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Sophisticated Luxury: **Marca Stella Pte Ltd**

Marca Stella Pte Ltd is a Singapore-based retailer of luxury fashion accessories dealing principally in designer handbags and small leather goods from well-known European and American brands. The brands include Prada, Gucci, Saint Laurent, Celine, Kate Spade, and more. The company imports its merchandise from Europe and the US, and sells them online and at its showroom in Orchard Road.

The company was set up in mid-2014, when the founders acquired Taps Designer Handbags and rebranded it as Marca Stella Luxury Fashion. Taps Designer Handbags, which has been engaged in a similar business since 2010, has established a good reputation, supplier network, customer base and social media presence. Marca Stella has been building on this foundation with an expanded product range, marketing programme and distribution channels.

In mid-2015, recognising that the company needed to continue evolving to stay ahead of its competitors, the founders approached the UOB-SMU Asian Enterprise Institute. As Marca Stella's requirements were an ideal fit for SMU's Lee Kong Chian School of Business Capstone Programme, it was selected as one of the partner companies for the programme.

A total of six student teams deep-dived into various ways on how Marca Stella could potentially expand its business. We have selected two of the projects to be showcased.

Project 1

What price luxury?

The right accessory can lift an ordinary attire to an eye-catching ensemble, and in this regard, women have been known to turn to a handbag to "complete" an outfit – never mind that there is barely space for a credit card and keys, and they have to leave their mobile phone behind.

A luxury handbag has always been a symbol of affluence, and as social norms evolve, the trend for "it" bags as fashion accessories have fuelled a 10 to 15 per cent increase in demand for bag rental options over the past two years, according to the project team's research. The students sought to exploit this growing demand to create a recurring revenue stream for the client.

Getting the hang of luxury

Using the Design Approach Framework, the project team ascertained where the client currently stood vis-à-vis its industry segment, and what it could do to grow its customer base, and enhance customer satisfaction through a better customer experience.

Through research and focus group discussions, the team gleaned useful consumer insights that supported the potential of a bag rental business. As renting is viewed as a secondary option to purchasing, the students called upon their creativity and what they have learned in class to conduct cost-benefit analyses to find the ideal cost-revenue model.

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The team proposed a short-term partnership strategy, with the goal for it to evolve into a long-term proprietary Marca Stella bag rental operation. To ensure business success, the team recommended a unique customer membership scheme, and also provided details on the mechanics of implementation as well as usable Terms and Conditions. The membership scheme is aimed at expanding the customer base and improving customer service, thus promoting business sustainability.

Connecting with customers

These days, a mobile application is *de rigueur* in customer service, and Marca Stella is looking towards hopping on this digital app bandwagon. As the focus group feedback showed that customers are more likely to check back frequently for new arrivals via a mobile app, the project team recommended that the client add a mobile app to connect with customers.

Having reviewed the app features of popular multi-brand and single-brand online stores such as Reebonz, Net-A-Porter, Zara and Chanel, the project team streamlined the key features of the new Marca Stella mobile app as being both functional and competitive. The app would serve to enhance customer relations as it takes them through the complete range of experiences from browsing through to secured payment... with seamless connectivity.

To kick-off the new mobile app, the project team developed a comprehensive plan of marketing activities and incentives to entice customers to use it, offering them another convenient platform to access Marca Stella products.

Project 2

Fashion statement, status symbol, affordability... we want it all

The project theme, "Marca for Life", is built around the cradle-to-grave concept where customers turn to Marca Stella's range of luxury bags to meet their evolving needs throughout life. From its quantitative survey, the project team determined that adults aged 18 to 34 years work hard, have purchasing power, and believe in rewarding themselves with premium items including apparel, handbags and jewellery. The survey response illustrated the viability of a value-driven business model that is backed by attractive pricing and product authenticity.

With the team's research and customer insights on the relative importance of attributes regarding luxury items, the students decided to target entry-level buyers as the client possesses two key competitive advantages, namely, good product and price positioning. Also, earning the customers' trust in the brand early on paves the way to nurturing them into long-term customers.

Building the brand

The question of authenticity almost always arises when a luxury product is not bought from the respective brand boutique or sold by an established retailer. As an experienced seller of luxury handbags, Marca Stella is well-placed to position itself as a trustworthy retailer with the expertise to add value to its customers through product knowledge, competitive pricing, and provision of after-sales services. Branding thus forms the cornerstone of the project team's scope of work.

Tapping on their combined knowledge and experience, the project team designed a brand-building campaign to boost brand awareness and promote trust and confidence in Marca Stella. As the target audience comprises young adults who are adept at navigating social and digital media, the campaign is delivered via multi-channel platforms including online "new media", and through collaborations with partners with the relevant databases.

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Psst, let's play a game

Gamification has been shown to increase customer engagement by 100 to 150 per cent, and increase customer loyalty by 150 to 200 per cent, according to an M2 research. To this end, the project team relied on the power of games to forward the client's key messages. It developed a comprehensive three-month campaign anchored by games; the games were designed specifically to showcase the client's multiple product brands and range; highlight its authentic, affordable and value-for-money products, and educate customers on how to differentiate the fakes from the real deal.

Gamification was given the thumbs-up by the survey respondents, who said they would share the engaging and fun games with their friends and family. More importantly, the feedback indicated a jump in their level of trust for the client – a direct result of the “education” component – and their willingness to make their purchases from Marca Stella. Clearly, creative marketing can translate to results.

Marca Stella says...

“The recommendations from the various teams have been very useful, as have the primary and secondary research data that the various teams gathered and analysed as part of their work,” said Kent Carter, Director, Marca Stella.

He shared that the company is “implementing many of the recommendations” aimed at enhancing its brand image and delivering its marketing messages. “We are already seeing a positive impact in engagement on our social media channels and on traffic to our website.” He commended the student teams for their “innovative and compelling recommendations for substantial changes to our existing business model to set us apart from our competition”, adding that “this was exactly what we were looking for”.