

## **HKSGV 2019 Case Competition: Case Question**

### **LAWSGROUP – D2 Place**

Founded in 1975, LAWSGROUP aimed at making quality clothing at reasonable costs and unparalleled turnaround time. As a globally renowned fashion manufacturer, LAWSGROUP does not only play a huge role in the fast-fashion industry but also brings the key concepts of cost, quality and innovation into retailing and property management. LAWSGROUP is one of the first to revitalise an old industrial building into a cultural and creativity shopping mall in Hong Kong. The complex - D2 Place - aims to nurture entrepreneurs and cross sector collaboration among young designers, start-ups and local brands to facilitate a “Creative Movement” with weekend markets, pop-up stores, kiosks and shops.

#### **1 Case Question**

The concept of Creating Shared Value is one of the initiatives of D2 Place. However D2 Place is encountering some business challenges and wishes to maximise economic impact. You are expected to give ideas and strategies on how to enhance customer satisfaction, and sustain a constant growth rate of customer. Ideas proposed ought to solve D2 Place’s business challenges with solid quantitative evidence to prove the impacts. A clear value proposition for consumers and retailers needs to be defined. The new initiative should also guarantee return-over-investment.

#### **2 The Creative Movement**

D2 Place proactively collaborates with young designers, start-ups and local brands to facilitate the Creative Movement, which aims to promote and sell “Made in Hong Kong” products to create revenue for both the mall and the shop renters. It has organised numerous weekend markets and creative events in the past few years, engaging more than 5,000 local and international creative parties. This D2 Place business model first introduces local designers to its weekend markets stalls, then places stalls are more popular at kiosks, then finally pick kiosks with better performances to be hosted at shops within the mall. D2 Place wishes to achieve a consistent growth rate of customers, so to cultivate growth potential for stores and kiosks to evolve. The model also aims to spread this creative movements to other shopping malls and other parts of the city.

#### **3 Challenges**

##### **3.1 Long Waitlist for the Kiosks in D2 Place**

D2 Place’s low rental cost is much appreciated by design small businesses and start-ups, and has been successful in cultivating a friendly-business atmosphere for their growth. However in order to maximise economic impact, it is necessary to shorten the wait list for tenants and increase profitability, productivity and efficiency by reviewing the tenant mix. It is difficult to devise win-win strategy under this quandary.

##### **3.2 Ensuring Profitable Outreach**

Some shops failed to generate as much profit as they had in D2 Place after they expanded to other locations. It’s necessary to design campaigns which can help shops identify their own edge and attract more regional and international customers.