

CS-AS/205D



ENT300: FUNDAMENTALS OF ENTREPRENEURSHIP

CASE STUDY REPORT



Typo (Cotton On Group Co.)

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EXECUTIVE SUMMARY

“Don’t quit,” is the quote that we keep on chanting in our mind when doing this case study. As long as we do not quit, we can get the job done. The company that we research is Typo. Typo sells gifts, stationeries, travel accessories and other daily necessities such as metal water bottles and tumblers. The type of concept Typo has is new in Sarawak. None of the company or the store has the same concept in Sarawak before Typo company open their branch in here. Typo store has a cool nature and a unique aura that can attract customers to come to their store.

Typo has its own target market. Students, travellers and parents are their target market. Typo has many rivals and mostly comes from famous stationery shop in Sarawak, such as Popular and MPH. Typo has its own advantage that makes them survive until today. Most of their marketing strategy comes from high tough and e-commerce. That is what makes Typo interesting.

Typo company has only two branches in Kuching, Sarawak. Typo’s problem lies in the number of the branches they have. They have limited branches in Kuching. This problem has led Typo to be remained unheard until this day by most of the citizen. Speaking of problem, Typo has their own problems whether it is internal or external. Internal problem come from the company itself such as it being pricey. External problem comes from rivals, and many more.

Every problem has its own solution. The solution might be more than one. Every solution has its own advantage and disadvantage. Without taking risks, how do we succeed in life? Reducing the price might be the solution that Typo has been searching for.

As a conclusion, this case study explains about the company information, company analysis, the problem they face and the solution with their advantage and disadvantage. We strongly recommend the three solutions that we have chosen in this case study as it will bring improvement to the company. This case study has taught us many things.

INTRODUCTION

Entrepreneurship is the key of starting a business. Basically, it's the beginning of a company to offer their services or products. Depending on how entrepreneurs start the business, they require a creative mind to engage in such activity. In other words, to attract potential customers, a creative idea is really needed.

The purpose of this case study is to identify the business opportunity, problems and make an analysis when one has decided to start a business in selling stationery items and gifts. The type of problems that are commonly faced by the entrepreneurs when planning to start business in selling stationery items and gifts are size of target market, locations, events such as school or semester break and their competitors. Hence, from this case study, students should be able to think outside the box, identify the problems and think of the solution when planning to start a business.

However, there are many challenges that we face when becoming an entrepreneur. Some of them are: -

- Finding the right store to interview
To start up a business, we have to interview stores that are related to our type of business that we will be opening. We faced the challenges of finding the right company who accepts interviewers as they take some information to be confidential.
- To make the right time to do interviews
Since we could not find any contact number for Typo online (and did not realise they had an Instagram page as it was promoted very poorly), we had to do a walk-in interview. Luckily, the manager agreed to do an interview with us although we had to do a 2-hour wait for him to arrive to the store.
- First time of doing an interview
To be able to gain information of the company, we had to prepare a list of questionnaires as well as get an issued letter from the Academic Affairs Division (HEA) so that we will be deemed as professional by the store. We had to improvise a little bit around the questions such as the revenue of the company, as Mr. Arief could not disclose the information to us.

COMPANY INFORMATION

Typo was founded in 2009, which is known for their quirky, cool and vintage stationery, gifts and travel accessories. They grew from one store in Victoria, and they quickly expanded to the United States in 2012 and now have more than 250 stores in 14 countries, which include Malaysia, Singapore, Hong Kong, Thailand, South Africa and the United Arab Emirates. It is a division founded under Cotton On Group. Currently in Kuching, they have two stores, one at Vivacity Megamall in Tabuan (which is the first ever Typo store in East Malaysia) and another at tHe Spring Shopping Mall in Persiaran. Overall in Malaysia, they have 20 stores. Their justification for opening the first Typo store in East Malaysia at Vivacity was because Vivacity is a very huge mall, therefore it is a very strategic place to gain customers.

Their Managing Director and Founder is Nigel Austin. Their CEO is Peter Johnson and their CFO and CRO are Michael Hardwick and Natalie McLean. Cotton On Group is known as Australia's largest retailer. Besides Typo, they have Cotton On Body, Cotton On Kids, Rubi, Supré, Factorie and LOST. They believe in building balance to give a good background and lifestyle to their customers, as being said by the store manager, Mr. Arief. Besides that, when hiring employees, Typo emphasizes on having fun, bubbly and outgoing personality to match with the company's values.

What motivates Nigel to sell these products were to be one of a kind in selling funky stationeries. They established a culture of having fun in the stores, to have fun with the customers so that they have a different experience compared to any other stationery store. Typo caters to teens and young adults by adding personality and humour to their everyday items, which have become the ultimate destination for the easiest gifting destination. Customers can always expect fresh and funky designs from Typo.

Unfortunately, Mr. Arief could not disclose the revenue of the company as it is under the company's management. However, their stores are doing very well in terms of sales, as they open a new store every year and are expanding fast globally. Their sales forecast increase by 2% each year, which is around 50,000 customers every year.

Typo uses three types of business models, which includes

- High touch. High touch is defined as one that requires a lot of human interaction. The relationship between the salesperson and the customer has a big impact on the overall revenues of the company. They operate on trust and credibility.
- Brick and mortar, which is defined as traditional street-side business that offers products and services to their customers face-to-face, in this case Typo uses eye-to-eye contact with their customers to make them feel welcomed and comfortable at the store.