



اَوْنُوْرَسِيْتِي تِيْكْنُوْلُوْجِي مَارَا  
UNIVERSITI  
TEKNOLOGI  
MARA



## COMPANY ANALYSIS

ROYAL PHILIPS

TECHNOLOGY ENTREPRENEURSHIP (ENT600) : CASE STUDY

<b>FACULTY &amp; PROGRAMME</b>	<b>: FACULTY OF COMPUTER SCIENCES AND MATHEMATICS (MANAGEMENT MATHEMATICS)</b>
<b>SEMESTER</b>	<b>: 7</b>
<b>PROJECT TITLE</b>	<b>: AUTO-IRONING STEAM IRON</b>
<b>NAME</b>	<b>: KHAIRUL SANUSI BIN SAMUIL</b>
<b>LECTURER</b>	<b>: DR. FARAH LINA AZIZAN</b>

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## **EXECUTIVE SUMMARY**

Royal Philips is an electronic-based company that invent such a decent amount of electronic technology. I was given the chance and opportunity to study and analyze this company because I have an innovation idea to develop one of their products. Even there are numerous products produced by Royal Philips, steam iron was happened to catch my attention to focus on. The actual name of the product is Philips PerfectCare Azur Elite Steam Iron which is “Intelligent and Powerful” steam iron as described by the company itself.

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## **1. INTRODUCTION**

### **1.1 BACKGROUND OF THE STUDY**

Steam iron becomes one of the most important and “must have” in every household these days. The evolution since the first century where people using metal pans filled with hot water to the electric and steam iron have fulfilled everyone needs to add on some neat looks on their clothes and their appearances. The iron has come a long way since the first electric steam iron and there are some out there that can make the chore of ironing a lot less stressful. Past version specifications of iron seem dangerous due to overheat metal and it may cause burning clothes and even worse the burning houses, but it all had been overcome well enough through the modern-day solutions. It has developed over the years into the device we know, and we love today, making the task of ironing easier and more efficient than ever.

### **1.2 PROBLEM STATEMENT**

During the 1990s and 2000s we heard a lot of cases that involved iron and burning clothes, but it settled with some innovations and useful technology like steam iron. However, we know that those burning and overheat was well overcome but there are a few problems that I noticed. We know that steam iron helps us a lot, but the market nowadays is quite large and its function almost the same and every company can produce that kind of technology. The world is well known that steam iron can help you eliminate the wrinkles, and the product is also affordable and not expensive and when the price is just right, people do not bother to repair it once it's broken. This problem will cause a lot of waste since people buy a new one and throw away the old one but it's good that some people care enough to recycle the metal part of the iron, and some are bother to fix it.

### **1.3 PURPOSE OF THE STUDY**

Understanding all the problem, I find it's good to find a solution to this problem or maybe improve the product by analyzed the company and the steam iron market. This gives me an opportunity to examine the chance to find the solution or the new innovations and advancement to determined that the well improve product could be the potential or the “next big thing” in steam iron market.

## **2. COMPANY INFORMATION**

### **2.1 BACKGROUND**

Royal Philips which originally known as Philips Electronics, is a Dutch multinational company founded in 1891 by Frederik and his son, Gerard Philips. The headquarter of Philips is at Amsterdam. However, the company was established in Malaysia in 1960 and was known as Philips Malaysia Sdn. Bhd. The company that 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 ease of use and a seamless user experience. The 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 have over than 450 innovative products and services, they believe that they are ready to compete the others company to give the better services for their customer.

## 2.2 ORGANIZATIONAL STRUCTURES



**Frans van Houten**  
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Chairman of the Board of  
Management and the  
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**Sophie Bechu**  
**Executive Vice President**  
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**Abhijit Bhattacharya**  
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**Kees Weesdorp**  
**Executive Vice President**  
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Precision Diagnosis

*Figure 2.2 Organization Structures*

## **Mission and Vision**



- **Philips 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.”


- **Philips 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.”

## 2.3 PRODUCTS/SERVICES

No.	Product	Description
1	<p>Philips Air Purifier 3000i series</p> 	<ul style="list-style-type: none"> <li>• Removes 99.97% of allergens</li> <li>• Purifies rooms up to 104m2</li> <li>• Intelligent auto purification</li> </ul>
2	<p>Philips PerfectCare Azur Elite Steam Iron</p> 	<ul style="list-style-type: none"> <li>• Guaranteed no burn and no temperature settings required with OptimalTEMP Technology.</li> <li>• Dynamic mode releases the perfect amount of steam when you need it.</li> <li>• Turbo steam pump for up to 50% more steam through the fabric for creases to disappear faster.</li> <li>• Smart calc reminder and Quick Calc release in 15s for long-lasting steam performance</li> <li>• Best gliding and scratch-resistant soleplate.</li> </ul>
3	<p>Philips stand smart fan</p>	<ul style="list-style-type: none"> <li>• Stand smart fan is efficient</li> <li>• Stand smart fan are save money</li> </ul>

		<ul style="list-style-type: none"><li>• Easy to carry</li></ul>
4	<p>SpeedPro Cordless Stick Vacuum Cleaner</p>  <p>FC6728/82</p>	<ul style="list-style-type: none"><li>• Captures up to 98% of dust and dirt with 180° suction nozzle</li><li>• Two-speed settings to suit different floors and dirt types</li><li>• Integrated handheld unit, crevice tool, and brush to clean ceilings and shelves</li></ul>
5	Philips Avent Fast bottle warmer	<ul style="list-style-type: none"><li>• Warms quickly and evenly</li></ul>

	<ul style="list-style-type: none"><li>• Come with features of a handy defrost setting and can also warm baby food.</li><li>• The bottle warmer can warm 150ml/5 oz of milk in just 3 minutes.</li></ul>
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*Figure 2.3 Products/Services*

## **2.4 BUSINESS, MARKETING AND OPERATION 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 lighting and healthcare. Philips was founded in the year 1891, by Gerard Philips. Philips currently employs around 75,000 people spread across 100 countries. Philips is a technology-focused 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 smoothening 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 STRENGTH, WEAKNESS, OPPORTUNITY, AND THREAT (SWOT)

Strength, weakness, opportunity, and threat or also known as SWOT analysis are used in the assessment and development of a strategic planning framework to assess a company's competitive position. SWOT Analysis is a very effective way of identifying the company's strengths and weaknesses, and of examining the opportunities and threats the company face.

<b>Strengths</b>	<b>Weaknesses</b>
<ul style="list-style-type: none"><li>• Guaranteed no burn and no temperature setting</li><li>• Faster and easier ironing intelligent automatic steam</li></ul>	<ul style="list-style-type: none"><li>• Expensive and high price</li><li>• Require water refilling frequently</li></ul>
<b>Opportunities</b>	<b>Threats</b>
<ul style="list-style-type: none"><li>• Addition function which is suitable for all types of clothes</li><li>• Opportunities to strengthen partnership and proposed a new one</li></ul>	<ul style="list-style-type: none"><li>• Tough competition from other company</li><li>• High risk of getting bad feedback</li><li>• Possible severe electric shock</li></ul>

*Figure 3.1 SWOT Analysis*

##### 3.1.1 STRENGTH

Philips PerfectCare Azur Elite Steam Iron is a brand-new steam iron from Philips with some improve version compared to the old one. One of the useful specifications is this product is guaranteed that no burn will cause, and no temperature setting required with OptimalTEMP technology. This is safer since a lot of report about numerous of careless user leave their iron without turn off the power and suffer a major damage to their iron board and to the iron itself. Since there is no temperature setting, Philips PerfectCare Azur Elite Steam Iron built with faster and easier ironing intelligent automatic steam through the advanced DynamiQ mode which is it releases perfect amount of steam when you need it.



### **3.1.2 WEAKNESS**

However, everything has their price so do this product. All the improved features require the higher cost and that will influence the sell price to the user. This modern-day steam iron comes with a price over RM600 and this will not attract people that have low wages a month and they might turn to the normal clothes iron since its cheaper or maybe they will choose a steam from other company. Every technology that used the steam system require water to make it steam and this product is included too. User or customer needs to refill the water inside the steam iron so it can make it work and make a steam and this will be a burden to all the user if there is time when they are rushing and the water in the iron is out.

### **3.1.3 OPPORTUNITY**

Steam iron user over the world frequently complaint about how steam iron is not suitable for all types of cloth especially the thick cotton type of clothes. Philips found a solution and invent Azur Elite Series that will functioning and suitable for all types of clothes. That is the good news and good opportunities for Philips to gain people trust and love with their new product. Philips is a great company every now and then and when people love their product, its also will attract other company to make a partnership and even better, strengthen the partnership that already exist. Great opportunities for Philips since they gain everyone trust and will increase their profit not only by selling the product but also through the investor and their partners.

### **3.1.4 THREATS**

It may produce some good partnership afterward, but Philips probably will have some tough competition with other electronic companies since they will also improvise their product sooner or later. Besides, the high price of the product comes with even higher risk. Philips must expect some complain if the product does not work properly or not functioning at all because with the high price user will disappointed if the product is not at the same level with their price. Azur Elite Series comes with the turbo steam pump which is up for 50% more steam through fabric for creases to disappear faster and its worried user might experience an electric shock since this product will use the high voltage electric power. Usually its happen when the fuse is not suitable with the voltage used by the product and some user might not know and blaming the product.

## **4. FINDINGS AND DISCUSSION**

### **4.1 FINDINGS**

#### **4.1.1 Problem 1: Steam iron need to be refill frequently**

When it comes to steam iron product, its fair to say that every steam iron from any company have a mutual problem which is the water to produced steam need to frequently refilled. Philips Azur Elite Series steam iron provide 350ml water tank and it need to be refilled every time and sometimes it burdens when the user did not notice that the tank is out of water and some damage might happened if they handle it with rush and carelessly. As we all know, water is like a heart for steam iron and if the iron did not consist of water than there is no point for the steam iron to work it out.

#### **4.1.2 Problem 2: Limitation of ideas for steam iron product**

Steam iron is a simple, small, and easy-to-use product, and some developer or Philips itself found it hard to make and even bigger innovations or improvement. Limitation on how to produce a massive improvement is the big problem and can leave the customer a lot of choice even a product from other company too. User tends to make a comparison and since not a lot of differences from Azur Elite Series steam iron, people will choose based on price tag and the cheapest one will be the people favorite and that will leave this product some flaw since this product is quite expensive.

### **4.2 DISCUSSIONS**

#### **4.2.1 Suggested solution for Problem 1: Set an alarm when water level is low.**

Since there is no other way to eliminate water from the steam iron as mentioned before that water is the heart of steam iron, Philips should add on some features that can detect the water level in the tank and alarm the user when the water is nearly out so that user will always notice and can be prepared every time they want to use it. This suggested system will eliminate all the problem that occur the user when they rushing to go to work every morning or for something else since they are notice that the water level is low the night before.

#### **4.2.2 Suggested solution for Problem 2: Small add on in the steam system**

Steam iron known for straighten your cloth if there is a wrinkle, so my suggestion is something that nothing to do with the wrinkles but play a big part for cloth. Every limitation always has a break-through at some point, and for Azur Elite Series I suggest that Philips

should invent some sort of water tank but much smaller and filled with fragrance. Users are free to refill whatever kind of fragrance they want, and the result is the greatest for the cloth, neat, smell good and whoever wearing a cloth with those criteria always be confident and will be calm the whole day.

## **5. RECOMMENDATION AND IMPROVEMENT**

Philips have been great so far, but I would like to give some recommendations involving the product Azur Elite Series. Since the evolution from the old time, we seem some well-improved clothes iron just like the evolution of vacuum cleaner. However, there is some advanced version of vacuum that inspired me to add on steam iron too which is robot vacuum cleaner. Imagine the world with the steam iron with self-ironing technology that benefits all the user in term of energy and time. Using the same system as the robot vacuum cleaner, the steam iron needs to connect with the iron board and iron board need to install some device to connect the two of it. The user just needs to change the composition of the clothes and the steam iron do the rest.

On the other hand, Philips can move further than their competitors and the position as the people's favorite will well-improved. In addition, this developing idea will evolve and bring much more luxury in people's daily activities suitable for 21<sup>st</sup> century modern life style.

## **6. CONCLUSION**

In conclusion, the products, or technologies that use the electrics need to move forward just like time. People's choice and preferred taste always been more modern day by day. Steam irons need to move forward too just like the other technologies since steam iron is the daily product that people use and such a compulsory technology in every household. Royal Philips had been one of the well-known companies in the electronic technology world and they had been survive greatly from time to time. I hope that the evolution of every technology and not only steam iron will evolve greatly and matched well with the time.

## 7. REFERENCES

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<https://www.philips.com.my/c-m-ho/ironing/intelligent-powerful-steam-irons>

<https://www.philips.com/a-w/about/our-history.html>

<https://www.philips.com/a-w/about.html>

## 8. APPENDICES



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



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**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  
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**Deeptha Khanna**  
**Executive Vice President**  
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**Daniela Seabrook**  
**Executive Vice President**  
Chief Human Resources  
Officer



**Kees Weesdorp**  
**Executive Vice President**  
Chief Business Leader  
Precision Diagnosis

*Figure 2.2 Organization Structures*

No.	Product	Description
1	<p>Philips Air Purifier 3000i series</p> 	<ul style="list-style-type: none"><li>• Removes 99.97% of allergens</li><li>• Purifies rooms up to 104m2</li><li>• Intelligent auto purification</li></ul>

2	<p>Philips PerfectCare Azur Elite Steam Iron</p>  A purple and black steam iron with a digital display on the handle and a power cord. The soleplate is visible at the bottom.	<ul style="list-style-type: none"><li>• Guaranteed no burn and no temperature settings required with OptimalTEMP Technology.</li><li>• Dynamic mode releases the perfect amount of steam when you need it.</li><li>• Turbo steam pump for up to 50% more steam through the fabric for creases to disappear faster.</li><li>• Smart calc reminder and Quick Calc release in 15s for long-lasting steam performance</li><li>• Best gliding and scratch-resistant soleplate.</li></ul>
3	<p>Philips stand smart fan</p>  A silver and black stand fan with a circular grille and three wooden legs. The fan is mounted on a central vertical pole.	<ul style="list-style-type: none"><li>• Stand smart fan is efficient</li><li>• Stand smart fan are save money<ul style="list-style-type: none"><li>• Easy to carry</li></ul></li></ul>





4	<p>SpeedPro Cordless Stick Vacuum Cleaner</p>  <p>FC6728/82</p>	<ul style="list-style-type: none"> <li>• Captures up to 98% of dust and dirt with 180° suction nozzle</li> <li>• Two-speed settings to suit different floors and dirt types</li> <li>• Integrated handheld unit, crevice tool, and brush to clean ceilings and shelves</li> </ul>
5	<p>Philips Avent Fast bottle warmer</p> 	<ul style="list-style-type: none"> <li>• Warms quickly and evenly</li> <li>• Come with features of a handy defrost setting and can also warm baby food.</li> <li>• The bottle warmer can warm 150ml/5 oz of milk in just 3 minutes.</li> </ul>

Figure 2.3 Products/Services