

UOB-SMU Entrepreneurship Alliance Centre

A Myriad Ways to Plug It In: Jade Gift Shop



Founded in 1978, Jade Gift Shop is a consumer electronics store which has established itself as an authorised reseller of over 20 major electronic brands, with products ranging from earphones to MP3 players to a variety of trendy IT and lifestyle peripherals. Now a three-outlet operation, it continues to feel the pulse of the consumer market as it constantly updates its inventory to offer the latest gadgets that fit the from-home-to-work-to-play lifestyles of its 20- to 35-year-old target market.

In April 2012, Jade Gift Shop launched a new brand name and concept – *connect IT* – to rejuvenate the retail business and broaden its market reach. As the marketing director said, “Our customers are important to us. We are committed to providing our customers with the best shopping experience with our friendly service and assistance. We aim to provide the latest gadgets at the most competitive prices!”

We Love Our IT Gadgets

Whether it’s onboard a moving bus or MRT, along a pedestrian walkway or even when crossing the road, people are unabashedly plugged in to an electronic gadget of some sort – listening to music, playing electronic games, watching movies or interacting on different communication platforms. Mobile phone penetration, which in Singapore stood at 98.1% in 2005, topped 143.6% in 2010, according to figures from the Infocomm Development Authority of Singapore (IDA)¹. Internet penetration grew from 36.8% in 2000 to 77.8% in 2010², and has not stopped in its upward trend.

Fact is, Singaporeans can’t get enough of their digital media gadgets; the country tops Southeast Asia for the number of consumers who access the Internet more frequently than consumers in any other market across the region. A Nielsen survey³ released in July 2011, *Southeast Asia Digital Consumer Report*, shows that Singaporeans has embraced the IT revolution; for example, 23% of digital consumers also have a tablet computer in the household, and over 70% of the respondents use a Smartphone.

Observing the huge crowds thronging the IT shows and fairs, one cannot help but conclude that there remains a strong demand for value-for-money, IT-related merchandise. This demand has spawned many shops offering IT gadgets, accessories and peripherals all around Singapore. While some of the products sold are functional in nature and therefore considered necessities, others tend toward the merely aesthetic, or even whimsical.

In Tune with Trends

When it comes to shopping, some IT stores are more in tune with the latest trends than others. This explains their longevity in a market that caters to consumers aged 18 to 35 years, or loosely termed Gen Y. Employers and human resource professionals have said that the characteristics of Gen Y contrast sharply with their Gen X or baby-boomer parents. Gen Y is passionate, daring and capable, but possesses short attention spans that require immediate gratification. In terms of brand loyalty for IT products and accessories, there is none.

¹www.ida.gov.sg/Publications/20070822130650.aspx

²www.internetworldstats.com/asia/sg.htm

³www.sg.nielsen.com/site/NewsReleaseJuly112011.shtml

UOB-SMU Entrepreneurship Alliance Centre

Therefore, retailers who hope to even feature on Gen Y's radar need to work a lot harder and much faster to keep abreast if not ahead of the trends. A recent SMU survey reveals slight differences in the purchasing behaviour of Gen Y students and Gen Y working adults. While students tend to radiate towards visual presentations like advertisements and promotional stickers plastered at the storefront, which will entice them to walk in to browse, working adults would have done their research about what they want; so their trips would have been pre-planned and purposeful, and their purchases, pre-determined.

Still, all retailers can benefit from textbook tips on effective visual merchandising when it comes to their store display and layout. Creating an eye-catching visual display and welcoming ambience is common enough knowledge as these can draw customers in, push slow-moving items, as well as promote just-in goods. Other elements to pay attention to include balance – for example, asymmetrical versus symmetrical displays; harmony among the different items – through size, colour, texture or function, and perhaps even developing a focal point for the “star” buy, complete with spotlight, colourful banners and a cluster of complementary or supporting items.

In addition to impactful visual merchandising elements, the store should be manned by knowledgeable and friendly staff who give would-be shoppers the time, space and freedom to browse, but should be readily available with the necessary information should shoppers have any queries.

Connecting with Consumers

Jade Gift Shop had approached the SME Consulting Programme, managed by UOB-SMU Entrepreneurship Alliance, in 2011 to do a brand audit for its then-upcoming concept store. “The team had done a good job and provided useful insights,” said Mr Cayden Zhang, Marketing Director, Jade Gift Shop. “Our decision to use one of the two names recommended shows how much we value the team’s recommendations.”

As one of the benefits of the SME Consulting Programme is its use of a methodological and scientific approach to address business issues, the student-consultants utilised different research methodology tools for data collection. Despite the limited timeframe of 12 weeks, the team was able to collect and collate data from quantitative and qualitative research regarding the client’s standing among its competitors, identify its internal and external business environment, and determine the consumers’ buying habits and preferences. The report met with the client’s objective “to think of a new brand name for my new concept store,” said Mr Zhang. The store, called *connect IT*, began operations in April.

As is often the case, it was a delicate balance between the client’s expectations and realistic deliverables from the student-consulting team that proved an initial hurdle. A “thorough clarification session” early on, and subsequent close communications and constant updates between the team and client smoothed the way for the project, said Project Adviser Mr Jörg Dietzel.

As for the student-consultants who had shown admirable time management and research capabilities, “we are better equipped for the future as we now have a better understanding of how a company operates in the real world; we also realise that some of the theories we learnt are really not so applicable outside the classroom,” said a student-consultant.

Project Adviser: **Mr Jörg Dietzel**
Student Consultants: **Lee Ni Chen @ Nicole Lee**
Bachelor of Science (Economics)
Lim Leon Gim
Bachelor of Science (Economics)
Lim Jin Yi Julius
Bachelor of Business Management