

Business plan for toy shop

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BUSINESS PLAN FOR TOY SHOP BUSINESS PLAN KIDZONE TOY STORE

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The toy industry mainly concentrated in and around the metropolitan cities of New Delhi and Mumbai in India, is characterized by small-scale establishments. Of late, the toy industry has been internationalized. The application of new materials and technologies have added value to the variety of the toys. Today, the use of toys is unlimited.

They are used for decorations by adults and foreducation& play by children. Toys are also being used for entertainment and child development. Plastic toys, along with soft toys (mainly dolls) and board games, make up about 80% of the Indian market in value terms. The change that is discernible is the decline in Importance of board games (other than puzzles), which involve play by a group of children. Those in the trade argue that, with smaller family size today and the growing incidence of both parents working, there is little scope for board games, which families used to traditionally play together.

The emphasis these days is much more on toys, with which a child can play on his/her own. Market Dynamics of the Indian Toy Trade The Indian toy market exhibits some of the characteristics common to any toy market while others have uniquely the Indian character. Individual toys have a short life cycle. There is a constant need for novelty. Consumer tastes change rapidly. Resurrection of old toys does not work - a new content has to be added or altered. These rules, in general, apply to most toy markets internationally. In addition, the Indian market has its own angularities.

Toy sales in India have well defined seasonal patterns coinciding with the festival season. Generally, the time period from July to November is the high season with temporary surges in some States in December & March. Toy selling in India often involves selling to 3 individuals simultaneously, namely the child, who will use the toy, the mother, who is concerned with safety, space to play, etc. and the father who controls the purse strings. The market is also highly price sensitive. This trend has been reinforced by the entry of large-scale imports of cheap and novel toys from China.

These have mostly been unbranded, of low priced and indifferent quality toys. The past decade has seen the Indian toy industry making quick strides in terms of production and exports. At present, India produces a wide range of toys, namely plastic and mechanical activity toys, plastic and soft dolls, stuffed toys, board games, puzzles, educational games and toys, metal toys, electronic toys and games. It is estimated that the toy production in India is around INR 5. 50 billion in the organized sector and INR 12. 50 billion in the unorganized sector with nearly 20% annual average growth rate.

There are more than 3000 units in the small-scale sector including large number of units in the cottage sector. Some large/MNCs' toy units like the Mattel, Lego and Funskool are also present in India. With international quality toys available in India now, the average spending on toys has increased substantially and this process is supported by an increase in disposable income at the customer end. Introduction “ To every child, presenting a toy creates a special attachment between the two. ” We intend to satisfy the needs of the children mainly aged below 10yrs. y having an “ KIDZONE” as a part of organized retail, catering to almost all the trifling

requirements of kids. Service will be one of our main focus areas wherein we intend to have a “ play n feel the toys” zone attracting the kids to enjoy with toys. This facility will give a real feeling of amusement to children, hence attracting the kids and parents towards it. Thereafter we will also provide a babysitting facility for parents shopping throughout the mall and in the meantime the trifling needs of babies will be taken care of.

Secondly, we will focus on disintermediation of procurement channel by directly sourcing the finished products from the toy manufacturers mainly from China & other manufacturers from India. Most importantly we are looking forward to revolutionize the toy industry by having merged quality with fun wherein all the safety issues would be taken care ensuring the source of playfulness not becoming a hysterical item. Above all our long term goal is to make our retail outlets as a brand name well recognized in toy industry and increase the organized retail market share in toys segment.

Management Team Vishwanath Patil - Ajit Mangarulkar - Piyush Borde - Yogendra Bhosale - Kunal Dalal - Marketing Plan SWOT Analysis Strengths: Our business would impart touch & feel factor to the child We would impart child caring facility in our store where the parents can leave their child and go for shopping which will in turn lead to sales by having child for more hours in shops & can be addicted or fascinated to any of the toy Large & Growing Population (Market Size data to found out) - Age group between 0-8 years Maximum Loyalty towards shop

Demonstration Effect Higher Margins due to large imports from China, Hong Kong & other countries Wide range of products to choose Fewer bargains for the products Increase in disposable income of middle class Weakness

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Emotional attachment towards toy which leads to non repetitive buying Price sensitivity market Safety Issue in terms of lead contain, sharpness of toys etc Individual toy have shorter life cycle & consumer taste changes rapidly Opportunity Untapped organized sector which consists of only 10% of total toy industry. Better support from government

Demand for Educational toy in the market Threats Due to large expansion of MallCulture, there is increase in competition from the players Big Fish with deep pockets will able to sell products at competitive price (Entry of global brands) Marketing Mix The marketing mix is often summarized as the four P's - Product, Price, Place and Promotion. Product The type of product that would be placed in the store will be dependent on the age group. During the initial period the store would cater to age group of from the day child is born to 8 years.

The later as the store expands and capital is generated the store would cater to toys catering to people with age more than 8 years and toys for adult. The product that will be defined within age group is as follows 0-24 months: Teethers, squeaks, Tomy, balls, soft toys, baby education toys and others. Photos of some of products are given below. 2 years to 4 years: puzzles, cars, Helicopters Photos of some of products are shown below 4years to 6 years: Magic tricks, electronic cars and helicopters, electronic gadgets and toys of film stars and other famouspersonality, famous cartoon character, Barbie & others.

Photos of some of products are shown below: 6years to 8 years: Tricycles, Bicycles, and other ride on toys. Apart from that the musical toys and electrical operated toys will also be placed in the shelves 8 years to 10

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years: Board room games, chess and other family games would be the major attraction. The stuffed toys and Plush toys would be all time major attraction towards the customers. The above mentioned is only a part of whole list of offerings offered by the store. The main unique selling proposition would be the Indian touch in toys.

We will also try to procure the toys of famous personalities –all time legends like Shahrukh Khan from film industry, Dhirubhai Ambani from business, Narayan Karthikeyan from F1 racing like all the famous personalities in their respective fields will be incorporated as toys. The toys projected in any of Bollywood and Hollywood industry will also be major attraction for the customers. We will try to innovate and help suppliers to also make customized product if possible and thereby increasing the revenues.

The key to business will be continuous innovation in all product ranges. Price: The price of the product sell in the shop will depend on the sourcing and also the total cost of procurement. In the initial years of opening of shop we will not be having competitive pricing but the prices would be at par with other competitors in the market. After years of experience in the business and due to strong hold with the suppliers, we will be having a bargaining power with the suppliers and will try to sell product at lower prices compared to competitor.

We will be having Lowest Prices in the Town in one of product everyday to attract as many customers as possible. Moreover the product would be selling at par with our costing, so we won't be able to generate from the product sold at lowest prices. The whole list of prices with the name of the

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product is attached in the annexure 8. Place: The majority of the product would be procured from China and also some of the product would be procured from India itself. The main source from India would be Chennai, Noida and Mumbai. The sourcing from China would be in terms of imports via sea route.

The cost of procuring of the product is already been included in the financials. The time for procurement of goods would be taking near around 28 days from the day of placing of order from China and the procurement from Chennai or Noida will take maximum four days and from Mumbai it would take one day lead time. The toys would be stock in the store itself; there won't be any special storage place or another location of the toys. The toys would be readily available to the customers on demand if stock is available. Promotion:

The less effort would be required in terms of promotion as the store will be located in Thane East But still promotion will be required to create a buzz in the city which would be carried out by two means. 1) Print Ads in local newspaper. As maximum people in Maharashtra are habituated of reading of local newspaper, so the ads would be given in local newspaper on repetitive basis. The ads will also be given in other non local newspaper but frequency of ads would differ in both the cases. 2) Advertisement would be carried out in radio stations. Continuous announcement would be given in all leading radio stations like Radio Mirchi and Big FM.) Distributions of pamphlets would also be one of the marketing strategies for carrying out promotion. As in the initial period it is not possible to be present in all the malls, so distribution of pamphlets in all the malls will be carried out on weekly basis. 4) All this

promotion will in turn lead to Word of mouth marketing 5) In later stages of business the viral marketing will also be carried out. OPERATION PLAN
Location The location selected for opening an outlet is THANE (Maharashtra). Thane is the largest city in the state of Maharashtra and the The city is witnessing a major construction boom and population increase.

A rising centre of education, information technology and scientific industries, Thane remains the cultural and commercial heart of Maharashtra, and much of western India. The main reason behind selection of this city is the city is developing stage & we witness tremendous opportunity in the coming years. The real estate boom will be going to come in the city so we don't won't to miss the opportunity to be there within couple of years. The reason for selection of the city is its proximity to MUMBAI. The proximity to the city will help in reducing the transportation cost and increasing overall efficiency and savings in operations.

Type of Building The location of the shop would be in the shop in Thane (East). Amount of Space The amount of space needed would be around 2000 sq feet of area which would be more or less compared to any retail chains. The amount of space needed would be targeted in malls in the basement near around the entry of Reliance and Big Bazaar shops. We targeted the basement due to its cost effectiveness. The shop would be lease for 5 year period for the initial purpose and then if needed would be bought out. The general lease rental of the area in Thane (East) is around Rs. 30000 per month. Other Details

The business hours of the shop would last from 10am to 10pm as major. We see the timings to be getting extended at weekends. Moreover the timing

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would be subjected to the change. Lead Time The main source of supplier would be from the Shantou in China and from Shanghai in China. The other supplier from India would be the Hanung toys in Noida, Mattel Inc. in Chennai and also the Funskool India Ltd in Chennai. The cost of transport of freight from China to India ranges from 428 USD to 600 USD depending on the date of ordering. The other cost of transportation from Mumbai to Thane would be around 2000 INR.

The cost of procurement of consignment from Mumbai to Thane would be is 3000INR and from Delhi/Noida it is around 8000 INR. So the lead time if calculated to import from toys from China would be around one month and from procurement from India only it would take around one week from farthest place i. e. Chennai in India for procurement of toys. Sales Estimation Due to prime location of the shop in the malls we expect the sales to be reaching high in the weekends and also in the festivals. This figure comes from the fact that out of 15000 people visiting Thane East daily on an average, around 82% are parents and remaining are youth.

So out of 82% of total population we average that around 35% of parents would be with child who comes for the shopping. As mentioned that we shall be a unique adventure in the shop as a playing area specially allotted for the kids to play with the toys which ever they want out of majority of samples placed in playing area. The other advantage is that the child would be taken care of specially trained employees and all this package would come for free. We expect the shopping time taken by any parents would be around 1 hour.

So we provide facility for parents to leave their child to play in the shop and if they want they can buy the toy. We rely on the fact provided by the <https://assignbuster.com/business-plan-for-toy-shop/>

doctors that one hour is enough for a child up to 6 years to get addicted with the toy. Hence as a child gets addicted to play with the toy, they would force parents for purchase of same toy. We only expect 75 customers to get converted out of minimum 1500 people visiting per hour (which is around just 5% of total customers visited in the mall.) The other occasion for increase in the sales would be the festivals and also the Valentine's Day for the youth.

The shop target customer is up to 14 years but due to presence of Splush toys and also teddies and fur toys which stand attraction for the youth, so we expect the sales to increase in valentine day. Personnel In order to manage the day to day operations we along with three partners have decided to keep the following personnel for smooth operations. In order to reduce our fixed expenses we have restricted ourselves to six employees in the initial three months of our operations. However with time and requirement we shall keep increasing the strength. Number of employees: * Store Facilitators-02 Store Manager-01 * Housekeeper-01

Financial Details

Projected start up cost	Security Deposits	Monthly Rent	Salary to Staff	Purchase of Toys	Furniture and Stationary	Reserved
100000	30000	20000	250000	50000	50000	
Total Start Up Cost 500000						
Sources of Fund						
50% fund from Partners			50 % fund from State Bank of India 250000 250000			
Total Fund Raised 500000						
Projected Balance Sheet						
Liabilities Rs. Assets						
Rs. Capital 500000 Furniture Computer						
StockCash DepositeCurrent assets						
50000 20000 250000 50000 100000 30000 Total 500000 Total 500000						