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## Phil's Forum 4-2-06 Oops!

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Yesterday I learned that the Toy House has made a fundamental error in our business model.

I hope it doesn't put us out of business soon.

According to some "national experts" on retailing, everything we do as a business needs to be centered on creating "Repeat Customers" who come back often.

All our competitors are doing it. Just look at the merchandise they're offering.

Toys that offer no interaction with the child, nothing to engage their imagination or spur their creativity. Or toys made so cheaply they fall apart after only a short time.

There's a good reason for not selling better quality or more engaging toys – Repeat Traffic.

Yep, when the toy breaks or the child loses interest, what is a parent to do other than go buy more toys?

Once you stop laughing at how absurd this sounds, step back and think about it. You know that major manufacturers are studying everything they can to manipulate your shopping habits.

Lego once told me how they were "adding value" to their sets by putting them in bigger boxes. They actually told me that you, the customer, would see a "\$40 sized box for only \$30" and be more tempted to buy it. The product inside didn't change, just the size of the packaging.

And now major stores are scrutinizing everything from the music they play in the background to the color of the shopping cart handles to see how better to attract and keep your business.

A New York Times article actually talked about how the temperature in a store was an indicator of the pricing structure – the higher the price, the lower the temp and vice versa. Some of the uber-trendy stores in New York keep their thermostats set at a brisk 60 degrees – all year long! Somehow colder temperatures make the products more valuable. (I haven't read the full research yet; so we'll just keep it at a comfortable 68 here)

And in a time when traditional advertising (i.e. newspapers, TV & radio) reaches fewer and fewer people, stores are using every bit of research available to come up with an edge to get you in their door as often as possible.

Repeat Traffic.

That's what we're all aiming for.

So, I began looking at our business model. I re-read last fall's three-part series on "Saving Money" buying toys. I looked at Phil's Top Ten Toy List. I even looked at all my notes from staff trainings.

A pattern began to emerge. All of our teachings on buying toys is about getting stuff with long-lasting play value, quality products that last, that your kids play with a long time. Toys that you DON'T have to replace as often.

Oops. Less toys means... less trips to the Toy House... means less Repeat Traffic... Hmm... How could we have been so wrong for the past 57 years?

But as I always say when I goof up, it's not my first mistake, and it certainly won't be my last.

We'll just have to come up with some other way to get you back in the door.

Do red shopping cart handles really make you feel energetic?

Happy Shopping!

-Phil Wrzesinski