

1 charles and keith wong in 1996.

Business, Management



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0 INTRODUCTION 2. 1 PURPOSE THE PURPOSE OF THIS REPORT IS TO EXAMINE CHARLES & KEITH'S RETAILMARKETING STRATEGY IN SINGAPORE. 2 THIS REPORT WILL DISCUSS ON THE RETAIL FORMAT AND OWNERSHIP, RETAIL LOCATION, MERCHANDISE MANAGEMENT, RETAIL PRICING, COMMUNICATION MIX AND STORE DESIGN AND DISPLAY. 3 THE REPORT WILL ALSO PROVIDE RECOMMENDATIONS TO FURTHER STRENGTHEN CHARLES & KEITH'S POSITION IN SINGAPORE.

2. 2 BACKGROUND CHARLES & KEITH IS A SINGAPORE BRAND THAT WAS ESTABLISHED BY BROTHERS, CHARLES AND KEITH WONG IN 1996. THE BRAND MAINLY SELLS TRENDY WOMEN'S FOOTWEAR CATERED FOR ASIAN WOMEN SIZES AND A VARIETY OF ACCESSORIES, BAGS, WALLETS, BELTS, AND SUNGLASSES ETC.

WITH ITS BASE IN SINGAPORE, CHARLES & KEITH CAN ALSO BE FOUND ACROSS ASIA, AND IN OTHER COUNTRIES LIKE THE MIDDLE EAST, EUROPE, LATIN AMERICA, AND AFRICA. CHARLES & KEITH LIKE MANY OTHER BIG BRANDS STARTED SMALL. IT BEGAN AS A SINGLE SHOE SHOP IN AMARA SHOPPING CENTRE LOCATED AT TANJONG PAGAR. SOON AFTER OPENING FOR A PERIOD OF TIME, AND CONSOLIDATING CUSTOMERS' FEEDBACKS, MADE CHARLES AND KEITH DECIDED TO DESIGN THEIR OWN SHOES. THIS ALLOWED THEM TO STAND OUT FROM OTHER COMPETITORS AND GAINED BRAND RECOGNITION AMONG THE PUBLIC.

2. 3 Methods of Investigation The methods of investigations are online articles from the internet and the information available from the official

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website of Charles and Keith. Other than that, our group had also been to the stores of Charles and Keith to find out more about the merchandises available in the season and observe the merchandise display. Photos were taken in the store to evidence observe the display of some of the merchandises and to learn more about the brand and store. e store and brand. 1 2.

4 SCOPE THIS REPORT WOULD LOOK INTO THE RETAIL FORMAT AND OWNERSHIP OF THE RETAILER, CHARLES AND KEITH, CHARLES AND KEITH, THE RETAIL LOCATION, THE MERCHANDISE MANAGEMENT, THE RETAIL PRICING, THE COMMUNICATION MIX AND THE STORE DESIGN AND DISPLAY OF CHARLES AND KEITH BY STUDYING THEIR OUTLETS, ONLINE STORE. 3. 0

Findings 3. 1 Retail Format and Ownership of Retailer Charles and Keith is classified as a speciality store. It concentrates on a limited number of complementary merchandise categories and generally offers a high level of service to the customers. 4 IT PROVIDES A NARROW VARIETY BUT DEEP ASSORTMENT WITH TH SALES ASSOCIATES' EXPERTISE. This can be seen from the variety of designs of a shoe, having different colours and sizes to cater to the various consumers' needs. They tailor their retail strategy towards very specific market segments – women between ages of 18 to 45 years old who are of middle-high income and wishes to keep up with the latest trends.

Charles and Keith is a chain store that operates under common ownership and makes centralized decisions in making a defining and implementing strategy. 5 CHARLES AND KEITH HAVE GROWN TO MORE THAN 500 STORES

IN ASIA PACIFIC, EUROPE AND THE MIDDLE EAST. It has many stores located in the malls of Singapore such as Tampines Mall and ION Orchard. Charles and Keith also provides franchising opportunities for investors. Franchising comes with a contractual agreement between a franchisor and franchisee that allows the franchisee to operate a retail outlet using a name and format developed and supported by the franchisor. The franchisee would agree to pay an initial franchise fee plus a royalty on all sales for the right to operate a retail outlet in a specific location and operates the retail outlet according in accordance to the procedures prescribed by the franchisor.

As the brand gets bigger and more popular, they provide opportunities for investors to franchise their brand. The franchisor (Charles and Keith) would agree to assist the franchisee with locating and building the store, developing the products and services sold, training managers and providing detailed operating manuals and initiating promotional activities. Charles and Keith ensure that all outlets provide the same quality of products and services through regular visits to the different outlets. 3. 2 Retail Location Charles and Keith locates themselves in shopping malls such as ION Orchard, Ngee Ann City, Bugis Junction (Appendix 5. 1 and 5.

2), Punggol Waterway Point (Appendix 6. 0 and 6. 1) , Tampines Mall (Appendix 8) and , Bedok Mall, which have mall managements which that maintains the facilities such as car parks, walkways, security, advertising and special events. One of the advantages of locating in a shopping mall is that it will have protection from the weather. For example, in Singapore, the

customer will be protected from the weather elements such as the heat and rainfall.

However, setting up a store in a shopping mall creates an intense competition especially when there are retailers who sell similar merchandises. For example, if Aldo was located near to Charles & Keith, there would be an intense competition because both retailers sell shoes and bags. Location also can enhance the presence of the retailer's brand. For example, Charles and Keith have a sub-brand, Pedro, which is sometimes located in the same building. Thus, this enhances Charles and Keith's presence. s sell shoes and bags thus leading to intratype competition.

From the retail locations that Charles and Keith have chosen, which are mostly shopping malls, the malls are planned and managed as a single property by a group of management team and this practices the Principle of Cumulative Attraction., This could attract customers who are interested in the large number of choices available in a location so that they can compare between different stores before they make their decision. The retail locations that Charles and Keith have chosen are high in traffic flow and easy to access through public transportation and have many parking lots. The high traffic flow in the shopping malls brings in more revenue compared to bring in more revenue when compared to the locations which have low pedestrian traffic. From the information found in Charles and Keith website, they would locate most of their stores either on the first or second floor of shopping malls as the first floor and the second floor would have the most traffic. This will increase the visibility of the store, which could also

attract more potential customers to the store which can in turn, increase the revenue of the store.

Due to the characteristics of fashion products, there are many other alternatives available. Therefore, people would most likely use comparison shopping. This is when the customers have an idea of the type of retail offering they want but does not have a specific brand preference. This type of customer would spend time and effort to get their desired product.

Therefore, it is important to locate the store near other stores that sell similar products to target the customers who follow comparison shopping. Charles and Keith also set up their stores in alternative locations such as the Airport.

1 CHARLES AND KEITH IS ARE LOCATED IN TERMINAL 1, 2, 3 AND 4 OF SINGAPORE CHANGI AIRPORT. This can help increase the sales because since Charles and Keith is known worldwide, travellers who are waiting for their flight can shop in Charles and Keith as the products sold might be cheaper in Singapore as when compared to their country. However, some may not have heard of Charles and Keith and thus, would not bother to patronize the store. 3. 3 Merchandise Management Charles and Keith's products are classified under the fashion merchandise category.

6 THESE MERCHANDISES ARE ONLY IN DEMAND FOR A RELATIVELY SHORT PERIOD OF TIME AS TRENDS ARE CONSTANTLY CHANGING. 7 NEW PRODUCTS ARE CONTINUOUSLY INTRODUCED, AND THIS MAKES IT IS MORE CHALLENGING FOR THE BRAND TO FORECAST DEMAND. 1 MERCHANDISE MANAGEMENT SYSTEMS WILL PUT MORE FOCUS

ONON THE USE OF MERCHANDISE BUDGET FOR THIS TYPE OF MERCHANDISE CATEGORY. When forecasting sales offer fashion merchandises, the category manager will make use of historical sales data and undertake market research., Tthis is to make ensures that their brand's merchandises are always up to date to the ever-changing trends. Also, Ttrends are also followed up by going through magazines, trade shows and services. Another method would be to gain proprietary information about the more popular items other retailers are purchasing from the vendors., Tthis would allow the retailer to gain more information on the trending products and know what their competitors are selling.

The process of managing the business that are selling fashion products is to maximize the sales and the gross profit of a category. Charles and Keith can use demographics and lifestyle trends to allocate the stocks and can use the product availability level, sales performance, size of the store and the depth of assortment available in the store to determine the allocation of the stocks. Other than that, Charles and Keith could allocate their stocks to their stores using the seasonality and the paycheque cycle. When the stocks are allocated to the stores, Charles and Keith wouldshould monitor and evaluate the performance of each store based on gross margin return on inventory investment, inventory turnover rate andd also self-through analysis. By doing these evaluations, Charles and Keith would better understand on how the stores areis fairingfaring and with this information, they mightay be able to forecast future sales. The products that Charles and Keith offers are classified as private-label brands. This type of It is a brands are that is developed and marketed by the retailerand marketed by the retailer. Charles

and Keith designs and has contracted manufacturers to produce their merchandises looks for manufacturers to produce for them.

The advantages of offering private-label brands in the store is that it could increase assortment, increase store loyalty as the brand is sold exclusively in Charles and Keith and most importantly, higher gross margins. However, the disadvantage is that Charles and Keith have to invest a large sum of capital into designing, manufacturing, sourcing manufacturers and Charles and Keith would not be able to return these unsold goods back to the manufacturer. 1 3.

4 RETAIL PRICING THE PRICING STRATEGY THAT CHARLES AND KEITH USES IS HIGH/LOW PRICING., IT IS PRICING HIGH/LOW PRICING PRICES THE MERCHANDISES AT THE FULL RETAIL PRICE AND REDUCES THE PRICES DURING PROMOTIONS AND SALES. The advantages of high/low pricing are that Charles and Keith would earn a higher profit from the initial high pricing and they can create excitement during sales and promotion periods. Other than that, the low pricing during sales period would help Charles and Keith to clear slower-moving merchandises and to allow new merchandises to quickly replenish to attract more customers.

The disadvantage of using high/low pricing is that customers would tend to wait for discounts before making a purchase. The common pricing techniques Charles and Keith practices are variable pricing and odd pricing. Variable pricing is to charge individual customers different prices. An example of this practice by Charles and Keith is through the Privilege Card Membership.

To become a privilege card member, the customers would be required to purchase \$250 or more worth of Charles and Keith product in a single receipt. Charles and Keith Privilege card members would enjoy a 10% off on regular-priced items from both the retail store and the online store during checkout. 8 ODD PRICING IS TO PRICE THE MERCHANDISE WITH AN ODD DIGIT ENDING. For example, the slip-on sneaker is priced at \$49. 90 and the leather ankle boot heel is priced at \$119. 90.

The reason why Charles and Keith applied this pricing technique is to make their price more appealing to the price-sensitive customer as \$49. 90 seemed to be cheaper than \$50. 00. 9 3. 5 COMMUNICATION MIX8 THE COMMUNICATION MIX IS USED TO DERIVE THE APPROPRIATE FORM OF MEDIAS TO DELIVER THE INTENDED MESSAGE TO THE TARGET AUDIENCE.

10 IT IS USED TO DEVELOP THE INTENDED BRAND IMAGE, CREATES TRAFFIC AND BUILDS CUSTOMER LOYALTY. Below are the types of communication methods that Charles and Keith uses. 3.

5. 1 Online Marketing Online Marketing, also known as interactive marketing, communicates directly with target customers to generate a response which includes websites, where a host of information can be made available on the company's webpage – (- (<http://www.charleskeith.com/sg>). Social media is also used by Charles and Keith, their Facebook page – <https://www.facebook.com/charleskeithofficial/>.

3 FOR EXAMPLE, NEWS ABOUT DISCOUNTS AND CAMPAIGNS ARE UPLOADED ON THEIR FACEBOOK PAGE.

3. 5. 2 Direct Marketing Charles & Keith is also involved in direct marketing as they communicate directly with their target customers by sending emails to generate responses. They send emails to those that have subscribed to them.

These subscribers would be the first to receive information on sales or new arrivals in Charles & Keith. 1 3. 5. 3 PERSONAL SELLING THIRDLY, CHARLES & KEITH ALSO DOES PERSONAL SELLING IN WHICH A SALES ASSOCIATE WOULD HELP CUSTOMERS SATISFY THEIR NEEDS THROUGH A FACE-TO-FACE EXCHANGE OF INFORMATION. For example, when a customer walks into the store, one of the staff would ask if they can offer any service to help find what the customer is looking for. They can also give information and opinions on certain colours or designs that suits the customer if the customer is stuck with 2 choices. (appendix(Appendix 4) They also offer services where they are able to can tell the customer which products are in stock at which outlet just in case the product the customer wants is not available in that outlet. 8 3.

5. 4 ADVERTISING ADVERTISING IS A PAID FORM OF PLACEMENT FOR PERSUASIVE MESSAGES THAT SEEK TO INFORM OR PERSUADE TARGET CUSTOMERS ABOUT THEIR RETAIL OFFERING. 3 FOR EXAMPLE, STRAITS TIMES HAS REPORTED A NEWS ARTICLE “ SLIP- ON LIKE A FASHIONISTA” IN 2016 WHICH FEATURED THE BRAND’S SLIDE SANDALS (AAPPENDIX 1), THEY ARE ALSO FOUND IN FASHION MAGAZINES SUCH AS VULTURE, HERWORLDPLUS AND CHARLES & KEITH FASHION MAGAZINES (AAPPENDIX 2). 3. 5. 5 Public Relations Lastly, public relations is the practice of creating

and maintaining goodwill and relationship with the public to achieve desired objectives such as building and maintaining a positive brand image. 11 FOR EXAMPLE, THEY LAUNCHED LIMITED-EDITION PLATFORM LOAFERS WITH A UNIVERSAL PINK RIBBON SYMBOL. This is done to raise awareness about breast cancer and 10% of the sales proceeds will be donated to the breast cancer foundation in Singapore.

3 THIS ENHANCES THE COMPANY'S REPUTATION POSITIVELY AS THEY MAKE SOCIAL CONTRIBUTIONS. (Appendix 3)3. 6 Store Design and Display 3. 6. 1 Promotional Signage Charles and Keith display promotional signagesage when they are having promotional offers, they communicate to their customers by displaying these signages at the window. As seen in Appendix 7, they put the word ' sale ' big and clear at their window, and this is to attract customer's attention and lure them into the store. Besides promotional products, they also display their new arrivals at the window to inform customers about their newly arrived items, .

this is a form of visual presentation. The spotlight on the top of the ceiling could present the texture of the merchandise and this may attract potential customers who are window shopping to enter the store and increase the chance of unplanned purchase. 3. 6. 2 merchandise presentation technique Secondly, they have many wall and floor fixtures to place their productsitems and this can be presentedd in a vertically presentation so that customers can see the a wide variety of the products that they offer. (appendix(Appendix 6)6). The floor fixtures are equipped with rollers that can be locked in place to prevent movement, when the fixture needs to be

moved, it can be unlocked to ensure maximum flexibility for the store layout to change.

This could benefit Charles and Keith by controlling the costs to increase profit, Charles and Keith do not have to redesign most of their fixtures but is still able to provide excitement for customers by rearranging the floor fixtures to change the layout of the store. The digital display panel in appendix 5 is also a form of advertising in which the content could be easily changed and at the same time creates a mood in the store. Thus, decreasing the cost of advertising when compared to printed graphics in the long run. 3. 6.

3 Atmospheres The presentation of the store is also equally as important as this they can attract potential customers. Charles & Keith uses bright colours to attract those customers who are just passing by the store as they might be attracted to the bright lights. They also use spotlight on products which are presented in vertical presentations to attract entice the customer's attention. Also, the colour temperature of the store is cool sunlight temperature, this colour temperature is close to the colour temperature of natural sunlight. This would allow customers to feel calm and at peace when they are in the store. As a result, the customer would most likely stay longer in the store and increase potential store sales.

3. 6. 4 Store Layout A good layout will also help to enhance the image of Charles & Keith. They have a free-form layout where it is in an asymmetric pattern which thus creates an easier and a more enjoyable experience while to browse in the shop as where all the products are easily accessible.

This will also make them stay longer in the store and may increase the chances of impulsive buying behaviour. In the store, Charles and Keith have graphics (Appendix 6) that display the newest trends, and this could create moods and reinforce the store's image at the same time, and possibly encourage customers to buy the products. Charles and Keith had designed their store to build loyalty, the comfortable lighting and air conditioning offers their customers an entertaining and enjoyable experience which could increase the chances of repeated visit and thus, increasing chances of unplanned purchases. Moreover, Charles and Keith also design their store to meet legal requirements, the stores are equipped with hidden water sprinklers on their ceiling to put out fire.

Exit signs are also used by Charles and Keith to guide customers and employees to the nearest safety exit should any emergency case happen (Appendix 5. 1). The stores of Charles and Keith are equipped with equipment to prevent fire, the walkway in Charles and Keith is wide and spacious allowing the customers to feel more comfortable especially during crowded times and also provides convenience for people with prams and wheelchairs

3 4. 0 RECOMMENDATIONS FIRSTLY, CHARLES AND KEITH CAN ADD MORE PRODUCTS THAT MIGHT APPEAL TO MEN, WITH AN EXTRA TARGET CONSUMER GROUP, CHARLES AND KEITH WOULD BE ABLE TO REACH OUT TO MORE CONSUMERS, HENCE INCREASING ITS PROFITS. FOR EXAMPLE, COMING UP WITH MEN COLOGNE AND SHOES.

SECONDLY, CHARLES AND KEITH CAN COME UP WITH A REWARDS SYSTEM THAT ALLOWS MEMBERS TO COLLECT POINTS THROUGH PURCHASING THEIR

PRODUCTS AND EXCHANGE THEM FOR GIFTS DEPENDING ON THE AMOUNT OF POINTS ACCUMULATED. Lastly, Charles and Keith can collaborate with local celebrities such as Carrie Wong, He Ying Ying and Hong Ling to endorse their products. This would increase awareness of the brand through advertisements of the products offered as the fans of these celebrities would take notice of the products that these celebrities have so they can emulate their celebrities and be like them.

5. 0 Conclusion In conclusion, Charles and Keith are located at 29 different locations in Singapore which provide customers convenience to their stores. Charles and Keith is a specialty chain store that is operated under common ownership and makes centralised decision. They also provide franchising opportunities for potential investors.

The retailer's target market segments are women between the ages of 18 and 45 years old who are of middle-high income who wish to keep up with the latest trends. Charles and Keith forecast future sales by examining the performance of each store to see how they can improve the sales of their products. The retailer uses pricing techniques such as variable pricing and odd pricing to attract the potential customers to patronise their stores. They made full use of the communication mix tools to communicate to their customers such as personal selling in which the retail sales associate engages in a one-to-one conversation with the customer, providing some valuable advice to assist customers in their decision-making process. All these factors strengthen Charles and Keith's position as a retailer in Singapore and in many other countries.