

Toys R' Us Rebranding Project Part 2

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Toys R' Us Rebranding Strategy

Brand Mistake

Toys R' Us primary mistake was its inability to innovate and evolve with their target customer into the digital age. When Toys R' Us first launched, it was enough to offer a seemingly endless selection and variety of toys because that was a sufficient differentiator. The results of our survey show that more than half of our respondents answered that the variety of product was what they liked best about Toys R' Us and the reason they chose them over other toy retailers. But in today's world, where that same variety (and probably more) is accessible and more easily searchable online, if you aren't constantly innovating and improving, you will be left behind and that's exactly what happened to Toys R' Us. In an article posted in Wharton University of Pennsylvania, an expert is quoted saying, "Toys R' Us has failed to innovate its business model, incorporate technology or adapt to changing consumer behavior" (Business Radio). Another article, posted by PR Week, said, "A modern successful brand needs to move with the times. It's important to constantly re-evaluate how best you can resonate with and excite your target audiences. Toys R Us failed to do this" (Tallett, 2018).

Toys R' Us became complacent in the fact that they believed they had created a brand that was so beloved that they didn't need to change. They relied on the perceived limitless brand equity they had amassed to compete with emerging competitors like Amazon, Target and Walmart. Of all of the attributes we asked our participants to rank Toys R' Us on, "innovation" consistently received the lowest score. By the time Toys R' Us realized that they needed to diversify the promotional mix to include a significant, user-friendly digital strategy, they were

too far in debt to make the investment needed to keep up with the competition.

We believe the most important lesson that we learned from our research and from this survey is that it is good to invest in and build positive brand feelings, however, if those feelings aren't supported by an innovative, strategic promotional mix and a unique, personalized experience for shoppers, it is not a model that is sustainable.

Toys R' Us appeared to have established five essential building blocks to build its strong brand but unfortunately, brand resonance never seemed to be met for Toys R' Us consumers. The brand was able to answer three fundamentals pretty well: the brand identity, brand meaning, and brand responses, but failed when it came to brand relationships. Their marketing tactics primarily focused toward children as their audience, but it's the parents that are the purchasers, not the children (Online Shopping Didn't). Brand resonance is the ultimate goal, consisting of intense, active loyalty, attachment, community and engagement, and Toys R' Us was unable to make it this far in the minds of its consumers.

Rebranding Campaign

Toys R' Us was unable to meet all of the needs and wants of consumers, and this failure to meet brand expectations led to its collapse. Toys R' Us succeeded in many areas, but failed in areas that mattered the most. The brand needed to diversify its promotional mix and invest in a user-friendly digital strategy to keep up with the rapidly changing times.

So, what should the company have done? According to Fast Company, "[Revitalizing the brand] would mean competing against both ends of the market: with massive online retailers like Target and Amazon who compete on price and convenience, through to local boutiques that offer

the personalized experience and trustworthiness many new parents seek” (Wilson, 2018). This rebranding strategy was created to help overcome the critical mistakes made by Toys R’ Us in its previous life in hopes to revitalize the brand and make it successful.

SWOT Analysis

<p>Strengths</p> <ul style="list-style-type: none"> Highly recalled toy retailer Easily recognized brand elements: logo, colors, jingle, name Superior toy selection Recognizable print and TV ads Positive associations and emotional responses 	<p>Weaknesses</p> <ul style="list-style-type: none"> Failure to innovate and keep up with evolving digital age Below average customer service Overpriced products Lacking point of difference among toy retailers Unable to reach brand resonance among consumers Didn’t evolve with target customer
<p>Opportunities</p> <ul style="list-style-type: none"> Further expand on transformational advertising Make purchase experience, both in-store and online, more enjoyable and personalized Community/charity work and public relations Utilize recognizable brand elements in future marketing Know target audience [parents, guardians, adults] and figure out their needs and wants 	<p>Threats</p> <ul style="list-style-type: none"> Competition from big box stores and online powerhouses that can afford to sell products at a lower price [ex; Walmart, Amazon] Ease of online shopping in today’s world Budget/Debt Consumers may never achieve brand resonance

Campaign Objectives

Specific and measurable objectives were created in hopes of revitalizing the Toys R' Us brand and addressing the primary brand weaknesses, mistakes and threats.

- Establish an online store that creates an efficient, user-friendly browsing and purchasing experience and builds brand loyalty
 - Increase sales via the Toys R' Us website during and two weeks following the launch of digital and social media campaigns by 3%
- Refamiliarize consumers with the Toys R' Us brand and strengthen associations that already exist in the minds of consumers
- Revitalize and/or introduce Toys R' Us social media channels
 - Increase account followers
 - Gain 1,000 Twitter followers in three months
 - Gain 1,500 Instagram followers in three months
 - Gain 500 Facebook page likes in three months
 - Create targeted Facebook advertisements
 - Increase visits to the Toys R' Us website from social media ad campaigns by 15% per month
 - Generate a 10% increase in conversions from social media ad to website purchase
 - Create a sense of community by placing an emphasis on user-generated content
 - Posting 1 UGC/week on social

- Monitor #ToysRUsKid weekly, if not multiple times per week
 - Report out on a weekly basis
- Drive a 15% increase in in-person traffic to Toys R' Us stores (imagining the stores are open and accessible to consumers) during and two weeks following the launch of digital and social media campaigns

Integrated Marketing Communication Strategy

If implemented successfully, the integrated marketing communications listed below should contribute to brand equity for Toys R' Us. In order to reach complete customer-based brand equity, first the consumer should have a "high level of awareness" with the brand and hold "strong, favorable, and unique brand associations" (Keller, p. 45, 2013). Significant brand equity can only be achieved by effective communication methods that leads to a relationship between the brand and the consumer; brand resonance.

All integrated marketing communications will adhere to the following criteria: coverage, contribution, commonality, complementarity, conformability, and cost (Keller, p. 220, 2013) to create the most effective communication rebrand strategy.

Prior to this rebrand, consumers were able to easily identify Toys R' Us and recall all of its brand elements including its logo, mascot, jingle, and color usage. The brand itself evoked feelings of happiness, excitement, and nostalgia. One of the goals of this rebrand is to refamiliarize consumers with the Toys R' Us brand and strengthen these associations that already exist in their minds and hearts.

Traditional media advertising

Television Advertisements

Although digital and interactive media has taken over in the communications world, the power of a television advertisement can't be overlooked. TV advertisements are beneficial in that you have the ability to accurately target the audience you're hoping to, you have a captive audience, many consumers trust TV advertising over other kinds of advertising, and more (Rush, 2019). This rebrand strategy will include TV ads that evoke positive emotions and encourage viewers to visit a local store in-person or head over to the website to view the wide variety of toys available for purchase.

Based on research from statista.com, the National TV broadcast networks upfront advertising CPM for the 2019/20 season is \$31.97. We want to run 3 spots per week for the first three quarters of the year (117 spots) and then increase that to 7 spots per week for the last quarter (91 spots) for a total of 208 spots for the year on the top 5 networks during a prime access program that average at least 150,000 viewers. Knowing the CPM is \$31.97, here is how we can estimate the price of our TV campaign for the year:

Estimated TV Ad Cost = (# of spots) (# of viewers in thousands) (CPM)

$$(208) \times (150) \times (31.97) = \$997,464$$

$$997,464 \times 5 \text{ networks} = \mathbf{\$4,987,320}$$

We also have the opportunity to take advantage of streaming television options that include commercials such as Hulu and Sling TV. This option also allows you to target your audience

better using their customer data. We would use the remaining \$5.4 million that we've allocated to targeting our ideal consumers on the programming that they tend to watch.

Consumer Promotions

To build a sense of community while providing a fun incentive for consumers, Toys R' Us will hold a monthly user-generated content contest. Via brand social pages, Toys R' Us will encourage consumers to post photos of their families having fun with Toys R' Us products and tag them in their favorites. One submission will be randomly chosen to win a shopping spree at the user's local Toys R' Us store location.

This consumer promotion encourages conversation and active engagement among users on social media and helps to create a sense of community within the Toys R' Us family, while also having the chance to win something.



Image Source: Building Blocks

Interactive

The Toys R' Us rebranding strategy focuses much of its efforts on interactive media, a component it wasn't taking full advantage of before. The revamped website and online store, the new and improved social media channels and social ads, and the video campaign make up the portion of the integrated marketing communications that will be the most important.

Website

Toys R' Us will establish an online store that creates an efficient, user-friendly browsing and purchasing experience that exceeds industry standards. To keep up with the demands of today's consumers, the brand needs to have the capacity to support online purchasing and not solely in-store purchases. The entire online decision-making process will be made easier and more efficient, and the website will be more user-friendly than it is now. The online catalog will be easy to find and will allow ease of browsing. In this new strategy, we want each purchase to be its own unique, meaningful experience.



Image Source: Buy Power Wheels

Social Media

Social media will be, by far, the most crucial component of this rebrand strategy. According to EdKent Media, there are five major advantages of utilizing social media advertising: improved brand recognition, improved brand loyalty, improved conversion rates, reduced market costs, and better search engine ranking (EDKENT MEDIA, 2018). Each of these five steps can be considered areas that Toys R' Us previously failed with or did not contribute to.

The first step in using social media to rebrand Toys R' Us is to revitalize all of its social media channels; Facebook, Instagram, and YouTube. A revitalization includes: clear and concise messaging and voice among platforms, consistency of brand elements, stronger dialogue with consumers, and constant listening and monitoring.

Rather than one-off posts and responses, Toys R' Us will implement a number of scheduled social campaigns that will complement the commercials seen on television and include consistent, easily recognizable brand elements. The brand will also consistently use #ToysRUsKid in each of their posts on a weekly basis, if not more than once per week. This should help the brand gain traction via hashtags and encourage customers to also utilize the hashtag to their advantage. The consistent use of the hashtag will also allow Toys R' Us to track social conversations and identify opportunities to open up two-way dialogue with its customers, creating a personalized experience for people who interact with them and fostering a stronger presence as an engaged brand. An example of a social media post (Instagram) can be found below. Facebook and Twitter posts would follow in a similar colorful and carefree fashion.



Image Source: El Mundo

Video

Toys R' Us will be strongly utilizing video in its new social media promotions. Videos will be created that embody what it means to be a "Toys R' Us kid". The videos will be consistent with brand elements, especially the bright colors and jingle, and spark emotion. Videos will also be used to add value for those customers who choose to engage with Toys R' Us on their social channels by giving "sneak peeks" at new arrivals or upcoming deals. The additional benefit of bulking up video content on the Toys R' Us YouTube channel is that all of that content can be reused on other channels to drive traffic to the YouTube channel or more importantly to the website in order to encourage buying. Establishing a regular posting schedule

that has value-added content on YouTube will hopefully inspire customers to subscribe to their channel and look forward to new posts every week.

Targeted Social Media Ads

In addition to organic social media content, Toys R' Us will be implementing social media ad campaigns within Facebook, primarily. These campaigns will have three objectives: drive traffic to the website and increase conversions, boost engagement, and increase video views. The target audience will be chosen based on demographics of the Toys R' Us audience and also by those who have recently made an online purchase. By collecting consumer information via online searches and purchases, we can reach repeat-consumers via targeted advertisements.

Toy Catalogue App

One of the specific consumer experiences that was identified in our survey was the happy memories that people had of going through the toy catalogue at Christmas and picking out the toys they wanted. We want to use a portion of the budget allocated for interactive marketing to create a toy catalogue app that would allow kids to have a similar tactical interaction with the catalogue in the digital space. The app would allow kids to turn pages, circle items with different color markers, create 'play'lists and even send items via text to their parents.

Public Relations

Positive reputation makes a huge difference in how consumers perceive the brand. Moving forward, Toys R' Us will include community relations activities in their integrated

marketing communications. Gone are the times of remaining silent and unseen. As a brand that wants to climb back on top of the industry, Toys R' Us needs to engage with its target audience by using their voice to make a difference in communities around the globe.

By implementing Toys R' Us Cares, a service and philanthropy effort, Toys R Us can take part in community events, nail down meaningful sponsorships, and make an overall positive difference.



Word of Mouth

Word of mouth among loyal consumers is always a bonus. If Toys R' Us can make enough of an impact in a consumer's minds that they want to talk about it and tell others, we've succeeded. In the new world of influencer marketing, Toys R' Us can tap into trusted third party sources to hopefully regain the trust and confidence that once allowed it to have a monopoly on the toy market.

Partnering with social influencers who have the eyes and ears of the Toys R' Us target market is going to be an important part of re-establishing its reputation. Allocating part of the marketing budget to supporting these influencer campaigns could provide an edge that previous marketing approaches lacked.

Budget

Based on [The CMO Survey](#), an annual survey of Chief Marketing Officers around the world, that the current average marketing spend is between 4-10% of annual revenue. The last available annual report to the United States Securities and Exchange Commission for Toys R' Us was for the fiscal year ending on January 28, 2017 and reported revenue of \$792 million. We based our marketing budget using the suggested range from the survey and the last reported revenue of Toys R' Us. Since we are proposing a new approach, we thought determining our marketing spend based on the conservative end of the suggested range would be appropriate. For our approach we suggest 6.5% of estimated revenue for the budget. Based on the last reported revenue of \$792 million, that would put our marketing budget at \$51.48 million. This budget would replace the current expenditures.

Find detailed category expenditures by media type below

Media Type	Expenditures	Percentage of All Expenditures
Television	\$10.3 million	20%
<i>Network TV Commercial slots</i>	\$4.9 million	

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<i>Streaming TV Commercials slots</i>	\$5.1 million	
Consumer Promotions <i>Shopping Spree Contest</i>	\$5.1 million	10%
Interactive <i>Social Media Facebook - Organic</i> <i>Social Media Facebook - Paid</i> <i>Social Media YouTube - Organic</i> <i>Social Media Instagram - Organic/Paid</i> <i>Toy Catalogue App</i>	\$20.2 million \$6 million \$4 million \$4 million \$4 million \$2 million	40%
Public Relations Toys R' Us Cares Sponsorships/Activities	\$7.8 million	15%
Word of Mouth Social influencer campaigns	\$2.5 million	5%
Content Creation	\$5.5 million	10%
Total	\$51.4 million	<i>100%</i>

How Rebranding Strategy Helps Overcome Toys R' Us Past Mistakes

Previous, our team identified Toys R' Us' primary downfall was its inability to innovate and evolve with their target consumers into the digital age. They relied too heavily on perceived brand equity and customer loyalty and thus neglected to utilize emerging e-commerce tools and resources that were allowing their competitors to not-so-slowly chip away at their market share.

Our integrated marketing strategy for the Toys R' Us rebrand not only allows the brand to take advantage of newer, faster, more efficient and user-friendly digital options, but it also allows them to resurrect the nostalgia of their brand legacy through thoughtful and strategic content creation and distribution.

By dedicating 40% of the marketing budget to interactive marketing opportunities, we are moving Toys R' Us into the digital age that their target consumer operates in. Utilizing social media and our app, we are moving their approach to a much more proactive model. We are providing information to the right consumer, on the right channel, at the right time, with the right message. And with the addition of an updated website that takes into consideration the user experience and buying behaviors, our social campaigns should convert more passive consumers into active buyers.

The key to this approach being successful is to not just put it in place, but to invest in the tools and resources to measure and track it. The point of evolution is not to improve once, but to keep changing and growing to allow for changes that are unforeseen. If Toys R' Us can dedicate its marketing efforts to utilizing digital tools and resources, measuring and tracking results and making adjustments based on the analytics, they will be poised for a significant comeback and could have the next generation longing to be a #ToysRUsKid.

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