



ENTREPRENEUR

## Keep Kalm And Carry On - How Shutting Down All Their Shops Saved This S'pore Brand



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Our love for vending machines is real.

These box shops have begun their invasion of Singapore, and we have been more than welcoming of the steely sights.

They're convenient, there are no pesky assistants, and with products all laid out in front of you, there's no time wasted in trawling shelves either. But vending machines have done more than automated shopping, they have also saved one company from ruin.

### Pivoting Before It Was Cool

When Kalms Records **first opened in 1964**, they were actually the top local retailer of American records.

Sometime along the way however, they decided that it was actually gift-giving that was in their blood.

So they pivoted.

By 1990, Kalms had become the Singapore poster brand for gift shopping. At the peak of their popularity, they boasted 10 outlets island-wide. But the rise of affordable e-commerce sites, the retail slump and rising operations costs have forced Kalms from their homes.

By end-2016, all their outlets effectively shut down, but that did not spell the end of the brand.



## Keep Kalms And Carry On

Kalms Singapore now has 25 machines across 7 'outlets', from International Plaza (Tanjong Pagar MRT) to the basement of Raffles City.



Kalms at International Plaza / Image Credit: Kalms

Termed Automated Retail Machines (ARMS), these machines only carry 10% of their total inventory of plush toys and jewellery.

But before you think this limiting, operating manager Masataka Mukai **describes** their cherry-picking as offering benefits that *“far outweigh [those] of operating a retail store”*.

Vending machines have also made them more agile, a crucial aspect in an era of digital shopping.

Flexibility allows them to relocate easily, and lower overheads saves them 70% in operating costs. Built-in monitoring systems also allow them to stay well-stocked.

*“We used 18 sqm of space compared to 250 sqm of space previously,”* Mukai says,

*“[This] generated about 50% of our previous turnover within the first 5 months.”*

But although they've closed all their outlets, Kalms still runs a 'gallery' in Kallang – a space carrying their complete product range of gifts.



Image Credit: Kalms

## A Future In Vending

Kalms isn't the only one to have found fortune in vending.

Chef in Box's ready-made meals are a prime example of how vending works, with the latter recently opening its **3rd space at Lakeside MRT station**.

New variations of vending machines have debuted, a prime example being **ShelfX Singapore**. This startup features glass cabinets with an automated payment system the moment you close the door. (Although a foreseeable pain point here is indecisive shoppers who risk exhausting the air-conditioning.)

And for higher-end goods, well, have you heard about the **15-storey vending machine** for luxury cars in Bukit Merah?



Image Credit: Fortune

The invasion of vending machines is unlikely to stop soon.



Featured Image Credit: Allevents.in

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By end-2017, they plan to set up 200 MORE machines. Kalms



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