Digital Product Enhancement via Supplier Collaboration

CIPS

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V-What? V-ZUG at a Glance

V-ZUG

- Household Appliances (Cooking & Washing)
- Revenue 600 MCHF / ~2'000 employees
- Long history and tradition (founded 1913)
- Swiss Made
- Premium brand, known for its design, technology, quality and service

Domestic Market
- Swiss Market Leader, strong brand recognition
- In every 2nd household
- Broad product portfolio, covering all segments
- Strong service presence
- 90% of sales

International Markets
- Selective international strategy
  - Sales & Service presence in Europe, Greater China and Australia
  - Distributor Markets
- Focusing on luxury / premium household appliances (Cooking & Washing)
- Household Appliances (Cooking & Washing)
- Revenue 600 MCHF / ~2'000 employees
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Traditional Business Model: Device-Oriented Approach

Value proposition: Sales & service of outstanding devices

Innovation: “Device-oriented innovation based on deep technological skills, executed with Swiss perfection”

Go-to-Market: Strong B2B-focus

Question: “Is this approach also suitable for the next decade?”
Go-to-Market Starting Point Sales of Appliances

Customer / User

Cooking Process

Recipes / Inspiration
Planning
Grocery Delivery
Storage / Cooling
Preparing
Cooking
Serving
Cleaning

Appliances Level
Fridges
Cooktops
Steamers Ovens
Dishwashers
Our Challenge: Defend Interface to Customers

Threat:
Digital interface to the customer, becoming main differentiation factor, occupied by competition/new players.

Digital Customer Experience / Seamless Journey:
- Recipes / Inspiration
- Planning
- Grocery Delivery
- Storage / Cooling
- Preparing
- Cooking
- Serving
- Cleaning

Cooking Process:
- Appliances
  - Commodity?
Our Strategy
Combine Digital Layer with Strong Products

Combining the digital layer with technologically differentiating products offers "real" USPs.

Digital Customer Experience / Seamless Journey

- Recipes / Inspiration
- Planning
- Grocery Delivery
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Cooking Process

Appliances combined with digital layer
New Definition of Term “Product” Physical & Virtual

Examples

- Device
- After sales service
- Built in logics
- HMI
- Sensors

Physical Part

Digital Part

- App
- V-ZUG Digital Service, e.g. individual refinement recommendation
- Ecosystem service: e.g. grocery delivery
- Data based services
Where could AI play a role within the “Food Chain”?

**Digital Customer Experience / Seamless Journey**

- **Recipes / Inspiration**
- **Planning**
- **Grocery Delivery**
- **Storage / Cooling**
- **Preparing**
- **Cooking**
- **Serving**
- **Cleaning**

**Cooking Process**

- **Personal recommendations based on**
  - behavior, preferences
  - Available ingredients
  - ...

- **Creation of individual multi-grocery shopping lists**

- **Inventory Recording**
  - Image recognition
  - Combination of multiple information sources

- **Generation of structured recipes out of any source**
  - Step-by-Step guidance
  - Ingredients

- **Dish washing management**
  - Automated and efficiency oriented generation of dish washing tasks (loads & programs)

- **Timerless cooking**
  - Sensor based real-time monitoring and control of cooking process for a perfect result

- **Multi-device cooking**
  - Finding optimal cooking process, distribution of cooking tasks to devices
Our Approach Co-Creating with partners

V-ZUG Lab
“Invent the Future”

- Interdisciplinary teams (HW, process engineering, SW, IoT, Cloud, Marketing, Customer Insights, Finance, Digital...)
- Internal (V-ZUG knowledge) and external partners
- Agile development approach

- IBM IoT Center Munich for AI in the cooking process
- PreciBake Video Content analyse
- milani design for shaping the customer journey
- Digitalstrom and others for the device ecosystem
- Sidechef for Recipes
- Bring! for food deliveries
- Device Connectivity

- Integration of devices over **cloud** is a **prerequisite** for
  - New digital business models
  - Efficiency increases (e.g. service, predictive maintenance)
  - Integration in ecosystems (horizontal & vertical)

- Integration of devices into **digital ecosystems** will change **device** requirements. Components of devices (sensors, electronic, control, connectivity) will rather **support** an **overarching** system (home, kitchen) and will not just serve the own functionalities

- **Data** is the **basis** for **digital business models**, data analytics / AI is becoming a core discipline for V-ZUG
V-ZUG Ltd – Swiss perfection for your home

THANK YOU