

## FREE PITCHING EFFECTS ON DESIGNER'S MARKETING DECISION

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**Abstract:** This paper aim to understand the phenomenon of free pitching that commonly happened with a lot of designers all around the world. By applying the concept of prospect theory with the decision taken by designers in marketing their design, the study conducted with several designers in Bali help understanding how free pitching has affected a small community tremendously.

**Keywords:** *free pitching, prospect theory, intellectual capital, financial capability*

### 1. INTRODUCTION

As *homo economicus*, human always seek to maximize profit with minimal cost and creates a situation where quality is weighed less than quantity. With the trend of quantity over quality we can see that there are a lot of designers ended up creating as much design as possible with less variety and often with less creativity because the client want seemingly endless options to choose so they could push the cost lower by the threat of choosing other available options. This forced people providing services or goods to create a way in attracting the client with their low budgeting policy resulting in lower price of goods and even giving free samples in order to convince the customer to choose their product, this leads customer or clients to think that it's their privilege to get a sample of your ability or products freely.

As the results of the upcoming trend of attracting customer by lowering the cost of your service, it creates and 'free pitching'. [1] *Pitching is any practice that involves the speculative or competitive provision of design services (including concepts) for a commercial client that results in the designer receiving or charging less than their normal professional rates for work that is intended or likely to be commercially realised or in an attempt to win new business.* While free pitching is the free version of pitching that the design asked are not in low-cost, but given away freely.

The purpose of this study is to investigate the global phenomenon that begin to spread to interior designers as it happened with graphic designers especially in Bali because the number of people participating in pitching or free pitching has grown in an alarming rate up to the point that free pitching has become 'common' thing to be done in either promoting or winning a tender from your client. Although the reason may vary, most of the people have the common reason why they want to participate in free pitching like how it could get them to be acknowledge by other people, showing their flexibility with the client's request, to 'catch up' with big businesses, etc.

This paper discussed the reason free pitching is often used by a lot of designers as the way of marketing their ability. Designers always create a ROI (Return of Investment) calculation to value the design they are going to sell to the client that is to ensure that the income they gain will be able to cover up all the expense they are spending to make a design. The problem with this calculation of ROI is that most of the time the client couldn't agree on the cost provided after the design is received, thus making the client to search for another 'desirable' designers to complete the project with the budget they want in the beginning. The (intended) miscommunication between the client and the designers makes the marketing condition in uncertain condition.

## 2. THEORITICAL BACKGROUND

A theory developed by Daniel Kahneman and Amos Tversky named "Prospect Theory". According to Ayelet Gneezy & Nicholas Epley [2] *Prospect Theory is a psychological account that describes how people make decisions under conditions of uncertainty*. Since the decision that the designer would take is under uncertainty. The Prospect Theory is the most suitable theory in decoding why designers may choose to do free pitching instead of the other options that bring more advantages.

[3] Prospect theory has 2 phases that are editing phrase and evaluation phrase. The editing phase, serves to identify the gains or losses of different variables and to reformulate the variables to simplify the outcomes and choices of the variables. The evaluation phrase, evaluate the previous edited variables through monetary outcomes that can be gained or the probabilities for the success of the variables. Usually, the reference point corresponds to the current asset position makes the final outcome highly depended on the subjectivity of how the variable is evaluated. For example, in the case of people with higher assets they will be more reluctant to engage in a situation where the income gained would be lower than they calculated, whereas for people with lower assets they will be more willing to engage to the previous situation because of the probabilities of income gained to add their low assets. The subjectivity makes prospect theory differ from other decision making theory because prospect theory is flexible and interchangeable based on the applied subjectivity of the gains and losses rather than to be fixated on the final outcome of the decision making calculation.

Prospect theory also admit that there is a shift of references in the evaluation process when the subjectivity changed, where the previous scenario can changed when the people with higher assets come to the agreement that the money even if in small number valuable because (s)he unexpectedly losses a lots of income and for the people with lower assets to decline to engage when the income not worth the problem for him since (s)he previously had a huge income. This shift of references(current assets) makes people who are not willing to engage in a unfavourable situation changed their mind.

### 3. METHOD

#### *Sampling Method*

25 interior designers are chosen randomly as the sample for the interview of this study and categorized based on their educational background and also working environment. The groups are divided into 5 students, 10 lectures, and 10 full-time interior designers (freelance and also office worker)

#### *Interview methods*

The 25 person was interviewed with self-designed questionnaires to gain sufficient information for the study. The questions are including but not limited to whether or not the informant have participate in free pitching and for how many times if the informant indeed participate, the reason why the informant do free pitching, and if the informant actually agree with the notion of free pitching.

### 4. RESULTS

There are a few things that all the informants agree on; (a)free pitching is needed to gain certain acknowledgment, (b)free pitching is a way to show their ability to the client, (c)free pitching attract new client easier. From the lectures and worker group of informants say that the condition pushes them to give free services at first instead of willingly free pitch from the start. They also confess in the times they engage to free pitching, they have face some loss in both time and resources but more than half of them still agree to give some free services willingly to the client if free pitching generates the possibilities of getting income rather than not getting income at all. While the last group of students confess, that they don't know about the possibility where your design might not get paid by the client other than their family or close friends.

Most of the cases that the informants involved are in the cases of close friends or close relatives asking for help in designing and rarely happened with stranger.

### 5. DISCUSSION

There are a lot of debates in regard of why people do free pitching and why free pitching become so ideal in all over the world when the cost or loss of the designer is not as small as people tend to believe. Not surprisingly the number of people who supports the rise of free pitching trend is quite high and interestingly, people who supports free pitching are the people who either (a)has conducted free pitching, (b)has requested for a free pitching service, (c)have the intention to free pitch sometime in the future. According to the survey conducted by a lot of international design organization, there are a lot of arguments the people of free pitching stated. These arguments are mostly talking about how incapable new and inexperienced designers are without free pitching, the market domination by the experienced designer, and the hardship they have to go through to

compete within the market. It is to be note down that when you are getting free pitched most of the time you are not going to get anything from the free pitched client.

That being said, the subjectivity in this case heavily lied on how the designers are seen by the client along with how much profit they can generate throughout their career. If we analyze this subjectivity with the prospect theory it become visible that the number of designer free pitching is heavily dependent on how much the designers willing to undergo the risk of not being selected by the client or undergo a 'fair' transaction and also on how much the client are willing to compromise with the designers ROI calculation. This subjectivity is problematic that the problems in regards of free pitching all pointed to the problem of designers-client's deal. When the client argue that they need pitching in order to cross check the designers capability, they forget that there are other methods to prove the designers credibility by showing their track record, past designs, client list, client referral, etc that has been proven work by other sectors that provides their intellectual capital as their main selling point such as legal, accountant, and management consultant.

The reasons why free pitching bad for the designers is because usually a design need a lot of adjustment to fit one client taste and the similar design are less likely to fit another client taste. The time spend in making one design often takes too much of their time in order to satisfy the one client taste that making another design in an instance would not be possible. Moreover when a designer used the same design again and again, they lose the sense of variety and creativity which leads to clients in the future making a bad recommendation on the particular designer. These reasons occasionally escape the judgement of designers because of several circumstances as follows;

- 1. A lack of designer professionalism and lack of client education**
- 2. High level of ignorance**
- 3. The rise of crowdsourcing in design**
- 4. Financial Capability**

As it is also a part of share responsibility between the client and designers, in the case of free pitching, the designers also are to blame because more often than not the client are not well educated in terms of understanding why a design needs to be paid that particular price. As the trend arise and the clients slowly become accustomed by the idea that a design should always be free or worth less than you offer, it should be the duty of the designers to explained thoroughly and straighten the fact to the client about the worth of your design instead of succumbing to the fact that if you didn't pitch you will lose the client. This lack of professionalism encourage the client to keep pushing the price lower and end up stripping off the intellectual capital from the designer. The client can make their decision based on the information they can acquire from the particular designers and signed a contract with that said designer. It's not fair if the designers already give away their intellectual capital but later the client decided to go to another designer because several criterions don't match their taste. Pitching gives the opportunity for that situation to happen because there haven't been any contract shared and agreed upon, thus it's completely justifiable for the client to search for another designer. The high level of ignorance on both the designer and also client side is horrendous that it seems the intellectual capital of the designers is

nothing but a drawing in a piece of paper. This is so wrong on so many levels that not only the ignorance makes people give less and less appreciation on the design but also prompt people to search for a way to not pay for the particular design.

Although it's inevitable that as the technology and internet makes people's life easier, people are starting to rely on the internet more and do crowdsourcing rather than go to the actual person to discuss about the design problem they have. Not only that crowdsourcing is free but crowdsourcing provide numerous options for the client to consider without worry since the people who joined the crowdsourcing are willing to share their intellectual capital sometimes with the hope of being contacted personally to start the business. Hence, the rise of crowdsourcing creates another option for free pitching for the client to indulge and making them less attracted to the idea of paying a design. Financial capability takes a huge role in deciding whether or not a design is going to get sold and how much the design should get paid in accordance to the work done. In fact, the client mostly turn to a cheaper design because of the lack of financial capability that if they are able to get similar design with cheaper price then why wouldn't they buy it? The problem with this kind of mindset is that it would only makes more designers feel obliged to lower their price to suit the client financial capability which eventually leads to pitch and free pitching.

## 6. CONCLUSION

As reasonable as it may seems, these circumstances that contains flaws harm the designer in doing their business. Not only that, it also clouded the judgement of the designers to make their decision that should actually generate more income for them. There are a lot of things that can be changed in order to standardise the assumptive subjectivity for the designers because the circumstances stated are not a fixed circumstances that cannot be changed no matter what they do. With that it is hope that something can be done for example create a standard of designer-client deal or standard of fee that can be charged in order to change the subjectivity that are closely related on how designers view their future prospect.

This study only serve as the basic understanding the decision making taken by designers who choose to free pitch instead of doing giving discount or involved in a *pro bono* situation. A further investigation and research is encouraged.

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