

The Workbook

Team: uShare, Jan 2018

PHILIPS

Yiwen Shen

Eindhoven University of Technology
Department of Industrial Design
5612 AZ Eindhoven
y.shen1@student.tue.nl

Thomas van de Moosdijk

Eindhoven University of Technology
Department of Industrial Design
5612 AZ Eindhoven
t.c.m.v.d.moosdijk@student.tue.nl

Table of Contents

Week1 Assignment	4	Enabler	18
Define the FPP market	5	Estimation of target group	19
What business is Philips in?		Value network	20
Vision, mission and strategy		Business model canvas	21
SWOT analysis		Pitch canvas	22
Stakeholder map	6		
Empathy map	7		
Persona and Customer journey map	8		
Value hypothesis	9		
Customer plot	10		
Offer plot	11		
Value proposition canvas	12		
Previous ideas	13		
Box setups and estimation of prices	14		
Assumptions	15		
Assumption canvas	16		
Sources of business	17		
Business model innovation	17		

How is the FPP market defined?

FPP is a term Phillips uses and it stands for fertility, pregnancy and parenting. FPP market provides products or services related to these terms. There are three stages to the FPP concept. The first is fertility in which future parents are planning to get pregnant. Next comes the pregnancy stage, in which parents are expecting a baby and the concept is concluded with parenting, which focuses on the early stages of childhood (until age three). Ideally, Philips is involved in the first stage of the FPP concept, because people will have a higher loyalty towards the brand and because of the anchoring effect.

What organisations are acting in this market?

There are a lot of organisations acting in this market. Philips for instance has got its own physical shop, but also a webshop. This webshop sells to the parents directly, but to do that it needs to ship the items that it has brought to the customer. If the customer shops at the shop, the products still need to be delivered to that shop. There's also shops like prenatal and babydump which are popular among parents to do their shopping.

The biggest competitors are Difrax, Medela, Tommee tippee and lansinoh, to name a few.

There are of course the manufacturers, which will function as contractors, so that Philips does not have to negotiate with suppliers of resources like crude plastic and copper for their products.

When developing new products, Philips uses an R&D team, a marketing team and a customer relations team. Their services also make use of a lot of people, for instance their uGrow app employs web developers, ux designers, etc..

Where do people go to meet?

At the moment, people meet in several ways. They meet face to face to discuss the aspects of going through, having a child pregnancy and being a parent. They also meet online, through facebook or on forums. Here they can also discuss the aforementioned aspects. They also go to stores to get informed of what to buy, either through browsing or asking questions to the salespeople.

What solutions are offered today?

Most people get their baby products from the store. When interviewing new parents, they stated that the baby dump is a place where you can save money on baby things, but there's also what they called "prenatal moms". These people don't really care about how much something costs, they just want quality and convenience. A lot of people also get their baby things from people that they know. Even more, when they buy new things, they reserve it for their younger siblings, other family members or friends. This already is a way of contributing to the circular economy.

Trends/development?

In 2016, 172.520 children were born in the Netherlands. Of those, 78.092 were first borns, and 94.428 were second child or more (CBS, 2018). While between 2014 and 2060, there is an expected population growth, the rate at which this happens will slow down. Women had, on average almost 1.8 children in 2010, while in the future that number is expected to settle around 1.75 children. To put this number in perspective, see figure 1 (van Duin, Stoeldraijer, 2014):

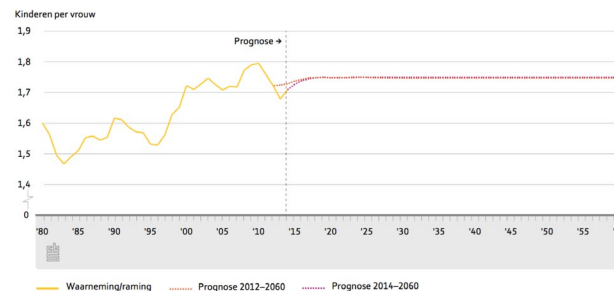


Figure1. Market trends

There already are some solutions to the waste problem in the FPP product sector. For instance, there are several companies that focus on renting products, like babyproductenhuren.nl, medipoint or cribster.nl. Cribster focuses on renting baby clothes, while babyproductenhuren.nl focuses on the whole package, but it is still in an early stage. Medipoint offers to rent a breast pump per day. There's also a non-profit which provides baby clothes to people that can't afford them, called Stichting Babyspullen (2018).

Prices?

The prices for renting baby products range from €2,50 a day for a breastpump at medipoint (medipoint, 2018) to €4,- to rent a blender for a week at babyproductenhuren.nl (2018).

Renting babyclothes at cribster costs around €5-10,- a month per item.

Define the FPP market

What business is Philips in?

Philips provides both products and services. Their products are sold through the avent line, while their services are coupled with the products and the uGrow app.

The biggest competitors are difrax, medela, dr. brown's and lansinoh. Of those, only medela and lansinoh offer apps similar to the uGrow app. They are both aimed at providing a way to track the breastfeeding and the growth of the baby.

When looking at competitors, Medela distinguishes itself by having a research/innovation based approach, Difrax is aimed at innovation and comfort, dr. Brown's is aimed at a healthy, additive free products and lansinoh

Vision, mission and strategy:

Philips states that its vision is to improve the lives of 3 billion people by 2025 by offering products and services and innovation (Philips, 2012). It also focuses on sustainability, incorporating it into their company strategy. Their sustainability program is based on two dimensions. The social dimension, which entails increasing societal benefits and moving people to the right side of the human development axis, and an ecological dimension, reducing environmental impact and maintaining the resources of the planet.

Philips aims to improve the world on the social dimension by taking an holistic approach to health. This means that they want to cover the full range of patient needs, from living healthily, to being diagnosed and treated to an illness, to recovery and care at home. In the FPP market, this means that not only the direct needs of the baby and the parents are covered, but the indirect needs are also covered.

At the moment, Philips is working on meeting their goals through using as much recycled material in their products as they can and by applying ecodesign and circular economy principles.

SWOT Analysis

Strengths:

- Philips offers innovation
- Philips is sustainable
- Philips has a well renowned brand name.
- Producing the avent line in England means that transport costs are lower than for China (for the environment)
- Philips is well known and shows up first at the sites of major stores.
- Philips is the number one brand in the world

Weaknesses:

- The bottle product category is crowded
- Philips is more expensive than store brand.

Opportunities:

- People prefer branded products
- New competitors will face a brand barrier
- People start to care about the environment (CBS, 2017)
- Next to products, people care about services and knowledge (Ligtermoet and Okma, 2014).
- Future parents want to meet other parents to exchange experiences (Ligtermoet and Okma, 2014).

Threats:

- Philips faces strong competition.
- From other brands
- From free baby boxes
- Global recession might mean that people can't spend much on baby products
- People get a lot of their baby products from others
- Rising labour costs in Europe and the upcoming Brexit will increase the costs of production.

Values:

- Philips is a recognized brand
- Philips has a long history of making quality products
- Philips wants to reduce waste by making their products modular

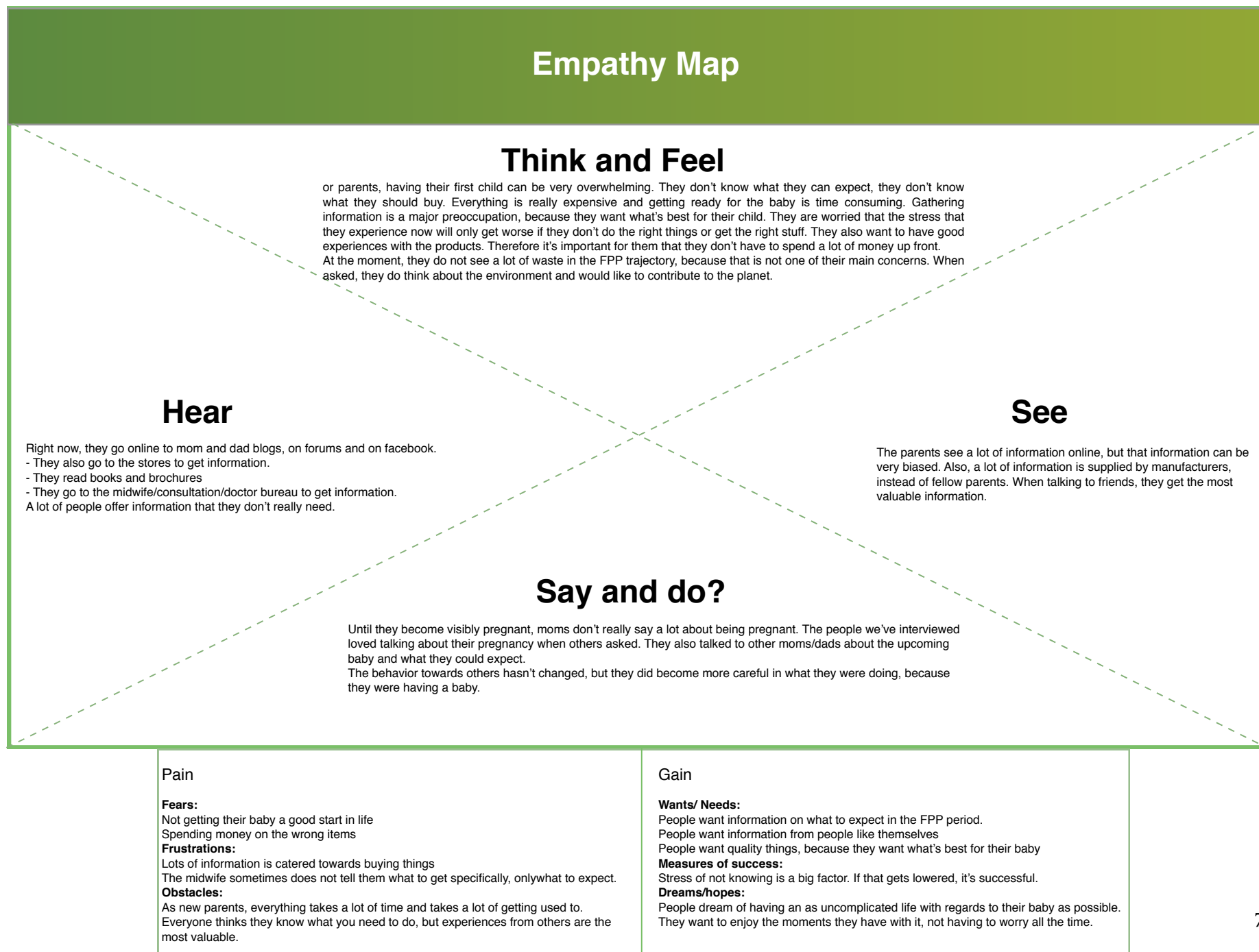
Stakeholder map

The stakeholder map led to several insights:

- word of mouth is a good channel
- *It's important for people to have good experiences
- *Parents like a good deal, but with the best quality
- *People don't know what to buy
- *Information at the beginning of the FPP is limited.
- *Packages would be really nice
- *Shops are too crowded
- *First time pregnancy can be overwhelming
- *Research is done online, before, during and after pregnancy
- *People would like to get in contact with others to share experiences



Empathy map



Persona


Customer Journey Map

Persona

Name description:
Suzie and Bob Vermeer

Age:
29 and 34 years old

Place of residence:
Eindhoven



Quote

The shops are too crowded, it feels like I'll be charged too much and I don't even know what to get!

Context

Suzie and Bob both are expecting their first child. This means that they have entered a period of large uncertainty and need for confirmation. Their supreme motivation and most important goal is providing the best possible start for their baby, while at the same time thinking about their own needs, like investments of time money and effort. While they have gathered insights from family, they feel like they lack an informal support network to build on. Suzie will go on paternity leave 5 weeks before she is due, which will last until 11 weeks after the baby is born.

Attitude

They feel like for a baby product, experiences from reliable, recognizable sources are more important than sales pitches. While they like a good deal, but won't want to make concessions on quality. They don't like to go to the shops, because it's too crowded. Instead, they like to do research online and talk to people that are in a similar situation.

General behaviour motions

While other parents may forego looking online and relying completely on their intuition, most parents are like Suzie and Bob. They want to get to know everything. While they look online for what to get, they like to get insights from others as well. This leads them to look online, on forums and blogs. They feel very excited to meet their new baby and are generally very optimistic.



Value hypothesis

The Value hypothesis

For:

New and existing parents

Who:

- Don't have people in their surroundings that support them with products that they use in their daily life with their children.
- That are overwhelmed by choice and don't know which products to get for their new life and their baby.

The service provides:

- A way for parents to meet and exchange
- Help in choosing which products they need and can afford.
- They can rent it, return it when it's no longer needed
- A first experience with the Philips avent line, so that if they want more/extended packages, they are more likely to choose for Philips.

Through:

Care centers, in which parents can exchange views and experiences. We take a page from the playbook of Scandinavian countries and

A personalised, all encompassing package for new parents that fits their needs and resources. They will get this from the midwife or the consultation bureau, so they don't have to figure everything out themselves and they can just focus on being the best parent they can be.

Unlike:

Other baby boxes that contain mostly magazines and discounts on things.

Other solutions that want to push more stuff, not having a personalised approach.

It provides:

- Personalised guidance
- A box for every household situation
- A good first contact with the Philips brand
- Just enough. Not too much, not too little.



Customer plot

Customer plot:

SOURCE OF BUSINESS



Behaviour change to achieve

The behaviour that parents have now, is that they're overwhelmed not only by getting pregnant and having to prepare for having their baby, but they also haven't got any concrete information on what to get for their baby and which considerations to make in general.

TARGET



Target Group

The target group is parents that lack a close support network to build on. Because of an increasingly individual society, people are left to their own devices more and more.

INSIGHT



Main tension to address

New parents are hungry for information, but overwhelmed by everything that gets thrown at them. They also want what's best for their child. The concept of circular economy is foreign to them in regards to the FPP market, but they do think that the costs of having a baby can be really high in the beginning.

ALTERNATIVES



How main tension is addressed

Right now, a lot of parents do research online, via brochures or through their healthcare. They also go to the shops to get information, but it is overwhelming for them. However, research has shown that 80% of parents like to get in contact with others and 40% of parents don't know where to go with their questions about parenting and dealing with their baby (Ligtermoet and Okma, 2014).

SIZE OF THE OPPORTUNITY



Estimated potential market size

There were 172.520 newborn babies in the Netherlands in 2016, of which 78.092 were first newborns. 40% Of the parents don't know where they can go with their questions and 64 to 73% of parents want to get in contact with others (Ligtermoet and Okma, 2014). This leads to roughly 31.000 to 57.000 possible families that Philips can deliver services and products to.

Offer plot

Offer plot:

BENEFIT



Benefits to be gained:

Gaining reassurance by getting insights and experiences from similar people and people that have just gone through the same situation.
Being able to cope with the stressful FPP period by finding people to talk with and express feelings about the FPP period.
Gain insight and experiences from similar people.

SUPERIORITY



Superiority ambition:

With uShare, Philips Avent aims to listen to their customers like no other company in the FPP market does. Not only does it reduce costs, but it also connects parents, giving them the possibility to get that what they desire most, meaningful information and experiences.

REASON TO BELIEVE



Benefits, value and superiority:

Benefits: new parents reuse the products of parents before them and only pay a monthly fee. This will save them money meanwhile also allow their to enjoy the quality of products from Philips.

Value: New parents could support to each other and share their experience and knowledge with each other, this gains emotional value to uShare.

Superiority: uShare makes the best matches for the users based on their preferences and location.

OFFER



Customer offer

-uShare offers the user an affordable price, but also allows them to enjoy the high quality products from Philips.
-uShare would make the best match for customers after they fill in their personal preference. -Since new and future parents seek information and experience exchange the most, the uShare concept will offer this.

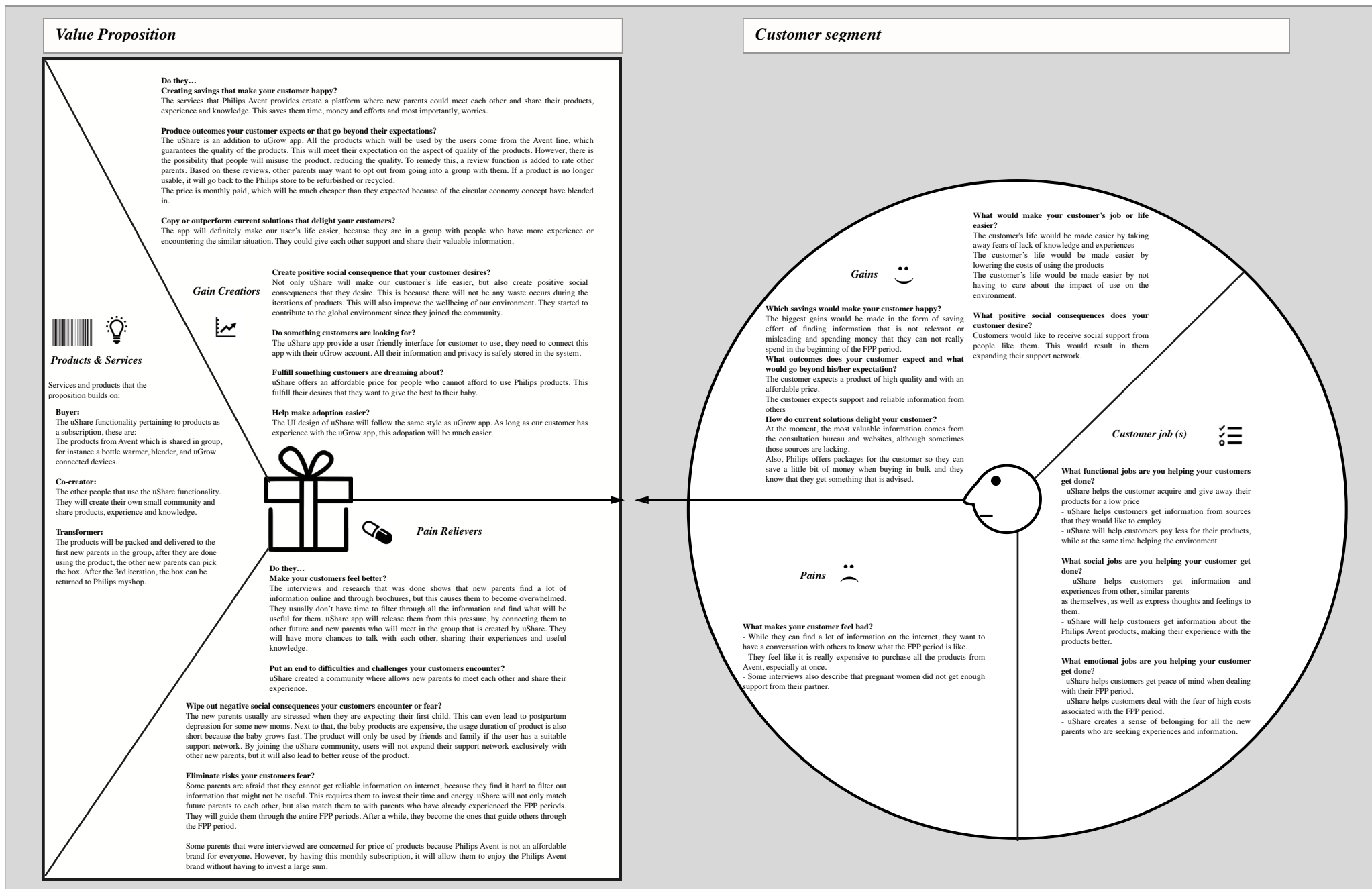
CLAIMS



Claims directions from superiority:

The uShare functionality is a platform where new parents can meet, which other companies in the FPP market have not done yet. Also, by cutting down on transport, cleaning, and handling fees, while at the same time reusing the product, Philips Avent customers pay less than if they would have bought the items separately and they help alleviate strain on the planet.

Value proposition canvas



Previous ideas:

Midwives:

Just having a subscription based service with boxes isn't enough, because it would not solve the problem of:

- Did not work because midwives did not want to work with us. This would have been a viable option, because the midwives provide reliable information and the people that we interviewed also wanted to know from the midwives what they should get.

What we learned from this:

- We learned that it is good to find a new sales channel, but the midwives did not work.

Midwives don't want to be salespeople

- There is a conflict of interest for the midwives when they advertise avent at work.

If midwives want to advertise avent outside of their jobs, there is no time.

That is why we looked at which channels the new parents use now.

They go online,

- They use free baby boxes
- They go to the store, but most of them don't like that.

Key findings from interviews from shen:

(Background blindness) The midwives are lack of knowledge of Philip brand identity and also information about how the circular economy works. They are not trained as a salesman, it would require more other areas of expertise to be a salesman.

(Role of training) Throughout our interview, some midwives were also curious about where offers such trainings and some of our interviewees who were interested in our concept were also wondering how long it will take to be a Philips certified person who can sell Avent products.

(Awareness of self identity) Some midwives position their role who provide help and information, they could give suggestions or advices in making decision of choosing products. But they have difficulties on convincing (pushing) their clients to purchase a specific chain of products.

Family hub:

Our main idea that we wanted to pursue was the family hub. Because the main pain that our consumers face is the fact that they don't have (enough) reliable information, a major gain would be that Philips could facilitate them in getting that. Therefore, research was done to look into case studies where a similar idea had worked. This led to a report by the NJI (Nederlands jeugdinstituut) that detailed the way family centers work in scandinavian countries. The family hub would be combined with a subscription based service, where the parents would get boxes, depending on their preferences. We envisioned a family hub where people come to meet each other, follow workshops and lectures, while at the same time having a place where they can exchange the products for new ones. Those products could then be cleaned, refurbished or recycled.

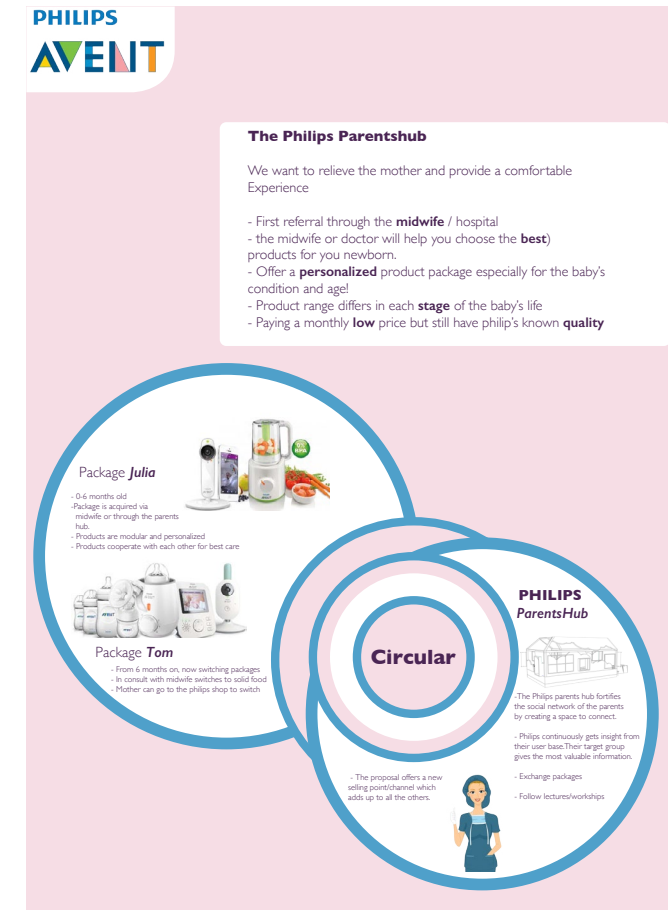
We did a market analysis and found that in the end, it simply would not have been profitable for Philips to pursue this proposal. For instance, the costs of renting a store of significant size where people could meet in Eindhoven meant that one third to half of all newborns would have to use the subscription boxes. While Philips Avent has a large market share, assuming that half of every newborn will exclusively use Avent products was not realistic.

From this, we learned the following:











- Research shows that the vast majority of future and new parents want to get in contact with each other to exchange experiences and information. This also showed from interviews that we had with the target audience. The way that people wanted to do this is face to face, in the form of informal support.
- The interviewees liked the fact that they would pay for a subscription based service to get their products. This would negate the costs of buying the product in the beginning, and frontloading the expenses of having a baby.
- They did want to keep the products if they were planning on having a second or third child. This fact would be offset by paying a lower price, so that they could consistently get a quality product without having to pay too much. They also noted that they did not have to store the products, which was nice.

We also did some research on what services that family hub offers in China. Basically clinical services instead of products. We found this would be difficult for Philips to cooperate with these institutions in the Netherlands.

Poster design:



Box setups and estimation of prices

The Basic Box	The Ideal Box	The Premire Box	The Premire + Box
Items <ul style="list-style-type: none"> - Bottle *4 - Cleaning brush *1 - Pacifier *1 <p>Price: 6 euro per month Circular price: 3 euro per month</p>	Items <ul style="list-style-type: none"> - Bottle *6 - Cleaning brush *1 - Pacifier *4-6 <p>Price: 7,5 euro per month Circular price: 3 euro per month</p>	Items <ul style="list-style-type: none"> - Bottle *6 - Cleaning brush *1 - Pacifier *4-6 <p>Price: 7,5 euro per month Circular price: 3 euro per month</p>	Items <ul style="list-style-type: none"> - Bottle *6 - Cleaning brush *1 - Pacifier *4-6 <p>Price: 7,5 euro per month Circular price: 3 euro per month</p>
Bottle accessories <ul style="list-style-type: none"> - Breat pump *1 - Bottle sterilizer*1 - Bottle Warmer *1 <p>Price: 18,33 euro per month Circular price: 15 euro</p>	Bottle accessories <ul style="list-style-type: none"> - Breat pump *2 - Bottle sterilizer*1 - Bottle Warmer *1 <p>Price: 20 euro per month Circular price: 15 euro</p>	Bottle accessories <ul style="list-style-type: none"> - Breat pump *2 - Bottle sterilizer*1 - Bottle Warmer *1 <p>Price: 20 euro per month Circular price: 15 euro</p>	Bottle accessories <ul style="list-style-type: none"> - Breat pump *2 - Bottle sterilizer*1 - Bottle Warmer *1 <p>Price: 20 euro per month Circular price: 15 euro</p>
Devices (deposit 150 euro) <ul style="list-style-type: none"> - Smart baby Monitor <p>Price: 219,99 euro Circular price: 69,99 euro</p>	Devices (deposit 200 euro) <ul style="list-style-type: none"> - Avent Digital video baby monitor 3,5 inch - Stomer blender (Essential) <p>Price: 229,99 + 119,99 = 349,98 euro Circular price: 159,98 euro</p>	Devices (deposit 200 euro) <ul style="list-style-type: none"> - Avent Digital video baby monitor 3,5 inch - Stomer blender (2-in-1 healthy) <p>Price: 229,99 + 144,99 = 374,98 euro Circular price: 174,98 euro</p>	Devices (deposit 200 euro) <ul style="list-style-type: none"> - Avent Digital video baby monitor 3,5 inch - Stomer blender (4-in-1 healthy) <p>Price: 229,99 + 164,99 = 394,98 euro Circular price: 194,98 euro</p>
Price <ul style="list-style-type: none"> - (1*month) Normal price = 244,32 euro - (6*month) Normal price = 367,97 euro - (6*month) Circular price = 177,99 euro 	Price <ul style="list-style-type: none"> - (1*month) Normal price = 377,48 euro - (6*month) Normal price = 514,98 euro - (6*month) Circular price = 267,98 euro 	Price <ul style="list-style-type: none"> - (1*month) Normal price = 402,48 euro - (6*month) Normal price = 539,98 euro - (6*month) Circular price = 282,98 euro 	Price <ul style="list-style-type: none"> - (1*month) Normal price = 422,48 euro - (6*month) Normal price = 559,98 euro - (6*month) Circular price = 320,98 euro
			
	Eetset for toddlers Recommended retail price: € 13,99 For sale at your favorite store:  View all retailers Find a store nearby 	Eetset for toddlers Recommended retail price: Gratis For sale at your favorite store:  View all retailers Find a store nearby 	Eetset for toddlers Recommended retail price: Gratis For sale at your favorite store:  View all retailers Find a store nearby 

Assumptions

While the current concept is certainly based on its own set of assumptions, the process of getting from one concept to the other can best be described by expliciting the assumptions that they were based on and how we dealt with them as a group. It may therefore seem like the assumptions listed to not correspond to the current concept, but they function as a way to show growth.

Our previous concepts were the following:

- Customers can fill a box of Avent products with those products that they would want to use. When they are done with the products, they send it back to Philips to be reused and recycled.
- These boxes will be marketed through the midwives and the consultatiebureau/family planning centre. People often go there to get information and a midwife can give good direction as to which products to put in the box.
- Philips will set up a family hub. Here, people can come together to follow workshops and lectures, get in contact with each other and exchange the products from their box with newer ones.

Our previous concepts were the following:

	What is known	What is assumed
Customer	<ul style="list-style-type: none"> -The consumer is overwhelmed by not having enough knowledge Interviews confirm this notion. -Only first time parents will want to join Interviews with parents of multiple children showed that some were interested, some were not. Because of this, only future and new parents are targeted. 	<ul style="list-style-type: none"> -The consumer wants the things that Philips Avent offers Subsequent Interviews with the target group have been conducted and every user wanted to own Philips Avent products. It is also the number one line as advised by moms, according to Philips. -The consumer wants to connect with other consumers/parents Desk research has been done into the FPP period and subsequent interviews show that users have interest in getting in contact with each other. -Because initially, family hubs will be few, people will want to travel far to go there. In interviews, parents told that they would like a place where they can go that is nearby. After the initial period, more channels or retail spaces should be considered.
Offer	<ul style="list-style-type: none"> -Because during the project, there were a lot of pivot moments, most of the information on the offer was initially assumed. It has been checked and verified, but it was only known later on. 	<ul style="list-style-type: none"> -Midwives will want to work with Philips to offer the boxes to the customer. After getting in contact with several midwife bureaus, they all told that they would not like to act as a sales channel. They feel like it is not their job to give recommendations to future parents about what to get. -The user desires a complete package solution instead of individual products. Interviews with the target group showed that people liked having a choice to know which products to get. Therefore, boxes would have to come in many presets or they should be fully customisable. They would like to rent one product more than all of them. -The user will want to corporate by using products that have been used before Subsequent interviews showed that half of the users would not mind if the price was a little bit lower and the products were well taken care of. The other half would not buy used products for their babies. -Enough people will want to join uShare Subsequent interviews show that the users are positive about the concept and they would like to participate in a user study.
Business	<ul style="list-style-type: none"> -Philips can get money back for the items that they recycle. Desk research shows that there are multiple initiatives that encourage recycling, from companies like wecycle, but also Bosch and Hornbach. While exact figures are not possible to obtain, this shows that Philips can get money back for their old appliances. - There is a need for uShare While subsequent interviews show unanimous interest in the ability to connect with similar parents, only half of those interviewed would like to reuse products from others. 	<ul style="list-style-type: none"> -Setting up a Family hub is financially viable for Philips After meeting a corporate real estate manager, it became clear that in Eindhoven, Philips Avent would have to have more than 33% market share to make recoup just the rent of the building. This shows that while there is significant demand for such a place (interviews and desk research showed that this is true), it is not something that Philips should pursue. -The uShare functionality will not cannibalize on the existing market position When doing additional interviews, half the users showed interest in products that they would get through a subscription that they would otherwise not get. This indicates that Philips Avent gains customers for more of their products. The other half was not interested in using owned products, so they would have bought the products new and used them themselves. -People don't mind using a product for a short amount of time and then handing it over. Again, half of the respondents were opposed to using products of others, but they did not mind using a product and selling it later on, on marktplaats for instance. The other half of the users interviewed would not mind using a product that was used before if it was cleaned well enough. -The myshop is the right channel for contact with Philips When doing research into renting a place where Philips could set up an exchange point for their uShare related products, it became clear that such an endeavour is costly. Therefore, the myshop is a good alternative when doing a pilot program in Eindhoven.

Source of business

The aim for the uShare concept is to target first time users and possibly users of a competitor brand. Throughout the research, the price of the products plays a role in the way that users make their purchase decisions. The uShare concept would attract more users based on following reasons:

- Philips Avent is already well-known and has a good reputation
- The uShare concept is a way to lower the price of Philips Avent products.
- The uShare concept adds functionalities and values that competitor brands do not have.

The aim is to not only offer an affordable price to the users, but also to take the responsibility to take care of the wellbeing of the whole society. In order to achieve this goal, uShare facilitates a community platform where new parents can join and share their experience or knowledge and support each other. The products that are used in the group will be passed on to users of the following group. After the 3rd user is done with the product, they will return it to Philips in order to refurbish or recycle the product. This means cutting down on waste and minimizing the impact on the environment.

Additionally, uShare is designed as an addition to uGrow app. The core function of this functionality is to create a community and share experience or knowledge among new parents. Its aim is to create a new channel that allows the first time user or user of a competitor brand get to know each other. We believe the power of “words of mouth” is a strong way of expanding our source of business.

The uShare concept is not aimed at the possibility of cannibalising on the existing market position of the Philips Avent line. This is because it is aimed at people that don't mind not owning a product for life and want to spend less, which are both characteristics that existing Philips Avent users do not have. Moreover, when someone already receives most of their FPP products from friends or family, they will not be interested in buying Philips Avent products. However, the functionality of expanding a support network might still attract them.

Business model innovations

Our business model is a simplified representation of how the business makes profits. For a starting business, the business model innovations will include choices of the following strategic decision:

Identity

The mission is create a platform in order to fortify or enhance the connectivities of different new parents, where allows them to share products, experience and knowledge, improve their life efficiency and reduce unnecessary time, effort and money investment.

The vision is to expand the networks and social circles of new parents, creating a sense of belonging for them. The core value of this uShare app is sharing and communicating. Regarding to our research, we discovered that new parents are seeking a place where provides reliable information and emotion support.

Core resources

The core resource what we own is the powerful technological support and brand reputation of Philips. As a well known international brand, people have trust on the quality and services that provided by Philips.

Target customers

In order to expand the source of business for Avent, uShare will target the customers by following this strategical method:

- For the first time user or competitor brand user: the price of subscription will be calculated that become affordable for everyone. Not only the price, but also the iterations of the products will take place among experienced
 - Philips users and first time users. Therefore, they could share their user experiences among each other.
- For Philips users or upcoming users, we would provide discounts or extra bonus in order to keep our existence of our customers.

Channel strategy

- The existed channels from Philips will be used in the beginning, for instance social media, website, retail like Philips myshop.
- uShare will be introduced as an additional assistance app of uGrow. uGrow features a function which allows new parents to share every life moments of their baby, but not providing information or knowledge. There is where uShare functions, by joining this platform, new parents will be able to expand their networks, exchange useful information, also enjoy the good quality products offered by Philips without spending a lot of money

Customer offers

uShare not only offers an affordable price, which allows the customers enjoy the good quality products from Philips, but also creating a platform where new parents can meet, communicate, support each other and share their knowledge, products and experience.

Supply chain strategy

The products will be packed and delivered to the first parents. After they finished and cleaned the share items, uShare app will notify the next new parents one month in advance. After the last iteration, the products can be returned to myshop in order to be recycled and refurbished.

Enablers

Capabilities (things we do):

- uShare is a concept designed to connect people with each other, through the uGrow app. Future and new parents can meet and share experiences, information and products.
- Philips provides this service as part of a subscription based ownership of products of the FPP market.
- By having this subscription, Philips offers to make the Avent products more affordable for those who would not like to or can not spend much.
- By sharing the subscription, parents and Philips Avent actively participate in the circular economy, easing the burden of society on the environment. Throughout research, it has become clear that while parents already participate in the circular economy, those that do not share products do not. This is the first platform where everyone can participate in the circular economy, with regards to the FPP.

Assets (things we own):

- Philips brand reputation: Philips Avent is a well known international brand. This brand recognition comes with a guarantee of a quality product.
- Developed technology: Philips has already developed the uGrow apps and apps like it. This means that making a new app will be easier.
- Knowledge: Philips employs many experts in their field. This greatly increases the possibility from uShare coming to fruition, because at this stage, knowledge is needed.
- Products: Philips already has the Avent line of products that it can use to generate revenue. No new products will be designed, just services.
- Connections: As a market leader, Philips already has connections to key players that can make uShare happen. For instance, they already do advertisements and make their products. This will lower the threshold of developing uShare.

Position (uShare position):

- As an addition to uGrow, uShare focuses on different areas, which is to build connections and expand networks. uShare is capable of reaching to more the target groups:
- First time user/ competitor brand user: by offering a monthly subscription, uShare is not only able to create a community in order to attract these targets, but also offering an affordable price to expand our source of business.
- Brand users: Philips its own brand users have trust on the brand and quality. It will be easier for them to adopt this uShare app.

Control points (do not do or own):

- Cannibalizing our own market.

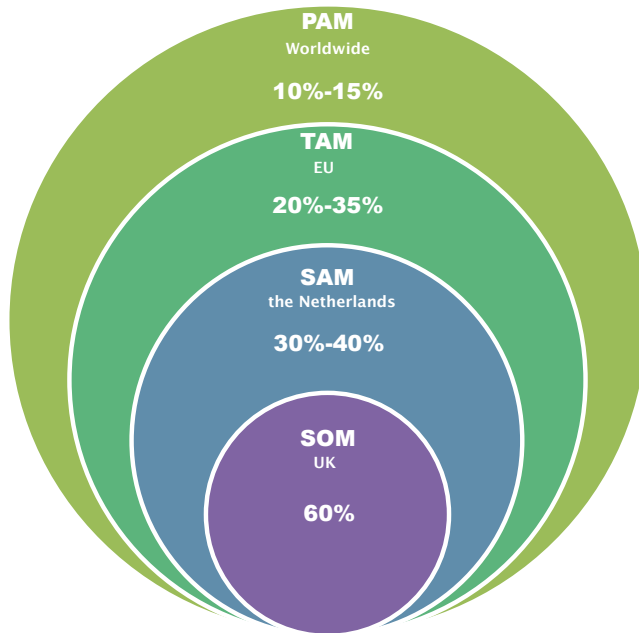
Channels:

- Philips can use the channels they already use. Channels like prenatal and other baby stores will want to sell as many products as possible, because that is their livelihood.
- So, what we can still do is make use of advertisements, like television and print ads. Because moms use the internet a lot to gain insight, we can also use targeted ads on youtube, facebook or on mommy blogs.

All of the people that we interviewed said that they got in contact with Avent products because they got them for free. A good way to market the app is to give a voucher alongside the free product (usually in a free baby box).

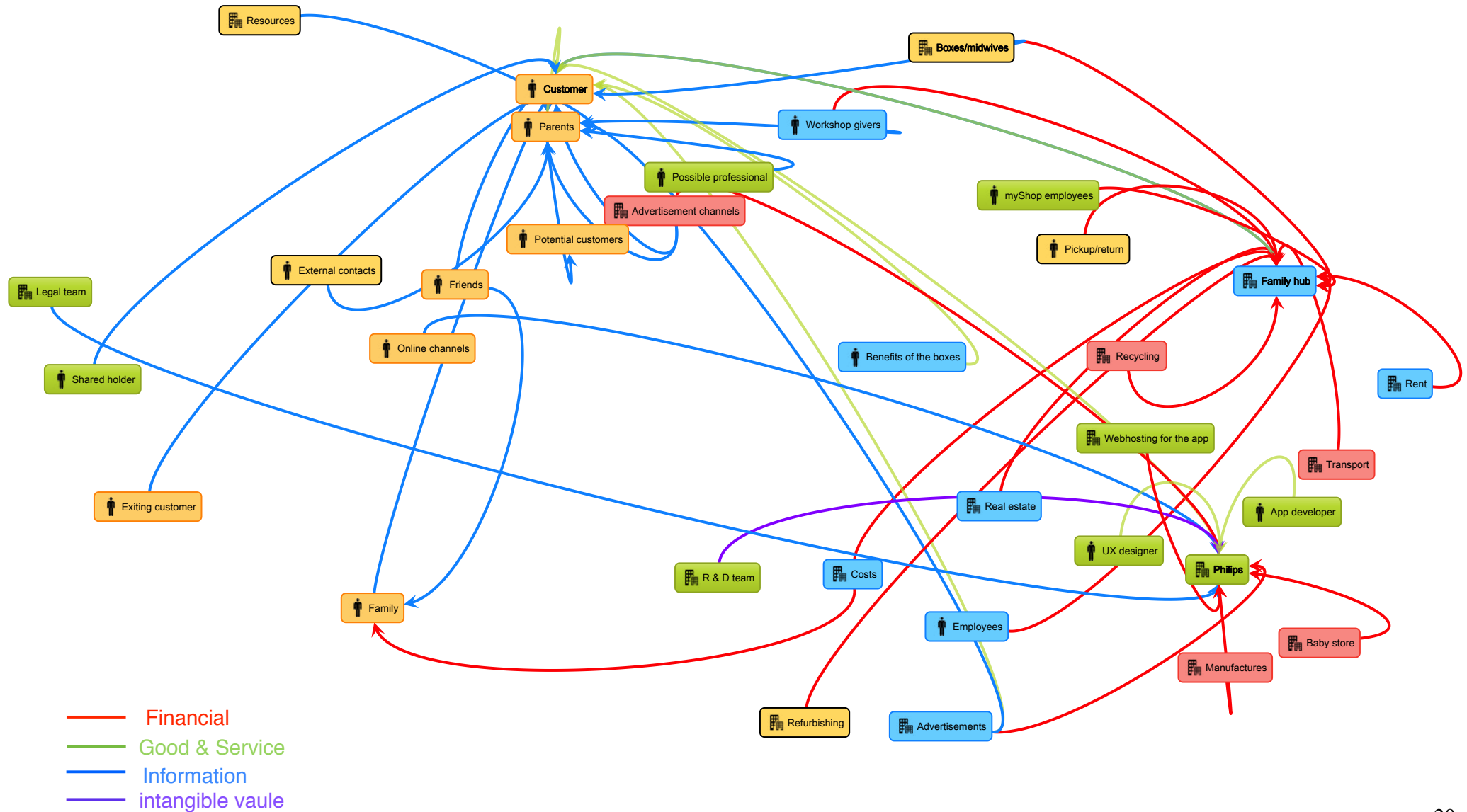
After the user has used the uShare functionality for a while and they have a positive experience with it, they can become brand ambassadors for Philips. This will cause other future parents to install the uGrow app and use the uShare functionality.

Estimation of the target group



Value network

Value network — Players in the uShare concept



The Business model canvas










The Business Model Canvas

Designed for: Philips

Designed by: uShare Team

Date: 24-01-2018

Version:

<p>Key Partners </p> <p>Philips already has the partners that are needed to make uShare happen, for the most part. Key Partners that Philips has to source aside from those they already know are:</p> <ul style="list-style-type: none"> - UI/UX designer: Experienced UI/ UX designers take care of the application and interaction design. - Transport: make sure that the products are delivered to the first parents and recycled on time after their last use. - Refurbishing and recycling partners, to take care of the products when they are no longer needed. - Webhosting, for the uShare functionality to work. - The users themselves, initially a focus group will suffice, but after that as many as possible. 	<p>Key Activities </p> <ul style="list-style-type: none"> - Incorporate functionality into the app, including architecture frame, UI design, connectivity and user experience design. This also includes finding out how users use uShare to connect with each other and target that use. - Delivering and making sure the products get delivered and refurbished/recycled. - Marketing uShare to potential users. <p>Key Resources </p> <p>To make uShare happen, investment is needed. While monetary investment is needed, the key investments come in the form of intellectual and human capital. Investment is needed in the form of:</p> <ul style="list-style-type: none"> - Research - Marketing - Legal advice - UX design - Physical retail space 	<p>Value Propositions </p> <ul style="list-style-type: none"> - uShare is for users that find themselves lacking sincere information and confidence throughout the FPP period. They can exchange their experiences and knowledge through the uShare functionality of the uGrow app. - uShare is for people that don't want to spend a lot on FPP products in the beginning of the period. They can cut back on the amount of money they have to spend in the beginning, as well as in the long run. - uShare helps the planet by making sure every item is used to its full potential. At the moment, there is a lot of waste in the FPP market, which uShare will help prevent. 	<p>Customer Relationships </p> <ul style="list-style-type: none"> - uShare offers affordable products to attract first time or competitor brand users, enables them to enjoy the high quality of Philips Avent products without spending money in the beginning to purchase the full price. - uShare creates a platform where allows new parents give each other support, share experience and knowledge, in order to make their life easier. The use of the uShare functionality is limited to users that pay or will pay a subscription for a product. <p>Channels </p> <ul style="list-style-type: none"> - The Philips myshop will act as a physical channel. Here parents can pick up the products, make the exchange with other parents. - The users themselves are therefore also a Channel. They will deliver the products to the myshop, so Philips does not have to worry about distribution. - The internet will act as a channel where Philips Avent can advertise their products. Subchannels include social media, paid advertisements, youtube, blogs and other web-based channels. They will not act as distribution, but as sales and advertisement channels. 	<p>Customer Segments </p> <ul style="list-style-type: none"> - uShare is aimed at first time future parents, as well as new parents, specifically those that lack a support network. One that offers emotional support and support in the form of products. uShare is aimed at users from a competitors brand that find that having just the product is not enough. - uShare is aimed at users that don't want to front load the costs of the FPP period and customers that want to pay less and don't mind reusing devices. uShare is aimed at customers that want to participate in the circular economy.
<p>Cost Structure </p> <p>Because uShare is still in development, the biggest costs in the beginning will be in the form of research and development. Because the retail space will be one that Philips already owns, those costs will not be taken into account in the cost structure. Therefore, the biggest costs of the business model will be:</p> <ul style="list-style-type: none"> - Maintaining the uShare functionality - Providing new products when one is broken - Transport from the myStore to the place of refurbishment/recycling - General personnel costs associated with uShare - UX design - Costs for materials, transportation, recycle and refurbish - Administration costs 			<p>Revenue Streams </p> <p>Revenue streams:</p> <p>The revenue model consists of the subscription price for the products. Users rent a product, which comes with the uShare functionality. However, before the user receives their first product, they can access the uShare functionality for free.</p>	

The pitch canvas

<p>Pain (+Gain)</p> <p>(What problem?) At the moment, new parents are overwhelmed by options for products and they do not know what to buy. Add to that, the fact that they can not find a reliable source of information and experiences from other parents. On the other hand, baby products are expensive and they more often than not will not outlast their use. These products end up in the trash or first in the attic and then in the trash. This leads to a lot of waste and a lot of excess consumption/strain on the environment.</p> <p>(What are you solving for your customers?) Our customers are overwhelmed by the choices of products, besides that, they are also lack of experiences or budgets on baby products. We are solving their problems they will face or currently facing on by creating a platform where allows them to connect with each other. We aims not only to develop an interactive app allows them to find each other, but also to create a community that enables them to share their knowledge.</p> <p>(What opportunities do you provide for them to be faster/cheaper/happier etc?) - To be faster: uShare app creates groups by filtering locations, stages of pregnancy and due date. Based on these obtained data, it will help our customer find the best matches as fast as possible. Customers will appreciate if their time is saved. - To be cheaper: The matches or groups created by uShare, people who in these groups will pay monthly fee, the broken items will be replaced at the Philips store, without charging extra fees. - To be happier: People in the group will share their experiences, new mom who is suffering from stress will get support from others. The app will sort out the what products for them based on their current state of fertility, pregnancy or parenting, which will reduce their directionless searching and confusions.</p>	<p>Product</p> <p>(what does my product do?) uShare connects future and new parents. By doing this, they can share ownership of the products which will eliminate high costs and help prevent waste. They also get in contact with the people that they want to meet most, which is fellow parents, to exchange experiences and information.</p> <p>(How does it work?) uShare, an addition to the uGrow app. You fill in the date that you are due, your location and which products you want. Then when you are ready for your products, someone will give the product to you and you can exchange experiences. Via the uGrow app, people can also rate others on how clean the product was and how good the “transaction of knowledge and goods” was. You pay one monthly fee which covers the usage of the products, connecting with other people and exchanging a product at the Philips store if it's broken.</p>
<p>Product Demo (video)</p>	<p>What's Unique? (Technology, relationship and partnership) Our concept (uShare) aims not only to promote an place where connects new parents, but also to enhance the quality of people's life, this is because Philips is not an affordable brand for everyone.</p> <p>The uShare is an implementation of circular economy, by executing this type of business model, it will help Philips To keep products and materials in use Preventing waste and pollution Regenerate natural systems</p> <p>The app also figures several functions like finding matches where close to the customer, reviewing profiles and commenting.</p>
<p>Customer traction (Success so far?) The similar concept like parents hub in scandinavia countries and also in China. This type of institution exists in these countries for already several years. There is no such kind of place in the Netherlands. So that is why we want to promote this uShare concept to Philips.</p>	<p>Business model</p> <p>(How do you get paid?) Subscription model. uShare is free to download on app store. The aim of this subscription model is to secure the customer on a long term subscriptions so that are purchasing products or services well into the future. For instance, 6 months duration and they need to monthly.</p> <p>(what's the opportunity for growth?) The concept will reach to people who cannot afford Philips brand. Because the monthly subscription will offer more opportunity for them.</p>
<p>Investment This is how much it will cost in the beginning. Then how long will it take to get a return of investment. We are looking for money to do research and to create a pilot program. Our expectations from the investor is to use the advertisement space, the myshop space and space in the uGrow app.</p> <p>Amount of investment The amount of investment will be depending on the different stage of product. In the beginning of the project. On the aspect of researching: we need to have more investment spend on researching part, including user research, marketing research and business research. On the aspect of commercial: There would be more investment involved because we need to advertise and promote our concept. We can use the existed advertisement channels from Philips. On the aspect of product development: We also need IT department to create his app. After that we also need to gather first round user to get data or information of their experience.</p> <p>What expectations do you have of your investor? Network, expertise? We expect this would be a long term investment. Because the subscription model sells periodic use or access to a product. We need to get certain expertises on following subject:</p> <p>Expertises: Business and management. Third party for cleaning or recycling the waste used products. Design expertises who can design products which can be completely disassembled and the parts totally recycled and turned in to the same products again.</p>	<p>Team What relevance experience does your team have that supports your story? In our team, Thomas is specified on user experience research, marketing research.</p> <p>Shen is specified on advertising, broadcasting and UI design. He is able to convert a concept to a visual storytelling promotional video.</p> <p>Brand worked for? The team is working for Philips. Achievement? Success? Shen had worked in several multinational companies, he has working experiences in both Asia and Europe, which will potentially help Philips to expand their business.</p>

Insights

What determines an innovation design or business concept? The key is whether it meets the true needs of users, and whether it creates special meaning to users. This course brought useful insights and business toolkits that can be applied and integrated in industrial design or innovative concept.

Learning curve

Starting up a business concept requires a lot of preparatory research. It was definitely a learning curve for me. In this project, I have invested a lot of time and efforts on exploring not only the FPP market and thinking about a solution, but also implementing different research methods.

Contextual inquiry was the main method that has been used in this project to collect data. By utilizing this research method, it motivated me thinking out of box. Additionally, I also devised self-direct learning activities to assist me to keep up with my teammate. This is because doing a design research is not strong part of my expertise. There were lots of discussion happening till the final concept was determined. Besides that, I have learned a lot how to cope with pressure and work more effectively.

It was also a challenge to convert our concept (uShare) to an intuitive video.

What can I do better next time?

I have achieved a basic understanding how to start up a business concept and apply some business toolkits I have learned from this course to my future project. However, the required skills like analytical/communication skills yet limit my performance in this project.

Conclusion:

This elective helped me to formalize structures of doing a business research with using the right methodologies and tools before the actual design activities started. My teammate Thomas has psychology background. Working with him helped me to raise the awareness of how a fully prepared research can contribute a good design concept.

Yiwen Shen
Eindhoven University of Technology
Geersdijksweg1, 9949NJ Geersdijk, the Netherlands
y.shen1@student.tue.nl