

# [Build a bear](https://assignbuster.com/build-a-bear/)

Build-a-Bear atelier, Inc. is the foremost and the solitary international company catering “ makes your own stuffed animal”, It is a bilateral market of entertainment. It was founded in the year 1996 by Mr. Maxine Clark. Build a bear administered 351 company owned retail stores in the United States, Canada, United Kingdom and Ireland and 91 Franchised Retail Stores in International Locations – Germany, Japan, Australia, Denmark, Mexico, South Africa, Thailand, Singapore, Gulf States, Norway, Brazil and Sweden.

Their main idea is based on the guest making, personalizing and customizing their stuffed animals , they obtain profit by accepting the pioneer demands for experience based shopping as well as the far reaching imploration of stuffed animals. They offer a considerable and integrate collection of merchandise , along with over 30 different styles of animals to be stuffed and an ample conglomeration of clothing, shoes and accessories for the stuffed animals.

They advertise their products and frame a brand through interacting with media country wide which have a bull’s eye probability on parents and children. Build a bear has sold nearly 40 million toys till date. They are earning an annual revenue of upto $380 million and they also avail e-commerce facilities, which makes it much more easier for the customers , which helps in promoting the company globally and it is also atechnologyadvancement for the company. Company got itself listed on the New York Stock Exchange in the year 2004, which lead to 56% increase of the company’s stock price.

The functioning of the store is in such a way that, the entire store is designed like a theme park, which emphasizes upon the need of entertainment, self-esteem, belongingness to the children, who come with their parents to buy their stuff bear. The shop fulfills the children’s want of experience by making, customized, personalized bear through a multi stage process of CHOOSE ME: HEAR ME: STUFF ME: STITCH ME: FLUFF ME: NAME ME: DRESS ME: by the child. The company also provides facility for the children to decorate the bear with the accessories of their own choice.

Company provides children different clothing, sports items, and other accessories according to the demand of the customers. In this way, Build-A-Bear provides and experience a lot more entertainment to their customers and to their parents a healthy activity for their child. Build-A-Bear Workshop, views itself as a distinctive combination of entertainment and retail. Because it is mall-based, its competition is with other mall-based retailers that compete for prime mall locations, including various apparel, footwear and specialty retailers.

They compete with toy retailers, such as Wal-Mart, Toys “ R” Us, Target, Kmart and Sears and other discount chains, as well as with a number of companies that sell teddy bears in United States. Even though there is competition from the conventional retailers, build-a-bear has an clear advantage over them as; It sells the brand experience, highly interactive theme park techniques. It also Appeals to a broad demographic, in comparison to the other retailers. For the Build-a-bear, Marketing builds the trend and drives sales.

Keeping in mind porter’s five force theory when analysing Build-A-Bear it is evident that, the threat of entry of new competition is neither high nor low. However, due to the market power that Build-A-Bear has and the demand for stuffed animals, not many competitors would be able to survive. In the Teddy Bear industry, suppliers do not have too much bargaining power. A company like Build-A-Bear, who specializes in creating Teddy Bears, has a high demand for quality suppliers.

Suppliers of the materials do not have too many choices for competition and the products are not that difficult to produce. Build-A-Bear Workshop customers do not have much power because of the control that Build-A-Bear has in the market. There is no direct competitor to Build-A-Bear and this gives them more power to control and less power to the consumer. It is the dominant company in the industry and has control of the market. And also, Threats of substitutes or services is very low since Build-A-Bear is very different from its competitors.

Build-A-Bear’s biggest strength is that By being the first to venture into the untapped market for hands-on customization of teddy bears, Build-A-Bear has established itself as a market leader. And also the unique store locations and the unique experience it provides to its customers. The weakness can be pointed out as the high price of the Build-A-Bear toys when compared to other toy making industries and also if the store is busy, the customer may not have as much time to create their own stuffed animal as they would have if it wasn't busy.

There is huge opportunity for the company to succeed if they explore new markets in Asia and Europe. The company can also try tapping teen interests, rather than only focusing on the kids. They can also avail online buying facility, which will make the business more convenient. Threats to Build-A-Bear Workshop include the possibility of competitors entering the market and innovating the product. Also, the economy is a threat, as a stuffed animal is not a need, but rather a want. Whenmoneyis tight, a stuffed animal is not something that people need to survive.

The Build-a-bear process has several risks involved, few of which are; the financial condition and profitability could be affected, if the company fails to sustain the demand and interest. The future growth and profitability could be adversely affected if the marketing initiatives are not effective. Risk of decrease in the customer traffic generated by the shopping malls in which the stores are located. Decline in general economic conditions could lead to reduced consumer demand. Even though there are several risks involved, in overall the company is credible and efficient in what it’s doing