



TRULOOKS' DILEMMA: TO CHANGE OR NOT TO CHANGE ITS DISTRIBUTION CHANNEL?



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This case was written by Waida Irani Mohd Fauzi, Darwina Arshad and Munirah Khamaruddin, Universiti Utara Malaysia. It is intended to be used as the basis for class discussion rather than to illustrate either effective or ineffective handling of a management situation.

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Prologue

1530, 26 December 2018
Kuala Lumpur

It was the month of Christmas; the season of joy when shopping malls are beautifully decorated. Adibah and her family visited a renowned shopping mall in Kuala Lumpur. Suddenly, a girl named Raisya greeted her warmly. Apparently, Raisya was one of the diehard users of her product, i.e., Trulooks.

Raisya : Hello Miss Deeba, how are you?
Adibah : Hello, I am fine, thank you.
Raisya : I can't believe that I meet you in person. I have been using Trulooks all this while.
Adibah : I am happy to meet you too and delighted to know you have been using Trulooks. How long have you been using it?
Raisya : I have been using Trulooks for two years now and I am happy with the results. Your products are awesome. I love the tinted moisturizers as well as the eyeshadow palettes.
Adibah : Alhamdulillah. I am happy with this positive feedback.
Raisya : Ummm, by the way Miss Deeba, I would like to make a suggestion. Would you consider setting up a physical store? Sometimes, I want to try the products before I decide to make the purchase.
Adibah : Oh, thank you for your suggestion. I appreciate it very much. Nice meeting you, Raisya.
Raisya : Have fun in Kuala Lumpur, Miss Deeba. Bye!

0800, 2 January 2019
Kangar

Adibah was sitting in her office and finalizing the incoming order for Trulooks. By looking at the figures, the orders received were consistent with the previous months. Deep in her heart, she knew that she had to do something about the status quo orders. Suddenly she remembered the suggestion given by Raisya and others customers last December as to whether or not Trulooks should set up a physical store as a strategic move forward for her products.

Introduction

Trulooks was a small enterprise and was still in the growth phase. Trulooks focused on cosmetic products, including normal and tinted moisturizers, eyeshadow and concealer. The company adopted an online sales strategy and via sales agents. In addition, Trulooks heavily relied on personal recommendations through the word-of-mouth of its customers. Although online selling seemed to be the trend, the idea of a physical store to further boost sales cannot be overlooked and must be given consideration. In a physical store, unlike online purchase of cosmetic products, customers can easily test and only then, decide to buy the products that work best for their skin. Besides, potential customers who prefer shopping through a 'brick and mortar' store or who face difficulty to access online sites might eventually end up not buying at all, resulting in Trulooks losing out on potential customers.

Background of The Company

The Trulooks Beauty and Cosmetics company was a local brand company in Malaysia. It started its operations in November 2016, as a small-scale enterprise, headquartered in Kangar, Perlis. The

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