



PHILIPS

Philips Consumer Lifestyle

BU DA

Consumer Care Book

GC48xx

E34

Dry/Travel/Steam Irons

Category: Company Confidential
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Date: 2009-Dec-14
Version: **PPC phase**
Reference: CSB-01-420-09008
No. of pages: 12 (incl. this page)

Approved & signed for CL DA Garment Care

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Philips Consumer Lifestyle Domestic Appliances Singapore

1 INTRODUCTION, PLANNING

1.1 GENERAL INTRODUCTION



PROJECT DESCRIPTION

AZUR 4800 PRESENTS A PLAY NOT TO LOSE PROPOSITION I.E. TO BE ON PAR WITH COMPETITION ON POWER SPECIFICATION OF 2600W

THE DISCRIMINATOR: THIS PHILIPS STEAM IRON REMOVES CREASES SO EASILY EVEN OF DIFFICULT TO REACH AREAS WITH THE UNIQUE STEAM TIP AND THE SHOT-OF-STEAM TURBO FEATURE.

STEAM TIP: ALLOWS EASY ACCESS TO HARD TO REACH PLACES ON THE GARMENT & DELIVERS STEAM TO THE TIP OF THE IRON.

SHOT-OF-STEAM TURBO FEATURE: INTEGRATES THE SOS & EXTRA STEAM IN ONE SINGLE ACTION. COMBINATION OF THE 2600W SOLEPLATE & SOS TURBO FEATURE ALLOWS EASY REMOVAL OF THE TOUGHEST CREASES.

OBJECTIVES

ONE YEAR AZUR 4600 IN WE SHOWS 6.5% MARKET SHARE DROPS IN HIGH END SEGMENT. THIS LEADS TO A LOSS OF SALES OF +/- 2.8MLN EUR.

AZUR 4800 IS INTENDED TO GAIN BACK MARKET SHARE AND BRING HIGH END SEGMENT TO AT LEAST THE SAME MARKET SHARE LEVEL AT BEGINNING 2008 VIA:

- SPECIFICATIONS ON PAR VS COMPETITION (2600W SOLEPLATE, 50G/MIN CONTINUOUS STEAM, 120G/MIN SOS)
- BETTER DESIGN (SLIM, SPEEDY, LIGHTWEIGHT)

1.2 IPD MILESTONES

VPD	wk928
AA	wk935
PPC	wk951
PV	wk1014
IR	wk1017
CR	wk1022
LD	wk1035

1.3 STROKE VERSIONS, INTRODUCING REGIONS/COUNTRIES, QUANTITIES, PRICE

TYPE NUMBER	STROKE VERSION	FIRST SHIPMENT	TOTAL PLANNED QUANTITY (3YRS)	GOING PRICE
GC4810	EUROPE /02 SWISS /07	REFER LAUNCH PLAN	1116K	€ 79.99
GC4820	EUROPE /02 SWISS /07	REFER LAUNCH PLAN	669K	€ 89.99
GC4830	EUROPE /02 SWISS /07	REFER LAUNCH PLAN	218K	€ 99.99
GC4840	EUROPE /02 SWISS /07	REFER LAUNCH PLAN	141K	€ 109.99

2010 Launch plan

Country	2600W	2400W
France	X	
Germany	X	
Nordic		X
Belgium	TBC by country	
Netherlands	X	
Russia	X	
Poland	X	
Ukraine	TBC by country	
CEE	TBC by country	
Iberia	TBC by country	
Greece	TBC by country	
Italy	X	
Turkey	TBC by country	
Asia (China/Singapore/Thailand/Malaysia)	X	X for China

Customer Service Offering (CSO) for Consumers

REGION	CSO Front end	CSO Back end	REPAIR PROCESS
APMEA	CALL CENTRE SUPPORT WEB SUPPORT	CARRY IN/ REPAIR	COMPONENT LEVEL REPAIR
EUROPE	CALL CENTRE SUPPORT WEB SUPPORT	CARRY IN/ REPLACEMENT FOR NEW	NO REPAIR
LATAM	CALL CENTRE SUPPORT WEB SUPPORT	CARRY IN/ REPAIR	COMPONENT LEVEL REPAIR

2. TECHNICAL SPECIFICATION

2.1 KEY SPECIFICATIONS (AS OF PPC)

Azur 4800	Specs as at Wk0944						
RANGE BUILD UP	GC 4810	GC 4820	GC 4830	GC 4840	Feasibility	Current Design / Capability	Remarks
General features							
Commercial:							
Power	2600W	2600W	2600W	2600W	Yes	2400W	Not feasible for some countries due to 10A limit
Industrial Design	Azur 4400	Azur 4400	Azur 4400	Azur 4400	Yes		
Easy Reach Steam Tip	Yes	Yes	Yes	Yes	Yes		
IP Coating	Steamglide ++	Steamglide ++	Steamglide ++	Steamglide ++	Milestone delayed	Steamglide	Will use Steamglide if not in time for E-trial in wk 1011
Ionic Deepsteam	No	No	Yes	Yes	Yes	Ionic Deepsteam	
Steam rate	50g/min (steamboost)	50g/min (steamboost)	50g/min (steamboost)	50g/min (steamboost)	Yes	Continuous 40g/min	SOS concept selected for steam boost
SOS rate	120g/min	120g/min	120g/min	120g/min	Yes	100g/min	Increase dosage from 0.4g to 0.6g
Vertical SOS	Yes	Yes	Yes	Yes	Yes	Yes	
Spray	Yes	Yes	Yes	Yes	Yes	Yes	
Water tank capacity	350ml	350ml	335ml	335ml	Yes	Yes	
Drip Stop	Yes	Yes	Yes	Yes	Yes	Yes	
Easy-Filling	Yes	Yes	Yes	Yes	No	Door open to front, small filling hole	Dropped due to no clear consumer benefit and impact on industrial design
Anti-calc Pills	Yes	Yes	Yes	Yes	Yes	Yes	
Calc-clean	Yes	Yes	Yes	Yes	Yes	Yes	Button on left side
Cord length	2.5m	2.5m	2.5m	2.5m	Yes	3m	UK will still use 3m cordset
Soft grip	No	No	Yes	Yes	Yes	Yes	
Auto-shut-off	No	Yes	Yes	Yes	Yes	Yes	New ASO with 0.5W standby
Heat Protector	No	No	No	Yes	Yes	Yes	

2.2 EXPLANATION OF NEW COMMERCIAL FEATURES

(a) High Power soleplate

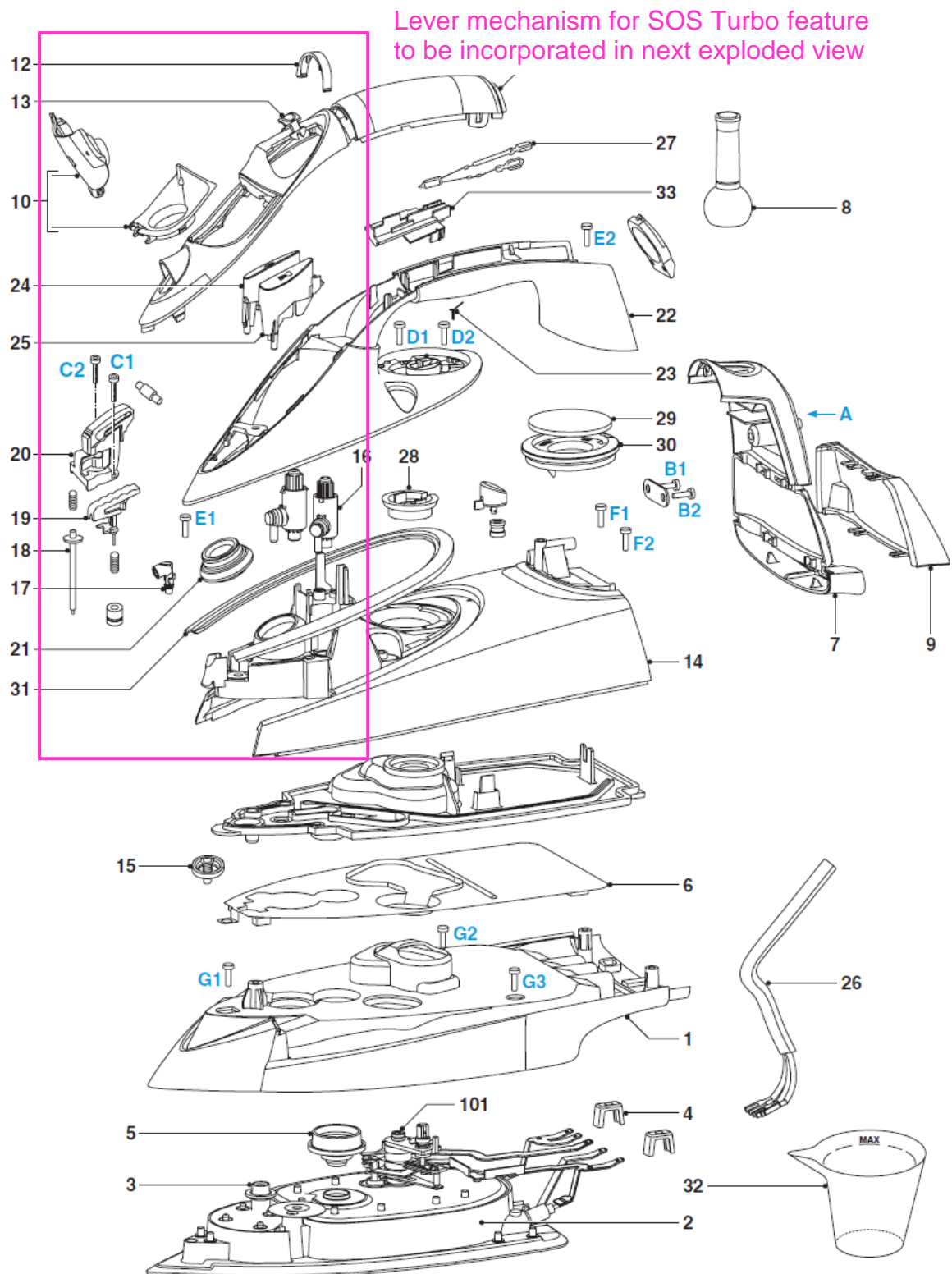
Power increase from 2400W to 2600W

(b) SOS Turbo feature

Integrate SOS & Extra steam in one single action via a lever mechanism

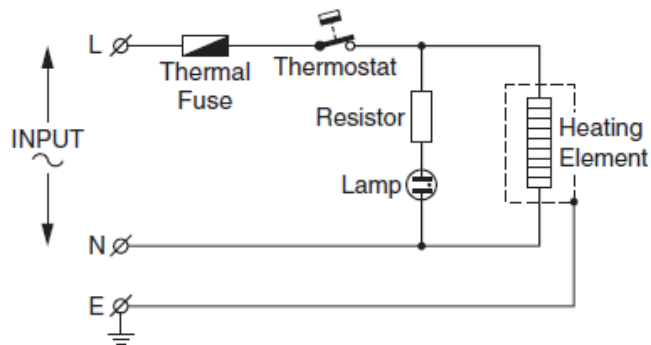
Architecture and characteristics

2.3 MECHANICAL (REFERENCE GC4400)

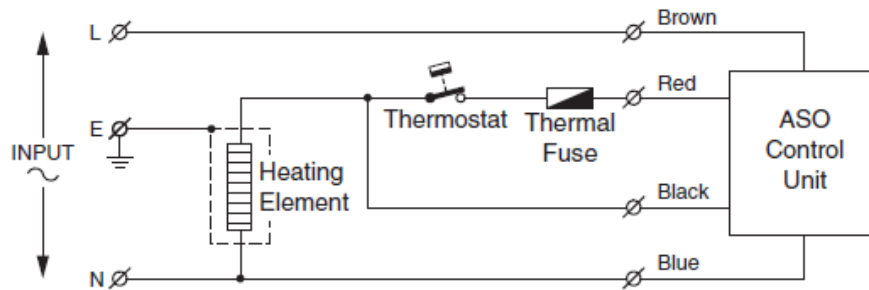


2.4 ELECTRICAL

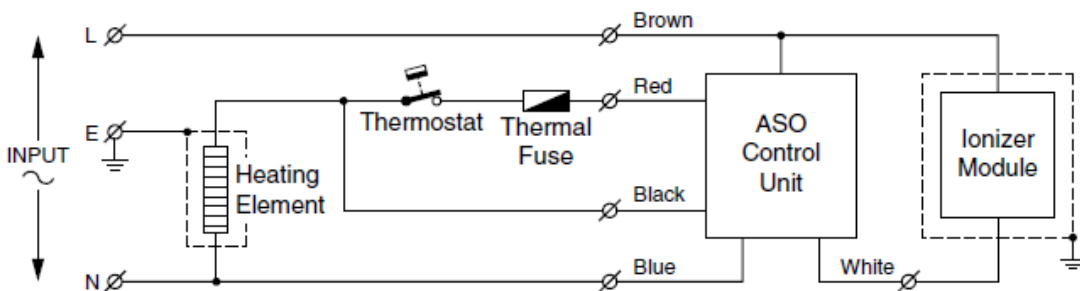
GC48xx (Non ASO)



GC48xx (ASO)



GC48xx (ASO Ionic)



2.5 BGA IC

Not applicable.

3. CUSTOMER SERVICE COST PREDICTION

3.1 CPI (COST PER INCIDENT) & EXPECTED CALL CENTER COSTS

Region	Labour	Handling & Transport	Parts	CPI	Cost per call**	CPI Total Estimation
APMEA (BASE ON RUN RATE OF MAG E34)	€ 2.64	€ 0.58	€ 2.51	€ 5.73	€0.06 0.15% of sales as rough estimate	€ 5.79
EUROPE*	€ 0	€ 4.8 based on average of Germany: €3, Netherlands: €6.5, France: €5	€ 19.70 (A48 NON IONIC) € 24.39 (A48 IONIC) Ave. IIP	€ 24.50 € 29.19	€0.08 €0.08 0.20% of sales as rough estimate	€ 24.58 € 29.27

*CPI REPLACEMENT FOR NEW

Country	IIP	Handling & Transport	Total
	(A)	(B)	(A+B)
Germany	Product specific	€3	
Netherlands	Product specific	€6,5	
France	Product specific	€5	

*CPI Repair

Country	Labor	Handling & Transport	Parts consumption	Total
	(A)	(B)	(C)	(A+B+C)
Germany	€10	€8	Product specific	
Netherlands	€13	€6,5	Product specific	
France	€13	€1,5	Product specific	

**CALL CENTRE COST GARMENT CARE

- For mainstream products:
 - Use 0.15% of sales for Region APMEA/LATAM
 - Use 0.20% of sales for Region Europe
- For high end products / innovations
 - Use 1% of sales as rough estimate
 - Substantiate by bottom up calculation
(Call rate ("ACR") * call duration * price per minute * 100) / NSP

3.2 CoNQ AS PERCENTAGE OF SALES

$$\left\{ \frac{\text{FCR} \times \text{CPI}}{\text{Net selling price}} \right\} + \left\{ \frac{\text{ACR} \times \text{cost per call}}{\text{Net selling price}} \right\}$$

CONQ calculated based on FCR target of 2.5% for GC4800 Non Ionic & 3.0% for GC4800 Ionic at CR milestone. *CoNQ will be updated at CR*

Region	$\frac{\text{FCR} \times \text{CPI}}{\text{NSP}} + \frac{\text{ACR} \times \text{call cost}}{\text{NSP}}$	CONQ (% of sales)	CONQ (€)
APMEA (REPAIR)	$\frac{2.5 \times 5.73}{38.18} + 0.15$	0.53%	TBC APMEA PLAN NOT AVAILABLE YET
EUROPE (EXCHANGE) A4800 NON IONIC	$\frac{2.5 \times 24.50}{38.18} + 0.20$	1.80%	€ 1.227 mio 3-year volume: 1785K average NSP: €38.18
EUROPE (EXCHANGE) A4800 IONIC	$\frac{3.0 \times 29.19}{47.28} + 0.20$	2.05%	€ 0.348 mio 3-year volume: 359K average NSP: €47.28
TOTAL	NA	1.85%	€ 1.575 mio

Note:

GC4800 Non Ionic

FCR target at CR = **2.5%**
CPI @APMEA = € 5.73
CPI @Europe = € 24.50
NSP @Europe = € 38.18

GC4800 Ionic

FCR target at CR = **3.0%**
CPI @APMEA = € 5.73
CPI @Europe = € 29.19
NSP @Europe = € 47.28

Call centre cost as % of sales @APMEA = 0.15% (Rough estimate for mainstream products)
Call centre cost as % of sales @Europe = 0.20% (Rough estimate for mainstream products)

3.3 TARGET FCR AND KEY COMPONENTS COSTS

Target FCR for GC4800 Non Ionic = 2.5% @ Commercial Release

Target FCR for GC4800 Ionic = 3.0% @ Commercial Release

Key component costs to be available 1 week before Industrial Release (Pilot production).

3.4 CRITICAL SERVICE PARTS (CSP) & CONSUMER REPLACEABLE PART (CRP)

CSPs TO BE ON STOCK AT APC (ASIA PARTS CENTRE) AT LAUNCH DATE OF THE PRODUCT:

- Soleplate mounted assy
- Water tank assy
- ASO module
- Ionizer module

NO SERVICE PARTS ON STOCK IN WEST EUROPE REGION (EUROSERVICE) AS PRODUCT WILL BE REPLACED FOR NEW DUE TO SERVICE EXCHANGE POLICY.

CRP FOR THIS PRODUCT

- Filling cup
- Soleplate heat protector
- Iron sock

3.5 CHARGE BACK

BACK CHARGE AGREED - **NO**

(REASON: PRODUCTS ARE PRODUCED IN PHILIPS FACTORY SINGAPORE)

SPECIFY FOR WHICH REGION

IN CASE THE DECISION HAS NOT YET BEEN MADE AT PRS-STAGE INFORM HERE AT WHICH MILESTONE (AND IF POSSIBLE BY WHOM-PURCHASER??) THE AGREEMENT WILL BE FORWARDED

3.6 FAST FEEDBACK PROGRAM

FAST FEEDBACK REQUESTED? YES

IN CASE FAST FEEDBACK HAS BEEN REQUESTED:

❖ **EARLY MARKET FEEDBACK? YES**

NPS Extract

-Insights from consumer verbatims

IWS (Germany market)

-Authorized Service Centres SCB & ERC

-Online data @ Sharepoint site

-Support from Regional Quality Team & Consumer Care DACH

KWO (Netherlands market)

-Authorized Service Centre E-Care

-Online data @ E-Care TASS website

-Support from Consumer Care Benelux

IPM

-Global platform to register quality/service feedback

❖ **REPAIR VIA INITIAL WORKSHOP? YES**
QUANTITIES?

IWS GERMANY N=30

KWO NETHERLANDS N=30

❖ **FIRST 100 CALL CENTRE (SITEL)? YES (NPS EXTRACT)**

❖ **RAPID EXCHANGE (USA)? NO**

❖ **INTENSIVE FAST FEEDBACK
SUPPLIER INVOLVEMENT? NO**

4. CONSUMER CARE PACKAGE PLANNING

IPD Process Consumer Care Planning - Azur 48xxx



Timeline (wk)

IPD Milestone

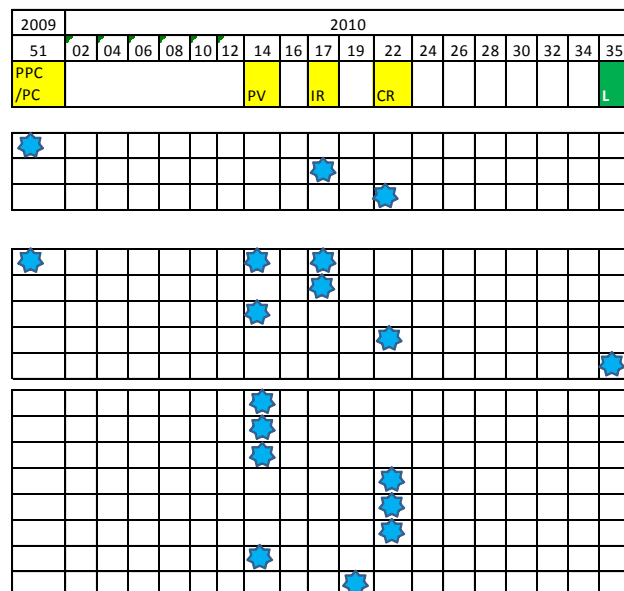
Activities

Consumer Care book approved	Owner
Consumer Care package review	QD
Consumer Care package approved	QD

Elements of Consumer Care package:

Service readiness	Serviceability report	SM
	Service BOM ready	SM
	Initial stock CSP confirmation by supplier	SM
	Service manual ready	SM
	Sparepart on-stock	SM
Contact Centre / Web support readiness	Leaflet (draft)	CMM
	DFU (draft)	ARC, CC
	FAQ (draft)	ARC, CC
	Leaflet (Final)	CMM
	DFU (Final)	ARC, CC
	FAQ (Final)	ARC, CC
	Product sample for contact center Site1 n=2 (Non Ionic/ Ionic)	CC
	Training kit for contact center Site1	CMM, ARC, CC

Timetable



Abbrev. Owner: QD (Quality Director), SM (Service Mgr), CC (Consumer Care Mgr), CMM (Consumer Marketing Mgr), ARC (Application Research Center)

PACKAGE	APMEA	EUROPE	REMARK	OWNER
LEAFLET	BY PV	BY PV		CMM
USER MANUAL (DFU)	BY PV	BY PV		CMM
FAQ KNOWLEDGE BASE	BY PV	BY PV		CMM/ARC
SERVICE MANUAL	AT CR	NA		CC
SERVICE BILL OF MATERIAL	AT CR – 2 WK	NA		CC
PRODUCT SAMPLE FOR CONTACT CENTRE	IR + 2 WK: SITE1: 2 SETS	IR + 2 WK: SITE1: 2 SETS		CC
TRAINING KIT FOR CONTACT CENTRE	IR + 2 WK: SITE1	IR + 2 WK: SITE1		CMM/ARC

1) FOR EUROPE, TOLL-FREE SERVICE NUMBER WILL BE ADDED TO WARRANTY BOOKLET.

Country	New Free phone number	Go live date
France	0805025510	March 1
Spain	900800655	March 10
Germany	08000007520	March 26
Italy	800088774	April 6
UK	08003316015	April 15
Netherlands	08000230076	May 4

2) FOR EUROPE, TOLL-FREE SERVICE NUMBER WILL NOT BE ADDED TO USER MANUAL AND QUICK START GUIDE.

3) FAQ WILL BE TRANSLATED IN TO 10 LANGUAGES

- English, French, Danish, Spanish, Italian, Dutch (for all version)
- Portuguese (additional for Latam version /55)
- Chinese Simplified (additional for China version /93)
- etc