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UNIVERSITI
TEKNOLOGI
MARA



COMPANY ANALYSIS

PHILIPS MALAYSIA

TECHNOLOGY ENTREPRENEURSHIP (ENT600) : CASE STUDY

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EXECUTIVE SUMMARY

Philips Malaysia is a healthcare, lighting, and consumer electronics company. In this study, I was given an opportunity to do an analysis on this company that manufactured the same product that I was interested in to give some recommendations. Even though this company has many product lines, I would like to focus on household products which are cordless vacuum cleaners. The name of the product that I want to develop is Philips SpeedPro Cordless Stick vacuum cleaner.

Besides, I have done the analysis on Philips company in order to determine their strengths, weaknesses, opportunities and threats or SWOT analysis. Based on that analysis, there are a few major weaknesses that I have been analyzed which are the product is expensive, it takes a long charging time, has a short length of the stick and short battery lifespan. These weaknesses give me the idea to improve the existing product to overcome those issues. I recommend of increase the battery capacity of the vacuum cleaner, giving an additional battery of vacuum cleaner, turn the cordless vacuum cleaner with the 2-in-1 that have been added with a floor mop. I also recommend adding a magnet on top so that consumer can arrange their cordless vacuum cleaner without a mess. If this recommendation and improvement can be considered, this vacuum cleaner can be one of the products that can increase the Philips company's sales as it is can be differentiated from other competitors.

1. INTRODUCTION

1.1 Background Of The Study

As we all know, the use of cordless vacuums has been on the rise over the past few years. Generally, the vacuum cleaner is a device that causes suction in order to remove debris from floors, upholstery, draperies and other surfaces. It is generally electrically driven. Vacuum cleaners, which are used in homes as well as in industry, exist in a variety of sizes and models. There are many types of vacuum cleaners that consumers can get based on their preferences such as small batteries, powered hand-held devices. Nowadays, the vacuum cleaner is one of the electronic devices that must have in the home. Hence, it is convenient for people to do house chores.

As the day goes by, new technology will be implemented to upgrade the new electronic devices likes cordless vacuum cleaners. It is an upgraded vacuum cleaner with a new image because it is a bagless vacuum cleaner and not wired. It is flexible and fast to reach everywhere even under low furniture such as bed and sofa. In fact, leading companies in household appliances such as Philips, Dyson and Samsung have numerous varieties in the market.

1.2 Problem Statement

The market for cordless vacuum cleaners nowadays is quite large and its function is almost the same as other competitors. It is only can be differentiated between the brands and certain improvement technologies that applied in their own cordless vacuum cleaner. Specifically, the cordless vacuum cleaner is used to clean up and reach any place we want. The problem arise when the cordless vacuum cleaner needs to be charged for a long time period after use it. It comes with another issue when it only can run in a short time period even it takes a long time to be charged. Other than that, the cordless vacuum cleaner also takes space in a house.

1.3 Purpose Of The Study

The aim of this case study is to investigate, identify and analysed the company-based product. This case study also to look at the company's product's strengths, weaknesses, opportunities and threats. There were a few issues with the product that I wanted to look into as well as the improvement on the product.

2. COMPANY INFORMATION

2.1 Background of Company

Royal Philips which was originally known as Philips Electronics, is a Dutch multinational company founded in 1891 by Frederik and his son, Gerard Philips. However, the company was established in Malaysia in 1960 and was known as Philips Malaysia Sdn. Bhd. The company that is based in Petaling Jaya, Selangor, currently is the headquarters of the company. Philips Malaysia is a healthcare, lighting, and consumer electronics company that manufactures, exports, sells and markets its goods. Philips merges technologies and design into people-centric solutions, related to basic customer insights and the brand promise of "sense and simplicity," as a pioneer in healthcare, lifestyle, and lighting products.

Philips' Sense and Simplicity marketing campaign represents the company's vision for the new world, in which modern consumers appreciate the ease of use and a seamless user experience. Consumer today expects technology to make their lives easier without getting in the way, and they don't want to waste time setting up new items or reading through lengthy manuals. The new motto is simple and inclusive, which is vital for Philips because it now operates in multiple nations. Because it has such a large presence, its marketing strategy must be dynamic and vary from country to country in order to meet local needs and wants; as a result, the tagline must be flexible enough to accommodate its many marketing methods around the world.

Since Philips, constantly creating improvements and innovations in every product produced, the success of this company will continue to grow in line with technological advancement in the present. In advance, Philips has over 450 innovative products and services, they believe that they are ready to compete with the others company to give better services for their customer.

2.1.1 Mission Statement

The mission statement of Philips is,- "At Philips, we are striving to make the world healthier and more sustainable through innovation, with the goal of improving the lives of 2.5 billion people a year by 2030."

2.1.2 Vision Statement

The vision statement of Philips is “We aim to expand our strong positions across the health continuum, extend our solutions capability to address our customers’ unmet needs, and so deliver the full benefits of data-enabled connected care.”

2.2 Organizational Structure



Frans van Houten
Chief Executive Officer
Chairman of the Board of
Management and the
Executive Committee



Sophie Bechu
Executive Vice President
Chief Operating Officer



Abhijit Bhattacharya
Executive Vice President
Chief Financial Officer



Marnix van Ginkel
Executive Vice President
Chief Legal Officer



Andy Ho
Executive Vice President
Chief Market Leader of
Philips Greater China



Roy Jakobs
Executive Vice President
Chief Business Leader
Connected Care



Deeptha Khanna
Executive Vice President
Chief Business Leader
Personal Health



Bert van Meurs
Executive Vice President
Chief Business Leader
Image Guided Therapy



Edwin Paalvast
Executive Vice President
Chief of International
Markets



Shez Partovi
Executive Vice President
Chief Innovation & Strategy
Offer



Vitor Kocha
Executive Vice President
Chief Market Leader of
Philips North America



Daniela Seabrook
Executive Vice President
Chief Human Resources
Officer



Kees Weesdorp
Executive Vice President
Chief Business Leader
Precision Diagnosis

2.3 Products/Services



PRODUCT DESCRIPTION	
PRODUCT NAME	Philips SpeedPro Cordless Stick Vacuum Cleaner FC6728/82
IMPORTANT PRODUCT CHARACTERISTIC	<ul style="list-style-type: none"> • Captures up to 98% of dust and dirt with 180° suction nozzle • Two-speed settings to suit different floors and dirt types • Integrated handheld unit, crevice tool, and brush to clean ceilings and shelves



PRODUCT DESCRIPTION	
PRODUCT NAME	Philips Avent Fast bottle warmer
IMPORTANT PRODUCT CHARACTERISTIC	<ul style="list-style-type: none"> • Warms quickly and evenly • Come with features of a handy defrost setting and can also warm baby food.

	<ul style="list-style-type: none"> The bottle warmer can warm 150ml/5 oz of milk in just 3 minutes.
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PRODUCT DESCRIPTION	
PRODUCT NAME	Philips Air Purifier 3000i Series
IMPORTANT PRODUCT CHARACTERISTIC	<ul style="list-style-type: none"> Removes 99.97% of allergens Purifies rooms up to 104m2 Intelligent auto purification



PRODUCT DESCRIPTION	
PRODUCT NAME	Philips PerfectCare Azur Elite Steam Iron
IMPORTANT PRODUCT CHARACTERISTIC	<ul style="list-style-type: none"> Guaranteed no burn and no temperature settings required with OptimalTEMP Technology. Dynamic mode releases the perfect amount of steam when you need it. Turbo steam pump for up to 50% more steam through the fabric for creases to disappear faster.



PRODUCT DESCRIPTION	
PRODUCT NAME	Philips Stand Smart Fan
IMPORTANT PRODUCT CHARACTERISTIC	<ul style="list-style-type: none">• Stand smart fan is efficient• Stand smart fan are save money• Easy to carry

2.4 Business, Marketing and Operational Strategy

2.4.1 Business Strategy

A business strategy is an outline of the actions and decisions a company plans to reach its goals and objectives. A business strategy defines what the company needs to do to reach its goals, which can help guide the decision-making process for hiring as well as resource allocation. A business strategy helps different departments work together, ensuring departmental decisions support the overall direction of the company. Headquartered in Amsterdam, Philips is a multinational company and is one of the world's largest electronics companies and is currently focused on the area of lightning and healthcare. Philips was founded in the year 1891, by Gerard Philips. Philips currently employees around 75,000 people spread across 100 countries. Philips is a technology-focused and company and aims to improve health and enable better outcomes across the continuum of health from prevention to healthy living, diagnosis to treatment, and home care. Philips has over 110 production facilities spread across 100 countries and has a strong R&D department and leverages advanced technology with deep consumer insights to deliver solutions across home care and consumer health. The mission statement of Philips is, "At Philips, we are striving to make the world healthier and more sustainable through innovation, with the goal of improving the lives of 2.5 billion people a year by 2030." and the vision statement of Philips is "We aim to expand our strong positions across the health continuum, extend our solutions capability to address our customers' unmet needs, and so deliver the full benefits of data-enabled connected care." The target market of Philips is wide and it differs in age, culture, status, etc. With products ranging from home appliances to beauty appliances, medical instruments. Philips targets consumers that are not conservative and are not skeptics. It targets the consumers that are willing to try new innovative products that Philips comes up with. It mostly targets the younger generation who are more open to experimenting on new products and aims to satisfy them with the brand promise that Philips tries to fulfill.

2.4.2 Marketing Strategy

Philips' marketing plan will examine its brand using the marketing mix framework, which encompasses all 4 Ps. Product, pricing, location, and promotion are the 4 Ps of marketing. Philips will benefit from these marketing methods. It will assist the organization in achieving its business goals and objectives while positioning itself competitively in the market.

- Product

Philips is a well-known corporation that manufactures electronic goods. Philips supplied a wide range of product lines. Philips produced consumer lifestyle items such as TVs, stylers, and grooming kits, as well as bottle warmers and sterilizers, vacuum cleaners, drives, and storage. They also provide services such as Philips lighting capital and healthcare products such as hospital respiratory care.

- Price

Philips uses a competitive strategy in its marketing mix for its products because there are more competitors in the electronic business, such as Sony, LG, and Samsung. This price technique is used because buyers or consumers have more bargaining power and may simply switch brands based on their preferences. Because the prices of competing brands are practically identical, Philips concentrates on giving the highest quality items to its clients.

- Place

Philips began operations in the Netherlands in 1891, and the corporation has developed at an exponential rate since then. Philips goods were available in more than 60 countries throughout the world, including Malaysia. Philips has its own branded stores where its items are sold and services are provided. Philips also promotes their products through an online platform, which can be purchased from any e-commerce website.

- Promotion

Philips' promotional and advertising strategy includes the corporation participating in promotional activities on television,

radio, print, social media, events, and sponsorships. Philips, like other corporations, has sought the help of famous celebrities such as actors and actresses to promote the brand. As part of their promotional strategy, Philips also offers discount cards and vouchers. The company is also active on social media platforms such as Facebook and Twitter to address consumer concerns and improve interaction with people in order to raise brand awareness.

2.4.3 Operational Strategy

Philips is a company operating into three businesses namely healthcare, consumer lifestyle, and lighting. The company is well known for its innovation and for producing new products. This company also has research campuses in China, India, and the Netherlands which are required to identify the needs of the consumer and indirectly provide a concept for new development. Philips also uses much software to facilitate in smoothing their operations including SAP and SAVO. For the process of management Philips is well-maintained as it focuses on providing greater value to their consumer. On the other hand, Philips is focusing so much on innovation that its focus on customers becomes low and is termed as a product-centric business. Not only that, but they also follow lean management and are termed as Six Sigma lean programs. They manage the capacity well with the help from research campuses that help to identify the demand of each market in each season. However, the demand is uncertain therefore to manage this uncertainty change demand is followed in which demand is changed for each month.

3. PRODUCT ANALYSIS

3.1 SWOT

A SWOT analysis that consists of strengths, weaknesses, opportunities, and threats is the framework used to evaluate a company's competitive position and to develop strategic planning. A SWOT analysis evaluates internal and external factors as well as the current and future potential of the company. A SWOT analysis works best when diverse groups or voices within an organization are free to provide realistic data points rather than prescribed messaging.

STRENGTH (S)	WEAKNESS (W)
<ul style="list-style-type: none"> i. Cordless and detachable dust tank ii. Light weight and easy to hold iii. Easy to spot hidden dust and dirt with LEDs in the nozzle 	<ul style="list-style-type: none"> i. Pricey ii. Long charging time iii. Length of the vacuum cleaner iv. Shorter battery lifespan
OPPORTUNITIES (O)	THREATS (T)
<ul style="list-style-type: none"> i. High demand product ii. Adopt new technologies to compete with others iii. Easy to handle than wired vacuum cleaner 	<ul style="list-style-type: none"> i. Easy to imitate by other company ii. Compete with new players in market iii. Compete with market price

Strength

There are several strengths of this product which had been analyzed. Firstly, this vacuum cleaner comes with a bagless and detachable dust tank. This is the upgraded vacuum cleaner called cordless vacuum cleaner. With this upgraded vacuum cleaner, it is easier for consumers to use it as it is wireless. The detachable dust tank make it easily removed and emptied hygienically without causing any dust cloud. Since this vacuum cleaner is bagless, it is lightweight with 2.48kg than a wired vacuum cleaner with 5kg. With its lightweight strength, it is easy to handle with the hold on top. The best part of this cordless vacuum cleaner is because it comes with

LEDs in the nozzle. It could advantage consumers because it is easier to spot hidden dust and dirt especially under low furniture such as sofa and bed.

Weakness

Even though this type of vacuum cleaner has many strengths, but it also has weaknesses in its product. Since this vacuum cleaner is an upgraded series with a cordless vacuum, it is more expensive than a wired vacuum cleaner. Another weakness of this cordless vacuum cleaner is its performance because it takes a long time to charge the battery. The suggested charging time for this cordless vacuum cleaner is 5 hours and it is actually a long time period for us to wait. After a long time waiting for the charging period, it will be run for 40 minutes at the normal speed and 20 minutes if use turbo speed as it comes with two speeds. The length of the body cordless vacuum cleaner also is not suitable if it use for the ceilings cleaning.

Opportunities

Regardless of all weaknesses, Philips had faced for this product, they still have a few opportunities that can be grabbed by them to achieve their target. The high demand product is one of the opportunities that they should consider. This is because usually as we can see in one house they should be one vacuum cleaner. As we all know, the vacuum cleaner is an electronic device that is a synonym that can help with house chores. Next, this cordless vacuum cleaner is the adopted new technologies from the others such as the wired vacuum cleaner. This cordless vacuum cleaner comes with a handheld unit that can clean ceilings and shelves. Those accessories are simple to use with only one click. It is also has less sound power compared to the wired vacuum cleaner. Lastly, the opportunity that can be considered by Philips is this type of vacuum cleaner is easy to handle because it is wireless and cordless. The product is flexible and easy to maneuver.

Threats

The threat that this company needs to face is this product is easy to imitate by other companies. This is because the high demand products can be easily imitated by others. High demand product is due to the trend in the market that is currently interested in a cordless vacuum cleaner. Unfortunately, this upgraded product also

has its competitive player in the market since there is a new upgraded player named robot vacuum cleaner. This company also competes with market price because it needs to consider the market price of the product and the price of the product. The high market price will affect the price of the product.

4. FINDINGS AND DISCUSSION

4.1 Findings

According to my research, this updated series vacuum cleaner with a cordless vacuum cleaner is more expensive than a wired vacuum cleaner. It occurred as a result of the vacuum cleaner's new enhancements. It also employed high-quality products to create that new vacuum cleaner image with cordless type. Another outcome of this study is that the cordless vacuum cleaner's battery takes a long time to charge. The charging time for this cordless vacuum cleaner is recommended to be five hours, which is a long time for us to wait. It will operate for 40 minutes at normal speed and 20 minutes at turbo speed after a long wait for the charging period, as it comes with two speeds.

4.2 Discussion

Since the Philips SpeedPro Cordless Stick vacuum cleaner is a costly device to purchase, the company should seek another strategy to boost sales. For example, they could offer buyers promotional pricing for the goods as an introductory price. As people were interested with the product, they will review it on social media and so on so that other people will attract too with the product. The promotion will terminate once they have met their sales goals. Because the vacuum cleaner requires a long charging period, the manufacturer should develop a second battery pod so that while one is charging, the consumer can use the other. Second battery should be additional item that can be offered by company in a box. Philips can improve battery capacity to extend battery life so that users can use it for extended periods of time.

5. RECOMMENDATION AND IMPROVEMENT

As I discovered, the Philips SpeedPro Cordless Stick vacuum cleaner has a few strengths and flaws that have been examined. Since this is a high-demand product, it would be great if I could improve their flaws. Cordless vacuum cleaner with 180° suction nozzle can only use to captures dust and dirt. As a result, I will improve the product by adding extra floor care, such as a floor mop. The vacuum cleaner's top may be removed and converted into a floor mop spray. The floor mop's pad can also be removed and washed on a regular basis. The spray floor mop also has a pot that may be used to fill with detergent.

Next, I would suggest that the cordless vacuum cleaner have a magnet on the top so that customers can hang it on the wall after usage and readily access it when they need it. They do not need to put it everywhere because it has a smart magnet that can stick on the wall. It is a great improvement because it allows user to better arrange their home without creating a mess.

6. CONCLUSION

Philips Malaysia Sdn. Bhd. is a healthcare, lighting, and consumer electronics company that manufactures, exports, sells and markets its goods. By doing a SWOT analysis, I can do planning as part of the development of the company's strategies. By carrying out this study, I have observed, analyzed and come out with a new idea to improve the product performance such as increasing the battery capacity. This is because a large battery capacity will run the vacuum cleaner with a long time performance. The vacuum cleaner also can be turned into a spray mop with a detachable top. The 2-in-1 vacuum cleaner is a great improvement to be made because it is effective and saves money. I am very sure that the upgraded style of vacuum cleaner is totally worth it to invest with even it is pricey. Thus, the SpeedPro Cordless Stick vacuum cleaner will ensure that Philips Malaysia company to be one step further than other competitors as same as they will increase their sales.

7. REFERENCES

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8. APPENDICES

