

**T**HESE days, it's not enough for businesses to do just one thing. Or so it seems, at least, from speaking to two home-grown SMEs, whose core product – which could not have been more different: flowers and food – has evolved for each business to stay relevant and move with the times. The first is renowned Cantonese cuisine group TungLok, which recently ventured into non-Chinese dining concepts such as Slappy Cakes (a Portland pancakes concept spot) and Dancing Crab (a Louisiana seafood restaurant), as part of efforts to stay ahead of the competition. Then, there is Flower Matters, a local florist which also recently started its own flower arrangement courses so as to better engage customers and the community.

Why do firms bother with expanding their product line? For four reasons, according to Ian Linton of Demand Media. Product line expansion, he says, is first and foremost important to companies that have products in the late stage of their life cycle – a four-stage process that typically goes from introduction to growth to maturity to decline. Products are in the decline stage when they no longer meet customer needs or when their performance becomes inferior to products that have exploited newer materials or technologies, says Mr Linton. Thus, to avoid losing business to competitors with higher performance products, companies upgrade their existing products or develop new products that can compete effectively.

The second reason is market opportunities. Product line expansion allows companies to leverage opportunities in different market sectors, even those that they never thought of during the early days. For example, a pet food manufacturer might identify profitable opportunities to market pedigree versions of its current offerings, Mr Linton says, or an IT support consultancy might identify a profitable niche sector in troubleshooting domestic broadband services. In other words, companies can customise existing products and services or introduce new

products that match customer needs in their new target sectors.

Thirdly, it is to meet ever-changing customer needs. Mr Linton suggests using surveys or customer comments on social networks to draw valuable insight into customers' needs and preferences. A high level of favourable comments on a particular product feature, he says, is a good indicator of an opportunity for product line expansion. Inviting customers to collaborate or contribute to product development is also a great way to highlight opportunities and focus attention on development priorities, he adds.

Product line expansion, fourthly, can help to boost customer loyalty. Adding new products or variants of existing products lets companies sell more to existing customers, Mr Linton says, but without the effort and cost of acquiring new customers. To do this well, companies should research the purchasing records of existing customers to identify products that competitors are currently supplying. An engineering components supplier, for instance, can develop new products to manufacture or obtain products from other suppliers to offer customers greater variety, he says.

# EXPANSION PLANS

## MOVING ON

SYNONYMOUS with fine Cantonese cuisine, TungLok has since 1984 been proudly flying the Singapore flag and making waves in the global food scene. It all started 31 years ago, from a single restaurant specialising in fine Cantonese cuisine. Gradually, TungLok began to introduce other Chinese dining concepts such as seafood, vegetarian, northern Chinese, Hunan, Sichuan and more. Today, it has 25 restaurants in Singapore, as well as 14 brands and 15 outlets overseas.

"In recent years, we have further strengthened our manufacturing and catering business, and have also successfully launched non-Chinese dining concepts, such as Slappy Cakes and Dancing Crab. This signifies how we have moved on with the times," says Andrew Tjioe, executive chairman of the TungLok Group.

Dancing Crab is an American style dining concept which seeks to evoke a casual, lively and vibrant dining atmosphere. The menu revolves around classic seafood delicacies selected from the heart of Louisiana, as well as seafood dishes from other parts of the US. To complement the dining experience, the restaurant also offers a premium selection of cocktails and beers.

"Singapore is big on seafood... with the chilli crab being our national dish. Dancing Crab offers a new way to enjoy the Singaporean's favourite crustacean," says Mr Tjioe. "We have been serving chilli crab and pepper crab for a very long time now, starting in 1998 when we first opened TungLok Seafood. With Dancing Crab, we have managed to create a new style and taste in serving this favourite seafood dish, and this represents how we are able to keep giving our diners, especially the younger generation, something new to look forward to."

TungLok is also a veteran when it comes to working with international celebrity chefs. Susur Lee, a celebrated Canada-based chef and current judge of Masterchef Asia is a long-time business partner, for instance. The group has also been participating in the annual World Gourmet Summit (WGS) for two decades now. Mr Tjioe says: "Through such collaborations, our teams gain the opportunity to work with well-known international names in the industry. This helps to strengthen their knowledge, sharpen their skills, and expose them to international cuisine. It has also helped us very much in our cuisine creation and development."

In the history of TungLok's business, Mr Tjioe says that the group has scored several firsts in Singapore's dining scene. These include being the first to introduce "contemporary Chinese cuisine", with its individual plating service style; the first to receive the prestigious 5-Star Diamond Award from the American Academy of Hospitality Sciences; the first to conceptualise a fully-automated Chinese fast-food restaurant; and the first to use



**SEE FOOD**  
TungLok has moved from Singapore chilli and pepper crab to classic American seafood delicacies with Dancing Crab

robotic cooking machines for its catering business. "We are in the forefront when it comes to kitchen automation. We operate central kitchens to support our restaurants and to ensure sustainability, better quality control and efficiency," says Mr Tjioe.

Moving forward, he adds, TungLok is focused on internationalisation through franchising and partnership arrangements. Asked what sets TungLok apart from the competition, Mr Tjioe points to the group's ability to embrace product and concept relevancy, and evolve with time. "We have a good creative team that keeps churning out interesting products and concepts."

His advice for Singapore companies? "The way to keep going is to constantly innovate and stay relevant. Whatever you do must be what the consumers want and like. If you do something which the market does not understand, you are just wasting your time."



**PETAL DREAMS**

*Flower Matters now has three shops across the island and has started flower arrangement courses as a way to interact with its customers, says Ms Tan (right)*



# FLOWER POWER

FLOWER Matters is a florist in Singapore with big hopes that flowers will become a way of life in this country, just as it is the West where flowers, according to creative director Grace Tan, are an expression of different events in a day. But even with a dream this grand, it believes in providing a personalised shopping experience for each and every of its customers.

“Every bouquet that we arrange, regardless of value or size, we hope to bring something special to the person who receives it. That’s why we always encourage our customers to tell us a little bit more about the person receiving the bouquet, so that we can customise the flowers according to not only the occasion but also to the recipient’s preferences,”

says Ms Tan.

Launched in 2001, Flower Matters now has three shops across the island and has started flower arrangement courses this year – with its own staff as instructors – as a way to interact more closely with its customers. Ms Tan says: “It is a popular hobby among the masses now. They are

interested in the mechanism behind the arrangement as well as in acquiring the skills to create a masterpiece of their own.”

She adds: “Technology is taking a back seat here as flower arrangement cannot do with less or no human touch.” Nonetheless, the florist has implemented a point-of-sales system to better keep stock of its products, and recently upgraded its accounting software, when asked how it has adopted the use of technology to enhance its offerings and operations. “We also use WhatsApp to communicate and send pictures of flowers to our customers, as we realised this is much more convenient for them compared to using e-mail,” Ms Tan shares.

Flower Matters is now exploring expansion plans but “only if the right opportunity knocks”, says Ms Tan. “So time is not a criteria. We would rather take things a little slow so as to maintain the standard of our arrangements.” ■

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