

CASE D–15

Skeen: Giving Laptops an Identity

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Case Objectives

- To understand the concept and importance of target marketing
- To explore various marketing research approaches
- To understand the roles of the staff in a company

Case Synopsis

- Skeen is a company registered in Singapore that deals with designer lap top sleeves or covers. The company outsources its productions to a China factory and recently moved into the retailing business with a shop front in Marina Square, Singapore.
- Skeen targets the young and the trendy owners of lap tops, mainly tertiary students to young executives with relatively high spending power by age and demographics. Skeen is also looking to enter the traveller market due to its strategic location in Marina Square. Skeen carries out its marketing research using focus groups, simple questionnaires, surveys and information from an external company to understand more about its target customers and make improvements.
- Due to the nature of its products, Skeen understands the importance of strong branding and customer loyalty. The retail shop front was set up to give customers credibility and to build a strong brand presence at minimal time. Quality is also strictly controlled by Skeen in its factory. At the shop, sales personnel are given a list of laptop brands and their dimensions to better assist customers. The design process involved many designers and the public, in the form of design competitions. This provides excellent word of mouth publicity and distinguishes Skeen from its competitors by creating brand awareness.
- Skeen relies heavily on its frontline sales personnel and designers and thus is careful in acquiring them. It reviews sales personnel through screening at interviews and personality tests. Trainings in product and soft skills are mandatory and they are motivated with sales commission to ensure diligence. Designers are led by a Chief Designer and consist of other designers from a variety of places, including local design schools. This helps Skeen to save costs and slowly build its reputation in order to work with professional designers in the future.

Case Questions and Answers

Question 1

Who are Skeen's target customers? Are these target segments appropriate for its products?

- Skeen targets young and trendy laptop owners. This main target group can be segmented by age into tertiary students and young executives aged between 18 to 30 years old, or by demographics consisting of those with relatively high spending power. The traveller market is also Skeen's targeted minority.
- The main target segments are appropriate for Skeen's products as majority of them are owners of laptops. This younger generation is more concerned with their appearance, image and the latest trends, and also willing to spend. Coupled with a relatively high spending power, this makes the main target group appropriate for Skeen's products that are trendy and relatively expensive.
- The traveler market however, is not an appropriate target group as they have different needs, wants and preferences from the locals in relation to Skeen's products. They consist mainly of the foreign expatriates attending conventions and those staying in nearby hotels, who tend to belong to an older age group and are generally less trendy.

Question 2

How does Skeen find out about its customers' tastes and preferences? Are these market research methodologies appropriate? What other approaches would you suggest?

- Focus groups and simple questionnaires are used to collect primary data of customers on Skeen's products and designs. A focus group made up of Skeen's target customers will vote for their preferred designs before every design launch. Feedback collected through simple questionnaires will include customers' perspective on functional design, future modification and identification of new innovation needs. Preferences of tourists and expatriates are gathered through simple surveys in Marina Square. For its executive customers, Skeen depends on an external company, The Gift Factory, to gather information on them.
- Marketing research helps Skeen understand its target customers in order to device suitable marketing activities and better fulfill their needs. As Skeen is a relatively small company, it needs to weigh the costs and benefits of the various market research methodologies to employ the appropriate approach.
- Focus groups can help Skeen identify consumer trends. However in this case, the focus group is restricted to choosing from a limited set of designs and thus may not be appropriate for indentifying consumer trends as it only reveals what

customers prefer out of the available designs. The collection of this primary data is also expensive and time consuming. Secondary data of consumer trends from external market research companies may be more useful in predicting future design trends among the target group.

- Also, feedback on functional design and future modification may not be accurate as customers may not truly know what they want or fill in the feedback without much thought. Observation of target customers' buying process and decision making behavior involving laptop covers and sleeves will give Skeen a more accurate picture of the considerations of their target group.
- It is appropriate for Skeen to rely on The Gift Factory for information on its executive customers as they possess the necessary expertise and greater understanding of the customers.

Question 3

What strategies are used by Skeen to develop customer loyalty? Do you think these methods are effective? What other strategies would you suggest?

- Developing customer loyalty requires customers to have an emotional connection with the company. Personnel attention towards the customers will make customers feel valued and satisfied, ultimately returning for multiple purchases.
- Skeen set up an independent storefront to give customers credibility towards the products. This allows customers to touch and feel the product first-hand, assuring them of its quality and thus developing a trust in Skeen. Strict quality controls and prototypes testing by Skeen in its China factory also help ensure quality products for customers. A 30-day return of goods policy for damaged goods is also in place to give further assurance of its quality to customers. With consistent quality products delivered, it helps attract and satisfy new and repeated customers who value quality, thus effective in building customer loyalty towards Skeen.
- Skeen also develops customer loyalty through excellent customer service at its retail store. A comprehensive list of laptops and their dimensions is given to the sales personnel to enable them to better assist customers in finding the correct cover size for their laptops. Such attention to customers' needs provides an assurance of the fit of their purchase and also make them feel that Skeen cares, further developing their trust in Skeen.
- By employing many designers to design its laptop covers, Skeen creates a unique relationship with its customers through this design process. Many designers are loyal towards the product as a result of the involvement and they provide excellent word-of-mouth publicity when their designs are launched. A national design competition was also held to create brand awareness and encourage public involvement in the designing. Conveying Skeen's support for local young designers, customers with similar passion will be able to relate to Skeen and thus support Skeen through their customer loyalty. All this

differentiates Skeen from its competitors, creating an impression with the customers and building customer loyalty through involvement and publicity.

- However, the abovementioned methods do not help Skeen to target its more profitable customers. Customer Relationship Management can be employed in developing customer loyalty. By collecting customer data, Skeen will be able to sieve out its best customers to understand them better and reward them for their loyalty. Skeen will also have a better picture of the effectiveness of its current marketing activities in affecting its target customers and the direction for future marketing strategies.

Question 4

Why is quality staff so important to Skeen? What are the roles of the staff in Skeen's strategies? How can the company get good staff?

- As a small company, Skeen relies little on its management and more heavily on its frontline sales personnel and designers. Quality staff will give quality services and this affects the level of satisfaction among customers. Sales personnel are the only form of actual contact between the company and the customers and thus the impression they give forms the customers' impression of Skeen. Designers are closely related to the sales and reputation of the product and thus good designers mean more sales and a reputation for popular designs for Skeen.
- Sales personnel are responsible for attending to the needs of the customers in the retail store and play an important role in influencing the purchase decision-making process.
- A careful selection process involving interview screenings and personality tests will help to ensure quality staff at Skeen. Training of sales personnel is also important to ensure that they have the necessary knowledge to assist customers and know the art of selling. Sales compensation tied to individual performance helps to bring out the best in the staff as they are motivated to provide quality service to increase sales.
- Designers are responsible for creating trendy aesthetic printing designs and improving general product design that help boost the sales of Skeen's products through popularity, despite no contact with end customers.
- Good designers can be sourced through design competitions that will attract talented designers to showcase their talent. Designers' pay is also linked to performance and this helps to reward and retain good designers at Skeen.