



PHILIPS

Philips Consumer Lifestyle

BU DA

Consumer Care Book

GC510/GC520

E30

Steamer

Category: Company Confidential
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Date: 2009-Jun-22
Version: **PV phase**
Reference: CSB-01-420-09002
No. of pages: 14 (incl. this page)

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Philips Consumer Lifestyle Domestic Appliances Singapore

1 INTRODUCTION, PLANNING

1.1 GENERAL INTRODUCTION



GC510



GC520

Summary

- The Portable Steamer is an opportunity to expand our scope and reach those consumers for whom the traditional iron is a sub-optimal tool. The Steamer is an opportunity to reach those consumers for whom the iron does not match their needs.
- In China particularly de-wrinkling expectations are relatively low, and ironing is perceived as a difficult process to obtain a presentable garment. The Chinese market is the main focus of this project, developing an easier to use de-wrinkle appliance, with a commercial target of creating > 5 mio euro/ year within 3 years after launch.

Link with GC strategy

- The Garment Steamer is taking a true Garment Care cycle approach, because it addresses unmet needs across the Garment Care Cycle and opens up a new Garment Care category for Philips: Steaming.
- Grow the de-wrinkling market by offering a proposition outside the scope of traditional Ironing, addressing people that dislike ironing or people who think they are not good at it.

Market

- A growing group, of especially young working people, dislikes ironing.
 - Buying clothes easily de-wrinkled
 - Ironing only certain items, only certain visible parts, only visible wrinkles
 - Becoming less and less competent in ironing
- This target group is biggest in China.
- Globally we estimate the target group represents 10-20% of households, representing an estimated potential market of 200 million euro.
- In China the market the steamer category is well established, with 20% of the GC value. There are Hand Held Steamers and Stand Steamers. But at the moment there is a conversion from Hand Held steamers to Stand steamers. Philips is not addressing the steamer market with any product proposition. Focus is to propose a portable steamer with professional “stand-like” performance.

1.2 IPD MILESTONES

Phases	M'stone	Original (PPC)	Revised (PC)
Project Start	(PS)	wk 0821	
Project Plan Commitment	(PPC)[PO]	wk 0849	
Prototype Consolidation	(PC)	wk 0908	
Product Validated	(PV)[CES]	wk 0923	
Industrial Release	(IR)[RfP]	wk 0936	wk0932
Commercial Release	(CR)[RfD]	wk 0938	wk0936
Launch	(LD)	Oct 2009 (China)	
Project End	(PE)	wk 1001	

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

TYPE NUMBER	STROKE VERSION	FIRST SHIPMENT	TOTAL PLANNED QUANTITY	FSP	GOING PRICE
GC5XX	GC510/02 GC520/02 GC511/02	LAUNCH 1 ST WK938:1K LAUCH PERIOD WK938-WK945: 20K	497K (OVER 4 YEARS)	REFER BELOW TABLE	REFER BELOW TABLE

Planned quantities as per CMM planning

Total Volume in 4 Years: 497K

Assumptions	GC510	GC520
Scope	China, Korea, Malaysia	China, Singapore, Malaysia, Hong Kong
Volumes break-down	297k: 60%	200k: 40%

First Shipment & Launch Week (China Launch)

Launch Period : wk938 – wk945

Total Launch Quantity : 20,000 units

	wk0938 Launch wk	Wk0939	wk0940	wk0941	Wk0942	wk0943	wk0944	wk0945
GC510	590	590	1180	1180	1770	1770	2360	2360
GC520	410	410	820	820	1230	1230	1640	1640
Total	1000	1000	2000	2000	3000	3000	4000	4000

Going Price

Reference to China

Model	GC510	GC520	Average
Going Price	€ 62.30	€ 83.10	€ 72.70

Customer service offering 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

Range Build-up



Asia LE

Asia HE

Differentiation between Low End GC510 & High End GC520 is in the
 -Variable steam
 -Glove
 -Material & finishing

GC510	GC520
90 second heat-up time	90 second heat-up time
Continuous Steam	Continuous Steam
	Variable Steam Control
	Glove
	Better materials & finishing (e.g. spray paint side panels)
Distribution: Wide distribution	Distribution: Premium channels
Launch: Oct. '09	Launch: Oct '09

Commercial Specifications:

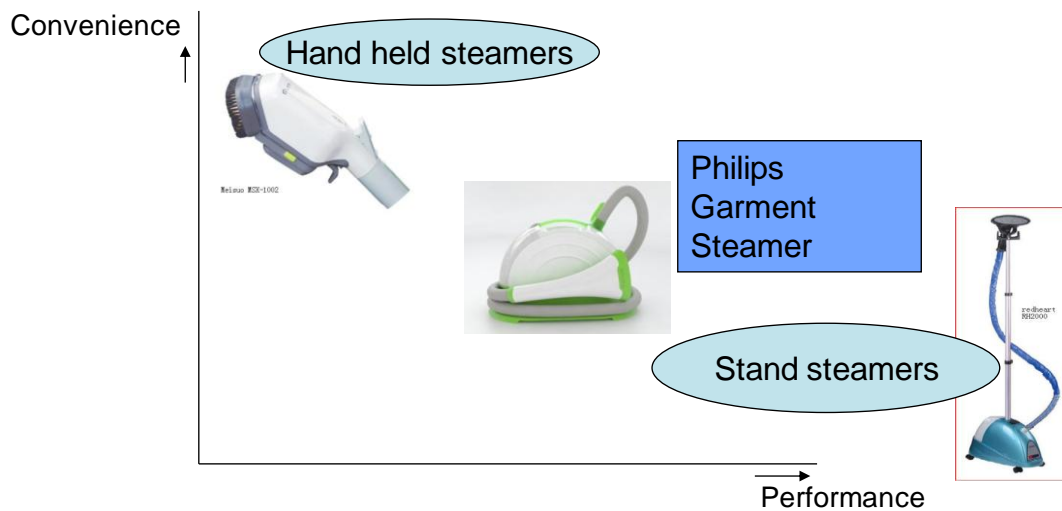
General features	GC510/511 (LE)	GC520 (HE)	Remarks	PC Status
Heater Type	Heater bowl	Heater bowl		
Power: Low	N.A.	933W	Heater design: 230V, China main supply: 220V.	910W
Power: High	1400W	1400W	Heater design: 230V, China main supply: 220V.	1365W
Time to steam	1.5 min	1.5 min	Heater design: 230V, China main supply: 220V.	1.5min
Steam rate High	35g/min	35g/min		35+/-5 g/min
Steam rate Low	N.A.	20g/min		20+/-5 g/min
Overheat safety fuse	Yes	Yes		Rated 255°C
Weight (dry)	3.1 +/- 0.3 kg	3.1 +/- 0.3 kg		3.1 kg
Water tank capacity	1.0L	1.0L	Bigger heater bowl compared to first prototype Smaller water tank due to increased heater bowl. Dummy volume can be added.	1.0 L
Power on button	Yes	Yes	Push On/Off switch	Yes
Pilot lamp	Yes	N.A.	LED	Amber colour
Power Low indicator lamp	N.A.	Yes	LED	Amber colour
Power High indicator lamp	N.A.	Yes	LED	Amber colour
Continous steam	Yes	Yes		Yes
Hose cord storage	Yes	Yes	Magnet	Magnet (2 places)
Hose cord length	1.5m	1.5m		1.5
Power cord length	2m	2m		2m
Glove	N.A.	Yes		Yes
Filling cup	Yes	Yes		1 litre
Detachable holder	Yes	Yes		Yes
Philips Logo	Print/In-mould	Print/In-mould	Print on water tank In-mould on steamer front hsg	Print on water tank In-mould on steamer front hsg
Special M&F	No	Yes	Yes	Yes for HE
Side panels	Same colour as frame	Different colour than frame	Masking spray on side panel for HE	Masking spray on side panel for HE
Handle	Opaque	Translucent	Translucent	Translucent
Water tank Max and Min	Print/In-mould	Print/In-mould	Print	Print
Drain Cap	Yes	Yes		Yes

2.2 EXPLANATION OF NEW COMMERCIAL FEATURES

Steamer will position in between hand held and stand steamers, by offering good performance and convenience

The Philips steamer is positioned at 'best of both worlds': Convenience AND Performance. It is targeted at Hand Held steamer owners, since 98% of steamer owners have Hand held steamers (2% has a stand steamer).

Main benefit of Philips steamer compared to Hand Held steamer is quick (quick and good results). Convenience can be seen as a shared benefit of Hand held steamers and Philips steamer.

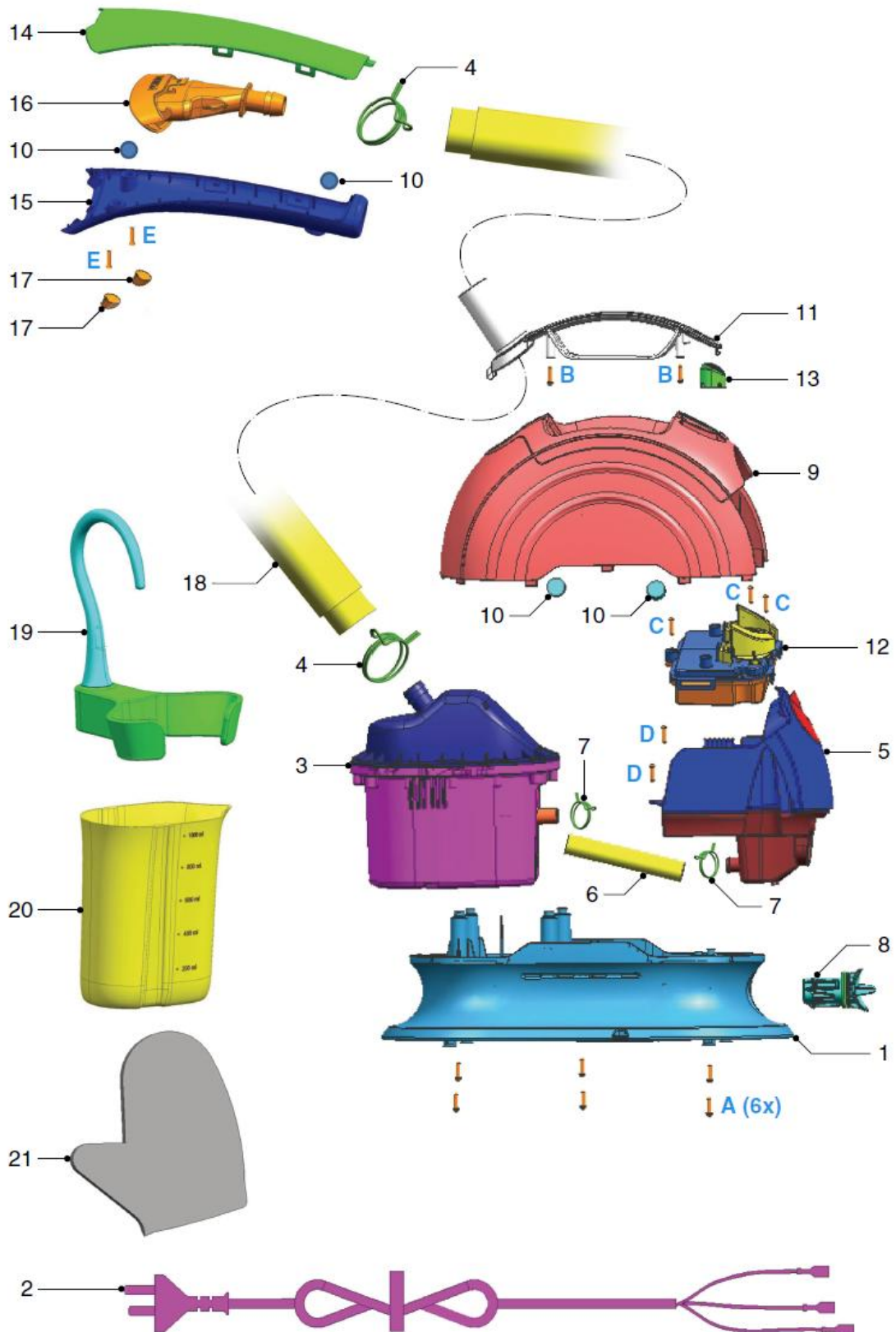


3. ARCHITECTURE AND CHARACTERISTICS

3.1 MECHANICAL (Refer service parts list in section 4.4 for part name of each item number)

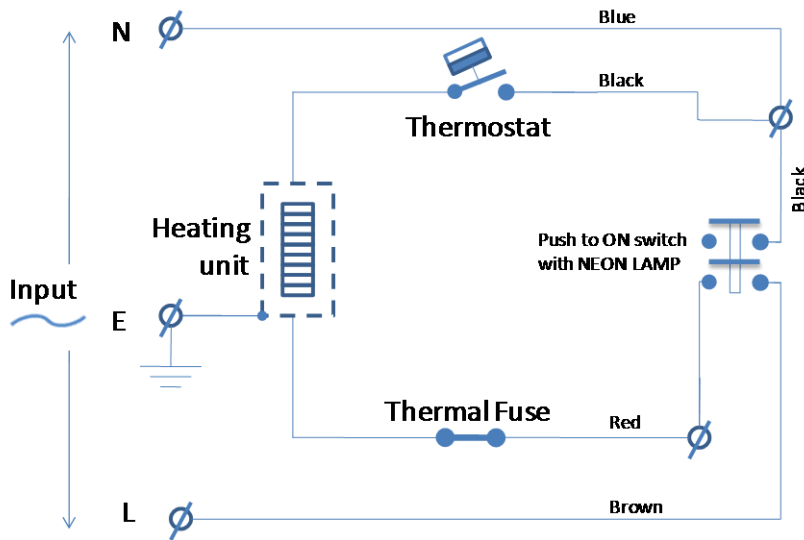
EXPLODED VIEW

GC520

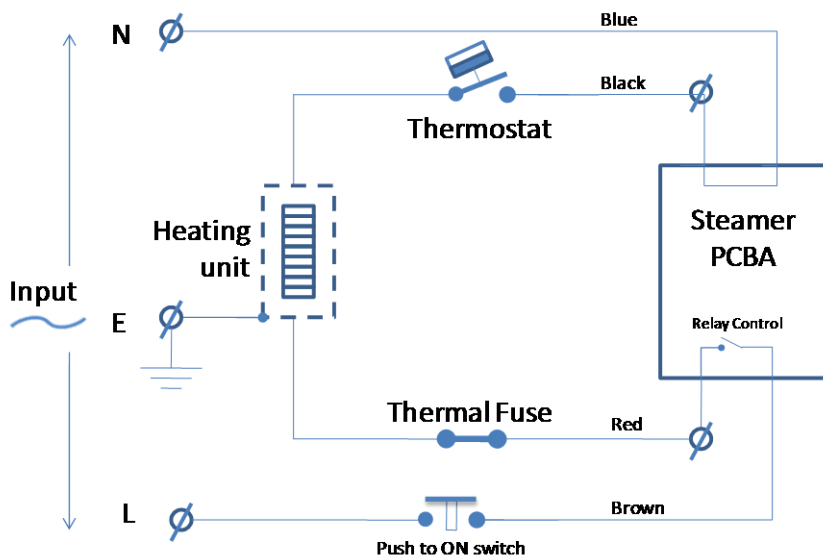


3.2 ELECTRICAL

Electrical diagram STEAMER – GC510



Electrical diagram STEAMER – GC520



4. CUSTOMER SERVICE COST PREDICTION

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

Region	Labour	Handling & Transport	Parts	Total	Cost per call**	CPI Estimation
APMEA (BASE ON RUN RATE OF MAG E34)	€ 2.64	€ 0.58	€ 2.51	€ 5.73	€0.06 for mainstream products, 0.15% of sales as rough estimate (ave. NSP: €39.06)	€ 5.79
EUROPE*	€	€	€ (Ave. IIP)	€	€	€

Not applicable. No launch in Europe.

*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 0.2% 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

4.2 CoNQ AS PERCENTAGE OF SALES

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

Region	$\frac{\text{FCR} \times \text{CPI}}{\text{NSP}} + \frac{\text{ACR} \times \text{call cost}}{\text{NSP}}$	CONQ (% of sales)	CONQ (€)
APMEA	$\frac{2.9 \times 5.73}{39.06} + 0.15$	0.58%	€ 112.6K 4-year volume: 497K average NSP: €39.06
EUROPE	NA NO LAUNCH IN EUROPE MARKET	NA	NA
TOTAL	NA	0.58%	€ 112.6K

Note:

FCR = 2.9% (Target at CR)

CPI @APMEA = € 5.73

NSP average = € 39.06

Call centre cost as % of sales @APMEA = 0.15% (Rough estimate for main stream products)

4.3 TARGET FCR AND KEY COMPONENTS COSTS

Target FCR = 2.9% @ Commercial Release

Key component costs to be available 1-2 weeks before Industrial Release (Pilot production).

4.4 CRITICAL SERVICE PART (CSP)

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

NO SERVICE PARTS ON STOCK IN EUROPE REGION (EUROSERVICE) AS NO SALES PLAN IN EUROPE.

THERE ARE 3 CONSUMER REPLACEABLE PARTS (CRP) FOR THIS PRODUCT:

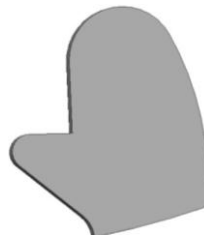
- DETACHABLE HOLDER ASSY
- FILLING CUP
- GLOVE (ONLY FOR GC520)



Detachable holder assy



Filling cup



Glove

Service Parts List – GC520

GC520

Pos	Description	Service code	Remark
1	Base assy Blue	4239 021 52760	
2	Cordset China	4239 000 10950	
3	Heater bowl mounted assy	4239 021 52050	CSP
4	Hose clip 25mm diameter	4239 010 11400	
5	Water tank assy printed GC520	4239 021 54470	
6	Inlet tube	4239 015 58550	
7	Clip 15mm diameter	4239 010 11410	
8	Drain cap assy Blue	4239 021 52770	
9	Handle frame spray painted	4239 021 52780	CSP
10	Magnet	4239 017 75870	
11	Handle molded Translucent Blue	4239 026 36490	CSP
12	PCBA assy	4239 021 52110	
13	Power button spray painted	4239 021 52800	
14	Top housing molded White	4239 026 35600	
15	Bottom housing molded Blue	4239 026 36500	
16	Inner housing assy	4239 021 52850	
17	Screw bung Blue	4239 015 58620	
18	Steam hose assy GC520	4239 021 52810	CSP
19	Detachable holder assy	4239 021 52130	CSP/CRP
20	Filling cup	4239 026 35430	CSP/CRP
21	Glove	4239 017 11740	CSP/CRP

4.5 CHARGE BACK

BACK CHARGE AGREED - **NO**

(REASON: PRODUCTS ARE PRODUCED IN PHILIPS FACTORY CHINA)

4.6 FAST FEEDBACK PROGRAM

INFORMATION TO BE DELIVERED BY QPL.

FAST FEEDBACK REQUESTED? YES

IN CASE FAST FEEDBACK HAS BEEN REQUESTED:

❖ **EARLY MARKET FEEDBACK? YES**

*Heavy user test in China/Singapore
-QPL as owner*

*Market complaint product ship-back agreement
-Consumer Care China (Contact window: Fan Jianbo)*

❖ **REPAIR VIA INITIAL WORKSHOP? YES**
QUANTITIES? 100% ANALYSIS

*-Repair as per normal in ASC/Repair shop
-FCR report provided by Consumer Care China on monthly basis*

❖ **FIRST 100 CALL CENTRE (CHINA)? YES**

❖ **RAPID EXCHANGE (USA)? NO**

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

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