probably tell us everything we need to know but they don’t realise that what they’re telling us is that unique selling point.” (C6 – R1)

All of the Creatives in the research attempted to resolve this issue by conducting an informal chat about the Micro’s business that indirectly drew out the explicit information required.

“I think it’s up to an agency to be able to extract the right information, so the fact-finds that (C4) does... our business started with a lot of small SMEs and start-up businesses. So we’ve fine-tuned our fact-finding process I guess, so that we can get the right information. So if you asked the owner of a one-man band company, what’s your demographic, other floaty, designer-type questions, they might not get it, but if you put it another way, then they do. So we’ve fine-tuned that fact-finding process.” (C4 – R1)

#### ***4.3.1.2 Build Mutual Understanding***

The literature review showed that the non-creative companies and Creatives inhabit two very different thought-worlds (Sections 2.4, 2.5, 2.6). The literature suggested that while the Creatives may be aware of this, the Micros would not be (Sections 2.5, 2.6). The research bore this out (Section 5.3). None of the Micros considered the possibility of misunderstandings. It was left to the Creatives to develop a mutual thought-world where misunderstandings were minimised. From the first

meetings, all the Creatives checked back with the Micros to ensure that both sides had understood the same thing from the discussions.

"...(C7) made notes as the meeting progressed and then they'd send back the day after or whatever, they said this is what we discussed, are you happy with it, it's the way forward and whatever. So there was plenty of good communication like that. But it was driven by them; they did quite well with that... It was important that they understood what I wanted as well. Instead of me prompting them they were coming back to me saying 'Is this right? This is what we understand.'" (MW9 – R1)

The other issue, as was identified in Section 4.2.2.2, was, for the majority of Micros, their inability to recognise that others respond to symbols differently to them and that their personal taste may not be an effective communication tool with the customer. Unless this changed, gaining the Micro's approval and providing an effective website could prove mutually exclusive and conflicted goals. To address this, there was one strategy that was prominent amongst the Creatives. They required the Micro to view a large number of websites including personal favourites, competitors' websites and websites they thought their customers also used. This training, explored further in Section 5.3.2, was not always recognised, or appreciated by the Micro.

#### ***4.3.1.3 Ensure Website Meets Micro's Strategic Needs***

As identified earlier, without an explicit strategy and an awareness of what might be possible to achieve with a website, it is not possible to provide this benchmark. The majority of the Micros did not initially acknowledge the Creatives' professional skills in marketing strategy and were unable to explicitly outline their own marketing strategy which often appeared to be opportunistic, rather than carefully planned during the initial interviews:

"So what we have to do is take opportunity. There is opportunity every day. There is something there. And we all have different views on it. And that's the key. Is always have a view of something different in the future... We have to listen and we have to take – people want to tell you things. Every time they do that they're giving you information. So you can actually take out and think 'Yes, okay we'll do that. Or we shouldn't have done that'." (MW1 – R1)

The Creatives used the initial informal discussion to draw out a marketing strategy for the website along with the customer knowledge.

"When a client comes to us we'll sit down and we'll discuss with them not their website but we'll discuss the opportunity for them that they're now getting a website, what do they want to achieve out of this? It's not just a case of getting a website. It's 'Here's an opportunity for your business to progress, where do you want it to progress to? And that's what your website needs to be.'" (C2 – R1)

This was important not just for the design of the website but for the integration of the website into the ongoing marketing strategy of the Micro.

"...that's where some of the clients fall over, is the actual that they don't, we deliver a promise and they don't deliver on actual experience." (C6 – R1)

However, they were more direct in teaching the Micros about websites and the functionality available, as well as educating them about the ongoing resources required to maintain the website. Possibly this was because the Micros did recognise their own lack of knowledge about the potentials of a website as well as the Creatives' professional expertise in the technical aspects of websites.

"...they don't have the process, they don't have the resources to be able... to manage the website, they haven't got product information, and we enlighten them on all these other issues, so 'You can have a website but there is work that comes with it, it is somebody's job now to make sure that website is kept up to date, you know.' We will train them all the way, you know, all the way through on how to write blogs, how to manage the website, how to take better pictures, how to write better content, how to do their own SEO, so it's power to them." (C2 – R1)

The Creative would then use the newly established mutual knowledge to outline a new wireframe or the website that delivered the functionality that met the Micro's needs best.

#### ***4.3.1.4 Establish Trust through Building Relationship***

As both the literature reviews (Sections 2.5.4, 8.7.2) and the research show (Section 5.2.1), trust in the Creatives' professional abilities is not always present, even though all the Creative participants had spent considerable time apprenticing under other designers before setting up an agency on their own. What skills they are recognised for – technical and aesthetics – are not the skills where they can bring most value to the project.

"...it can come down to the purple argument where 'Well I prefer this one' 'Actually, this is best because of this, this and this' 'Well you know what, I still prefer this'. And if you've got a client that continues to go down that road then again I tend to want to... there's very little value you can add apart from be a technician. And the businesses I want to work with are businesses that we work most effectively with are the ones that allow you to offer your expertise." (C7 – R1)

As was discussed in Section 4.2.2, at the start of the process, there was a disjoint between the way that Micros saw the project and what the Creatives were providing and what actually needed to occur. While the Micros trusted that the Creatives knew about the mechanics of websites and could produce an aesthetically pleasing design, they did not recognise any of the additional value that the Creatives added to the project, such as the semiotics behind the design or marketing strategy.

The Micros also placed a low value on design as a skill, some of them ranking the work they or relatives did in Photoshop as equal in effort and skill to what was provided by the Creatives.

"I have done that myself it's all here, let me just show you, I used Photoshop and CorelDraw. That's the website." "...to be honest with you I could do most of the things myself, and they tell you that, even the web designers, they tell you a lot of stories but there's nothing behind it you know." (MW4 – R1)

The Creatives recognised this issue too:

"...one specific thing which is that people assume, because it is creative and you enjoy it, then you don't need to get paid as much (Laughter) or you're doing it for the love of it and that's possibly perpetuated by designers as well. And the fear of... if you were running a more... if you were an accountant you wouldn't choose those terms at all. Even if you did love it, you would still be very clear about what you're being paid and the fact that you're able to work in colours or in textures or

in different dimensions doesn't mean that you shouldn't be paid for that." (C7 – R1)

One of their big issues about this undervaluing of design skill, was that most Micros felt design was something that could be done in twenty minutes and were perplexed as to why they were billed for hours and why the Creatives were so resistant to 'little changes'. The Creatives also noted that this trait was not unique to SMEs or Micros.

"I think it's more from the client's side that it's difficult to manage, because if a client says, could you just do this, that 'Could you just...', could actually mean half a day's worth of work, and they think it could be a quick tweak that takes five minutes... But that's not just down to SMEs, that's clients, literally all clients who you're dealing with." (C4 – R1)

They felt that the main reason was the wide spectrum of abilities amongst those who call themselves website designers, from plug-and-play template designers who had picked up a software package cheap to the fully trained designer highly skilled in visual semiotics and who actively keeps up to date on technologies and marketing. For the uninitiated, there is little to differentiate them apart from cost. This perception of lack of professional validity is something that the Creative Industry is conscious of and is trying to address.

"There's an agency called the Recommended Agency Register and they, basically to get onto the register you've got to be reviewed by your existing clients, and you can't have the Recommended Agency Register Standard until you've been reviewed. The Design for Business Association also do a similar thing, and I'm a member of both of those because I think they're really doing their bit to set standards within design and marketing... I think that's a big issue with our industry really is the level of standards. I think in any other profession, whether it's dentistry or law, I think you've got like bodies there governing, even architects and things like that." (C6 – R1)

This can result in the Micro at the start of the process wondering why they are being charged £5,000 when they know of another designer who will do it for £200, not realising there is more than £5,000 difference in the value of the end product. This can damage the trust and make the relationship uneasy at the beginning.

The Creatives are highly aware that while they possess all the expertise to create an effective website, if they are to have a successful collaboration and build a relationship that goes on past one project, they need to build trust over time. As Polanyi (1958) states, our reality is based on our worldview and we are highly protective of it, to the point of explaining away facts that do not fit our reality. New evidence must sink in and be slowly digested before perceptions will alter. Highlighting the inadequacies of the initial brief and identifying the gap in visual knowledge is likely to place the Micro on the defensive at the very start; as would openly suggesting that the Micros do not have the ability to lead what they perceive as a very simple project. As C7 said, when discussing educating SMEs and Micros about design:

"...that is also a challenge because sometimes the smaller you go, so like if it is a one man band who is defined in their approach, even if that definition could be opened up a bit more they might find it difficult to hear criticism or constructive criticism." (C7 – R1)

Given there is no time at the start of the project to establish a track record that will build trust and given the importance of the groundwork outlined above to the eventual outcome, most of the Creatives opted to work at the subconscious level with the Micros. This way, while the Micro became more consciously aware of their customer and their marketing strategy, they were unaware that the brief was initially flawed or that they were being trained in anything other than the functional options available on a website.

“...we thought we knew the product but we were so wrong. Maybe on one level but actually explaining it to somebody else who doesn’t know it was quite difficult. I personally felt it was quite difficult when it came to explaining to somebody... They even started just like yourself, where did the product come from and why did you think of it. Who actually thought of it...” “I think unconsciously we have actually altered our views on our customer base as well.” (MW1 – R1)

And from the Creative’s perspective:

“I have a mental set of questions to make sure I have got all the information I need but it is not anything that is documented anymore. They think I am having a chat with them, they have no idea how much information I am extracting. But that is probably the best way, because then they are really relaxed and they are talking about what they trying to do and all the rest of it, I am scribbling frantically to get down everything that they need and then I type up my notes or whatever and I review what they need and that forms I suppose the basis of putting together the proposal and the suggestions and take it from there.” (C1 – R1)

Over the duration of the project, where the groundwork had been properly laid, the relationship changed, from the Micro explicitly leading and the Creative tacitly leading, to one of open collaboration.

“...my advice would be buy the people and then listen hard and I definitely did listen, I did and they didn’t do it as I wanted them to, they did it as we agreed it should be done which is a good thing.” (MW8 – R1)

### **4.3.2 Creation of Product**

#### ***4.3.2.1 Lead Process but Maintain Relationship***

As the participating companies were advised in the Advice Pack, provided by the funding body (Appendix G, p. 283), creating a website is a collaborative process with numerous iterations. It is not the same as purchasing a tangible product where the order is handed in and the finished product is later delivered. The Creative had to establish early on that this process was shared, outlining not only their responsibilities, deliverables and timelines but those of the Micro. From the start, it was the Creative who project managed the process, establishing the parameters. However, the majority kept this low-key and informal.

“Every meeting should have actions, an overview of the meeting and it should have actions in terms of what we need to do as an agency and actions what the client needs to do, so everyone’s really clear on what’s going on. I think what we do instead is emails usually get, so you usually get, they get an email saying like thank you for coming in to see us, you know, we’ve got a better understanding of what you want, in order to go forward we need X, Y and Z from you, in the meantime we’ll work on your site plan.” (C6 – R1)

Where it was not done this way and the process was formalised, it badly disconcerted and alienated the SMEs and Micros. As one small (not Micro) company noted of their Creative:

“But they’ve got – I’m going to give you all of their cheesy names that they’ve got – they’ve got something called Basecamp, typical internet design speak, and we’ve all got our log-ins to Basecamp and that’s how we upload things... There’s a chat page, not that I’ve ever used it but you can keep up to date with what they’re doing. They’ve done all the progress charts on something called Gantt charts. I’m sure that means something but I’ve never heard of Gantt charts. You probably know what one is... I think they make a lot of them up, to be honest, to make it sound more important than it actually is... But it was Gantt chart and Basecamp that got us laughing. ‘I’m logging in to the Basecamp now.’” (SW4 – R1)

#### ***4.3.2.2 Maintain Strong Communication***

It became clear in the research that the Creatives, and not the Micros, were the drivers in the communication process (explored later in Sections 5.2, 5.3, 5.5). By engaging the Micro in the process throughout, the Creative ensured not only that the Micro’s sense of control was not threatened (explored later in Sections 5.2.1, 5.2.2) and that there would be minimal misunderstandings, but also that expensive re-engineering would not be required later on where the Micro changed their mind or a vital element was discovered that had been overlooked.

In some cases, this diligence of maintaining communication throughout the process was not done, with minimal communication between delivery of the brief and delivery of the product. In one instance, for a database rather than a website design, this led to an unusable product where the Creative forgot to ensure the software they were using was compatible with the platform the Micro was using:

“They did exactly what we wanted them to do. We told them what our objectives were, what we wanted it to do and that’s what they did.” “...they had to take all the names and details off the existing database and put it into the new framework and then set that up to go live. And when they tried to do that they found out that they’d written the whole thing in a language that wasn’t compatible with the Zen system that we had already... This company was to design our database so that it could be accessed directly from our website... It gets to the point of knitting the two together and they can’t because they’ve written the whole thing in a different language. They hadn’t found out before they started. They had assumed that Zen, I mean obviously you can get into backwards and forwards arguments on this, they had assumed Zen according to them would be using the most up to date language, but hadn’t actually checked.” (SO4 – R4)

As noted in Section 4.3.1.2, though the Micros commented on the informality of the meetings, they also noted that the Creatives had outlined an agenda and e-mailed them the minutes after the meeting. This constant communication strengthened the relationship between Creative and Micro as they established common ground. Trust was also built as the Micros could see, throughout the process, the level of work and expertise required to build the website and were reassured every time the Creative met or exceeded the deliverables at each decision gate.

### ***4.3.2.3 Build On and Verify Mutual Understanding***

As stated previously (Section 4.3.1.2), while the Micros were often unaware at the start of the process that there were any other realities outside their own, the Creatives were very conscious of the disjoint between their thought-worlds and the potential for misunderstandings that this posed.

From the start of the process, most Creatives emailed the Micro after every discussion to verify what had been discussed and to ensure that the Micro's expectations matched the Creative's proposed deliverables.

It was also important for the Creatives to build on the common points of understanding that they generated while finalising the brief. While email was used to verify and to provide short updates, decisions were made during face-to-face meetings where the Creative could provide visual examples to support their case and help direct the Micro's decision making process.

"...we actually are quite open with customers and tell them that 'Although you like this stuff, we appreciate that your own personal appeal comes into it and it is your business, your personality has to be in it as well, but the reality is it's not for you, it is for your customers and what we produce, you may not like it, you might like some of it, because some of it we have done for you, but the majority of it is not for you. If you are not convinced, ok, let's get some screens up and see what everybody else is doing', and then when they see it they are like 'Actually it does look different, it does look distinct and it does look like all the right things'." (C2 – R1)

These meetings further expanded the visual vocabulary for the Micros and helped improve their awareness of their customers' thought-world. Engaging in discussion with the Micro about the visuals for the website also allowed the Creatives to assess whether the Micro was able to select with the customer in mind rather than their own personal preference. As the Micros became more informed, the more comfortable about the process they became, the more they trusted the Creatives' expertise and the less defensive they became about maintaining control. This behavioural pattern is well-known in the literature on trust, particularly benevolent trust (Section 8.3.2).

### **4.3.3 Selection Process**

What was key to the selection process was the level of visual language that had passed on to the Micro (Sections 5.3.2, 6.5). Where the Micros were only aware that the customer had a different response to themselves to visual signs, it was important that the Creative took a strong lead in the selection process.

During the observation days, both Creatives described how, in those situations, they would use a standard negotiating tactic of offering two obviously poor choices along with the website they wished the Micro to pick. The Micro felt they had made the correct choice when in reality there was only a choice of one.

Where the Creative felt that the Micro had learnt enough to recognise which images fitted within their customers' thought-world, the selection process became much more collaborative with the Micro 'mix-and-matching' from the designs on offer to finalise the website.

From the ethnographies, both Creatives made clear that it was critical that the Micro made the final decisions as it gave them personal ownership of the product. It was no longer a product they had purchased, it was something they had input into and helped to create. Without this sense of ownership, the value placed on the website by the Micro was lower and the Micro was less likely to invest the necessary resources to maintain it and to later develop it further.

#### **4.4 Final Outcomes of Project**

Identifying the benefits from engaging in the design process is more complicated than a simple input versus output equation. The value gained from investing £5,000 in a website was much more than a tangible rise in sales or increase in customer engagement. Outside of the tangible product of the website, there are other benefits that accrued to a number of the Micros – an expanded skills base and behavioural changes that improved both the internal and external profile of the company.

##### **4.4.1 Tangible Product**

Evaluating the tangible product poses issues as there is more than the tangible value of increased turnover or reduced administration time to take into account when assessing the value of a website. One of the key benefits of a website is improved brand image and customer response to your offering (Design Council, 2012) which is not measurable unless direct surveys are undertaken, which can undo the goodwill engendered initially by the website. These may not directly lead to sales but should develop into them over time as customer loyalty and word of mouth come into play later on.

Even tangibles like improved sales cannot be taken as a direct measure, as many other factors will also go into play as to whether a final sale is made or not. During the Journeymaking event, one company also pointed out that, during a recession, no increase in sales cannot be taken as evidence of failure of the website. When sales are dropping everywhere, just maintaining breakeven can be considered a success.

"It's a tricky one though in the middle of this appalling recession though isn't it?...Well I think that's the difficulty 'cause I think most businesses have experienced some shrinkage so whether it's keeping us like we were before or as a stalemate it's hard to say really." (TD, Journeymaking Session 2, p.4)

While some of the Creatives were focused on tangible benchmarking:

"I think from a website point of view, it needs to be, they've got to have the end purpose in mind, so is the website working for them. 'Well, how does it work? It is that it's got to result in x amount of enquiries per month? Or has there got to be, on an e-commerce website, has there got to be x amount of sales per month?' A target has to be put in place. Then from our point of view, we need to look the user journey. So as soon as someone comes onto the website, 'What do you want me to

do?’.” (C4 – R1)

The majority of the Micros were not as focused on benchmarking. At the start of the project, the participants were interviewed about benchmarking the project. Specific financial targets were identified by only one Micro:

“So in the first year if I make my £5,000 back I’ll be more than happy, you know for me that’s a good marker.” (MW6 – R1)

Vaguer changes were expected from the other Micros such as “a more attractive website” (MW2 – R1) (MW1, MW2, MW3, MW4, MW5, MW7, MW8, MW10), positive customer response (MW5, MW8, MW9, MW11), increased traffic to the site (MW3, MW8, MW9, MW10, MW11), even “a form of measurable step change within the business” (MW4 – R1).

At the end of the project, benchmarking was still vague, with only one citing specific results:

“...we’re currently trading at 75% up on last year. That is linked to the better look, design and feel of our website.” (MW4 – R2)

The other Micros reported success in similar terms to their first interviews such as a positive customer response (MW1, MW5, MW7, MW8), increased site activity (MW3), increased enquiries (MW1, MW2) and increased sales (MW9). MW10 reported no changes but expected they would “see a benefit, sort of thing” (MW10 – R2) within the next six months. Even a year later, when financial figures would be available to compare, benchmarking had not changed, with the same markers of success cited in Round 2, being cited again.

“It’s part of the company image, it’s actually affected how people perceive the company. It was a matter of beforehand people were saying, ‘Yes, very worthy,’ and all the rest of it and now it looks a bit more exciting, and that’s partly the impression they said they get.... They said, ‘You look interesting so that’s why we’re in touch with you.’” (MW5 – R4)

While the benchmarking for the projects changed very little for the Micros over the duration of the research, the Micros did gain a better understanding of how the website would achieve their goals. At the beginning, a large number of the Micros were not well-informed about the potential functions of a website, few had more than the vaguest idea about what a website could do for them, which they commented on after the projects were completed.

“Well I think it’s fair to say that we’ve worked a lot on how to speak to potential customers, how we view different customers, and we view our own website and other people’s websites, and the content that goes on it has slightly improved through working with yourselves and (C1). I suppose the website in fairness has drastically improved, and we saw our website previously as being fine. Once we’d actually done the project we realised that it was very dated, and that the industry moves on without us.” (MW1 – R2)

Given the issues surrounding the evaluation of the tangible product, it was decided that if the participants reported improvements in traffic, response or sales during the qualitative interviews

then the tangible website could be deemed a success. These responses were then correlated with financial figures from the larger Quantitative study that was run alongside the Qualitative study of this thesis. As can be seen from Table 4.1, despite the recession, all the Micros, with the exception of MW10, experienced positive results after their projects including growth in sales and turnover. However, as noted earlier, while these positive results are an indicator, numerous factors affect these figures over and above possessing an effective website, including the less tangible benefits from being involved in the project such as improved confidence, as well as benefits occurring through knowledge transfer instigated by the Creatives through building ba (Section 4.3) such as improved communication skills and marketing strategy.

	MW1	MW2	MW3	MW4	MW5	MW7	MW8	MW9	MW10
Creative Partner	C1	C2	C3	C4	C2	C5	C6	C7	C8
Website	Positive Customer Response Increased Enquiries	Increased Enquiries	Increased Site Activity	Increased Sales	Positive Customer Response	Positive Customer Response	Positive Customer Response	Increased Sales	No change
Initial Turnover *	£250k	£100k	£ -	£410k	£50k	£100k	£40k	£ -	£800k
Final Turnover *	£450k	No response	£ -	£1.2 m	£100k	£250k	<£150k	£20k	£500k
Change in Sales (Survey 3) *	+1-9%	+10-19%	+>20%	+>20%	No change	No change	+10-19%	+10-19%	No change
Change in Sales (Survey 4) *	+>20%	No response	No change	>20%	+10-19%	+10-19%	+10-19%	+0-9%	No change

\* Denotes results from Quantitative Surveys

**Table 4-1 Tangible Product Outcomes (author)**

#### 4.4.2 Expanded Skills Base

One of the benefits expected from the literature was knowledge acquisition, as prior literature suggests that SMEs and Micros acquire skills more often from working with new people than intentional acquisition through training (Section 2.5.3). These skills were not always consciously recognised by the Micros and were most evident when examining the behavioural changes that occurred within the Micro (discussed in the following section 4.4.3).

##### 4.4.2.1 Marketing Strategy

During the initial discussions about the brief, the Micro was encouraged to think about whom they were marketing to and why those customers would purchase from them. From the initial interviews, as stated earlier (Section 4.2.1), there seemed little conscious marketing strategy present.

In the final interviews, where at least partial knowledge transfer had taken place, the Micros appeared more able to develop a focused marketing strategy.

“I think our whole marketing...we never had a marketing strategy before, because we never really had... a product... so we’ve never really pushed ourselves on the marketing front. So the fact that this was a new...not a specific product, but a new niche market, it was something that we could do as a marketing strategy, and we never really considered that before. So that was really how to develop a strategy.” (MW9 – R4)

During the initial interviews, one trait evident amongst some of the Micros was a focus on the product features, rather than the solution their product provided their customers. There seemed to be little connect as to what the features actually meant to their customer and how they could use that to generate sales. As C2 remarked about MW2 in the initial interviews:

“...it was information overload because they want to take the work out of presenting their solution, but they try and get everything on, so people can read and make their own informed decisions.” (C2 – R1)

In the final interviews, the Micros demonstrated much improved communication skills, discussing the customer experience instead of product features.

MW2 felt the biggest value from the project was:

“I think number one is it’s communication I think ‘cause before that I never got involved in these sorts of things in terms of communicating with the people and actually trying to tell them your vision and then when you try to tell them and they’re not really grasping that and then you think, ‘What’s going on? Am I telling them something wrong or -?’” and later “You need to get into the customers’ shoes, what they want to hear and what they want to see really.” And “Simplicity is the key, so keep everything simple, straightforward. Initially, there was a time when I was trying to explain and just trying to explain one thing I was there for about half an hour.” (MW2 - R4)

This will be explored further in Section 6.6.1.

	MW1	MW2	MW3	MW4	MW5	MW7	MW8	MW9	MW10
Creative Partner	C1	C2	C3	C4	C2	C5	C6	C7	C8
Improved Marketing Strategy	Yes	Yes	Yes	Yes	Yes	Yes	No	No	No

**Table 4-2 Improvements in Marketing Strategy (author)**

#### **4.4.2.2 Design Process**

During the final interviews, the Micros admitted that, prior to the research, they had very low levels of knowledge about the design process and some expressed regret that they did not know more before beginning the project. However, the advice they passed on about working with Creative companies demonstrated an increased understanding of how the design process works and how design can benefit their company in the future. Most of the Micros discuss the need to do more research into selecting their Creative companies, particularly in getting personal recommendations and examining the visual presentation style of the Creative company to see whether it was a good

match or not. They also stress the importance of listening on both sides and trust in the relationship between the Micro and Creative company.

“I realised that I shouldn’t be leading the design. Because I said to James (a previous designer), I want you to change it, but not too much. I want this, this, this and actually I shouldn’t do any of that. So what I’ve learned from this is that don’t tell a designer how to design. You tell him the product that’s going to be sold, let him decide how it looks, because otherwise, you’re not getting any value out of it.... And what was great about the way that Andy approached it was that he understood intuitively the product area or how, what we wanted to sell and he provided a unique design. It wasn’t unique, it was lots and lots of research and which sites do you like? ... So I didn’t lead him and that’s why it looks as polished as it does because I didn’t tell him what to do.” (MW4 – R4)

	MW1	MW2	MW3	MW4	MW5	MW7	MW8	MW9	MW10
Creative Partner	C1	C2	C3	C4	C2	C5	C6	C7	C8
Improved Knowledge of Design Process	Yes	Yes	Initially Strong	Yes	Yes	Yes	Yes	No	No

**Table 4-3 Improvements in Knowledge of Design Process (author)**

#### **4.4.2.3 Visual Language**

At the start of the process, for the majority of the Micros, little awareness of visual language was demonstrated. Even at the basic level of their marketing literature - business cards, brochures, websites, exhibition stands etc., little visual coherence could be seen, the only exception being MW3. It was only in working with the Creatives that the Micros gained sufficient visual awareness to realise that their previous materials were an assorted jumble of images. This led them to revamping all their materials and bringing them together in visual cohesion with the website.

“...they created a new image for us in terms of stationery and calling cards and all that and we are revamping all our literature in that respect... It’s nothing to do with the website. It just all follows through from the same thing as creating a new image.” (MW5 – R4)

For some, this skill went further, understanding that visual imagery can be used as a communication tool, a standard premise in design literature, as will be discussed in the final literature review (Sections 8.7.2, 8.7.3). This understanding has led to a long-term behavioural change. This awareness was strongest in visual language and marketing – who the Micro’s market is, what their market wants and how to attract and appeal to them. In Round 1, this awareness was not present for the majority of the Micros; only MW3 and MW4 demonstrated any awareness at all that that visuals could be a communication tool rather than simply aesthetic.

MW1, MW4, MW5, MW8 all demonstrated an improved visual awareness, from small changes in behaviour like ensuring a coherence of marketing material.

This change in visual awareness was also evident in their recognition about the power of visual cues to market their products:

“You do realise that what it looks like is what people buy.” (MW1 - R4)

As a result of this recognition, the Micro had their packaging re-designed:

“This one it seems to have caught people’s imaginations with the colours and the design.”(MW1 – R4)

Which often led to a recognition by the Micros that they do not have the skills to produce a commercially effective image in-house (MW1, MW4):

“Even though Andrew’s son-in-law (a professional designer) has been there every day we’ve never used him because we never thought that his ideas would be better than ours. Our ideas are our - it’s our business we’ll do what we think.” (MW1 – R4)

“So brand wise, design wise, if we do need to tweak it at all we do now go to the likes of Andrew’s son-in-law and not sit down and say, ‘Get the pencils out. Let’s do another label’.” (MW1 – R4)

One company, MW5, was so impressed by the power of visual imagery to communicate he has even taken to advising his clients about the importance of visual communication:

“Actually I found myself saying to the client, ‘Well, you’re using this to promote yourselves, what about the image side you’re creating?’ So [*laughter*] it probably created an impact there. I thought, ‘I can’t believe I’m saying this!’ So yes, it has changed our outlook, let’s put it that way.” (MW5 – R4)

This is explored in much greater detail in Sections 5.3.2, 6.5 and 6.6.2.

	MW1	MW2	MW3	MW4	MW5	MW7	MW8	MW9	MW10
Creative Partner	C1	C2	C3	C4	C2	C5	C6	C7	C8
Improved Visual Language	Yes	Yes	Initially Strong	Yes	Yes	Yes	Yes	No	No

**Table 4-4 Improvements in Visual Language (author)**

#### 4.4.3 Behavioural Changes

##### 4.4.3.1 Improved Confidence in External Profile

In addition to improved skills, there were other factors identified which led to behavioural changes within the Micros. The cases being studied had all employed a Creative company to improve the outward presentation of the Micro, in the majority of cases through the medium of a website. The improved presentation has resulted in a rise in internal confidence in marketing their services or products.

“...we are more confident in the sense that to the outside world, to the newcomer, to the person who doesn’t know us we have a degree of confidence because we think it’s actually quite a nice website... and we hope that it puts us up with the better ones in our standing, well, sorry, our competition, because there’s hundreds of us doing what we’re doing, hundreds and hundreds today and many of them have either naff self-grown websites or no website and ours is a little bit more

than that.” (MW8 – R4)

And later: “The greatest value (from the project) *[long pause] [laughs]* it sounds trite but it comes down to almost a confidence as much as anything.” (MW8 – R4)

It also generated a rise in the external confidence of the Micro’s customers in the Micro.

“People have said, ‘The website looks good. It gives a good image. We feel more that we understand what you’re doing now.’ So it has had an impact on that direction. So, yes, it has created a better impression in the marketplace.” (MW5 – R4)

This has resulted in increased sales and also in several cases a change in the relationship between the Micro and the customer:

“We get as many people phoning in now, as opposed to us chasing business in the first place.” (MW7 – R4)

“I’m quite proud of it and so it’s very easy now to get people inspired. So brands that haven’t deal with us before ... are now on (our website), because they like the look of the website, it looks great.” (MW4 – R4)

	MW1	MW2	MW3	MW4	MW5	MW7	MW8	MW9	MW10
Creative Partner	C1	C2	C3	C4	C2	C5	C6	C7	C8
Improved Confidence in External Profile	Yes	No							

**Table 4-5 Improved Confidence in External Profile (author)**

#### 4.4.3.2 Improved Confidence in Innovating

Around half the companies also reported that the Creatives had suggested and helped implement additional innovations within the company over and above the original design. These ranged from new methods of marketing to revamping the company’s administration systems. The Creative companies were also responsible in instigating Social Media (Section 6.6.3) within several of the companies, which is used not only as a marketing tool but as a tool for gathering information to augment their business strategy and to provide inspiration for further innovations.

	MW1	MW2	MW3	MW4	MW5	MW7	MW8	MW9	MW10
Creative Partner	C1	C2	C3	C4	C2	C5	C6	C7	C8
Improved Confidence in Innovating *	Yes	No response	Yes	Yes	Yes	Yes	Yes	Yes	No

\* Denotes results from Quantitative Surveys

**Table 4-6 Improved Confidence in Innovating (author)**

The final interviews showed Micros to be relatively risk-averse with regards to new projects, preferring to do something new only if they are pretty certain they can either absorb the loss or the outcome is sure to be successful. Given their new confidence in the Creatives as a skill base, this has encouraged them to view marketing innovations, particularly in regards to their websites, with more confidence about the outcome.

#### 4.4.3.3 Improved Confidence in Working with Creatives

This relates both to the Micros’ improved knowledge of the Design Process, which gave them more confidence about developing a brief and selecting a Creative were they to start a new project, and their confidence in the Creatives’ professional skills.

At the outset, while the Micros were confident that the Creatives would provide a good service, they saw them as graphic designers who could add gloss to their website. They did not see them as marketing professionals. By the end of the process, their impression had changed considerably recognising the value of the input that the Creative could provide (Sections 4.4.1, 4.4.2.2). This led to the Micros maintaining a scaled-down relationship with the Creatives post the project, using them as an information source and passing on to others the value of using a Creative, as MW5 commented:

“Actually I found myself saying to the client, ‘Well, you’re using this to promote yourselves, what about the image side you’re creating?’ So [laughter] it probably created an impact there. I thought, ‘I can’t believe I’m saying this.’ So yes, it has changed our outlook, let’s put it that way.” (MW5 – R4)

	MW1	MW2	MW3	MW4	MW5	MW7	MW8	MW9	MW10
Creative Partner	C1	C2	C3	C4	C2	C5	C6	C7	C8
Improved Confidence in Design Offering*	Yes	No response	Yes						
Professionalism*	Significant	No response	Significant	To some extent	Significant	To some extent	Significant	To some extent	To some extent
Market Awareness *	Significant	No response	Significant	To some extent	Significant	Significant	To some extent	To some extent	Not at all
Creativity *	Significant	No response	Significant	Significant	Significant	Significant	Significant	To some extent	To some extent
Technical Ability*	To some extent	No response	To some extent	Significant	Significant	To some extent	Significant	To some extent	To some extent
Knowledge of General Business Matters *	Significant	No response	To some extent	To some extent	Significant	To some extent	Not at all	To some extent	To some extent
Knowledge of Micros Business *	To some extent	No response	To some extent	To some extent	Significant	To some extent	To some extent	To some extent	To some extent
Value for Money *	To some extent	No response	To some extent						

\* Denotes results from Quantitative Surveys

**Table 4-7 Improved Confidence in Working with Creatives (author)**

It also brought home to a number of Micros that design is a skill and that it is not something they can do well in-house, rather they have decided in future to out-source to a Creative instead.

“We’d never worked with anybody in the creative industry before, never. Even though (the owner)’s son-in-law (a professional designer) has been there every day we’ve never used him because we never thought that his ideas would be better than ours... we’d never have believed that other people’s ideas were better than ours but when you get a professional in, you do turn away and think, ‘Yeah perhaps... the product *is* good but perhaps the way that we are branding, the trading isn’t as good as we thought it was’. So that is where the project certainly took its first hold and like I said before the way the product looks now and the branding and we are very brand aware now, where I think that would have happened a lot later.” (MW1 – R4)

#### **4.4.3.4 Improved Strategic Focus**

In a few cases, these behavioural changes have resulted in a full paradigm shift within the company, affecting not just marketing strategy, but procedural and overall business strategies also. This strategic change relates to the phronesis identified within the final literature review, which will be discussed in Section 8.7.4).

“It’s a collection of different things what’s happened over the time, this being one of them, that makes you realise that the marketplace can be as big as you wish or as small as you wish. If you think small it’s gonna be a small marketplace. If you think big - and by doing that we’ve had to reinvent the website, the information is different, we’re having tests done that we wouldn’t have had done before.” (MW1 – R4)

For the majority, the effects are less significant with the behavioural change evident only in the marketing strategy of the business, to a greater or lesser extent. MW1, MW2, MW3, MW4, MW5 and MW7 all reported that they had changed their marketing strategy through being made more marketing aware by their Creatives.

“Making sure that you know who your proposition is, you know who your target audience is...that you’re going down the right channels to market that. Also to talk to people and get as much information as possible from your audience to make sure you’re doing the right thing, because often what you think they could be getting value from, they’re actually getting value from somewhere else.” (MW3 – R4)

“You need to get into the customers’ shoes, what they want to hear and what they want to see really.” (MW2 – R4)

Previously, many of the Micros were more product than marketing-oriented:

“You get so involved you forget that what you’re here for is to sell the damn things.” (MW1 – R4)

In some cases, it appears that “the wider marketing focus is proving more valuable than the original specific e-product that we developed.” (MW7 – R4)

The key change in the strategy comes through a newly developed visual awareness rather than an improvement in verbal communication skills. Only MW1 and MW4 felt they had changed the way they communicated verbally with the customers.

“I think it’s fair to say that we’ve worked a lot on how to speak to potential customers” (MW1 – R2)

The effects are also mitigated by the two major pre-occupations of most Micros – limited time and financial resources. This results in changes desired by the SME being delayed because of demands on their resources that are considered to be a higher priority.

	MW1	MW2	MW3	MW4	MW5	MW7	MW8	MW9	MW10
Creative Partner	C1	C2	C3	C4	C2	C5	C6	C7	C8
Improved Strategic Focus*	<b>Major</b> All areas	No survey	<b>Major</b> All areas except sales	<b>Major</b> Sales, M'keting Design <b>Minor</b> All other areas	<b>Major</b> Sales, M'keting New Product External Comm. <b>Minor</b> All other areas	<b>Major</b> M'keting <b>Minor</b> all other areas	<b>Minor</b> Sales, External Comm.	<b>Minor</b> All areas	<b>Major</b> External Comm. <b>Minor</b> M'keting, New Product

\* Denotes results from Quantitative Surveys

**Table 4-8 Improved Strategic Focus (author)**

## 4.5 Overview of Website Design Process - Summary

From the overview, it can be seen that:

1. Contrary to the literature located in the initial literature review (Section 2.5.1), customer knowledge for the Micros does exist. However, in the majority of the Micros interviewed, this knowledge was neither articulated nor evident in their business strategy (Sections 4.2.1.1, 4.3.1.1).
2. The Micros' understanding of the design process and the skills they required from the Creative was poor at the start of the process (Section 4.2). However, it appears from the research that the actions of the Creative (Section 4.3) also play a considerable part in leading to the successful outcomes outlined in Section 4.4.
3. Visual language is a vital skill in the design process for web design and needs to be passed on to the Micro to some degree to enable successful selection of the final product (Sections 4.2.2.2, 4.3.1.2, 4.3.1.3, 4.3.2.3 4.3.3).
4. Trust was not necessarily present at the start, partly due to there being no prior relationship, partly due to the process being unfamiliar for the Micro and partly because they were unaware of the range of skills the Creative could provide. Trust did build over time and as it did the flow of knowledge became easier and more explicit (Section 4.3.1.4).
5. The Creatives who were familiar with working with Micros had developed strategies for communication that enabled effective transfer before trust had built for the Micro (Section 4.3.1.2).

6. Where these transfers successfully occurred, the outcome included not only an effective website but also behavioural changes and an improved skills base within the Micro (Section 4.4).

The literature and the research demonstrate that there are three key factors affecting the design process and its outcomes:

1. Building Ba and Knowledge Transfer – the trilogy of Relationships, Trust and Communication (Sections 2.2.2, 2.2.3, 2.2.4, 2.5.3, 4.3; Chapter 5, Section 8.4).
2. The Knowledge Bases for both groups, particularly in marketing and visual language (Sections 2.5.1, 2.6.2, , 4.2, 6.2, 6.4, 8.7.2, 8.7.3, 8.7.4)
3. Placement of knowledge within the Micro's Consciousness (Sections 2.3, 4.2.1.1, 4.3.2.1, 6.3, 8.6)

## **4.6 Conclusions**

This chapter provides the foundations for the key findings from the research which will be explored in greater detail in the following chapters – Building Ba and Knowledge Transfer (Chapter 5) and the Knowledge Landscape of each group and how the Micros' knowledge landscape changes over the collaboration (Chapter 6). Knowledge Landscape is the code used to describe the combination of knowledge base and the placement of knowledge.

### **4.6.1 Building Ba and Knowledge Transfer**

As will be discussed fully in the final literature review, building ba is currently only discussed within the field of knowledge creation (Nonaka, 2012, Nonaka and Toyama, 2007, Von Krogh et al., 2000, Nonaka and Konno, 1998). However, as this chapter shows (Section 4.3), building ba also helps enable knowledge transfer for the Creatives in what is initially an arduous relationship, with the Micro holding the power and wishing to drive the project, unaware of their own knowledge gaps and with a poor understanding of the Creative's skill base. As Simmons et al. (2011, 2008) note, it is important for there to be a strong understanding of the website's customer and a clear business strategy for the website. However, these findings show that while this understanding does not have to exist in an explicit form within the Micro's awareness, the Creative does need to draw it out, as well as educating the Micro on their website customer's response to visual cues. As the knowledge transfer literature notes, this requires trust (Morton, 1997, Szulanski, 1996, Cohen and Levinthal, 1990), although, as discussed later in the final literature review, this trust is usually considered to be based on trust in ability (Szulanski et al 2004, Mayer et al., 1995), something that this chapter shows does not exist at the beginning of the Creative-Micro relationship. The findings show how the Creatives who were familiar with working with Micros began with building a familial relationship and developing benevolent trust (Mayer et al., 1995, Ko, 2010) and protected that benevolent trust by transferring knowledge without the Micro's awareness, in order to obtain the trust in ability at the

end of the project achieved through positive results (Section 4.3.1.2). The methods the Creatives use demonstrate one way of overcoming a power imbalance in knowledge transfer.

While there is a growing discussion in the literature as to what makes an effective website (e.g. Lindgaard et al., 2006, Candi, 2010, Cho and Kim, 2012, Cebi, 2013), the majority of papers discuss the functionality of the website, rather than how the website is designed. Within SME literature there is also a growing discussion on how SMEs engage with using websites as part of their business strategy and what personality traits are required for successful website adoption (e.g. Simmons et al., 2011, Simmons et al., 2008, Chen et al., 2003, Sadowski et al., 2002), with the consensus being that an SME needs to begin with strong customer knowledge, strong marketing skills and a clear strategy for their website - an 'eVision'. However what is not yet present in the literature is a study of the collaboration between client and website designer, indeed Simmons et al.'s (2008) conclusion from their literature review is that there is no relationship and considers that for a successful website adoption it should be the SME who drives the project and delivers the brief complete and that the Creative should not be allowed to direct the process. While this may be true for larger SMEs with a strong marketing focus and an eVision (Simmons et al., 2011, Simmons et al., 2008), this research shows the opposite for Micro companies. This chapter explains that where collaboration has occurred and the Creative is able to drive the process, albeit surreptitiously, the Creative is able to help build a clear marketing focus for the website and develop a stronger awareness of the customer within the Micro – the Micro does not need to begin with these traits. It also helps build an understanding of the hows and whys behind the mechanisms and outcomes of the website design collaboration process for Micros.

#### **4.6.2 Knowledge Landscape**

As Section 4.2 discussed, the majority of the Micros began the process with poor marketing strategy and demonstrated no customer knowledge, unlike the SMEs studied in Simmons et al.'s 2011 paper. This would agree with prior literature on the skills present in SMEs and Micros (McAdam et al., 2007, Michlewski, 2008, Freel, 1999, Gray, 2006, Banks et al., 2002, Chen et al., 2006, Krake, 2005). However, as was discussed in Section 4.3.1.1, customer knowledge is, in fact, very good within the participating Micros, it just is not explicit or in use.

This research shows the importance of visual language in communicating with customers through a website and the need for the Micros to possess at least some level of visual language themselves to avoid choosing from their perspective, not the customer's. This self-congruent selection, as opposed to considering the customer's perspective, is an issue recognised by Simmons et al. (2011), although Simmons et al. (2011) do not consider visual language when studying website design and SMEs. As discussed in the final literature review, this lack of consideration of the visual language in marketing communication is standard for business literature (Bell and Davison, 2013), although visual language is a well-known concept within design literature (Cho and Kim, 2012, Crilly et al., 2008, Crilly et al.,

2004, Southgate, 1994). This chapter shows that visual language, while currently overlooked, is actually a critical part of website design, so much so that the participant Creatives intentionally developed the Micros' visual language skills in order to improve the final selection process.

As discussed in the final literature review, literature on website collaborations focuses on initial input and the final tangible product (Simmons et al., 2008). However, this chapter also provides evidence of behavioural additionality from the collaboration, a term that is currently only seen within the research policy literature (Radas and Anić, 2013, Gok and Edler, 2012, Georghiou and Clarysse, 2006), although knowledge transfer literature also recognises that changes in behaviour as well as developed knowledge can be an expected outcome of knowledge transfer (Polanyi, 1958, Nonaka and Von Krogh, 2009, Clarysse et al., 2009, Gavetti, 2012), especially in the area of improved skills. In particular, changes in phronesis (confidence, focus and skill in marketing) were identified as having a significant impact on the Micros and their business strategy which caused them to move from a caretaker profile (Allinson et al., 2000) towards a more entrepreneurial profile, focusing more on building the business through expanding their markets than on simply maintaining their business and retaining a product orientation.

# Chapter 5 - Building Ba and Knowledge Transfer Between Micros and Creatives

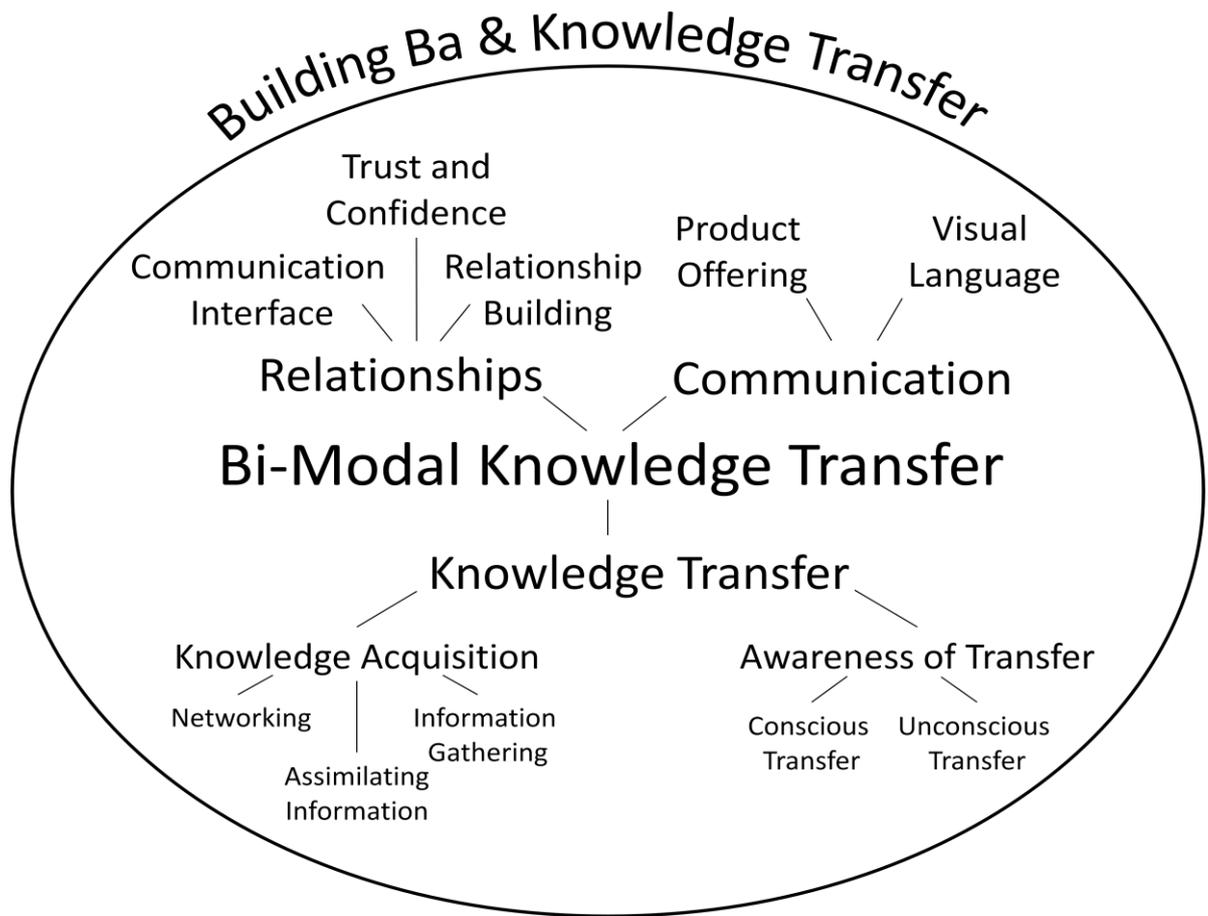
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## 5.1 Introduction

As was noted in Chapter 4 (Section 4.5), there are two key factors affecting the design process and its outcomes: Building Ba and Knowledge Transfer, and the Knowledge Landscape of each group - their knowledge bases, particularly in marketing and visual language, and where that knowledge is placed within the individual's consciousness. This chapter focuses on building ba and knowledge transfer – how knowledge is transferred through the Creatives building ba, exploring the mechanisms of this transfer, both how the transfer occurs and the reasons why this particular mode of transfer takes place. Chapter 6 will then explore the knowledge landscape of each group, particularly where knowledge held by the Creatives complements the knowledge gaps of the Micros, placement of knowledge and its effect on decision making and what transformational changes occurred when knowledge transferred between the Creative and the Micro. This chapter focuses on the key finding of the existence of Bi-Modal Knowledge Transfer. This was where the Creatives were explicitly aware of the transfer occurring and had developed processes to enable this transfer, while the Micros were unaware that any kind of transfer had taken place. The chapter begins by exploring the reasons as to why this style of transfer appears to have been developed by the Creatives, building ba in order to establish and maintain a relationship, while overcoming communication barriers, through utilising the Micro's preferred style of knowledge acquisition. The chapter concludes by introducing two Bi-Modal Knowledge Transfer models, created using the observations derived from the research, the first demonstrating an example of transfer *from* the Micro *to* the Creative (customer knowledge) and the second an example of transfer *to* the Micro *from* the Creative (visual language).

From the research, three significant codes emerged that related to why Bi-Modal Knowledge Transfer was used by many of the Creatives during collaboration with Micros on websites (see Figure 5.1). The first was Relationships, not only building a relationship to encourage ongoing business, but how the Creatives used a familial relationship to build ba and establish benevolent trust, in order to enable knowledge transfer in the absence of trust in ability. The second was Communication and the communication issues that the Creatives had to overcome with the Micros in order to be able to design the right product for the right target, specifically the Micros' inability to explicitly articulate customer knowledge (Section 4.3.1.1) and the Micros' lack of ability in visual language, often to the point of being unaware visual language existed (Sections 4.3.2.3, 4.3.3). The third was Knowledge Transfer and its mechanisms, particularly the mechanisms the Micros naturally used to acquire knowledge and the level of awareness the Micros and Creatives had around knowledge transfer.

These codes are explored in greater detail in this chapter, using quotes from the interviews as examples to show how the codes were identified.



**Figure 5.1 Significant Codes for Bi-Modal Knowledge Transfer (author)**

## 5.2 Relationships

The research showed that there was a disjoint between the way that the Micro saw the relationship at the start of the process and the relationship required for achieving a successful outcome. This disjoint was both in the nature of the relationship - often the Micros saw the project as 'transactional' at the outset - and in the power relationship, as the Micros saw themselves as the drivers of the project, even though they did not have the knowledge for this. It also showed that Creatives valued a relationship with the Micro highly and worked to nurture this in order to create an ongoing relationship that extended past the lifetime of this project. This meant that they had to be careful in altering the Micro's thought-world in order to avoid damaging the relationship they were carefully building.

### 5.2.1 Trust and Confidence

As was seen in the initial literature review (Section 2.5.4), Polanyi (1958) states that for knowledge to embed then the acquirer must value that knowledge. For at least one of the companies who participated, it seems that this extends also to the source of that knowledge. In MW1's project there

were two personnel that MW1 was involved with at the Creative company, one who interviewed them for a video for their website and had a television profile but little experience of design, and one who provided the background work, including copywriting and had considerable in-depth experience of the Creative industry in several disciplines. During the initial and subsequent interviews the Micro attributed all the knowledge they had acquired to the person they recognised from the television, even stating they felt the other Creative person contributed very little to the project in the last interview:

“I think (the presenter) put more into the project than (the designer) did but I dunno what (the designer) did behind the doors, I don’t know, ...If you asked me what (the designer) did for us I’d find it hard to give you too many...” (MW1 - R4)

However, comparing the knowledge they acquired and their behavioural changes with the interview with the experienced Creative person, it was clear that the experienced Creative person was the actual source of the information. Prior to the project, despite previously working with Creatives and even having a family member who worked in the creative industry, MW1 had little respect for the Creative’s abilities (Sections 6.3.1, 6.6.2) believing their own ideas were better. After the project, the Micro approached their previous Creatives in a different manner, actively acquiring knowledge that they had previously chosen to ignore.

While this particular case demonstrated very clearly how trust factored into the transfer process between the Creative and the Micro, more subtle examples were also evident amongst the other Micros, for instance, where, in the final interviews several Micros (MW1, MW3, MW4, MW6, MW7, MW8) comment on learning to listen to their Creative's advice (Section 6.6.2).

From the initial literature review (Sections 2.5.4), it can be seen that trust is not always easily given by the SMEs or Micros. There is also a tendency, as will be discussed in the final literature review, that SMEs and Micros at the caretaker end of the spectrum show a higher aversion to change compared to the more entrepreneurial mindset (Sections 8.4.1, 8.4.2). The majority of the participating Micros showed evidence of being closer to the caretaker end of the spectrum. Discussing new ventures with the Micros in the final interviews, most of the Micros were on the lookout for new opportunities but preferred not to enter into new ventures unless they were reasonably sure of what the outcome was likely to be (MW1, MW2, MW4, MW5, MW7, MW9). Discussing new ventures, MW7 was asked if they would undertake something without knowing what the outcome was:

“I wouldn’t take a major flyer on anything like that, so no. It’s too risky...maybe three to five years ago we’d have done that, but it’s all a bit too tight at the moment...we tend not to rush too quickly into these things anyway, just as a bit of a cultural thing really.” (MW7 - R4)

MW3 and MW8 preferred to tackle only one new venture at a time and not explore new avenues until the last venture was fully established. MW10 was simply averse to any kind of change:

“There’s nothing new happening... the format is never going to change.” (MW10 - R4)

Given their aversion to change, for most, this project took them out of their comfort zone, as it was engaging with an activity they were unfamiliar with, with a supplier they had no prior relationship with, developing an innovation that was explicitly new to the Micro. As Szulanski (1996) notes, this level of uncertainty creates a significant barrier to knowledge transfer (Section 2.2.2). This discomfort of working in unfamiliar territory was only spoken of directly by two of the Micros (MW9, MW6).

Describing one of their criteria for selection of their partner:

“I need somebody who will hold my hand because it’s something new, I need a lot of hand holding in this and I need somebody who will sort of... I could ask any questions and not feel daft, are you with me? It might sound silly to them because they’re computer whizz kids or whatever, but for me it might be I’m scratching my head.” (MW6 - R1)

“You know I didn’t have the knowledge really of either of them well enough to be able to distinguish. So everyone says they can help me so you’ve just got to make a choice.” (MW9 - R1)

For the majority, it was evidenced rather through their behaviour in selecting their Creative company. One opted for the reassurance of a personal recommendation (MW7), two distanced themselves from the process, selecting on criteria that had little relevance to the project, such as the Creative being located near to the Micro (MW1, MW11) to micro-management of the selection and going to over-excessive detail in order to maintain a sense of control (MW2, MW8).

“...we realised, let's see who's in (our area) and the minute we put down (our area) website thingys, these guys came up.” (MW11 - R1)

“The decision points were: I wanted to see a techie one, which I felt would be a techie driven one; I wanted to see one which I felt was, and I determined whether they were techie by the look of the thing, purely by the look of it, what else have I to judge on? Do I think a techie person’s done this? Has he got the marketing things right? You know, has he got the messages right? Or is he actually just is he a techie person, who’s not great at marketing but great at techie okay, chose that. I can tell who they were actually, I won’t but who they were. And then I went for one that I felt was high end art, okay, because I didn’t want a boring one, a building website like a one man band, I wanted one that had a bit of pizzazz okay. So I went for an arty one. Then I went for one which was a bit of a mix, techie, perhaps less techie actually. Arty but also I felt got good messages, a more full-on service do you understand me? And then the fourth one was an agency that is fishing in the SME pond, but has big clients. As probably therefore full service okay, but full service to known brands, rather than brands which are SME, look nice but I’ve never heard of. And those were the four. Techie, arty-farty, one which is full service, maybe not as good as techie, maybe not as wonderful as the agency that is supplying BMW or something like that, you know, the joy of motoring the sexy shots and all that sort of thing.” (MW8 - R1)

This discomfort was also evident in behaviour witnessed in the wider group of the funding project.

One Creative (C2) managed to secure 15 of the 81 web-based projects that received funding. The next most successful Creative company secured only 3 projects. This nearly 20% conversion rate was particularly striking since there were 237 Creative companies on the gallery offering web-design. This skewing of selection could be attributed to their active marketing approach. As C2 noted, both during their initial interview and during their observation day, their approach to marketing themselves was significantly different to the other Creatives. While the other Creatives were content to wait to be

selected from the gallery or made contact through a 'We are here' email or phone call, C2 were much more pro-active in their approach, conversing with the Micro, establishing their needs, reassuring them they could meet those requirements and setting a meeting time. For many of the Micros it appeared that this presented an avenue that helped them avoid the uncertainty of the selection process. From two of those who participated in the qualitative research and selected C2:

"I went to see them. I was received by a lady (X)... and she rang me a couple of times, I mean I was down this end, and she goes 'When can we arrange this meeting?' and they were very eager to take me on like you know, like that's great. You know they send you stuff and give you the items, 'Okay' I said. 'We will come round and we will sit down and we will talk.' So I went in, it sounded good initially." (MW2 - R1)

"They came out to see me, they had a sales guy (X), I forget his second name, and they had the guy that does all the technical stuff and we've done this and we've done that and we've got seven out of the (Project) Awards and everyone's been happy. (X) the chap, is a very good sales person, very smooth, anyway how they pulled it off was they designed the website for (this company), you know who is my friend, so he said we've done the work for them, so he said you can ask (your friend)." (MW6 - R1)

Only three Micros demonstrated any degree of comfort with the project at the outset, MW3 and MW4 because they considered themselves already familiar with web design. For MW5, it seems it was because they thought they were embarking on a different project to the one they were actually undertaking. Like most of the Micros (Section 4.2.1.2), MW5 saw the project in technical terms and not visual, and as their arena of business was in IT they felt on familiar ground.

The Creatives recognised this discomfort as one of the factors in dealing with SMEs and Micros unfamiliar with anything other than a 'template' website:

"Sometimes it's just an unwillingness to admit that there is a problem, because they've been ticking along for however long and it's kind of, they know they need to do something but they don't understand fully why." (C6 - R1)

They also recognised that within the Micro community, the business was often personal to the client making Micros more protective of their 'vision' and more defensive against changes to it.

"That is ...a challenge because sometimes the smaller you go, so like if it is a one man band who is defined in their approach, even if that definition could be opened up a bit more they might find it difficult to hear criticism or constructive criticism... So sometimes a one man band, perhaps, could be fixated on to specific things that they think is who they are when actually it's not about that, it's about how best to communicate what you do." (C7 - R1)

As was seen in Section 4.2.1.2 and will be explored later in more detail in Section 6.2, most of the Micros were unaware at the start of the project what skills and knowledge the Creatives could offer, seeing them as software technicians rather than designers. Some, because of this misperception were willing to trust in the delivery of the final product by 'throwing the project over the wall' to the Creative, intending to simply collect the finished product at the end of the process. This was seen with MW2, MW5, MW9, MW10 and MW11.

“It’s all there, they just need to tick boxes, that’s all they need to do.” (MW2 - R1)

As one of the Creatives noted, there was often an issue around the poor awareness of the true functionality of the website:

“A lot of the times you’re dealing with a SME, you’re dealing with the managing director/marketing director, and nine times out of ten, they won’t know what marketing is. It’s like the old days of when websites first came out, everybody wanted a website but they didn’t know why. You know, it’s like well they’ve got one, so we need one.” (C17 - R1)

This lack of knowledge about the business offering of the Creatives meant that the Micros' perceptions were challenged by the actual expertise of the Creatives. It also meant that, at the start, although they possessed less knowledge about the process of creating an effective website than the Creative, several Micros tried to lead the project and were not initially prepared to listen to the Creative's input (MW1, MW2, MW3, MW4, MW6, MW7, MW8, MW10).

This was a failing that MW7 recognised in their final interview:

“One of the big things that I learned about this is, one of my colleagues kicking me under the table during one of our sessions, with the creative company, saying, ‘You’ve hired these guys, you really should be listening to them rather than continue trying to argue with them.’ And it was a good point!” (MW7 - R4)

One of the Creatives noted this dissonance was common amongst their SME and Micro clients. On one side, being seen as simply a product supplier by their clients and on the other, possessing expertise that could help generate the best results from the project:

“It is difficult because you are the supplier but equally they are hiring you for what you do. So some companies maybe just say, ‘Okay, I will do it their way for a quiet life’ but if you want to do a good job and you’re professional about what you do, really sometimes you just have to tell them stuff they don’t like to get the best results for them.” (C1 - R1)

In the one case where this perception continued throughout the project (MW10), as was seen in Section 4.3.1, not only did the Micro gain little or no knowledge from undertaking the project, the website itself did not function as it was intended to, achieving no sales and generating no contacts, despite looking ‘professional’, as MW10 defined it.

This lack of trust and discomfort with the unfamiliar created two issues for the projects – how to fill in the knowledge gaps (Sections 4.2, 6.2), without making the Micros feel they were entering unknown territory and how to take the lead, as they needed to given their superior skills and knowledge in website design (Sections 4.3, 6.4), when the level of trust and confidence was so low at the start.

From the research, it became clear that the Creatives were fully aware of these issues and had devised strategies to overcome them.

## 5.2.2 Building the Relationship

A good relationship engendering trust between the Micro and Creative was key to a successful transfer (Sections 2.2.2, 8.4.1) not only because it made the Micro more open to receiving knowledge but also because it made the Creatives more disposed to transferring knowledge. With some Micros, who held too tightly to the control of their project, sometimes Creatives opted to take the path of least resistance and chose not to invest time in trying to educate their client. As one Creative explains:

“There are sometimes you do what the client wants, knowing that it’s not right, but again you’re sick of them... it can come down to the purple argument where ‘Well, I prefer this one’ ‘Actually this is best because of this, this and this’ ‘Well, you know what, I still prefer this’. And if you’ve got a client that continues to go down that road then again I tend to want to... there’s very little value you can add apart from be a technician. And the businesses I want to work with are businesses that we work most effectively with, are the ones that allow you to offer your expertise.” (C7 - R1)

This disengagement from the project and its effects on the end-product was seen clearly between MW10 and C8 (Section 4.3.1). During C8’s interview, while the Creative was careful to stress how well MW10 knew their customers, when discussing how well MW10 understood the communication to the customer through design they state:

“It is tricky working with smaller end companies, where for the MD or business owner the company is still their baby and they often have very specific ideas about what they want. There is often a battle between what the end user is looking for and what our clients like. End of the day they may hold out for what they like rather than what is right and you have to go with it.” (C8 - R1)

From the research, it was clear that this disengagement was the exception rather than the rule, with the other Creatives (C1, C2, C3, C5, C6, C7) opting to work to change the Micro's original position. As was seen in Section 4.4.1, those Creatives that did so generated positive results from the final tangible product - the website, for their clients, as well as expanding their skills base (Section 4.4.2) and causing long lasting behavioural changes within the Micros (Section 4.4.3). The only (partial) exception was C7, where knowledge transfer to the Micro did not occur (Sections 6.6.1, 6.6.2), although the website was successful in generating additional sales for the Micro (Section 4.4.1). This decision to work on the relationship came at an often considerable cost to the Creative which was rarely recognized or valued by the Micro clients (Section 4.3.1.2). Building a relationship with a new client not only involved skill but was also a very large time commitment. The time that the Creatives invested in the initial project with a client could result in little or no profit being generated for the Creative. Two respondents in one of the Creatives note how they invested the time based solely on their relationship with their client:

**R1:** It’s got to the point where there’s no profit in the job. We just mind them.

**R2:** It’s been done purely on the fact that they’re lovely, lovely people.

**R1:** We’re that much behind with everything, that, you know. We’ve been pretty much holding their hand from the start.” (C16 - R1)

This time investment occurred because none of the Creatives saw the initial project with the Micro as a one-off investment, rather they believed that the initial project would lead to a longer-term relationship.

“That’s the key about our business really, is retaining customers and having a relationship with them for as long as possible and because we try to provide a broad range of services that allows us to be a kind of their outsourced team.” (C15 - R1)

Some Creatives like C4 worked mostly with larger companies because of the larger fees available and the larger profit margins, seeing SMEs and Micros as low-grade income that helped keep cash-flow steady. However for many of the Creatives, working with SMEs and Micros involved a payoff that was worth more to them than basic financial considerations:

“...much more enjoyable to work with the SMEs, much quicker to respond, much more involved, there’s so much less bureaucracy about it all, much more rewarding. Some of these large corporates move so slowly that a committee can take months and months to decide on something.” (C15 - R1)

During the observation days, both C2 and C15 discussed how important their relationships with their clients were to the ethos of their companies. C2 in particular discussed how they worked to nurture a ‘familial’ relationship with their clients, even deliberately using terms such as ‘mate’ or ‘bro’ when talking to their clients. Both Creatives felt that this ‘familial bonding’ was critical not just to establish loyalty within their client base, but also to deepen a sense of security within their clients. This tactic appeared to work with the Micros who participated, with improved confidence in the Creative’s offering evident in the majority of the interviews conducted after the project was completed (Section 4.4.3.3).

“I feel I can work with them on projects and I’ve got a better perception of what they can contribute and I can value that contribution.” (MW5 - R4)

The depth of the relationship was of course not the only reason that the Micros' confidence in the Creatives' abilities altered. The effectiveness of the final product, which was only possible because knowledge successfully transferred from and to the Micro (Section 5.4), also played a large part. Having the website generating vastly increased sales (MW4) or customers contact them rather than the Micro having to chase for customers (MW1, MW2, MW5, MW7, MW8) was cited by many of the Micros as one of their markers of success for the final product.

As can be seen in Table 5.1 below, in this research project, for the majority of the Micro participants, contrary to the behaviour expected by the Creatives from previous experience, the time invested by the Creatives did not appear to generate a longer-term relationship. MW4, despite spectacular sales results, still saw C4 as being too expensive without the grant to cover some of the cost. MW2 still used their Creative but kept exploring cheaper alternatives for each new project before returning. MW9 saw the project as a one-off venture. MW1 and MW10 would have maintained a relationship, only their Creative companies closed. MW3 would have maintained the relationship but re-location to another part of the country made collaboration impractical. MW5 and MW8 were intending to

work with their Creative in the future but they were currently too busy on day-to-day considerations. At the time of the last interviews, only MW7 was still working with their Creative on new projects.

Micro	Creative	Ongoing Relationship
MW1	C1	Creative company closed. Now works with 3 other Creatives on various projects
MW2	C2	Stayed with Creative for further website development - strained relationship. Also now using other Creatives
MW3	C3	Rarely uses original Creative, as relocated. Now works with multiple other Creatives located closer
MW4	C4	Moved on to other (cheaper) Creatives
MW5	C2	Intends to stay with the Creative and work on other projects in the future. Busy
MW6	C2	Still with Creative – because original website still under construction. Failure by Micro to produce essential material. Too busy to work on website
MW7	C5	Working on new projects with the Creative
MW8	C6	Staying with Creative for site administration. Intends to work on other projects with the Creative in the future. Busy
MW9	C7	Moved on to another (cheaper) Creative
MW10	C8	Creative company closed. No indications that Micro is working with anyone else.
MW11	C2	Still with Creative – because original website still under construction. Failure by Micro to produce essential material. Too busy to work on website

**Table 5-1 Ongoing Relationships of Micros with Creatives (author)**

It is possible that if the longitudinal study were conducted over a longer duration that this may have changed as, during the observation days, C15 noted that while they worked on an ongoing basis with their clients on little pieces of maintenance work, larger ‘new’ projects tended to occur every two or three years for SMEs and Micros. The other possibility, suggested by MW2 and MW4’s behaviour, was that the price perception for the work was skewed by the addition of the grant and that when the full investment was required from their own companies, it was felt to be too significant. Given the strong relationships that the Creatives have maintained with SME and Micro clients in their general course of work, it is certainly a possibility worth considering.

The Creatives also had a second reason for investing time in educating the Micros. It enabled a much smoother collaboration and reduced the need to explain themselves every time they needed a decision that conflicted with the Micro's point of view. As one Creative pointed out when discussing potential points of conflict with a Micro:

“...you could argue that’s our fault for not educating the client properly.” (C14 - R1)

### 5.2.3 Communication Interface

This focus on managing the process rather than simply providing the product requested may derive from the fact that most of the Creatives that participated in the interviews were project managers rather than day-to-day designers. For only two of the Creatives working with the Micros, the project

manager who worked face-to-face with the client was also the designer (C1, C7), although both also sub-contracted work to other designers when needed. As was seen in the initial literature review (Section 2.6.2), project managers are common in the creative industry, with the designers kept separate from the clients and a middleman used as an 'interpreter' between the designer and the client. Out of those Creatives who worked with the Micros, C2, C4, C5, C6, C8 all used project managers to interface with the clients. C4, C6, C8 used project managers with design experience, C2 and C5 used project managers with marketing experience, however all five used project managers that understood about the communicative nature of design. All five included the designers in the face-to-face meetings with the clients and C2, C4 and C8 involved designers in the follow-up email communications. For C5 and C6, email with the designers was avoided where possible as they felt it was a distraction from the designers' work.

"Like I, on a day to day basis, get literally hundreds of emails and it's like, you know, but what you're essentially doing is stopping that designer every two minutes from his, you know... we're essentially stopping him every two minutes to read an email that takes him off that project, that might mean he jumps onto another project. So it's kind of like for us to say well actually yeah, that needs changing but right now they're doing something else." (C6 - R1)

However, for those Creatives that used project managers, they did so, not just because Creative companies felt the designers were best employed focusing on their key skill of design or because they believed that organisation skills were not within the designers remit – "they don't even touch our project management system if they can help it" (C6 - R1), but because they felt that designers were not always the best communicators.

"...to cut to the chase, developers are a certain type of people and they're usually, their communication skills and their people skills are usually not as good as their development skills. And it's the same to a certain extent with designers. When you hire a project manager you are hiring them on their chemistry, their ability to deal with clients. And deal with stressful situations and to be organised, and that's what's needed to manage a project." (C6 - R1)

The designers also recognise this. In one of the other Creatives, the participant in the interviews was the designer rather than the project manager:

"Somebody who's really good at selling a design and talking and educating at the same time will always do better. You know, I'm no good at that part of it but we have other people in the company who are. I'm engine room, you know, I'm in the place producing and coming up with the ideas and the concepts and the strategies and things like that." (C17 - R1)

As seen in Section 5.2.1 above, it is this 'chemistry' that is important in the transfer process, that helps to establish the trust in the knowledge and helps to enable the 'education' process.

"Others are just like I said before are just into the whole idea of it and trust you. And if you get trust from a client then you're laughing." (C17 - R1)

This 'chemistry' is also one of the reasons that the Creatives prefer to work face-to-face not only when creating the brief with their clients but for major decision points along the project route (Section 4.4.3.3).

“Whenever you have a meeting, a new business meeting, usually it’s not about the work it’s about the chemistry.” (C6 - R1)

“Once that kind of rapport was met, then the project took off then.” (C15 - R1)

The other reason was the immediacy of communication that face-to-face meetings provide, enabling a closer dialogue and reducing the opportunity for misunderstanding.

### **5.3 Communication**

As was seen in Section 4.3.1, the Creatives’ expectations of receiving a clear brief from an SME or Micro right at the start are quite low. They expect to help the SMEs and Micros out with the process and use their own marketing knowledge to help devise an effective marketing strategy for the client's website, and by extension, business.

“He doesn’t really know why he’s doing it, he just knows he got to do it. But then that’s our job isn’t it? Our job is to guide him really. Hold his hand and take him through.” (C17 - R4)

However, this expectation is not made explicit in their product offering, and certainly was not a service that most of the Micros expected to be provided for them at the start of the process (Section 4.2.1.2). C3 were unique in the Creatives group as they were a design consultancy rather than designers, interfacing with other Creative companies on behalf of their clients and specifically providing the business strategy behind website design.

As Chapter 4 showed, and as is explored further in Chapter 6, this was not the only point of misunderstanding during the process. The two groups occupy differing thought-worlds (Sections 2.4, 2.5, 2.6) with differing viewpoints, differing languages and differing interpretative filters. As was noted in Section 4.3, the Creative companies were fully aware of the potential for misunderstanding between themselves and their clients, even though their Micro partners were not. The Creatives attempted to counter this in a number of ways such as confirmatory emails after each meeting to ensure there was a common understanding between the Creative and their client or using visual examples in their face-to-face meetings and emails to illustrate their point (Section 4.3.2.3).

The key differences in understanding between the two groups were understanding what the product offering actually was and understanding that visual language a) existed and b) had different meanings for different people depending on their thought-world.

#### **5.3.1 The Product Offering**

As noted in Sections 4.2.1.2, 4.2.2, 5.2.1, the Micros often began the process with a very vague understanding of what a website could offer, seeing this project as providing a web presence with technical features such as providing e-commerce or e-marketing capability. Only MW3 and MW4 were the exceptions to this. This misconception of the product was not specific to the participating

Micros either, as one of the Creatives discussing those clients who started the process with only a vague brief:

“Normally 10% of clients, maybe less, are truly exacting in their requirements and I’d imagine that, therefore, the other remaining 90% of it is that number. Out of that lot probably 70% of them just say I want a great website.” (C5 - R1)

The Creatives also recognised that even if the Micro were specific in their requirements, their knowledge of website design may be insufficient to correctly identify the best route.

“They may be clear on what they want to achieve, but they don’t necessarily know the best way of going about it. And when they ask you for something, it’s really, really important to clarify what it is...what are their objectives, and what they’re seeking to achieve. Because you may well answer the question in terms of, you know, ‘Can you provide me with x?’ And the answer may well be, ‘Yes.’ But what you really need to understand is, do they need x? And are they asking for x because of their limited view in terms of their market, or the service that you’re trying to provide.” (C3 - R2)

This is why one of the first actions of the Creatives, with the exception of C8, when an SME or Micro approached them with a request for a website was to reframe the brief in terms of developing a marketing strategy rather than creating an online place-marker.

“I think everybody feels, ‘Oh I’ve got to have a website.’ It’s virtually like having a business card. ‘I’ve got to have a website.’ But what we say to them is ‘That’s not adding any value to your business, it’s a drain on resources really. How can you get the most out of this opportunity?’” (C15 - R1)

“You can just advise them though, can’t you? Like, when we speak to them initially as, like, a new business call, you just try and find out what they’ve got already and what other things they might need. Because obviously the website affects a lot of the elements of the business as well so, like you say, it’s fair enough someone telling them they need a website but they need to know why they need it and they need to buy into it as well. Because we can create a website for them but if they don’t understand the benefit of it or what it’s going to do for their business then there’s very little point of them investing any money in it because they won’t use it correctly. So it’s kind of finding out what they would use it for, whether they need to update it themselves, like, as much as we can and then try to advise the best route, you know.” (C6 - R1)

This was done almost informally as part of the first meeting, where the re-education is framed within a general talk about the business.

“There’s their initial thoughts of what the website would do and then you have, you talk with them to see what their thoughts are, to discuss how a website and marketing can actually help so then you’re moving them from point A to point B. So, that process would have taken place when the project was going on, especially at the early stages of the project. So their expectations to begin with - well there’s obviously a bit of selling from our point of view to say, ‘Well, this is actually what can happen if we integrate some of these solutions into your business model’, I suppose. So there’s that bit of consultancy and selling going on to begin with and then there’s, out of that, after they do see your way of thinking, out of that conversation then there is more of an understanding of how marketing can help, digital marketing can help.” (C7 - R4)

Later in the discussion, the Creative comments that re-framing the project is not just for the benefit of their client, it is also to enable them to regain some control over the project and have their skills and input recognised and valued by the client.

“...that discussion is crucial not only to giving them what the company needs but also to - so it’s not just a case of them saying, “This is what I want” and you delivering it as a dogsbody.” (C7 - R4)

This gentle ‘moving’ the SMEs and Micros ‘from point A to point B’ was felt to be an important skill amongst the Creatives:

“I think what has helped us as a business is the fact that we help explain all of that process so well to customers that they are then empowered really by it all and much more knowledgeable about how a website, and that work we’re doing, can be of value to them.” (C15 - R1)

Generating this paradigm shift was only the start of the process. Once both groups shared a mutual understanding of what was needed to be produced and how that would add value to the client’s company, the Creative still needed to obtain the information they required to correctly populate the brief. As was seen in Chapter 4, this was not a simple procedure. While the Creatives were very clear on the information that they needed to meet the final targets (Section 4.3.1), the Micros struggled to articulate this information (Sections 4.2.1.1, 4.3.1.1). Also, there was the ‘Rumsfeld’ issue of the fact that the Micros ‘did not know what they did not know’.

“Some people, you would think the ones that are the most technically astute or have the most business acumen tend not to, they deliver a good pitch or they understand a particular element of their business really, really well, but when you actually try to fish for more information, you’re talking to a two year old. You know, some really basic things.” (C2 - R1)

As shown earlier in Section 5.2.1, for most of the Micros, this level of website design was an unfamiliar process and so they had no framework in which to identify what information was useful to the brief and what was not. The Creatives recognised that it was their job to draw that information out of them.

“That will be down to us to make sure that we understand the customer’s goals and that we make sure that when the website goes live that it achieves those goals.” (C15 - R4)

This echoes what C15 stated in their first interview:

“We’ve, over the years, built up experience of understanding (customer needs) and that’s where the value-added consultation comes in really, about us going in and understanding their business, putting a proposal forward that meets what we think are the ... what their customers are looking for.” (C15 - R1)

All of the Creatives used some form of questioning to draw the information from their clients. What differed was the form of questioning. Only C6 directly gave their clients a formal written questionnaire that covered:

“...all the simple questions, because sometimes it’s difficult for them to actually put together a brief. So it goes into things about what your vision is, what does your business do, what your trading name is, what your passion is, so that’s like your mission objectives in terms of business owner, who your competitors are, who your customers are, what makes you unique, what your USP is, how do you explain yourself, what your brand character is, what the actual deliverables are or the touch points that are needed, you know, any kind of specific - although it’s not specific in terms of attracting their target audience...On the older questionnaire which was much, much longer they wouldn’t fill it in so we cut a lot of stuff out.” (C6 - R1)

This was expected to be filled out before the first meeting. Their Micro (MW8):

“...had quite a good understanding of who his competitors were and the differences in them and the difference in their offering. He had a good understanding of what he needed to offer to differentiate himself from the others, and he also had a good idea of what some of the others were doing that was good, and he’s taken elements of that and he’s got a really good mix at the moment.” (C6 - R1)

Because of this, this process worked well for this pairing but the research suggests that, given, for most, their customer knowledge was not conscious, the majority of the Micros would have struggled to articulate their needs with a formalised questionnaire format (Sections 4.2.1.1, 4.3.1.1). However, once the formal questionnaire had been completed by the SME or Micro, C6 then supplemented the fact-finding process with a general discussion about the client’s business to act as a sounding board for their client and draw out information that may have been missed:

“Sometimes it’s having the time to take yourself out of work, speak to somebody and bounce your ideas off somebody and confide in somebody and sort of say things out in the open rather than having them kind of swim around in your head. And that sometimes helps, and sometimes they know the answer themselves, it’s just talking to somebody to tease it out.” (C6 - R1)

The only other Creative to use a formalised questionnaire was C2. However, they used it very differently as an information gathering tool. During the observation day, a new client kindly permitted observation of their meeting. While the questionnaire was filled in by the project manager, it was never shown to the client during the meeting. Instead it was used as prompts for the project manager to guide the conversation to ensure all the information required was properly gathered. Each question was ‘translated’ into terms and analogies that the client had easy reference to, generating the appearance of a simple discussion of their business, why they were so proud of their business and their hopes and dreams as well as how they saw their customers as people. At the end of the meeting, the filled-in questionnaire was given to the new client to look over and comment on and correct if there had been misunderstandings. What was striking was that when the client read through the answers, they were surprised by how much information had been gathered. They were for the most part unaware that they had given many of the answers, although they conceded they were correct and were greatly impressed by how well C2 ‘got them’. They also commented that for at least half of the questions they would not have understood what was being asked had they been phrased in the same way as the document. Terms such as ‘USP’ and ‘Mission Statement’ were not ones they were familiar with in their own business environment.

For the rest of the Creatives that worked with the Micros, this ‘discussion’ process had been developed even further. The questioning was no longer formalised, or even documented, but instead their “natural fact-finding process” (C5 - R1) had been “honed through trial and error” (C4 - R1) through experience of working with SMEs and Micros:

“I have a mental set of questions to make sure I have got all the information I need but it is not anything that is documented anymore. They think I am having a chat with them, they have no idea how much information I am extracting. But that is probably the best way because then they are

really relaxed and they are talking about what they trying to do and all the rest of it, I am scribbling frantically... It is listening between the lines almost.” (C1 - R1)

Often the questions were indirect, intended to get the Micros thinking and talking about their product proposition in analogies they could engage with:

“And this is my favourite question, the analogy if your product or service was a car which would it be and why, because it’s a positioning question in terms of people perceive in their mind and it’s different, but people perceive in their minds where the brands, the car brands are, you know, from Bentley and Rolls Royce at your top to your more standard ones in terms of Vauxhalls and Fords and then Mercedes somewhere in the middle, and all that kind of stuff. And so quite often you’ll get people say, not so often any more actually, we used to sometimes when we ask this, they’d say ‘Oh well, I’m an Aston Martin’, then you say ‘So you’re really expensive and you break down all the time?’ and they were like ‘Oh no! I’m not that!’ Okay, good, great. So, you know, you get them talking about reliability. And we’ve had some clients answer that question by saying because we’re so green we’re not a car at all, we’re a bike, you know, we’ve had some clients answer it in terms of well we’re a Mini because, you know, we are reliable and well built but we’re also a bit of an icon in terms of we’ve been around a long time, and they can really get into the depths of it but it really brings - because people know cars generally. Even if they say well we’re a black sporty one, even if they don’t know the brands it helps.” (C14 - R1)

After the initial meeting was concluded, the Creatives would then take their notes from the discussion and convert it into a formalised brief that formed a full project overview:

“So we normally try to translate what was given... Translate what was said in the meeting, you know, my notes and all that into a document that basically says this is what you said, this is what the project is, this is what we’re going to do, this is what we need off you, these are the timescales, this is the budget.” (C14 - R1)

This new brief would then be submitted to the Creative’s clients for approval before the initial work on the project began.

Throughout the project, the Creatives maintained this feedback process to ensure that there were no misunderstandings developing:

“Instead of me prompting them they were coming back to me saying ‘Is this right? This is what we understand.’” (C7 - R1)

### **5.3.2 Visual Language**

In Sections 4.2.2.2, 4.3.3 and 4.4.2.3, it could be seen that the second barrier to communication was visual language, with none of the Micros, except for MW3, aware of even the need for visual coherence in their marketing literature (Section 4.4.2.3), and only MW3 and MW4 aware of the fact that visuals could be a communication tool rather than simply aesthetic (Section 4.4.2.3). This lack of visual language ability within the Micros was also a barrier to the effective selection of the final website (Section 4.3.3).

“I think that’s what happens, when you’re dealing with SMEs, you’re dealing with individuals a lot of the time. And one of the hardest things to do is to sort of convince them that it’s not about them, it’s not about what they like, it’s about what’s appropriate, you know. So about being a designer, one of the hardest things in the world is having to deal with the fact that everybody is different and

everybody's got an opinion, everybody's got taste of some kind whether it's bad or good, and they want to see, so 'I want blue'. It's like 'Well, you know, it's not really appropriate'. You know, it's like 'Well, no, I like it.'" (C17 - R1)

From the first meeting, the Creatives used visual examples as part of their discussion process (Section 4.3.1.2), partly because this was a communication medium they were comfortable in (Sections 2.6.2, 8.7.2) and partly because it began to establish a common understanding between the two groups (Section 4.3.1.2). As C14 said in their first interview, discussing why they visually educated their clients:

"If you just put something in front of someone and say doesn't it look nice they could agree or disagree depending on their taste, and what we try to show people is that it's not about taste because everyone's got such diverse taste, it's about what your target market is looking for from the design and what it says to the target market." (C14 - R1)

Examples of other websites were also used throughout the production process by the Creatives to establish a visual benchmark against which the Micros could judge the final product:

"We will explain to them what we have done, why we have done it, 'Your client base was this, have you seen these competitor websites?'. 'Some of it we have done for you, but the majority of it is not for you. If you are not convinced, ok, let's get some screens up and see what everybody else is doing', and then when they see it they are like 'Actually, it does look different, it does look distinct and it does look like all the right things'." (C2 - R1)

At no point did the Creatives assume that what they understood from the visuals was what the client understood, making a point of discussing the visuals they were presenting in communication terms and how the visuals communicated with the target market.

"If we present stuff and we say 'And this is why it does this for this market, that for that market, this for that market.' and they go 'Yes, I understand, I understand, I understand,' then they go 'But I still don't like it' we've probably got a problem overall, but it doesn't get to that most of the time. Personal preference should have been headed off basically." (C13 - R1)

With the exceptions of C1 and C6, one technique that the Creatives used to build a mutual understanding of visuals with their Micro clients was to persuade the Micros to view multiple websites and come back and discuss these websites. Partly, this was to help identify their personal preferences:

"Tell me some websites that you like and why you like them, what it is that you like about them.' And it just gives you a bit of direction, you know, it is as simple as that really... You know, and then you get a picture because they can't talk it through because they think they can't, but if you ask them to demonstrate it then, I do that with pretty much everybody, just give us a clue, you know. It makes our life a lot easier and then you can work around it." (C17 - R1)

Partly, it was to help the Micros build up a clear and focused picture of their market space. Even though C6 did not use this technique with their clients, they believed that knowledge of the competitor's websites was important for the Micro during the design process:

“I suppose that’s the determining factor. The people who do know about how they want their marketing to work right down to the last call to action are the ones that have been on their competitors’ websites, and they’ve got such and such a thing, and if you have a look at this they don’t do this but we do this.” (C6 - R1)

The most striking effect of including an extensive website review was enabling Visual Language transfer. One of the Micros likened this to immersion learning in languages:

“If you want to learn Italian, go and immerse yourself in Italy. If you want to actually learn about websites, go and trawl, not 120 websites, 120 companies and then the websites that they have.” (MW4 - R4)

The majority of the Micros were not as aware as MW4 of the transfer. For them their learning was evidenced more through their change in behaviour than direct articulation (Sections 4.4.2.3, 6.6.2). For one Micro it was more extreme - they believed that the work that they were required to do in reviewing websites was doing the Creative's work for them:

“(They ask you to) ‘Go away and give us some indication of some websites of your competitors and show us some websites that you like the look and feel of’. So if I look at what they’ve done, I’ve given them all the branding, so they haven’t done any of the branding, I’ve gone to them and said ‘Look, I like the look and feel of XYZ’s website and that’s the kind of thing I want. So they’ve sort of come back, used my branding, used their kind of image, their look, swept up here or there... So what’s creative about that?’ (MW6 - R1)

However, this was an unfair accusation, as the Creatives do their own work researching the websites of their client’s competitors (Section 6.4.1), to “understand the aspirations of the people who are actively looking for that service” (C15 - R1). This work is often done before they collect the initial brief.

“...there’s an approach to any job really. You know, you do your research, you find out their competitors, what they’re up to. Obviously, you get the brief off the client anyway. If they haven’t got a brief we’ll develop a brief with them... So you have to do all that sort of leg work first before you, you’d be daft to start any creative before you did that. So that’s how we approach it.” (C17 - R1)

This suggests that getting the Micros to duplicate this work by asking them to do their own research on their competitors’ websites is done consciously by the Creative, in order to achieve a knowledge transfer that will enlarge the area of common understanding.

## **5.4 Knowledge Transfer**

As was seen in Chapter 4 (Sections 4.3.1.1, 4.3.1.2, 4.3.2.3, 4.3.3, 4.4.2) knowledge was transferred between the Micro and the Creative company in both directions. Sections 5.2 and 5.3 explored the issues surrounding this transfer (Section 5.2) and the techniques used by the Creatives to achieve this transfer (Section 5.3). This section explores the process of the transfer itself, beginning with how the Micros in this research approached knowledge acquisition in general, in regards to their business, before exploring the various modes of transfer between the Micros and Creatives. Finally, this section will introduce a new model to describe the most prevalent transfer methods that the Creatives used in the process of working with a Micro.

### 5.4.1 Knowledge Acquisition

For the majority of the Micro participants, their knowledge acquisition patterns reflected those identified by Devins et al. (2005) (Section 2.5.3), with a tendency to opportunistic, almost unintentional, acquisition from a close network, rather than deliberate gathering of information from broader sources. Within the group there were variations on this from the almost non-acquirer (MW10) to the constantly acquisitive (MW4), although most reflected Devins et al.'s (2005) findings. This is in contrast to the Creatives who appear more naturally acquisitive, spending a lot of their free time researching and acquiring new knowledge that was not job specific (Section 6.4.1.1), despite being as busy as the Micros.

During the research there were three areas where knowledge acquisition patterns amongst the Micros could be assessed.

1. **Networking** – Whether the Micros used formal networking either through Social Networking or face-to-face networking as an information gathering tool or whether they preferred to source from friends and family.
2. **Using Information Provided** – All of the SMEs and Micros were provided with advice packs at the start of the process with internet links to even further information, as well as an extensive gallery of Creatives. Contrasting this pack to the actual behaviour of the Micros at the start of the project demonstrates the level of usage.
3. **Information Gathering** – How the Micros proceeded in researching their Creative partner at the start of the project.

#### 5.4.1.1 Networking

One of the areas in which this opportunistic acquisition from a close network was noticeable was in the Micros' networking patterns, not only in their uptake of Social Media during the eighteen months of the research (Section 6.6.3) but in how they used their networking both on the internet and face-to-face. While all who regularly used Social Media used it for marketing purposes (MW1, MW2, MW3, MW4, MW5, MW7), some also used it as a tool for gathering information (MW1, MW3, MW4, MW5, MW7). MW4 was particularly prolific (Section 6.6.3) and was one of the only two Micros, along with MW3, who were early adopters of Social Media, both MW3 and MW4 being active in Social Media before the project began. MW4 used it almost to the exclusion of face-to-face networking.

“I don't have the time to go out and network. So I don't spend a lot of time out there. I do go and see customers on this side. And I do spend an awful lot of time reading on the internet.” (MW4 - R1)

This pattern of information gathering was reflected in the face-to-face networking that the Micros spoke about in their first interviews. Most of the Micros saw formal networking only as a marketing tool (MW2, MW5, MW8, MW9, MW10, MW11):

“Unless I have a reference website, I will not do networking, because I just feel, as I do, the first thing people do is go to a website. And you are what the website is.” (MW8 - R1)

Only three Micros used formal networking as an information gathering tool (MW1, MW3, MW7):

“(Networking) is a good education vehicle, because you can listen to other people, especially during conferences because you can find out what is happening in the broader world really. It keeps your perspective wide.” (MW7 - R1)

More of the Micros preferred to gather their information informally through their network of friends and family (MW5, MW6, MW8, MW9, MW11):

“We just get together every so often and just natter about what’s going on.” (MW5 - R1)

“I’m often in discussions with friends and acquaintances and whatever about work.” (MW9 - R1)

MW8 also suggested that over forty years experience in their business had made them more resistant to knowledge acquisition, although their research for their selection process was more rigorous than the majority:

“Did I pick up any skills. I’m old and grey! [Laughs] And the answer to that is ... By the way that’s not saying, ‘Oh I know it all’. Far from it. It’s that I know what I don’t know.” (MW8 - R4)

#### ***5.4.1.2 Assimilating Information Provided***

The other area that this resistance to formal knowledge acquisition was noticeable, was in the Micros' method of selecting their Creative company at the start of the project (Sections 4.2.1.2, 4.2.2.1) and how that compared to the advice they were provided with at the start of the project. All of the companies participating were provided with an information pack by the funding body, only 14 pages long, which gave advice on how to create a brief, select a Creative, work with a Creative and assess the results of the project (Appendix G). From the comments made by the participants and their actions throughout the project, it became apparent that this information pack was not read by the participants (Section 4.2.1.2). As is seen in Table 5.2 below, few used the gallery either. Quotes from the information pack are in bold to distinguish them from participant’s quotes.

**“Bear in mind that the companies listed on the gallery are not vetted by (the Agency).”** (Advice pack, Appendix G, p.279)

“I was searching and we came to the (Agency) website, it’s listed there as a creative agency. What’s your process vetting them?” (MW2 - R1)

Three pages of the pack were dedicated to preparing a brief for the Creative (Advice pack, Appendix G, p.281-283):

Advising the Agency on improving the process: “They could possibly expand, so that people use it properly... if you’re doing a website, before you go and see your website, have those lists of...I mean some decent web agencies have them...all about your competition, your proposition, all of that, so it saves all that time.” (MW3 - R4)

And the second item listed as being required for the brief:

**“Project objectives - e.g. what you want to achieve and how the creative work will be used and measured”** (Advice pack, Appendix G, p.281)

And earlier **“...it's likely to make for a smoother, more productive (and possibly cheaper) project if everyone involved views the expenditure as an investment, with positive outcomes for your business.”** (Advice pack, Appendix G, p.279)

This was followed later by two pages of the pack (Advice pack, Appendix G, p.284, 285) dedicated to advising on how to assess the success of the project. However, when the Micros were asked about how they would assess the success of the project they were vague:

“Well, we were further down the line of turning our idea into a reality. That was it. And the basic idea was sound so, yeah, we just need to progress it really.” (MW9 - R1)

“Simplistically it's I like it because it's saying this is what we do. Okay, tick. ...But also how does it compare to the (competitors websites) that I think are good. Because, you know, do I appear like them? Yes I look more like them and therefore good delivery...Ongoing metrics will be?...Oh it will be, well it will be what people think of the site for a start.” (MW8 - R1)

Only MW3, MW4 and MW6 were more focused than the majority of the Micros on their benchmarking (Section 4.4.1), although as noted in Section 4.4.1 only MW6 mentioned a specific number, MW3 and MW4 remaining with a vaguer expectation of ‘improvement’:

“The metric is conversions. Absolutely. My absolute metric is (pause) the turnover per visitor. So this is my day to day comparisons against last year.” (MW4 - R1)

“Functionality, it will be by numbers coming on board, people hopping on board, people finding it easy to find their way round the site, easy to understand the difference between a pilot and a pro website...And then from that all the analytics from behind the site where we measure how many hits we're getting, who's getting the highest rankings, where is it getting taken up in the country.” (MW3 - R1)

**“If you haven't worked through such a creative process before it may be tempting to think you should be able tell the creative business what you want so they can go away and produce it, delivering the finished article back to you a few weeks later. But the results from working like this will almost certainly be poorer - and the process less interesting - than if you engage with the development.”** (Advice pack, Appendix G, p.283)

Many of the Micros insisted on taking the lead at the start of the process and only learnt to listen during the process (MW1, MW2, MW3, MW4, MW6, MW7, MW8, MW10) (Section 4.3.2.1). The most striking examples of this were MW2 and MW10 who both provided the graphics and expected a finished article to be delivered (Sections 4.2.2.2 and 4.3.2).

**“This guide has been adapted from 'Finding and working with a designer - a step-by-step guide' and our thanks go to The Design Council ([www.designcouncil.org.uk](http://www.designcouncil.org.uk)) for allowing us to use this content for the Creative Credits programme.”** (Advice pack, Appendix G, p.286)

In the last round of interviews: *“Interviewer: So did you know about the Design Council?”*

Respondent: No. You just mentioned it for the first time.” (MW1 -

R4)

This lack of reading the advice provided was not limited to working on websites, as evidenced by the question asked by a Micro working on a database project:

“Do they give you a guide on the (Agency) website as to how to write a brief?” (SO2 - R1)

#### 5.4.1.3 Information Gathering

Micro	Creative	Networking	Using Information Provided	Research on Creatives
MW1	C1	Internet & Face-to-Face – Active - Opportunistic	Did not use Advice Pack or Gallery	Selected on recommendation and locality
MW2	C2	Face-to-Face – Occasional - Opportunistic	Did not use Advice Pack Only used Gallery after	Minor research – responded to C2 telesales call
MW3	C3	Internet and Face-to-Face – Highly Active - Opportunistic	Did not use Advice Pack or Gallery	Selected on recommendation
MW4	C4	Internet and Face-to-Face – Highly Active - Deliberate	Did not use Advice Pack Did use Gallery	Thoroughly researched Creatives
MW5	C2	Internet and Face-to-Face – Active - Opportunistic	Did not use Advice Pack Did use Gallery	Interviewed c. 6 designers for ‘feel’. Looking for technical skills
MW6	C2	Only maintain old contacts - Opportunistic	Did not use Advice Pack or Gallery	Interviewed no. of Creatives who had emailed them. Selected on recommendation
MW7	C5	Internet and Face-to-Face – Highly Active - Opportunistic	Did not use Advice Pack or Gallery	Selected on recommendation
MW8	C6	Used to Face-to-Face. Too busy now - Opportunistic	Did not use Advice Pack Did use Gallery	Thoroughly researched Creatives
MW9	C7	Face-to-face – Occasional - Opportunistic	Did not use Advice Pack Partially used Gallery	Interviewed two Creatives selected at random
MW10	C8	Face-to-face – Occasional - Opportunistic	Did not use Advice Pack or Gallery	Had worked with Creative previously
MW11	C2	Only maintain old contacts - Opportunistic	Did not use Advice Pack or Gallery	Selected by location, Creative first on search engine

**Table 5-2 Pattern of Knowledge Acquisition for Micros (author)**

Despite advice from the Agency to do thorough research before selecting their final Creative partner, the majority of the Micros also chose to do very little research about the Creatives before selecting

their partner (MW1, MW3, MW10, MW6, MW7, MW9, MW11) (Sections 4.2.1.2, 4.2.2.1, 5.2.1) going with location or personal recommendation as their selection criterion instead.

Those who did research on their Creatives before selection often used criteria based on their own personal experience (MW2, MW5) (Section 4.2.2.5), such as MW5 making sure their Creative could provide a content management system as they had had issues previously with an earlier website they struggled to keep updated. MW4 and MW8 were the significant exceptions to this, researching a large number of Creatives and selecting based on a pre-defined checklist.

This pattern of knowledge acquisition amongst the Micros corresponds to the opportunistic acquisition patterns observed in the literature, where knowledge is acquired through chance encounters during networking rather than through deliberate intent (Section 2.5.3). This was also reflected through the Micros' use of networking to gather information (Table 5.2). MW4 was an exception with regular use of YouTube to access two to three minute webinars, which they found they absorbed better than evening or full day seminars, balancing their need for information with their ability to absorb it in 'bite-sized chunks' (Section 4.2.2.1).

The Creatives utilised this pattern of knowledge acquisition observed within the Micros, in their interactions with their Micro partners, both to acquire and deliver knowledge (Sections 5.4.3, 5.4.4).

#### **5.4.2 Awareness of Transfer**

During this research it became clear that the models in tacit knowledge literature (Section 2.3) were too simplistic and that there was not always awareness of the act of transfer, either as sender or recipient. In each case, it was only the Creative as instigator of the transfer who was always aware, working to ensure a lack of awareness within the Micro, in order to maintain the ba they had worked hard to develop.

##### ***5.4.2.1 Conscious Transfer***

Conscious transfer is when both parties are aware of the act of transfer. Both parties will only be aware of what knowledge is transferred if the knowledge is explicit. This form of transfer is the one most explored within the KT literature. Despite the confidence and trust issues identified earlier (Section 5.2.1), there were points at which conscious transfer occurred between the two groups.

At the outset, one of the first pieces of knowledge to be consciously transferred was the design process. As was identified in Section 5.4.2.2, the Micros had little knowledge of the process involved in designing a website, despite being provided with an Advice Pack by the Agency at the start of the project. The Creatives created a definitive outline for the project for them outlining the deliverables and objectives, creating a timeline and identifying the roles and responsibilities of both partners (Section 5.3.1).

“When people are dealing with a service based business like ourselves there’s obviously ... what’s the process, what’s involved? And our proposal ... the bulk of our proposal documentation is explaining the process that we go through; the initial consultation and then we put together an official price if you like and then the creative stage, when that’s signed off, the technical stage, when that’s signed off, the kind of testing and the use stage and then live and then onto the internet marketing. And I think what has helped us as a business is the fact that we help explain all of that process so well to customers that they are then empowered really by it all and much more knowledgeable about how a website and what work we’re doing can be of value to them.” (C15 - R1)

The Micros demonstrated that transfer had occurred during the final interviews when they offered advice about the design process (Section 4.4.2.2):

“...be pretty clear in terms of what you’re trying to get out of it, so to have an objective, and to have some clear perspectives about criteria for success” (MW7 – R4)

The second point of conscious transfer was marketing and business strategy (Sections 4.3.1.3, 4.4.2.1). As was shown in these earlier sections, the Creatives recognised that the Micros may not realise that a website is not a standalone product. Accordingly, they explicitly educated their clients about incorporating their website as part of their marketing strategy from identifying the marketing strategy and how the website fits into it (Section 4.3.1.3) including identifying the client’s competitors and where the client is placed in relation to those competitors (Section 6.4.1.1) to working with the Micro to develop an ongoing strategy that will ensure that sufficient resources are in place to maintain the website and keep it effective (Sections 4.3.1.3). This transfer, along with customer knowledge (Section 5.5.1) occasioned one of the most prevalent and prominent behavioural changes amongst the Micro participants (Section 4.6.2).

However, customer knowledge was not consciously transferred by the Micro to the Creative. Customer knowledge was not within the central consciousness for the majority of the Micros (Section 4.3.1.1) and the knowledge had to be drawn out by the Creatives (Section 5.3.1). This was not done explicitly, rather the Creatives chose to keep the Micro unaware of the transfer only making the knowledge explicit to the Micro through feedback (Section 5.5). This disjoint led to an identification of a new model of knowledge transfer – Bi-Modal Knowledge Transfer (Section 5.5).

#### ***5.4.2.2 Unconscious Transfer***

Unconscious transfer is when both the sender and the recipient are unaware of the act of transfer, although either sender or receiver may become aware of the transfer afterwards. This form of transfer is referred to as diffusion by Szulanski (1996) (Section 2.2). Unconscious transfer is linked in the KT literature specifically to tacit knowledge (Section 2.3.1). At the start of the research, the initial literature review suggested that this was likely to be the key form of transfer in this collaboration, with both partners expected to focus on the tangible product and not the intangible benefits around it (Sections 2.3.2, 2.5.3, 2.5.4, 2.6.1). Particularly with the power of visual imagery, it was expected that neither partner would be able to express this explicitly. If transfer occurred it was hypothesised

that it would be unconscious transfer occurring through incidental immersion where the Micro picked up some rudiments of visual language through exposure to it through the design process.

This hypothesis was disproved during the research, as the Creatives were fully aware of what they were transferring and why and to a certain extent they were able to explicitly articulate it. While they were unable to articulate their level of visual fluency, their ability to connect with a customer's aspirations, seeing it as 'virtually telepathy' (C15 - R1), the Creatives were explicitly aware of the mechanics of visual language at the basic level and were also aware that they needed to pass at least some of this knowledge on to their Micro clients to ensure a smooth collaboration (Sections 4.3.2.3, 4.3.3). However, the majority of the Micros had no awareness that visual language existed and so were not looking to acquire it (Section 4.2.2.2) nor were they aware that they had acquired it. Asked directly in the second round of interviews, soon after the projects completed, what the Micros had learnt from the Creatives, few recognised a transfer had taken place (Section 5.3.2). Only their changes in language and marketing behaviour indicated that a transfer had occurred. This disjoint led to the realisation that Bi-Modal Knowledge Transfer, identified in the initial interviews through the acquisition of customer knowledge, was bi-directional – with the receiver aware and the sender unaware (customer knowledge) or with the sender aware and the receiver unaware (visual language). Two models (Figures 5.2, 5.3) were then developed to illustrate this.

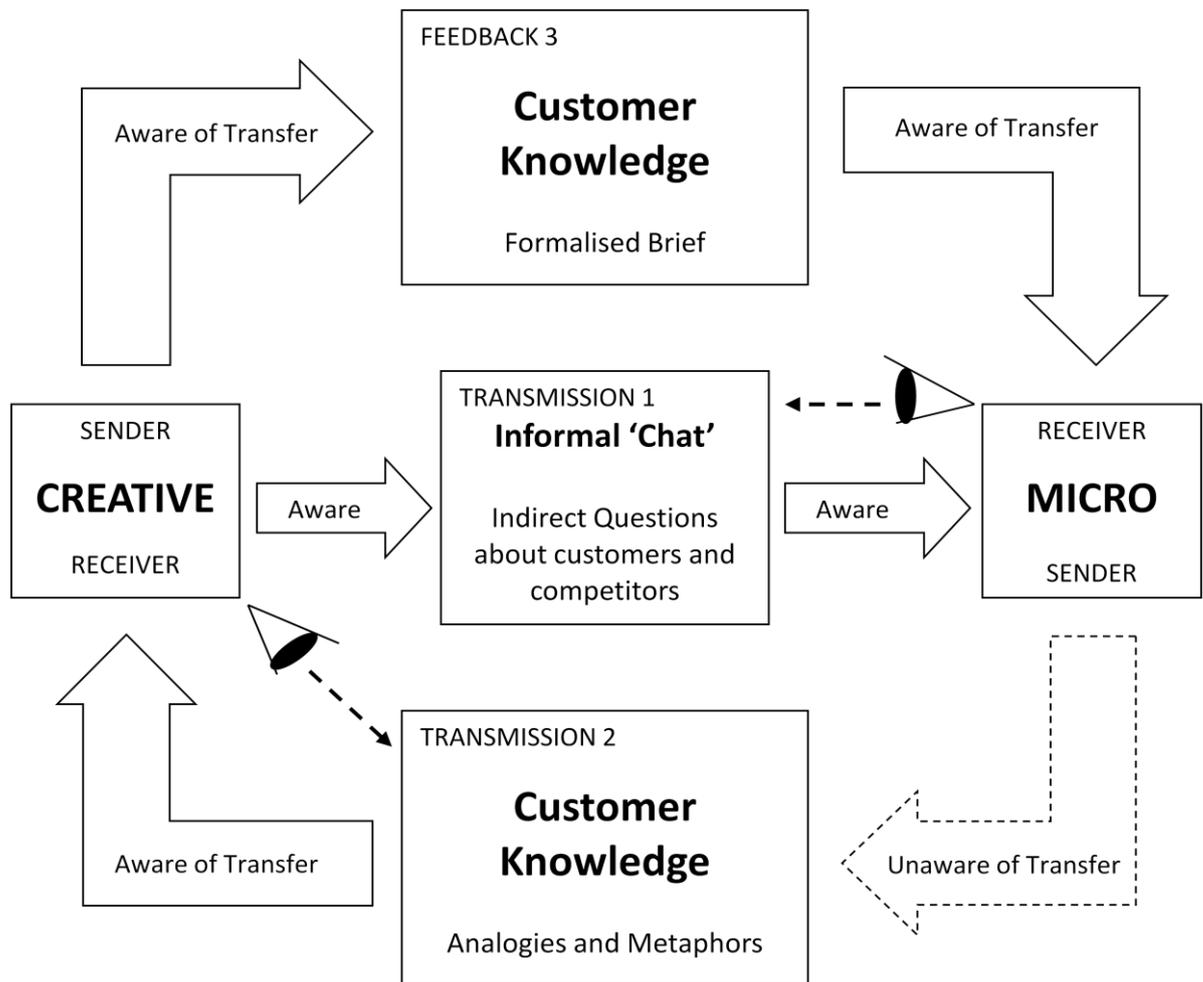
## **5.5 Bi-Modal Knowledge Transfer**

During this research, in addition to Conscious and Unconscious Transfer, a transfer new to the KT literature emerged (Sections 5.5.1, 5.5.2) where the transfer occurred in two modes of awareness rather than one. The Creatives were aware of the transfer and perceiving the knowledge as explicit, while the Micros were unaware of the transfer and the knowledge was therefore tacit for them at the time of transfer. The term that has been created to describe this phenomenon is Bi-Modal Knowledge Transfer. From this research, it was observed that the instigator of the knowledge transfer may be the sender – where the knowledge is transferred to the recipient with the recipient unaware of the transfer, or the receiver, where the recipient consciously draws out knowledge from the sender, while the sender remains unaware of transmitting the knowledge. In this research, the instigator was always the Creative.

The research shows that this was the predominant form of transfer between the two groups. Bi-Modal Knowledge Transfer was used by the Creatives partly because, through experience gained "over the years" (C15 - R1), they had found this to be the most effective method for them to acquire and impart knowledge and partly in order not to disrupt the 'familial' relationship with the client (Sections 5.2.1, 5.2.2). An explicit transfer exposes the client's knowledge gaps and switches the perceived power dynamic, creating a block as the client adopts a defensive position, something both Creatives commented on during the observation days.

As stated below in Sections 5.5.1 and 5.5.2, two models (Figures 5.2, 5.3) were developed to describe this based on the Communication Loop that is used in Communication Theory literature (Shannon and Weaver, 1949) (Section 8.5).

### 5.5.1 Bi-Modal Transfer of Customer Knowledge



**Figure 5.2 Bi-Modal Transfer of Customer Knowledge (acquired by Creative from Micro) (author)**

As was seen in Sections 4.2.1.1, 4.3.1.1 and 5.3.1, and is later demonstrated in more detail in Figure 6.4 in Section 6.6.1, the majority of the Micros were unaware they possessed customer knowledge at the start of the process, even though some incorporated that knowledge into their decision making process (explored later in Section 6.2.3, 6.3.4). As one Micro experienced in consulting for SMEs and Micros noted:

“They haven’t seen it, they’re doing it.” (MW8 - R1)

The Creatives recognised that even for those Micros who did not incorporate customer knowledge into their business strategy, customer knowledge was still present - “They just don’t know they have it.” (C6 - R1). As was discussed in Section 5.3.1, most of the Creatives recognised that if they were to gain this knowledge, it could not be accessed directly.

“Sometimes you do have to lead them a little bit...by saying something that’s obviously not right they go to the opposite side of that and start to actually think about it. Generally you can’t just ask a

question like that, you know, 'What do we want them to think and feel?' They'll go ... you know, there's no, they can't bounce off it so it's got to be almost positioned in itself." (C14 - R1)

Instead they began with an informal 'chat' (C1 - R1) about the business, providing the Micro with the opportunity to "bounce (their) ideas off somebody" (C6 - R1) as "they know the answer themselves, it's just talking to somebody to tease it out" (C6 - R1). MW7 refers to this initial chat as a "Get to you know you' meeting." (MW7 - R1)

What was striking about this was that the collection of knowledge occurred in two differing realities. For the Creative, they were deliberately acquiring knowledge from the Micro about the Micro's customers – for the Micro they were having an informal discussion about their business.

"What is your passion? What are you trying to do for this business?' he says." (MW8 - R1)

In addition to this, the transfer occurred in two modes of awareness. While the Creatives were engaged in a conscious act of acquisition, not only were the Micros unaware that they possessed the knowledge at the start of the process, they were also unaware that they were providing this information in the course of the conversation:

"And what was great about the way that (the designer) approached it was that he understood intuitively the product area or how, what we wanted to sell." (MW4 - R4)

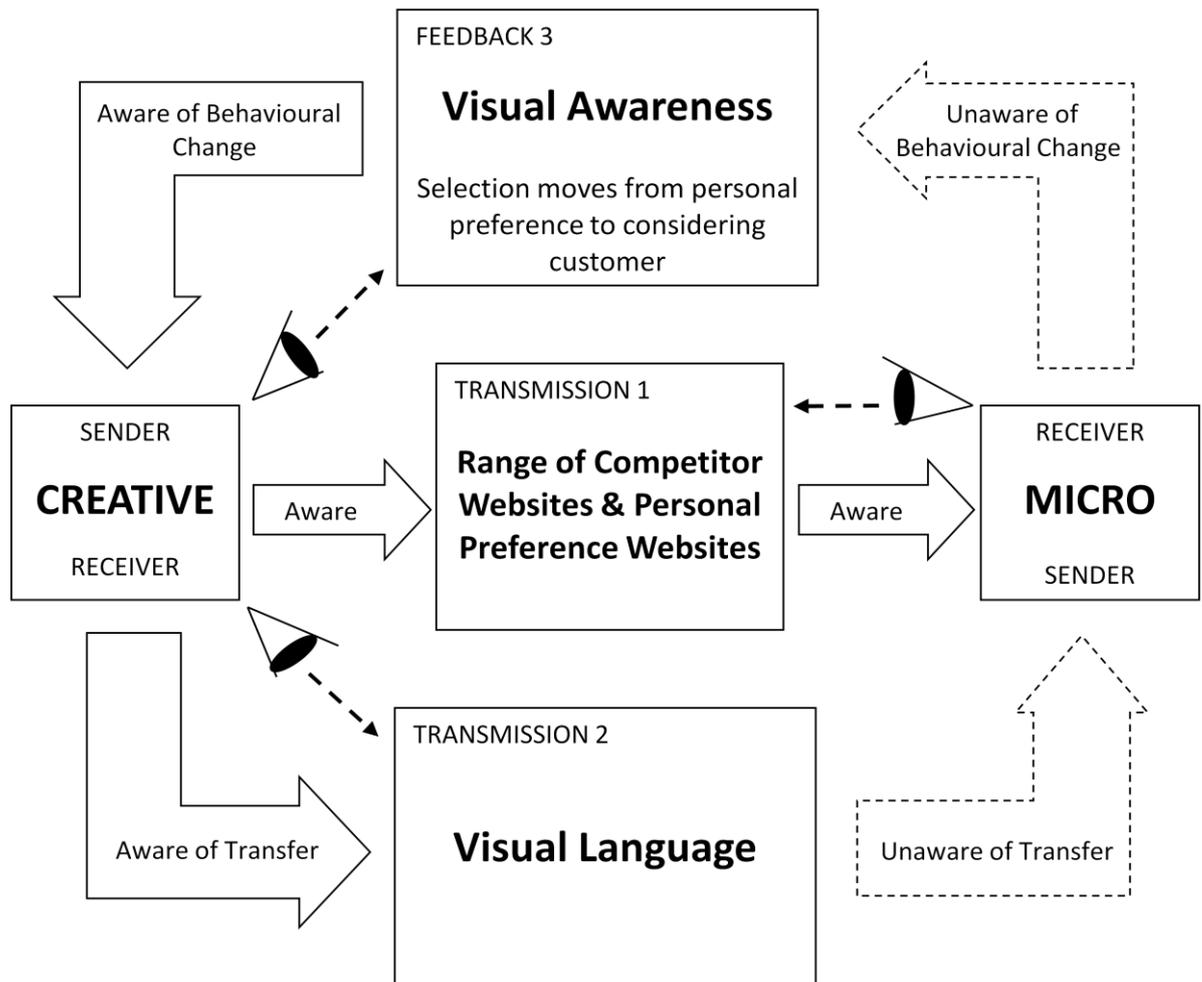
This was a phenomenon that the Creatives were aware of and utilised, as C1 noted in Section 5.3.1. Where the Micros became aware of the customer knowledge that they had provided to their Creatives was in the feedback process that the Creatives used to establish a mutual understanding (Sections 4.3.1.2, 4.3.2.3). Having developed the brief during the meeting the Creatives would then send a copy of the brief to the Micros and get verification that there was a mutual understanding going forward (Section 4.3.2.3).

"...they'd send back the day after or whatever, they said 'This is what we discussed. Are you happy with it?' ...it was driven by them; they did quite well with that." (MW9 - R1)

Feedback of what the Creatives had learned about the Micros' customers continued throughout the process, particularly during the design process where the Creatives worked to develop the visual understanding of their clients (Sections 4.3.2.3, 4.3.3).

The effects of this feedback were evident in the altered behaviour and awareness of the Micros in the last interviews explored in the next chapter (Section 6.6.2, Figure 6.4).

### 5.5.2 Bi-Modal Transfer of Visual Language



**Figure 5.3 Bi-Modal Transfer of Visual Language (imparted by Creative to Micro) (author)**

As noted in the introduction of this section, Bi-Modal Knowledge Transfer was not just observed in one direction. During the collaboration process, it was observed that, in order to establish a mutual understanding between themselves and the client (Section 4.3.2.3) the Creatives created a 'dictionary' of visual images that related to the Micro's customer and not the Micro's personal preference (Section 5.3.2). For the majority this was done through the strategy of asking the Micro to review a number of websites and then reviewing the websites with them, identifying strong and weak points of the design.

What was clear by the last round of interviews was that the majority of the Micros were unaware that they had learnt anything about visual language. When the Micros discussed what they had learned, they cited marketing strategy and customer knowledge, but nothing was mentioned about visual awareness. Even when the Creatives believed they were teaching explicitly (Section 6.4.3.3, C6 - R1), MW8 did not pick up that the transfer had occurred, although MW8's change in visual awareness is evident in the last interview (Chapter 6, Figure 6.5) and they do recognise the value that working with a Creative brings.

Only MW4 recognised the reviewing of websites as a language immersion technique (Section 5.3.2), although even they were not as aware of this process at the time of the project, recognising only the improved awareness and not the act of transfer. Discussing the initial meetings they saw the website reviewing as a tool to establish their own personal preferences.

“So give us some great home pages that you think, right, okay, who do you like at the moment?’ It doesn’t just come straight out there. ‘What are you looking at? What do you like the look of?’” (MW4 - R1)

And later, discussing whether the Creatives had explained that there was a language within the visual presentation:

“That wasn’t explicitly said but there is a level of understanding that comes from sitting and talking to somebody about what you believe your demographic is.” (MW4 - R1)

This lack of consciousness about the transfer was also evident in source attribution in some of the Micro participants. As was seen in Section 5.2.1, MW1 attributed their learning to a source that did not possess that level of knowledge. MW2 was similar in the final interviews. They claimed they had learnt nothing from working with their Creative, although their behaviour indicated that they had.

Asked if they had learned anything from their Creative:

“Yeah, they did take us through the initial training how to update and stuff but basically, no.” (MW2 - R4)

One striking instance where their behaviour indicated the contrary was in the altering of their exhibition stands. As C2 stated in the first interviews:

“When he did show us the exhibition stand, and it was the same with the website, it was information overload because they want to take the work out of presenting their solution, but they try and get everything on, so people can read and make their own informed decisions but... For me ... the two main things to try and get across, energy saving and nothing changes, and that is great, they get a benefit and they don’t lose anything... In terms of the solution we delivered for him, it was basically to help facilitate the sale. I mean to try and get as much information across without again, he likes to get everything down.” (C2 - R1)

“We’ve kept them very simple. Then again, I think it was because another person, (outside of the Creative Company), he was actually involved in actually, doing the actual design. He’s more of a salesperson. He wanted some more wording in there, but I just wanted images and no wording, and things that give you that kind of image.” (MW2 - R4)

What was not as clear, initially, through the interview process was how aware the Creatives were of the transfer. As C15 noted, understanding and communicating with the Micros’ customers’ aspirations was “virtually telepathy” (C15 – R1), although all of the Creatives spoke of the need to move their clients from personal preference to customer preference. There were indications that the use of the websites to build a ‘dictionary’ was a conscious behaviour as it was superfluous to knowledge generation in the design process. The Creatives, unknown to the Micros, also did their own research reviewing the same websites that they had asked the Micros to research:

“We’ve really got to put a lot of research into each and every project to understand the client and really understand their competitors.” (C6 - R1)

During the observation days both Creatives confirmed that it was a fully conscious behaviour. C15 stated that they used it as a tool to get information across without highlighting the original ignorance of their clients, as they felt a more overt teaching method risked damaging the familial relationship that they worked hard to establish.

When the transfer is in this direction – sender aware, receiver unaware, the feedback loop is not explicit as in Figure 5.2. As noted earlier, the Creatives do not wish to draw attention to the fact that a transfer has taken place and so allow the knowledge to remain unconscious for the Micro. Rather they verify the transfer has taken place by observing the changed behaviour of the Micro (Section 5.3.2). This change is evident where a Micro demonstrates visual awareness by beginning to consider the appropriateness of the design for their customers rather than selecting on personal preference, and where the Micro begins to recognise they should not ‘tell a designer how to design’ (MW4 - R4).

As will be seen in the next chapter in Section 6.6.3, transfer does not always occur, particularly where the Micro insists on leading the project, refuses to listen or engage and adopts an ‘over the wall’ approach like MW10 (Section 4.3.1) at which point the Creative ceases to engage in the project and simply provides a website that meets the Micro's personal taste (Sections 5.2.2, 5.3.1).

## **5.6 Building Ba and Knowledge Transfer – Summary**

1. A level of trust and confidence between the Micro and the Creative was required to enable transfer to occur. If the Micro was not open to learning, transfer to the Micro was prevented (MW10) or reduced (MW2, MW9) (Section 5.2.1).
2. This was threatened by the need to alter the Micro's paradigm during the process and by the Micro's discomfort at working with the unknown (Sections 5.2.1, 5.5).
3. Creatives created ba by intentionally developing a familial relationship with their Micro clients to mimic the knowledge acquisition style of the Micros who preferred to gather information from family and friends rather than acquiring information from the wider environment (Section 5.2.2).
4. Creatives worked on the paradigm of building a long-term relationship extending over multiple projects, investing heavily upfront in time on the first project for a longer term gain. For this incentive scheme, this did not always prove true (Section 5.2.2).
5. There were issues in communication between the two groups, primarily in customer knowledge being unconscious, making access to this knowledge problematic, and secondly in the absence of visual language within the Micro community, which generated miscommunication (Section 5.3).

6. The research showed that for the majority of the Micros, their knowledge acquisition was opportunistic, mostly achieved through active networking, particularly amongst their close network (Section 5.4.1).

	MW1	MW2	MW3	MW4	MW5	MW7	MW8	MW9	MW10
Creative Partner	C1	C2	C3	C4	C2	C5	C6	C7	C8
Build Ba	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No
Open to Learning	Yes	No	Yes	Yes	Yes	Yes	Yes	No	No
Website	Positive Customer Response Increased Enquiries	Increased Enquiries	Increased Site Activity	Increased Sales	Positive Customer Response	Positive Customer Response	Positive Customer Response	Increased Sales	No change
Initial Turnover *	£250k	£100k	£ -	£410k	£50k	£100k	£40k	£ -	£800k
Final Turnover *	£450k	No survey	£ -	£1.2 m	£100k	£250k	<£150k	£20k	£500k
Overall Rise in Sales *	+>30%	+10-19%	+>20%	+>40%	+10-19%	+10-19%	+20-39%	+20-39%	No change
Improved Marketing Strategy	Yes	Yes	Yes	Yes	Yes	Yes	No	No	No
Improved Knowledge of Design Process	Yes	Yes	Initially Strong	Yes	Yes	Yes	Yes	No	No
Improved Visual Language	Yes	Yes	Initially Strong	Yes	Yes	Yes	Yes	No	No
Improved Confidence in External Profile	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No
Improved Confidence in Design Offering *	Yes	No survey	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Improved Confidence in Innovating*	Yes	No survey	Yes	Yes	Yes	Yes	Yes	Yes	No
Improved Strategic Focus*	Major – All areas	No survey	Major – All areas except sales	Major – Sales, M’kting, Design Minor – All other areas	Major – Sales, M’kting, New Product, External Comm. Minor – All other areas	Major – M’kting Minor – all other areas	Minor – Sales, External Comm.	Minor – All areas	Major – External Comm. Minor – M’kting, New Product

\* Denotes results from Quantitative Surveys

**Table 5-3 Changes in Micros after Website Projects (author)**

7. The research showed that given the placement of the knowledge and the nature of the Creative-Micro relationship, a specific style of transfer was developed by the Creatives, in order to nurture the ba they had created, different to the conscious and unconscious modes of transfer already in the literature (Section 5.4.2), where the Creatives, as instigators, were aware of the transfer but the Micros were not. This has been termed Bi-Modal Knowledge Transfer (Section 5.5).

8. Two models were created to demonstrate an example of transfer from the Micro (customer knowledge) (Section 5.5.1) and transfer to the Micro (visual language) (Section 5.5.2).

## 5.7 Conclusions

As was discussed in the previous chapter (Section 4.6.1), building ba is currently only discussed within the field of knowledge creation (Nonaka, 2012, Nonaka and Toyama, 2007, Von Krogh et al., 2000, Nonaka and Konno, 1998). However, the methods the Creatives use to maintain a familial relationship between themselves and the Micros, while achieving the knowledge transfer needed for a successful website design outcome, are very similar to Nonaka and Konno's (1998) building ba and demonstrate one way of overcoming a power imbalance in knowledge transfer. As the findings in this chapter show, this building and maintaining ba, a mutual communicative space, leads to the Creatives adopting the knowledge transfer methods they have done.

Core to the knowledge transfer observed during the collaboration between the Creative and the Micro is the familial relationship that the Creatives develop and maintain with their Micro clients (Section 5.2). The research showed that the Creatives expected the relationship to become a longer-term working relationship, as normally occurs outside of these funded projects (Section 5.2.2). The Creatives recognised the issue that the Micros began the website design project holding the power and wishing to drive the project, unaware of their own knowledge gaps around process, product and the Creatives' skill-base. The Creatives also recognised the need to draw out unarticulated customer knowledge from the Micros and to educate the Micros in visual language, key components in the website design process (Sections 4.2.2.2, 4.3.1.1, 4.3.1.2, 5.3). The Creatives understood that direct intervention to remedy both these issues would risk the longer-term relationship (Section 5.2.2). In order to resolve this, the Creatives worked on creating and maintaining a familial relationship, establishing themselves as part of the 'friends and family' network group identified by Devins et al. (2005) (Section 5.2). This familial relationship established benevolent trust, creating a shared communicative space, ba, enabling easier sending and reception of knowledge between the Micro and the Creative (Sections 5.2.1, 5.2.2). The importance of the relationship to these collaborations and the central role of the Creatives in creating and maintaining the relationship directly contradict Simmons et al.'s (2008) findings from their literature review that the Creative should not be allowed to direct the process.

The familial relationship provided the basis for establishing benevolent trust, key to enabling the knowledge transfer required (Sections 5.2.1, 5.3). This need for trust was especially important given the Micros' unfamiliarity with the website design process, their discomfort at working with the unknown and their aversion to formal knowledge acquisition (Sections 5.2.1, 5.4.1, 5.5). The Creatives utilising the familial relationship and benevolent trust to enable knowledge transfer through a more informal mode, tapped into the knowledge acquisition preferences observed in the

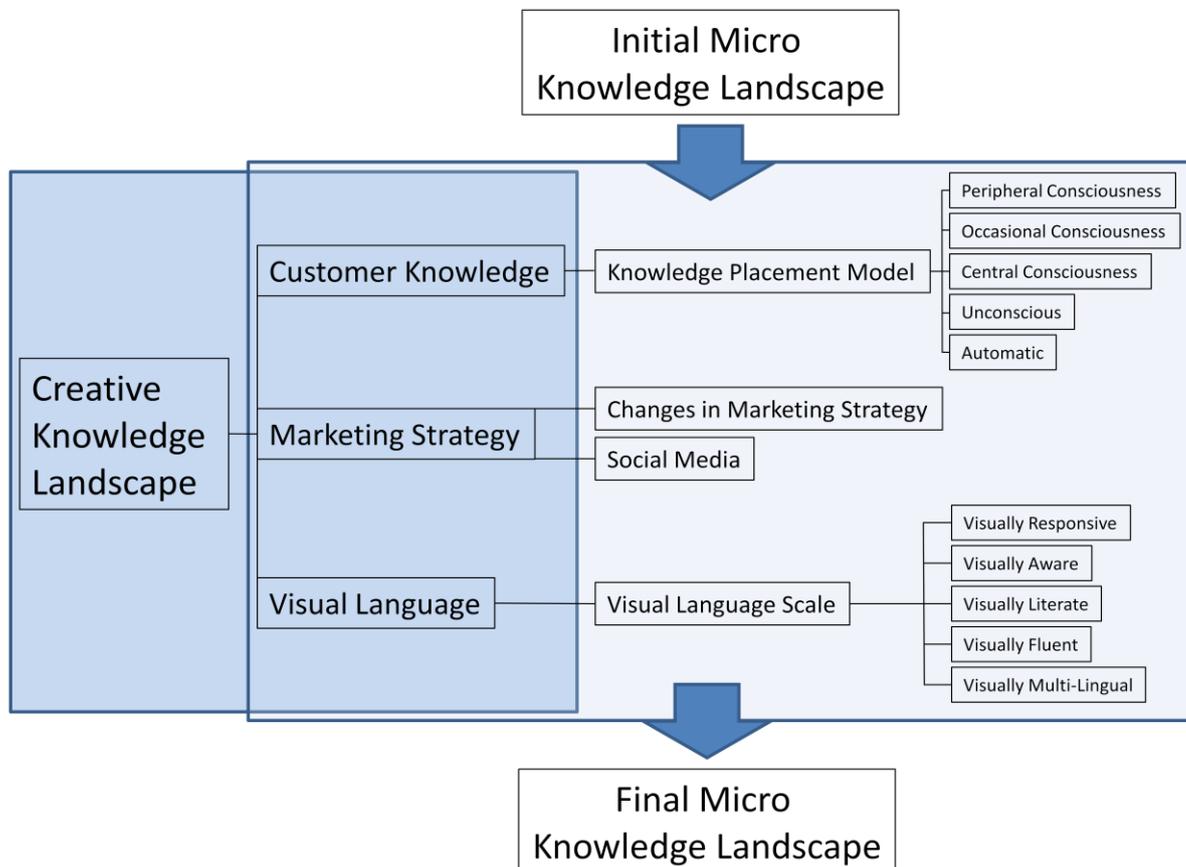
Micros (Section 5.4.1), preferences long recognised in the literature, that Micros prefer to gain knowledge through informal acquisition while networking amongst family and friends (Beijerse, 2000, Sparrow, 2001, Devins et al., 2005, McAdam et al., 2007). While relationships and trust are a common theme in knowledge transfer literature, normally it is considered that trust in ability, rather than benevolent trust, is the key (Morton, 1997, Cohen and Levinthal, 1990, Szulanski, 1996, Polanyi, 1967). As discussed in Chapter 1, only a few papers such as Ko (2010), have examined benevolent trust in relation to knowledge transfer. This research corroborates Ko's (2010) findings that benevolent trust can enable knowledge transfer, and goes further to demonstrate that a familial relationship engendering benevolent trust between the Micro and Creative was key to a successful transfer in the collaboration between the Micros and Creatives.

This chapter introduces the term Bi-Modal Knowledge Transfer (Section 5.5), the term coined in this research to describe how the Creatives sent and received knowledge fully aware, while the Micros remained unaware of the transfer. This specific style of transfer was developed by the Creatives, in order to nurture the ba they had created (Section 5.4.2) and this chapter explores how the placement of customer knowledge within the Micro's consciousness, the need to educate the Micro in visual language and the nature of the Creative-Micro relationship led to this particular style of transfer being adopted. Two models were created to demonstrate an example of transfer from the Micro (customer knowledge) (Section 5.5.1) and transfer to the Micro (visual language) (Section 5.5.2).

The next chapter, Chapter 6, explores the outcomes of these Bi-Modal Knowledge Transfers and examines in greater detail the placement of knowledge within the Micros' consciousness, and their levels of visual language and how these changed over the duration of the project.

# Chapter 6 - Knowledge Landscape for the Micros and Creatives

## 6.1 Introduction



**Figure 6.1 Changes in Micro Knowledge Landscape due to Website Design Collaboration (author)**

The purpose of this chapter is to explore the effects of the Bi-Modal Knowledge Transfers discussed in Chapter 5, particularly in regard to changes in the knowledge landscape of the Micros' Customer Knowledge and Visual Language Ability. As well as examining the initial and final Micro Knowledge Landscapes and seeing how the Creative's Knowledge Landscape contributed to the change, this chapter also explores how these changes were measured and how the Knowledge Placement Model and Visual Language Scale emerged as suitable metrics.

The research began with a provisional concept that there may be benefits to be gained for a Micro from collaborating with a Creative other than the acquisition of the required product. This was reinforced by the initial literature review which refined this provisional concept, identifying that knowledge transfer of marketing skills and customer knowledge were potentially key benefits of the collaboration, outside of the tangible product of the website (Sections 2.2, 2.5.1, 2.6). However, this concept was still only provisional, and in order to establish what knowledge might transfer, it was necessary to identify what knowledge gaps the Micros might have that the Creatives had the ability

to fill. It was also important to identify whether the knowledge would transfer and what changes this would generate within the Micro.

As was seen in Chapters 4 and 5, two specific areas of knowledge emerged from the research, as significant within the design process – customer knowledge and visual language. However, understanding that customer knowledge and visual language ability might be altered by the Creatives did not provide a full picture, so it was important to also identify levels of change for both areas of knowledge.

Rating the quality of customer knowledge from strong to non-existent proved to be a false trail, as the Round 1 interviews with the Creatives indicated strong customer knowledge in the majority of the Micros. What emerged from the data was that it was the placement of this knowledge within the consciousness of the Micro that was significant. Where it was placed in the consciousness affected the Micro's decision making and hence their marketing and business strategy. To create a clearer picture of what was occurring due to the Creative – Micro collaboration it was necessary to create the Knowledge Placement model (Figure 6.2, Section 6.3).

For Visual Language, it was identified from the data that it was the level of ability in visual language that made a difference in the project and in the Micro's ongoing marketing strategy and that there were distinct grades of being able to understand visual language. In order to represent these grades and identify the relatively small changes in visual language ability for the majority of the Micros, the Visual Language Scale was created (Figure 6.3, Section 6.5).

The first part of this chapter looks at the knowledge landscape of the Micros at the start of the process, examining not only the knowledge gaps but the placement of knowledge, from conscious to tacit. The properties of the Knowledge Placement model (Figure 6.2, Section 6.3), which emerged from the data, are then explored in greater detail.

The second section examines the knowledge landscape of the Creatives, not just in regard to the knowledge they can provide to the Micro but the visual language paradigm they inhabit and work within, and the importance of this language to the creation of an effective website. It then goes on to explore the levels of Visual Language ability in the Visual Language Scale.

Finally, this chapter examines the changes in the knowledge landscape of the Micro through working with a Creative and what behavioural changes this causes within the Micro.

## **6.2 Initial Micro Knowledge Landscape**

To be able to evaluate any changes in knowledge it is important to map a baseline. This was relatively straightforward for the Visual Language where knowledge for the majority appeared limited at best. However for customer knowledge, placement of this knowledge appeared to be as

strong a factor in the Micro decision making process as the quality of this knowledge. So to generate a clearer picture of the Micro knowledge landscape, properties relating to the placement of this knowledge needed to be established. While attempting to do this, it became clear that the absent/tacit/explicit model identified within the literature review was not as applicable as initially hypothesised. Therefore a new model needed to be created in order to more clearly map the customer knowledge baseline.

### **6.2.1 Initial Visual Language Ability of the Micro**

As identified in the literature on visual language and semiotics (Sections 2.6.2, 8.7.2, 8.7.3) symbols mean different things to different people and can be used to communicate viscerally with an audience. In design, visual communication can prove more powerful a language than verbal. As one of the Creatives notes, design offers the opportunity for Creatives to communicate in visual language:

“Design isn’t about visual - well it is but it isn’t about pretty pictures, so much as it is about communication basically. “ (C14 - R1)

However, as noted in Section 4.3.3, if the Micro is unaware that communication is occurring through visual language, selection is as likely to occur based on their personal taste in ‘pretty pictures’ rather than the effectiveness of the language in communicating with their customers.

The research showed that, prior to the projects starting, this was a valid issue. During the initial interviews there was little visual reference made by the Micros, with the majority of the Micros not mentioning it at all (MW6, MW9, MW10, MW11) or visual referencing only at a very basic ‘pretty pictures’ level (MW1, MW2, MW5, MW7), such as using a benchmark of the website looking “better”, “smart” or “professional” as one of their criteria for a successful project.

“I want at least a more attractive website, definitely.” (MW2 - R1)

As referred to in Section 4.2.2.2, only two Micros (MW4, MW8) used the visual criterion as part of their selection process and linked their visual selection to customer awareness. MW4 also recognised that design is “...not to do with the look of it. It’s emotional.” MW3 (a prior Creative themselves) did not use the visual criterion only because their skills requirement from their Creative was for business strategy behind the website rather than website design.

One possible reason for the lack of visual language was lack of exposure to quality design work within the creative community. The majority of the Micros had worked with Creatives before, with MW3 and MW4 previously employed within the Creative Industry, and only MW5, MW6 and MW11 had never worked with a Creative before. However for all of them, the quality of the work produced was of a much lower grade than that provided by their current Creative partners, often basic template websites where technical features are the key focus. MW4’s previous websites were the most

technically sophisticated of the group, but were lacking visual language, something not understood originally by MW4, even though, as noted earlier, he had commented during the initial interview on the emotional connection of design to a specific customer.

“This is our third generation now, that the look and the feel of the site, it previously hasn’t made a great deal of difference. And that’s been very frustrating. And I’m not absolutely sure why.” (MW4 - R1)

As most of the Creatives noted, template websites are usually of poor design quality, something not recognised by their clients until the Creatives bring it to their attention.

“You know, it’s like usually nine times out of ten what they’ve got is bad. So the idea is that when you show them the good stuff and all the sort of story, the strategy, the thinking behind it, you know, then that should do it. If it doesn’t then you’ve got problems.” (C17 - R1)

Another potential reason was the cultural sources of information about website design – BusinessLink’s (2012) advice on building websites is also technically orientated with visual referencing almost completely absent.

This absence of visual language was felt by the Creatives to be common amongst Micros in general, although they recognised there was a wide spectrum of ability based on the Micros' previous experience of design and their cultural background.

“It is personal appeal and sometimes they may pick a design that is absolutely irrelevant to what it is that they are doing, but it will look nice and they will say that it looks nice, so all that really indicates to us what kind of visual stuff they have been exposed to, what... it might be a horrible design but they like it for whatever reason.” (C2 - R1)

“It depends on what background they’ve come from as well as to whether they’ve been exposed to it before or whether it’s literally a small company, they’ve never done any advertising, they’ve never, then obviously they’re going to be in a totally different boat than someone that might have worked at another company that had a design agency that used regular media, that kind of thing.” (C6 - R1)

This was felt by Creatives to be one of the reasons that their skills were often not valued within the non-Creative community.

“They don’t see a value in having a website. If they had a decent website they would generate business. But more often than not they’ve had a rubbish website for ten years, that’s done nothing, so they don’t see how it could possibly be worth the investment.” (C16 - R1)

Two of the Creatives (C12, C15) felt that this was changing, although there was little evidence of this, during the initial interviews, within the participating group of Micros:

“I think it used to be a lot was driven by cash. ‘How much is all this going to cost me?’ ... but I think that there’s a much stronger percentage of start up businesses, SMEs if you like, who now appreciate that if you’re going to do something online then it needs to be good.” (C15 - R1)

Some of the Micros (MW1, MW2, MW10), originally considered that their aesthetic abilities were equal to, or in MW2’s case (Section 4.2.2.2), superior to, the designers they employed to create their websites. With nothing to compare it to, they had no reason to query this belief.

“I have given them all the fonts, I have given them the colour coding, I have given them all the - everything.” (MW2 - R1)

“The way I do things, personally, I look at things and I sit there and imagine things and everything forms in my brain, this is how it should be and then I put that down onto the paper or PC and it goes to a graphic designer and ‘Here’s your lot’.” (MW2 - R1)

### **6.2.2 Initial Market and Customer Knowledge for Micros**

As identified in the initial literature review (Sections 2.5.1, 2.6.2), there is a distinction between market and customer knowledge particularly in the design literature. Market knowledge, while it also includes awareness of competitors, can sometimes be used interchangeably with customer knowledge in the marketing literature. This is not the case within design literature (Sections 2.6.2, 8.7.2) where customer knowledge examines the customer as a person – profiling their thought-world, especially the beliefs that drive their selection process. It is this definition of customer knowledge that will be used in the research when evaluating the customer knowledge landscape for the Micros, i.e. the combination of the customer knowledge the Micros held and the placement of that knowledge.

The majority of the Micros were able to clearly identify their competitors and where the weaknesses of their competitors lay, with MW1 and MW2 the only exceptions. MW5’s breakdown of their market placement was typical.

“They rarely speak to the smaller companies and provide them with this sort of consultancy. They’ve left a gap below them, all the big firms, which is where we try and sit. But there’s other companies that do it as well. Not as many as you might think, because we can’t charge £2,000 a day, I’d love to charge £2,000 day. But for the market I’m going at the only competition we tend to face are things like system selections. These people are going to somebody who does it almost to formula.” (MW5 – R1)

What most were poorer at, at the start of the process, was articulating customer knowledge and identifying their own unique selling point (USP), often confusing the USP with basic product features and discussing their customers as demographics rather than looking at their wants and needs, and demonstrating little or no consideration of the decision making process of their customers in their choice of their product over the competition.

“Can I tell you what (our) customer is like? She’s 35 to 50 and she’s relatively wealthy and she’s relatively trendy. That’s roughly what I can tell you.” (MW4 – R1)

*“Interviewer: Who are your customers, what’s the profile of your customers?”*

Respondent: It’s very varied, we have a fairly solid base of the top end SMEs doing the things like the strategies that are used.” (MW5 - R1)

MW1’s strategy for using the website to market to their customers was:

“The web site is targeting new distributors to start with. We’re targeting the end user. So the information is there of the product. What it does, all test data etc. So they will then go to their people and say hopefully, ‘Okay, we want this product. It does this, that and the other.’” (MW1 - R1)

While MW4, although spending considerable time using analytics to identify his key demographic, as well as analysing his customers’ purchasing patterns, does not seem to have spent any thought as to why these patterns occur:

“And every Thursday for some reason it seems to peak... I can’t quite work out why.” (MW4 - R1)

Those who were more articulate about their customer were either consultants, working one to one with their customers (MW7, MW8), or had prior experience in ‘bricks and mortar’ retail (MW6). This increased awareness seemed to move ‘customer’ from an intangible concept to a physical identification of a group they had a strong relationship with. When MW6, a fashion retailer like MW4, but now moving into e-tail for the first time, discuss the issues of e-tail, they demonstrate a clear understanding of the customer, as opposed to the dry demographic of the more established e-tailer.

“Now it won’t be as easy because obviously when you walk in a shop you physically get to see the product, you walked in, you said, ‘Yeah, very nice shoes.’ On the website until they actually purchase off us and we get some nice comments left, it could be different. Because the first thing that I get, people come in ‘Wow, lovely style’, look at the price and think ‘Hang on a minute that’s £100 in Top Shop, how can you do it £25? Must be something wrong with the quality.’ It’s a psychological thing, they think there must be something not right here. I mean when they take the (purchase) away and when they’ve worn it and they’ve come back and say ‘You know what that was great, you know, great value’ and then they tell their friends and that’s it. Of course we offer our own personal service.” (MW6 - R1)

As can be seen from above, the first round of Micro transcripts suggested that the market knowledge of the majority of the Micros was poor and that customer knowledge was mostly non-existent. However, when these transcripts were read in conjunction with their Creative partners’ Round 1 interviews, along with responses from later interviews, a very different landscape emerged. Comparing and contrasting the transcripts revealed that the issue for Micros was not a lack of customer knowledge, but the placement of that knowledge and the ability to articulate it. This was also identified by a consultant who works predominantly with SMEs:

“They probably don’t know, yeah, they probably need jogging that they need to delve into that more. You know, typically ‘Who’s your target?’ ‘Everybody.’ You know, ‘I don’t care who buys stuff from me. If I go along to so and so this is how I react with him. I go along to them, this is what we do for them’, they’re already segmenting it. They haven’t seen it, they’re doing it.” (MW8 - R1)

This also extended to a particular element of customer knowledge, the Micros’ USP:

“I think sometimes they do (know their USP) but they just don’t know they have it. So like when we start talking to them in a meeting, like we have like a kick-off meeting, they’ll probably tell us everything we need to know but they don’t realise that what they’re telling us is that unique selling point. It’s more like we’ll go ‘Oh, well that’s something different, why do you do that?’ And we’ll kind of get, and then afterwards they’re like ‘Oh okay, so that’s kind of what my selling thing is’.” (C6 - R1)

The majority of the Creatives insisted that their Micro partners knew and understood their customers very well indeed. Only MW1 was identified by their Creative as having issues with a “scattergun approach” (C1 - R1) to their customers. The issue was more an inability to articulate this knowledge directly and an inability to communicate their product proposition in a way that would attract their customers:

“(MW10) really knows who he is dealing with from experience. He knows his customers inside out and what they want, he just doesn’t know how to say it to them.” (C8 - R1)

This initially suggested that the knowledge was so inbuilt that, while, as Baumard (1999) suggested, it informed decisions (Sections 2.3.1, 8.6.3), it had become unconscious and needed external input to articulate this properly.

However, when the Micros’ marketing strategy and where it sat within their business strategy was examined, a different picture emerged. In some of the Micros, both the lack of focus towards any specific customer group, taking “a scattergun approach” (C1 - R1) and the preoccupation of the Micros with the technical qualities of their products rather than the perceived customer benefits during the initial interviews suggested that the knowledge was not as deep as unconscious and was not, in fact, playing any part in informing the decision making process. As one Creative stated:

“I would say nine times out of ten they’re not very clear. We have a fact finder that we use, which is almost becomes an irrelevance because they don’t kind of think in a very detailed way. It’s almost like they’ve got to have this and you’ve got to get cracking with it and tick that box.” (C5 - R1)

This was also recognised by Micros in later interviews:

“Pre this project we had no reason to dislike (our product name). We had no reason to particularly like it but it was there and we were quite comfortable because we were more interested in the product itself. Now the product is, I wouldn’t say superseded, but it certainly is running side to side with how the product is portrayed with the branding etc.” (MW1 - R4)

And later:

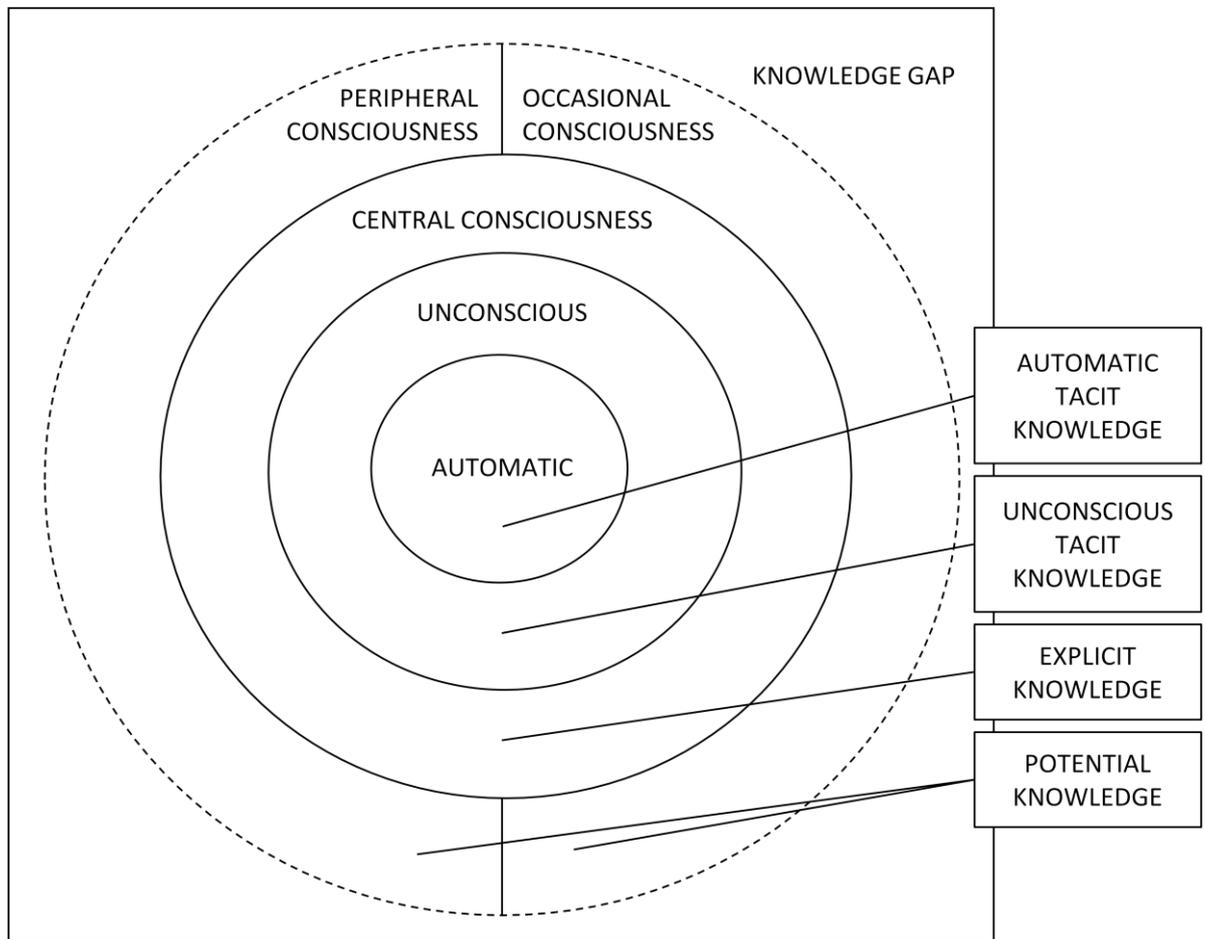
“Yeah the truth is I think the three of us have been too involved in the product. We’ve been so involved in the actual ... product itself and what it does, you become a bit of a geek! ... You get so involved you forget that what you’re here for is to sell the damn things.” (MW1 - R4)

This positioning of knowledge according to perceived importance has strong similarities to Nonaka et al.’s (2008) flow model. It is a process vulnerable to outside influence where stimuli, such as input from the Creative, cause the Micro to re-evaluate their internal knowledge rankings and re-order their placement of knowledge accordingly.

### **6.3 The Knowledge Placement Model**

Polanyi (1958) introduced the concept of tacit knowledge, explored further through ‘The Tacit Dimension’ (1967), a concept developed further by Nonaka and colleagues (Nonaka and Takeuchi, 1995, Von Krogh et al., 2000) and Baumard (1999). One of the significant concepts from the initial literature research (Section 2.3.1) was that knowledge within an SME or Micro was sometimes tacit -

automatic or unconscious - very present in the decision making process but not present in the SME's or Micro's awareness - 'gut instinct', when a person 'feels' a decision is right or wrong but is unable to articulate a logical reason for this. What has led to the decision is the years of previous experience and beliefs that have embedded in the subconscious and have been used to factor out the most likely outcome.



**Figure 6.2 Knowledge Placement Model (author)**

As will be discussed in the final literature review (Section 8.6.3), there are currently three established placements for knowledge within the consciousness - automatic tacit, unconscious tacit and explicit (conscious) knowledge (Edwards, 2008). This research suggests a model with five placements provides a better description of the knowledge landscape within a Micro. In addition to the three placements already established, two additional placements have been identified – Peripheral Consciousness and Occasional Consciousness, which lie within the current definition of potential knowledge, although potential knowledge could also be classified as information as defined by Nonaka and colleagues (Nonaka et al., 2001). During the analysis the following dimensional qualities were applied to these properties (Glaser and Strauss, 1967): strong, weak or damaged – where the knowledge is either incorrect or misinterpreted.

What also cannot be ignored is absence of knowledge, where there is a genuine knowledge gap, either because it was never acquired, or because previously acquired knowledge has been forgotten

through lack of use or sometimes because it was deleted or altered since it did not fit within the owner's thought-world (Polanyi, 1958). The literature reviews (Sections 2.5.1, 8.7.2) suggest there is a perceived absence of customer knowledge within SMEs and Micros, however, the research, taken in its entirety, suggests a different picture (Section 6.2.2). For most of the Micros, from the reports of the Creatives, the knowledge level appears quite strong, it is simply that this knowledge does not appear to be used or verbalised (Section 6.2.2). The absence of visual language skills as part of the Micros' selection criteria suggests a knowledge gap for visual language (Section 4.2.2). However, four of the eleven Micros did use a visual benchmark, albeit vague and unfocused, such as looks 'smart' or 'professional', as part of their success criteria which suggests that for these Micros while the knowledge is poor, there is at least a peripheral consciousness of the importance of aesthetics to website design.

### **6.3.1 Peripheral Consciousness**

From observations of knowledge placement amongst the research group, a phenomenon that did not appear in the tacit knowledge research in the initial literature review was identified. Further literature needed to be studied in order to identify whether the phenomenon observed in the data also existed in the literature and what code would be appropriate to allocate to it. From the combination of the findings from the data and additional literature, the code of 'Peripheral Consciousness' was chosen as most accurately describing the phenomenon observed. For placement to be classified as Peripheral Consciousness, the holder must be unaware of possessing the knowledge, and the knowledge has little or no bearing on their decision making process, unlike Polanyi's (1958) example of a pointing finger directing us to an object. Until the finger is brought to the viewer's notice, their awareness has been solely on the object. However, it is the pointing finger that caused the viewer to decide to look at the object, which classifies the knowledge as 'unconscious' or 'tacit' rather than peripheral (Section 2.3.1). As will be discussed in the final literature review, Peripheral Consciousness relates rather to Wittgenstein's (1958) 'unlinked' knowledge or Baumard's 'forgotten' knowledge (1999) (Section 8.6.2). Along with knowledge placed in Occasional Consciousness, it is identified as 'Potential Knowledge' within the literature (Section 8.6.2), available for use, but not used, in day-to-day decision making. It is not readily available and needs to be moved to a higher consciousness level if it is to be accessed and articulated. If activities related to this knowledge are discussed, the knowledge will not be volunteered unless specifically prompted – 'I didn't think it was important'. If the knowledge remains in the Peripheral Consciousness, it is possible it will eventually no longer be retrievable and effectively lost. However, positioning in the Peripheral Consciousness is fairly volatile, every time new knowledge is acquired or a new activity is undertaken, this can alter the value perception of the knowledge placed there, which in turn alters the placement of this knowledge. An example of this would be MW1 talking about their knowledge of the Creative Industry prior to the project:

“I didn’t really have a lot of knowledge of it, to be fair. It’s not something that we would actually involve ourselves in, until a creative problem came up... it’s not something that we’d really given any thought to.” (MW1 - R2)

And yet, from interviews one and four, it emerges that they have quite long term contacts within the Creative Industry, including packaging designers, ‘many’ website designers and a son-in-law who is a graphic designer. They have always had access to these resources but it is only after the project that they decide to utilise them properly. What changed was the perception of this knowledge, whereas before they had viewed designers as ‘geeks’, and valued their own design skills above designers, after dealing with someone whose opinion they respected, they recognised their aesthetic work was poor and designers actually had something to offer.

“Well if you take the analogy with Jeremy Clarkson. You drive your car, you love it, it starts every morning and stops when you need it to. He comes on and goes, ‘That’s not actually a good car’. So that’s the analogy I’ll use. We thought that what we had was great and then you get somebody who comes along who knows what is and what isn’t good and that’s when you think, ‘Well perhaps I’ll listen to what they’re saying’.” (MW1 - R4)

By the last interviews they were working with the son-in-law regularly and working more closely with their web designer, actually asking the designers’ opinion about visuals and drawing information from them about the semiotics of design, rather than previously, where they gave full instructions and expected it to be implemented exactly as described. This new placement of the knowledge is reflected in the way they described the graphics for their label during interview 4.

“The design labels that we have are much more friendly, understandable, very eco-friendly when you look at them, the blues and the greens and the light colours which are something that came out of the meetings as well and the reason why the change came about.” (MW1 - R4)

The activity of creating the brief with the Creative appeared to have a similar effect on the other Micros both with their customer knowledge and their visual language. The requirement of potential knowledge to achieve a particular task can raise the knowledge temporarily to the Central placement, however, unless usage is regular or the knowledge assessed to be important, this positioning is lost as soon as the task is completed.

Knowledge placed within the Peripheral Consciousness can be easily mistaken for, either a knowledge gap, where the participant fails to refer to the information when the relevant topic is discussed, or knowledge placed within the unconscious, as the information is retrievable with indirect prompting. The difference is the role the knowledge plays in decision making. Placed within Peripheral Consciousness, potential knowledge plays no role, and cannot be evidenced through the behaviour of the holder, while knowledge placed within the Unconscious is core to decision making and can be clearly identified through the behaviour of the holder.

### 6.3.2 Occasional Consciousness

The other side of potential knowledge is knowledge that exists in the Occasional Consciousness. Unlike Wittgenstein's (1958) 'unlinked' knowledge (Section 8.6.2), this side of potential knowledge is very much linked. In fact, it is this strong linking to very specific tasks that moves knowledge from Central Consciousness to Occasional Consciousness. Unlike knowledge that exists in the Central Consciousness and deeper, knowledge within the Occasional Consciousness is not used for day-to-day decision making, rather it is retrieved reasonably regularly, but only for specific linked activities. Knowledge placed here is readily volunteered in discussion of activities specifically linked to it, but would not be articulated during more generalised discussion – 'It didn't seem relevant'. This positioning is relatively stable, knowledge positions itself here over time through usage, moving only briefly to Central Consciousness when an activity requires it and returning to Occasional Consciousness when the activity is over. Knowledge such as accounting would be placed here for most Micros.

An example of a switch from Unconscious to Occasional Consciousness would be MW5. As seen in Section 6.2.3, MW5 was not able to consciously articulate their customer knowledge, referring to demographics instead of profiles. This was despite working one-to-one with their clients, establishing their needs at the start and providing what was required. Their relationship building was successful as word-of-mouth was their key form of marketing, which suggests customer knowledge forms a core part of their decision making process when dealing with clients face-to-face. However, when creating their original website, lack of awareness meant they were unable to access this knowledge or apply it.

"Well, the information's there on the web. We never had any enquiries from it. We had a number of people who said, 'Yes that's useful information, I understand what you're talking about. But it was really, was (sic) a sales reinforcement rather than doing any generating at all.'" (MW5 - R1)

This is in contrast to their discussions about their customer and their website in the last interviews.

"It was ages ago when I was doing some job hunting somebody said, "Well, your CV is very factual, but it doesn't jump out and hit you," and it's the exactly the same sort of thing here. It's a matter of we've got to try and hit people in ways we haven't thought of. We might be very worthy but that doesn't mean people will buy just because we tell them to." (MW5 - R4)

And later:

"It's part of the company image, it's actually affected how people perceive the company. It was a matter of beforehand people were saying, "Yes, very worthy," and all the rest of it and now it looks a bit more exciting, and that's partly the impression they said they get...They said, "You look interesting so that's why we're in touch with you." "(MW5 - R4)

According to MW5, this change of awareness was caused by the Creative's questioning during the discussion of the brief:

“They certainly gave me a different awareness, let’s put it like that. When we were talking things I was looking for, they were coming at it from a different direction. So they did actually ask me questions which were not the sort of questions I would have expected to answer.” (MW5 - R4)

However, while direct discussion of customers demonstrated a conscious knowledge, this knowledge was still not forming part of their day-to-day decision making, so could not be said to be in the Central Consciousness. They recognise the positive results of the website and are considering new ways to build upon their USP:

“We are looking at whether there’s, if you like, reputation building exercises we should be doing, like producing articles and things like that, which we haven’t done in the past.” (MW5 - R4)

Despite this, the knowledge only appears to be used occasionally, to inform longer term plans, things they will do in an indefinite future, rather than immediate actions.

“In terms of making materials more attractive, that is a weakness and that is something we’re actually addressing. They did, as part of the thing, produce a new image for us and we are trying to put everything together rather than ... like the website, we’re trying to get everything, all the ducks lined up in a row before we start it, but we are going to produce a new image and everything to come out probably this autumn. ... or we will be, that’s part of the plan, yes. We’re trying to take it...not yet, but we are going down that road very shortly.” (MW5 - R4)

### **6.3.3 Central Consciousness**

Knowledge placed within the Central Consciousness refers to knowledge consciously used for decision making. This is what is termed in the literature as explicit knowledge. While knowledge with Peripheral and Occasional Consciousness may be called briefly into the Central Consciousness and then returned, there is also a core of knowledge placed within the Central Consciousness that is extremely stable and is used regularly for day-to-day decisions. When a topic is discussed, this is the knowledge that is easily volunteered without prompting.

An example of where customer knowledge is placed within the Central Consciousness would be in the last interview with MW2, where marketing became a core activity, with accounts on Facebook, Twitter and LinkedIn and increased activity in face-to-face networking as well. The Micro is also spending time working with others on how to best communicate with their customers with very positive results.

From: “...before that I never got involved in these sorts of things in terms of communicating with the people and actually trying to tell them your vision and then when you try to tell them and they’re not really grasping that and then you think, ‘What’s going on? Am I telling them something wrong or -?’.” (MW2 - R4)

To: “I mean everybody’s eyes pop out, and they say, ‘How do you do this?’ and then you start talking. And they want to know more, they want to know more, simple. And you’re proud to present your brochure, and your card, and your website. It makes a huge, huge impact.” (MW2 - R4)

### **6.3.4 Unconscious**

During the research, tacit knowledge was observed that did not meet the criteria laid out in the tacit knowledge literature in the initial literature review. Tacit knowledge in the literature was described as being unarticulatable and only observable through behaviour (Section 2.3), however, the research showed knowledge that was not originally articulated by the Micros but could be drawn out through prompting by the Creatives. This did not fit the original coding and required further research of the tacit knowledge literature to see whether another definition relating to tacit knowledge existed. This definition was discovered in Baumard's (1999) book, which includes a description of what Baumard (1999) termed Unconscious Tacit Knowledge, which will be discussed further in the final literature review (Section 8.6.3). Knowledge placed deeper within the consciousness, that was always unarticulatable and only observable through behaviour (Section 2.3), was termed by Baumard (1999) as Automatic Tacit Knowledge. Baumard's (1999) terms were then used to re-code what was observed through the data.

When knowledge is used regularly and is seen as valuable, it moves deeper in the consciousness, into the Unconscious. While still a key part of the decision making process, the owner is now unaware of using it and is unaware, directly, of its existence. Knowledge placed within the Unconscious is still retrievable and articulatable with prompting, however the possessor will not volunteer this knowledge when asked to discuss the topic. An example would be a master craftsman considering the technique they use to create something. Normally the action is done automatically, however when prompted to identify the components that create an action, and move the attention from the focal knowledge to the subsidiary knowledge (Section 2.3), this subsidiary knowledge can be articulated, at least partially, although, as Polanyi (1967) observed, probably not at the same time as the activity takes place.

An example of this is outlined above (Section 6.3.2), where we saw how MW5 was originally unable to articulate their customer knowledge without prompting but used the knowledge constantly, before changing circumstances moved the knowledge from Unconscious to Occasional Consciousness.

### **6.3.5 Automatic**

Automatic is the deepest part of the holder's consciousness. Knowledge placed here was defined by Baumard (1999) as Automatic Tacit Knowledge (Section 8.6.3). Knowledge placed here was described by Polanyi (1967) as knowledge that has by persistent use become so embedded that the possessor is often unaware of its presence and is always unable to articulate it, for instance, a craftsman working with wood over decades may well be unable to explain why one piece of wood 'feels' right and one does not. Knowledge placed within the Automatic area of Consciousness forms the centre of the holder's world view, the core belief system that drives all decision making including the

placement of knowledge within the consciousness. For instance, earlier (Section 6.3.1) where MW1 made value judgements on incoming knowledge based on the source, then altering those judgements based on the opinion of someone whose knowledge they believed superior to their own. This knowledge is embedded so deeply it is no longer consciously accessible and cannot be articulated by the possessor. As Baumard (1999) states, it is knowledge located here that is responsible for 'irrational' decisions that are later rationalised by drawing on 'placebo' knowledge from the conscious side or explained away as 'gut instinct' or 'déjà vu'. The literature review (Section 2.6.1) suggested that this is where visual language lies for designers, so that, much like many people with their 'mother tongue', while they are fluent, they may not be aware of the grammatical rules or explicitly pass that knowledge on to others, instead passing on their knowledge through demonstration and example. This idea, along with other knowledge the Creative possesses is explored in the next section.

## 6.4 Creative Knowledge Landscape

For the Creatives familiar with working with SMEs and Micros, the landscape remained relatively static. Hence this section covers responses from all three interviews as if there were no longitudinal element. Given this static landscape that emerged from the research, while some of the Creatives may not have been working with websites or Micros on this project, where they have previously worked with websites and with SMEs and Micros, their data has also been included in the research. What was of interest when studying the Creative transcripts was what knowledge they could possess that could transfer to the Micros.

Unlike the Micros, when discussing website creation, very little was said by the Creatives about the technical aspects, probably because the Creatives saw them as, as C2 put it, 'a given'. Also, while a member of their team was responsible for the technical functioning of the website, in none of the cases were the respondents involved in this aspect. Their area of the business was dealing with the clients and ensuring that the final product was what the client actually needed rather than what they originally believed that they wanted.

As C14's quote demonstrates in Section 6.3.1, for the Creatives, design is not about 'pretty pictures', it is a form of communication using semiotics, usually visual, to generate a particular result with a particular group. As C17 and C2 say in their advice to SMEs and Micros:

"First and foremost, 'Why are you producing this? And who's going to read this, and what do you want them to think when they read it? Quite obvious questions really, but a lot of people don't consider it.'" (C17 - R4)

"Success is based on us sitting down and understanding clearly what it is that they want out of their business and more specifically what they would want out of their website....take it for granted that it's going to look good." (C2 - R4)

Given the initial vagueness of the Micros towards marketing strategy and their customers' profiles (Sections 6.2.2, 6.3.2), if an effective brief is to be achieved, the Creative must have sufficient marketing knowledge to help the Micro generate a focused strategy for the website and to help create a full profile of the Micro's customer. They do not need to begin with full knowledge of the Micro's market sector or customer profile. As identified in Section 6.3.2, the Micro already possesses this knowledge and can pass it on with the right prompting (Sections 4.3.1.1, 5.5.1). They also need to be sufficiently versed in semiotics to use the website to communicate visually and verbally with the customer, not only at the conscious level but also at the deepest tacit level, in order to persuade the customer to take the actions that the Micro wishes them to.

## **6.4.1 Marketing Knowledge**

### **6.4.1.1 Strategy**

The initial literature review (Section 2.6.1) suggested a very different picture to that identified through the research. It suggested that while the Creatives may have an instinctual flair for marketing, this marketing knowledge would be firmly placed at least within the Unconscious, if not within the Automatic area of Consciousness. The research demonstrates that this is only a partial picture for the type of Creative regularly involved in creating websites for SMEs, particularly Micros, and relates more to the design process of using semiotics rather than the strategic knowledge that the Creatives possess.

When the strategy part of marketing knowledge was examined in the research, it was seen to be placed very much in the Central Consciousness of the majority of the Creatives. They see this knowledge as one of the key factors that marks them out from a template designer, who will provide a 'pretty picture' web presence and nothing more:

"There are loads of companies out there who do template websites. You can have a website up and running for £100 probably, but it's providing that extra service and that extra knowledge that makes us stand out from the crowd in that we want to provide a website that actively achieves a customer's goals...they can turn that investment into a positive and it actually acts as another sales revenue for the business." (C15 - R4)

They even recognise that for some SMEs and Micros, this type of 'template' website may be exactly what they need at that point in time:

"The other thing is that, yes, you can get a template website for £100.00 and it might be the right approach for you. It might be. But the point is that has to be part of the strategy, the digital strategy and if part of that strategy you have to look in... it's basically a marketing plan or a business plan online. And if your strategy does point towards having a templated website which is, like, for £100, then fine, if that's the approach." (C7 - R1)

Contrary to some of the literature (Section 2.5.4) that portrayed the Creatives as impractical, it was the Creatives, and not the Micros, who had the more practical approach to business strategy:

“...we as an organisation are a very results-focused company, we want a return on investment for whatever we do, we don't want to just do pretty pictures that don't actually make any money for anyone.” (C14 - R1)

During the interviews the Creatives spoke of the key elements of marketing strategy without prompting from the interviewer. Such as placing the website effectively within the Micro's market sector:

“And nine times out of ten a lot of them won't even have looked at what the competition is...they'll know about, and they know who they are and all the rest of it. 'These are our competition, they do this, that and the other,' you know, 'Down the road. But we've never actually thought about how they market themselves or...do they have anybody in a position that does it for them?' And it's only when you say, 'Right, well this is an overview of your competition, they're doing this. These people are obviously using someone professional, these people aren't, and this is the difference.' And then they think, 'Oh right, okay, shit, yes! Right, what can we do? We want to be better than all the rest!'” (C17 - R4)

Or understanding the true USP of a business, or the power of perceived benefits, as opposed to the service or product offering:

“But really we've sat them down, we've gone through everything and we've said 'Well, actually people don't just want to get some hot water with coffee in it and a bit of milk, actually they're buying a little slice of your time to go in and sit in your cafe, so actually it's all about your internet connection and it's a convenient place to meet, and it's about resting your legs, it's about having a little self indulgent treat, a little muffin and a coffee. And they know it's expensive for literally hot water but they will do it because they're not just buying the product, they're buying everything that goes with it.'” (C6 - R1)

“Sometimes what our customers forget is that their clients, sometimes it's about perceived benefits rather than actual benefits. So like a holiday home, a perceived benefit is that you kind of, you're right next to the mountains and the sea so you go on the beach and in the mountains all the time, but actually you don't in reality, but the perceived benefit is a fantastic selling point. So sometimes they need to understand that really.” (C6 - R1)

More importantly, the Creatives are continuously and consciously linking their strategic knowledge back to the SME or Micro client. They are fully aware of the need for follow through, to ensure the identity is adopted within the business strategy of the SME or Micro, although some feel this is outside of their remit:

“...that's where some of the clients fall over - ...we deliver a promise and they don't deliver on actual experience. But, you know ...you've got to draw a line before you turn into a business consultant yourselves ... you've got to think well actually no, we're a marketing agency and we're going to cover the marketing and not delve into other things, but...” (C6 - R1)

Most of the Creatives also discussed the importance of maintaining the website after it had gone live and keeping it current, and discussed the issues around SMEs having enough resources to manage the site afterwards. Most felt, like C2, that until the Creatives raised the issue, most saw the website as a standalone exercise rather than an ongoing element of their business strategy:

“...we enlighten them on all these other issues, so ‘You can have a website but there is work that comes with it, it is somebody’s job now to make sure that website is kept up to date, you know.’” (C2 - R1)

C15 had chosen to resolve this by including a content management programme as part of their website:

“I think if people don’t have that kind of tool to update content then they tend to ignore it and forget about it whereas if they have the tools to do so then people do become more confident and more obliged to update the website. “ (C15 - R4)

What was interesting was that while the Creatives were clearly knowledgeable about marketing and business strategy, most of them were not as focused on applying this strategic knowledge to their own business as they were to their clients'. Most, like C7, recognised the irony of this, but felt that with their workload too high and with limited resources, the focus must be on the client and not themselves.

“...it’s been so busy in that we’re dealing with a huge amount of work and that’s informed me quickly of what I need and what I need to do and what I am doing so that is, you know, I’m at the point now where I myself haven’t... the website I’ve got at the moment isn’t adequate (Laughter) oh the irony. But ...I need to... so I need to take my own medicine.” (C7 - R1)

#### **6.4.1.2 Calls to Action**

One piece of marketing knowledge that is important for websites is ‘Calls to Action’, a term used by several of the Creatives, in their interviews, when describing the design of the website. As discussed in Chapter 4, websites need a business strategy behind them, which identifies required responses from a target market. The website then needs to deliver that response – whether to find out more about a company, to select that company over another, to purchase from that company etc..

The images and text on the website are often used by the designers as ‘Calls to Action’, evoking a desired response in the intended viewer – the Micro’s customer. This response could be an action such as calling the Micro for more information or placing an order, or it could be more intangible such as initialising a relationship and helping to instil trust within the customer. ‘Calls to Action’ are critical for an effective website design because of the unique behaviour of those who use the web for information gathering:

“It’s about the customers and how they are using the internet and how they gather their information. Most people tend to just read in bite-size chunks and scan and the only times that people tend to read is when they’re looking at a blog or a news site or that sort of thing. But they’re looking for product information, it’s just scanning and they want the USPs and how... they want to be able to buy really easily, so it’s less about the company, it’s more about ‘How do we get what we want quickly, before we move on to another site that is easier for us to use.’ There’s a lot of nuances to weigh up.” (C7 - R1)

As will be discussed in the final literature review, this focus on how to get people to use products, in this case the website, in the way it was intended, already forms part of the discussion in design literature on websites (Section 8.7.3).

“...we’d say, ‘What do you want to achieve through the website? What are your goals for the website? Is it a lead generation website? Do you want more people coming to the website? Do you want the visitors to turn into enquiries?’ Therefore we need to make sure that the website is built around the funnel process so that they land on the homepage, they like what they see, it meets their aspirations with the service that they’re after and then it’s really easy for them to contact that company, i.e. through a phone number, through a contact form, through a ‘Contact Us’ page. That’s how you turn your visitors into enquiries and understanding the psychology behind that is how you build your website.” (C15 - R4)

One of the Creatives noted that ignoring this premise was one of the big failures of ‘pretty’ websites where the focus was too much on the visual and not on marketing strategy:

“The prettier the website, the more likely it is that they have forgotten the basic things like phone number prominently and you know, and arrows to point to things, or visual clues of enough spiel and links within text to be able to direct the person to something that they can buy, order or enquire about. You know they spend a lot of time looking pretty and making things presentable, but when they (the customer) try and find out where is this company based, they have got to go to a site map to find out where the ‘Contact Us’ page is or their ‘Privacy Policy’ where it will somewhere say where they are based.” (C2 - R1)

This directing of the Micro’s customer involves not only the correct selection of text and images (see section 6.4.3) but the correct placement of them.

“...the kind of rule on the web is where people look. They look at the logo, the logo should be in the top left hand corner, because that’s instantly where people look first, I think, because of how we read. Then the telephone number there (points to right), so logo, telephone number, and then down here, a call to action or a feature box, really explaining what the website is about.” (C4 - R1)

This knowledge about calls to action has either been passed around the company or in most cases has been acquired through research, usually on the web:

“We browse anyway on the web, even in our sort of social time. We look at what other web designers are doing and some of the stuff they have used. Might be way out there but there might be some snippet and thinking ‘You know what, that’s positioned in a really cool place’, or ‘That technology they’ve used is, you know, that’s where it’s heading’.”(C2 - R1)

Where calls to action have been done correctly, the Creatives expect to see an increase in sales occurring. C2 estimates results can often be seen within a month of going live, for C4’s client the result was more dramatic:

“I know that this particular one has been a success because of the results from the website. I think that is something like, after week two...of the site being live, sales were 85% up from the previous year. So I know it’s been successful just from a putting money in the till point of view.” (C4 - R2)

#### **6.4.2 Semiotics**

Semiotics is not a term that any of the Creatives used when describing how they persuade their client’s customers to respond to the ‘Calls to Action’ that the website is built around. In fact, while they were able to discuss the mechanics of placement and marketing strategy in detail, the process of identifying the right visual ‘words’ to use was only briefly touched upon and in vague terms:

“I used the term psychology before when we were talking about the design process and us understanding the aspirations and it is that ... it’s an understanding. It’s virtually telepathy if you like, a kind of an understanding and I don’t think it’s quantifiable scientifically; it’s that kind of understanding and I’m not sure how you can reach that. I think perhaps creative people are creative people because of their observations around the environment that they’re in and how they can express it.” (C15 - R1)

As will be discussed more fully in the final literature review, semiotics is the study of signs, in any medium – verbal, visual, aural or even tactile (Section 8.7.2). For the purposes of website design, only visual and verbal are relevant. These signs are thought-world specific, interpretation occurring through the lens of the worldview that the viewer belongs to (Bignell, 2002). Something as simple as the photo of the Micro’s owner can be laced with meaning:

“We debated quite a lot about - we’ve got his picture on the site, an image of himself, and we talked about whether that should be formal or informal for quite a while because, and in fact we named some of his customers and how they might react emotionally to what they see as his picture on the site and would that, therefore, be better if he were wearing a suit or if he were in civvies. And we went ultimately to one that shows him to be in civvies but kind of happy in his civvies and doing something like walking or hiking and that kind of kit as opposed to stood there in a pair of jeans. So it’s ‘I’m in civvies because I’m doing something’ and it’s meaningful as opposed to ‘I’m in civvies because that’s what I’ve changed into when I get home from work’.” (C5 - R1)

For another type of customer, anything other than a suit could be considered unprofessional and the image would result in a loss, rather than a building, of trust. As the initial literature review showed (Section 2.4), assessment tendency – the ability to understand and communicate with another thought-world other than our own, varies with each individual, although assessment tendency definitely appears more pronounced within the Creative participants than with the Micros. Possibly because their profession provides continuous exposure to thought-worlds other than their own, increasing their awareness and understanding of the thought-worlds they are exposed to. Or possibly because, as C15 suggested earlier, their psychological make-up predisposes Creatives to be more aware of the multiple thought-worlds out there and the different languages associated with them. It is this ability to effectively communicate with other thought-worlds, using signs to generate a tacit emotional response that causes a desired reaction that effectively marks out a marketing-oriented web-designer from a template web developer:

“I try to say (to SMEs) you know, you’ve gone to a web developer to design your website, you wouldn’t go to a printer to have a brochure put together because it’s all about the design and the thinking behind how effective a thing’s going to be at kind of seducing someone into understanding and engaging and buying your products, or using your products.” (C6 - R1)

This is in strong contrast to the Micros, the majority of whom in the first round of interviews were unaware that any communication was going on through the visuals. Nor did they consider text as anything other than face-value information.

#### **6.4.2.1 Verbal Semiotics**

The Creatives were fully aware of visual language, to the extent that the website creation focus was almost exclusively on visual language with verbal communication very much an afterthought, as was expected after the initial literature review (Section 2.6.2). The majority of the Creatives left the text – the ‘copy’ – up to the Micro to provide with no guidance from themselves (Section 4.2.1.2). This was despite the fact that the Creatives believed that Micros were extremely poor at writing their own copy. C3 confirmed that this pattern was not confined to the research participants:

“...there is a general feeling that ‘Well, the client, it’s your site, your part of the contract is to write the copy.’ The fact that they are no better equipped than anybody within the agency to be a writer is neither here nor there. But they will say ‘Well, you know your subject, you know your products, you do the words bit. We’ll make it look great and we’ll make it work.’ And that’s why if you talk, I mean I can reel off a list of any number of digital agencies in and around here in the North West and none of them will have a writer on staff.” (C3 - R1)

There were a few exceptions to this, although for C2 and C5, they did not use a copywriter for their ability to use words to connect emotionally to the client but rather for their ability to use words technically to connect effectively with the search engines.

C6 employs a copywriter to clean up their clients’ copy but require the client to write the first draft including their USP, claiming “It’s fair enough us trying to do it but they’re the ones that know all their USPs.” (C6 - R1) then going on to say three lines later, that when they ask an SME or Micro directly about their USP, they are likely to list services “not an actual unique selling point. And then you have to try and tease it out of them.” (C6 - R1). Given the Creatives’ own claims earlier about the Micros’ inability to articulate their USP or even articulate who their customers are (Section 6.2.2), this suggests there is something occurring in the Automatic part of the consciousness that leads them to avoid working with words, and in the absence of an explicit reason have generated a ‘placebo’ (Baumard, 1999) of the Micro being able to articulate their USP better than they can. This disjoint is further reinforced when they discuss the issues they have in getting copy from clients and the time issues those delays cause them. For one client, they eventually got involved because the project was stuck without copy.

“...in the end, because it was quite overpowering for him because he just didn’t know where to start for it, so... I basically gave him paragraphs of what I needed, so if it was the home page it was like saying it needed introduction into the business, it needs to be short and snappy, it needs to have key words in it. So I kind of did him like a bit of a breakdown because I think it was quite a daunting thing for him to do, and again it was a timing issue, just that he didn’t have time to do it. But as I kept telling him until I had it I couldn’t do anything with it.” (C6 - R1)

This disjoint is also seen with C15:

“We can provide a copywriting service, but I would say that 90% of the time our customers send it to us. What we do is take key elements of the service benefits and market that in kind of short lines and messages and bullet points, but the vast bulk of the content really should be from themselves. We as an agency don’t particularly get too involved with briefing them about the goods and bads of

copywriting. Perhaps there's an opportunity for us to do that because I think it's very valuable, but our approach on it is in terms of the internet anyway is that people interact with the internet in a very different manner than they will with any other media and it's very much about instant key benefits, bullet points, snapshot quickly of it before... Thinking about it ... I think that there's an area actually that we're not .... Because I think we're traditionally marketing and design and we predominantly focus on the power of the message... and I think there's an opportunity for us to help the businesses with that because ... on the vast majority of occasions it'll either be unspecific technical waffle or meaningless tripe." (C15 – R1)

Later the reason for C15's avoidance becomes clear. When discussing how they would struggle to justify charging for copywriting, they state:

"I'm not sure we would have the justification of knowhow...I think we have the ability internally to write good, interesting content but I wouldn't feel entirely confident about that perhaps straight off because generally we are a Creative agency and whilst creative should and could be about the meaning behind it all, that's traditionally not the way we've done it." (C15 - R1)

In other words, while some Creatives may be able to write good copy, verbal semiotics is outside their 'traditional' comfort zone and so they avoid engaging with it, preferring to pass it back to their client, even though they know that the client does not have the skills to write copy well. This leaves a gap in the delivery.

Only C1 and C17 employed dedicated copywriters capable of providing verbal semiotics as well as Search Engine know-how:

"You need to hire a copywriter because you have got to write it for the web. It has got to be short, sharp, and punchy; it has got to include the phrases and stuff you want to be found on. It has all got to work,' and if they start putting their stuff on... there is a skill set in there." (C1 - R1)

MW3, who has worked in several areas of the Creative Industry, summed up the issue:

"Cut out half of it and does it really say who you are? It's exactly what I was talking about with design. Design needs to say who you are and build that trust and the look and feel of who you are. But the copy has also got to do the same thing." (MW3 - R1)

#### **6.4.2.2 Visual Semiotics**

"It's judging a book by its cover which unfortunately that is... that's what websites are, that's designs are, its first impressions and they're really important for any bit of marketing material that comes out and it communicates so much in so little. But that's what design is. That's the key of design." (C7 - R1)

As will be discussed more fully in the final literature review, for a website to function fully, this requires more than technical functionality, it needs to engage with the intended customer (Section 8.7.3). While at the beginning many of the Micros believed that design is to make the website look acceptably 'polished' or 'professional' or failed to consider design at all (Sections 4.2.1.2, 6.2.2), the reality for the designers is that the visuals communicate more effectively than words.

"There are various layers there as well, you know, it's not just a tool for getting information, you know it's almost like a two-way thing, a three-way thing almost. You know, there's your web presence, there's the messages you put out to people, there's the language that you use, how people interact with your website, interact with you based on what they've experienced with the website.

You're almost setting the media agenda by what your web presence looks like, and they (the SMEs) now understand that, you know there is such thing as a brand and there is much benefit to be had from the internet." (C2 - R4)

Marketing, communication, and in particular visual language, are skills many Creatives recognised as being absent from their SME and Micro clients. Discussing the Micro's previous website:

"...it's just the fundamentals of what marketing is, it's having a conversation with potential customers or existing customers and speaking in the right way and persuading in the right way. And everything he was doing he was not talking the right way to his customers and not saying the right things." (C6 - R1)

For most of the designers interviewed visuals are in fact the predominant form of communication, with the only exception being C1, who was predominantly verbal, with copywriting being their key skill. Even when the Creatives discussed the brief with their clients, they used visual examples to bring their point across:

"That's the thing though with trying to explain to customers the power of design, a lot of how they're affected in their purchasing and use of servicing preference with things is, a lot of it's subconscious. So if you're going through something with a client about their logo, what I sometimes like to do is like you've got the same logo but you just change the typography. And you say, you know, why does this typography feel, you know, this one feels more personable and approachable, this one feels more kind of stable and grand and feels like a big organisation. And they don't, when you do that comparison they kind of start getting the subtleties of design and the effect that design can have, but before they actually come into the design agency they've not got any of that kind of education, I suppose. I mean, to be honest, would you expect them to? I suppose you wouldn't would you?" (C6 - R1)

C15 explains how they conduct their initial consultation after the brief has been agreed:

"...we present the artwork on one massive board, the technical work, the content management system and then setting it, say, online." (C15 - R1)

All big decisions were done face-to-face where the Creatives had the opportunity to demonstrate their ideas visually, otherwise communication was based on email rather than telephone calls, where they could attach visual examples of what they were discussing. All the Creatives made the point of sending a confirmatory e-mail after each meeting to verify that what they had understood from the Micros was what the Micros meant. All but one of the Micros (MW7) had no such procedure in place. This suggests, like C15's behaviour in Section 6.4.2.1, a discomfort with verbal communication within the Creative community, where they are not confident they have grasped the correct meaning without visual verification.

For the Creatives, the visuals are laced with emotional meaning, as well as informational meaning:

"When somebody says I want a logo, what for, my shop or my company, well you don't actually want a logo, you want an identity, you know. And then it's massive, the difference." (C17 - R1)

And as noted earlier in Section 6.2.2, Creatives understand that design must be targeted to the audience for which it was intended:

“Yeah, to a certain extent because if you just put something in front of someone and say, ‘Doesn’t it look nice?’, they could agree or disagree depending on their taste, and what we try to show people is that it’s not about taste because everyone’s got such diverse taste, it’s about what your target market is looking for from the design and what it says to the target market. So for instance, if you build a really fancy whizz-bang website but your target market is the over 65s or something that they’re going to be incredibly confused by that website and it’s not going to appeal to them. If you build something for them that’s actually probably quite basic looking for a younger person but is really, really easy to navigate around and use, you’re going to get a lot more success.” (C14 - R1)

Through the interviews it became clear that visual language is not a single entity; rather like verbal languages, English, French, Chinese etc., it is a multiple of languages. MW3, a Creative as well as a Micro participant, discussing selecting the right design for your website:

“It just comes back to the question, are you speaking to your audience? Are you speaking in your language or are you speaking in the language of your users, members, customers?” (MW3 - R1)

The big difference between visual language and verbal language is that most of us are aware that we are reading and understanding verbal language and that languages other than our own exist, even if we do not understand them. We would never think of writing a letter in French to someone who only speaks English and expecting full understanding, and yet the Micros with original websites at the start of the process had done exactly that (Section 6.2.2) with predictable results. Discussing their initial website:

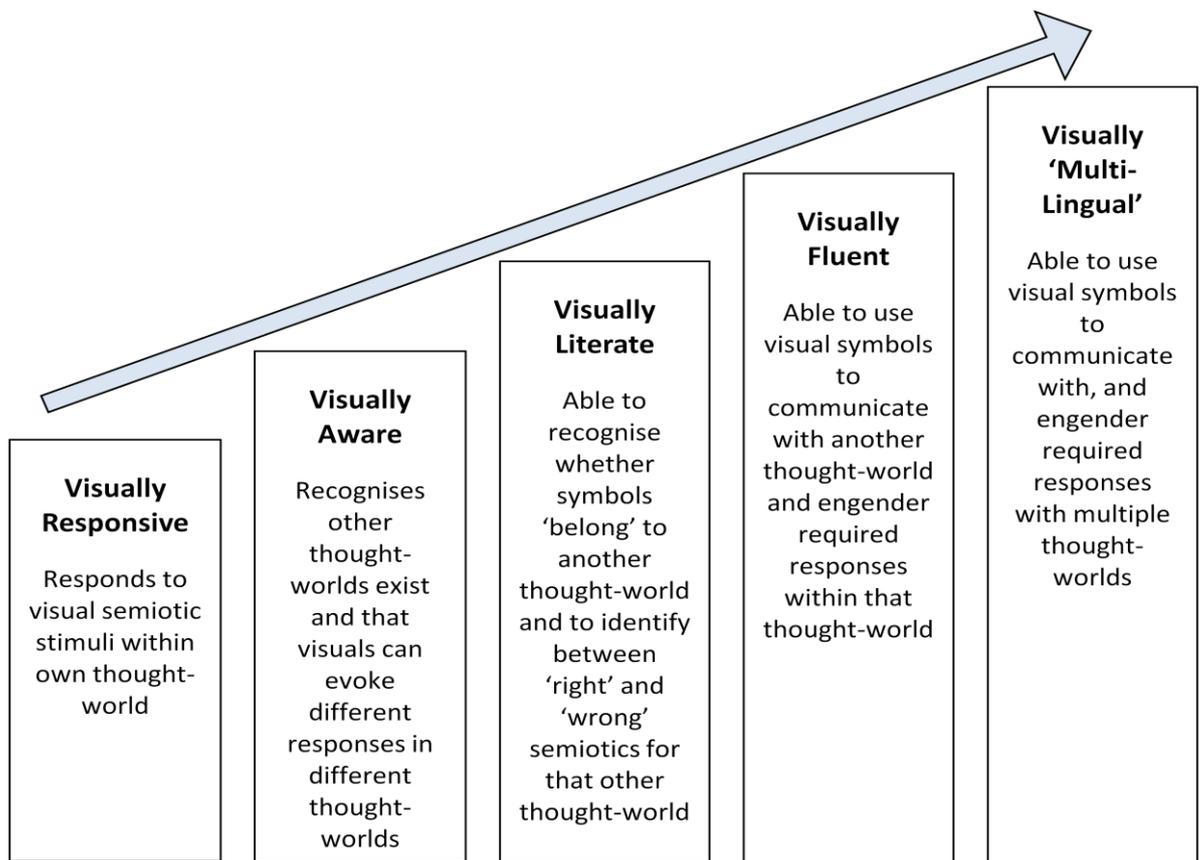
“It’s basic, it did the job. We used it really for providing people background information if they were talking to us. Well, the information’s there on the web. We never had any enquiries from it.” (MW5 - R1)

What is interesting is that MW5 considered the website ‘did the job’, even though they generated no business through it.

## **6.5 Visual Language Scale**

As discussed in Sections 6.2.2 and 6.4.2.2, there is a wide spectrum of understanding for visual language, with most of the Micros at one end and the most skilled Creatives at the other. What also became clear through the research (Sections 4.3.3, 6.2.2, 6.4.2.2) was that if the Micro did not recognise that visuals in design were a language or that what they understood by an image may not be the same as what their customer understood, then their choice of design could be flawed.

During the research, it was found, for some of the Micros, that their visual language ability altered (Section 6.6) which enabled a stronger decision making process. In order to measure the extent of this change, it was important to create a ‘fluency’ scale – the Visual Language Scale – which was used to indicate the change in visual language ability in the Micros between the start and the end of the research and is discussed in greater detail in Section 6.6.2.



**Figure 6.3 Visual Language Scale (author)**

### 6.5.1 Visually Responsive

An analogy for Visually Responsive would be where someone only speaks their native language and they are completely unaware that any other languages exist. Speaking to someone from another country they will not comprehend that the other person may not understand them. In the same way, a visually responsive viewer will select images that communicate to them – their personal ‘taste’ - and not understand that the images may communicate something different to their intended audience.

As was seen in 6.4.2.2, one of the key premises of website design is that when a viewer is presented with visual symbols in their own visual language, they decode them on the tacit level and respond automatically to them. This response, as noted by C6 in Section 6.4.2.2, can be subconscious, so the viewer is only aware of the action triggered by the response, but not the stimuli or the response. However, it does not have to be, for instance if someone is presented with the image of a Union Jack, they will often be consciously aware of the response and the connection of their response to that image. And different groups will have different responses according to their thought-world – pride, a sense of belonging, anger, fear or even disapproval of a company for exploiting a precious symbol. An example of responsive selection amongst the Micro participants was MW1. When discussing what they had learnt in the last interviews, they mentioned their labelling which they had been pleased with until C1 pointed out it out as “being quite dim, dull, looks a bit industrial and not user-friendly”

(MW1 - R4). Given MW1 has backgrounds in finance and engineering, it is possible to understand why they might understand an image as inspiring confidence while the Creative recognised the image would be being understood as 'industrial' by MW1's customers. MW1 were responding positively to an image that fitted comfortably within their thought-world. After the project, MW1 worked with other Creatives more, with a better visual awareness, producing a new label that was "much more friendly, understandable, very eco-friendly" (MW1 - R4). This was not just their opinion, sales had also improved causing MW1 to comment "You do realise that what it looks like is what people buy." (MW1 - R4). As was seen in Section 6.2.2, the majority of the Micros fell into this category at the start of the project, either completely unaware of the connection of visuals to website design or thinking of visuals in terms of 'smart', 'attractive' or 'professional'.

### **6.5.2 Visually Aware**

To extend the Visually Responsive analogy, Visually Aware is where a native speaker becomes aware of the existence of other languages such as Chinese, French or Farsi. This is where the viewer becomes aware that images mean something and that their understanding of an image may not be the same as someone else's. Their understanding of visual semiotics is not sufficiently formed to be able to identify what another group's response to an image might be, although they may start to recognise that images belong to another group, much like a non-speaker might recognise a language is French or Chinese by the general style that they are hearing, even though they can grasp no sense of the meaning. However, the viewer now understands it is important to select images on other criteria apart from their own personal taste or assessment of what the image 'says'. When the Micros reached this level after the project, this was shown through the fact that they began listening to the Creative's advice about imagery rather than dictating their tastes as C2 did (Section 6.2.2) and recognised that visual design is a skill, as MW8 said when discussing what they had learnt during the project:

"I know that there are people who find doing things that I want to do far easier than I and far better than I, so yeah did I pick up any skills? Well I'm aware of things but I didn't personally pick them up." (MW8 - R2)

### **6.5.3 Visually Literate**

When a viewer is Visually Literate, this means they can now 'read' the visuals, in other words, they can now recognise whether images are likely to trigger the intended response for their chosen audience. Given a choice of designs, the viewer is able to identify 'right' and 'wrong' designs, although they would not be able to articulate why. However, the viewer would not have a sufficient vocabulary of images to be able to 'write' with visuals, much in the same way that someone beginning to learn a language may get the gist of a document they are reading through picking up key words but not have a complete understanding and nor would they be able to communicate in the language themselves. When a Micro reached this level after the project, this was demonstrated

through their description of visuals, where they would describe the images in terms of emotional response such as MW1's 'friendly' in section 6.5.1. When a Micro reached this level, it was possible for the design choice to become much more collaborative, rather than the Micro having to rely solely on the Creative's opinion.

#### **6.5.4 Visually Fluent**

When a viewer is Visually Fluent, they are now able to communicate visually with another thought-world and identify and use the images that will create the intended response to stimulate the desired action. However, they will only be conversant with one visual language, such as the customer sector the Creative is familiar in working in. For example, in the original participants' group was a branding company used to working in the drinks industry and when asked to design outside of this customer group they struggled to produce imagery that 'spoke' to the intended customer. Only after the project manager persuaded the designers to learn the new customers' language by immersing themselves in the customers' thought-world, were they capable of producing images effective for the market they were aiming for. This mono-focus was unique within the group of Creatives who participated. Of the Micros, only MW4 demonstrated visual fluency in the final interviews by identifying both response and action and linking them to their customer's perspective, as well as showing that they were confidently populating their websites with new images without reference to the original Creatives. MW4 recognised how their Creative had:

"...provided the agenda for how the images should look and therefore changed the way we thought about the way we compiled them." (MW4 - R4)

If the website is designed to be updated by the Micro through a content management system then this is the level that would be required to ensure that the benefits gained through the initial design are not lost. While some of the Creatives may attempt to bring their clients to this level, they recognise that they are not always successful at this:

"...we usually set people off when they have started the website, we will populate it for them and re-word it, create a sort of language for them and leave it to them. A lot of the times they will make a right hash of things and they will come back to us and we will go back through the website and tidy it all up again for them." (C2 - R1)

#### **6.5.5 Visually Multi-Lingual**

Most of the Creatives participating in the research appeared to be at the visually multi-lingual level (Section 6.4.2.2). Working for SMEs and Micros on a regular basis meant that they did not have the luxury of specialising in 'speaking' with only one thought-world. The SMEs and Micros that they worked with came from diverse industries with diverse customers. As observed on the two ethnographic observation days with two of the Creatives, the first piece of work that the designer undertakes with a new client is immersion in the thought-world of the new client's customers, through visual research. Only once they are confident that they have 'absorbed' the new customer's

world, do they begin identifying the images and layout that will trigger the actions that indicate success, such as contacting the client or making a purchase. Of the Micros none, except for MW3, demonstrated multi-lingual ability. MW3 was already visually multi-lingual at the start of the project and had selected their Creative for their business acumen not their design skills. MW3 demonstrated a visual fluency across multiple thought-worlds during their first interview, which was expected given their Creative background.

“...if you give me ten designers I want to hire them because of the style of the work or for example, interior designers I always use as a good one because I could give you five names but what does that mean to you? If every one’s Laura Ashley when I like really clean, contemporary, industrial style so what’s the point of me calling ten Laura Ashleys?” (MW3 - R1)

“The creative could basically turn around and go, ‘Oh yeah I’ll give you this one all singing and dancing, here you go’ but, 1. Really does it add value to your company? 2. Does it speak the same language as you? Does it really hold up who you are and what you’re all about and does it look all bright colours and you’re actually selling a funeral.” (MW3 - R1)

## **6.6 Changes in the Micros’ Knowledge Landscape**

It was not possible to assess the change in landscape for all the original participants as two Micros (MW6, MW11) withdrew from the process. So changes are based on the remaining nine participants.

From the research, it was apparent that there was a learning process occurring which resulted in behavioural changes within the Micros. This education is evident not so much in an explicit transfer of skills, but in a tacit generation of additional awareness that has led to a long-term behavioural change in the Micro’s Marketing Strategy. This growth of awareness was in Visual Language and Customer Knowledge – who their customer is, what their customer wants and how to attract and appeal to them. In Round 1 interviews, this awareness was not present for the majority of the Micros (Section 6.2).

### **6.6.3 Customer Knowledge and Marketing Strategy**

All but three of the remaining Micros (MW8, MW9, MW10), reported a change in their marketing strategy during their final interviews (Section 4.4.2.1). For MW9 and MW10 this appeared to be because no transfer of any kind had taken place and their knowledge landscape was much the same as in the initial interviews. For MW8 this was not the case. Their landscape had altered, with customer knowledge moving from Central Consciousness to Occasional Consciousness because of capacity issues, as until one month before the last interview their customer books were full. This meant they did not wish to gain new customers until that stream of customers began to dwindle. At the start of the process, MW8 was one of the few companies whose customer knowledge was already strong and in the Central Consciousness, so what they learnt from the Creative was based more on new strategies to reach those customers such as newsletters linked to the website, which at the last interviews they were, reluctantly, beginning to engage in:

“...there’s news items and all that sort of cobblers, I mean it isn’t cobblers but there’s my view of it there! [Laughs] A slip of the tongue there but no, I find it a grind to do it but I do understand the necessity to do it and hence we’ve just literally committed monthly funds to do it for the next six months.” (MW8 - R4)

MW8 also believed that getting the website done had provided a new and more focused identity for their consultancy:

“Everything we do now - our persona, our trading style is entirely driven by the website.” (MW8 - R4)

This focusing of the marketing strategy and merging it into the business strategy was one of the most predominant behavioural changes that the changes in their knowledge landscape caused amongst the Micros. All seven of the Micros who displayed knowledge landscape changes demonstrated a stronger coherence in marketing strategy at the end of the process, than they had at the beginning. Only one commented specifically on the benefits of this:

“You know, the wider marketing focus is proving more valuable than the original specific e-product that we developed.” (MW7 - R4)

Customer knowledge placement changed in later interviews with many of the Micros, where they were much more customer-oriented and had a more strategic approach to selling their product. In contrast to the paucity of customer knowledge used in the Micros’ business strategy in the initial interviews (Section 6.2.2), customer considerations had become part of the marketing strategy. In some cases, such as MW1, this involved a perceptual switching of importance from product to sales (Section 6.2.2).

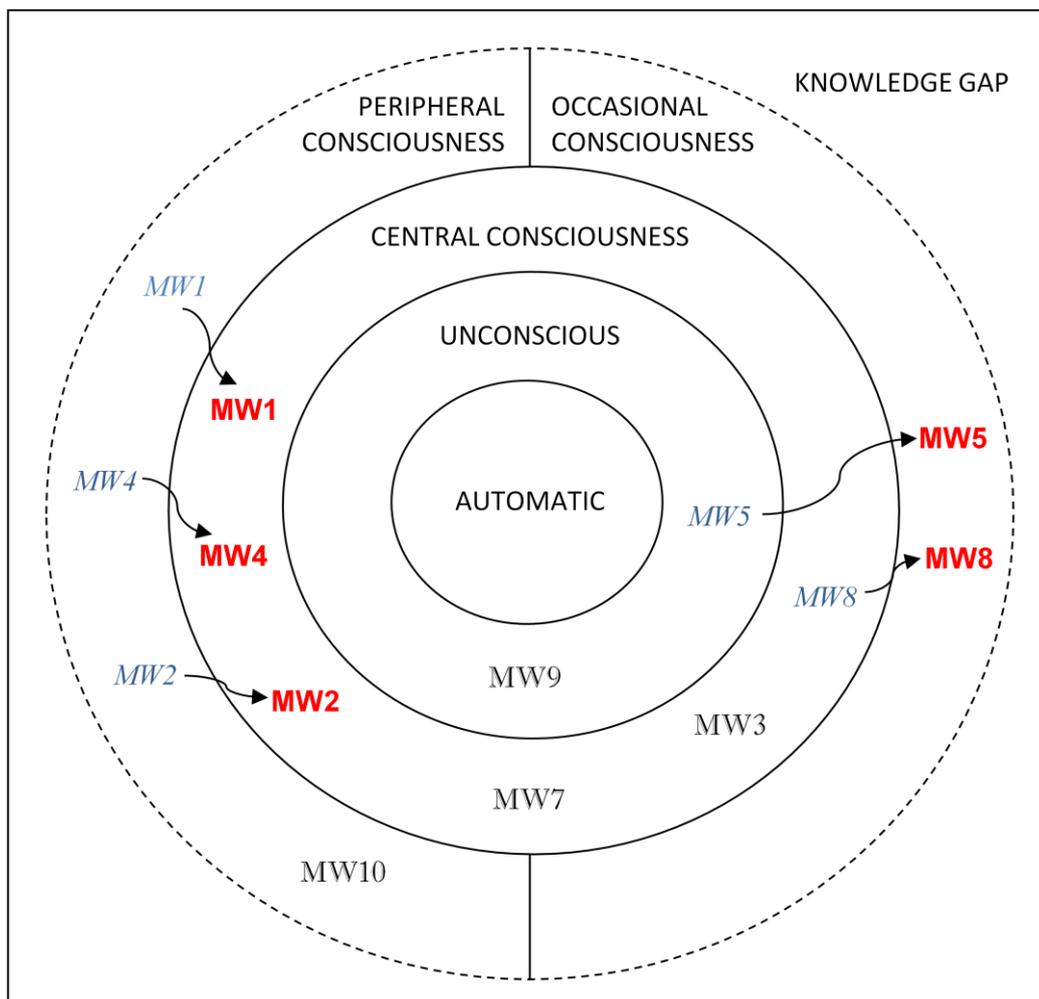
As can be seen from Figure 6.4, movement was not necessarily to Central Consciousness, although for MW1, MW2, MW3 and MW4 this was the case. As was seen in Section 6.2.2, MW7 already possessed strong customer knowledge within their Central Consciousness. MW2 and MW3 offered the following advice to other SMEs and Micros about creating a website:

“Making sure that you know who your proposition is, you know who your target audience is...that you’re going down the right channels to market that. Also to talk to people and get as much information as possible from your audience to make sure you’re doing the right thing, because often what you think they could be getting value from, they’re actually getting value from somewhere else.” (MW3 - R4)

“You need to get into the customers’ shoes, what they want to hear and what they want to see really.” (MW2 - R4)

The key change in the strategy comes through a newly developed visual awareness rather than an overall improvement in communication skills. Only MW1 and MW3, who both had Creatives that were not purely design-centred, felt they had changed the way they communicated verbally with the customers.

“We take ourselves a lot more serious, because we do like to enjoy what we do. It’s stressful but where before you’d be a little bit more tongue-in-cheek with some people, now you take it a little bit more seriously. So I think that has changed our perspective as well, but we still enjoy what we do. We don’t not like coming in. Some customers, because of the way that (C1) spoke to different people in different ways and you kind of like picked up on that as well.” (MW1 - R4)



Key: *MW#* = Micro at start of Research **MW#** = Micro at end of Research MW# = Micros with no movement

**Figure 6.4 Movement of Micros’ Customer Knowledge (author)**

### 6.6.2 Visual Language Ability

As can be seen from Figure 6.5, all the Micros, with the exceptions of MW3, MW9 and MW10 who showed no change, demonstrated an improved visual awareness, from small changes in behaviour like ensuring a coherence of marketing material (MW1, MW2, MW4, MW5, MW8). Although, as can be seen from MW2’s quote, the level for most was at Visual Awareness, as they ‘speak’ in colours without linking them to meanings or experience:

“All the marketing material needs to be the same kind of format. We have got three colours: green, brown and white, really and that is where we tend to stick on, and that’s it. The website, the marketing, so as you can see there are two different brochures there. Our current brochure is matching the website.” (MW2 - R4)

One company, MW5, was so impressed by the power of visual imagery to communicate, they have even taken to advising their clients about the importance of visual communication:

“Actually I found myself saying to the client, ‘Well, you’re using this to promote yourselves, what about the image side you’re creating?’ So [laughter] it probably created an impact there. I thought, ‘I can’t believe I’m saying this.’ So yes, it has changed our outlook, let’s put it that way.” (MW5 - R4)

Although MW5 recognise themselves that their abilities are limited in visual recognition:

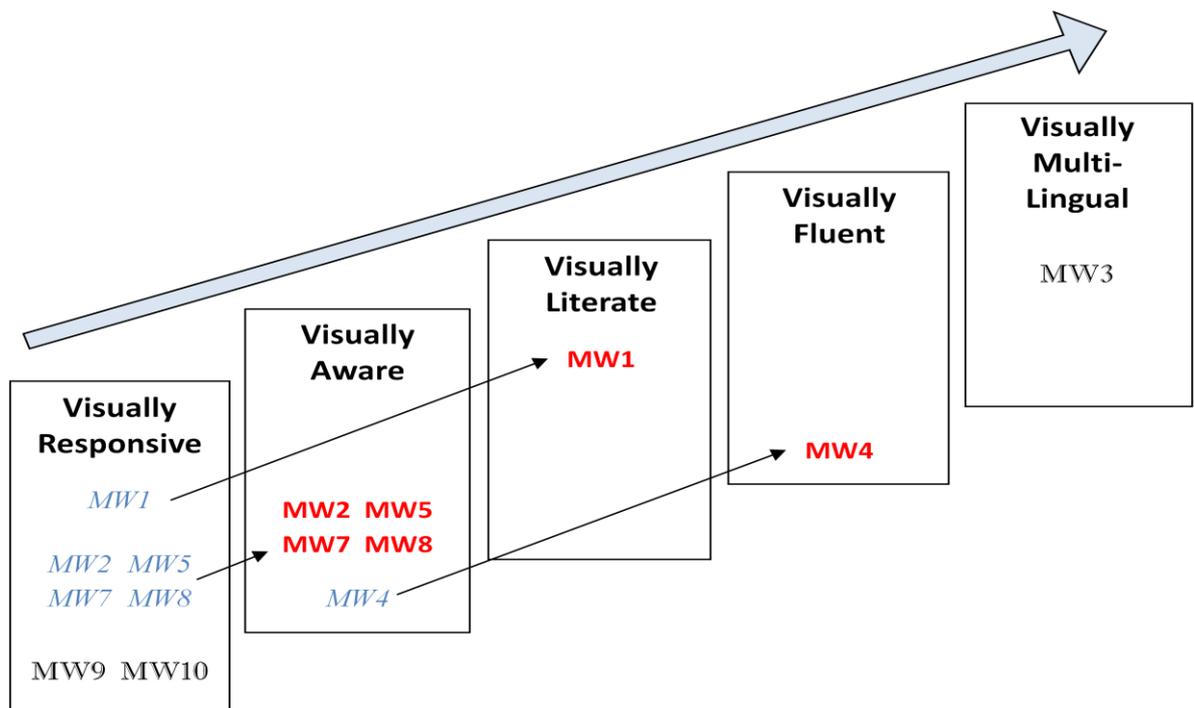
“We are very much more the logical techy type of people that we’re thinking, ‘How do businesses function? How do we reflect this?’ and things like that and there isn’t much creativity. It made us realise that. So what we’re looking at now is trying to get an association with a couple of organisations that have more people in that direction and see if there are joint ventures we can do.” (MW5 - R4)

This change in visual awareness was also evident in the Micros' recognition of the power of visual cues to market their products:

“You do realise that what it looks like is what people buy.” (MW1 - R4)

As a result of this recognition, the Micro had their packaging re-designed:

“This one it seems to have caught people’s imaginations with the colours and the design.” (MW1 - R4)



Key: *MW#* = Micro at start of Research **MW#** = Micro at end of Research MW# = Micros with no movement

**Figure 6.5 Movement of Micros on the Visual Language Scale (author)**

This movement on the Visual Language Scale led to a recognition by some of the Micros that they did not have the skills, that they had believed they possessed, to produce a commercially effective image in-house (MW1, MW4).

“Even though [the co-owner's] son-in-law (a professional designer) has been there every day we've never used him because we never thought that his ideas would be better than ours. Our ideas are our - it's our business we'll do what we think...So brand-wise, design-wise, if we do need to tweak it at all we do now go to the likes of [the co-owner's] son-in-law and not sit down and say, 'Get the pencils out. Let's do another label'.” (MW1 - R4)

Increased visual awareness also led to a recognition by the Micros that they needed to trust the Creative to lead the design work for an effective product and to listen to their advice, something MW1, MW3, MW4, MW6, MW7, MW8 struggled with at the beginning.

“Then I realised that I shouldn't be leading the design. Because I said to [the designer], 'I want you to change it, but not too much. I want this, this, this', and actually I shouldn't do any of that. So what I've learned from this is that don't tell a designer how to design. You tell him the product that's going to be sold, let him decide how it looks, because otherwise, you're not getting any value out of it.” (MW4 - R4)

As seen in Section 6.5.3, MW4 used the collaborative process with their Creative to improve their visual language skills, so they considered themselves able to continue selecting images in the style that they were taught by their Creative.

One of the reasons that MW10 did not experience a change in their knowledge landscape or experience behavioural change was that they did not recognise the need to listen to the Creative's advice. Describing how they worked, it is clear that listening to the Creative's advice was not considered:

“I'll tell you 75% of what I want and you make it look nice and pretty and efficient. So that's how we work and it's time, it saves a lot of time for me and him.” (MW10 -R4)

This resulted not only in a lack of additionality to the project but also in a failure of the website to attract business:

“On the internet it's all set up to contact us but no-one uses it so it's strange and we have things on there, spares and stuff like that and no-one contacts us for spares. There's certain bits in your website you just sit and wonder, 'Well, why like?'.” – (MW10 - R4)

### **6.6.3 Social Media**

One of the big changes in marketing knowledge that occurred during the duration of the research, was the surge of social media use. However, this was not always directly related to the Micros' collaboration with the Creative company, possibly because the social media phenomenon gained strength only after the projects were finished. As one of the Creatives commented during the final interviews:

“Two years ago social media, social media again is something that, is one of these things that is now integrated. We offer social media courses to our clients and two years ago we wouldn't have done. Not even on the radar, no.” (C7 - R4)

As can be seen from Table 6.1, only two Micros, actively engaged in social media by the final interviews (MW2, MW5), were introduced to social media through their Creative partners during the project. Both are now active in social media through blogs and LinkedIn (MW5), Facebook, YouTube and Twitter (MW2). MW5 was also considering using Facebook and Twitter as part of their marketing during the final interviews.

Two other Micros (MW1, MW3) are very active in social media, using Twitter, Facebook, LinkedIn and blogs to network and/or market, despite having no involvement before the project. MW4 was an early adopter and was active even at the first interviews, now they are the most prolific of all the Micros using LinkedIn, Facebook, Twitter, YouTube and Quora, as well as actively researching new forms of social media as they enter the marketplace. MW8 and MW9 are using Twitter sporadically but are not completely comfortable with the medium. MW7 is using LinkedIn and were considering using a blog and Twitter as part of their marketing during the final interviews. Only MW10 had opted not to engage with social media at any level. They were also the only Micro where no form of knowledge transfer appears to have occurred (Section 6.6.2).

	MW1	MW2	MW3	MW4	MW5	MW7	MW8	MW9	MW10
Creative Partner	C1	C2	C3	C4	C2	C5	C6	C7	C8
Engagement with Social Media – Round 1	None	None	None	LinkedIn Blogs	LinkedIn	LinkedIn	LinkedIn	None	None
Engagement with Social Media – Round 4  (x) = considering	LinkedIn Facebook Twitter	Facebook Twitter Youtube	Facebook Twitter	Facebook Twitter Youtube Quora etc. prolific	LinkedIn (Facebook) Twitter  Blog	LinkedIn  (Twitter)  (Blog)	Twitter - ish	Twitter - ish	None
Introduced by Creative?	By another Creative	Yes, as well as other sources	No	By another Creative met through project	Yes Facebook Twitter Blog	Yes Twitter Blog	No	No	No

**Table 6-1 Changes in Engagement in Social Media between First and Last Interviews (author)**

It is also possible that this engagement with social media was indirectly caused by the collaboration through the increased involvement of marketing within the Micros' business strategy (Section 4.4.2.1), their increased levels of phronesis, a term identified through further literature research, discussed more fully in the final literature review (Section 8.7.4), as was evidenced by the Micros' improved strategic focus (Section 4.4.3.4) and the Micros' improved confidence in engaging with their customer (Section 4.4.3.1).

Given the highly verbal content of social media, it is possible that the increasing involvement of Creatives in these media will alter the knowledge landscape that was observed amongst the Creatives, filling in the verbal language skills gap that was apparent during this research.

“...we’ve got a huge amount...I mean since we did that, we’ve got even more knowledge on the right things to do, and there’s a lot of social work that we do now as well.” (C16 - R4)

## **6.7 Knowledge Landscape - Summary**

From this chapter it can be seen that:

1. Knowledge gaps around marketing, customer knowledge and visual and verbal semiotics existed within the Micros who participated in this research (Section 6.2).
2. For marketing and customer knowledge, this appeared related more to the placement of the Micros' knowledge rather than an absence of knowledge (Sections 6.2.2, 6.3).
3. For visual and verbal semiotics, it appeared the gap was knowledge based (Sections 6.2.1, 6.5).
4. The Creatives had sufficient knowledge to fill the gaps in marketing, customer knowledge and visual semiotics, either by improving awareness or transferring knowledge. However, the majority of the Creatives had a similar gap to the Micros in verbal semiotics (Section 6.4).
5. To evaluate where the knowledge of the two groups was placed in the consciousness and therefore how much of a role it played in decision making, it was important to create more delineated properties of knowledge placement than the current models of tacit, unconscious and explicit. This was the Knowledge Placement Model (Section 6.3).
6. To evaluate what level of visual language ability was acquired, a dimensional scale needed to be created – the Visual Language Scale (Section 6.5).
7. The research demonstrated changes within the knowledge landscape for all but two of the participating Micros. The changes observed were in marketing strategy, customer knowledge and visual language (Section 6.6).
8. These changes were evident through behavioural and language changes caused by the changes in the knowledge landscape (Section 6.6).

## **6.8 Conclusions**

The two previous chapters provided an overview of the design process (Chapter 4) and an in-depth look at the knowledge transfer process used in the collaboration (Chapter 5). This chapter provided the last piece of the jigsaw, examining in closer detail the knowledge that transferred, looking at the knowledge landscapes of both the Micros and the Creatives, and how the Micros' knowledge landscape changed as a result of the collaboration. Customer knowledge and visual language were considered to be the most significant elements of knowledge that transferred. Both contributed to the behavioural additionality of the Micros (Radas and Anić, 2013, Gok and Edler, 2012, Georghiou and Clarysse, 2006), an outcome of the collaboration identified in Chapter 4.

The initial literature review indicated that customer knowledge and visual language were provisional codes but called into question how effective any knowledge transfer would be between two very

disparate thought-worlds. To be able to demonstrate the effectiveness or not of the knowledge transfer metrics would be needed, metrics which could not be located in the literature during the research or after the data analysis concluded. The metrics created for this research, the Knowledge Placement Model and the Visual Language Scale, were developed using the data from the research, examining behavioural and language changes and, where possible, linking them to known phenomena within the literature, located through further literature research, such as Wittgenstein's (1958) 'unlinked' knowledge or Baumard's 'forgotten' knowledge (1999).

Examining the knowledge landscape of the Creatives provided a very different perspective from that prevalent within current website literature (Simmons et al., 2008), where outside of the design community, at best the website designer is seen as a technical expert and at worst someone who can make websites 'pretty'. This research shows the website designers in this project to have strong marketing skills and often a more practical approach to business strategy than the Micros. This gave the Creatives the ability to provide the eVision and customer understanding, that the literature recognises that the Micros need for a successful ongoing website (Simmons et al., 2008, Simmons et al., 2011). This means that with the right website designer, these attributes do not need to lie with the Micro at the start of the project but can be gained as a result of collaborating on the project. While the Creatives were less comfortable in verbal communication skills than visual, something well known in the literature, as was seen in Chapters 4 and 5, the Creatives were much more aware of issues of understanding than the Micros and took steps to remedy this, particularly around visual language.

As has been discussed in Chapters 4 and 5, despite a large amount of SME and Micro literature considering that Micros have weak customer knowledge (e.g. McAdam et al., 2007, Michlewski, 2008, Freel, 1999, Gray, 2006, Banks et al., 2002, Chen et al., 2006, Krake, 2005), the research showed that the Micros' customer knowledge was strong, just that it was not in evidence, neither through articulation of customer knowledge nor through behaviour that indicated the holding of customer knowledge. Chapters 4 and 5 discuss how the Creatives understood it was there and managed to draw the Micro's customer knowledge out before articulating the customer knowledge back to the Micro. Creating a metric to demonstrate this movement into the Micros' decision making sphere of consciousness required research to confirm that what was available in the current tacit knowledge literature did not provide enough scope, even using Baumard's (1999) extension to tacit knowledge of 'Unconscious Tacit' and 'Automatic Tacit'. Tacit knowledge literature did provide the relation to the Micro's decision making schemata, that had been identified as the important metric in this research, with diagrams relating the type of tacit knowledge to its accessibility in the consciousness (Edwards, 2008). This formed the basis for the new Knowledge Placement Model created for this research. This model echoes Leonard and Sensiper's (1998) and Wong and Radcliffe's (2000) concept that knowledge placement cannot be considered a categorical concept with discrete

properties of tacit, unconscious and conscious but rather a continuum that goes from fully tacit to fully explicit and Nonaka et al.'s (2008) concept that knowledge is always in flux, placement along the continuum being continually affected by internal and external stimuli. In addition to the three placements already established, two additional placements have been identified – Peripheral Consciousness and Occasional Consciousness, which lie within the current definition of potential knowledge (Day, 2005), although potential knowledge could also be classified as information as defined by Nonaka and colleagues (Nonaka et al., 2001). Knowledge placed in the Peripheral Consciousness has long been known in knowledge literature, although there are multiple terms for it such as Wittgenstein's (1958) 'unlinked' knowledge or Baumard's 'forgotten' knowledge (1999). Occasional Consciousness is new to the literature as a defined entity but was required in order to fully describe what was observed in the data.

The Visual Language Scale was developed specifically for this research. Currently, while visual language itself is a widely accepted concept within design literature and semiotics, it is understood that someone can either, understand and communicate in visual language, or they cannot. Even though being able to speak foreign languages is recognised to have different levels of skill, this has not been the case for visual language. However, while the Micros were observed to gain some understanding of visual language, their skill was not on the same level as that of the Creatives' designers, and in most cases it was not even enough to be able to understand or communicate in the language, rather it was an awareness that it existed and a recognition that the visual imagery needed to relate to the visual language their customers responded to, rather than the visual language that the Micros responded to personally. However, this minimal change in skill level made a significant difference to their selection process and ongoing marketing strategy. Understanding this has the potential to make a contribution both to website literature and in practical terms, in advising Micros on building websites.

This chapter concludes the main findings from the research. The next chapter, Chapter 7, examines the data collected from non-Micro and non-website projects to see whether the findings from the main body of research into Micros and website design collaborations, can be extended into SMEs and other types of design projects.

The final element of the research, the main literature review, then follows in Chapter 8. This review places the findings presented in Chapters 4, 5 and 6 within the context of current literature.

# Chapter 7 - Beyond Micros and Websites

## 7.1 Introduction

This chapter compares the findings from the core research (Chapters 4, 5, 6) to findings from SMEs and non-website projects to identify similarities and differences. However with insufficient examples available to achieve saturation, the observations made in this chapter can only be viewed as indicators rather than as definitive verification.

SME	Creative Partner	Creative Product	Size of SME	Business Plan	IP Strategy	Industrial Sector
MO1	C9	Brand Identity	1-10	Yes	Active	R&D
MO2	C10	Video	1-10	Yes	Low	Biotechnology
<b>MO3</b>	<b>C11</b>	<b>Product Design</b>	<b>1-10</b>	<b>Yes</b>	<b>None</b>	<b>Engineering</b>
<b>MO4</b>	<b>C10</b>	<b>Video</b>	<b>1-10</b>	<b>Yes</b>	<b>Low</b>	<b>Biotechnology</b>
<b>MO5</b>	<b>C12</b>	<b>Brand Identity</b>	<b>1-10</b>	<b>No</b>	<b>None</b>	<b>Consultancy</b>
MO6	C13	PR	1-10	No	Active	e-commerce

Entries in bold indicate projects that did not complete the longitudinal study

**Table 7-1 Selection Profile of Participants – Micro SMEs with other Creative Projects (MO) (reproduced from Table 3.2, Section 3.7.1)**

SME	Creative Partner	Creative Product	Size of SME	Business Plan	IP Strategy	Industrial Sector
SW1	C2	Website	11-50	Yes	Low	Printing
<b>SW2</b>	<b>C14</b>	<b>Website</b>	<b>11-50</b>	<b>Yes</b>	<b>Low</b>	<b>Sport &amp; Leisure</b>
SW3	C15	Website	11-50	No	None	Construction
SW4	C16	Website	11-50	No	Active	Furnishing
SW5	C2	Website & Brand Identity	51-100	Yes	None	ICT
SO1	C7	e-marketing	11-50	No	None	Engineering
SO2	C14	Database Design	11-50	No	None	Market Research
SO3	C17	Brand Identity	51-100	Yes	Highly Active	Professional Services

Entries in bold indicate projects that did not complete the longitudinal study

**Table 7-2 Selection Profile of Participants – Small and Medium SMEs with Website Design (SW) and other Creative Projects (SO) (reproduced from Table 3.3, Section 3.7.1)**

As can be seen in Tables 7.1 and 7.2, apart from Website Design (SW1, SW2, SW3, SW4, SW5), there were six other types of project selected by the SME and Micro participants: Branding (MO1, MO5, SO3), Video (MO2, MO4), PR (MO6), e-marketing (SO1), database design (SO2) and Product Design (MO3).

Three of these participants left the research process before the end – MO3, MO4 and MO5. Two because they had closed (MO3, MO5) and one (MO4) because they felt they had gained nothing from the project and so would have nothing to comment on in the interview.

Other than branding, the projects were technically based rather than visually based, and as might be expected showed little similarity to the Micros' website design projects in the main body of the research except for the same lack of articulatable knowledge that the Micros demonstrated at the start of the projects. The only project type with significant similarities to website design was branding, using visual communication to market a product. Accordingly, branding and website design will be examined together to look at how the research findings can be extended beyond Micros.

Expectations of Knowledge from the Creative	Creatives Used to Large Companies	Some SMEs with website and branding projects selected larger agencies used to dealing with large companies with marketing departments who understood customers and visual language. These companies, incorrectly, assumed the same level of knowledge in their smaller clients and so made no attempt to educate.  Projects failed.
	Professionally Presented Briefs	SMEs knew enough to present a professionally presented brief. Did not know enough to supply correct customer knowledge or fully developed strategy.  Creative took brief at face value and interaction became transactional and not relational.  Projects failed.
Transfer within the Company		Knowledge remains with project interface unless top management involved and instigates diffusion.  Where management not involved, project failed.  Where management involved, project succeeded.

**Table 7-3 Barriers to Bi-Modal Knowledge Transfer in Visual Design Projects (Website Design and Branding) (author)**

While there were similarities in the knowledge landscapes of the core research group and the "outliers", examining the data revealed that it was the differences in process that were of more interest. As can be seen in Table 7.3, in this outlier group, barriers to Bi-Modal Knowledge Transfer emerged. While only two of the SMEs had a higher level of marketing and customer knowledge than the Micros in the main research group, the majority of the outlier group were treated very differently by their Creatives, which meant that the Bi-Modal Knowledge Transfer identified in the main

research never occurred. Where Bi-Modal Knowledge Transfer did occur between the SME's project interface and the Creative, there was still the issue of transfer of knowledge within the larger company. For the Micros, the small number of people in the company enabled almost instant diffusion, however with the SMEs this was not the case. What was observed suggested that for the changes in knowledge landscape to move past the project interface, key management personnel needed to be involved in the meetings with the Creatives.

This chapter examines the knowledge landscapes of the SMEs and Creatives and explores the barriers to Bi-Modal Knowledge Transfer in greater detail. Finally, the chapter takes a brief look at the other projects to see whether the barriers observed in branding and websites extended beyond visual design.

## 7.2 Knowledge within the SMEs

As may have been expected from the initial literature review (Section 2.5.1), marketing was not always a priority for the SMEs, and their customer, marketing and visual language knowledge landscape had a very similar presentation to that of the Micros. Three of the five SMEs (SW3, SW4, SW5), despite each having over 30 staff working in office positions, did not have a single member of staff responsible for marketing. Previous engagement with marketing and, in particular, websites was minimal.

For SW3:

"The (website) previously was a franchise of a web design business so basically all they're interested in is filling their template with our content." (SW3 – R1)

"It's got a bit of news on and that's it." (SW3 – R1)

For SW5, when the managers were asked about their current website and who created it:

**R1:** I've no idea, it was there.

**R2:** It was a guy commissioned to write it, he was a copywriter. Jasper someone...

**R1:** And that was probably about three or four years ago, and if you looked on the news reel, the last bit of news was in 2006 I think.

**R2:** Nobody's managed it since really." (SW5 – R1)

And for SW4:

"There is no set way. I think I am more involved because I started last year selling things on eBay... So that's website-based so I am just sort of involved by natural progression... I was selling things from our catalogue... I was just having a dabble to see whether ... because we've never done any internet sales or nothing... the website thing has been hanging around for a few years, we've always tried to have a presence but it's never been a good one and I think, at first, we wanted to do internet selling so we were just putting our foot in the water." (SW4 – R1)

"We get a lot of questions: 'Do you have a website?' or 'I have searched for you, I have tried to go on your website and it doesn't work' and that turns out, I think we've got... it's one that a girl's done in our office. I think it's got Flashplayer and if you've not got Flashplayer installed, it doesn't work. We can't even get onto it on our desks... That's one of the main problems. People are saying 'Oh, no, no,

I am trying to get on your website!' 'So are we. But we can't get on there!' But we've got to do it. The main... The first thing you do, when you hear of a new company is to Google it. And if it's not there, and it doesn't look professional, it's not a good reflection on your company.'" (SW4 – R1)

For SO3, the respondent was Head of Marketing, the first to hold that post in SO3, who had only been appointed one year prior to the start of the project. Even though the respondent had extensive experience of working in Creative agencies prior to working for SO3, the lack of marketing focus within SO3 prior to the respondent's appointment was still causing issues, with a culture within the company that still did not appreciate the value of marketing or design at the project's outset:

"We really don't outsource anything. So this is one of the first things we've done really that hasn't been through a mate of (the MD's). Which I think is probably quite common in a lot of companies. But it's an interesting challenge to have *[laughs]*... When I joined I had big plans for who (sic) I was bringing in to do what. Not a chance, but one day we'll get there. Yeah, this has really been the first project we've outsourced. And I've not even bothered showing anyone the breakdown of the costs because they won't understand them; they'll just be like; 'What, could you not do that in your lunch hour?'" (SO3 – R1)

The only SME with a long history of marketing focus was SW1. One of the current owners had an extensive background in marketing and sales before purchasing the company 11 years previously and brought this focus into the company. Prior to this project, three websites had already been set up for marketing and e-tail of various aspects of the company. This project was to create a fourth website for a new venture and was part of a strongly defined business and marketing strategy. However, despite this level of knowledge, which meant that C2 did not have to draw out customer knowledge or educate SW1 on visual language or marketing, the relationship with C2 remained a collaborative one, with C2 offering insights into ways that the website could be linked into SW1's administrative systems, streamlining the purchasing process and significantly reducing costs.

These responses, with the exceptions of SO3 and SW1, suggest that the customer knowledge landscape of the participating SMEs is very similar to that of the participating Micros, with customer knowledge placed in Peripheral Consciousness, as marketing does not appear to be considered of any importance.

### **7.3 Expectations of Knowledge from the Creative**

Unlike the Micros in Chapters 5, 6 and 7, where the poor awareness of customer knowledge and lack of visual skills were recognised from the start and steps were taken to counter this, the pattern was not as consistent for the larger SMEs. In some cases, the expectation of the SME knowing about the design process led to the initial briefs being accepted without exploration and a failure to educate the clients in visual language. This expectation of knowledge often proved in hindsight to be unjustified. There seemed to be two factors affecting this: firstly, the size of company that the Creative was used to dealing with, and secondly, the quality of the brief that was presented to the Creative.

### 7.3.1 Creatives Used to Large Companies

If the Creative was more familiar with dealing with large clients who had dedicated marketing departments, the tendency appeared to be to take the brief presented by the less knowledgeable SME at face value. This was seen in MO6, a Micro with a PR project (Section 7.1), MO1, a Micro with a branding project and SW4, an SME with a website project.

As C9 noted of their interactions with MO1:

“I think we probably haven’t been very good at having that conversation with (MO1), because we’re so used to... all the other clients that we’re working with, we’re dealing with the marketing department within a company, whereas (the owner) is the only person in the company.” (C9 – R1)

Failing to dissect the brief at the start led to problems later on, particularly as C9 were used to working in only one market and so were not visually multi-lingual, which resulted in branding which was targeted at 18-30 males who enjoyed a night at the pub, when the product was for middle-aged women who treated themselves with luxury products. This issue was identified by a Project Manager at C9, who was brought into the project near completion, and had to rectify the situation:

“I think he possibly sees it more as just design as opposed to any marketing behind it, and he maybe doesn’t have much of an understanding of the role of marketing and what it can do for him. And so I think he’s just looking at it from the point of view of, ‘Do I like the way it looks once it’s been designed?’ as opposed to, ‘Will my target audience like the way it looks and therefore will they want to buy this product?’” (C9 - R1)

“I think that’s one of the things that we’re not very aware of to be honest ... because we as a company, we’ve worked predominantly in the leisure industry and alcohol industry, and the products that he’s dealing with, like beauty and skincare products, it’s not something that we’ve got a great deal of experience of.” (C9 - R1)

“We’ve already started working on (his product) range and I’m working... on understanding who the target customer is... and when we went back to him and were discussing that with him, he couldn’t grasp it. So I think he struggled to get to grips with that understanding.” (C9 – R1)

This resulted not only in completely revised branding but also a new name for the product, requiring further expense on trade-marking.

SW4 experienced different issues because of C16’s assumptions about SW4’s knowledge. Like C9, C16 were more familiar with dealing with larger companies, working only rarely with SMEs and Micros and feeling that:

“A lot of the smaller companies don’t even know what they want, do they, so trying to get a brief is impossible and trying to take out of their head what they’re thinking when they can’t communicate it to you is hard work.” (C16 – R1)

Unlike the Creatives in the previous chapters, SW4 did not have an informal questioning system as part of their process, rather they used an interview template:

“...off the internet. I think it was free to download initially but we’ve developed it from that, and it’s great. It’s a really great way of just finding out absolutely everything.” (C16 – R1)

C16 relied on their clients filling in this template fully and accurately and used the responses to create the brief. Responses were not explored further.

Taking the brief at face-value resulted in major gaps and issues becoming apparent later on:

“We thought (the brief) was all right actually, but it’s only now when we’re nearly finishing it that we realise that they (sic) weren’t. Because when we were nearly finishing it they’re going ‘Oh no, we don’t want it like that’ or ‘No, that’s not right.’... But it was just a lot more complicated than we thought it was going to be and I think that they thought it was going to be.” (C16 – R1)

C16 then went on to comment how they had been lulled into a false sense of security by the size of the company and how it was unreasonable to expect such a lack of knowledge within an organisation of SW4’s size, but that in hindsight they should not have been so complacent and should have put time in at the start to “to make sure everything is nailed down beforehand.” (C16 – R1). There was no attempt to educate SW4 about visual language.

SW4 were also provided with a Project Management interface system so that they could keep up-to-date with progress on the project and make comments on the work that was being done. However, SW4 was not that technically sophisticated and was put off by the system provided and the language surrounding it (Section 4.3.2.1) and consequently opted not to use the system at all, instead sending a “daily email of amendments” (C16 – R1), despite C16’s repeated requests to use the Project Management system provided and repeatedly stating:

“If you send us emails every time you spot a mistake then something’s going to get lost, something’s going to go missing, something’s not going to be picked up, please just put it on a Word document because the emails are getting out of control.” (C16 – R1)

C16 did not understand that it was a lack of familiarity and technical knowledge that had caused SW4’s determined refusal to use the system and saw it instead as an example of awkward behaviour. However, despite their frustrations with their project and the communication issues, C16 worked hard to resolve all the issues arising from the initial poor brief, resulting in losses on the project, in order to maintain the relationship, something noted in Section 4.3.1.

### **7.3.2 Professionally Presented Briefs**

As noted in Section 7.1, once SO2 presented a fully polished brief, their expertise in databases was then assumed. This also occurred with SO3, although in this instance with more justification, given C17’s point of contact was experienced in marketing and design.

Although the original meeting contained the discussion and questioning observed in the Micros’ collaborations, the way that the meeting was organised, led and understood by SO3 is clear evidence of their Creative experience:

“The first time certainly, I took in my laptop and I took them through our brand to date and I took them through our website, and explained the look and the feel that the company wanted and what it is we’re trying to achieve as a whole... And they got that, they were great, they did what I want every

agency to do, they sat with their pens and they asked loads of questions and took tons of notes, and they'd say; 'So is this what you mean here?' and I'd correct things... Understanding our market, exactly who we were aiming at, the kind of customers we've got onboard at the moment, I took them through some of the jobs we do so they understood the real nitty-gritty of what we do as a company for that sector. Yeah, it was great and what was good was that after the initial meeting again they did what I hoped they would do and they followed up immediately with an email saying, 'This is what we've discussed, this is what we need you to send us, brand guidelines, that kind of thing, this is what you're expecting from us and here are the timescales'. So they were very good." (SO3 – R1)

This expertise was recognised by C17, which meant that the Creative was happy to let them take the lead and did not feel the need to educate or explain their work, being certain that it would be understood:

"She knows what she's doing so it's easy to work with someone like that... she comes to us and says look my boss really likes this... I'm not keen on it, but I have to play lip service to it. What I would like is you to design this new company logo in the style of that... then what I would also like you to do is leave that, take... some kind of element from that and develop a new style for this one, and then do something completely different. And that's great, you know, because it's easy to sort of develop. It's easy to take a step and then you get to the interesting part as a designer which is to do something completely different, you know." (C17 - R1)

C17 also commented on the fact that this was unusual for most of their clients, and that, mostly, they would have to undergo the same building process for branding development that was observed for website creation:

"If they haven't got a brief we'll develop a brief with them. We have a simple eight point brief that we send them out first and foremost, questions to answer, gets the ball rolling. Sit down and do your conversation, do your talking and then present the brief back to them for sign off. Because obviously you need something to measure against, a benchmark, 'This is what we're going to achieve, everybody happy with that?'" (C17 – R1)

"...engagement starts on the first presentation. You know, up until then they're not really, sometimes they're not sure... So the initial sort of investigation and it comes out with a, it might be a sentence or a word or a paragraph or whatever, but this in a nutshell is what we're doing and what you're about, and then these are expressions of that, do you understand. So that's when the fun starts really, and they'll go, 'Oh, I don't like orange.' 'Well, what's that got to do with it?', you know, in the nicest possible way... so that's when the dialogue starts and that's when the engagement starts." (C17 – R1)

SO3 noted that the non-engagement of their Creative was an anomaly, but was not certain whether the reason behind the 'hands-off' approach was their own expertise and that the Creative felt no need to educate them, or whether this was C17's general style.

"These guys they're not terribly good at explaining it, explaining the branding. I think they think 'She'll do it for us.' And that's something else I could do with, at first I thought 'God, is it because it's through the programme?' And then I thought 'No, because, they'll be getting paid either way.' I wondered if they'd thought we weren't as much of a priority. But I'm not sure that's what it is. (SO3 – R1)

The respondent for SO3 felt that without her knowledge the project might have experienced difficulties, given C17's opting not to educate SO3:

“I think it was probably helpful, my background, I don’t think my team out there could have really coped with the process, they wouldn’t have been aware of the process, they wouldn’t have been able to pick an agency, and they certainly wouldn’t have been able to pull together a really concise brief... I’d like to think that some of the agencies on the roster would almost take a softly, softly approach and hopefully talk people through it a bit better and maybe do a bit of hand holding... I would like to think they would have been on the phone to me quite quickly saying, ‘Right, we want to come over and see you, we are going to ask you lots of questions about the business.’ So I think that’s really important for SMEs. As it happens, I’m lucky that in a company this size we have a Head of Marketing role but a lot of companies still don’t. They have a marketing manager if that.” (SO3 – R1)

However, when C17 discussed how they worked with other clients, it was clear that their behaviour with SO3 was case specific and that with other clients who possessed less knowledge about design, they did engage in the education process explored in Chapter 6.

“Then you sort of say ‘Well, I can do it like this because it fits with that, that, that and that, and this is all the new sort of styling that’s coming through, and new sort of ideas about layout, structure and things like that, these sort of fit with that. If you do that it’s going to look out of place.’” (C17 – R1)

However, as will be explored in Section 7.4, this lack of education on the part of C17 resulted in the responsibility for transferring knowledge generated through the design process into SO3 as a whole moving to SO3’s Head of Marketing. Had the Head of Marketing not had an agenda of using this project to demonstrate the value of design to the company as a whole, then the issues caused by assumption of knowledge explored in this section may well have occurred. As the respondent noted:

“I guess in previous roles I might have just sent them on to the MD or whatever and said; ‘What do you think, this is my preference.’ Whereas I have had to go in and explain to him why each one works or doesn’t work. That’s the one downside of the agency I picked.” (SO3 – R1)

## **7.4 Transfer within the Company**

For two SMEs, SW3 and SW5, their lack of knowledge was recognised by their Creatives, C15 and C2, and the collaborative techniques observed in Chapter 7 to obtain customer knowledge and to educate the client in visual language, were also observed on these two projects. Like the Micros, the education occurred with the point of contact within the SME. However, unlike the Micros, transfer did not always cause a change within the company. For the Micros, in every case, the point of contact was the key decision maker within the company, and the small numbers within the company ensured close communication, transfer of knowledge and culture dissemination. For the participating SMEs this was not always the case.

SW3 already had strong customer knowledge, which was in their Central Consciousness, dealing with a niche sector of the market over decades. However marketing activities existed only through relationship building and generating word-of-mouth sales, and marketing materials and letterheads were created ad hoc as and when a need arose, with no sense of visual awareness or coherence. Prior to the project, a new niche area, adjacent to the one SW3 were familiar with, had opened up and the project website was being created to introduce SW3 to this new market. For the SW3

project, the key decision makers were involved in the design process, and the decision makers did gain personally from the project, gaining a better visual understanding:

“It made us think about the image we wanted to portray.” (SW3 – R4)

“(C15)’ve created a leaflet that’s based on the images in the website and the look of the website. So it’s a consistent marketed image... (before) they would have been separate [*laughter*]. It would be, ‘We need a leaflet.’ ‘Well, go and do one.’... but this one...it all reinforces the image.” (SW3 – R4)

However, there was little effort to disseminate this new knowledge into the wider community of the company. While there were intentions to revamp the original website and improve the visual presentation throughout the company, nothing had been done twelve months after the project had finished. Talking of the intention to work on the main company website:

“That’s up to the Managing Director because he’s controlling that project [*laughter*] and it’s him getting the time to do the text and the... It’s on the list of things to do. I don’t think it quite makes it high up enough at the moment, but it will be done. There are just other priorities to be honest.” (SW3 – R4)

SW5 also had the key decision makers working on the project, however their personal learning on visual language was transferred into the culture of the company, changing how all employees worked on presentation materials, from using a mascot that C2 created for them in competitions and in their mail-outs, communicating in the personality of the mascot in order to engage their customers, to having C2 revamp their logo “so it looks really, really fresh” (SW5 – R1), to replacing a lot of the text in their promotional materials and tenders with images that communicate rather than relying on text only to communicate and using images simply as pretty space fillers which they had done previously.

“The content has made us think about who we are, what position we’re in, and we’re thinking now ‘Well, we need to do marketing’.” (SW5 – R1)

Recognising the importance of marketing for their company and recognising that marketing was “a very specific skill” (SW5 – R1) that no-one possessed within the company, by the final interviews one person had been employed whose sole responsibility was working on the website and developing marketing materials, liaising with C2 for the design work. In addition, the marketing person had also introduced social media into SW5, marketing through Twitter and Facebook, as well as SW5’s website. However, despite these changes, marketing was still:

“...an additional task, and it shouldn’t be, really. I think it’s kind of one of those things, because it doesn’t impact the sales, operations and delivery, and the billing of products. It’s a bit of a shop front.” (SW5 – R4)

Sales, in this context, meant dealing with incoming sales orders rather than generation of sales. Following the hiring of a marketing person, SW5’s key decision makers, while still being involved in the overall marketing strategy, had also become more hands-off with basic elements. When asked about the customer response to the website, the Operations Manager answered:

"I've kind of just left... the marketing person, running that, and not really looked at all the comments that we've had. I'll have to go and log on and have a nosey!" (SW5 – R4)

For SW4, the website had little impact on the business, partly because their customers were unwilling to change:

"I get the impression that if it wasn't there they wouldn't mind but they don't mind taking a look because it is there. I don't think we'll ever get or not in the near future, I don't think we'll ever get our customers to switch. They like the hard copy with the catalogue which we still do." (SW4 – R4)

And partly because the company itself was unwilling to change:

"...it doesn't help that we're also a bit stuck in our ways." (SW4 – R4)

The respondent for SW4 also discussed the difficulties of generating support within the company:

"It's trying to drag everybody else along and they don't always wanna come along for the ride do they?... We will get there. It'll probably take a few years." (SW4 – R4)

At the time of the final interview, however, rather than using the website as a promotional tool to reinforce relationships with old customers and establish a relationship with new customers, the website was used rather:

"... to put people off as well [*laughs*] you know with the obvious time wasters. We say, 'Oh well, yeah, if you just go onto the website and you can download everything from there' instead of - 'cause our catalogue can - I think it's about £3 postage for each."

This attitude was very different to that of the respondent for SO3. Prior to the project, the attitude within the company to design and marketing was:

"'Okay, we'll have a go', and nobody really challenged that before... and things were cobbled together very quickly and then ta-da out to market." (SO3 – R1)

Trying to change this attitude was something that the respondent:

"...had to work very hard at over the last year saying to people, 'Stop, let's sit down, what are we actually trying to get from this campaign or from this logo or from this initiative?', and that hadn't really happened before so it's a bit of an uphill struggle...it was all knee jerk. 'We want this, so let's go out and do it now, just quickly cobble something together'." (SO3 – R1)

However, as management was highly resistant to contracting out, there were no examples of strong graphic design for the respondent to use as part of the education process, and so, prior to the project, the respondent was stuck in a Catch-22, needing the work of a professional designer to persuade the decision makers at SO3 that in-house work was not adequate, but unable to get the budget for outsourcing because the decision makers strongly believed the in-house work was acceptable and outsourcing was not worth the expense. This was exacerbated by the fact that the MD saw themselves as a creative person in their own right, despite only being visually responsive:

"There are some things that he says; 'I just love this, can we not create something?'. He came up with an idea recently for this project actually, 'What I think we could have all these jelly baby type figures in it', and I just had to bite my tongue and eventually I thought, 'No'. And I said, 'Have you any idea how many times this has been done?'. I said, 'It's so dated it's been done everywhere, we are not having that'. And he said, 'Oh. I like it.'... But does it work for the business? It's not having that kind of bigger picture approach to the visuals." (SO3 – R1)

The funding for this project provided the respondent with the opportunity to break this loop by reducing outsourcing costs dramatically. The respondent saw the project as an educational opportunity and a chance to change the thought-world of the key decision makers within SO3, particularly the MD:

“It’s hopefully going to get the whole management team, sort of try and involve them in the process and get them all excited about it, and it’s very much about getting them to buy into the idea of sometimes you outsource and whilst 1200 quid whatever might seem like a lot of money for a logo, this is something... that is representing your company, it’s talking to your customers... that is how we want to be seen in that particular sector so we want them to realise that there is some value in that.” (SO3 – R1)

Despite the lack of educational support from C17 (Section 7.3.2), the Creative, the respondent took over their role, explaining the designs to management, using the same visual training within SO3 that other Creatives were observed doing with the Micro participants (Sections 5.3.2, 5.5.2).

“When I got the first stage visuals back for one of the logos and I just laid them out on the board table here, I said, ‘Right come in Monday lunchtime and we’ll have a look at them’ and they were all like ‘Ooooh, look at this’. And to me it was just a logo on a page, but the fact it was all laid out nicely, they said; ‘Oh cool, how did they do this then, could you not do this?’ ‘No, I couldn’t because I’m not a graphic designer’. So for them to see how professionally it’s been put together has been really good.” (SO3 – R1)

“What was really nice was quite a few of them leapt towards having some strong green branding in there, whereas some were just saying; ‘I like that one’, and funnily enough it was a different kind of logo, but it was orange and blue and I was thinking, ‘Well you like it because it’s what we have at the moment and it’s what you’re used to and you’re comfortable with.’ I like the fact that we’re moving towards green because when I asked them about it and I said, ‘What do you like about that one?’ they said; ‘Well, it’s that whole green kind of environmental type feel’, and I was thinking, ‘Yes’, because every time you do a tender for public sector they want to know about your environmental policy. So if they were kind of recognising that...” (SO3 – R1)

This educational work paid off, improving the decision makers’ understanding of visual language and altering the culture towards design within the company:

“In general, we’re now spending money outsourcing to professional creative companies and before that was a real struggle internally. It was a bit of a false economy to be honest. A lot of time was spent creating concepts and artwork ourselves in house using limited knowledge and skills and there’s a definite understanding there across the business that certain creative tasks should be outsourced to professionals and whilst, initially, the cost might be a little bit overwhelming to look at, when you think about the time and the resource that is no longer being spent in those areas internally, it really does make sense to do things that way... It’s really changed the mindset internally here which has been fantastic for me!” (SO3 – R4)

This change in culture was more dramatic than the respondent expected:

“I hoped for it. I knew that some people would go that way. I didn’t realise that our senior managers would just get it so quickly and say, ‘Do you know what, doesn’t this look so much better?’ and I didn’t expect us to be able to outsource so much following that project, so it’s just fantastic having a design consultancy.” (SO3 – R4)

The respondent for SO3 had built upon the change in culture by encouraging the management team to become more hands-on with the outsourced Creatives, using the Creatives to continue the visual education she had begun:

“I know people have been very surprised by in terms of the creative concept, the initial creative concept and it’s good experience for the team. I’ve been able to involve different people across the management team to work with these freelancers as well so that’s again a first for them so they’re learning that and I guess adding a string to their bow internally as well with regards working with external agencies... They’ve built those relationships up now with the creative freelancers that we work with and it’s really important that they maintain them.” (SO3 – R4)

This change in culture had led to a complete overhaul of all visual material within SO3 from re-doing letterheads and brochures to provide one clear consistent brand across the company to a full re-design of the website. This change of visual appearance that occurred after the project was completed appears to have had a positive effect on sales, although other factors cannot be ruled out. While the quantitative survey six months after the end of the project reported no change in sales, the final survey six months later reported an increase in sales of 1-9% and a more than doubled turnover from the start of the project (Table 7.5).

## 7.5 Other Design Projects

Video, PR, e-marketing and database design all had a technical rather than a visual design focus, and in the cases who participated in the final interviews (MO2, MO6, SO1, SO2), the Creatives presumed that their clients had sufficient knowledge prior to the project and would not need further input to enable a successful project. This resulted in the collaboration becoming transactional with a brief provided at the start of the project and a product delivered at the end of the project. Meetings were used to check-off milestones rather than to develop a stronger relationship. In all cases, this led to failures of the projects, some more significantly than others.

MO2, who had no marketing knowledge or experience, did not utilise the video as the marketing tool it was intended for and simply let it sit on the website. This was exacerbated by financial difficulties they were experiencing, resulting in a fire-fighting mentality.

“I think I should have utilised it a bit more but again it’s still something I could do in the future.” (MO2 - R4)

SO1 did not get much out of the project and did not see results from the e-marketing, which they blamed on the recession. SO1 regretted not getting more involved from the project from the start:

“I think I might have prepared myself better for when we did have... I perhaps could have orchestrated things better. I sort of trusted in them to do more... to do it all really, if I’m honest, perhaps because I was busy with other things, but really I wish I’d sort of prepared for it better, then I probably would have got a bit more out of them...or certainly it would have gone in the direction I wanted it to go in more...I was a bit hands off, I should have been more hands on, I think.” (SO1 – R4)

MO6 was considered to have experience in marketing and PR by their Creative and so when the Creative received the brief, they simply acted on it. Interestingly, the Creative considered the project a success:

“... it grabs everyone’s interest and we’ve had an ROI of 14 to 1 and had £72,000 worth of national coverage which are great stats for us.” (C13 – R1)

While MO6 considered the project a major failure:

“Really what (C13)’s focus was based on giving freebies in return for getting coverage, which really that is no way to drive forward...We actually dropped in sales on the previous year, which obviously is not very good really. You would expect that, with experienced PR people, that you would get better but obviously that wasn’t the case.” (MO6 – R4)

SO2’s project resulted in a database incompatible with their systems. Prior to the project, SO2 had researched databases, having no other prior knowledge, and had become sufficiently familiar with the terminology to enable them to give a polished brief that the Creative took at face value, trusting in their expertise. This resulted in a failure to ask the questions that would have revealed the incompatibility issue. Consequently, to solve the issue the Creative was forced to offer hosting for all SO2’s systems on their platform to enable the database to function, a solution SO2 was very unhappy about. However, when the database, which was strategically planned, was implemented, it did have a positive effect on SO2’s turnover.

## **7.6 Beyond Micros and Websites – Summary**

1. As noted in Section 7.1, data in this chapter was not collected to saturation and so can only be used as potential indicators rather than a source of definitive theory.
2. Branding, with its elements of visual design and marketing, is the Creative area that has most similarities to websites in terms of project requirements (Section 7.1).
3. As can be seen from Table 7.4, engaging in projects other than websites or branding appear to have little effect on the knowledge landscape, although other factors such as expectations of knowledge by the Creatives (Section 7.4), and resistance to learning (Section 5.4.1.2) also featured in these collaborations.
4. The knowledge landscape of the non-Micro SMEs appears to be very similar to that of the Micros (Chapter 7), with the exceptions of SW1 and SO3, who both had marketing departments and were familiar with design work (Section 7.2).
5. While the Creatives were mostly aware of the Micros’ lack of knowledge regarding design and developed educational methods to resolve this (Chapter 6), this was not always true of the Creatives working with the SMEs (Section 7.3). Two reasons emerged as to why Creatives might not expect a knowledge gap. Firstly, if the Creative was used to working with experienced larger companies with a marketing department and took the assumption that their SME (SW4) or Micro (MO1, MO6) clients possessed the same level of knowledge as their usual client base (Section 7.3.1). Secondly, if a well-researched and professional brief was presented to the Creative (SW1, SO2, SO3) (Section 7.3.2).
6. For SMEs, the transfer of knowledge within the company was not as straightforward as with the Micros, requiring an intent of transfer by the knowledge recipient to create the longer term culture changes that were observed within the Micros (Section 4.4, Chapter 6).

The issues outlined above may be the reason that the non-Micro SMEs as a group, with the significant exception of SO3 (Table 7.5), did not demonstrate the significant benefits that the majority of the Micros undertaking websites did (Table 5.3).

	MO1	MO2	MO6	SO1	SO2	SO3
Creative Partner	C9	C10	C13	C7	C14	C17
Project	Brand	Video	PR	e-marketing	Database Design	Brand
Build Ba	No	Partial	No	Yes	No	No . But built within SME later
Open to Learning	No	No	Yes	No	Yes	Yes
Tangible Product	Incorrectly targeted initially, needed redirect	No effect on customers	Increased costs with no sales generated	No effect on sales	Incompatible with SME's systems Functioned well after hosting provided by Creative	Positive customer response
Initial Turnover *	£ -	£33k	£150k	£4 m	£160k	£6.2 m
Final Turnover *	£50k	£232k	£200k	£3.6 m	£250k	£14 m
Rise in Sales *	Fallen >20%	Fallen 10-19%	No change	Fallen >40%	20-39%	>1-9%
Improved Marketing Strategy	Yes (after Project Manager involved)	No	No	No	N/A	Yes (Within SME)
Improved Knowledge of Design Process	Yes	No	No	No	No	Yes (Within SME)
Improved Visual Language	Yes (after Project Manager involved)	N/A	N/A	N/A	N/A	Yes (Within SME)
Improved Confidence in External Profile	Yes	No	No	No	N/A	Yes
Improved Confidence in Design Offering	Yes	Yes	No	Yes	Yes	Yes
Improved Confidence in Innovating*	Yes	No	No	No	No	No
Improved Strategic Focus*	Major – Marketing, Strategic Mgmt., External Comm. Minor - New Product, Design	Minor – Marketing	Major – Marketing, Strategic Management Minor – All other areas	Major – Strategic Management Minor – Marketing, Admin., Internal & External Comm.	No changes at all	Major – Design  Minor – New Product, External Comm.

\* Denotes results from Quantitative Surveys

**Table 7-4 Overall Results from non-Website Projects (author)**

	SW1	SW3	SW4	SW5	SO3
Creative Partner	C2	W2C6	C16	C2	C17
Project	Website	Website	Website	Website & Brand	Brand
Build Ba	Yes	Yes	No	Yes	No . But built within SME later
Open to Learning	Yes	Yes	No	Yes	Yes
Transfer within Company	No. Already knowledgeable.	No	No	Yes	Yes
Tangible Product	Increase in Sales for website area	Positive Customer Response	Customers won't use website	Positive Customer Response	Positive customer response
Initial Turnover *	£2.7 m	£12.5 m	£5 m	£4.5 m	£6.2 m
Final Turnover *	£2.5 m	£12 m	£3.6 m	£5 m	£14 m
Rise in Sales *	Fallen 10-19%	>1-9%	No response	Fallen 1-9%	>1-9%
Improved Marketing Strategy	Yes	No	No	Yes	Yes (Within SME)
Improved Knowledge of Design Process	No. Already knowledgeable.	Yes	No	Yes	Yes (Within SME)
Improved Visual Language	No. Already knowledgeable.	Yes (within respondents)	No	Yes (Within SME)	Yes (Within SME)
Improved Confidence in External Profile	Yes	Yes	No	Yes	Yes
Improved Confidence in Design Offering *	Yes	Yes	No response	Yes	Yes
Improved Confidence in Innovating*	Yes	Yes	No response	Yes	No
Improved Strategic Focus*	Major – Sales, Design, External Comm. Minor - All other areas	Major – External Comm. Minor – Sales, Admin., New Products, Design, Internal Comm.	No response	Minor – In all areas	Major – Design  Minor – New Product, External Comm.

\* Denotes results from Quantitative Surveys

**Table 7-5 Overall Results from non-Micro Website and Branding Projects (author)**

## 7.7 Conclusions

The purpose of this chapter was to compare the findings from the core research to findings from SME and non-website projects to identify similarities and differences. What was discovered was that the differences in process were significant, creating barriers to Bi-Modal Knowledge Transfer (Table 7.3). For the majority of the outlier group the Creatives assumed levels of knowledge that were not there and so did not engage in Bi-Modal Knowledge Transfer as identified. Where Bi-Modal Knowledge Transfer did occur there remained barriers around the transfer of knowledge within the larger company.

What Tables 7.4 and 7.5 show is that those companies who did not undergo Bi-Modal Knowledge Transfer, the majority of the outlier group, did not experience the same benefits as those in the core

group (Table 5.3). This can only be taken as an indicator of causality, however, rather than a definitive conclusion as there was not sufficient data collected for saturation.

These differences in how the Creatives worked with the SMEs as compared to how they worked with the Micros indicate there is another difference due to the size of the company that was not identified within the initial literature review. The literature located focused on the way the smaller company acquires and utilises knowledge in comparison to larger organisations, which agrees with the findings on diffusion within the company. This data indicates that how the sender perceives the company also has a bearing on the knowledge transfer, with assumptions of knowledge held rising as the size of the company grows. Given that Simmons et al.'s work (2008, 2011) focuses on small and medium companies rather than Micros, this could explain why the conclusions they came to in their research, that the SME needs to bring their own customer knowledge and eVision to the table and that the Creative should not contribute, differ so completely from the core findings in this thesis. While the data is insufficient for saturation, the findings do suggest that the Small and Medium SMEs are hampered by the Creatives' false assumption of knowledge based on the size of the company and the brief presented, and so unless they declare their ignorance, which they may not be aware of, will not derive any benefit from the Creatives' understanding of communicating with customers or skill in communicating visually. Worse, unless their customer knowledge and eVision is strong, essentials according to Simmons et al. (2008, 2011), the Creatives will end up designing the wrong thing for the wrong target market and the website will fail, or worse, do damage to the company's external profile.

The next chapter, Chapter 8 is the final, main literature review, which, in GTM, occurs at the end of the research process after the analysis is considered complete and the initial write-up has been done (Glaser 1978, Glaser, 1998, Strauss, 1987). This review is directed by the findings of the research partly to help place the research and identify where the research extended or filled gaps in the literature and partly to help bring coding in line with academic terminology, for instance, the Automatic and Unconscious knowledge placement codes in the Knowledge Placement Model (Sections 6.3.4, 6.3.5).

## Chapter 8 - Final Literature Review

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### 8.1 Introduction

As was noted in Chapters 2 and 3, unlike the majority of research methodologies, in GTM, what might be considered the traditional literature review occurs at the end of the process after the analysis is considered complete and the initial write-up has been done (Glaser 1978, Glaser, 1998, Strauss, 1987). This final literature review, as well as placing the research in context and identifying where the research filled gaps in the literature, also serves a second role as data collection. In this data collection role, codes that have been identified during the research are compared to what is already extant in the literature.

This enables codes to be refined into a more concise definition, such as 'Phronesis', which encompasses a number of codes such as 'Marketing strategy -customer-oriented', 'Confidence – external business profile', 'Presentation', 'Marketing' and 'Customer Knowledge'. It also helps to connect the research more tightly to the literature by identifying terminology in use in the literature that can be related back to the research. The key example of this is 'Ba', which became core to the coding as 'Building Ba and Knowledge Transfer'. For clarity, the refined codes have already been used in the descriptions of the findings in chapters 4-7.

In order to show how the final literature review helped finalise the codes for the research, and how these codes then directed the more traditional-style review, this chapter begins with a section on using the literature to refine the codes, before progressing to the more standard format of a literature review, which begins with introducing the knowledge transfer literature, providing a broad overview of, and historical background to, the knowledge transfer literature that formed the core of this research. The succeeding sections examine the literature directly related to the research findings in more detail, exploring how 'Bi-Modal KnowledgeTransfer' relates and contributes to the literature, particularly literature that connects to 'Building Ba' and 'Awareness of Knowledge Transfer', before discussing literature relating to 'Changes in Knowledge Landscape', particularly literature that connects to 'Placement of Knowledge' and 'Knowledge Transfer Outcomes'. Then, after providing a brief summary of the chapter, the conclusions identify the literature gaps that this research claims to fill and discusses how the findings from this research contribute to the literature as a whole.

### 8.2 Using Literature to Refine Codes

There were eight codes that emerged from the final literature review that connected the research more closely with extant literature and allowed for a refining and simplification of codes that had emerged from the data. These were :

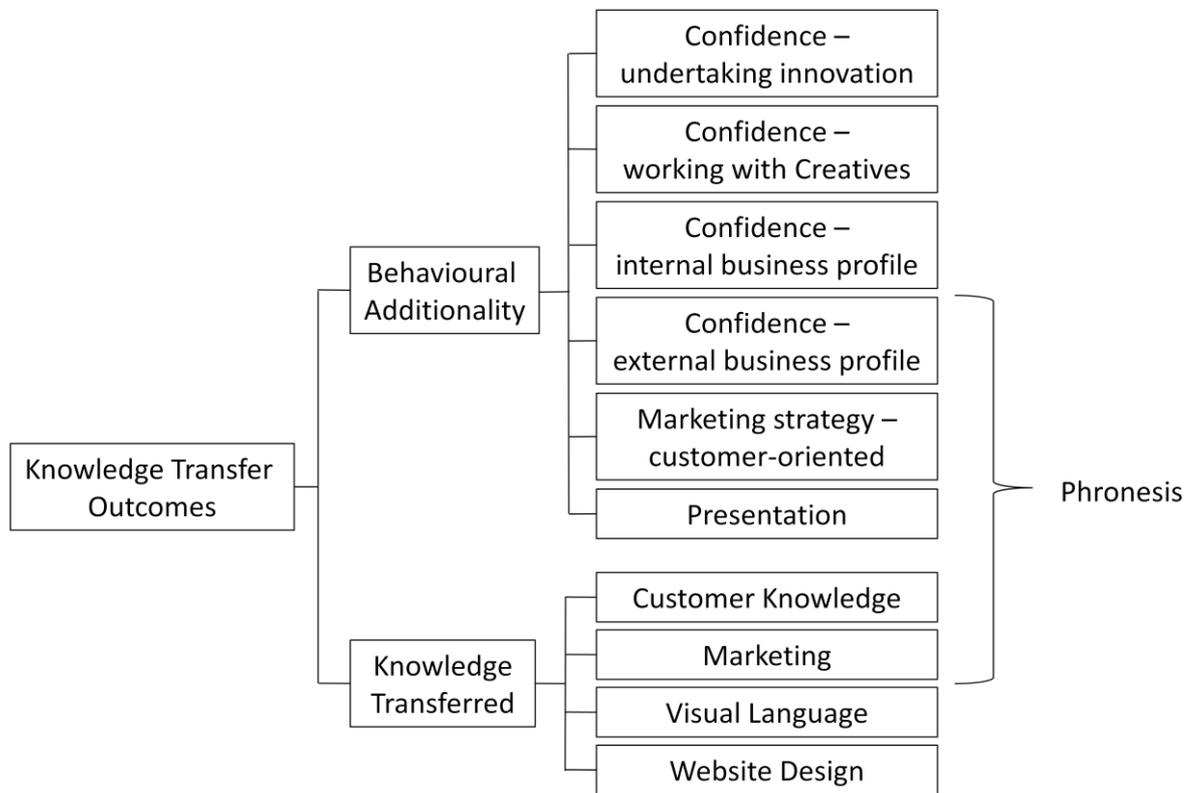
- 'Building Ba'
- 'Benevolent Trust'
- 'Behavioural Additionality'
- 'Phronesis'
- 'Schemata'
- 'Potential Knowledge'
- 'Automatic Tacit Knowledge'
- 'Unconscious Tacit Knowledge'.

This section identifies the areas of literature that they emerged from and examines why these codes were needed to complete the understanding of what was observed during the research. The full exploration of the literature identified will occur later in the main body of the chapter.

'Building Ba' proved core to the research, not only forming part of the key code for Chapter 5 - 'Building Ba and Knowledge Transfer', but also being a code in its own right, a building block of 'Bi-Modal Knowledge Transfer'. During the research it had been identified that while there were initial issues with communication and understanding, the Creatives worked to overcome these through developing a familial relationship with the Micro in order to build trust, drawing out customer knowledge from the Micro and educating the Micro in visual language to build mutual understanding, and developing a style of knowledge transfer that kept the Micro unaware in order to maintain the communicative space they had created that used the familial relationship as a basis. This building and maintenance of a communicative space, with its foundations of trust and mutual understanding proved difficult to code succinctly until the final literature review, when research into Nonaka's work, extending the initial literature review coding on the SECI cycle, located the concept of 'ba', a shared communicative space. In Nonaka and Konno's (1998) paper that introduces the concept of 'ba', 'ba' is defined as "a shared space for emerging relationships. This space can be physical... virtual... or mental..., or any combination of them... (*that*) provides a platform for advancing individual and/or collective knowledge"( Nonaka and Konno, 1998, p. 40). While this literature is not strictly part of knowledge transfer literature, rather part of knowledge creation literature, the definition of and the literature on 'ba' resonated very strongly with the phenomenon observed between the Creatives and the Micros. Therefore the process of building a communicative space and engaging in knowledge transfer to strengthen that space through improved understanding became 'Building Ba and Knowledge Transfer', and the activity of establishing and maintaining a familial relationship and trust to create a communicative space became coded as 'Building Ba'.

'Benevolent Trust' emerged from the literature on trust. In the initial literature review, trust, normally identified as trust in ability (Cohen and Levinthal, 1990, Szulanski, 1996), had emerged as the key to effective knowledge transfer. However, it was clear from the data that while there was no initial trust in ability, there was trust built through the Creatives establishing a familial relationship. Further reading on trust in knowledge transfer revealed papers such as Mayer et al. (1995) and Ko (2010), which discussed the concept of trust based on liking the person, 'benevolent trust'. This matched the trust based on the familial relationship that was observed in the data.

As was discussed in Chapter 4, there were a number of changes of behaviour that were observed in the research that could be attributed to engaging in the project. While ‘Behavioural Changes’ was an adequate code to use, it was considered to be highly possible that there was already a term within the literature that applied. The term ‘Behavioural Additionality’ was located within policy research literature and directly describes behavioural changes due to an intervention, in this case the collaboration between a Creative and a Micro.



**Figure 8.1 Knowledge Transfer Outcome Code Tree (author)**

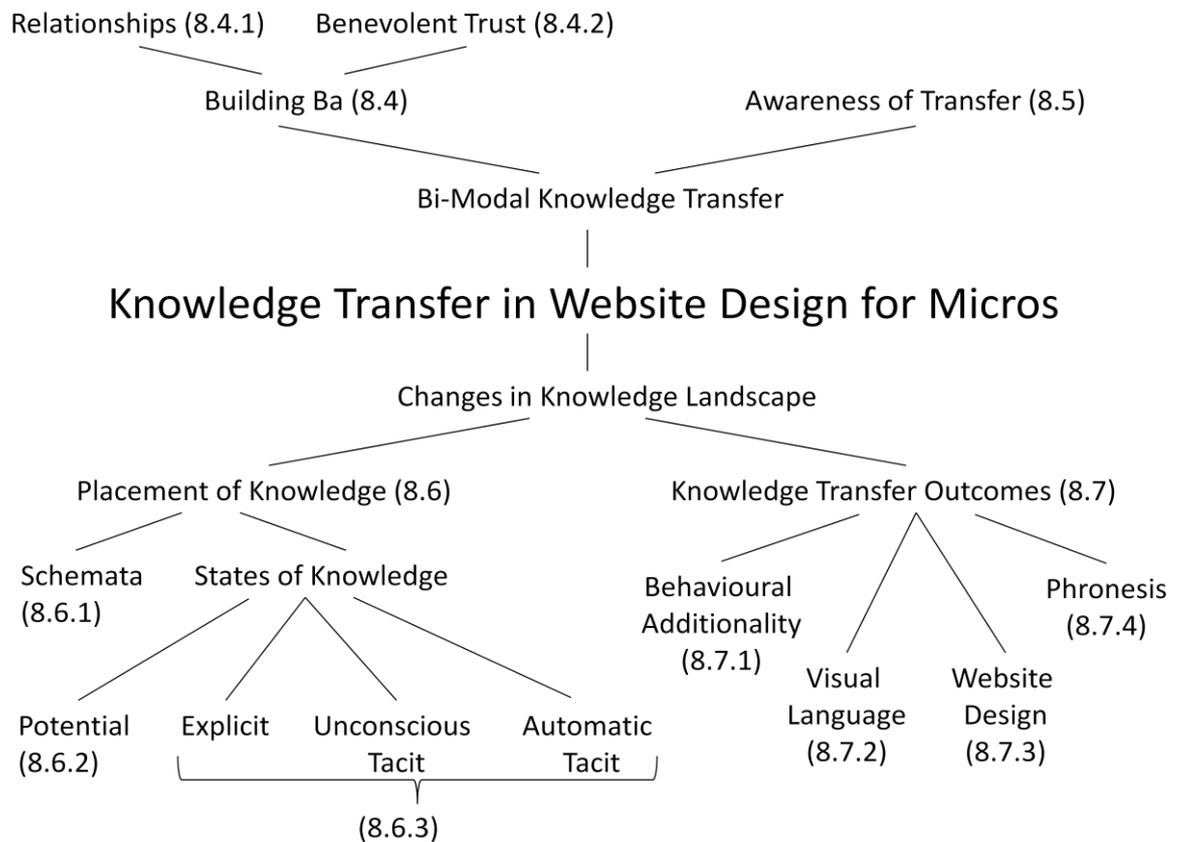
During the literature research on Nonaka’s work, which led to the identification of ‘ba’, there was another term that chimed with the ‘Knowledge Transfer Outcomes’ findings from the data, ‘Phronesis’. In Nonaka and Toyama’s (2007) paper on phronesis, phronesis is defined as “the ability to understand and bring to fruition that which is considered good by individual customers in specific times and situations” (p.378). Further reading of literature on phronesis identified that phronetic ability is linked to effective, intuitive business strategy and that working on creative projects enhances phronetic ability. This definition bore a strong correlation to codes that emerged through the data collection and analysis from the Knowledge Transfer Outcome code tree (Figure 8.1), under ‘Behavioural Additionality’: ‘Confidence – external business profile’, ‘Presentation’, ‘Marketing strategy -customer-oriented’ and under ‘Knowledge Transferred’: ‘Customer Knowledge’, ‘Marketing’. Accordingly these terms were combined under the code ‘Phronesis’ for the final literature review.

In the initial literature review, knowledge was defined as the conversion of information into usable decision making potential through the ability to interpret it and the intention of the user (Beijerse,

2000, Morton, 1997). However, what was observed through the data was that while the customer knowledge held by the Micros had 'usable decision making potential', at the start of the process, at some level the Micros were deciding not to use this knowledge. Performing a literature review on this phenomenon at the end of the analysis revealed a large body of work, schemata literature, discussing this categorisation of held knowledge into 'useful' and 'not useful' for decision-making. This 'schemata' code fed back into the understanding of how knowledge is placed in the consciousness.

Finally, the research examined literature that could identify whether the knowledge placement phenomenon observed through the data was already known in the literature. From the initial literature review, a wide body of literature on tacit and explicit knowledge had been identified, which suggested there would at least be some papers on knowledge that related to the position of knowledge within the consciousness, beyond the conscious/unconscious split of explicit and tacit knowledge. For the variation in tacit knowledge that had been observed, 'knowledge observable through behaviour but only articulatable through prompting', as opposed to the 'unarticulatable knowledge, only observable through behaviour' seen in the literature, Baumard's (1999) book provided the answer, introducing the concept of 'Unconscious Tacit Knowledge' that described what was observed and 'Automatic Tacit Knowledge' that described the common tacit knowledge literature definition. Further research demonstrated that this tri-partate classification of knowledge is gaining traction and models relating tacit knowledge to placement within the consciousness emerged. One such (Edwards, 2008) provided the foundation for the Knowledge Placement Model presented in Chapter 6. From various strands of literature, such as schemata and accidental learning, knowledge that was defined as 'having the potential for decision making but not currently in use' was identified. Two terms were used – 'latent knowledge' and 'potential knowledge'. However there were several definitions of 'latent knowledge' within the literature which could lead to confusion, so the term offered by Day (2005) of 'potential knowledge' was selected to cover knowledge that is held but considered irrelevant.

These codes were incorporated into the axial coding already done on the main body of the research and the resulting Mind Map of codes (Figure 8.2) was then used to direct the final literature review. 'Ba and Knowledge Transfer' was dropped for the sub-code of 'Bi-Modal Knowledge Transfer' as this distinctive process was considered core to the research along with 'Changes in Knowledge Landscape'.



**Figure 8.2 Mind Map to Identify Connections Between Significant Codes used to direct Final Literature Review (author)**

### 8.3 Overview of Knowledge Transfer

As Nonaka and Toyama (2007) and Baumard (1999) note, although Knowledge Management as a research field is considered new, knowledge and the nature of knowledge has preoccupied scholars for centuries, from the Greek scholars onwards. The Ancient Greek philosophers used multiple terms to describe different aspects of knowledge including episteme – scientific knowledge, techne – skills based knowledge or craftsmanship, phronesis – practical knowledge, the ability to spot opportunities for the common good and métis – strategic cunning, in their debates on the nature of knowledge (Baumard, 1999). Psychologists such as Freud (1960) discussed the concept that our actions are governed by the subconscious, using knowledge and beliefs we are not aware of. Ryle, the philosopher (1945) introduced the concept of knowledge being divided into ‘knowing what’ (explicit) and ‘knowing how’ (tacit), with Polanyi (1958, 1964, 1967, 1969) elaborating on the idea, exploring the conscious and expressible (explicit) and the unconscious and difficult to express (tacit), two halves that blended into one whole.

In the field of business research, however, the field of knowledge research is a much more recent phenomenon (Nonaka and von Krogh, 2009), with the papers by Teece (1981, 1982) and Nelson and Winter (1982) leading to the later establishment of the field in the late 1980s (Serenko and Bontis, 2013, Edwards et al., 2009, Nonaka and von Krogh, 2009). With the recognition of the value of

knowledge in a business context (Winter, 1987), research around Knowledge Management and related fields such as knowledge transfer and knowledge creation, began to expand rapidly (Serenko and Bontis, 2013, Edwards et al., 2009, Nonaka and von Krogh, 2009). The vast body of this work relates to knowledge within organisations and inter-organisational knowledge transfer, with little on SMEs (Chen et al., 2006, DeSouza and Awazu, 2006, Hutchinson and Quintas, 2008) and even less on Micro organisations (Panagiotakopoulos, 2011, Devins et al., 2005). Accordingly, while the papers on SMEs and Knowledge Management recognise that there are differences between Knowledge Management in organisations and SMEs, particularly in regards to the level of formality (Bishop, 2012, Hutchinson and Quintas, 2008, Devins et al., 2005) and these differences are magnified the smaller the organisation becomes (Bishop, 2012, Devins et al., 2005, Chen et al., 2006, DeSouza and Awazu, 2006) (see Section 2.5.2), there are still sufficient similarities to use Organisational Knowledge Management as a base for the literature review, focusing on those areas which bear most similarity to a Micro organisation's profile.

Initially, the business research in knowledge management focused on explicit knowledge that could be easily identified and formalised into manuals and IT programs, known as Technology Knowledge Management. This literature saw knowledge as an object (Edwards et al., 2009, Nonaka and Peltokorpi, 2006). However, around the mid-nineties the focus changed and People Knowledge Management emerged (Edwards et al., 2009). This research saw knowledge as a process and focused on people and not just the information that they possessed and recognised individual as well as organisational influences (Edwards et al., 2009, Nonaka and Peltokorpi, 2006). The importance of trust, beliefs, relationships and mutual languages became a key theme (e.g. Brown and Duguid, 1991, Szulanski, 1996, Szulanski et al., 2004, Cohen and Levinthal, 1990), particularly in the inter-disciplinary knowledge transfer and Communities of Practice (CoP) literature (Nonaka and Peltokorpi, 2006, Edwards et al., 2009). This recognition that knowledge is subjective to the worldview of the individual or thought-world of the CoP – their belief systems and their interpretive schemes, created a more complicated paradigm that does not allow for the universal answer that is the goal of most positivist business researchers (Brown and Duguid, 1991, Dougherty, 1992, Leinonen and Bluemink, 2008). CoP bear a strong resemblance in identity and behaviour to that of Micro organisations, each Micro being their own CoP thought-world (Devins et al., 2005).

Around this time, Kogut and Zander (1992) introduced the concept of tacit knowledge into business literature, but it was Nonaka and Takeuchi (1995), in their iconic book on knowledge creation, that brought tacit and explicit knowledge into prominence in the Knowledge Management field. This moved the research paradigm again, from exploring articulatable knowledge to exploring knowledge that could only be identified through indicators such as actions or metaphors (Nonaka and Takeuchi, 1995). Nonaka and Takeuchi (1995) identified in their book a mechanism for collecting tacit knowledge from the individual and converting it into new explicit knowledge that could then be

formalised and embedded within the organisation – this was the SECI cycle (Section 2.3.2). The literature that evolved from this recognised that more value could potentially be generated from tacit knowledge than explicit, if the tacit knowledge could be moved to an explicit form (Serenko and Bontis, 2004, Serenko and Bontis, 2013, Nonaka and Peltokorpi, 2006). The issue was the difficulty in achieving this, something discussed in detail in Szulanski's paper on sticky knowledge (Szulanski, 1996), which discusses the difficulties of knowledge transfer, both in the explicit and the tacit form. Szulanski (1996) and others (e.g. Nonaka, 1994, Swart and Pye, 2002, Von Krogh et al., 2000, Baumard, 1999) recognise that the subjective nature of knowledge is even more pronounced in tacit knowledge with subconscious beliefs and interpretive schemes playing a significant part in the development, transfer and adoption of that knowledge. How to combat the issues of trust and belief through building effective relationships became a highly-debated conversation (Ko, 2010, Nonaka et al., 2000, Mayer et al., 1995), with Nonaka, Toyama and Konno championing the concept of *ba*, a communicative space existing both in the physical and mental realms (Nonaka and Konno, 1998, Nonaka et al., 2001, Nonaka et al., 2000).

Within the last six years, there has been a further change, from seeing knowledge as a static entity, to identifying it as being in flux, subject to multiple changes as external and internal factors change (Nonaka et al., 2008, Nonaka and von Krogh, 2009, Edwards et al., 2009). However as Hargadon and Fanelli (2002) posit, much as light can both be a particle and a wave, so knowledge can exist both as an artefact and a process depending on the point of observation. The target of Knowledge Management research has also reduced in size again from the macro of the organisation through the micro of the CoP, down to the individual with research now being undertaken on Personal Knowledge Management (Edwards et al., 2009).

For this research, we define Knowledge as something created out of data through the “beliefs and commitment of its holder” (Nonaka et al., 2001, p.13) “that increases an individual's capacity to take effective action” (Alavi and Leidner, 1999, p.5) and make decisions (Kantner, 1999). We define Knowledge Transfer as an intentional activity (Szulanski, 1996) by at least one party in the transfer and a dynamic process with the balance of tacit and explicit knowledge continually in flux, subject to multiple changes as external and internal factors change (Nonaka et al., 2008, Maaninen-Olsson et al., 2008). This fluid, subjective nature of knowledge better represents the Micro knowledge landscape, where their knowledge requirements are often directed by immediate issues and not long-term strategy (Chen et al., 2006, Devins et al., 2005).

Within the organisational literature there are three types of transfer considered: ‘experiential learning’ or learning by doing, ‘congenital learning’ or learning using absorptive capacity, and ‘inter-organisational learning’, where working with another organisation generates a knowledge transfer (Clarysse et al., 2009). All of these transfers can be identified through behavioural changes (Gary et al., 2012, Cohen and Levinthal, 1990, Chen et al., 2006).

When knowledge transfer is discussed, while the focus is on the process, evidence of the transfer is always included, although what constitutes evidence is not always agreed upon, particularly where tacit knowledge is involved. The majority view lies with tangible evidence such as the ability to articulate new knowledge or evidence through changes in behaviour such as strategy and decision making (Gary et al., 2012, Cohen and Levinthal, 1990, Chen et al., 2006). However changes in behaviour that enable knowledge integration, where outside expertise is integrated into the organisation, are an equally important outcome (Maaninen-Olsson et al., 2008, Edwards et al., 2003).

These behavioural changes have recently become of interest in the area of policy research, where there is a need to show that the spending on an intervention has achieved a positive result (Radas and Anić, 2013, Gok and Edler, 2012, Georghiou and Clarysse, 2006). The term coined by Buisseret et al. (1995) to identify changes in behaviour that could be linked to the intervention was 'behavioural additionality'. This term is currently used exclusively in the arena of policy research (Radas and Anić, 2013, Gok and Edler, 2012, Georghiou and Clarysse, 2006).

From the design literature, integrating the Creatives into the SMEs' skill base is likely not only to improve SMEs' knowledge of visual language and website design but also improve the SMEs' marketing skills by helping them to engage with and focus on their relational knowledge of their customers.

The Knowledge Management literature also identified another potential behavioural change. In the literature on phronesis, "the ability to understand and bring to fruition that which is considered good by individual customers in specific times and situations" (Nonaka and Toyama, 2007, p.378), the received opinion is that phronetic ability is linked to effective, intuitive business strategy and that working on creative projects enhances phronetic ability.

## **8.4 Building Ba**

"The more that trust, caring, relationships and shared commitment are developed, the more that *ba* can be generated for the benefit of the organization." (Nonaka, 2012, p.64)

As was noted in the initial literature review (Section 2.5.3), the SME's tendency is to acquire knowledge through networking and ongoing relationships rather than a deliberate intent of acquisition (Chen et al., 2006, Beijerse, 2000, Devins et al., 2005, Sparrow, 2001), with this behaviour even more pronounced within the Micro organisations (Devins et al., 2005, Sullivan and Marvel, 2011). This makes the concept of creating *ba* to enable knowledge transfer in a new relationship particularly relevant.

Von Krogh et al. (2000, p. 7) defines *ba* as "a shared space that fosters emerging relationships... such an organizational context can be physical, virtual or mental or – more likely – all three." Nonaka notes in a later paper, that the "most important feature is that the participants are sharing and building here-and-now relationships" (Nonaka, 2012, p.61). While Nonaka's focus in the literature is

on knowledge creation (Edwards et al., 2009), ba, as a concept, also has significant value in knowledge transfer. Ba is built through the cultivation of the “social capital of caring, love and trust” (Nonaka and Toyama, 2007, p.382). Ba relates more to personal knowledge or CoP than organisational knowledge, with the largest recommended group size being around five to seven people (Von Krogh et al., 2000) – the median size of a Micro company.

#### **8.4.1 Relationships**

From a process-oriented knowledge management perspective, relationships have always been seen as a key factor in knowledge transfer, particularly in relation to tacit knowledge (Cohen and Levinthal, 1990, Szulanski, 1996, Brown and Duguid, 2001). As Mercer (2000, p.8) notes “we are essentially social, communicative creatures who gain much of what we know from others”. The CoP literature is based entirely on this premise (Brown and Duguid, 1991, Lave and Wenger, 1991, Brown and Duguid, 2001), although the importance of relationships in knowledge management is not restricted to this group alone. Szulanski (1996) states that a poor or ‘arduous’ relationship is one of the key reasons for failure to transfer knowledge. Baumard (1999) notes that the most fundamental element of tacit knowledge – our beliefs – are shaped and formed through our ongoing relationships with others, not just those we have a strong relationship with but those with whom “we have only the briefest of contact with” (Baumard, 1999, p.58). Conversely, this tacit knowledge also directs our building of relationships with others (Baumard, 1999). The definition of exactly what constitutes an effective relationship for effective knowledge transfer and creation is more elusive however (Von Krogh et al., 2001), although trust and mutual understanding are themes common in the literature.

Within the website design literature, knowledge transfer and relationships are not considered to form part of the process of website design. From their review of literature on SMEs and website design, Simmons et al. (2008) concluded that input from the Creative was something to be actively discouraged and that it was solely up to the SME to bring a clear ‘eVision’ and strong customer knowledge.

#### **8.4.2 Benevolent Trust**

Trust has been a subject of discussion in regards to knowledge transfer long before Knowledge Management began as a discipline. In the literature on learning, as Morton (1997) states, it is an established belief that we accept a fact as true because we trust the source of the information. Polanyi and Prosch (1975) note that we tend to accept information presented by specialists as knowledge, not because of the quality of the information but because of our trust in their expert status. This is particularly relevant in this research as it was not known at the start whether the Creatives were perceived as experts and if so, experts in which fields of knowledge?

Trust is based on explicit knowledge and tacit beliefs that the recipient holds about the sender (Mayer et al., 1995), the more the recipient trusts the sender, the more accepting they are of the

knowledge they receive (Szulanski et al., 2004, Morton, 1997, Tsai and Ghoshal, 1998) and the less vigilant they become about the quality of that knowledge (Webb, 1996). Trust also improves co-operation and helps to establish a stronger ongoing relationship (Dirks and Ferrin, 2001, Kramer, 1999, Tyler and DeGoe, 1996).

Mayer et al. (1995) introduced the concept of three dimensions of trust – ability, integrity and benevolence. Ability relates to the validity of the knowledge and integrity and benevolence relate to the relationship. Szulanski (1996) discussed the concept of trust in knowledge transfer in his paper on Sticky Knowledge, not just in trust in the validity of the knowledge but in the trust in the relationship. Relinquishing knowledge risks a loss of power, as does acknowledging a lack of knowledge and both require trust in the other not to exploit that vulnerability, before transfer can occur (Szulanski, 1996). However, little other discussion around trust and knowledge transfer was seen at that time (Szulanski et al., 2004) and Szulanski et al. (2004) attempted to fill this gap a little by exploring trust in the validity of the knowledge in greater detail, using literature on the transferability of experiential learning, communication theory and trust literature as their sources to create their quantitative survey, which identified that the more causally ambiguous (i.e. tacit) the knowledge was, the higher the level of trust required for successful transfer. They also discovered that the higher the level of trust in the sender's expertise, the less likely it was that the recipient would question the knowledge received or their understanding of it. However, only very recently have the dimensions of trust become more popular in the Knowledge Management literature, with a debate of benevolent vs. ability as the key dimension (Ko, 2010).

As was discussed in Section 2.4, issues of communication between separate thought-worlds and the lack of mutual understanding lead to distrust and arduous relationships (Szulanski, 1996). Mutual understanding is built through relationships, and it is through building mutual understanding that trust can be developed (Nonaka, 2012). As von Krogh et al. (2001) recognise, knowledge transfer and building new knowledge between disparate groups "is fraught with emotions, misunderstandings, misconceptions, and so on" (Von Krogh et al., 2001, p.34), which can be overcome by building active empathy through building the care aspect of ba (Von Krogh et al., 2000). The literature suggests that some individuals and CoP, such as Creatives, are aware that others do not belong to their thought-world and so undertake to build a mutual understanding from the start of the relationship (Leinonen and Bluemink, 2008, Townley et al., 2009).

In addition to building mutual empathy, care is also required to minimise the threat to the group's thought-world that any change to their interpretive scheme engenders (Bartunek, 1994, Leonard-Barton, 1992, Dougherty, 1992, Von Krogh et al., 2001). This lack of trust as a barrier to knowledge transfer is also discussed in the innovation literature. Rice and Rogers (1980) discuss the refusal to accept new knowledge because it is seen as threatening. Katz and Allen (1982) and Hayes and Clark

(1985) explore this further through the Not Invented Here (NIH) syndrome, where new knowledge is resisted because it does not fit within the thought-world of that group.

Trust can also relate to the method of transfer. For Small and Micro companies there is a recognised lack of trust in formal learning in the literature (Bishop, 2012, Birdthistle, 2008, Allison et al., 2000), with Dalley and Hamilton (2000) going so far as to assert that Micros only trust informal learning – learning by doing – as a source of knowledge.

## **8.5 Awareness of Knowledge Transfer**

While the literature for the states of knowledge, i.e. automatic tacit, unconscious tacit and explicit, can be considered universal, applicable to both large and small organisations, the same cannot be said of knowledge transfer. The nature of knowledge transfer is considered to be dependent on the size of the group where transfer is occurring (Chen et al., 2006, Devins et al., 2005). While large organisations tend towards formal transfer and the literature focus is on enabling intentional movement of knowledge into and around the organisation, for CoP and SMEs and Micros, the literature focuses more on informal transfer and experiential learning (Bishop, 2012, Murillo, 2011, McAdam et al., 2007).

In organisational literature, the focus is on the deliberate processing of knowledge, be it by sharing, transfer, learning or creation, formal transfer or informal transfer, explicit learning or experiential learning. This research also tends focus on knowledge transfer between different teams or CoP within one organisation, rather than between different organisations. Knowledge transfer is considered to be a deliberate act that both the sender and receiver are aware of (Szulanski, 1996, Nonaka and Takeuchi, 1995, Cohen and Levinthal, 1990). If neither are aware of the transfer then the movement of knowledge is considered to be diffusion not transfer (Szulanski, 1996), and even then there has been a deliberate managerial act to enable the diffusion (Nonaka and Konno, 1998, Nonaka et al., 2000, Huysman and de Wit, 2002). In the learning literature, learning is always considered as a conscious act as learning cannot be considered to have occurred without reflection (Armstrong and Mahmud, 2008, Kolb and Kolb, 2005). Where incidental, informal or experiential learning is referred to, it is rarely the act of transfer that the participants are unaware of, rather they are unaware of what knowledge has been transferred given the tacit nature of the knowledge involved in the transaction (Gary et al., 2012, Halford and Busby, 2007, Martz and Shepherd, 2003). In the business literature, even implicit learning normally refers rather to the knowledge than the act (Gardner et al., 2012, Armstrong and Mahmud, 2008), despite the fact that implicit learning in neuropsychology literature refers to learning, in laboratory conditions, which has been seen to occur without the recipient being aware of receiving the knowledge (Jiménez et al., 2006, Reber and Squire, 1998, Reber, 1993).

Within organisational knowledge transfer, *phronesis*, which is discussed in more detail in Section 8.7.4, does include discussion over whether the transfer is conscious or unconscious. The majority of the papers align with Baumard (1999) and Kirkeby (2009), seeing *phronesis* as being acquired implicitly through the accumulation of experience and the influence of the culture the individual is exposed to. Nonaka and Toyama (2007) however consider that *phronesis* is acquired through the conscious “effort to perfect one’s craft” (p. 378).

However, in the SME, CoP and entrepreneurial literature, the awareness of the act of transfer is occasionally considered. For the majority of SMEs and Micros, knowledge acquisition of any sort tends to the informal (Emelo, 2012, Politis, 2005, Chen et al., 2002), with a significant tendency to opportunistic, serendipitous acquisition from a close network (Hutchinson and Quintas, 2008, Chen et al., 2006, Devins et al., 2005, Sparrow, 2001). Given the lack of strategic or formal knowledge transfer and given the entrepreneurs’ general mental alertness to new information, experiential learning in this literature can be intentional or unintentional (Willem and van den Broek, 2007, Devins et al., 2005, Politis, 2005). Where the acquisition is unintentional, this may be termed accidental learning (Willem and van den Broek, 2007, Matlay, 2000, Murphy and Young, 1995) and can sometimes occur without awareness on the part of the recipient and/or the sender (Birdthistle, 2008, Politis, 2005, Cope and Watts, 2000, Huber, 1991) in a phenomenon similar to the diffusion observed in CoP literature (Murillo, 2011, Wenger, 2000, Brown and Duguid, 1991). This informal acquisition without the recipient’s awareness is a common phenomenon amongst Small and Micro companies, becoming more common the smaller the organisation is (Bishop, 2012, Birdthistle, 2008, Ashton et al., 2008).

If we take the definition of knowledge transfer from communication theory, as Szulanski et al. (2004) do, neither party need be aware of the act of transfer occurring (Holmes, 2005, Sereno and Mortenson, 1970). Extrapolating from Shannon and Weaver’s original text (Shannon and Weaver, 1949), Szulanski et al. (2004) state that as long as there is a change in behaviour from the recipient as a result of communication occurring, transfer can be considered to have occurred. Combining this with the earlier definition of knowledge transfer as a deliberate act (Section 8.3), so long as at least one side of the transfer is aware of and instigating the transfer, transfer can be identified through behavioural changes in the recipient.

## **8.6 Placement of Knowledge**

As discussed in the Overview of Knowledge Transfer (Section 8.3), while knowledge can be considered unique to each individual, built up through their personal experiences and worldview (Polanyi, 1958, Nonaka et al., 2000), some knowledge can be homogenised to an entire organisation (Nonaka and Takeuchi, 1995, Cook and Brown, 1999, Erden et al., 2008). This applies not only to explicit knowledge formalised into widely available information but to tacit knowledge which is

shared through socialisation, known as Group Tacit Knowledge (GTK) ((Cook and Brown, 1999, Erden et al., 2008), although terms such as “organizational” TK (Kogut and Zander, 1992, Nonaka and Takeuchi, 1995), “collective” TK (Spender, 1996, Leonard and Sensiper, 1998) and “communal” TK (Brown and Duguid, 2001) are also used. As stated earlier, the CoP literature is dedicated to studying this phenomenon (Lave and Wenger, 1991, Weick and Roberts, 1993, Brown and Duguid, 2001). The more a group works together, the more they think alike and the more their personal worldviews merge into one thought-world (Lave and Wenger, 1991, Weick and Roberts, 1993, Brown and Duguid, 2001). For this reason, knowledge within one individual is often understood to be applicable across the whole CoP (Spender, 1996, Dougherty, 1992, Nonaka and Takeuchi, 1995).

For this research, personal knowledge and the role it plays in the decision making process is core to understanding what knowledge is absorbed within the organisation and incorporated into the business strategy and what is not. The literature that relates to this is schemata (mental models), states of knowledge and categories of knowledge. Schemata look at how knowledge is organised and categorised within the memory so that only knowledge considered relevant to the task is accessed (Gary and Wood, 2011, Tsoukas, 2003, Gavetti and Levinthal, 2000). Potential knowledge examines a relatively unexplored area of schemata, knowledge and decision making, knowledge that is held and not used. States of Knowledge refers to the Explicit-Tacit phenomenon, where some knowledge is articulatable and some not.

### **8.6.1 Schemata and Decision Making**

“The cognitive tools we use do not apply themselves; we apply them and, thus, we need to assess the extent to which our tools match aspects of the world.” (Tsoukas, 2003, p.412)

Decision making is based on both, direct relation to prior experience, where past action resulted in past consequence (Levitt and March, 1988), and cognition, where future consequences are predicted based on knowledge held and the actor’s worldview (Holland et al., 1986). These experiential and cognitive processes are not exclusive, rather they are complementary (Gavetti and Levinthal, 2000). Gary et al. (2012) describe how managers use analogy to relate their prior experience to new decision making tasks using their perceptual filters to organise and select the relevant knowledge.

This is not a new concept, as in the research field of managerial cognition, the managerial worldview and their perceptual filters has long been considered core to the decision making process (Gary and Wood, 2011, Walsh, 1995, March and Simon, 1958). This is echoed in the field of strategy research (Gavetti and Levinthal, 2000, Eden and Spender, 1998, Porac et al., 1989). Humans do not possess the processing power to apply every piece of knowledge acquired to every task, in fact, the schemata literature considers that only 5-9 pieces of knowledge can operate simultaneously (Miller, 1956, Baddeley, 1994). In consequence, we develop simplified mental models or schemata that enable us to organise knowledge into categories based on our prior experience and personal worldview

(Gavetti, 2005, Cyert and March, 1963, March and Simon, 1958). Schemata can be broken into scripts, which are the reasoning behind knowledge selection; goals, which are the expected outcome of prospective actions; and identities, which allocate roles to individual actors and determine both their scripts and goals (Hargadon and Fanelli, 2002). These identities are also known within the organisational literature as a 'cognitive style' (van den Broek et al., 2003). Managers have been observed to use these models to select the knowledge considered most relevant to the tasks at hand, developing their own ranking systems, 'rules of thumb' and organisational routines (Simon, 1991, Nelson and Winter, 1982, Holland et al., 1986). Schemata affect, not only strategic decision making but also, what new knowledge is acquired and used and how it is processed (Gary and Wood, 2011, Rehder, 2003, Johnson-Laird, 1983). However, as schemata are built using practical experience and organised through perceptual filters, their effectiveness in decision making is very much reliant on the quality of the knowledge held and whether the actor's worldview enables the required knowledge to be identified as relevant to the task (Gary et al., 2012, Gavetti et al., 2005). One author, Day (2005) offers a slightly more sophisticated viewpoint, using Harré's (1989, 2001) work in philosophy. He describes all tacit and explicit knowledge held by the individual as potential, requiring a specific context or 'releaser' to convert it into actuality.

Micros and SMEs cannot be considered to have a homogenous identity (Allinson et al., 2000). Their cognitive styles range from the caretaker to the entrepreneur (Allinson et al., 2000). While both ends of the spectrum operate intuitively rather than with a more formal strategy due to "incomplete information, time pressure, ambiguity, and uncertainty" (Allinson et al., 2000, p.32), their attitudes to new knowledge, change and risk vary because of their different intentions towards the business. The caretakers' intentions focus on maintaining the business and the lifestyle accompanying it, while entrepreneurs are focused on generating profit and growth (Allinson et al., 2000). For this reason entrepreneurs are considered to be eager for change and constantly acquisitive for new knowledge and opportunities (Allinson et al., 2000), while those on the caretaker end demonstrate more myopic, risk averse behaviour (Allinson et al., 2000), often considered typical for small businesses (Potts and Morrison, 2009).

### **8.6.2 States of Knowledge - Potential Knowledge**

Potential knowledge is rarely discussed in knowledge and learning literature with the focus being on knowledge that is used rather than what is not, with only five papers located that examine this potential knowledge (Agrawal, 2006, Day, 2005, Hargadon and Fanelli, 2002, Day et al., 2001, Spires and Donley, 1998). However, knowledge that we hold but do not use or volunteer has long been recognised. Wittgenstein in 1958 talks of knowledge we hold that is no longer linked to an activity, which requires a reminder to re-activate it. Baumard (1999) refers to it obliquely when discussing knowledge that is not volunteered because it is 'forgotten'. Spires and Donley (1998), educational psychologists, explore this in greater detail, discussing the importance of 'Prior Knowledge

Activation' in education, where personal knowledge is activated by establishing a relevance to a new learning activity. Their research showed that outside assistance was often required to activate this knowledge with only a few students able to spontaneously make the link between old and new knowledge.

Hargadon and Fanelli (2002), introduce the concept into the Knowledge Management literature, examining potential knowledge from an organisational rather than an individual perspective, using the term 'latent knowledge' to describe "knowledge as possibility" (Hargadon and Fanelli, 2002, p.290). They argue that latent knowledge is just as intrinsic a part of organisational Knowledge Management as explicit knowledge and that Knowledge Management activity needs to combine latent and empirical knowledge. However, their definition of latent knowledge is broader, encompassing both previously held knowledge and the potential for creating new knowledge. They expand on Cohen and Levinthal's (1990) pre-requisite of prior knowledge for the acquisition of new knowledge, importantly including the "recognition and adaptation of previously irrelevant knowledge" (Hargadon and Fanelli, 2002, p.293) as part of the prior knowledge requirement. Hargadon and Fanelli (2002) link this latent knowledge to the schemata of individuals within the organisation. For previously irrelevant knowledge to be recognised and incorporated, they state it is necessary to alter the script, this, in turn, expands the goals by introducing new outcomes and may require a re-alignment of identity (Hargadon and Fanelli, 2002). Hargadon and Fanelli (2002) note the difference between the design companies IDEO and Design Continuum and their clients. For the designers, exposure to many different disciplines and a culture that encourages the perception of all knowledge as potentially relevant, enables knowledge creation. For their clients, their depth of knowledge in one discipline and constant routine repetition encourages a more rigid script and causes the dismissal of 'irrelevant' knowledge from the decision making process, which in turn restricts knowledge creation (Hargadon and Fanelli, 2002).

Agrawal (2006) also discusses 'latent knowledge', but his definition varies slightly from Hargadon and Fanelli (2002). In Agrawal's (2006) paper, latent knowledge refers specifically to knowledge that is not articulated because it is not seen as relevant. Agrawal (2006) discusses the process of knowledge transfer from the creator of a new product to the eventual implementer and how critical knowledge is omitted from the transfer inadvertently. One example, Agrawal (2006) offers is that of failed experiments. The creator dismisses these failures as irrelevant as they offer no insights into the functioning of the current product. However, these failures are important knowledge for further product development where knowing potential outcomes both good and bad, greatly helps the process. Agrawal (2006) does not examine the activation of this latent knowledge, rather he posits that the holder of the knowledge be retained in order to have ongoing access to that knowledge, causing it to be activated only on demand.

Given the differing definitions of 'latent knowledge', the term offered by Day (2005) of 'potential knowledge' has been chosen in this research to cover knowledge that is held but considered irrelevant.

### **8.6.3 States of Knowledge – the Tacit and Explicit Debate**

Nonaka and Takeuchi (1995) introduced the philosopher Polanyi's (1958) concept that knowledge came in two forms – explicit and tacit, into the business literature. Explicit knowledge refers to knowledge that we are conscious of and can easily articulate (Polanyi, 1958), and can exist either personally or communally within an organisation (Beijerse, 2000). Tacit knowledge is defined by Polanyi (Polanyi, 1967) as a knowledge that is often unconscious and difficult to articulate, intertwined with explicit knowledge to create a fully defined whole. Tacit knowledge is seen as being people-based and difficult to formalise, identified through indicators such as actions or metaphors (Nonaka and Takeuchi, 1995, Beijerse, 2000). Tacit transfer or 'transference of indwelling' (Polanyi, 1967) is possible, but occurs over time through ongoing relationships (Polanyi, 1958, Szulanski, 1996) – the Socialisation quadrant in the SECI cycle (Nonaka and Takeuchi, 1995). The Knowledge Management literature divides between those who choose to keep close to Polanyi's original definition of intertwined tacit and explicit knowledge (Swart and Pye, 2002, Leonard and Sensiper, 1998, Tsoukas, 1996) and those who prefer a simpler view presenting explicit and tacit knowledge as distinct categories (Cohen and Levinthal, 1990, Kogut and Zander, 1992, Szulanski, 1996).

Polanyi defines explicit knowledge as existing within our focal awareness and tacit knowledge as existing in our subsidiary awareness (Polanyi, 1967). He also maintained that conscious awareness of tacit knowledge, particularly the phenomenal and the semantic (Section 2.3), is possible (Polanyi and Prosch, 1975). This conscious awareness differs amongst individuals and is dependant not only on their being gifted in 'imaginative faculties' (Polanyi and Prosch, 1975, p.84), but on their proximity to others who are tacitly aware (Polanyi, 1958). This proximity enables diffusion of tacit awareness throughout the group or thought-world (Polanyi, 1958). Possessing awareness does not always enable the ability to articulate the knowledge (Polanyi, 1958), it is more often like knowing a book is on the shelf and having a general overview of its contents without being able to recount its specifics.

However, this potential for conscious awareness of tacit knowledge is ignored within the Knowledge Management literature, with writers following Nonaka and Takeuchi's (1995) lead of replacing the 'often' in Polanyi's works with 'always', defining 'tacit' knowledge as specifically, inaccessible and unarticulatable (Nonaka and Takeuchi, 1995, Szulanski, 1996, Baumard, 1999), although there is debate about where the boundary lines lie between explicit and tacit (Day, 2005). Baumard (1999) suggests that in fact tacit knowledge is split into two elements – automatic and unconscious. Automatic lies deeper than the Unconscious, and cannot be retrieved or articulated even through metaphor. It forms our inner core of beliefs that affect all our decisions at the most visceral level –

Varela et al.'s (1991) 'gut feelings' and intuition - and can only be witnessed through the holder's behaviour (Baumard, 1999). Tacit knowledge that can be made conscious, through the possessor being made aware of it of it is re-labelled as 'Unconscious Tacit Knowledge' (Baumard, 1999). Like automatic tacit knowledge, the respondent is not explicitly aware of the knowledge and so will not directly volunteer it (Baumard, 1999). However, unlike automatic tacit knowledge, this knowledge can be drawn out and articulated with outside assistance (Baumard, 1999). This tripartite view of knowledge became widespread in the Tacit Knowledge literature (Edwards, 2008), although the concept of a knowledge continuum, ranging from automatic tacit knowledge to fully explicit knowledge was introduced by Leonard and Sensiper (1998). A variation of this continuum, suggested by Wong and Radcliffe (2000), is not seen in other papers, although it describes the intertwined nature of tacit and explicit better than a straight continuum. Putting a line diagonally across the spectrum from explicit to tacit, the area above the line represents the explicit element of the knowledge and the area below the line represents the tacit element. Doing this means that only at the extreme ends of the spectrum can knowledge be described as all tacit or all explicit. Even though this model is not cited or explicitly described in Nonaka and his group's current literature (Nonaka et al., 2008, Nonaka and von Krogh, 2009) it more closely represents their version of the continuum than Leonard and Sensiper's (1998) original.

## **8.7 Knowledge Transfer Outcomes**

Having made a discovery, I shall never again see the world as before. My eyes have become different; I have made myself into a person seeing and thinking differently." (Polanyi, 1958, p.143)

Nonaka and Von Krogh (2009) suggest that there are three valid knowledge outcomes. Firstly, the application of the knowledge to generate a new product. Secondly, an alteration in the recipient's worldview, which often results in a stronger mutual understanding between the two parties. Finally, the recipient's decision making abilities are enhanced, enabling new ways of working. Both the second and third outcome may be explicit or tacit, so the recipients may well be unaware of or unable to articulate these outcomes. Therefore, in order to identify these, a secondary indicator is required.

As was stated in Section 8.5, to identify transfer in a recipient, particularly where they may not be aware of the transfer occurring, changes in behaviour need to be identified, this is known in the research policy literature as behavioural additionality (Buisseret et al., 1995) (Section 8.3). What these behavioural changes are is dependent on what areas of knowledge were transferred and how these areas can be utilised by the recipient.

While several papers comment on the scarcity of literature on the skills gaps among Micros or SMEs (Cope, 2005, Willem and van den Broek, 2007, Bishop, 2012), one paper by Ashton et al. (2008) demonstrates that their skills requirements are the same as for medium and large companies. However, as was seen in the initial literature review (Section 2.5.1), poor resources mean that SMEs

and Micros often face significant difficulties in acquiring that knowledge, particularly in the area around marketing (McAdam et al., 2007, Michlewski, 2008, Freel, 1999, Gray, 2006, Banks et al., 2002, Chen et al., 2006, Krake, 2005) and customer knowledge (Freel, 1999; Chen et al., 2006). These skills are discussed further in Section 8.7.2. What was not noted in Section 2.5.1 was the managerial skills such as detecting business opportunities and managing relationships and networks, skills that are more crucial within a small or Micro organisation as there are less internal and external resources to access if errors are made (Cope, 2005). These are the skills related to *métis* and *phronesis* (Baumard, 1999, Nonaka and Toyama, 2007) (Section 8.7.4). The availability of these skills depends very much on the cognitive style of the organisation, whether it is closer to the caretaker or entrepreneurial end of the spectrum (Allinson et al., 2000).

The literature on working with designers suggests that they can provide these skills either through transfer or integration, particularly the skills to sell a product to a targeted customer demographic (Michlewski, 2008, Krake, 2005, Banks et al., 2002), skills also linked to *métis* and *phronesis* (Baumard, 1999, Nonaka and Toyama, 2007).

### **8.7.1 Behavioural Additionality**

As noted in the Overview of Knowledge Transfer, (Section 8.3) the term 'Behavioural Additionality' (BA) is currently only seen within the research policy literature (Radas and Anić, 2013, Gok and Edler, 2012, Georghiou and Clarysse, 2006). However, while for this research the term does apply to the original policy intervention of supplying grants to SMEs and Micros to encourage them to work with Creative companies, for this thesis, the term will also be applied more globally to encompass the knowledge transfer instigated by the Creatives to facilitate a stronger collaboration. The reason for this is because the transaction bears a lot of similarities to a governmental intervention, requiring an initial time and financial investment for an intended payback that should equal or exceed the original investment (Clarysse et al., 2009), and should address cognitive and skills gaps that are currently leading to failures (Gok and Edler, 2012). In the case of the Creative companies, this intended payback was in the form of behavioural changes within the Micro that would ensure effective collaboration for the website design and an ongoing payback of an extended working relationship.

'Behavioural Additionality' (BA) is still a loose term within the research policy literature (Falk, 2007, Clarysse et al., 2009, Gok and Edler, 2012), something that Gok and Edler (2012, p. 308) attempted to address in their paper by creating four categories of BA that are used within the literature. Category A relates to minor, one-off quantifiable changes within R & D and innovation only; Category B relates to one-off to mid-term persistence in changes in behaviour within R & D and innovation only; Category C relates to long-term, persistent changes in behaviour within R & D and innovation only; Category D relates to long-term, persistent changes in behaviour throughout the business. For this research it is only Gok and Edler's (2012) 'Category D' that is of interest.

There is currently little literature on Gok and Edler's (2012) Category D definition of BA, given the Economics lean to the literature (Clarysse et al., 2009), with the majority of BA literature focusing on results immediately after the intervention and looking only at changes in innovation and R & D processes (Gok and Edler, 2012). However, the recognition of behavioural and cognition changes in line with knowledge transfer in organisational literature does occur occasionally (e.g. Georghiou and Clarysse, 2006, Hyvarinen and Rautiainen, 2007, Autio et al., 2008, Clarysse et al., 2009).

Clarysse et al. (Clarysse et al., 2009) is the only paper that explicitly links organisational literature to BA, comparing BA to experiential, congenital and inter-organisational knowledge transfer. They recognise that while the absorptive capacity of the firm (congenital learning) does affect the level of BA, it is the quality (inter-organisational learning) and novelty (experiential learning) of the interaction that has the biggest effect on BA outcomes. In particular, where a company is already familiar with the process they are undertaking, such as Micros who are familiar with working with design processes, there will be little BA from the intervention (Clarysse et al., 2009).

However, as Clarysse et al. (2009) note, within the organisational literature there is a considerable amount written on behavioural changes due to knowledge transfer. In this literature, 'behavioural' normally relates to the mental processes, particularly around strategy and decision making (Gavetti, 2012). What is of interest to this research is the criterion relating to BA – filling a skills or cognitive gap that has the potential for strategic errors (Gok and Edler, 2012), in particular, the skills and cognitive gaps within Micros.

These skills can be acquired either by direct transfer or through indirect access to a secondary source through integration (Maaninen-Olsson et al., 2008, Bishop, 2012). However, there is considerable debate as to whether SMEs and Micros have the absorptive capacity or knowledge acquisition skills for transfer, particularly informal transfer, to be effective (Bishop, 2012). Some agree with Potts and Morrison (2009) that SMEs are too myopic and bound up in their thought-world to be capable of change. Such as Larsen and Lewis (2007), who identified significant inertia, claiming the SMEs they observed were "just as likely to ignore or live with a barrier as resolve it" (p. 150). Others such as Coyte et al. (2012) and Hutchinson and Quintas (2008) believe that the very nature of SME and Micro knowledge acquisition, such as utilising close networks, make them more capable of rapid change than larger organisations. However, like Allinson et al. (2000) this researcher holds that it is the cognitive style of the key decision makers that has the biggest effect on knowledge acquisition rather than the size of the company alone.

Integration can be trickier (Section 2.4) as there needs to be mutual understanding and at least an awareness of the external thought-world that is integrating into the company (Michlewski, 2008, Dougherty, 1992), for instance, in this research, the Creative's thought-world. This requires not only knowledge transfer but an awareness that there are other thought-worlds beside your own

(Leinonen and Bluemink, 2008). What also needs to be considered is the quality of the information source (Hutchinson and Quintas, 2008), something that is key in this research as the quality of website designers and the quality of their marketing and customer knowledge varies widely from technical template provider to experienced marketers and graphic designers.

### **8.7.2 Visual Language**

“Great retailing is about accurately targeting customers, resonating with their values and then delivering them a shopping experience that utterly seduces them into buying.” (Portas, 2010)

In marketing literature, customer knowledge is often seen as a demographic profile (Küster and Vila, 2011), but for design, it is an understanding of their thought-world, their social needs and the experiential promises that delight them (Townley et al., 2009, Michlewski, 2008). As was noted in Section 2.6.1, Creatives explicitly target their designs at a specific audience, using an in-depth, almost innate knowledge of customer requirements to market their proposition (Townley et al., 2009, Michlewski, 2008, Dell'Era et al., 2008). Even though websites communicate both visually and verbally, the literature shows that designers prefer to use visual rather than verbal language as their main communication tool (Michlewski, 2008, Lang et al., 2002, Dell'Era et al., 2008, Cross, 1999). For visual language, while all of us understand something from the visuals and experience a tacit response (Polanyi, 1967, Polanyi and Prosch, 1975), what is understood and the depth of understanding is highly dependent on the interpretive ‘talent’ of the observer (Polanyi, 1967, Polanyi and Prosch, 1975).

In the semiotics literature, research shows that symbols, visual, verbal, aural or even tactile mean different things to different audiences and can evoke very different responses (Tan and Melles, 2010, Bignell, 2002, Chandler, 2002). In other words, that there are a multitude of symbolic languages and each language is audience specific, interpreted through the filter of the individual’s worldview or the group’s thought-world (Tan and Melles, 2010, Bignell, 2002, Chandler, 2002). If the audience is not correctly identified then the wrong language may be selected. To give an analogy, this would be like presenting a report in German to a French audience.

However, in the field of marketing, semiotics is still a relatively new arena, with research into customer reactions to aesthetics only beginning around the early nineties (Schmitt and Simonson, 1997). Schmitt and Simonson (1997) claim they were the first to examine the experiential benefits of brand communicated through semiotics, and before their book, the literature was focused on the images as artefacts rather than communication tools. However, even though there has been an explosion of visual media since the early eighties, particularly through the internet (Bell and Davison, 2013, Cho and Kim, 2012, Debord, 1992), and marketing is widely recognised as the key driver for website adoption (Simmons et al., 2008), as Bell and Davison (2013) note there is still a dearth of literature on visual communication within the management literature. Schmitt and Simonson (1997) had little impact on brand management literature and aesthetics remains defined as styling rather

than communication, with the focus in brand management still being on differentiation and added-value (Krake, 2005, Hynes 2009, Centeno et al., 2013). Recently a few papers in this arena have recognised that some visuals, such as colours have meaning (Hynes 2009, Centeno et al., 2013) but the meanings are seen as homogenous rather than thought-world specific and their value is seen in the fact that visuals are easier to recall than text (Hynes 2009, Dowling 1994). It is interesting to note that Hynes (2009) considers the need to keep colours consistent in branding to avoid conflicting messages, a new finding as it demonstrates the lack of awareness in marketing of visuals as a communication tool. Even in 2013, papers such as Centeno et al. (2013) fail to identify branding as an experiential promise to a specific customer thought-world, something that is core to the designer's perspective of brand (Townley et al., 2009) and has been incorporated into some major brands such as Absolut vodka, Gap, Starbucks, Cathay Pacific (Schmitt and Simonson, 1997).

Only a few other writers apart from Schmitt and Simonson, writing from the business perspective discuss the power of visual communication as opposed to generating a vague 'pleasant' feeling or sense of professionalism. Verganti and Dell'Era, from the perspective of product design, have written eleven papers and one book on the importance of visual language and the need to employ designers to speak that language (e.g. Verganti, 2006, Dell'Era et al., 2008, Verganti, 2009, Dell'Era and Verganti, 2011). They also recognise in their writing the fact that visual language is thought-world specific and it is one of the key skills of designers that they can speak that language, even though this skill is often intuitive and at the automatic tacit level for designers. Micheli et al.'s (2012) paper discusses how this dissonance between the managerial viewpoint of visuals design as 'pleasing' and the designer's view of visuals as a key for communication remains a major issue in New Product development. Bell and Davison's (2013) paper discusses how there is currently no set framework within business literature to study and analyse visual media as a communication tool, recognising that visual media are different from verbal texts as they are much more dependent on the viewer for the meaning, being partially constructed from the viewer's worldview. Bell and Davison (2013) use literature from other disciplines such as ethnography and social sciences to make their case for the power of visual communication, being able to communicate directly with the subconscious, tapping into memories and emotions, as well as providing more overt rational symbols.

Possibly this is because, even in design, communicating with visuals to specific customers is a relatively new literary arena (Meggs, 1992, Resnick, 2003, Noble and Bestley, 2005), reflecting the trend in the early nineties where people began to resent the hard sell and turned their focus from product attributes to experiential attributes, the lifestyle and value systems they associated with those products (Keeley, 1992, Schmitt and Simonson, 1997, Redström, 2006). Possibly, also, this is because business writers have come across poor designers, such as the 'Twinkies' and 'Logo-Louts' that Southgate refers to in his book on branding (Southgate, 1994, p. 49). Twinkies are so caught up in their artistic vision that they forget that their design is meant to communicate something to an

intended target audience and so, while they produce beautiful, often award-winning, designs, they do not fit the brand and so the design fails (Southgate, 1994, p. 50). Logo-louts focus on the bold and punchy, aiming for differentiation not communication, which can work in the short-term until the 'me-too's make that style the norm for the market area and the consumer becomes alienated and confused by a cacophony of brands shouting at them but saying nothing (Southgate, 1994, p.50). As Southgate (1994) notes, there is a proliferation of Twinkies and Logo-louts working under the title of designer, passing off shallow, surface only images as design and leading the unaware to classify all design as shallow. This de-valued impression may also come from early schooling where drawings are treated as something anyone can do, receiving none of the correction and attention that is paid to written work, and discarded as a 'childish' activity, as progression is made up the school (Kress and Van Leeuwen, 1996).

However, there can be a significant amount under the surface of a good design. As Krippendorff (1989) notes, the term design can trace its origin back to the Latin 'designare' which relates to using signs to communicate, and that is the role of a skilled designer, using signs and symbols to communicate visually, both logically and emotionally with the intended viewer (Southgate, 1994, Schmitt and Simonson, 1997, Bell and Davison, 2013). However visual language is more receiver dependant than verbal language (Schmitt and Simonson, 1997, Bignell, 2002, Tan and Melles, 2010). Interpretation is filtered using the integrations, inferences and attitudes that form the receiver's worldview (Anderson, 1976) and is constantly in flux as the worldview of the receiver changes constantly through external and internal influences (Brown and Duguid, 1991, Morton, 1997, Schmitt and Simonson, 1997). In addition, visual language carries two layers, central and peripheral, enabling very complicated messages to be sent in a single image, interpreted and understood very quickly by the recipient (Holmes, 2005, Bignell, 2002, Schmitt and Simonson, 1997).

To be able to correctly predict how the intended customer will interpret and understand what is sent and so create a visual message that carries the same meaning for both the sender and the intended recipient takes both education (Walker, 1990) and intrinsic skill (Dell'Era and Verganti, 2007, Crilly et al., 2009). Even for designers who understand visuals as communication, as Redström (2006, p. 125) notes "there is a number of infamous examples of misfits between intended and actual use, between the designer's and the user's understanding of the object". In other words, even those who speak visual language may not speak it perfectly or to all consumers. Designers are a very distinct CoP, with their thought-world built and reinforced to both enable and develop this skill in visual language, sometimes to the detriment of their skills in verbal language (von Stamm, 2004, Michlewski, 2008, Townley et al., 2009, Micheli et al., 2012). The focus of the design task is not on the product but on the eventual consumers and the psychological or behavioural responses that are required within the context of product use (Crilly et al., 2009). They are active knowledge acquirers in order to keep

informed of changes in fashion, new imagery and new thought-worlds (Hutchinson and Quintas, 2008, Townley et al., 2009, Michlewski, 2008).

The distinct thought-world of designers may also be why visual language, while widely discussed in the design literature (Cho and Kim, 2012, Crilly et al., 2008, Crilly et al., 2004, Southgate, 1994) is avoided or ignored within business literature (Bell and Davison, 2013). While designers take it as understood that visuals carry multiple codes and which code is selected is dependent on the recipient who has their own distinct worldview, this level of awareness is not always present in the general population. Firstly, the majority of people take the assumption that others share the same worldview as themselves – assumption of commonality (Leinonen and Bluemink, 2008), secondly, we are all responsive to codes in visuals, so we always understand something from a visual either tacitly or explicitly (Kress and Van Leeuwen, 1996, Bignell, 2002), thirdly, a large portion of this understanding operates at the automatic tacit level, so while we may be aware of the emotion triggered by the understanding, we may not be able to identify the cause (Cho and Kim, 2012, Crilly et al., 2008, Dong, 2007, Redström, 2006, Cross, 1999). Taken together, those with a high assumption of commonality will assume visual codes are either easy to read, with messages like ‘professional’ or ‘smart’, or they are basic emotional triggers causing pleasure or anger, and that their responses to those images are homogenous with the whole population. This perception is highly dissonant with the designer thought-world and goes a long way to explaining the common belief cited by one participant in Lockwood’s (2007, p.90) research: “Business people are from Mars, and designers are from Venus”. Even the term ‘aesthetics’ poses issues, meaning ‘visually pleasing’ to most non-designers, and ‘visual elements used to communicate’ to designers (Crilly et al., 2004). This can lead to conflict as psychology research has demonstrated that our schemata are aligned to protect our worldview, leading us to react negatively to or simply delete, anything that threatens it (Bartunek, 1994, Leonard-Barton, 1992, Dougherty, 1992, Von Krogh et al., 2001, Cho and Kim, 2012).

### **8.7.3 Website Design**

Visual communication is particularly important for websites, given the speed with which an image can convey a complex message (Holmes, 2005, Bignell, 2002, Schmitt and Simonson, 1997).

Websites, like many products on the supermarket shelves, have ‘nanoseconds’ to persuade the consumers the product is for them (Crilly et al., 2009). Research into consumer engagement with websites has shown that for users casually browsing, the consumer’s decision time is as little as 50 milliseconds (Lindgaard et al., 2006), and even for sites selected through a focused search, only 2 to 3 seconds was used to decide if the website was relevant to the user or not (Weinreich et al., 2006). Given the exponential growth of e-tailing (Cho and Kim, 2012), and the high level of competition, with a flood of companies taking advantage of the relatively low set-up costs of entering the e-tailing arena, particularly smaller companies who see the internet as a way of levelling the playing field against their larger competitors (Cho and Kim, 2012), gaining consumer attention, and retaining it, is

becoming increasingly difficult (Auger, 2005, Candi, 2010, Cho and Kim, 2012). While the internet has generated a large number of papers within the business literature on the design parameters of websites (Cebi, 2013), the focus is on the functionality of the website, with communication considered mostly in the realm of textual information (Cebi, 2013). Visuals are seen mostly as aesthetics that help create a 'pleasing experience' or trigger an emotional response such as 'happy' (Cebi, 2013). The classifications of websites demonstrate this functional focus, such as Hoffman et al. (1995) who classified websites through their sales function or Hasan and Abuelrub (2011) who classified websites as to sales category – Business to Business, Business to Consumer etc. While all these classifications are useful to a point, they all ignore the design research that shows that internet trading is a relational transaction (Walsh and Godfrey, 2000, Rust and Miu, 2006, Candi, 2010) and that using such heterogeneous categories does not allow for the thought-world perspective of interacting with different CoP (Dougherty, 1992, Brown and Duguid, 1991). The business literature on websites also ignores the logic that, while usability and functionality is important once the user has decided to engage with the site, first the user must engage, and 3 seconds does not provide the time for the visitor to read verbal text or assess any of the functionality that is researched so assiduously within the business literature (Cebi, 2013, Centeno and Hart, 2012).

Functionality of the website is important, as the experience of using the website is part of the brand promise made through the initial visual impression. If the user doesn't find the site visually pleasing, struggles to locate the information they need, has problems in navigating around the site or finds transactional elements of the site problematic then they will lose interest and switch to another site that offers a smoother user experience (Lavie and Tractinsky, 2004, Ranganathan and Ganapathy, 2002, Liu and Arnett, 2000). However, recent research has shown that it is the visual communication that is key to the initial three second decision, with the user making a snap decision based on self-congruity (Cho and Kim, 2012). Self-congruity refers to how well the user's perception of the thought-world presented by the website matches the user's own worldview (Cho and Kim, 2012). In other words the three seconds is used to decide whether the website belongs in their thought-world or not. This decision process of self-congruity applies to other products as well (Crilly et al., 2009, Kressmann et al., 2006, Sirgy et al., 2000), and is used whether it is a business to business (Yamamoto and Lambert, 1994) or a business to consumer transaction (Cho and Kim, 2012). Cho and Kim's (2012) research also showed that having made the decision that the website's thought-world was the same as theirs, consumers reinforced this decision by evaluating all the other design elements much more positively than they did with websites where they felt there was no fit. Visual communication is also important to the functionality of the website providing cues and information through understood visual coding (Candi, 2010, Norman, 2004).

There is little literature on website design within SMEs and Micros in either the design or the business literature (Grandon and Pearson, 2004, Simmons et al., 2008, Küster and Vila, 2011). Candi

(2010), in the design literature explores the phenomenon of 'silent design' amongst SMEs and Micros. Silent design refers to design work where an experienced designer has not been used, so deliberate visual communication has not been undertaken. For this research, Candi (2010) compared companies who permanently employed a designer on their website and those who simply used a template website with no design expertise. The results showed that while turnover and sales were significantly higher for those who did not use silent design and customer relationships were stronger, both in attracting new customers and maintaining old ones, these benefits did not outweigh the heavy costs of maintaining a permanent designer, meaning profits were higher for those using silent design. Given the resource issues of most SMEs and Micros (Section 2.5.1) and their low level of turnover relative to large enterprises, these results might be expected. However, Candi (2010) did not research SMEs who outsourced their design or discuss at what break-point using a designer becomes more profitable than not using one. Centeno and Hart (2012), writers on brand management, discuss how SMEs have begun to use the internet to establish a dialogue with their customers, extending their more traditional tendency to rely on 'word of mouth' advertising. The research focuses solely on the verbal side of communication, examining how SMEs use text to talk virtually with their customers through information posted on the site, blogs and other social media. Centeno and Hart (2012) also make clear that the group that they worked with had a strong focus on brand management and recognised that for the majority of SMEs this was probably not the case. They also excluded Micros from their research. Küster and Vila (2011), write from the marketing perspective. They use three classifications for SME websites: ornamental, informative and relational, citing Geiger and Martin (1999) and Al-Qirim's (2006) papers as the source of these classifications. Ornamental is a place-holder marking the company's presence, informative is a brochure site offering a lot of information but no opportunity to interact and relational allows for interaction allowing the company to establish and build relationships with customers. Küster and Vila (2011) note that the majority of SMEs tend to the informational and ornamental, and that the proportion of informational and ornamental sites grew as the company size shrank. Their analysis focuses on the technical elements of the site and its visual attractiveness, with no mention of visual communication, claiming trust is built from satisfaction with the site rather than trust is needed to engage with the site initially. This runs counter to the findings in design research on website design. While Küster and Vila (2011) do discuss building empathy through the website, this is not seen as encouraging self-congruity through targeted design, but rather in providing additional services that pamper the customer.

There are specific marketing attributes that are recognised within SMEs, some of which are beneficial and some not. On one side, SMEs are strong in building relations with customers, generating a strong word of mouth marketing system that most SMEs rely on (Centeno and Hart, 2012) and on the other, their approach to marketing is short-term, driven by the worldview of the owner/manager (Centeno et al., 2013, Murdoch et al., 2001). This short-term behaviour is also seen specifically with website

adoption, with adoption being mostly opportunistic amongst SMEs rather than part of a clear business strategy (Simmons et al., 2008, Sadowski et al., 2002). Murdoch et al. (2001) also found that the SMEs in their study saw marketing as ineffective and expensive and not worth investing in. Krake (2005) states that marketing is a major issue for SMEs with over 75% of the problems they have to deal with being marketing related. Larsen and Lewis (2007) state that the key need for businesses is marketing intelligence and a strong customer focus, while noting that this is something that most SMEs struggle with, endowing their customers with their own worldview and providing what they think the customer ought to need rather than discovering what the customer actually wants or needs. This provider perspective is seen as particularly deleterious in a website context, with multiple researchers considering that a customer orientation is critical to website marketing (Simmons et al., 2008, Quinton and Harridge-March, 2003, Sellitto et al. 2003, Chen et al., 2003), although little work has been done on defining what qualifies as customer knowledge (Simmons et al., 2011). Candi (2010), while noting the ease of use of modern template sites, bemoans the fact that even with design defaults and market styles included, SMEs often get it very wrong visually, producing ugly sites that are difficult to navigate.

This lack of aesthetic ability, along with the tendency to design for oneself rather than the customer is not unique to SMEs (Southgate, 1994), although the effect is exacerbated in smaller companies as there are fewer dissenting voices available to mitigate the effects. Von Krogh et al. (2000, p.88) state that companies:

“...do not develop aesthetes, or people able to see the many meanings and aspects of a concept. They continue to rely on “aspect-blind” managers trained in traditional business thinking, who may be excellent at judging the strategic or even social values of a concept but are blind to its aesthetic qualities. Therefore few companies achieve aesthetic justification, even if aesthetic qualities may matter most to customers.”

Integrating the designers into their skills base offers a way to overcome the SMEs’ and Micros’ skills deficiencies in a reasonably cost-effective way, allowing them to access and utilise their extensive relational knowledge of customers through a visual medium.

#### **8.7.4 Phronesis**

Phronesis, as practical knowledge, the ability to spot opportunities for the common good (Baumard, 1999) is particularly relevant for this research. Partly because, as Johannisson (2011) argues, the chaotic world that entrepreneurs (or Micro companies) live in, with a focus on action rather than planning, makes them ideal candidates for phronesis, and partly because phronesis has very strong connections with the Creative industries. Both Statler et al. (2007) and Kirkeby (2009) explicitly connect phronesis with aesthetics and the arts. Kirkeby (2009) states the term phronesis can be used where art is “the product of an intentional act of carving certain foci of experiential data out of the perceptual field” (p.103). This describes the key activity of a designer who uses images to generate a specific, intended, experiential promise to a targeted audience (Townley et al., 2009, Michlewski,

2008, Krake, 2005, Banks et al., 2002). Statler et al. (2007) identify that engaging in and interpreting art develops “a capacity for practical wisdom” (p. 160), which suggests that industries engaged in aesthetic activities, such as designers have well developed practical knowledge and that working with designers helps develop phronesis. This is also borne out by Nonaka and Toyama’s definition of phronesis (2007) (Section 8.3). Customer Knowledge, as identified in Section 8.7.2, is one of the main skills that the website designers can offer SMEs and Micros.

Apart from tacit and explicit categorisations, Aristotelian forms of knowledge are little discussed in the Knowledge Management literature (Erden et al., 2008, Nonaka and Toyama, 2007). While Tsoukas and Cummings (1997) introduced Aristotelian themes into Organisation literature, arguing that Phronesis or practical knowledge was applicable to strategic planning, it is still very much on the margins of Knowledge Management literature. Baumard’s (1999) work on *métis*, which he defined as the wily cunning needed to problem-solve and avoid traps has had little influence in the tacit/explicit debate, despite the strong argument that it is one of the most powerful forms of tacit knowledge required for successful management of organisations, lying deep within the unconscious and forming part of the individual’s fundamental belief system.

However, part of Baumard’s (1999) definition of *métis*, as intuition and know-how, the ‘flair’ that allows people to navigate complex and novel situations by allowing them to instinctually create analogies from their past experience to map on to the new problem, has migrated in the literature into the more commonly cited phronesis, which is often considered synonymous with ‘practical wisdom’ (Johannisson, 2011, Nonaka and Toyama, 2007, Tsoukas and Cummings, 1997), a term that Kirkeby (2009) comments has become jargonised in business circles, confusing phronesis with *métis*, giving only a nod to the moral side as part of a cynical “strategic-branding initiative” (Kirkeby, 2009, p. 100).

It is Flyvberg’s (2001) highly influential book on Social Studies that brought phronesis to a wider audience, amongst whom were Nonaka and Toyama (Nonaka and Toyama, 2007, Nonaka et al., 2008) and Statler et al. (2007). While Statler et al. (2007) acknowledge *métis*, which they define as cunning intelligence which enables “an awareness of change and ... the capacity to respond adaptively to it” (p.156), they feel it is important that it is combined with phronesis, which they define as the ethical knowledge that guides decisions for the common good. Statler et al. (2007) state that it is this combination of *métis* and phronesis that creates ‘practical wisdom’ which is key to developing effective business strategies. The key focus of Statler et al.’s (2007) paper is the moral element of practical knowledge, rather than cunning alone which can often be applied solely for personal gain rather than the common good. Nonaka and Toyama (2007) also focus on the moral element of phronesis, particularly in their exploration of *ba*, although *métis* is ignored or rather incorporated into their phronesis definition, blending ‘practical wisdom’ (p. 372), and a strong sense of the common good, with the intuitive knowledge required to enable the dynamic just-in-time

strategic planning that most small business managers have to face today (Centeno et al., 2013, McAdam et al., 2007, DeSouza and Awazu, 2006). It is Nonaka and Toyama's (2007) definition of phronesis that is used in this research, combining the opportunity spotting and persuasion skills of *métis*, with the moral focus on the customer good. *Métis* alone allows the designer or Micro to sell the 'sizzle' with no intention of providing the 'steak', whereas phronesis ensures that care is taken to ensure that the experiential promise communicated by the website is met in the delivery of the service or product, thereby building an ongoing customer relationship. This is especially important for SMEs and Micros where word of mouth constitutes a very significant part of their marketing (Centeno and Hart, 2012) and failure to meet expectations would therefore risk an extremely adverse effect.

Working with Creatives and becoming more aware of their customer knowledge presents the potential for SMEs and Micros to expand their phronetic abilities and improve their decision making skills not just in marketing but also in other areas of business strategy as well.

## **8.8 Summary – Final Literature Review**

1. In GTM, the main literature review occurs at the end of the process rather than at the beginning. This final literature review, as well as placing the research in context and identifying where the research filled gaps in the literature, also serves a second role as data collection. In this data collection role, codes that have been identified during the research are compared to what is already extant in the literature (Section 8.1).
2. Eight significant codes emerged from the final literature review. These were used to refine and simplify codes that emerged from the data collected. These codes were: 'Building Ba', 'Benevolent Trust', 'Behavioural Additionality', 'Phronesis', 'Schemata', 'Potential Knowledge', 'Automatic Tacit Knowledge' and 'Unconscious Tacit Knowledge' (Section 8.2).
3. The significant codes from the data and those emerging from further literature review were used to direct the more traditional literature review (Figure 8.2). The two key significant codes, with their significant sub-codes, that directed this review were 'Bi-Modal Knowledge Transfer' (from Chapters 4 and 5 findings) and 'Changes in Knowledge Landscape' (from Chapters 4 and 6 findings) (Section 8.2).
4. Knowledge transfer is a large, well-established body of research, however, there is still debate around areas such as tacit knowledge, trust and relationships (Section 8.3).
5. The sections on 'Bi-Modal Knowledge Transfer' highlighted the ongoing discussion within Knowledge Management literature on relationships and benevolent trust (Section 8.4) and demonstrated that 'Awareness of Knowledge Transfer' is something not yet discussed in the Knowledge Management literature, although other literature does recognise the phenomenon of different states of awareness for sender and receiver (Section 8.5).

Particularly interesting for this research was that website design literature does not yet include research on the relationship between the Creative and the SME (Section 8.4.1)

6. The sections on 'Changes in the Knowledge Landscape' identified that while the basic structure of the Knowledge Placement Model does exist within the literature, potential knowledge and its placement in the consciousness is a new conversation (Section 8.6). 'Knowledge Transfer Outcomes' demonstrated that the findings from this research are linked to either literature areas where there is as yet little discussion, such as 'Behavioural Additionality' (Section 8.7.1) and 'Phronesis' (Section 8.7.4), or contribute a new perspective into an ongoing discussion, such as 'Visual Language' bringing knowledge from design literature into website design and marketing literature (Sections 8.7.2, 8.7.3).

## **8.9 Conclusions**

### **8.9.1 Bi-Modal Knowledge Transfer**

As was seen from the findings in Chapters 4 and 5, building and maintaining ba was both how the Creatives overcame the initial arduous relationship and the issue of the Micros initially holding the power, and the motivation for keeping the knowledge transfers out of the awareness of the Micros as was seen in Bi-Modal Knowledge Transfer. This building of ba through establishing a familial relationship taps into the Micro's knowledge acquisition style already observed in the knowledge transfer literature (Devins et al., 2005, Sullivan and Marvel, 2011) (Chapter 2). This is why the concept of building ba to enable knowledge transfer in a new relationship is particularly relevant to knowledge transfer literature, even though currently ba can only be seen within knowledge creation literature.

As observed from the data, core to Bi-Modal Knowledge Transfer was the familial relationship between the Creative and the Micro (Chapter 5). As the literature review discussed in Section 8.4.1, this finding contributes to two conversations in the literature. The first is within knowledge transfer literature, where, although there is a long ongoing discussion about relationships and how they contribute to the efficacy of knowledge transfer, the definition of exactly what constitutes an effective relationship remains elusive (Von Krogh et al., 2001). The relationship between the Creative and the Micro is particularly interesting because the initial starting point of the Micro wishing to be the driver of the project (Chapter 4) indicates an arduous relationship that prevents transfer (Szulanski, 1996) and the way that the Creatives led the knowledge transfer without disrupting that perception of power, by building ba through nurturing the relationship and generating trust, is something that was not identified within the literature. As Nonaka and Peltokorpi (2006) note in their study of Knowledge Management literature, the one element of knowledge management that is barely discussed in the literature is power, and as Von Krogh et al. (2000) discuss, care in building and maintaining a relationship is still a knowledge gap in the literature.

The second conversation the familial relationship contributes to is website design literature, where the website design process is currently portrayed as transactional rather than relational, focusing on the input-output elements of website design rather than the process in between (Simmons et al. 2008). A possible reason for this might be that current literature focuses on SMEs rather than Micros, and as Chapter 7 identified, it is likely that Creatives do not engage in the same familial relationship with SMEs as they do with Micros. Another possible reason is that the ornamental/informational type of website that Micros tend to engage in (Küster and Vila, 2011, Al-Qirim, 2006, Geiger and Martin, 1999), does not require the level of knowledge transfer that was observed in this research. However, as the results show in Chapter 4, if Micros did engage in higher-order sites where Bi-Modal Knowledge Transfer was part of the collaboration, the benefits were significant. The final possible reason why relationships do not currently form part of the website design conversation could be how website design is perceived within business literature where functionality is commonly the focus rather than communication (Cebi, 2013, Hasan and Abuelrub, 2011, Hoffman et al., 1995). It is only when the literature net is thrown wider to include design literature that the importance of visual language in website design becomes apparent (Southgate, 1994, Schmitt and Simonson, 1997, Bell and Davison, 2013). Since the need for visual language and communication with the customer is not part of the main body of business literature, the knowledge transfer in this research and the relationship that supports it also become excluded from the conversation.

The benevolent trust that the Creatives developed through the familial relationship and worked to maintain (Chapter 5), was important to the project, not just to enable knowledge transfer where there was little or no initial trust in ability, but to counter the discomfort of the Micros working with the unfamiliar and overcome the Micros' defensiveness against changes to their personal business vision, as seen in this chapter (Section 8.6.1), both traits well-known within the literature. Benevolent trust proved particularly relevant as it tapped into well-understood patterns observed in Micros' knowledge acquisition, discussed in the initial literature review (Chapter 2). The barriers to establishing trust in ability that were observed in this research (Chapters 4 and 5) are also well understood in the literature (Cohen and Levinthal, 1990, Szulanski, 1996, Beijerse, 2000), with papers such as Bishop (2012), Birdthistle (2008), Allinson et al. (2000) noting trust is not always easily given by the SMEs or Micros and that SMEs and Micros at the caretaker end of the spectrum show a higher aversion to change compared to the more entrepreneurial mindset (Allinson et al., 2000). However, while the reasons why the Creatives worked through benevolent trust, rather than trust in ability, are well-established within the literature, discussion of benevolent trust itself is not. Trust has long been seen as a way to overcome the barrier of uncertainty to enable knowledge transfer (Szulanski, 1996, Mayer et al., 1995, Ko, 2010), but even though Mayer et al. (1995) introduced the concept of benevolent trust, the focus remains on trust in ability within the knowledge transfer literature, with only a few papers such as Ko (2010), looking at the potential of benevolent trust, rather than trust in ability, to enable knowledge transfer.

Within the knowledge transfer literature, knowledge transfer is considered a conscious act (Section 8.5), with both sender and receiver aware of the transfer occurring. It is only the awareness of what is transferred that is considered variable, depending on whether the knowledge being transferred is tacit or explicit, and either both the sender and the receiver are aware of what is transferred (explicit knowledge) or they are both unaware (tacit knowledge) (Section 8.5). Where the act of knowledge transfer is unconscious, and both sides are unaware of the transfer it is termed diffusion (Szulanski, 1996, Nonaka and Konno, 1998, Nonaka et al., 2000). These definitions of the awareness of knowledge transfer are too simplistic to explain what was observed in the data - that there was only awareness of the act of transfer on one side, either as sender or recipient. In each case, it was only the Creative, as instigator of the transfer who was always aware, working to ensure a lack of awareness within the Micro, in order to maintain the ba they had worked hard to develop (Chapter 5). However, in communication theory literature it is not always necessary for either the sender or the recipient to be aware of the transfer (Holmes, 2005, Sereno and Mortenson, 1970, Shannon and Weaver, 1949) and in psychology literature, a form of bi-modal knowledge transfer is explored, where the sender is fully conscious of what has been transferred but the recipient receives and absorbs the knowledge implicitly (Haider et al., 2013). Acquisition without awareness (accidental learning) is also known in SME literature (Willem and van den Broek, 2007, Matlay, 2000, Murphy and Young, 1995). While different modes of awareness of knowledge transfer are identified within these literatures, these transfer patterns are not linked to enabling knowledge transfer in arduous situations, such as imbalance of power or transferring knowledge, without resistance, that does not initially fit the worldview of the recipient.

From the literature reviewed in both the initial and final literature reviews it appears the Bi-Modal Knowledge Transfer Models presented in Chapter 5 are new to the knowledge transfer literature, and that a number of the findings that created the foundation for these models also contribute both to knowledge transfer literature and to website design literature.

### **8.9.2 Changes in Knowledge Landscape**

In schemata literature and managerial cognition literature, knowledge used for decision making is filtered through the worldview of the holder, knowledge being evaluated as relevant or not relevant to the decision in question (Section 8.6.1). How this knowledge is evaluated can change if a specific context or 'releaser' occurs to convert knowledge initially evaluated as irrelevant, defined by Day (2005) as 'potential knowledge', into actuality. This conversion was observed during the research as the Bi-Modal Transfer of Customer Knowledge (Chapter 5) altered the perception of that knowledge within the Micros leading to behavioural additionality around marketing and engaging with customers.

The literature on tacit knowledge provided the coding for the 'Automatic' and 'Unconscious' placements within the consciousness, from Baumard's (1999) definitions of tacit knowledge. It also

provided the basis for the Knowledge Placement Model drawn from the Explicit/Unconscious Tacit/Automatic Tacit model in Edwards et al.'s (2008) paper. However, while placement within the consciousness is understood, relating to the type of knowledge being examined, no discussion on placement was found within the tacit knowledge literature. Also not found in the tacit knowledge literature was knowledge that is held, but cannot be witnessed either through behavioural patterns or explicit articulation. No literature was located in either the initial or final literature review, in schemata, managerial cognition or tacit knowledge, that discussed placement of knowledge within the consciousness of the individual and how that placement affects the decision making process. This suggests that the Knowledge Placement Model developed for this research is new to the literature, particularly the outer ring relating to potential knowledge, that has the placements of 'Peripheral Consciousness' and 'Occasional Consciousness'. However, the movement that was observed within the Customer Knowledge Placement Model, between the start and end of the project, links to some prior work. Leonard and Sensiper (1998) and Wong and Radcliffe (2000) proposed that knowledge placement cannot be considered a categorical concept with discrete properties of tacit, unconscious and conscious but rather a continuum that goes from fully tacit to fully explicit. This movement of knowledge also resonates with Nonaka et al.'s (2008) concept that knowledge is always in flux, placement along the continuum being continually affected by internal and external stimuli.

Behavioural additionality (BA) remains a term exclusive to research policy literature, despite the potential for outside applications, and even within these confines, BA is not well covered (Clarysse et al., 2009, Gok and Edler, 2012, Radas and Anić, 2013), as, while input and output are measured and studied, the process between is ignored (Gok and Edler, 2012). BA for a collaboration between Creative and a Micro was not located, which might be expected given the website design perspective that sees the website design process as transactional rather than relational (Simmons et al., 2008)

There also appeared to be gaps in web design and marketing literature on visual language, although visual language is a well-known phenomenon within design literature (Meggs, 1992, Resnick, 2003, Noble and Bestley, 2005) and Semiotics (Tan and Melles, 2010, Bignell, 2002, Chandler, 2002). This gap is present despite the understanding within web design and marketing literature that the expectations surrounding communicating the brand experience are increasing (Bell and Davison, 2013), marketing is widely recognised as the key driver for website adoption (Simmons et al., 2008) and that websites need to generate a response from the intended viewer in order to prompt some sort of decision – whether to find out more about a company, to select that company over another, to purchase from that company (Auger, 2005, Candi, 2010, Cho and Kim, 2012). This gap is possibly due to the fact that visual research is not seen as rigorous and possibly because visual images are seen with distrust in the management context (Bell and Davison, 2013). This research brings visual language into web design literature and shows the crucial part it plays in communication and marketing on the website, particularly in Calls to Action (Chapter 4).

In this research, the thought-world of the Micro and its effect on the Micros' schemata was shown as important, with the Micros' observed initial resistance to change and a marked unwillingness to alter their thought-world providing a major barrier to knowledge transfer and presenting the Creatives with a challenge for successful collaboration (Chapters 4 and 5). This resistance was one of the motives behind the style of transfer labelled in the research as Bi-Modal Knowledge Transfer (Chapters 4 and 5). This resistance is known in the literature (Potts and Morrison, 2009), although in entrepreneurial literature this phenomenon is less common (Allinson et al., 2000). This is because Micros cannot be considered to have a homogenous identity (Allinson et al., 2000). Their cognitive styles range from the caretaker to the entrepreneur (Allinson et al., 2000). The Micros observed in this research initially had a thought-world that related strongly to Allinson et al.'s (2000) caretaker end of the spectrum, however, after the collaboration the Micro's thought-world had moved along the spectrum towards a more entrepreneurial perspective, with a stronger focus on acquiring customers and growing the business.

This movement along the caretaker – entrepreneur spectrum also connects to phronesis, a concept currently focused solely on large organisations, and with relatively few papers discussing the concept. As the results show from this research (Chapter 4) there is significant potential in exploring the value of phronesis, particularly in regards to Micros.

From the literature reviewed in both the initial and final literature reviews it appears the findings on 'Changes in Knowledge Landscape', both in 'Knowledge Placement' and 'Knowledge Transfer Outcomes', presented in Chapters 4 and 6, contribute to knowledge in several areas of literature, such as tacit knowledge literature and website design literature. Both the Customer Knowledge Placement Model and the Visual Language Scale appear to be new to the literature, although the Customer Placement Model does have its foundations within knowledge extant in tacit knowledge literature.

The next chapter, Chapter 9, concludes the thesis, reviewing the aims & objectives of the thesis and reflecting on the results presented in Chapters 4-7, and their wider implications for the literature. The chapter then goes on to examine the limitations of the research before finishing with a discussion of potential avenues of future research.

### 9.1 Introduction

This thesis explored the interaction between Micros (<10 employees) from non-creative sectors and website designers (“Creatives”) throughout the whole process of creating a website from input to outcome. Micros are important to the UK economy generating more than 30 percent of all private sector employment (Devins et al., 2005). Websites are now considered to be fundamental to an organisation's marketing (Sebi, 2013), although most SMEs do not use them effectively, treating them as a glorified online brochure (Küster and Vila, 2011).

The aim of this research was to unpack the black-box between input and output that occurs when a Micro works with a Creative company in order to create a website that is of a higher order than a basic template site. The findings from this research filled a gap in the current website design literature, providing an in-depth exploration of the website design process between a Micro and a Creative, identifying the importance of the familial relationship in this process and how it enabled knowledge transfer, something not located in either the initial or final literature review. The research also generated new theory on Bi-Modal Knowledge Transfer, creating two models of Bi-Modal Transfer of Customer Knowledge and Bi-Modal Transfer of Visual Language; on Knowledge Placement, creating the Customer Knowledge Placement Model; and on Visual Language Ability, creating the Visual Language Scale.

The research for this thesis was part of a larger funded research project that took place in 2009 and 2010, in order to evaluate the impact of a grant scheme that partially funded Micros and SMEs to engage in creative projects with a Creative company they had not worked with previously (Bakhshi et al., 2013). This provided a unique opportunity to observe and study the collaboration process between Micros and SMEs and a new Creative partner from the start of the creative project to the final interviews and observation days approximately eighteen months after the projects began.

Before the research aim was clarified, methodology selected and the research plan designed, a basic literature review was conducted to help identify both the maturity of the literature and the knowledge gaps that might exist around the phenomenon of a non-creative SME or Micro working with a Creative (Bryman and Bell, 2011, Edmondson and McManus, 2007). This review identified a distinct literature gap around the collaboration process, the ‘black-box’ in the middle between input and output, which generated the initial open questions that directed the initial literature review:

- How does an SME or Micro work with a Creative company?
- Why are these particular working methods used?
- What outcomes are there beside a tangible product?

While the literature generated concepts around knowledge transfer, tacit knowledge and thought-worlds, requiring a method that provides rigour against an interpretive concept, the literature located was not mature enough to enable deductive hypotheses to be formed. Accordingly, Straussian GTM was selected as the 'best-fit' ontology and methodology (Locke, 2001, Binder and Edwards, 2010, Partington, 2000, Suddaby, 2006). Given the concept of the 'thought-world' was identified as being significant in the literature (Section 2.4) and the effect would be strongest within the Micro group of SMEs (Devins et al., 2005) (Section 2.5.3), Micros were selected as the focus of the research. Website design formed the majority of creative projects selected by the participants of the funded research project, so provided the largest pool of participants to select from. This generated the core aim and initial objective of this project that guided the research for the initial literature review:

**Aim:** To unpack the black-box between input and output that occurs when a Micro works with a Creative company in order to create a website that is of a higher order than a basic template site.

**Initial Objective:** To create a clear overview of the website design process including identifying required inputs and potential outcomes.

However, in order to allow the data to direct the research, a guiding precept of Grounded Theory Methodology (Glaser and Strauss, 1967), the final more defined and detailed objectives of the research emerged much later from the GTM research process as the data collection and analysis progressed. These were:

- To create a clear overview of the website design process including identifying required inputs and potential outcomes.
- To identify what knowledge transferred to the Micros.
- To identify the mechanisms of knowledge transfer during the website design process.
- To generate theory as to why these mechanisms were used.
- To develop metrics for Visual Language Ability and Customer Knowledge Placement.
- To clearly map changes in the Micros' knowledge landscape between the start and the end of the website design projects.
- To compare the findings from this core research to findings from non-Micro and non-website projects to identify similarities and differences.

Understanding what occurs between a Micro and a Creative during the website design process and the outcomes of this collaboration is of particular interest for four reasons.

Firstly, both Micros and Website designers offer unique insights because of their particular characteristics. Researching Micros offers the opportunity to study 'Socialisation' knowledge transfer

in greater detail (DeSouza and Awazu, 2006, Chen et al., 2006, Devins et al., 2005) and researching website designers offers insight into a thought-world dominated by visual and tacit communication (Tan and Melles, 2010, Townley et al., 2009, Cross, 1999) and an opportunity to study how dissonant thought-worlds achieve transfer and overcome language barriers and preferred modes of transfer (Micheli et al., 2012, Sunley, 2008, Townley et al., 2009, Eikhof and Haunschild, 2007). The pairing of Micro and Creative, because of their particular characteristics, also presented insights into knowledge transfer with an imbalance of power and transferring knowledge, without resistance, that does not initially fit the worldview of the recipient, both of which are relatively unexplored within knowledge transfer literature.

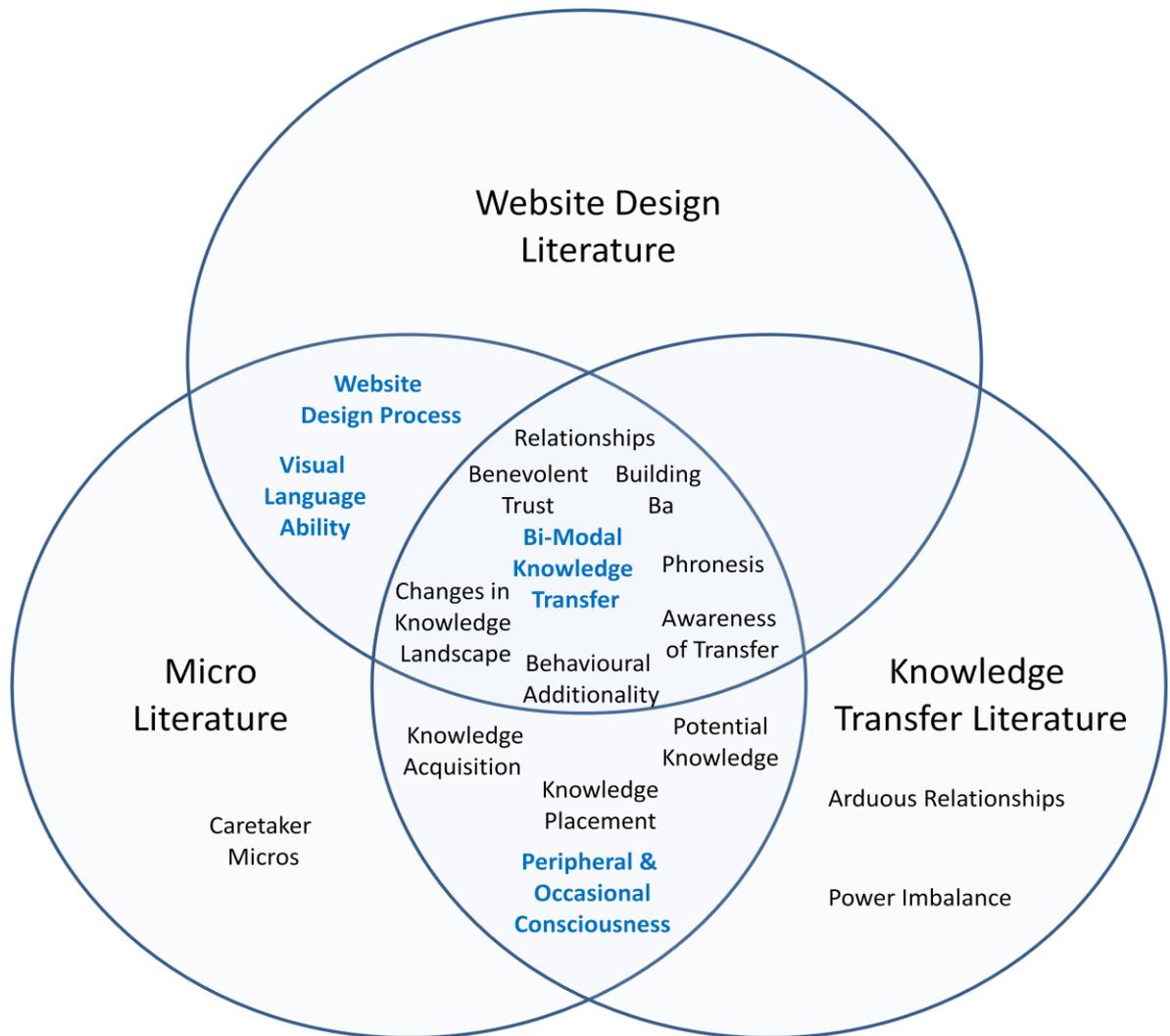
Secondly, examining the collaboration itself provides the opportunity to explore the relationship aspect of knowledge transfer, especially how building ba enables knowledge transfer in arduous situations (Von Krogh et al., 2001, Nonaka, 2012), a discussion that is attracting growing attention in the knowledge transfer community (Ko, 2010).

Thirdly, despite the predominance of Micros in the UK economy and the increasing domination of the internet and websites as part of commercial life (Simmons et al., 2008, Chen et al., 2003), this phenomenon of Micro-Creative collaboration has received little attention in the academic community to date (Bell and Davison, 2013), although there is increasing interest in research into reasons for small business website adoption and the outcomes of small business website adoption (Simmons et al., 2011). From a practitioner perspective, understanding the features of a successful website collaboration is highly beneficial, offering a way to improve Micros' marketing.

Finally, it provides an opportunity to study the knowledge landscape of 'caretaker' (Allinson et al., 2000) Micros in regards to marketing and customer knowledge and how those landscapes can change as an outcome of collaboration with a Creative. 'Caretaker' Micros currently receive little attention in the academic community, with the focus being on those situated closer to the 'Entrepreneurial' end of the spectrum, despite the fact that the caretaker profile is considered to be the most prevalent in small businesses (Potts and Morrison, 2009).

This chapter concludes the thesis, reflecting on the results presented in Chapters 4-7, identifying their contribution to the current body of literature, as well as identifying potential practical applications, before examining the limitations of the research, then finishing with a discussion of potential avenues of future research.

## 9.2 Research Contributions



**Bold/blue** = new contribution    normal font = contribution to ongoing conversations

**Figure 9.1 Contributions to Key Areas of Literature (author)**

As can be seen from Figure 9.1, there are contributions to three key areas of literature, Knowledge Transfer, Website Design and Micros. Four of these contributions are considered, from the literature reviews conducted, to be entirely new to the literature: the Website Design Process, particularly for caretaker Micros; Bi-Modal Knowledge Transfer; Peripheral Consciousness and Occasional Consciousness; and Visual Language Ability. While all of the contributions in Figure 9.1 are useful in their own right, it is the combination of these contributions that is of most interest and how they combined to form the four significant holistic contributions to literature that were outlined in the introduction, filling a significant gap in the current website design literature and the generation of three theories based on knowledge transfer, knowledge placement and visual language ability. At the start of this process, only the literature gap around the website design process was identified and filling this gap was the sole aim of this research, but the discovery of what this process was, and the theories generated to fill gaps in understanding, all emerged from the research itself.

### 9.2.1 Filling a Literature Gap - Website Design Process

As has been discussed throughout this thesis, website design literature occupies a different paradigm to that offered by this research, viewing website design as a transaction, focusing only on the input required to gain the output of an effective website, tending to focus on the functionality of the design rather than viewing it as a communication tool and ignoring both the element of visual communication within the website and process outcomes other than the tangible product.

Filling the knowledge gap around the website design process was the primary aim of the research:

To unpack the black-box between input and output that occurs when a Micro works with a Creative company in order to create a website that is of a higher order than a basic template site.

Trying to fully understand the website design process required that all the research objectives be met:

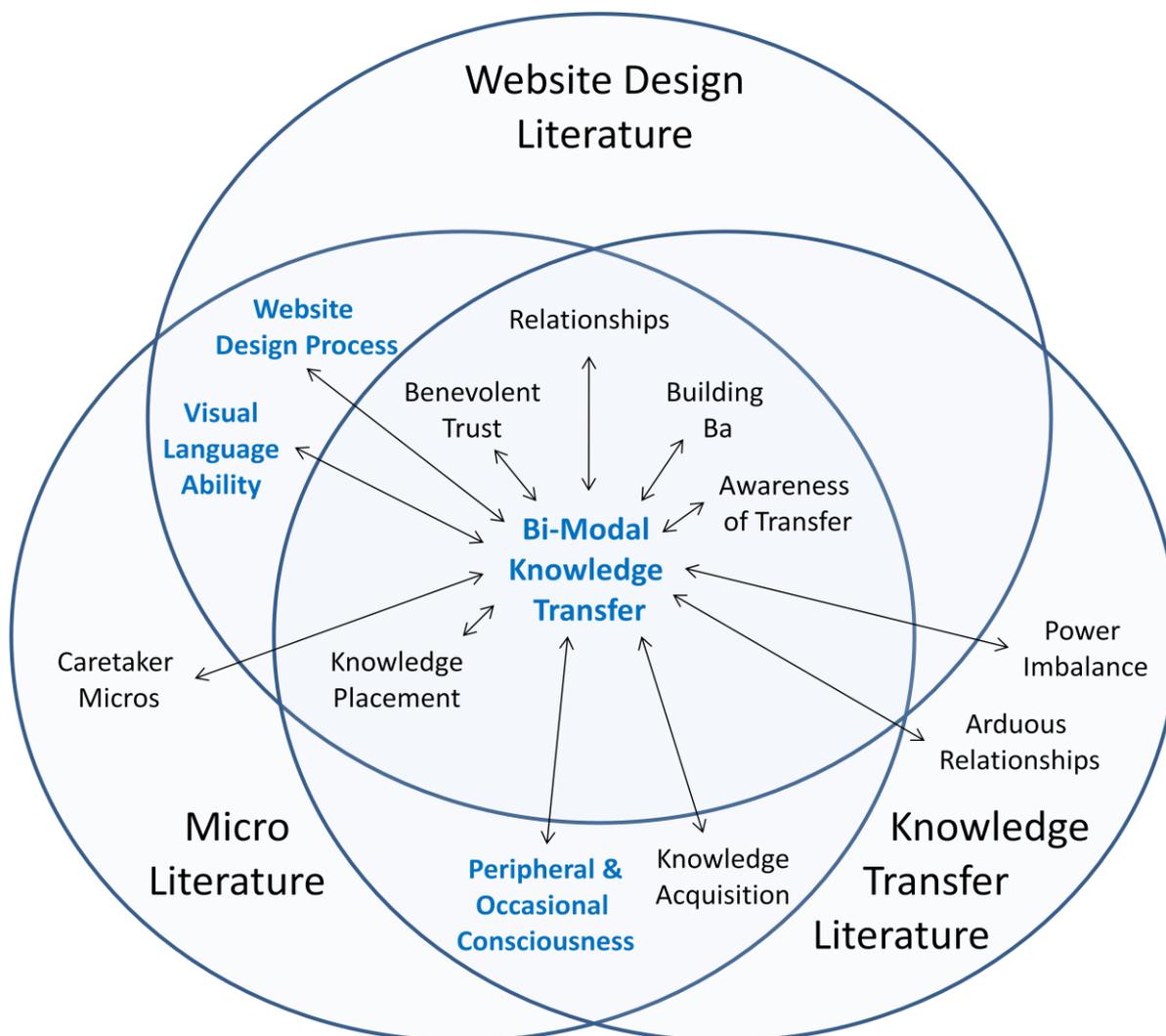
- To create a clear overview of the website design process including identifying required inputs and potential outcomes.
- To identify what knowledge transferred to the Micros.
- To identify the mechanisms of knowledge transfer during the website design process.
- To generate theory as to why these mechanisms were used.
- To develop metrics for Visual Language Ability and Customer Knowledge Placement.
- To clearly map changes in the Micros' knowledge landscape between the start and the end of the website design projects.
- To compare the findings from this core research to findings from non-Micro and non-website projects to identify similarities and differences.

This research offers a paradigm of a relational process, based on a familial relationship and benevolent trust, that allows knowledge transfer to take place that not only improves the quality of the final product, the website, particularly in visual communication, but also alters the Micros' knowledge landscape and generates behavioural additionality within the Micro. A number of reasons as to why the 'black-box' of the process itself has not yet been explored were discussed in the final literature review (Chapter 8), but what appears most likely is that in the studies in the literature, where there are higher-order websites involved, it is the larger SMEs rather than Micros that are engaging in these projects and as was seen from the findings from this group (Chapter 7), for larger SMEs, the process does appear to be frequently transactional rather than relational, even where the SMEs' knowledge landscape resembles that of the Micros. In addition, where Micros and websites have been studied, the Micros tend to opt for lower grade sites (Section 8.7.3), which do not require the relational process observed in order to obtain the website. However, as interviews with the Creatives showed, Micros engaging in higher-order websites are not unique to the grant-funded

research project. Bi-Modal Knowledge Transfer was developed by the Creatives after long experience of working with this group, recognising their particular characteristics and identifying a preferred way to manage the knowledge transfer required for an effective website.

For the website design literature, understanding that a relational process is possible and recognising the additional benefits that can accrue to SMEs and Micros from this process, not least being the development of a clear eVision, a more conscious understanding of what engages their customers and improved visual language skills, opens a new conversation about website design. For practitioners advising on website design, this research provides a clearer understanding of a relational process that can enable the design of better targeted, more effective websites and improve the customer awareness and marketing strategy of their clients.

### 9.2.2 Theory Generation – Bi-Modal Knowledge Transfer



**Bold/blue** = new contribution    normal font = contribution to ongoing conversations

**Figure 9.2 How Bi-Modal Knowledge Transfer Theory Drew From and Contributed To Research Findings (author)**

Bi-Modal Knowledge Transfer, described in Chapter 5, was developed to meet two of the objectives of the research:

- To identify the mechanisms of knowledge transfer during the website design process.
- To generate theory as to why these mechanisms were used.

The development of this theory led to the creation of two models: the Bi-Modal Transfer of Customer Knowledge and the Bi-Modal Transfer of Visual Language (Chapter 5).

As shown in Figure 9.2, the theory of Bi-Modal Knowledge Transfer drew from multiple findings from the research such as the initial arduous relationship, the ba built and maintained by the Creatives and the lack of awareness of the transfer shown by the Micros. The theory also fed back into the findings providing a better understanding of what was being studied, such as identifying one way to overcome an arduous relationship in knowledge transfer and providing a deeper understanding of what was occurring during the website design process.

Bi-Modal Knowledge Transfer contributes to all three key areas of literature, Knowledge Transfer, Website Design and Micro.

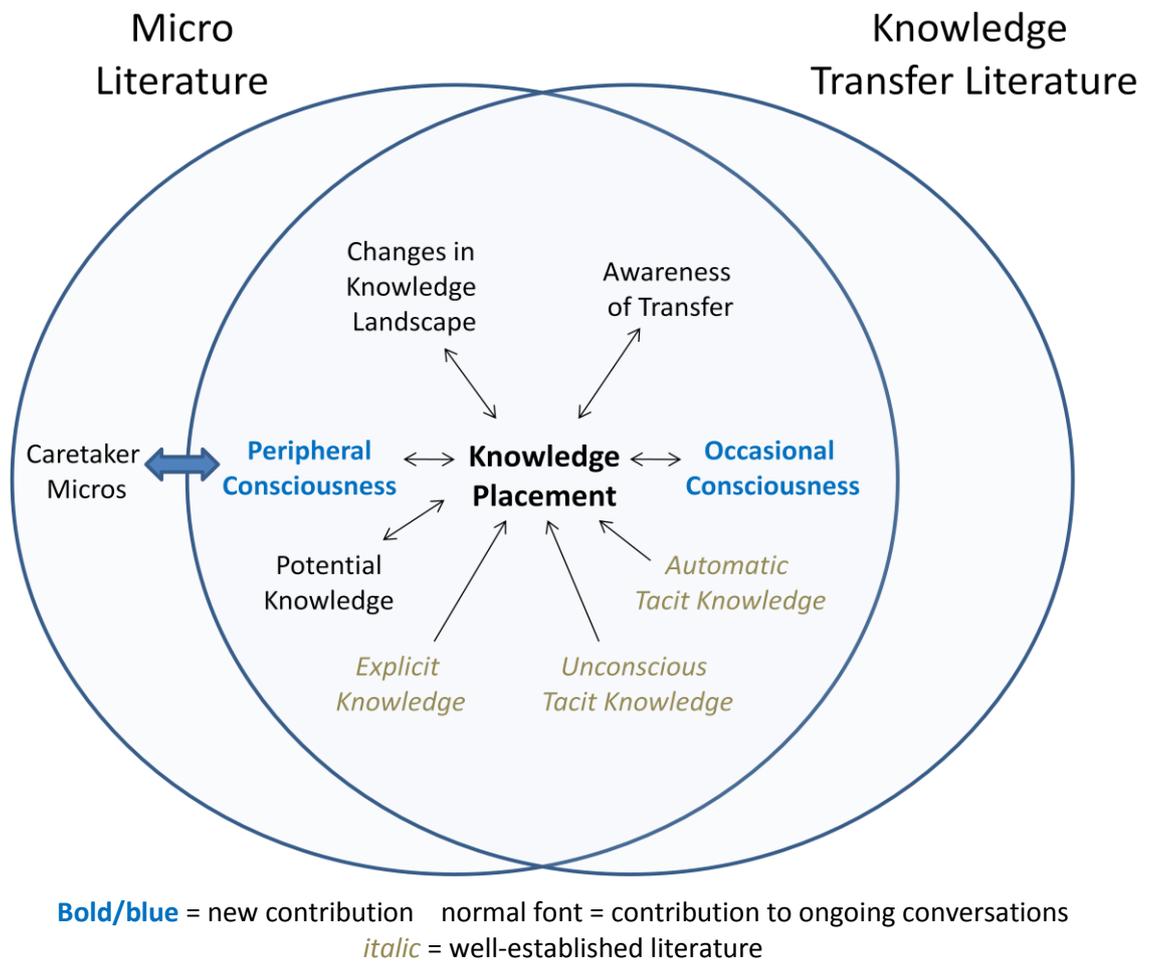
For Website Design it is primarily the relationship aspect of the theory that is of interest, as well as providing a better understanding of how the website design process works for Micros desiring higher-order websites.

For Knowledge Transfer, this theory brings the concept of ba from Knowledge Creation into Knowledge Transfer, building an understanding of how creating a mutual communicative space enables easier knowledge transfer and contributing to the nascent literature on benevolent trust. Bi-Modal Knowledge Transfer introduces a new paradigm to the awareness of transfer, positing that there can be two modes of awareness during knowledge transfer rather than the current paradigm of deliberate acts of transfer vs. diffusion. Transferring knowledge without the awareness of the recipient adds to the under-explored area of power in knowledge transfer and identifies a method in which transfer can successfully occur within an initial arduous relationship. Bi-Modal Knowledge Transfer also provides a way of transferring knowledge, without resistance, that does not initially fit the worldview of the recipient.

For the literature on Micros, particularly those at the caretaker end of the spectrum, the theory of Bi-Modal Knowledge Transfer contributes to a better understanding of their customer knowledge and how, even though it may not be evident, it can be drawn out with a method such as Bi-Modal Knowledge Transfer. This theory also contributes to understanding the knowledge acquisition patterns of Micros and how it is possible to tap into the familial networking tendencies of Micros in order to facilitate knowledge transfer. This is of particular interest to practitioners who need to disseminate knowledge to Micros. As was seen in this research, more formal methods such as the

information pack provided by the government funding body were largely unsuccessful, whereas the knowledge transferred through Bi-Modal Knowledge Transfer was still in evidence eighteen months after the projects finished.

### 9.2.3 Theory Generation – Knowledge Placement



**Figure 9.3 How Customer Knowledge Placement Theory Drew From and Contributed To Research Findings and Drew from Well-Established Literature (author)**

The Knowledge Placement theory, described in Chapter 6, was developed to meet two of the objectives of the research:

- To develop metrics for Customer Knowledge Placement.
- To clearly map changes in the Micros’ knowledge landscape between the start and the end of the website design projects.

The development of this theory led to the creation of the Customer Knowledge Placement model (Chapter 6).

As shown in Figure 9.3, the theory of Customer Knowledge Placement drew from multiple findings from the research such as the lack of awareness of the transfer shown by the Micros and the changes

in the customer knowledge landscape. However, unlike Bi-Modal Knowledge Transfer, this theory also drew from the well-established tacit knowledge literature. The theory also fed back into some of the findings providing a better understanding of what was being studied, identifying two knowledge placements not yet classified in the literature, Peripheral Consciousness and Occasional Consciousness, and recognising that caretaker Micros often hold customer knowledge within Peripheral Consciousness, making it difficult to detect through direct questioning or behavioural observation.

Unlike Bi-Modal Knowledge Transfer theory, which appears to be new to the literature, the theory of Customer Knowledge Placement represents only an extension to the literature being based upon current models of tacit knowledge, such as that presented by Edwards (2008), using Automatic, Unconscious and Conscious, labels drawn from Tacit Knowledge literature, to create the decision-making core of the Customer Knowledge Placement Model. Potential knowledge, which relates to the Peripheral Consciousness and Occasional Consciousness created for the model, is also known within the knowledge literature, albeit as yet not properly explored.

Customer Knowledge Placement Theory on its own is not that significant, other than marginally extending the tacit knowledge model and recognising for researchers that unarticulated, unobserved knowledge is not necessarily the same as a knowledge gap. Where the theory makes a more significant contribution to this research and to the literature is in combination with Bi-Modal Knowledge Transfer.

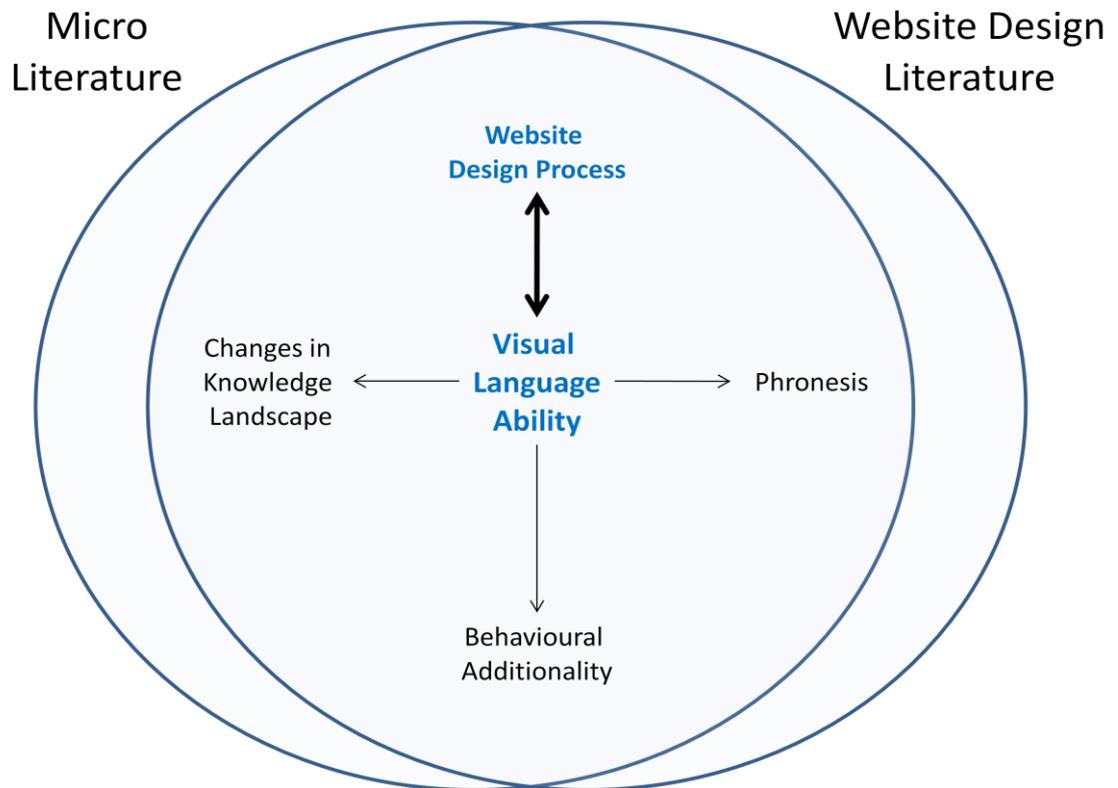
The bi-modal transfer of customer knowledge was seen to activate the customer knowledge initially held in Peripheral Consciousness and move it to the decision-making core (Section 6.6.1, Figure 6.4).

It is this activation of Peripheral Knowledge that contributes to both Knowledge Transfer and Micro literatures. What it suggests is that in some cases where knowledge transfer or learning in Micros has been deemed to be unsuccessful, this is in fact not the case, rather it is possible that the recipient has simply classified the knowledge as 'not useful, yet' and stored it in Peripheral Consciousness. If this is the case then it is activation that is required rather than further attempts at knowledge transfer. This may also help explain why trust is important in knowledge transfer, causing the recipient to categorise the knowledge as more valuable than they might otherwise do, storing it in the decision making core rather than in Peripheral Consciousness.

For practitioners, including Peripheral Consciousness and Occasional Consciousness knowledge placements when considering knowledge held by an individual or CoP, changes the paradigm of knowledge and education. Providing knowledge already held in the Peripheral Consciousness or Occasional Consciousness again through direct teaching or knowledge transfer will have no effect on the behaviour of the recipient, as the recipient's thought-world will continue to place it outside the decision-making core, so before initiating further training it would be advisable to assess the

thought-world of the recipient and the value they place on the incoming knowledge. If the practitioner wishes the recipient to use the knowledge provided they must ensure the recipient values the incoming knowledge prompting them to place it within the decision-making core.

#### 9.2.4 Theory Generation – Visual Language Ability



**Bold/blue** = new contribution    normal font = contribution to ongoing conversations

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**Figure 9.4 How Visual Language Ability Theory Drew From and Contributed To Research Findings (author)**

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The Visual Language Ability theory, described in Chapter 6, was developed to meet two of the objectives of the research:

- To develop metrics for Visual Language Ability.
- To clearly map changes in the Micros’ knowledge landscape between the start and the end of the website design projects.

The development of this theory led to the creation of the Visual Language Scale (Chapter 6).

As shown in Figure 9.4 the theory of Visual Language Ability drew from findings from the website design process where the Creatives trained the Micros in visual language to ease communication and understanding and to improve the final website selection. However, they did not need the Micros to become as adept in visual language as the Creatives, rather they needed to improve the awareness of the existence of visual language and how it communicated specifically to their target customers. However, the theory did feed back into other findings as well as the website design process,

contributing to the understanding of the building blocks of Phronesis, feeding into Changes in Knowledge Landscape and forming part of the contribution to Behavioural Additionality.

Visual Language Ability theory contributes both to Website Design literature and to Micro literature.

Within Website Design literature there is currently little recognition of visual language being a fundamental part of website design, even though it is well-known within design literature. However, interest in visual media such as branding and websites is increasing. Expectations surrounding communicating the brand experience are growing rapidly (Bell and Davison, 2013) with the advent of brands such as Apple, Absolut vodka, Gap, Starbucks, Cathay Pacific (Schmitt and Simonson, 1997) and there is exponential growth of websites as one of the key interfaces between companies and their customers (Bell and Davison, 2013, Cho and Kim, 2012, Debord, 1992). Recognising that visual language is required for successful collaboration on websites and being able to evaluate the level of visual language and map movement along the scale will enable a better understanding of design collaborations. The Visual Language Ability theory also provides an understanding that a level of awareness of visual language helps prevent the self-congruent selection process that a large number of SMEs are prone to (Simmons et al., 2011), and contributes another level of understanding of the requirements for an effective website design.

Within Micro literature, understanding that visual language is not just part of website design, but of any part of marketing that involves images; and that Micros with improved visual awareness do not just select an effective website but also translate this awareness to other areas such as coherent presentation of their marketing literature or a more customer-oriented awareness of their packaging, has marked implications for training Micros. Given their lack of resources, meaning a lack of skilled personnel, training in visual awareness rather than visual language could make a marked difference to their marketing.

This understanding is also valuable from a practitioner perspective amongst those responsible for engaging and working with web designers or brand developers, recognising that visual language exists and working on improving their visual language through immersion techniques would help improve the practitioner's collaboration with the Creative company. Also recognising that some Creatives are industry specific and so are only Visually Fluent rather than Visually Multi-Lingual may prove critical if the Creative caters to an industry other than that of the practitioners.

### **9.3 Limitations**

While the findings for this research offer both academic and practical opportunities, there are some obvious limitations to this research.

Firstly, there are limitations to the methodology. These are derived both from literature and personal experience. By the very nature of what GTM is designed to study, interpersonal relationships and the

personal interpretation of these relationships by the social actors involved (Glaser and Strauss, 1967), and the purpose of GTM which is to make highly complex processes comprehensible (Glaser and Strauss, 1967), GTM is a complex and time-consuming methodology to undertake and very vulnerable to interpretive bias (Strauss and Corbin, 1990 Glaser and Strauss, 1967, Strauss, 1987, Strauss and Corbin, 1990, Locke, 2001). As a researcher, this did pose challenges such as refining the mountain of data, in excess of 100 hours of taped interviews and 500 memos alone, into something approaching manageable proportions for analysis. Given the lack of certainty of exactly what in the data is valuable and what is not, a large amount of redundant codes emerged in the first round of interview analysis, leading to nearly 900 codes being generated at one point, that dissected the minutiae of what was being observed. Had the Strauss (1987) system of dissecting transcripts line by line been followed, the number of codes would have been far higher. As it was, refining these codes, and trusting to both observation and the author's own intuition and ability to spot patterns, was a daunting prospect and there were points in the first round of interviews where the task ahead looked impossible to achieve. However, helped by the visual aid of the data wall(s) and the ability to create and break patterns on the wall through moving, adding and subtracting the codes on 'post-its', what was significant and what was not did emerge and as the codes refined and as the author became more immersed in the data and more practised, the process did become less intensive and more manageable.

Interpretive bias was managed in several ways. First, relying on the recordings rather than memory for the analysis. Second, keeping a record of opinions and feelings on the data and research and using them as a check against the findings to see whether personal preference was inadvertently prioritising some codes and concepts over others. This required some discipline as it was easy to get attached to 'pet' concepts that were in fact redundant. One such was 'Creativity Transfer' that emerged from the initial literature review, the concept that the creativity of the Micros would be enhanced through working with the Micros. The interview data was searched rigorously to identify evidence of this and it was with great reluctance that it had to be concluded that the hoped-for evidence did not exist. Third, the interview format was kept as loose as possible to allow the participants to tell their story in their own way, this required active listening and the flexibility to rearrange questions to fit with the flow of the participant's responses. Fourth, the data was inputted into Nvivo after analysis to allow for easier cross-referencing of codes and cases in order to help spot any inconsistencies between the data and the codings. Finally, the findings were cross-checked with the participants, post the interviews, particularly on the observation days, to see whether the author's observations chimed with their personal experience.

Another limitation around GTM is the understanding of the methodology itself, as lack of understanding leads to mis-use and can open the researcher to accusations of lack of rigour (Strauss, 1987, Partington 2000, Suddaby, 2006, Binder and Edwards, 2010). The counter to this was, once

GTM was selected, to read in-depth on GTM, working with the core literature produced by Glaser and Strauss as much as possible, to avoid the 'chinese whispers' effect of building an understanding of GTM on another researcher's own personal understanding. This lack of understanding of GTM also presents issues in the presentation of the data, as findings need to be presented in a manner comprehensible to those unfamiliar with GTM, and some elements, such as the treatment of literature, are incompatible with the format normally expected in the presentation of research. Unlike quantitative data, with its widely understood presentation of statistics, it is a challenge to refine the complex interplay of the codes that exist in GTM into a description that can be easily and simply explained without losing the quality of what was discovered and the important nuances that form the building blocks of the final theory or theories.

The final limitation to GTM lies around the literature review. As commented on earlier, GTM involves a significant amount of hard work and effort and the brief literature review at the start runs the risk of the research proving redundant when the full literature review is conducted at the end of the research, something acknowledged by Glaser (1998). However, as Glaser (1998) points out, what is being observed is highly complex and unless the literature is very mature, something that can be identified from the initial literature review, there will be at least some of the findings that will prove original. The risks of doing a full literature review at the start of GTM is much higher as this causes the researcher to become immersed in the literature rather than the data that follows, and can risk the researcher accepting that what is commonly accepted within the literature as fact rather than theory which can be challenged (Glaser, 1998). In this research, had Simmons et al. (2008) or Simmons et al. (2011) been located at the start of the research, it is possible that the research aim of 'unpacking the black-box between input and output that occurs when a Micro works with a Creative company in order to create a website that is of a higher order than a basic template site' would have been deemed invalid as these papers, particularly Simmons et al.'s (2008) review present an overwhelming consensus that there is no 'black-box' for website design as it is considered there is no relationship and no interplay. The Simmons et al. (2008) review was also fairly categorical that there was no contribution that the Creative could or should make to the process other than producing the website according to the brief provided by the SME.

The nature of the scheme itself generated some potential biases. Firstly, self-selection bias from the application process, as only those SMEs who were already considering working with a Creative were likely to apply for a grant to do so. Secondly, regional bias as the funding was restricted to one particular geographical area of the UK. Thirdly, the caveat in the funding requirements that stipulated that the collaboration must be with a new Creative partner, something that this research shows runs counter to normal SME selection behaviour, as SMEs prefer to work with suppliers with whom they already have an established relationship.

There was also self-selection bias occurring from the recruitment process. All potential participants were given the opportunity to decline to participate, as well as given the opportunity to opt out at any stage of the research process. The main reason given by the few SMEs and Micros who declined to participate at the start of the process was that their collaboration had not begun well and they felt this failure meant they would have nothing to offer the research. This pattern was repeated during the research with two Micros unhappy with the website outcomes (MW6, MW11), opting out of the final research interviews. This resulted in a more positive bias on the outcomes of the collaboration than if self-selection had not occurred.

The last limitation is that which affects all real-world research. Unlike a laboratory where all elements can be controlled and accounted for, in real-world observation there are many factors than can potentially impact on the outcomes of the research that are outside of the researcher's control and, occasionally, cognisance. In this research, there were two global phenomena that had at least some impact on the research. Firstly, this research occurred during a recession, which may have dampened the marketing behaviours and financial outcomes of the research. The recession may also have affected the ongoing relationship pattern between Micro and Creative through creating nervousness over an ongoing financial commitment in financially uncertain times. The second phenomenon was the exponential growth in Social Media as a marketing tool between the start and end of the research. This was likely to have a positive bias on the outcomes through making marketing and virtual relationship building more globally accessible and generating a stronger awareness of marketing and customer relationships throughout the business community. Being such a widely visible phenomenon, the Micros' increased use of Social Media for marketing may not necessarily be attributable to behavioural additionality from the collaboration process but could be coincidental instead.

## **9.4 Further Research**

Given the fact that this research is at the exploratory end and three new theories emerged from the data, there is considerable scope for further research. However, the greatest opportunity lies in extending the local theories identified in the research into more global theory. In particular, the contradiction in findings between what is extant in website design literature and what was observed in the Micros, combined with what was observed with Creatives working with the larger SMEs in this research (Chapter 7), suggests a future study. This would compare larger SMEs who engage in a relational process for website design, similar to that observed with the Micros in this research, with larger SMEs who engage in a transactional process, similar to that observed both in the research and current literature for SMEs and website design. This comparative research would enable the evaluation of Bi-Modal Knowledge Transfer beyond the sphere of Micro-Creative collaborations, and would help identify whether SMEs, who do not initially possess a strong eVision nor an ability to clearly articulate their customer knowledge, would also gain the same benefits from a Creative

collaboration as the Micros observed in this research. This research could also be extended into other areas of visual design such as branding, to evaluate the contribution visual language ability makes to the behavioural additionality of these relational transactions, such as marketing skills.

From a practitioner perspective, in this researcher's opinion, the most important extension of the research is examining the correlation between the Micros' undertaking website design where Bi-Modal Knowledge Transfer occurs and the movement of the Micros along the 'caretaker – entrepreneur' spectrum. Examining how the behavioural additionality such as the Micros' improved confidence and stronger focus on marketing and customer knowledge within the business strategy changes the thought-world of the Micros and encourages them to become more growth-oriented rather than lifestyle-based. As was noted in the tangible product outcomes there were significant increases in turnover for the Micros whose Creatives built ba and engaged in Bi-Modal Knowledge Transfer, which was not seen with other projects or within the SME group. Understanding what proportion of this growth was attributable to behavioural additionality and what was attributable to owning an effective website would help provide better understanding of ways to educate and support Micros to enable them to progress their businesses.

Finally, activating potential knowledge also presents a strong avenue for research, examining whether the methods used by the Creatives in the Micro website collaborations could also be applied elsewhere, for instance, in qualitative research into knowledge gaps and knowledge landscapes. This activation of knowledge held in Peripheral Consciousness is a phenomenon not yet studied within either Knowledge Transfer or Micro literature and could provide clearer insight as to why informal knowledge acquisition appears more effective than formal learning amongst the Micro community and why trust is such a key component of effective knowledge transfer.

## **9.5 Conclusions**

The research conducted for this thesis covered a complex interplay of multiple elements that combined to form a holistic understanding of the website design process between a Micro and a Creative. While there were limitations to this research, both methodological and practical, the findings presented in this thesis represent a number of research contributions in three key literature areas – Website Design, Knowledge Transfer and Micros. Some of these contributions merely add to the ongoing conversations within the literature, yet some, such as viewing website design as a relational process rather than a transactional one, introduce a whole new topic.

With three new theories generated from the data in this research, there is ample scope for future research, but the three key suggestions would be to explore whether the findings could be extended into SME research, to explore the interplay of the behavioural additionality observed and its effect on the Micros' movement along the 'caretaker-entrepreneur' spectrum and finally to explore the activation of potential knowledge.

This research endeavoured to unpack the black-box between input and output that occurs when a Micro works with a Creative company in order to create a website that is of a higher order than a basic template site. While this was a complex process to observe and understand, it is hoped that the findings presented here go some way to improving the understanding of the website design process and the benefits that it can bring.

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## Appendix A: Glossary of Terms

Term	Definition	Primary Source(s) Identified/Created
Absorptive Capacity	An ability to recognise the value of new information, assimilate it, and apply it to commercial ends.	Cohen and Levinthal, 1990, p.128 Initial Literature Review
Arduous Relationship	The difficulties of two groups in engaging with one another. Reasons include lack of trust, differing languages, conflicting worldviews or a power imbalance.	Szulanski, 1996 Initial Literature Review
Automatic	The core of the Knowledge Placement Model. Knowledge placed here has by persistent use become so embedded that the possessor is often unaware of its presence and is always unable to articulate it. This knowledge is labelled Automatic Tacit Knowledge by Baumard (1999).	Researcher, drawn from Baumard, 1999 Polanyi, 1967 Parallels to known psychology term of sub-conscious Final Literature Review
Automatic Tacit Knowledge	Knowledge that has by persistent use become so embedded that the possessor is often unaware of its presence and is always unable to articulate it. This knowledge forms the centre of the holder's world view, the core belief system that drives all decision making including the placement of knowledge within the consciousness.	Baumard, 1999 Final Literature Review
Ba	A shared space for emerging relationships. This space can be physical... virtual... or mental..., or any combination of them... ( <i>that</i> ) provides a platform for advancing individual and/or collective knowledge.	Nonaka and Konno, 1998, p. 40 Final Literature Review
Behavioural Additionality	Long-term, persistent changes in behaviour throughout the business due to an intervention.	Gok and Edler, 2012 Final Literature Review
Benevolent Trust	This relates to trust in the relationship between the sender and the recipient. Where the recipient likes the sender and sees them as part of their close circle of family and friends, this has been shown to cause the recipient to become more accepting of the knowledge received, even though they have no other basis to evaluate the validity of the knowledge or the source.	Mayer et al., 1995 Ko, 2010 Final Literature Review
Bi-Modal Knowledge Transfer	Where one side of the knowledge transfer is aware of the act of transfer and the other is not. This can either be sender aware / receiver unaware or receiver aware / sender unaware.	Researcher During research
Caretaker Micros	Companies that do not necessarily have a market-led approach, rather they have a lifestyle, product/service orientation, viewed as having short life-spans and no potential for growth.	Allinson et al., 2000 Final Literature Review
Central Consciousness	Part of the Knowledge Placement Model. Knowledge placed here is consciously used for decision making. While some knowledge only temporarily moves to Central Consciousness, there is a core of knowledge placed within the Central Consciousness that is extremely stable and is used regularly for day-to-day decisions. When a topic is discussed, this is the	Known term Pre-research

	knowledge that is easily volunteered without prompting. This is what is termed in the literature as explicit knowledge.	
Communities of Practice (CoP)	A group that works together, often with the same skill-base, who develop a thought-world that is particular to that group.	Brown and Duguid, 1991 Final Literature Review
Creative	A company working in the Creative Industries.	Industry Term Pre-Research
Customer Knowledge	Customer knowledge is much more personal than a demographic profile (Townley et al., 2009), it is an understanding of their thought-world, their social needs and the experiential promises that delight them (Michlewski, 2008).	Multiple - in definition Initial Literature Review
Diffusion	Transfer of knowledge between sender and recipient with neither aware of the act of transfer or what knowledge has transferred. Transfer evident through changed behaviour in the recipient.	Szulanski, 1996 Initial Literature Review
eVision	Fully considered website strategy for the business.	Simmons et al., 2008 Final Literature Review
Explicit Knowledge	Knowledge that we are conscious of and can easily articulate (Polanyi, 1958). It is linked in the Knowledge Transfer literature to systems and hard data, and can exist either personally or communally within an organisation (Beijerse, 2000).	Multiple - in definition Initial Literature Review
External Profile	Coined during the research to describe how others, especially customers, saw a company's capabilities, reflected in willingness to contact and engage, ongoing relationships, levels of trust and confidence.	Research Team During Research
Familial Relationship	A relationship that behaves according to familial rules, using familial language and protocols, creating an inbuilt expectation of mutual benevolent trust and loyalty – 'Looking after our own.'	Researcher During research
Higher-Order Website	Coined by the researcher to denote a website that is of a better quality than a template website, requiring input on graphic design, and sometimes copywriting, as well as technical input from the website designer. Designers in this area often possess strong marketing skills and a strong understanding of business strategy and the eVision required by their clients.	Researcher During research
Informal Networking	Gaining knowledge from a close network of family and friends, often 'accidentally'.	Devins et al., 2005 Initial Literature Review
Inter-disciplinary	Groups from different disciplines and often different thought-worlds that are required to work together on a project.	Known term Pre-research
Internal Profile	Coined during the research to describe how a company saw its own capabilities, reflected in confidence levels, skills base and knowledge.	Research Team During Research
Knowledge	Something created out of data through the "beliefs and commitment of its holder" (Nonaka et al., 2001, p.13) "that increases an individual's capacity to take effective action" (Alavi and Leidner, 1999, p.5) and make decisions (Kantner, 1999).	Multiple - in definition Initial Literature Review

Knowledge Activation	The movement of knowledge from outside the decision-making core of Knowledge Placement (Peripheral Consciousness or Occasional Consciousness) into the decision-making core (Automatic, Unconscious, Central Consciousness)	Researcher During research Further refined through Schemata literature Final Literature Review
Knowledge Landscape	The knowledge base of an individual and where knowledge is placed within an individual's consciousness.	Researcher During research
Knowledge Placement	Where knowledge is placed within an individual's consciousness, based on the Knowledge Placement Model.	Researcher During research
Knowledge Transfer	An intentional activity (Szulanski, 1996) by at least one party in the transfer and a dynamic process with the balance of tacit and explicit knowledge continually in flux, subject to multiple changes as external and internal factors change (Nonaka et al., 2008, Maaninen-Olsson et al., 2008).	Multiple - in definition Initial Literature Review
Marketing Strategy	Relates to all marketing in the company and not just marketing related to the website.	Industry term Pre-research
Market Knowledge	Demographic profile of customers, routes to market and competitors.	Industry term Pre-research
Micro	A company with <10 employees - specifically for this research, also defined as working in non-creative industries	Industry Term Pre-Research
Occasional Consciousness	Knowledge placed here is not used for day-to-day decision making, rather it is retrieved reasonably regularly, but only for specific linked activities. Knowledge placed here is readily volunteered in discussion of activities specifically linked to it, but would not be articulated during more generalised discussion – 'It didn't seem relevant'. This positioning is relatively stable, knowledge positions itself here over time through usage, moving only briefly to Central Consciousness when an activity requires it and returning to occasional when the activity is over. Along with knowledge placed in Peripheral Consciousness, knowledge placed here is referred to as potential knowledge (Day, 2005).	Researcher During research
Peripheral Consciousness	Knowledge placed here is not used in day-to-day decision making – classified as 'may be useful, but not yet'. It is not readily available and needs to be moved to a higher consciousness level if it is to be accessed and articulated. If activities related to this knowledge are discussed, the knowledge will not be volunteered unless specifically prompted – 'I didn't think it was important'. If the knowledge remains in the peripheral, it is possible it will eventually no longer be retrievable and effectively lost. Peripheral consciousness is fairly volatile, every time new knowledge is acquired or a new activity is undertaken, this can alter the value perception of the knowledge placed here, which in turn alters the placement of this knowledge. Knowledge placed here is referred to as potential knowledge (Day, 2005) and is related to Wittgenstein's	Researcher During research Stronger understanding developed through Final Literature Review

	(1958) 'unlinked' knowledge or Baumard's 'forgotten' knowledge (1999).	
Phronesis	Also known as 'practical knowledge', it is "the ability to understand and bring to fruition that which is considered good by individual customers in specific times and situations."	Baumard, 1999 Nonaka and Toyama, 2007, p.378 Final Literature Review
Potential Knowledge	Knowledge that is held but not used in 'day-to-day' decision making or volunteered when prompted.	Day, 2005, Final Literature Review
Relational Design Process	This refers to a design process where the client works collaboratively with the designer, developing a relationship that allows for a free exchange of ideas and input from both parties.	Researcher During research
Semiotics	Semiotics is the study of signs, in any medium – verbal, visual, aural or even tactile. For the purposes of website design, only visual and verbal are relevant. These signs are thought-world specific, interpretation occurring through the lens of the worldview that the viewer belongs to.	Bignell, 2002 Final Literature Review
Schemata	Simplified mental models that enable us to organise knowledge into categories based on our prior experience and personal worldview, sorting between what is important and what is not important to our decision making.	March and Simon, 1958 Final Literature Review
SMEs	Small and Medium Enterprises – employing up to 250 people – for this research the term excludes Micros	Industry Term Pre-Research
'Socialisation' Knowledge Transfer	Transferring tacit knowledge from one person to another through working together, similar to Szulanski's (1996) 'diffusion'. Neither side is aware of what knowledge has transferred. One of the quadrants in Nonaka and Takeuchi 's (1995) knowledge conversion spiral, the SECI cycle.	Nonaka and Takeuchi, 1995 Initial Literature Review
Sticky Knowledge	Sticky Knowledge is knowledge that is difficult to transfer from one group to another. Chief causes are lack of absorptive capacity of the recipient, misunderstandings between the source and the recipient and/or an arduous relationship between the two groups.	Szulanski, 1996 Initial Literature Review
Tacit Knowledge (TK)	Tacit knowledge is personal, defined as unconscious knowledge that is not articulated, but can be observed, working with explicit knowledge to create a fully defined whole. It directs our conscious actions and decisions through unconscious prompts.	Polanyi, 1967 Polanyi and Prosch, 1975 T K Literature, Initial Literature Review
Template Website	A basic 'plug and play' website with standardised web-pages that allow for text and images to be added by the purchaser. Requires only minimal technical input from the website designer to tweak an existing software package such as 'Dreamweaver'.	Industry Term During Research
Thought-world	A mutual worldview shared by a group of people such as a CoP. Created out of a mutual knowledge base, language and interpretive filters.	Dougherty, 1992 Initial Literature Review
Transactional Design Process	This refers to a design process where the client presents the designer with a full design brief and expects delivery of a final product that meets that brief. Additional input from the design side is not expected and often not welcomed.	Researcher During research

Trust in Ability	This relates to trust in the validity of the knowledge. If the recipient believes that the skills and knowledge base of the sender is strong enough to support the knowledge proffered the recipient is less likely to question the knowledge received or their understanding of it.	Mayer et al., 1995 Final Literature Review
Unconscious	Part of the Knowledge Placement Model. Knowledge placed here forms a key part of the decision making process, however the owner is unaware of using it and is unaware, directly, of its existence. Knowledge placed within the Unconscious is still retrievable and articulatable with prompting, however the possessor will not volunteer this knowledge when asked to discuss the topic. This knowledge is labelled Unconscious Tacit Knowledge by Baumard (1999).	Researcher, drawn from Baumard, 1999 Parallels to known psychology term of sub-conscious Final Literature Review
Unconscious Tacit Knowledge	This knowledge forms a key part of the decision making process, however the owner is unaware of using it and is unaware, directly, of its existence. Knowledge placed within the Unconscious is still retrievable and articulatable with prompting, however will not be volunteered under direct questioning.	Baumard, 1999 Final Literature Review
Visual Language	Communication through visual 'symbols'. While everyone understands something from visual 'symbols' and experiences a tacit response, what is understood and the depth of understanding is highly dependent on the worldview of the observer and their interpretive 'talent'. The level of this interpretive talent was measured on the Visual Language Scale, created through this research.	Polanyi, 1967 Polanyi and Prosch, 1975 Initial Literature Review Design Industry term Pre-research
Visually Aware	On the Visual Language Scale. Someone at this level recognises other thought-worlds exist and that visuals can evoke different responses in different thought-worlds.	Researcher During research
Visually Fluent	On the Visual Language Scale. Someone at this level is able to use visual symbols to communicate with and engender a required response within another thought-world.	Researcher During research
Visually Literate	On the Visual Language Scale. Someone at this level is able to recognise whether symbols 'belong' to a thought-world other than their own and to identify between 'right' and 'wrong' visual semiotics for that other thought-world.	Researcher During research
Visually 'Multi-Lingual'	Highest point on the Visual Language Scale. Someone at this level is able to use visual symbols to communicate with and engender required responses with multiple thought-worlds.	Researcher During research
Visually Responsive	Lowest point on the Visual Language Scale. Someone at this level is only capable of responding to visual semiotic stimuli within their own thought-world. They are unaware that visuals can be a form of communication or that different visual languages are used for different thought-worlds.	Researcher During research
Worldview	How an individual views and interprets the world.	Morton, 1997 Initial Literature Review

# Appendix B: Round 1 Semi-Structured Interview Guide

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Note: A similar guide was used for the Creative companies, but substituting the term 'SME' for 'Creative company', and enquiring about the SMEs strategy rather than the Creative strategy in Theme 2. The questions in bold were used as the guide for the interview, with the prompts only used if more information needed to be drawn out.

## Theme 1: Background

### **1.1 Can you tell me about the background of the business?**

### **1.2 Can you tell me about networking in the Manchester region?**

Prompt 1: Are you involved?

Prompt 2: How helpful is it?

Prompt 3: Best/worst about it

### **1.3 Have you worked with a creative business before?**

Prompt 1: in the Manchester region?

Prompt 2: Successful / unsuccessful?

Prompt 3: How was that measured?

## Theme 2: Strategy

### **2.1 Can you tell me a little bit about your customers?**

Prompt 1: What are they looking for?

Prompt 2: What do they like about your company?

Prompt 3: Do you have any way of knowing how satisfied your customers are with your products?

### **2.2 Can you tell me about your competitors?**

Prompt 1: Numbers?

Prompt 2: Location?

Prompt 3: Threat? If so why?

Prompt 4: Competitors you wish to copy

### **2.3 Can you tell me about your plans for this business?**

Prompt 1: Structured or reactive?

Prompt 2: Growth or Survival?

Prompt 3: Any benchmarks in place? Targets etc.?

## Theme 3: Strategy and (the Funding Project)

### **3.1 Can you describe your (funding) project to me?**

Prompt 1: What factors influenced you to apply for (this funding)?

Prompt 2: What benefits do you see from this project?

Prompt 3: How, when and where did you design (this funding) project?

Prompt 4: How was the creative business partner selected?

Prompt 5: How many people do you work with?

Prompt 6: What sort of a working relationship do you have with the creative business?

Prompt 7: Any changes to the project design?

Prompt 8: How are you going to measure the success of this project?

Prompt 9: Can you tell me about any future plans?

## **Theme 4: Working with a Creative Company**

### **4.1 Can you describe the process of working with a Creative Company?**

Prompt 1: How involved was the Creative company in the planning stages?

Prompt 2: How involved are you in the delivery stages?

Prompt 3: How is the project monitored?

Prompt 4: Record keeping?

Prompt 5: How do you measure the success of each stage?

Prompt 6: Have there been any issues with delivery?

### **4.2 Can you describe your experience of working with a Creative company?**

Prompt 1: Have there been times when you've been pleasantly surprised by the Creative company?

Prompt 2: Disappointed?

Prompt 3: What have you learnt from working with a Creative business?

Prompt 4: What would you change after working with a Creative business?

Prompt 5: What would you do differently if you worked with a Creative business again?

## **Theme 5: Communication: Frequency, Nature, Effectiveness**

### **5.1 Can you tell me about communication between you and the Creative Company?**

Prompt 1: How often do you communicate?

Prompt 2: Is it formally or informally?

Prompt 3: Who is involved?

Prompt 4: Which method is most common?-Meeting, email, fax etc.

Prompt 5: Who is the initiator of most communications? You or the other side?

Prompt 6: Record keeping? (If not covered before)

Prompt 7: Misunderstandings?

Prompt 8: Your preferred way of communicating?

Prompt 9: The other company's preferred way of communicating?

### **5.2 Can you describe your meetings to me?**

Prompt 1: Type of meeting that you have? face to face/ phone etc

Prompt 2: Frequency

Prompt 3: Who is involved?

Prompt 4: Formal / Informal

Prompt 5: Mode of presentation from you? Visuals, PPT bullets, reports

Prompt 6: Mode of presentation from the other company?

Prompt 7: Examples when the meetings have gone extremely well?

Prompt 8: Examples when they have gone badly?

Prompt 9: Any differences of opinion on the project?

Prompt 10: How have you resolved these?

Prompt 11: Record keeping? (if not covered before)

## **Theme 6: Innovation**

### **6.1 Can you talk to me about working with new ideas in your company?**

Prompt 1: How important are new ideas?

Prompt 2: How do you decide which ideas to run with?

Prompt 3: Do you share new ideas with other business?

Prompt 3: greatest success from new ideas? Why?

Prompt 4: greatest failure from new ideas? Why?  
Prompt 5: How comfortable are you with new ideas?

**6.2 What does innovation mean to you?**

**6.3 What does creativity mean to you?**

## **Theme 7: Intellectual Property**

**7.1 How would you define Intellectual Property?**

**7.2 How would you define Intellectual Property Rights?**

Prompt 1: Do you know what types there are?

Prompt 2: Do you know where each can be used?

**7.3 What has been your experience of protecting new ideas in the business?**

Prompt 1: Where did you get the information about protecting your ideas from?

Prompt 2: What measures did you take?

Prompt 3: Did you get support?

Prompt 4: Where from?

Prompt 5: How important do you think IPR is to your business?

**7.4 What do you think the best or worst strategies for protecting new ideas are?**

**Finally...**

**What has been the best / worst things about this project so far?**

**Are there any questions that I have not asked you that I should have asked you?**

## Appendix C: Structured 'Phone Interview Guides

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### Guide for SMEs and Micros

1. Have you worked with your Creative partner since the (project) ended? If so, how?
2. What was your perception of the Creative Industry prior to the (funding) scheme?
3. How, if at all, has this project changed that perception?
4. What have you learnt from working with your Creative partner?
5. What have you done differently as a result?
6. Has your view to Intellectual Property/Innovation/Creativity changed since working with your Creative partner?
7. How would you feel about working with the Creative partners again?
8. How would you feel about working with a different Creative partner?
9. How do you know if the (funding) project has been a success?

### Guide for Creative Companies

1. Have you worked with your SME partner since the (project) ended? If so, how?
2. What was your perception of working with SMEs prior to the (funding) scheme?
3. How, if at all, has this project changed that perception?
4. What have you learnt from working with your SME partner?
5. What have you done differently as a result?
6. Has your view to Intellectual Property/Innovation/Creativity changed since working with your SME partner?
7. How would you feel about working with the same SME partner again?
8. How would you feel about working with a different SME partner?
9. How do you know if the (funding) project has been a success?

## Appendix D: Maps of Additionality from Journeymaking Event

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*Figure 1D: Results from the first workshop (Map by Prof. D. Shaw)*



*Figure 2D: Results from the second workshop (Map by Prof. D. Shaw)*

# Appendix E: Round 4 Semi-Structured Interview Guides

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## Guide for SMEs and Micros

### Theme 1: Additionality and Behavioural Change

**1.1 From working with the Creative Company, did they contribute anything to the business that was not in the contract?**

Examples? e.g. on: new product development, new management systems, new methods of marketing and sales, new market routes, new viewpoints and increased creativity within the company.

**1.2 Are there any areas in your business in which you feel more confident since you finished your (funding project)?**

Examples?

**1.3 What did you learn from working with the Creative supplier? How have you used that learning since then?**

Examples about creativity, innovation, communication skills particularly visual and verbal presentation?

**1.4 Have there been any other changes within your business that you think was due to working on this project?**

Examples?

### Theme 2: Changing Business Profile

**2.1 How, if at all, did the (funding project) improve how other people see your business?**

**2.2 What has been done since the (funding project) to improve the presentation of your business?**

**2.3 What has been the impact of these improvements?**

Examples?

**2.4 Looking back, how, if at all, have your networks improved at all since the (funding project)?**

Examples?

What do you feel was responsible for this?

**2.5 Do you use social media?**

What for?

When did you first think of this being helpful to your business?

What do you think is the potential of social media for your business?

### **Theme 3: Perception**

**3.1 Where do you feel you gained the greatest value from this project?**

**3.2 How, if at all, has your confidence changed about working with the Creative Industries?**

Examples?

**3.3 If someone were to ask you about working with a Creative Company for a project, what advice would you give them?**

What would you have done differently?

### **Theme 4: Intellectual Property**

**4.1 How, if at all, has your view on Intellectual Property changed since the (funding project)?**

Examples?

**4.2 Have you ever been given advice about Intellectual Property?**

Where did you get that information from? Did you find the advice helpful?

**4.3 If you were looking for information about Intellectual Property in the future, where would you look?**

### **Theme 5: The Future**

**5.1 Have you recently invested in a new project without knowing exactly what the outcome would be?**

Have you always done this?

Thinking back, did you do it before the (funding) project?

Would you do it in the future?

**5.2 Is there anything that we have not talked about that you intend to do in the business based on (this funding project) experience?**

**5.3 Is there any advice you would like to give to (the funding body) if they were to run the (funding) project again?**

# Guide for Creatives

## Theme 1: Additionality and Behavioural Change

**1.1 Have you had any contact with the SME since the end of the (funding project)?**

**1.2 Do you feel you contributed anything to the business that was not in the contract?**

Examples? e.g. on: new product development, new management systems, new methods of marketing and sales, new market routes, new viewpoints and increased creativity within the company.

**1.3 Are there any areas in their business in which you feel they became more confident?**

Examples?

**1.4 What do you think they learnt from working with you?**

Examples about creativity, innovation, communication skills particularly visual and verbal presentation?

**1.5 Did you see any other changes within their business that you think was due to working on this project?**

Examples?

## Theme 2: Changing Business Profile

**2.1 How, if at all, did the (funding project) improve how other people see their business?**

**2.2 Do you know if they have done anything since the (funding project) to improve the presentation of their business?**

**2.3 What do you feel the impact of these improvements was?**

Examples?

**2.4 Did you discuss social media with them?**

What for?

When did you first think of this being helpful to their business?

What do you think is the potential of social media for their business?

What was their reaction?

## Theme 3: Perception

**3.1 Where do you feel they gained the greatest value from this project?**

**3.2 If someone were to ask you about working with a Creative Company for a project, what advice would you give them?**

## **Theme 4: Intellectual Property**

### **4.1 Have you ever been given advice about Intellectual Property?**

Where did you get that information from?

Did you find the advice helpful?

### **4.2 If you were looking for information about Intellectual Property in the future, where would you look?**

## **Theme 5: Future**

### **5.1 Is there any advice you would like to give to (the funding body) if they were to run the (funding) project again?**

## Appendix F: Sample of Cross-Tabulation Analysis

1	2	3	4	5	6	7	8	9	10
Micro	Creative	Micro's Customer Knowledge before project	Micro's Customer Knowledge after project	Micro's Visual Language before project	Micro's Visual Language after project	Customer Knowledge Transfer Micro PoV	Customer Knowledge Transfer Creative PoV	Visual Language Transfer Micro PoV	Visual Language Transfer Creative PoV
MW1	C1	Peripheral	Conscious	Responsive	Literate	Unaware	Aware	Unaware	Aware
MW10	C8	Peripheral	Peripheral	Responsive	Responsive	Aware	Aware	none	none
SW3	C15	Unconscious	Central	Responsive	Visually Aware	Unaware	Aware	Unaware	Aware
MW9	C7	Unconscious	Unconscious	Responsive	Responsive	Unaware	Aware	None	None
MW4	C4	Peripheral	Central	Visually Aware	Fluent	Unaware	Aware	Unaware (aware later)	Aware
MW2	C2	Peripheral	Central	Responsive	Visually Aware	Unaware	Aware	Unaware	Aware
SW1	C2	Central	Central	Literate	Literate	Aware	Aware	None	None
MW5	C2	Unconscious	Occasional	Responsive	Visually Aware	Unaware	Aware	Unaware	Aware
SW4	C16	Central	Central	Responsive	Responsive	Aware	Aware	none	none
MW3	C3	Central	Central	Multi -Lingual	Multi -Lingual	Aware	Aware	none	none
MW7	C5	Central	Central	Responsive	Visually Aware	Aware	Aware	Unaware	Aware
SW5	C2	Unconscious	Occasional	Responsive	Visually Aware	Unaware	Aware	Unaware	Aware
MW8	C6	Central	Occasional	Responsive	Visually Aware	Aware	Aware	Unaware	Aware

**Table 1F: Sample of Cross-Tabulation Analysis – Correlating Knowledge Transfer with Awareness of Transfer (author)**

## Appendix G: Funding Body Guide to Selecting and Working with a Creative Business

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