

Toys r us argumentative essay



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In the past ten years, Toys R Us has experienced thorough competition from other retail players in the market such as Target and Wal-Mart. This has caused the entire company and Toys R Us as one of its division to lose its share of the market and experience a tremendous decrease in sales. Toys R Us has had to come up with strategies that will enable it to increase the frequency of visits to its stores by customers which has dwindled with the increased competition especially from Wal-Mart which is commanding 25 percent of the market (Retailbyme para 2).

The division unlike its rivals who see customers return after every week has a return cycle of least six months. In an effort to address these issues, Toys R us has therefore come up with retail marketing strategies that are both targeting and are characterized by marketing mix. This implies that the strategies the division has come up with focus on its products, the price, the place they are to be sold and promotion of the products (Kotler & Lane 4).

One of the retail strategies that the division has come up with is to place all Toys R Us stores next to the stores of its Babies R Us other chain which has been experiencing rapid growth and experiences more customer visits. This move is aimed at increasing the stores' traffic as it is perceived that as customers will stop by the stores on their way to or from Babies R Us stores. The division and the company as a whole are also planning to close stores that are under-performing and pay way for the new format. The company will thus save on the cost of running stores that do not perform.

This money will then be channelled into constructing new stores next to those ones of Babies R Us. The division has also adopted e-commerce where it is doing most of its business operations including online shopping (Rothfeder

para 10-23). Following the success of Wal-Mart in adopting online shopping, Toys R Us has also done the same and launched a website 'Toysrus. com' which is aimed at enabling the company do internet retailing. This website is used for advertising the products the division has and their prices.

It also makes it possible fore online shopping to take place as customers can easily view the products, compare then with those of other companies, and place orders which are then delivered by the division (Rothfeder para 10-23). Online shopping is cheaper and more effective for the company. It has also enabled it to reduce its cost on marketing as advertising through the website is cheaper and reaches more people within a short time. The division intends to offer discounts and sales promotions on its products such that their prices will be lower than those of its competitors for online purchases.

Another retail strategy that the division has come up with is to invest in a marketing campaign as well as advertisement that will aim at making customers be aware of its mailing list on the internet. Web operations are perceived to dramatically increase the sales of the company as most people are turning to using new technology due to its efficiency. Toys R Us has also launched sections in its stores that sell all toys for less than \$3. This is in response to the economic hardship that has hit customers as a result of the current recession.

This strategy that is based on [price has greatly increased the traffic and sales of the company during this difficult time when most businesses are recording low sales. It can be concluded that Toys R Us retail strategy is aimed at offering competitive prices on their products and selling them at appropriate locations (Retailbyme para 4). The format (s) they operate under

Toys R Us operates by mainly by diversification. They not only produce one range of products but many of them so as to give customers a reason to come back to there stores (come for a different product).

The division also operates by offering discounts on their products so that they sell at lower prices without compromising on their quality. The division is basically market and customer based. It aims at satisfying customer needs. Toys R Us like most other industries operates such that they are able to change their retail strategies to adapt to changes in consumer behaviour. The division researches to see what customers need in products and places where the products are being bought from (stores). It then does modifications to meet these needs hence satisfy the customers.

Toys R Us is also looking both inside and outside the United States borders opportunities to expand (Sternquist 262-268). The company's future plans for growth. The brand is has embarked in diversification such that it wants to deal in groceries. As much as the industry is well occupied by other players, Toys R Us believes that its name and the competitive edge it has in the kids and toys market will enable it to succeed. The division also wants to design their stores such that they can have enough space for kids to hold birthday parties (Futurelab para. 4).

This will enable them to draw more customers to their stores hence increase the traffic and sales. Toys R Us also wants to increase customer visits to its stores by offering more products that are kid-focused such as babyfood, diapers, household cleaners, andhealthand beauty products amongst several other range of products that will customers more reason to visit the stores. The division looks to close down all stores that under-perform and upgrade

the performing ones in new formats and design that allow play and birthday space for children who whose parents would want them to hold parties and play from there.

The company also seeks to relocate its headquarters to Pointview which it invested in (Duell para. 4-13). The land is large and will enable it too build larger stores with more space for games, parties and sports for kids. Relocating to this new place creates opportunity for the company to grow in future as it will make it possible for all the seven divisions of the company to be located in one area hence making coordination of the company's operations more effective enhancing its growth (Duell para. 4-13).

Toys R Us is also focussed on e-commerce and is investing heavily in web operations especially online shopping. The division has identified the need to adopt the changes and development in technology in order to succeed. Investing in e-commerce is perceived to enable the division to grow now and even more tremendously in future. Word Count: 1000 Works Cited Brenda, Sternquist. International expansion of US retailers. *International Journal of Retail & Distribution Management*, 1997(25) 8: 262-268. Futurelab. 2009. *Marketing & Strategy Innovation Blog*.

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