

CASE D–12

77th STREET: Iconic Streetwear for the Young

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Case objectives

- To understand the concepts of branding
- To understand the consumer purchase decision process
- To explore marketing strategies for creating brand loyalty
- To explore marketing communication strategies

Case Synopsis

- 77th Street, which started in 1988, is an iconic street wear retail fashion chain in Singapore, dealing with the hip and trendy youth culture of today, typically aged 16 – 35. The 77th Street outlets have trendy design layouts and blast hip hop, rock and alternative music to attract consumers into the stores.
- The company has 14 outlets island-wide in Singapore in the downtown area, heartland malls as well as an institution for tertiary education. In 2004, the company opened its 77th Plaza in the heart of Beijing Xidian shopping district in China.
- The company offers a membership program to enhance brand loyalty among the consumers, and the 77th Street website serves as a form of trendy communication tool to connect with the users.

Case Questions

1. *What is the brand concept and identity of 77th Street? How is it relevant to its target customers?*
- The brand concept and identity can be described in terms of the *brand name*, *brand personality* and *brand equity*. The brand name is any word, device (design, sound, shape, or color) or combination of these used to distinguish a seller's goods or

services. The brand personality is a set of human characteristics associated with a brand name. The brand equity is the added value a given brand name gives to a product beyond the functional benefits provided.

- These carve out the brand image of the company, which is how the consumers perceive the products or brand of 77th Street.
- The target customers of 77th Street are youths aged 16-35 and they look for up-to-date fashion wear and accessories at an affordable price, and have a social need to appear “cool” among their peers.
- The font used in the 77th Street logo is up-to-date and the trendy store layouts portray a “cool” image, fulfilling the consumers’ need to appear stylish when shopping in the outlets. Official colours and loud music played in the outlets are associated with a vibrant and youthful brand personality that the target consumers can associate with easily.

2. *What mechanisms are used by 77th Street to attract people into its stores? What will influence customers to make purchases after they enter the stores?*

- The “place” factor of the marketing mix is one of the mechanisms to attract people into the stores. Having outlets at different possible shopping areas (downtown area, heartland malls and even schools) and also at a large shopping district in China provides place utility for consumers. With the outlets being conveniently accessible, shoppers are likely to enter them.
- Blasting music genres and displaying music videos and movie previews that are well-liked among the youths successfully attract people into the stores. Such may be considered an augmented product that 77th Street offers to consumers, providing a unique shopping experience for consumers.
- Displaying the “bling bling” type of products (that are very eye-catching) in the store front are likely to attract people into the stores. Offering up-to-date accessories and products attract consumers who need them.
- After entering the stores, five situational influences are likely to impact the consumer purchase decision process:

- (1) the purchase task: Purchase decisions may vary depending on whether the purchase is a gift or for self, and often involves social visibility.
- (2) the social surroundings: other people present may affect the purchase decision. For example, if the majority of a certain group of friends have purchased from 77th Street, those who do not are likely to feel the need to buy one soon, so as to fit in with his peers.
- (3) physical surroundings such as décor and music in the stores. Given a unique shopping experience, the consumers are likely to purchase from 77th Street if the experience appealed positively to them.
- (4) temporal effects such as time of the day.
- and (5) antecedent states, which include the consumer's mood or amount of cash on hand. For this influence, the "price" factor is likely to influence the purchase decision.

3. *What are the purposes of membership program in the retail business? What are the important features of a good membership program? How would you evaluate 77th Street's membership program?*

- Membership programs are managed by companies to convert occasional buyers into loyal customers by offering privileges such as store discounts, and can serve to provide predictable revenue streams, generate higher revenue by customer and increase referrals by efficiently using company resources.
- Some important features of a good membership program are:
 - the great discounts and privileges enjoyed by the member, membership fee, period of membership (renewal), the name of the program and the identity of the members, partnering members of the program, the individuality of each member and up-to-date information about the products.
- The choice of name for the card (GETALIFE) also portrays a "cool and hip" image that youths generally want to be associated with. The silver-black colour scheme

enhances this fashionable image. By naming their members “streeters”, 77th Street has given them a unique identity and allow them to develop a sense of belonging.

- A membership fee of \$12 is considerate and fairly affordable, especially when some members may still be schooling. The lifetime membership feature appeals better than some programs that may require annual renewal, and thus increasing the consumers’ inertia to joining the program.
- Other than discounts and members’ privileges at all 77th Street outlets, streeters can also enjoy benefits when they purchase at over 40 other partnering retail stores. This is extremely beneficial for members because joining one program entitles them to many other benefits.
- Individuality of the members is acknowledged by having the birthday discounts and members are updated of new merchandises and promotions via monthly email.
- Overall, the membership program can be considered an above-average marketing promotion effort.

4. *What tools are used by 77th Street to communicate with its customers? Why are these tools chosen and how effective are they? What other tools do you think 77th should use to communicate to its customers?*

- 77th Street uses online website, events and monthly members’ email to communicate with its customers.
- The official website of 77th Street had been introduced to pave way for the launch of E-shopping. The online communication channel is chosen mainly because the target consumers of 77th Street are youths and the majority is internet-savvy. Without the E-shopping option, this online portal is considered effective as a promotional tool but not transactional.
- Other than the physical retail outlets, a website is an economical marketing tool that can reach out to existing and potential customers, and is effective in providing up-to-date information to consumers.

- The various features online can be broadly classified as *promotional features* (information providing), *company-consumers interaction* features and *consumers-consumers interaction* features.
 - The *promotional* features include the contents of the website that cover the company's information, membership details, store locations and contacts. Such tools are effective in providing vital information that increases the credibility of the company.
 - *Company-consumers interaction* features include the contests exclusive to members, short surveys carried out by the company and the job opportunities page. They are chosen because information gathered from these features serve as crucial market research findings about 77th Street's target consumers.
 - By knowing what kind of music its customers are listening to, the outlets will be able to play them and hence attract shoppers into the stores. The job opportunities page reflects the 77th Street's focus on youth development by providing opportunities for members to work in the company.
 - Such features can be effective only if the members are actively participating and constantly updated. Generally, they can be considered effective because they address issues that the target consumers are concerned with.
 - *Consumers -consumers interaction* features include a "Classifieds" section online that allows members to exchange pointers of shopping bargains. This tool is probably chosen because it will attract the attention of youths, who may not be working and seek for fashion items that are affordable. The "community" value enabled by online applications is also provided to the consumers. Similarly, this tool can only be effective if active participation of the consumers occur.
- 77th Street also organizes events for the members, archived past events online for documentation and publicity and also announces upcoming events online. This form of communication is chosen because the target consumers are lively and seek fun events to participate in.
- Monthly emails sent to members update them about new merchandise and promotions. This tool is likely to be chosen because of its low cost and effective outreach to all members.

- Other tools 77th Street could use are: having positive role models or sportsperson to endorse the merchandise, putting up posters in shopping malls, tv advertisements and sponsorship of youth events.