

Wall mart passed toys

Business



Over the years the company has prospered as it became the number one toy seller in the United States and a number of international markets. Recently however Wall Mart passed Toys R Us to become the number one toy retailer in the US and with its emergence as the toy selling superpower Wall Mart has forced Toys R Us and its executives to change the way it operates. In fact, Euler has made some daring decisions that are beginning to pay off.

His first decision entails differentiating Toys R Us as a toy seller. Although Wall Mart routinely offers lower prices than Toys R Us, Euler has decided to use the company's position as a toy seller to its advantage.

The differentiation strategy involves remodeling a large number of stores including widening aisles and presenting toys in a more attractive way. This will cost the company a lot of money. Euler has also invested in Toys R Us employees through training and development so that staff can help customers in ways Wall Mart's employees cannot.

To highlight the differentiation Euler has also opened a new store in Times Square, New York. While these decisions may ultimately improve performance it is important to note that investments should be noted they are costly decisions. His second big decision involves selling online.

When the company began selling online it faced difficulties in maximizing sales on the internet. As a result they failed to deliver many Christmas toys that customers ordered not a good move. To overcome this problem Toys R Us formed a partnership with Amazon. Now using the online retailer's website to sell to customers, they provide Amazon.

Com with their product. This decision enables the company to access Amazon. Coma's enormous customer base - 1.8 million people vaults Toys R Us locations during the holiday period. It is clear that Euler has made some courageous decisions to improve his company's performance by remodeling stores, training employees and partnering with Amazon.

Com. He hopes his company will soon overtake Wall Mart as the number one retailer even more tough decisions.

Questions: 1. How do you think good decision making has contributed to the development or otherwise of Toys R Us? 2. Could Euler have used other decision making options to help make these decisions? 3.

What criteria do you think would be most important to Euler as he makes his decisions about the company's future? 4. Would you characterize the conditions surrounding Toys R Us as conditions of certainty, risk or uncertainty?