

Our green retail project: Selling toys for life



Elettra Benzi

Clémence Bonnet

Marco Candido

Daria Kuznetsova

Edoardo Miglioli

Jouvence Rose Monteiro

Thanh Thảo Lê Mai

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Our mission:

Producing sustainable and green toys of superior quality, which do not represent any danger for the health and the safety of the baby.

Our core values:

Responsibility



Friendship

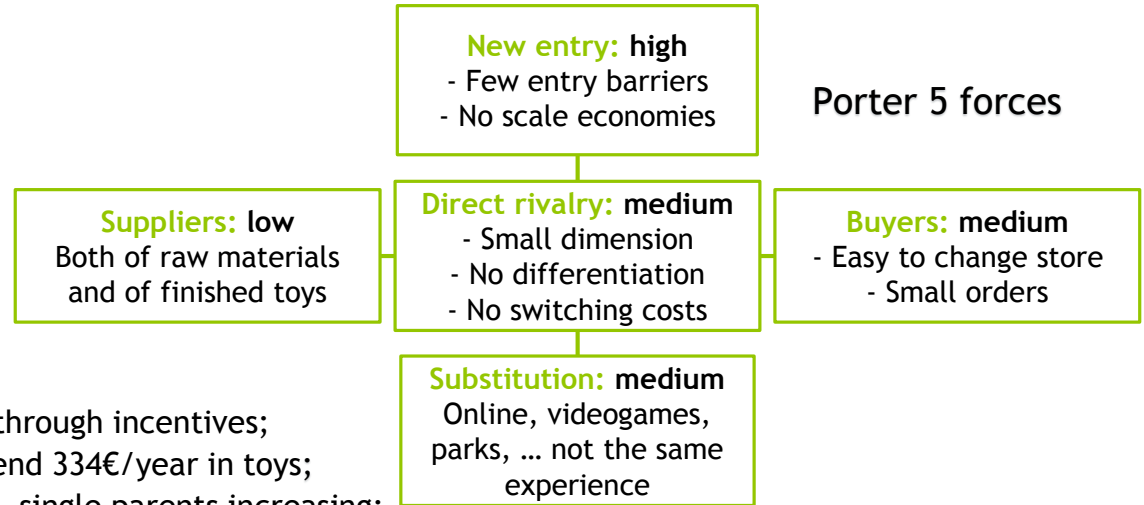


Education



Together, let's imagine a playful future!

An overall positive environment for launching our store



- P**olitical: Stable, fostering green through incentives;
- E**conomy: Good shape, parents spend 334€/year in toys;
- S**ocial: Like for made in Europe, single parents increasing;
- T**echnological: Innovation to be multichannel, costs lowering;
- E**nvironmental: Green awareness is increasing;
- L**egal: Safety in first place in Europe, protection against counterfeit toys.

The toy market seems favorable for new green initiatives, with incentives from the government and **parents' readiness** to invest in green toys. The competitive environment is neither favorable nor a bad one, with only the threat of new entry high.

Therefore, **innovation** and **differentiation** will be our key-words, to provide a **unique selling proposition**, **irreplaceable**.

The target: upper-middle class families

We made an analysis of the cultural, psychological, personal and social factors of people who may be interested in our offer.



Philippe (35 y.o.), Pauline (32 y.o.):

- They have two young children (3-5 y.o.)
- Good level of education
- Their income is average, but they earn to spend
- Increasingly environmentally friendly
- Socially and online connected, addicted to fun
- Interested in personalized and original toys.



Claude (49 y.o.) and Patricia (46y.o.):

- They have older children (9-12 y.o.)
- Good level of education
- Their income is high but they are money saver
- Recently became more environmentally friendly
- Not really online involved
- Interested in educational toys.

The store location

1st choice:
Rhône-Alpes

- Average income keeps on growing despite the crisis;
- 45% of the population is less than 35 years old;
- People spend 900€ more per year in consumption that the French average.

2nd choice:
Lyon

- Lyon is considered the most attractive city in Rhône-Alpes:
- The first business-friendly city in 2014;
 - Unemployment rate is 8,6%, lower than the national 9,7%;
 - Cheaper than Paris to settle in.

3rd choice:
The arrondissement

After having considered key-factors like cost per SqM, density population, number and density of competitors, etc. for each «arrondissement» we evaluated each arrondissement and the ones with the higher value were: 1, 3, 4, 8

4th choice
Where exactly?

The neighborhood in the 3rd arrondissement, near Montchat district: an area with many families, calm, many schools, gardens, few competitors.



Differentiation drivers

Traditional

PRODUCT

Safe, green and customized toys.
Parents will be confident about our pre-selection!

SERVICE

In-store info/advice, after sales and repair

Innovative

EXCLUSIVE IN-STORE EXPERIENCE

Fun, great time and education!!
in-store playground, workshops and special events

Suppliers



What we want:

- Toys made in E.U.
- Only green materials
- Philosophy and Image of suppliers consistent with ours

Potential suppliers who would fit with our positioning:

- Bioviva
- The Organic Toys Company
- Grimm's Spiel & Holz Design
- Myriad Natural Toys & Crafts



The assortment

Low Breadth

only toys that can be assembled: we want the kids to experience the creation of the toy.

High Depth

different genders for the dolls, different colors, different houses (in color, in size, in material), etc.

Higher prices than the average:

- High quality products
- Targeting upper-middle class
- Higher desired positioning than competitors

Puzzles

from 10€ to 100€

Dolls/ Characters

from 15€ to 60€

Building Blocks

from 20€ to 100€

From 3 to 12 years old the concept of the products will be consistent.

However, we will adapt the offered products not forgetting the age distinction, caring about the kid's development stage



For children 3+ : les coccinelles (*ladybug*)
Big pieces/blocks, easy to assemble, big puzzles



For children 6+ : les chatons (*kittens*)
More complicated toys



For children 8+ : les oursons (*bear cub*)
«cool» characters

Services

Logistic services

Facilitating our shoppers needs of stocking products, transport and time:


- **Opening hours:** no wasted hours, only when they need us!
- **Proximity:** as said before, we are in the best location possible

Informative services

Facilitating our shoppers in researching info about us:

- **Strong preselection:** we are so strict with our suppliers!
- **Assortment depth:** will reduce searching costs
- **Staff:** clear distinction of roles, evaluation.

The playground and the activities in it are core services as well!
Probably, the most important!!



- Playground
- Workshops
- After-sale
- Fidelity programs

Additional services

The playground - focus

The main activity

The workshops! Many activities, to make kids learn how-to-do!

From Monday to Friday

“After five” workshops in order to increase traffic during the week (can be made by subscription), for example drawing on dolls workshops, origami pets for dolls, building the furniture for the houses of dolls etc.

Weekends

Opportunity to **assemble toys in the store**. During the weekend, the flow of customer should be higher, therefore there is no need to organize events to attract people. Instead, we give the customers (kids and parents) to enjoy the experience of creating their own toys.

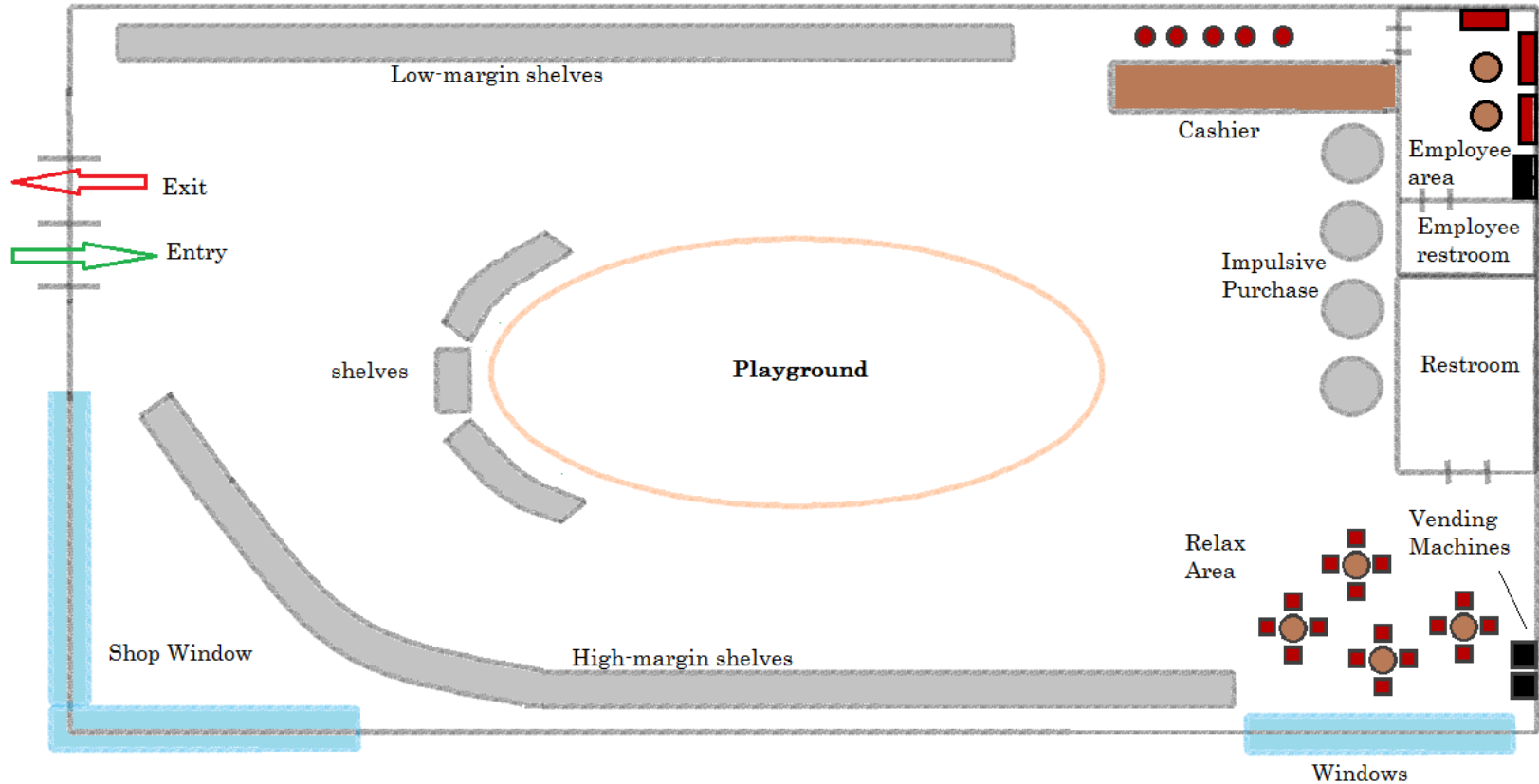
Other activities

Special events for younger kids

Events with schools
- such as scientific experiments

Birthday parties

The layout



The atmosphere in store



Promotion and communication

Our mascot:
the RED PANDA

From the zoo in Parc de la Tête d'Or,
it perfectly represents our
environmentally friendly soul



Communication
offline

Flyers and small posters,
of course environmentally
friendly!!



Launching event:
at Parc de la Tête d'Or:
Easter time, on
Saturday, with hopefully
a sunny day full of
families that will go to
the park!



Opening event:
in our store:

- Festive recycled paper decorations
 - Music
 - Free workshops
- Free organic food snacks
 - The mascot will entertain kids and parents

Communication
online

Website and most
used social media
as tools for parents
to gather
information!

BRAND AWARENESS



Feasibility analysis

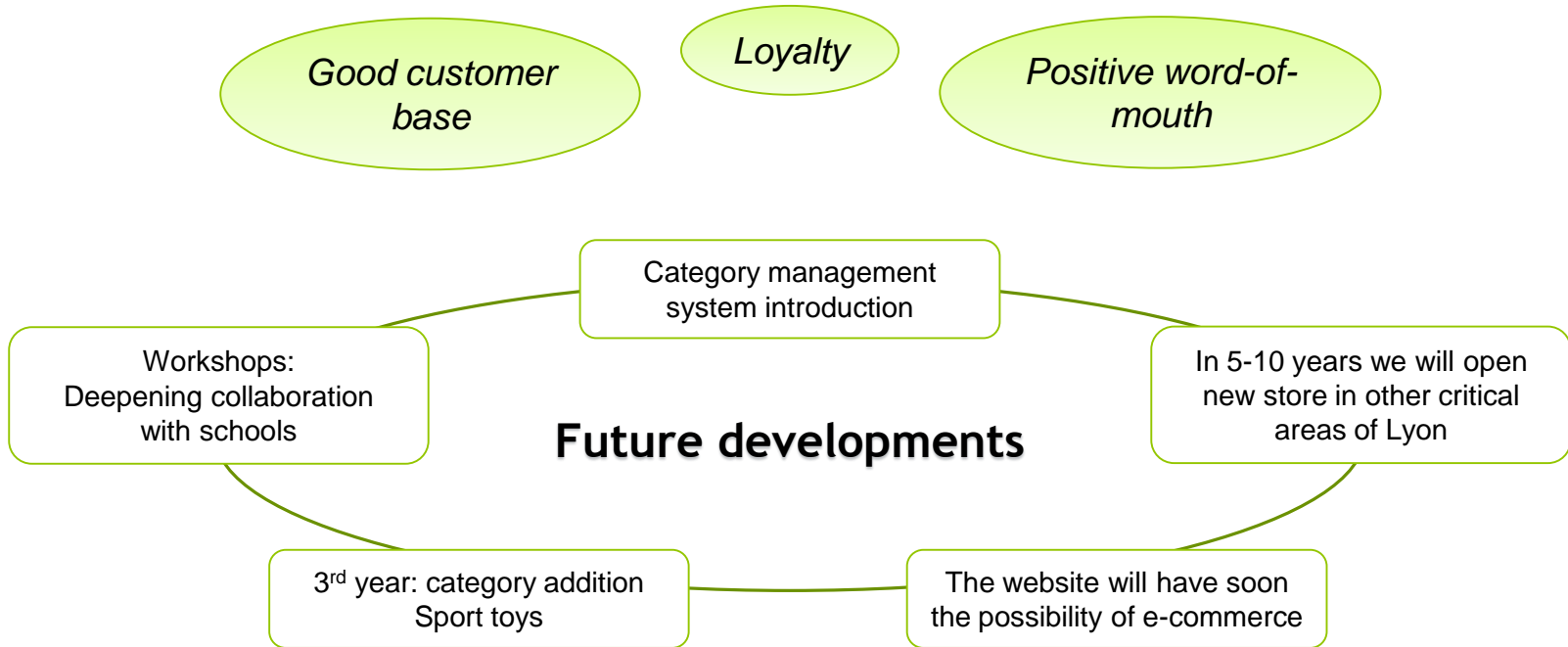
| | YEAR 1 | YEAR 2 | YEAR 3 |
|------------------------------|------------------|------------------|-----------------|
| Revenues from toys sold | € 196.000 | € 196.000 | € 296.608 |
| Workshop revenues | € 11.520 | € 24.000 | € 31.680 |
| Purchase | € 104.468 | € 104.468 | € 158.092 |
| GROSS MARGIN | € 103.052 | € 115.532 | € 170.196 |
| Operating costs | | | |
| Rent | € 37.656 | € 37.656 | € 37.656 |
| Personnel | € 84.633 | € 84.633 | € 106.048 |
| Furniture | € 5.100 | € 5.100 | € 5.100 |
| Communication | € 3.500 | € 218 | € 414 |
| Events | € 1.700 | - | - |
| Electricity, water, internet | € 3.051 | € 3.051 | € 3.051 |
| | | | |
| OPERATING MARGIN | -€ 32.588 | -€ 15.126 | € 17.927 |

- We estimated the Revenues starting from the annual expenditure per child on toys in France (334 €) and then we applied the following formula

$$\text{Total Revenues} = \frac{\text{Amount for traditional toys spent per child} * \# \text{ of children (3-12) in the area}}{\# \text{ of competitors} + 1}$$

- Regarding the Costs: we looked at both market prices and competitors (e.g. to estimate the cost of purchases)
- Regarding the Profitability Trend: we expect to become profitable from the third year. This is due to the increased revenues from both the workshop and the toys sold; indeed from the third year we will introduce a new promising product category (sport toys) that accounts for 52% of traditional toys market.

Conclusion: a project profitable in 3 years



Thank you for the attention