PHILIPS

Customer Centricity as Business strategy

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Agenda

- Philips design - who we are
- The Philips Brand
- High Design Process
- Next Simplicity
- NXP
- Second Life

Who we are

Philips Design consulting:

‘Creates business differentiation by connecting peoples insights and new technologies to deliver design solutions for enriched user experiences’

Who we are

Integrated
and diverse

Understanding of global
company complexities

Human-led approach

Research translated
into tangible offerings

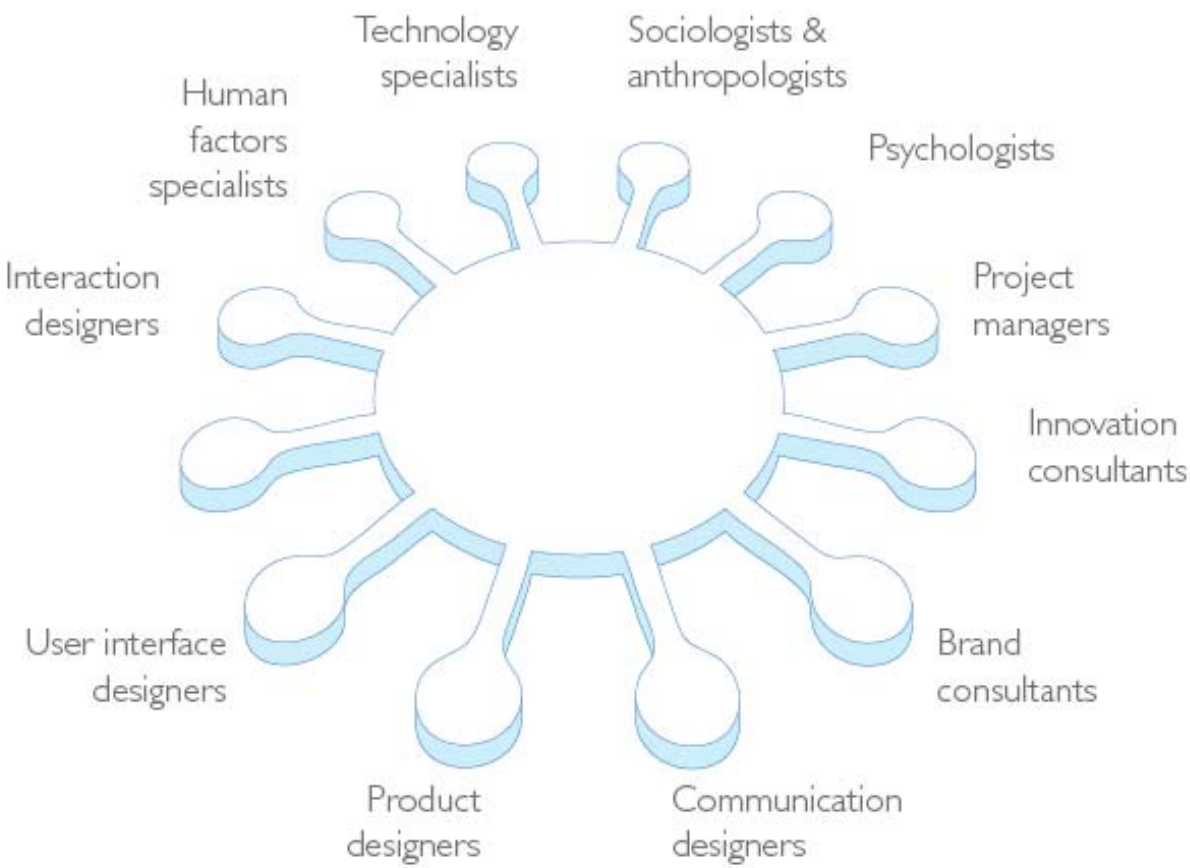
Where we are

Global Presence, Local offices, Multi national teams

Our projects range across many different bandwidths from corporate to business division to product level. Over the years, this has given us an extensive understanding of how to deal with the various levels of complex global environments.

- 80+ year heritage
- A global force of 450 multi-disciplinary professionals
- 11 locations
- Over 30 design capabilities
- Over 50 nationalities

What we offer



Multi disciplinary teams

- Unique people centric approach
- Experienced at translating research into tangible offerings
- Broad and in-depth experience

PHILIPS

Articulating our Visions

PHILIPS

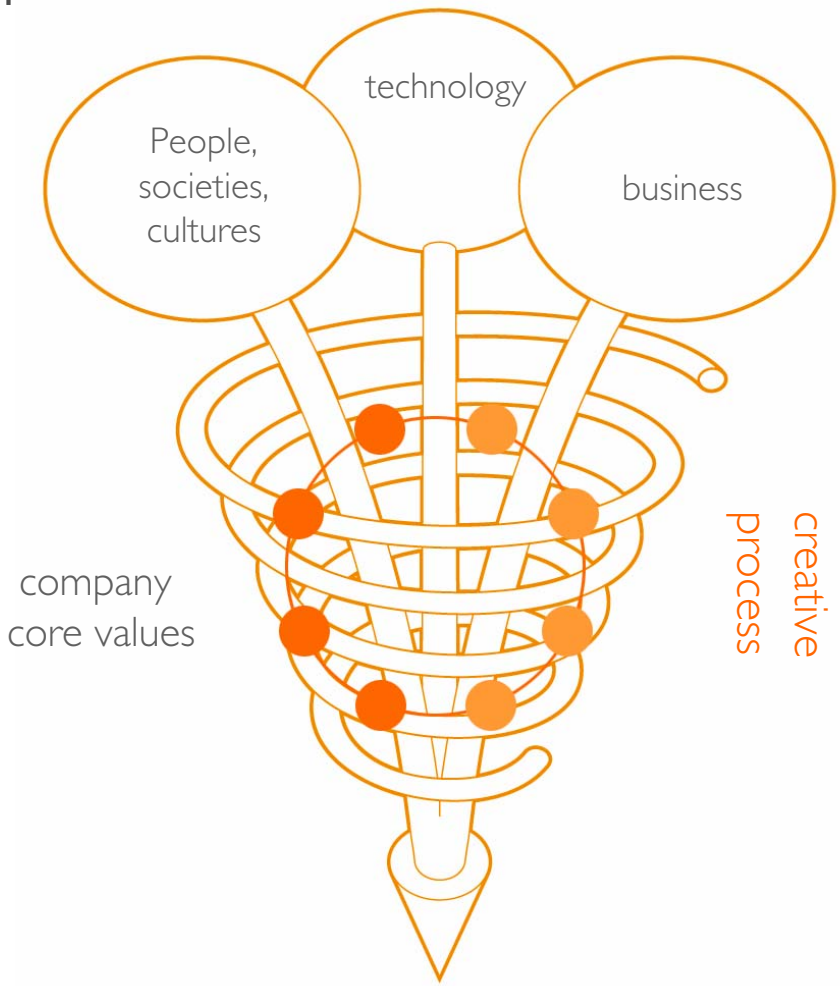
Shaping the Brand

PHILIPS

value for PEOPLE

through valuing PEOPLE

Our approach



Future scenarios | Value propositions

Our customers: Philips & External market

Our customers:

We work for over 100 Philips business's:

- Consumer Electronics
- Domestic Appliances & Personal Care
- Medical Systems
- Lighting
- Corporate
- Research

Since 1997, we have developed a consultancy presence with select external global partners, such as Nike, Microsoft, P&G, Securitas and HP.

What's going on? Current market trends

- Innovation is moving from a top-down to bottom-up mode
- Power is moving from institutions to communities
- Consumer have become empowered decision makers through technology
- Consumers are unpredictable, inconsistent and hard to find
- Market is becoming 100% transparent for consumers

Becoming Customer Centric is important to start understanding the needs of customer

We need to:

- Become the "voice of the customer“
- Define new customer metrics that align with business metrics
- Invest in new technologies

Definition of Customer Centricity:

refers to the orientation of a company to the needs and behaviors of its customers, rather than internal drivers (such as the quest for short term profit).

The High Design Process

The High Design Process

- Does it reflect our brand promise?
- Does it reflect our positioning?
- Does it reflect our identity?

- What are the goals of the business?
- What will success look like?
- What is the required call to action?

- Whom are we serving?
- What information do they require?
- What tasks do they need to perform?
- How can we facilitate their goals?

- What are the opportunities and limitations of the technology?
- How can we make best use of the interactive channel?
- Can we increase functionality?

EXPERIENCE ARCHITECTURE
The Nucleus of Value

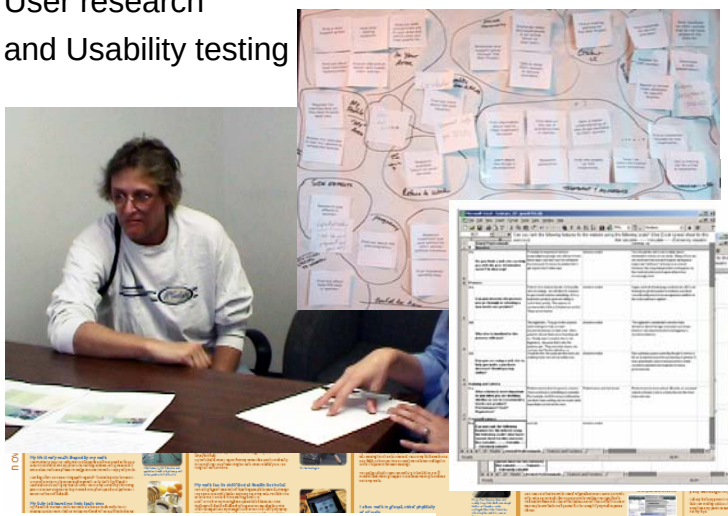
Embodies the Brand Promise
Enables the Business Objectives
Resonates with our Audience
Leverages the Enabling Technology

The High Design Process

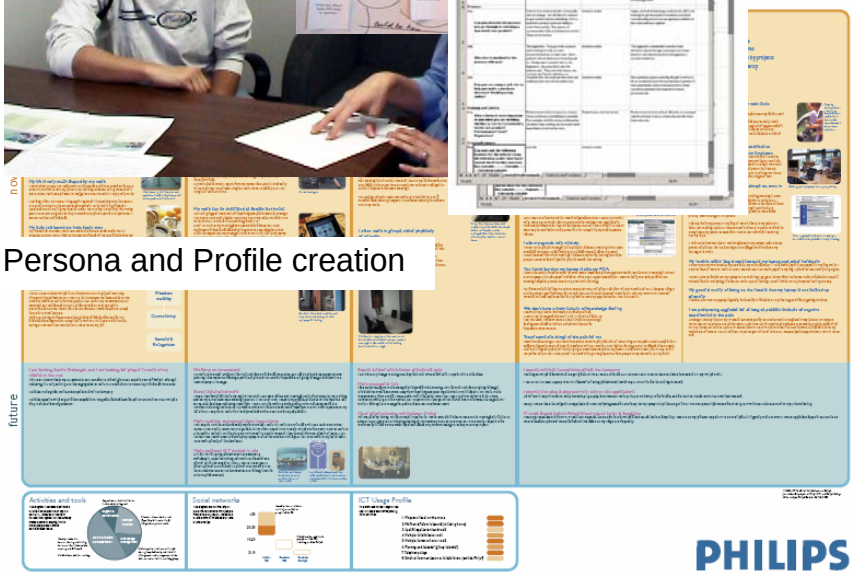
The High Design Process

Consumer research
Participatory design

User research
and Usability testing



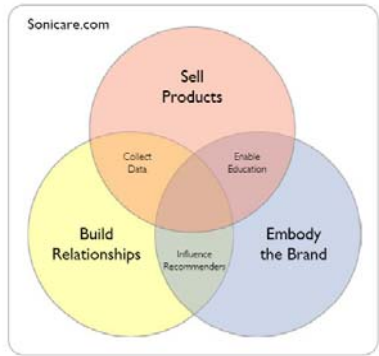
Persona and Profile creation



Site strategy and planning

Primary Goals

- **Sell products.**
  Regardless of what other objectives Sonicare has, they ultimately want to sell products. In the Web space, this immediately translates to selling brushes online, but it's about more than creating a product catalog. It also means influencing recommenders, providing the right product information, and supporting pre-sale activities.
- **Embody the new brand position.**
  The Sonicare Web site is a multi-dimensional platform for communicating the brand position, "Investment in Your Overall Health." The messaging, organization, imagery, and voice of a site all contribute to creating an experience that reflects the essence of Sonicare.
- **Build relationships with Dental Professionals, customers, and potential customers.**
  As one of the few channels that Sonicare has to interact with their customers, the Web site offers unique opportunities to learn about the Sonicare audience and provide an optimized user experience.



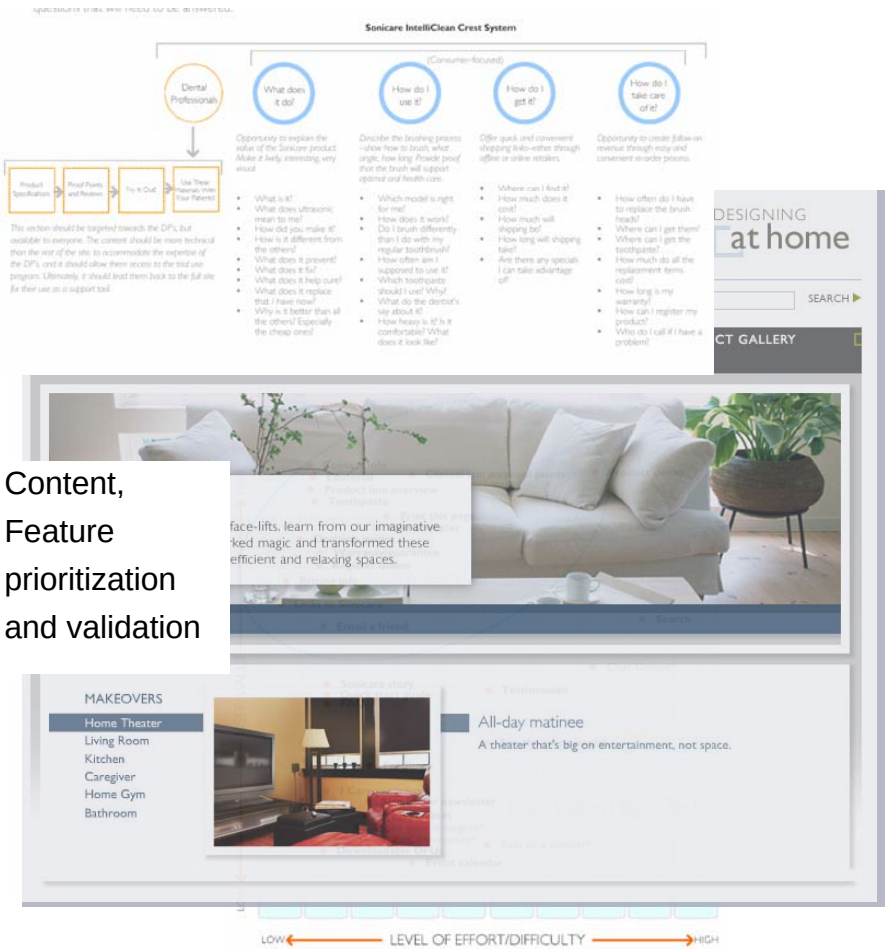
Dental Hygienists -
Even though I am not always a primary decision-maker, my opinion is nearly always sought. Our patients often ask me questions that they might not ask the dentist. Since I recommend the product more than anyone else, I will probably be the most critical of its functionality and ease-of-use. Whenever possible, the dentists want to purchase equipment that I like and believe in, so my opinion is important!

To get my attention, you must:

- Prove to me that the product really works and show me the unbiased proof in research findings.
- Prove to me that your product is easy to use. Remember: I have all kinds of patients, young and old.
- Assure me of the reliability of your product, so that I feel confident making a recommendation on an expensive product.
- Be visible at the conferences and trade shows that I attend, so that I feel like you know that I am important to your success.

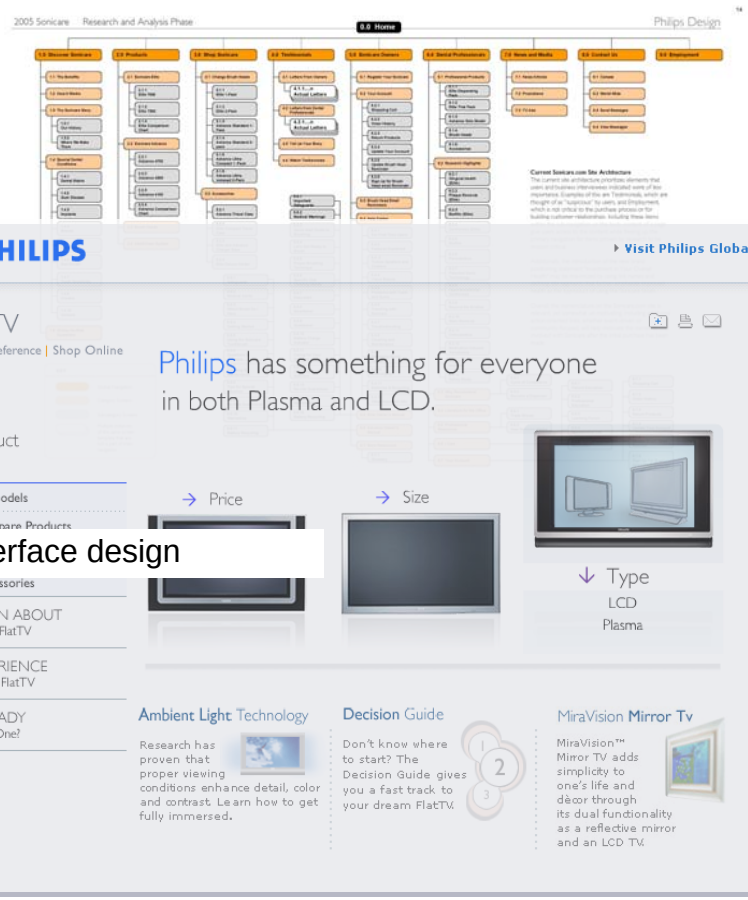
The High Design Process

Site concept and content models



Content, Feature prioritization and validation

Site organization and structure



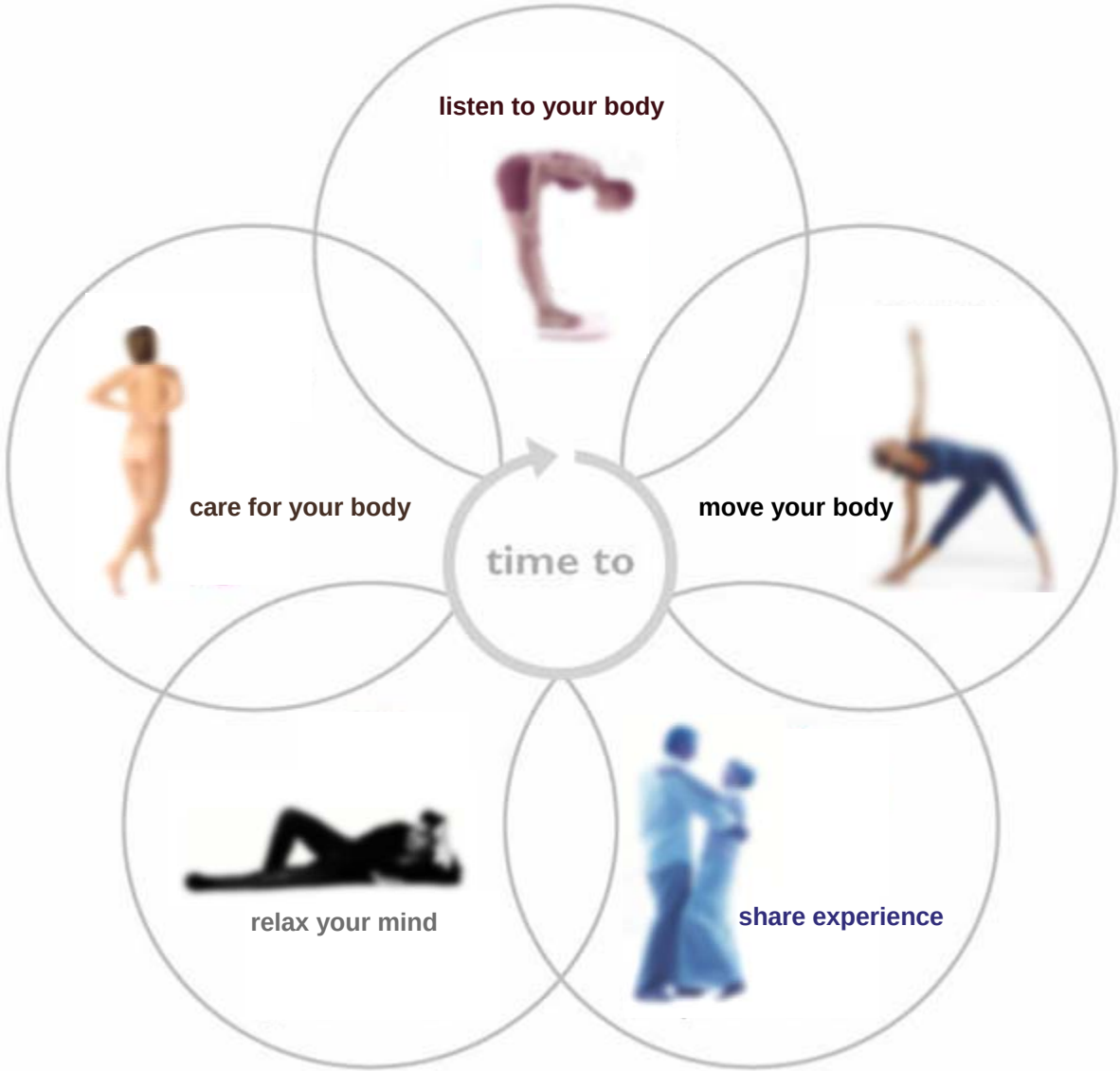
Interface design

Inspire customers with innovative product Design

Next simplicity Event 2006

A healthy lifestyle

health for people is mental *and* physical well-being
that requires regular exercise, a healthy diet, hygiene, socializing, relaxation, financial welfare, freedom of expression, meaningful existence, self actualization and a positive mindset.



listen to your your body

motivational health rituals to guide you in staying healthy

‘Listen to your body’ explores ways of demystifying the body and physical health by providing motivational tools and interfaces with personalized history records and coaching advice, stimulating healthy, yet pleasurable consumption.

in form

a personal coach for physical well-being

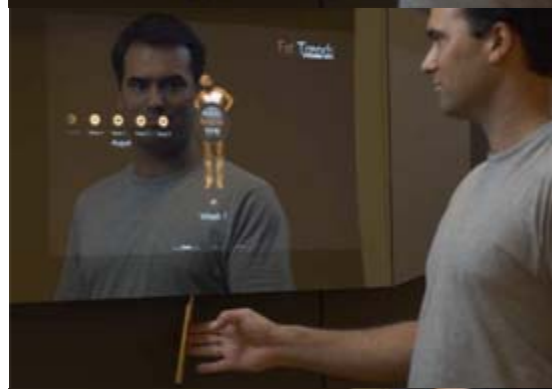
"As I am trying to manage my weight and my figure, setting goals and targets is important. However, achieving them is more difficult!
"I would like to have simple practical advice everyday."

reflect

shape

scale

in form – scale

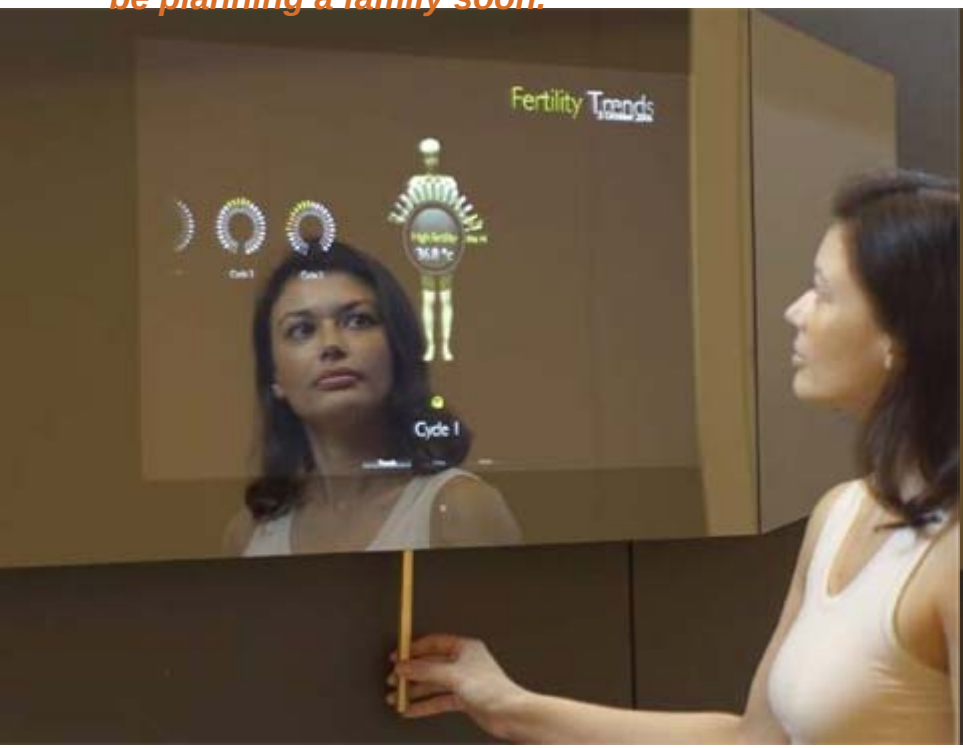


in form – reflect

body cycle

a private coach for women's monthly cycles

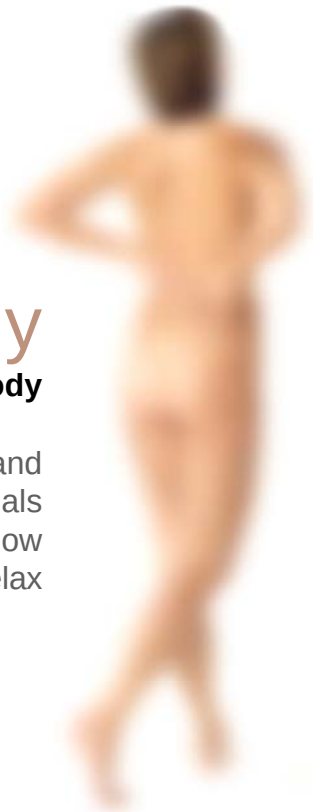
"It would be good to have a little more certainty, regarding planning around my monthly fertility, especially since we are hoping to be planning a family soon."



care for your body

sensory therapies to energize and rejuvenate your body

‘Care for your body’ explores new ways of energizing and rejuvenating the body, using calming, therapeutic rituals controlled by minimal movements that invite people to slow down and let themselves fully relax



sunshine

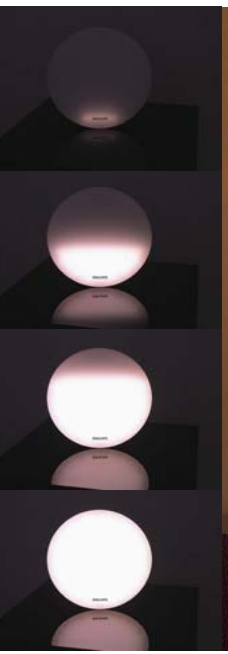
energizing light and natural light rhythms inside the home

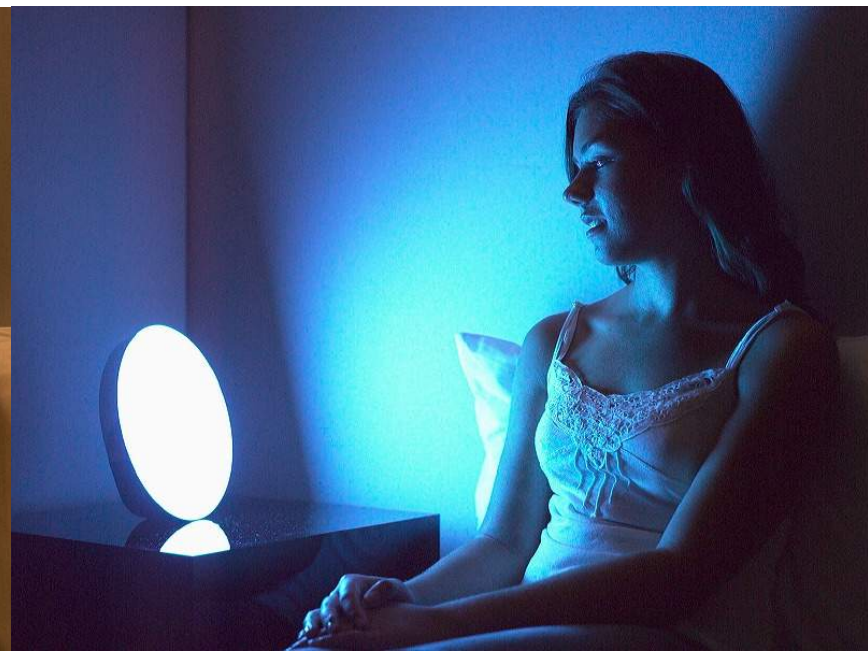
"I often feel tired during the day, especially after lunch, and back from work… I desire a good energy level all day"

rise & shine

a pleasant way to wake up or fall asleep

"I don't sleep enough in summer days, and it is hard to wake up in winter time: I want something that induces me to wake up and sleep."





feel good

a domestic lamp that soothes and rejuvenates

"Sitting often in planes and meeting rooms makes my back hurt; I need a simple way to relieve this pain when back home."

move your body

challenging exercises and games to get you active and keep you fit

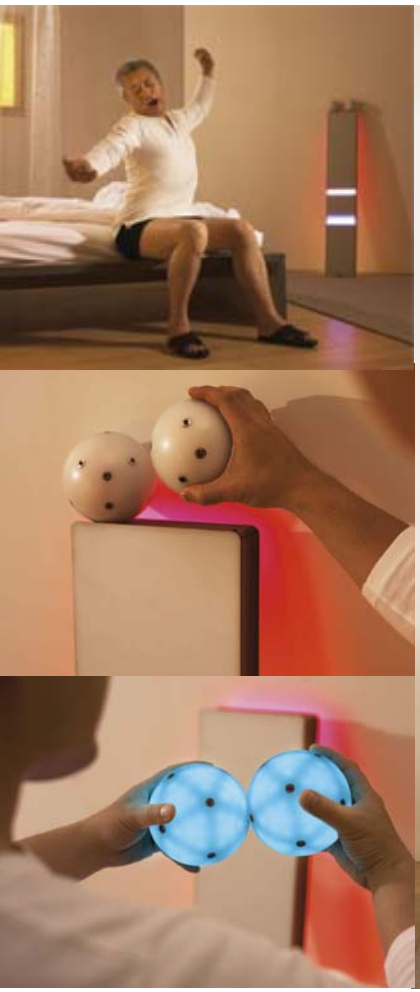
‘Move your body’ explores new ways of making people move their body on regular basis. It does this by stimulating not just the body, but also the mind, with a combination of entertaining or educational rewards and a series of increasingly demanding physical challenges

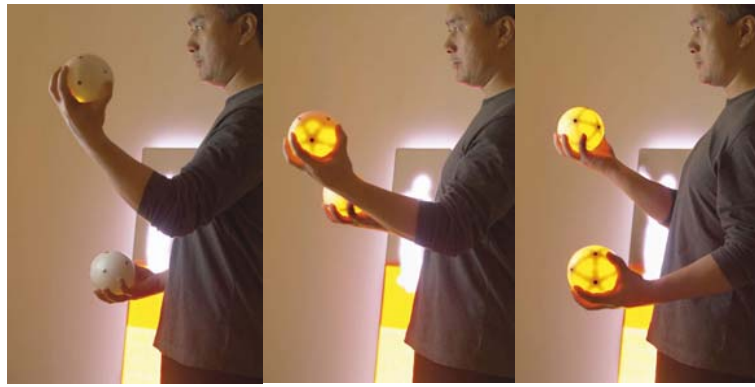
move your body

in shape
coach
weights
versa tiles
play tiles and master tile
drag & draw:
bucket
brush
eraser
magic wand

in shape

exercise tools that challenge and coach in a playful way





"I find going to the gym rather boring… I wish exercising would be instantly rewarding and more entertaining, so that I feel I have accomplish something."

versa tiles

interactive modular tiles for active floor-based games

"My son and his best friend love playing video games… I am worried about it, as they don't get enough exercise. What if interactive games would keep kids in

relax your mind

expressive means to engage and sooth your mind

‘Relax your mind’ explores the ways in which the home can engage people’s senses and respond to their mood with pleasurable ambient experiences, experiences in which the (light and music) settings are created with a minimum of simple gestures, and with seamless transitions.

relax your mind

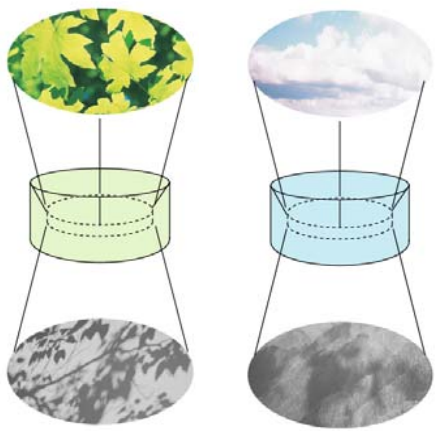
light spectrum:
sun light
light control
chameleon

music spectrum:
speaker
music control

light spectrum

relaxing moods and ambiences

"We love to lie down on the sofa and dream away with a nice atmospheric setting. For us getting the right light environment is key to support the mood we are in."



chameleon

a lampshade that matches any color shown to it

"I like to quickly arrange things before guests are coming for diner, especially paying attention to color matches and color contrast."

share experiences

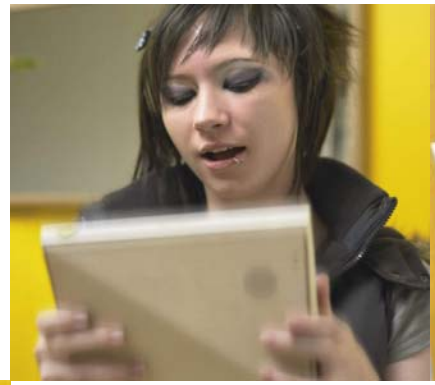
spontaneous ways to share moments and mementos with family and friends

‘Share experiences’ explores new ways of connecting with others and enriching social dynamics as intuitively and spontaneously as possible, so that people can concentrate fully on the content of the exchange, rather than the means of communication.

family album

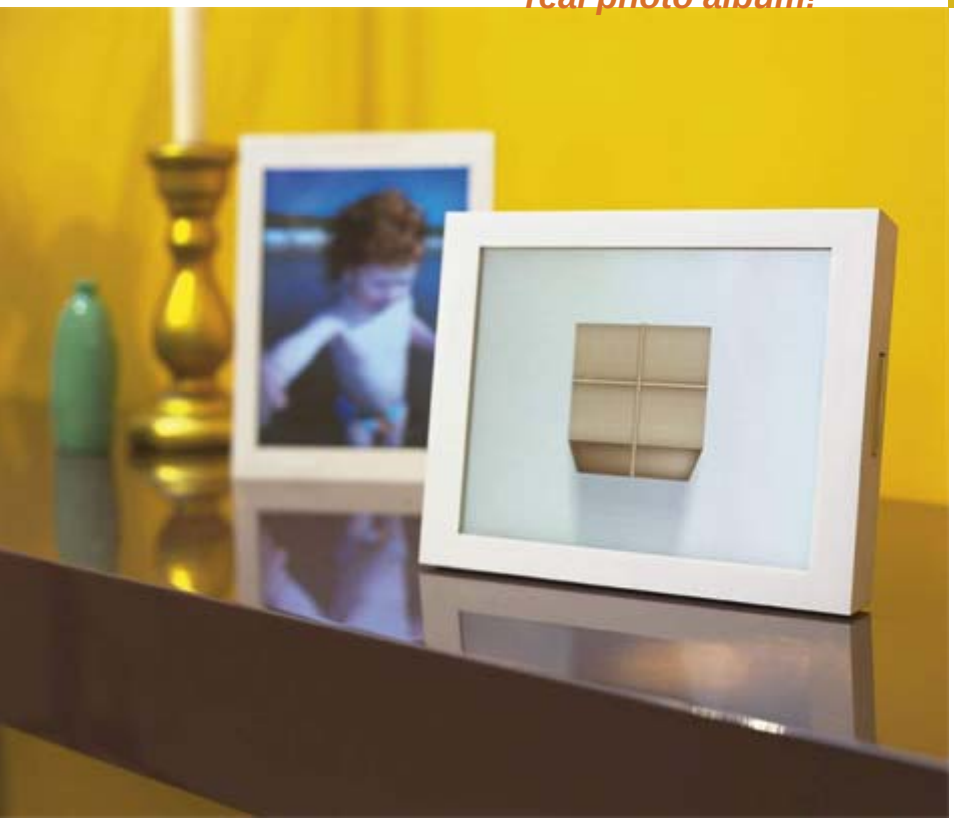
a photo album shared by a community of family and friends

"Simplicity would be for me a combination of the benefits from both worlds: PC and real photo album!"



shake and call
a particular photo

browse
through photo overviews



automatic sharing
of images with friends and family

in touch

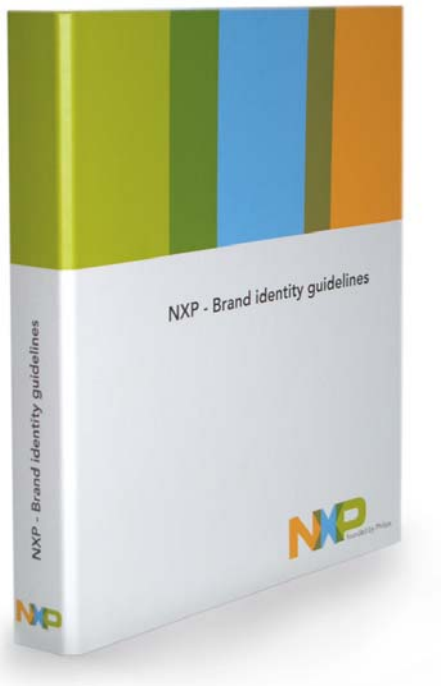
a family message board on which to leave – or send and receive – informal communications

"We have very different schedules, so we need to easily leave messages to each other to know what we are all up to."

NXP Semiconductors

Placing the customer at the heart of the web strategy

NXP case


NXP - Brand identity guidelines
NXP - Brand identity guidelines

Your new choice for
vibrant media technologies
Introducing NXP Semiconductors

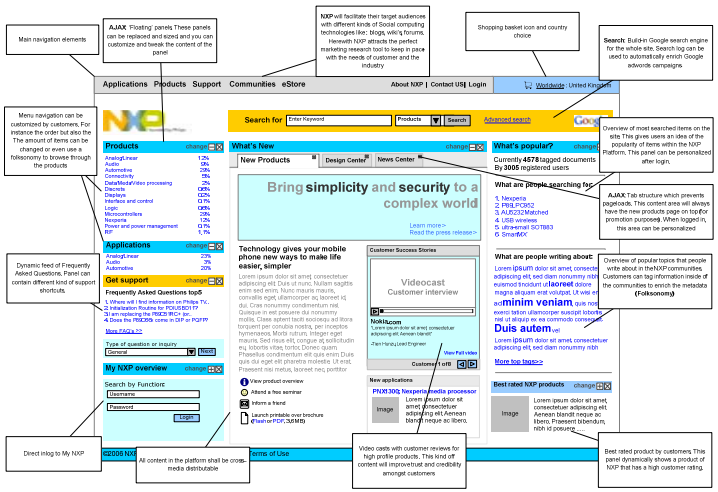
What if you could

NXP Strategic Web Program:
Putting the user at the heart of the web strategy

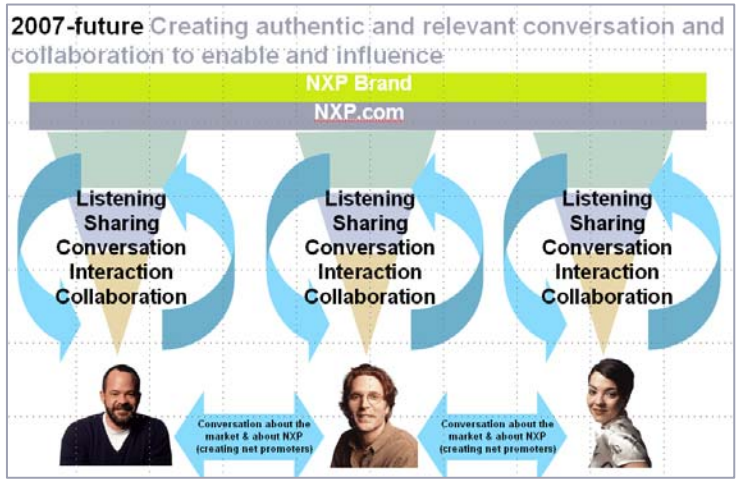
Brief & Pitch

Big idea's of the pitch proposals

Web 2.0 AJAX interface

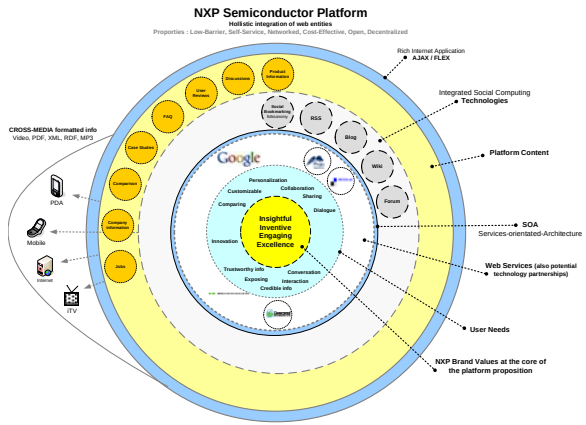


Dialogue Building



User Centered Design

Future proof architecture



To achieve this we have to…

1. Create the ‘custom fit’ environment that facilitates the needs of the engineer
2. Intensify and extend customer relationships
3. Position NXP as the thought leader in the semiconductors industry

Scenario 1 Create the custom fit environment which facilitates the needs of the engineer

I need a site that understands and anticipates my needs

Jerry
Engineer

Scenario 2 Intensify and extend customer relationships

I want more than just a database of products…I want valuable productivity tools

Ken
Engineer (registered user)

Scenario 3 Position NXP as the thought leader in the semiconductors industry

I have little free time…
I want one place I can turn to keep up on industry dialogue and trends

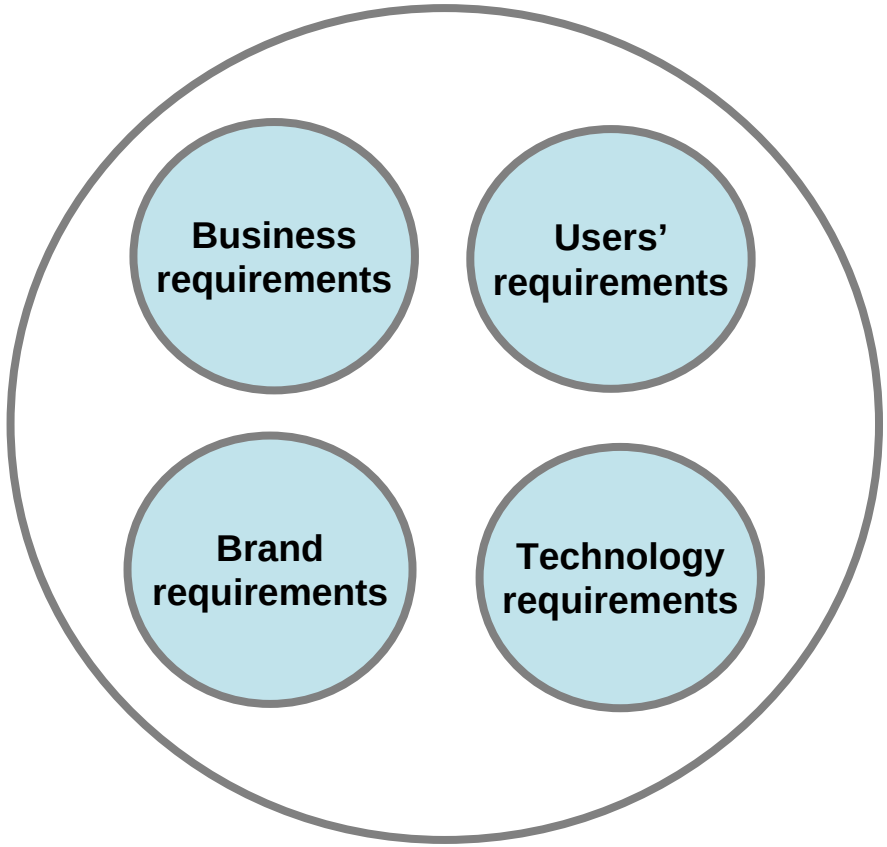
Jeroen
Architect

Analysis Phase

Requirements workshop

Objectives:

- Gathering of requirements
- Validation of requirements
- Prioritization of requirements
- Adding objectives to requirements

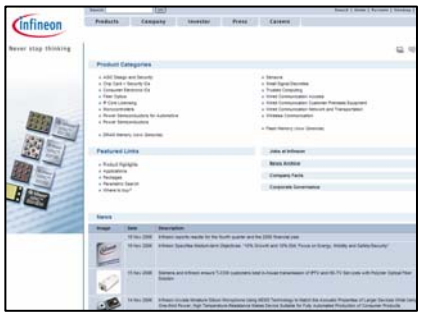


Competitive Benchmark

NXP

Texas Instruments

Freescale



Infineon

STMicroelectronics

National Semiconductor

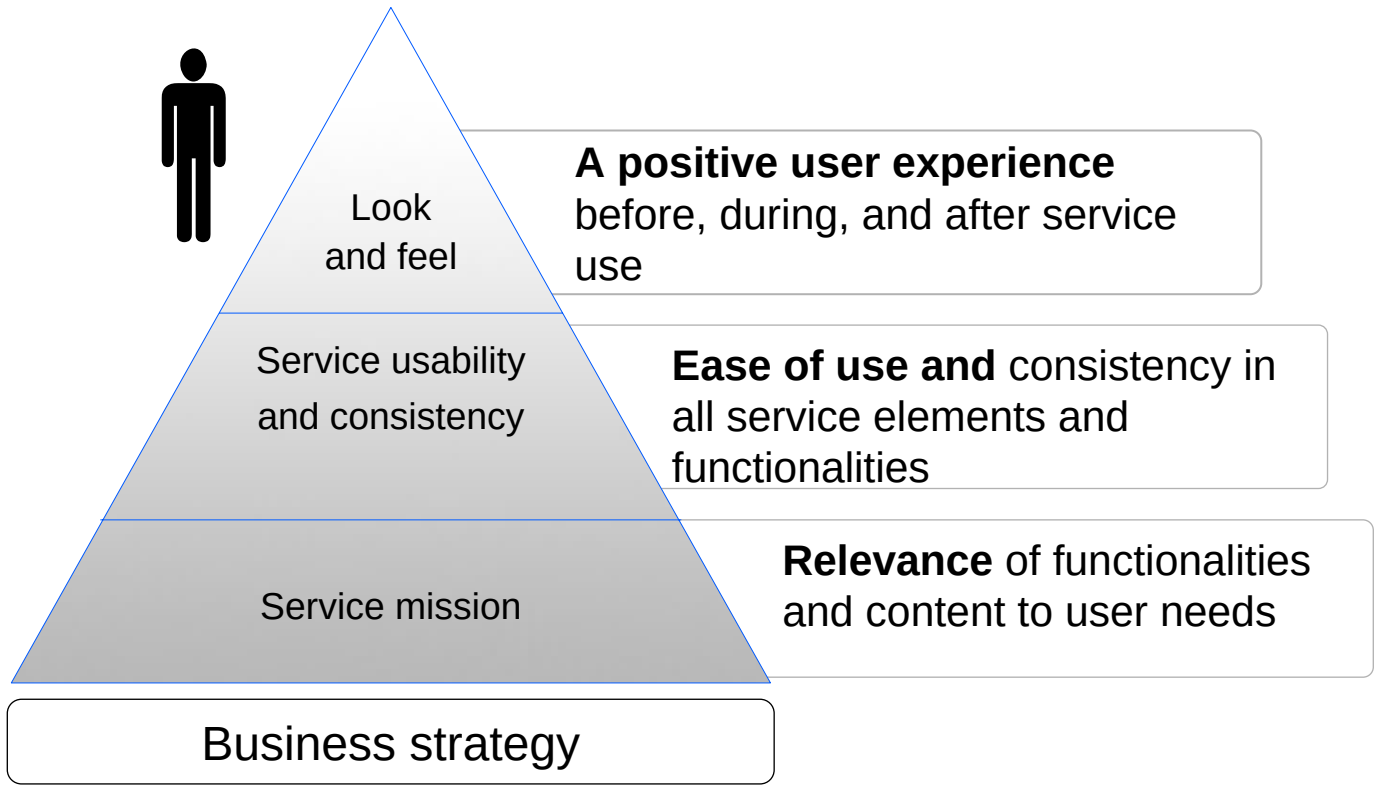
Analog Devices

Maxim

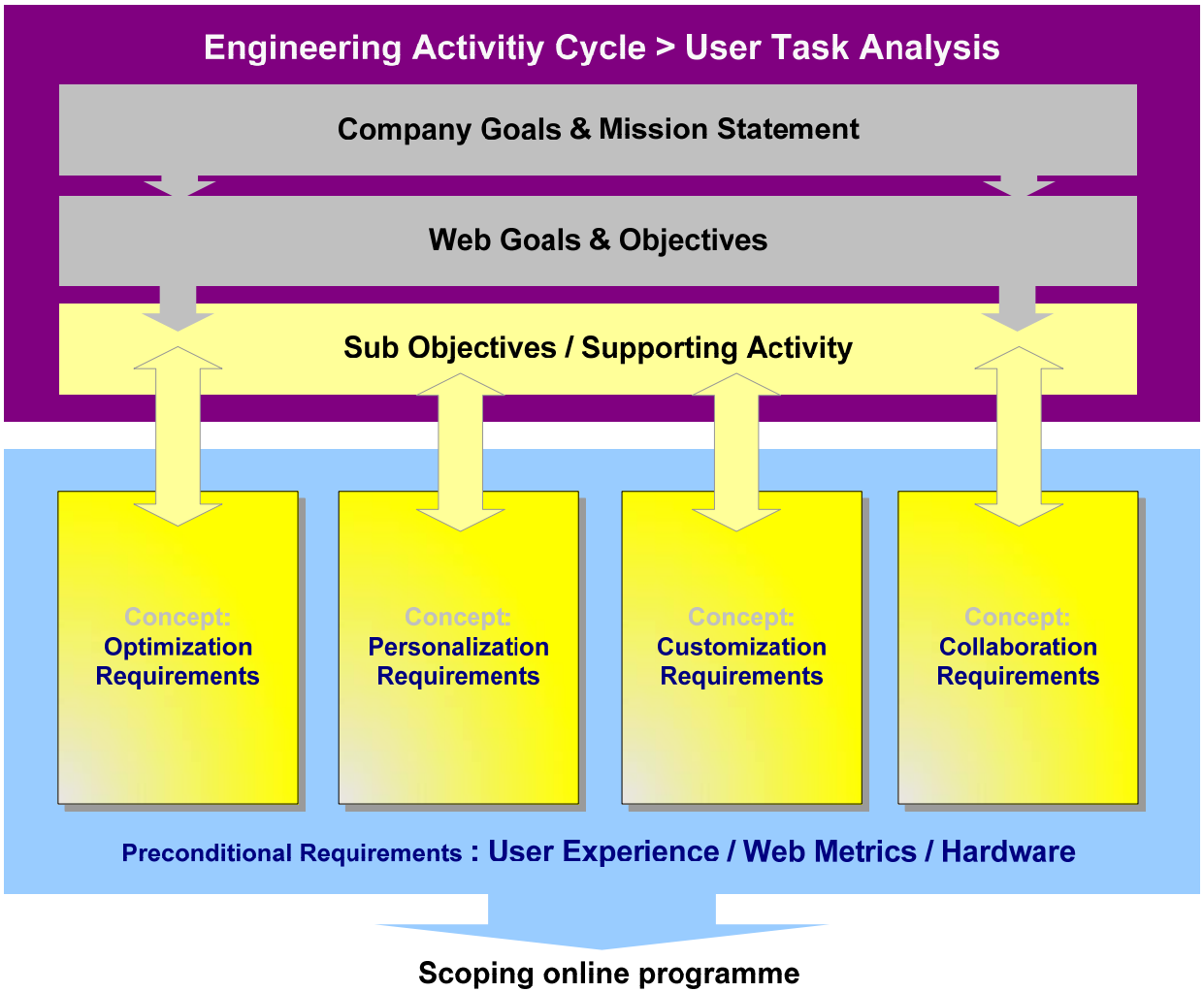
Digi-key

Online Strategy

Successful online services are always based on the company's business strategy and objectives

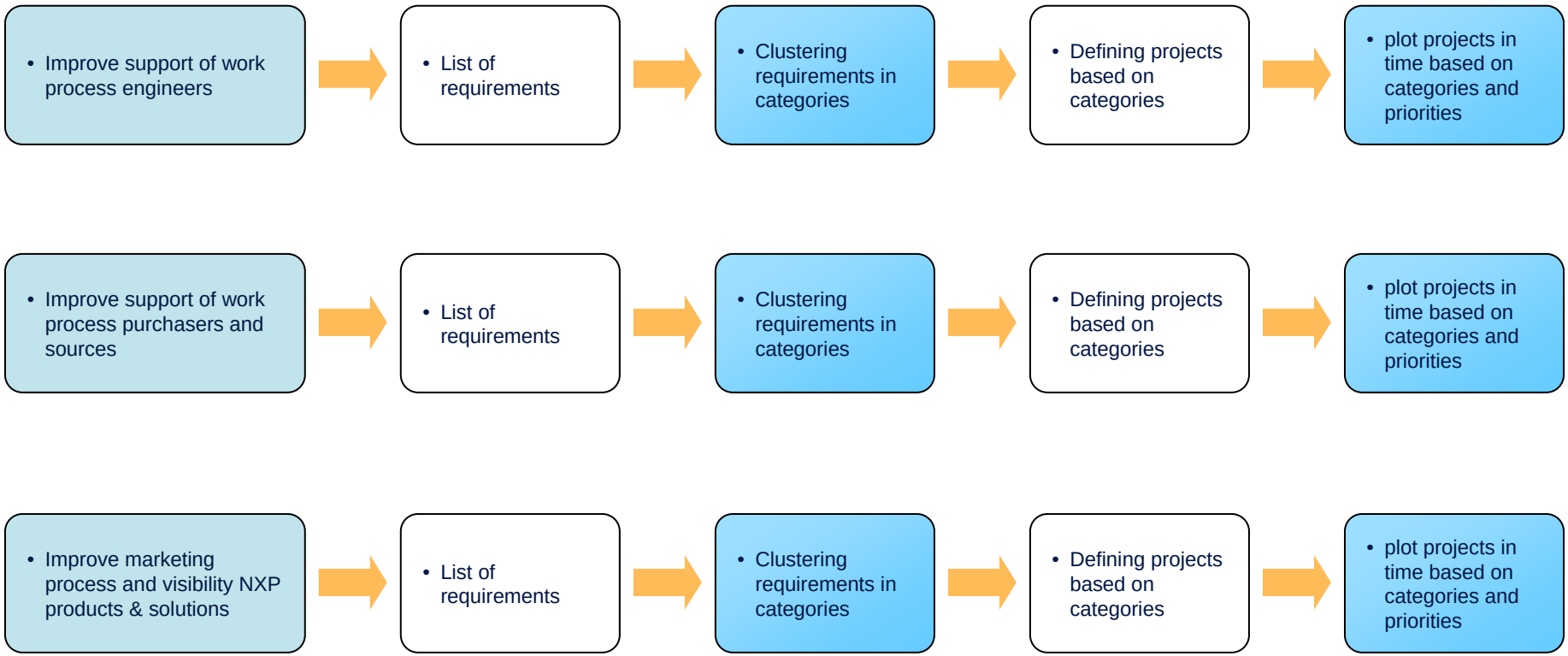


Strategic framework



Road map - step 2

For each theme, we clustered the requirements into potential projects

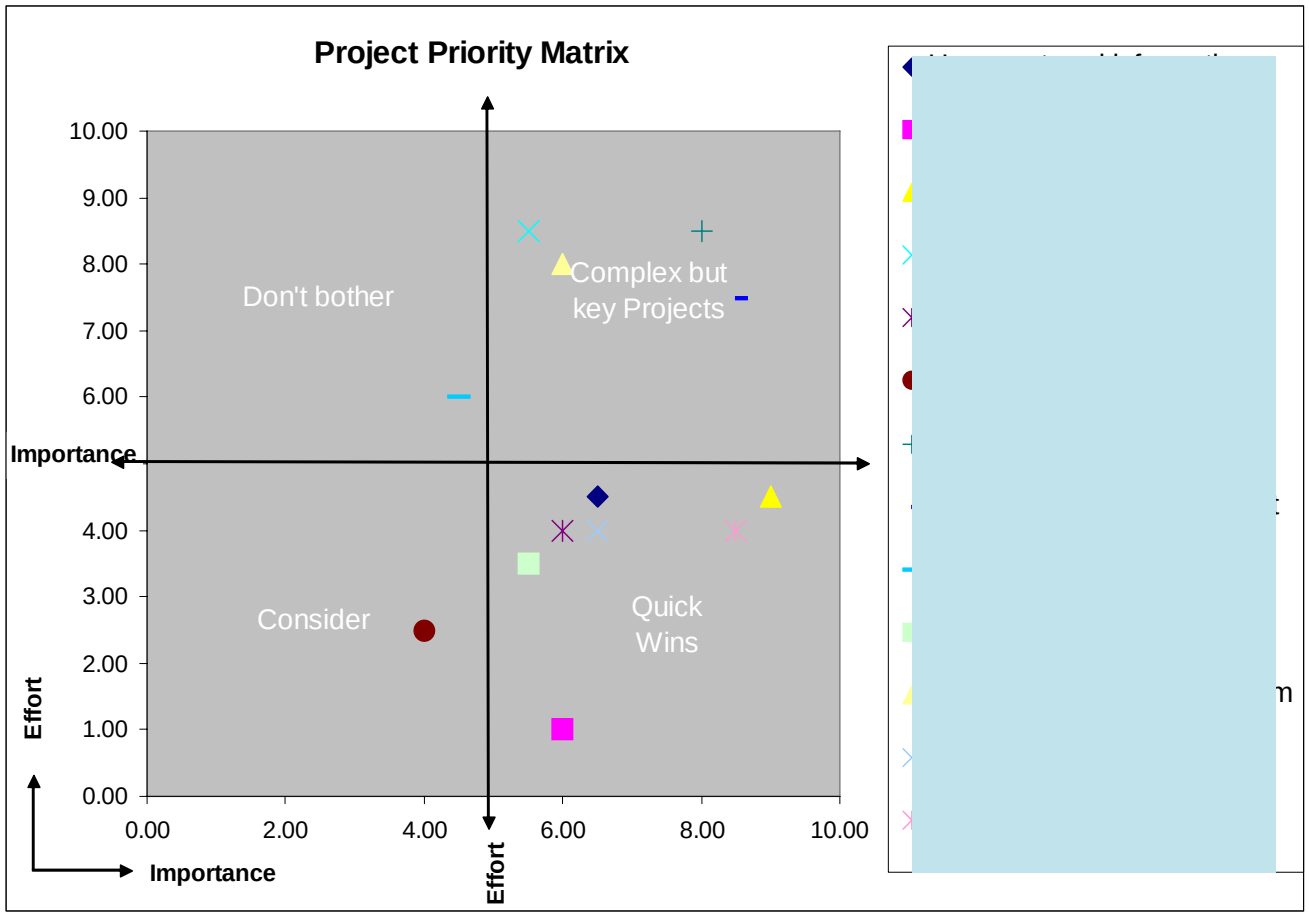


Road map - step 3

Synchronizing projects

PROJECTS	PRIO 1	PRIO 2	PRIO 3	PRIO 4	MAIN OBJECTIVE
Project 1	128, 1, 7, 14, 69, 177,183	13, 47, 74, 180, 86, 125, 179, 92	11, 87		
Project 2	17, 106, 107, 108	109, 110, 15	8, 16, 19, 80		
Project 3	4, 68, 103, 104, 71, 72, 73, 117	88, 89, 181, 176, 75, 105		93	
Project 4	9, 10, 11, 116, 118, 119, 184, 45				
Project 5	24	32, 33, 34, 35, 37, 61, 36, 38, 83, 31, 12, 6	39, 100, 101	20, 26, 44, 27, 3, 21, 90, 91	
Project 6	62, 65, 67	63, 165, 167, 168, 169, 170, 171, 173			
Project 7	22, 57	30, 85, 55, 56, 126	94, 76, 102	78, 23, 77	
Project 8		109, 110	82, 95, 96, 79, 97, 99	40, 81, 29	
Project 9	58, 182	28, 50, 59			
Project 10	164, 178	41, 52			
Project 11	111, 120, 162, 163, 161, 43, 46, 70, 159, 160,166	42, 54, 175		25	

Prioritization of projects

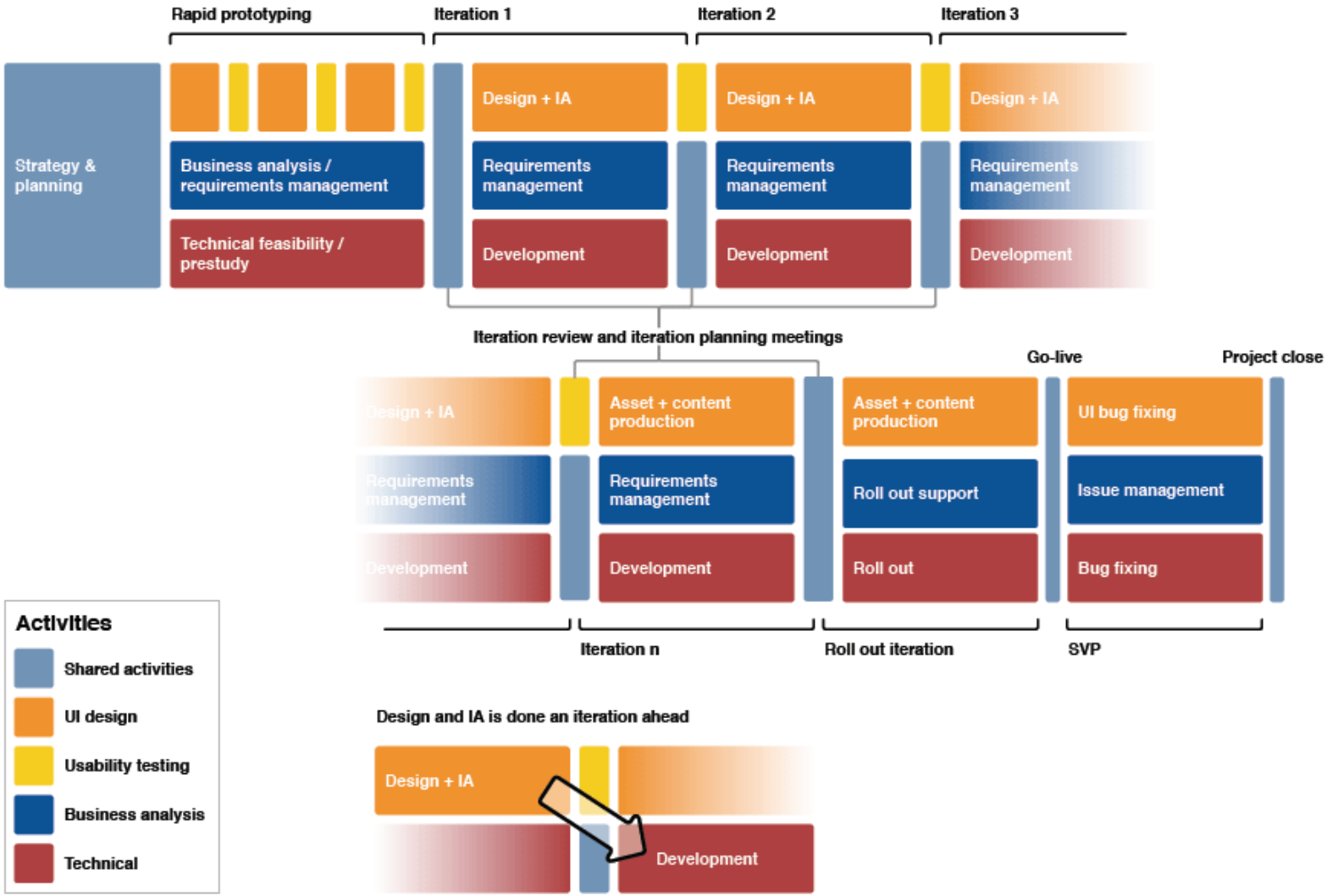


Program Management

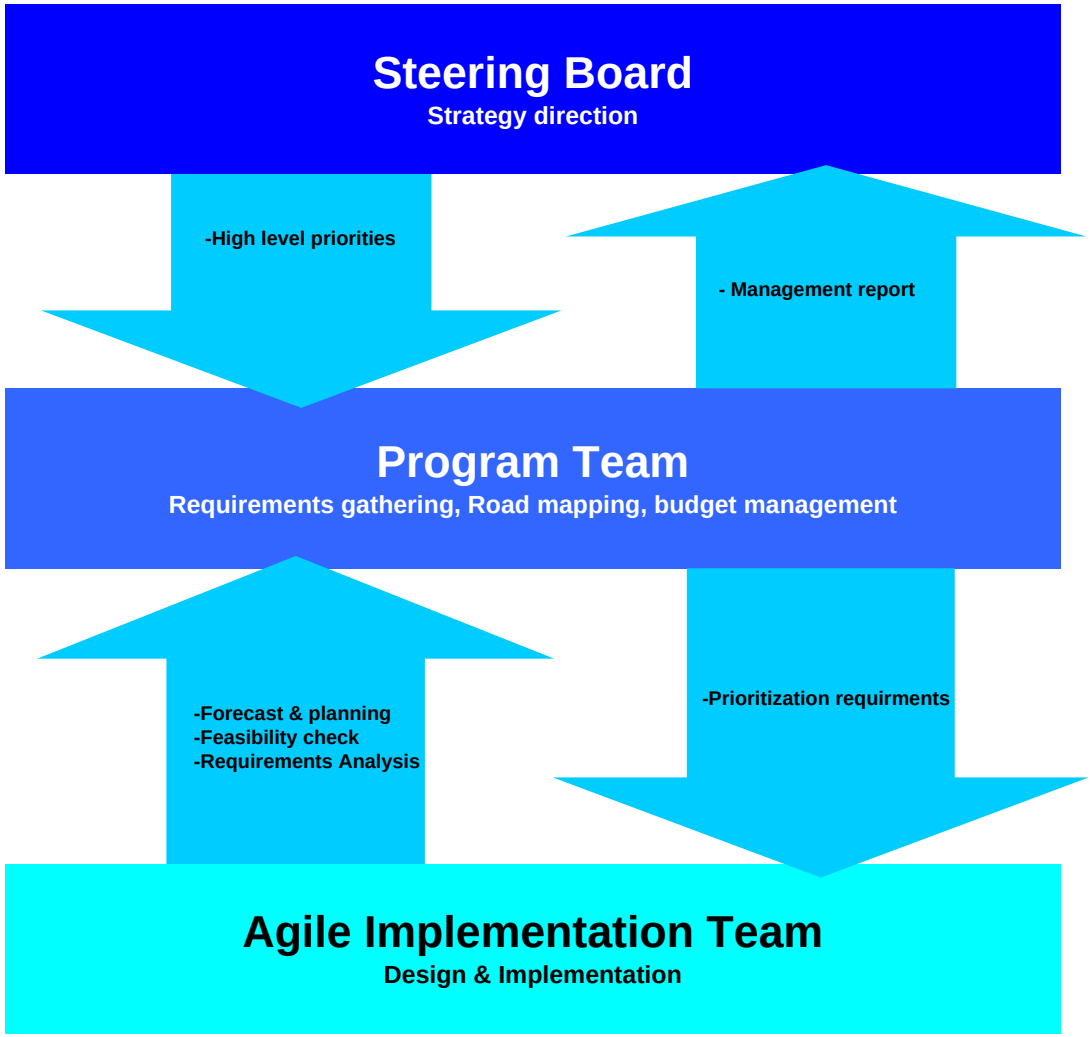
Program Management Responsibilities

- Vision & Strategy
- Prioritisation of online activities and developments
- Internal & external Communication
- System Architecture
- Budget management
- Stakeholder management
- Strategic planning

User-centered agile process



Organization model



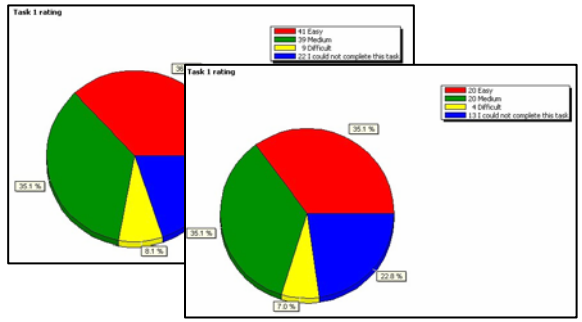
Interaction design & creative design

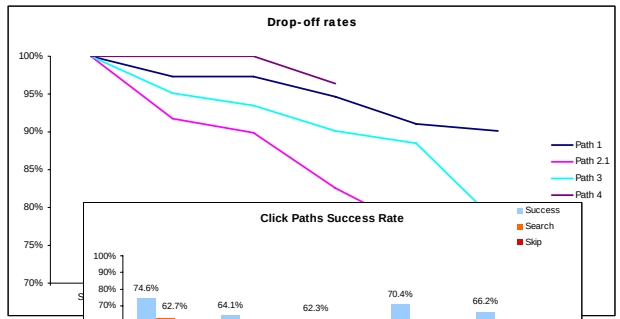
Design objectives

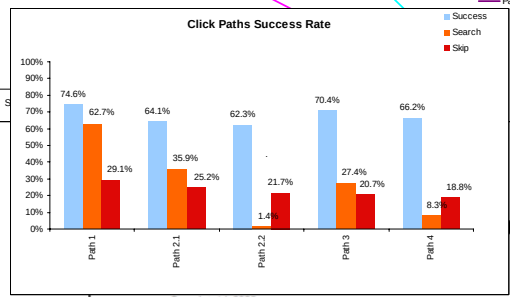
- User-centered design based on user goals
- Design a seamless user experience
- Create an engaging web environment
- Implement the NXP brand

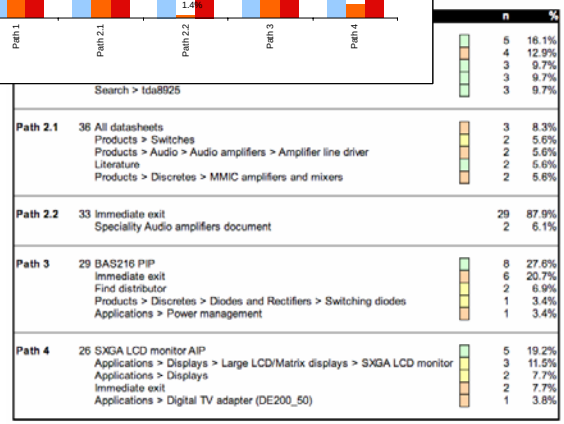
Design Process

- User interviews / surveys
- User goals definition & User journeys
- Online persona creation
- High Level Information Architecture
- Holistic Information Architecture
- Taxonomy & Labeling
- Prototype & User testing
- Creative Design & Animation concept
- User testing

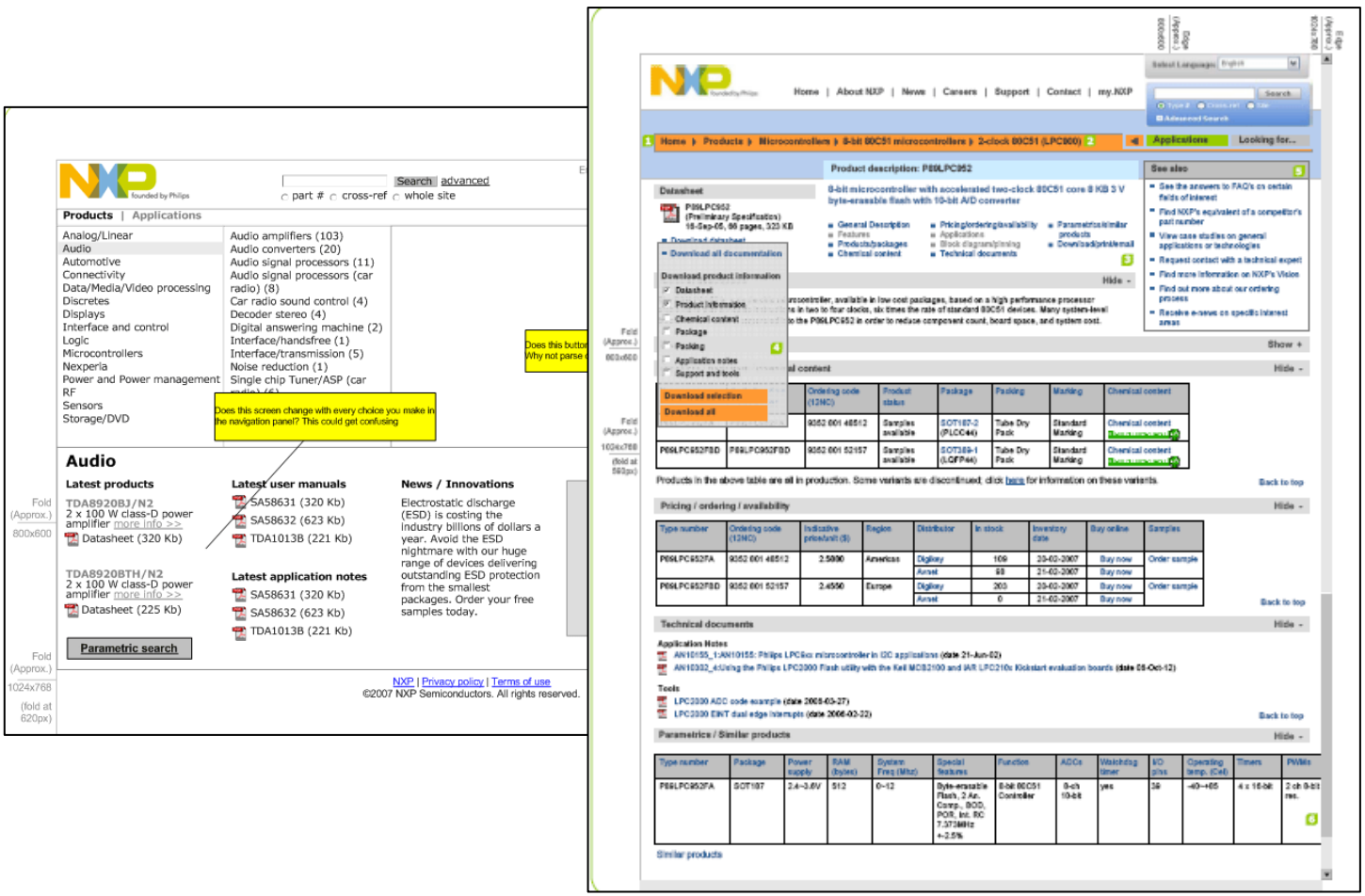








Designing the information architecture



Revolutionary **Web 2.0** interface

NXP will be the first corporate in the world with a complete AJAX interface

Improve customer experience and business value with RIA interface implementation

Forrester Research show that RIA:

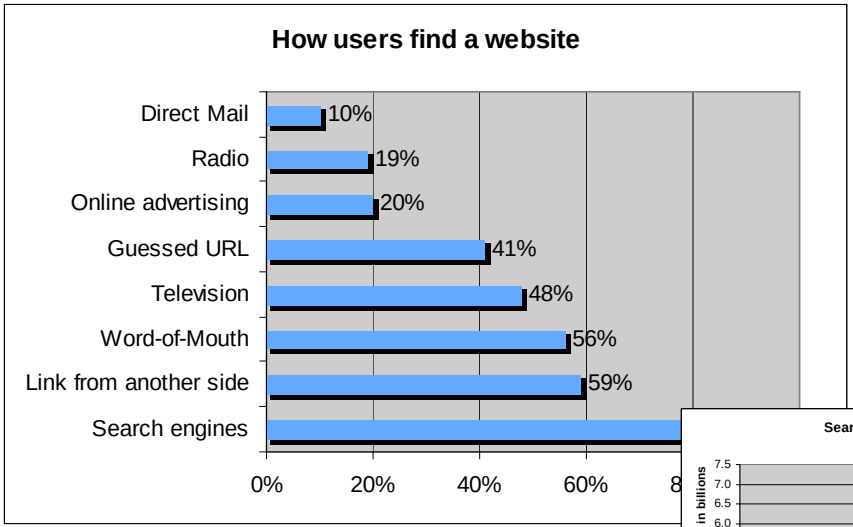
- **Improve conversions**
  - easier to manipulate data and narrow results
    easier to manipulate data and narrow results
- **Increase sales leads**
  - Ability to choose, configure, and price a product from a single page
- **Enhance the brand**
  - Creation of more value to customers (Brand Action) and communicating brand attributes through a more engaging presentation

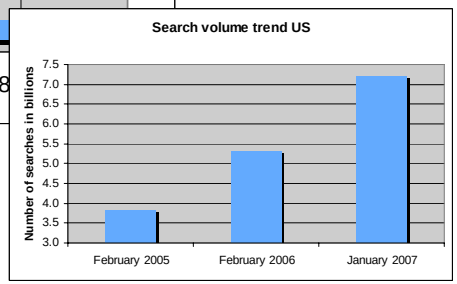
User experience principle	HTML experience	How RIAs improve user experience
Control	Users are limited to a linear process when they use site functionality like shopping carts.	Users move back and forth between steps in a process, quickly and easily.
Direct manipulation	Click and wait for a new page to download.	Users drag and drop data freely around the screen.
Forgiveness	To undo or modify actions — like changing data in multipage forms — users must back up, and may lose data when pages refresh.	Users can undo actions or change data input without long waits or the risk of lost data.
Feedback	Users have to wait for page refreshes to find out whether the site did what they wanted it to do.	System response to user inputs and changes is immediately visible.
Error handling	Field validation often requires a server call. Error message windows can appear disconnected from areas on a page that require attention.	Form fields are validated in real time as users fill them in — problem areas get highlighted before the form is submitted.
Efficient task flow	Processes are broken up into separate pages with server calls in between.	Whole processes contained on a single "page" flow smoothly from end to end.

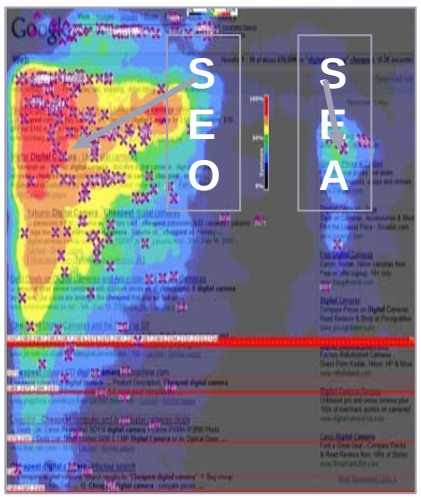
39816 Source: Forrester Research, Inc.

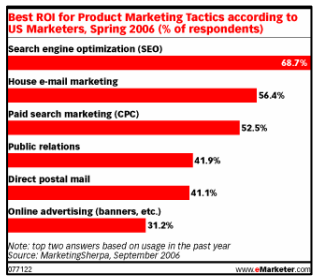
Pre-studies

Pre-study – Search Engine Optimization







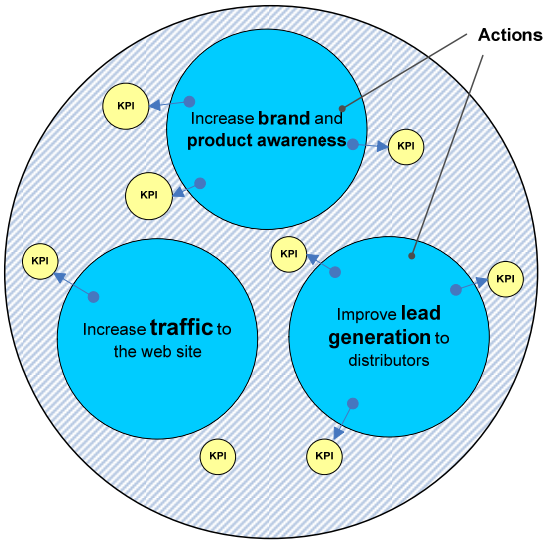


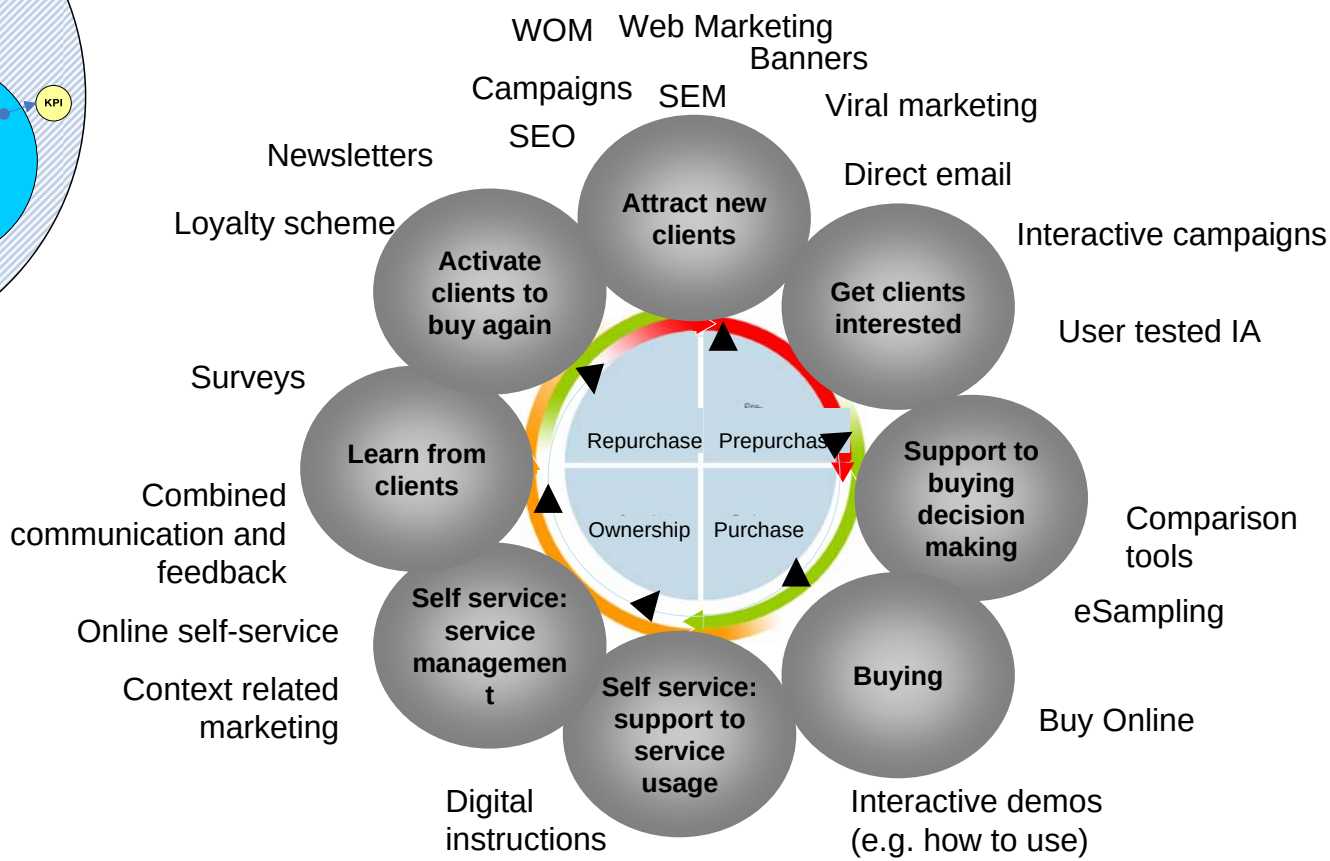
experiences

associations

references

Pre-study – Web Measurement





Social Computing is changing the world

The Philips ‘Simplicity’ Blog

Brand Marketers face increasingly disinterested consumers

- **Consume alternative media**
- **Zap their commercials**
- **Trust each other more and brands less**
- **Seek homegrown experiences**

Social Computing reveals cracks in a brand facade

- Forrester calls the consumer phenomenon of moving away from institutions toward technology-empowered user communities Social Computing. Social Computing embraces three core tenets:
- **1) Innovation will shift from top-down to bottom-up**
- **2) value will shift from ownership to experience**
- **3) power will shift from institutions to communities**

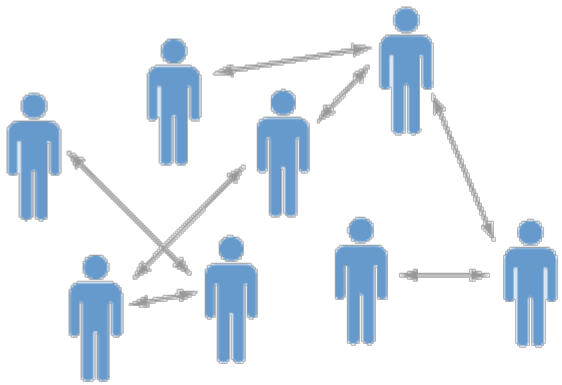
Source: February 13, 2006, Forrester Big Idea "Social Computing"

Marketers must accept some key realities of Social Computing:

- **Consumers will be heard whether or not companies give them an outlet**
- **Technology will help them be heard faster than the PR department can spin**
- **Consumers demand honest communication even if the news isn't good**

Technology is enabling the market conversation

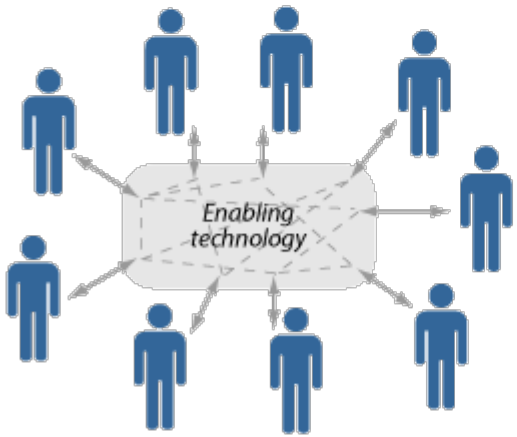
Old-world consumer networks



Forms:
- Word of mouth
- Telephone
- Letter
- Stores

Characteristics:
- Limited reach
- Individual-driven
- Not a closed-loop system
- Not empowered

New-world consumer networks



Forms:
- Word of mouth powered by email
- Blogs
- Customer reviews
- Consumer-generated media

Characteristics:
- Interconnected
- Global in scope
- Instantaneous
- Empowered

40757

Source: Forrester Research, Inc.

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Medical systems
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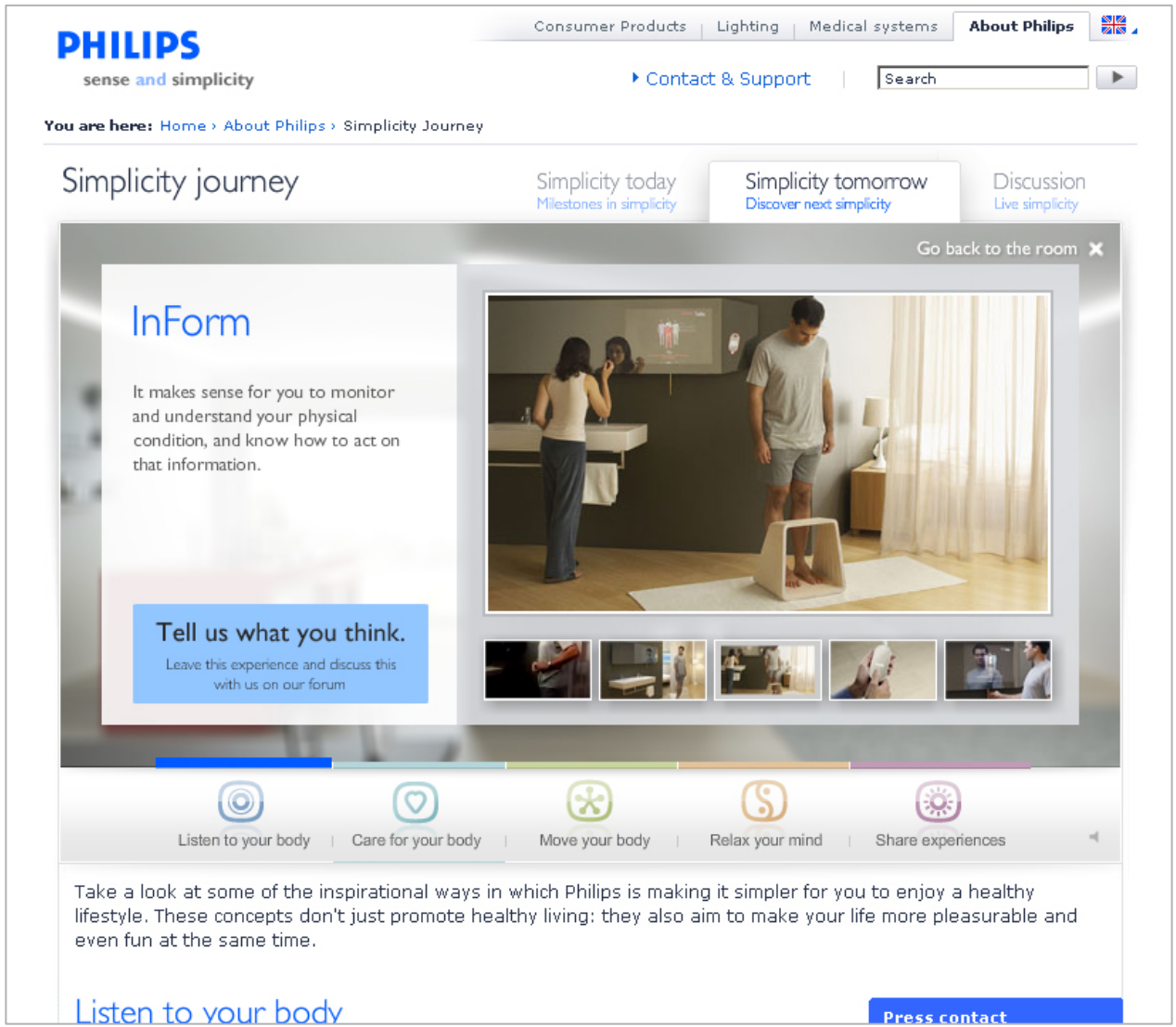
Simplicity journey
Simplicity today
Milestones in simplicity
Simplicity tomorrow
Discover next simplicity
Discussion
Live simplicity
SIMPLICITY
Simplicity journey
Life can be complicated, but it doesn't have to be. Through our brand promise, "sense and simplicity", we're committed to simplifying your life by bringing you the meaningful benefits of technology without the hassle. Join us on our simplicity journey!
Simplicity for all
"sense and simplicity" guides everything we do. We're putting people right at the heart of our thinking and eliminating any unnecessary complexity for all our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Simplicity journey
Simplicity today
Milestones in simplicity
Simplicity tomorrow
Discover next simplicity
Discussion
Live simplicity
Go back to the room
InForm
It makes sense for you to monitor and understand your physical condition, and know how to act on that information.
Tell us what you think.
Leave this experience and discuss this with us on our forum
Listen to your body
Care for your body
Move your body
Relax your mind
Share experiences
Take a look at some of the inspirational ways in which Philips is making it simpler for you to enjoy a healthy lifestyle. These concepts don't just promote healthy living: they also aim to make your life more pleasurable and even fun at the same time.
Listen to your body
Press contact

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Simplicity journey
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Milestones in simplicity
Simplicity tomorrow
Discover next simplicity
Discussion
Live simplicity
Your opinion on simplicity
Have your say and share your ideas. Join us on the road to simplicity.
Latest discussions (see all 54) | Popular discussions | Conclusions
travelbod questions:
Travelling lightly
Accessories for international travel have accessory unique charging cables. Travel power adapters now include a USB outlet. It would help reduce baggage weight, if Philips could release as USB charging cable with a Philips connection for its rec...
Categories
+ Business
+ Communication
+ General
+ Internet & technology

moderator questions:

Relaxation, the cure to a hard days work

In our stress-filled world, we often overlook the most obvious techniques to relieve tension and increase the bodies ability to relax and recover from a grueling day.

+ Write a comment

View A

Stress is a all a part of our modern world. In many ways, it is what drives to do the things we do.

View B

It's important to take time to rejuvenate the body with sleep and relaxation, allowing it to recover in order to take on a new day.

3 comment(s) so far

simpleton thinks: maybe stress is part of our modern world. maybe it does drive us to do some things. but is that the way it *should* be? stress can only be tolerated for so long by the mind and body before they both give up. rest and relaxation is essential if we are to continue to strive for a more simplistic life.

+ Report this as inapropriate.

Do you agree with this? Agree Disagree (85% of 13 votes AGREE)

Andrewww thinks: I find the relaxation often isn't the best remedy. To achieve true well being there are other "secret ingredients".... Social interaction, Creative distraction and physical effort.
It is often said that a healthy diet and sports help balance out a stressed job.

>I don't do sports and I don't maintain a specifically healthy diet, but I feel great.
What I do is make sure that I prepare tasty a slowfood meal at least 5 days a week.
My girlfriend and I always eat together which is a great moment to catch up and reflect on the day.
Sports where never for me, I find it a waste of time to spend an hour running after a ball or idly stare at myself while pumping weights.... pfewwww.

Categories

+ Business
+ Communication
+ General
+ Internet & technology
+ Lifestyle & social
+ Wellness

Search in discussions

e.g. search for technology, christmas, future, bioscan

Search

Simplicity topic poll

- View A
- View B
- Other

Vote now

This blog

+ About this blog
+ Login
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+ Help
+ Terms of use

Fixing The Cracks Requires A New Approach To Branding

- Marketers must understand the implications of Social Computing or they risk looking more out of touch than ever. To successfully apply Social Computing to branding, marketers must understand consumer desire for:

- **Authenticity**
- **Sincerity**
- **Integrity**

Virtual Worlds Exploration

Co-creation and behavioral analysis in Second Life

Virtual Worlds – an overview

Online Games

- E.g. Quake, Half-life..

MMORPGs (Massively Multiplayer Online role playing games)

- E.g. World of Warcraft, Everquest..

Virtual Worlds – Massively multiplayer (but not role-playing games)

- E.g. There.com, Second Life, Big World, …
- The user generate the content
- Not really a game; no objectives – ‘just’ a platform
- A place for meeting, building, selling, collaborating and exploring

8 Million Users
World of Warcarft

Nathair
Stormwind
Jetrane
Dentiel
Geraden
Zivar
TARGET
Innoruuk
Greedamy was injured by falling.
Nymue was injured by falling.
Dentiel was injured by falling.
You crush Innoruuk for 1 point of damage.
Dercwolf Scores a critical hit(22)
Taking a screenshot...
2 Million Users
EVERQUEST

The Lord of the Rings
ONLINE
Shadows of Angmar
3 Million Users

Online games stats ..

- **69%** of American heads of household play computer of video games
- In 2005 **25%** of the games were over the age of 50
- The average game player is over **33** years
- **44%** of most frequent game players say they play games online
- In 2005 the game industry sales came in at **8 billion $**

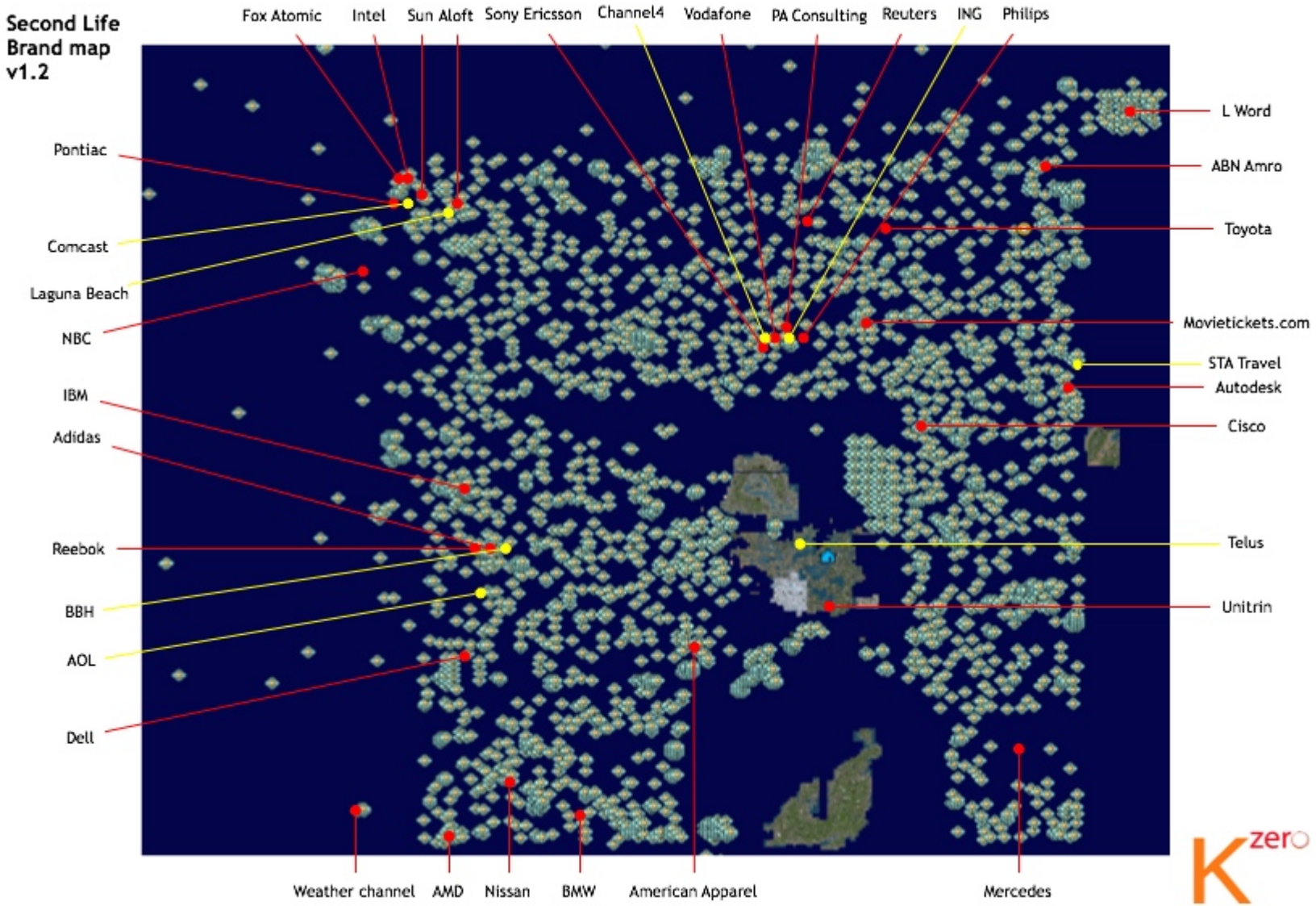
Interesting target audience, and business opportunity

1.3 Million Users

Second Life stats ..

- Second Life counts **1.3 Million** users (March 2007)
- Second Life citizenship grew **995%** just this year
- Commerce, a more important statistic, rose to **$9M**, up 287% this year
- The male/female split is close to even -57 to 43%
- Finally, more than **55%** of citizens hail from outside the US

A lot of large companies are already present in SL



The Cisco Island

Virtual worlds are adding emotion

Internet

Immersive Space

space, behavior and emotion

new forms of social behavior in communities

Self actualization

Virtual worlds & business opportunity

Web 3.0

Gain knowledge of human behavior in virtual worlds

Open innovation

Integration to the internet

Create products together with users

Potential new sales channel

Give users an ultimate brand and product experience

Overall objectives

Create Intimate relations with customers ,occupy mind space and engage their minds .

"You reach a point where it is difficult to take anymore cost out….winning mind space and engaging with consumers will become the new strategy"
(Foresight study 2020 EIU)

Proprietary insights through co-design, testing, participative events.

"*Competitive advantage will be gained through a different look at the world by developing truly proprietary knowledge about customers*" *(McKinsey & Company)*

Understanding how to support the creation of new channels and new business models.

" Leading companies will develop intimate relationships with consumers to create the most satisfying customer experience possible at point of sale, in delivery and during post sale service" *(Cisco systems quarterly 2007)*

Philips Design activity area's in Second Life

- **Co-creation**
- **Research**
- **Branding & Marketing**
- **Sales**
- **E-Learning**
- **Persona testing (living personas)**

Our Virtual Holland : ING, Philips

Philips Design recruiting for Co-creation projects

Launched in Our Virtual Holland

This week we will start recruiting avatars

Avatars can view the Philips Design introduction movie

creation experience

amBX gaming peripherals

PHILIPS