



Janie Chen,

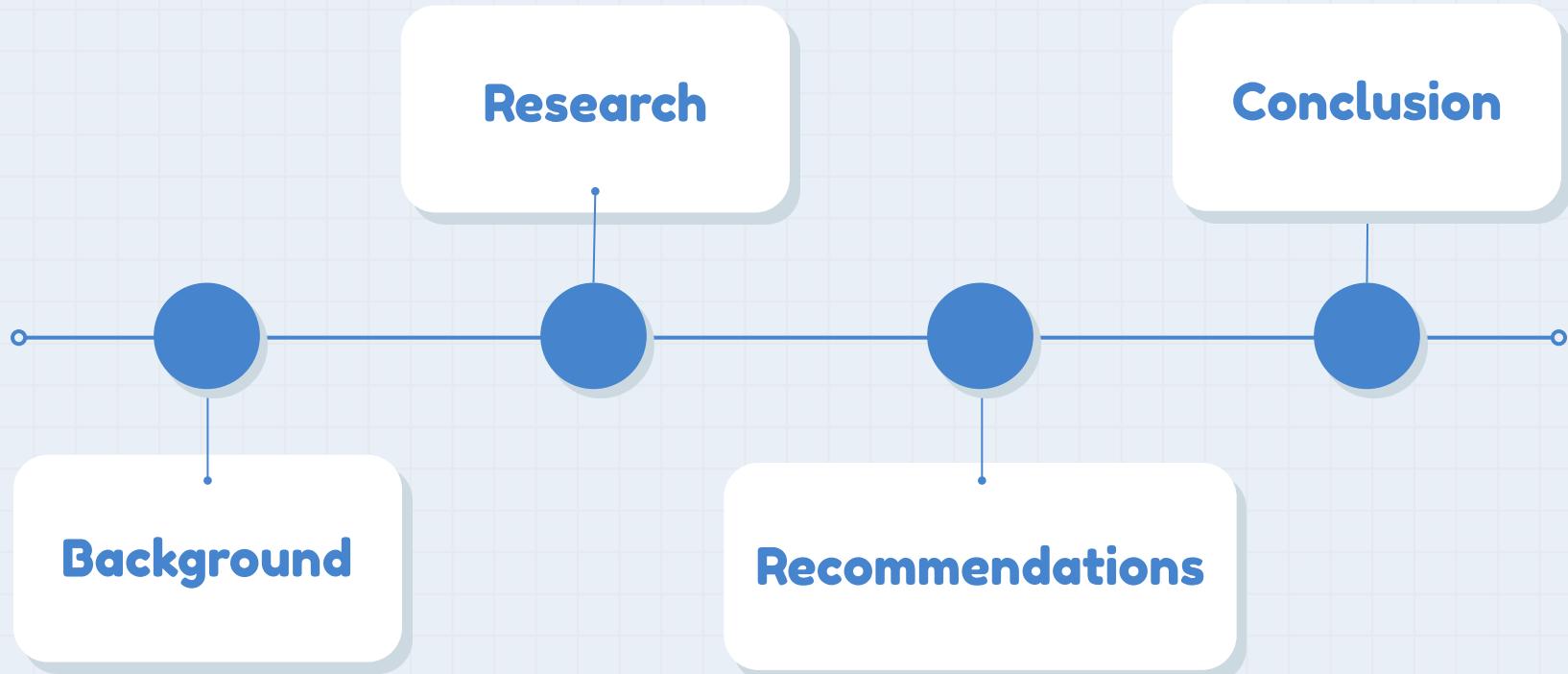
Meet the Team



Janie Chen



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Background



Company Overview



SWOT Analysis

Strengths

- Experiential unique brand position
- Brand recognition
- Highly customizable
- Diverse product line

Weaknesses

- Dependence on mall retail
- High price point
- Expensive operating cost
- Confusing transition to digital

Opportunities

- E-commerce and digital sales
- Collaborations and licensing

Threats

- Increasing inflation and wages
- Competition
- Supply chain impact



Market Analysis



Porter's Five Forces

Assessing Build-A-Bear's Competitive Landscape

Threat of New Entrants

- High capital for entry barrier
- Strong Build-A-Bear brand loyalty
- Regulatory compliances for safety
- Protected intellectual property
- Extensive distribution network

Threat of Substitute Products

- Alternatives: Squishmallows, digital toys
- Themed toys from movies/franchises
- DIY craft as a creative substitute

Bargaining Power of Customers

- Wide product availability online
- E-commerce growth enhances choice
- Social media influences brand reputation



Porter's Five Forces

Assessing Build-A-Bear's Competitive Landscape

Bargaining Power of Suppliers

- Varied supplier concentration
- Unique materials increase leverage
- Global supply chain complexities

Intensity of Competitive Rivalry

- Numerous established toy competitors
- Innovation & product development race
- Digital & physical retail competition



Marketing Problem



Mall Retail

- Build-A-Bear's first brick-and-mortar strategy exclusively in malls
 - Death to retail, but even worse for the mall
- Current expansion into tourist zones, outlet and department stores, theme parks
- Online experience far different, less interactive than in-person



Digital Reach and Message

- Build-A-Bear's high prices are not justified by their online shopping experience
- Limited partnerships and collaboration, as well as in-person stock availability detract from sales and general audience reach



Research



Scope

Geography: North America

Consumers Aged 1-26

Method



Secondary Research

- Porter's 5
- 3 C's
- HistoricalXQ info
- Financial docs



Interviews

- 10 interviews
- 20-40 years old
- Not regular buyers
- Not familiar with After Dark



In-Store

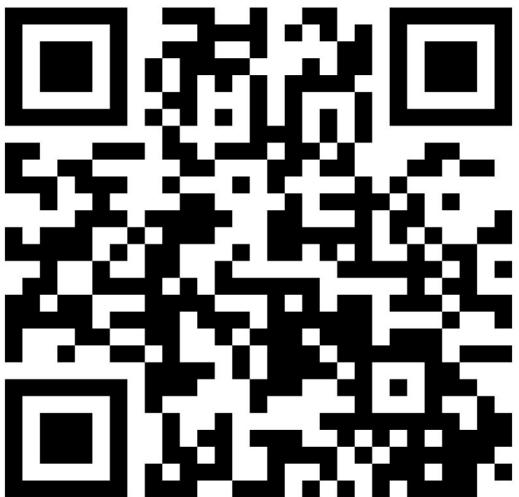
- Walked through process
- Conversed with employee
- Gathered photos



Marketing Analysis



Word Cloud ACTIVITY!



child

heart

experience
activity

customizable
clothes fun
mall special
family

messages
bear
celebration
emotional
stuffing
nostalgia
childhood

gift

bear

celebration

emotional

nostalgia
childhood



Secondary Research Insights



Location, Location, Location

- 30 mall locations closed in two years
 - Macro trend
- Align with experiential brands (theme parks, Great Wolf, tourist hubs)



Online Success

- Boosted sales during pandemic
 - Success through exclusive partnerships and collaborations
 - Different business model than brick-and-mortar



Interview Insights



7 out of 10

Possess only ONE Build-A-Bear

7 out of 10

Do not purchase because of the high price tag

3 out of 10

Would purchase a bear for themselves
or another adult



Key Insights Driving Our Strategy

100%

of interviewees believe the building experience is Build-A-Bear's UVP



of interviewees feel negatively about moving the store online



Marketing Analysis



Assumptions

- After Dark is not revenue source
- Experience is not same online versus in-person
- Interviewees represent all Build-A-Bear customers
- No major economic changes in the near future



Limitations

- Convenience sampling
- No research budget
- Only went in-store to Barton Creek location
- Could not access all financial reports



Recommendations



Vision & Objectives

Vision

Strengthen Build-A-Bear's brand,
make it a part of culture, and
“add a little heart to life.”*

Objectives

1. Increase Customer Loyalty
2. Return to Pre-Pandemic Sales
3. Increase Perceived Value



Channel & Brand Strategy

Amplify Experiential

In-Person Experience

Store Remodeling
Classes & Events

Simplify Online

Lessen Offerings
Focus on Accessories

Expand Collaborations

Nostalgia Marketing
Cross-Promotion



Part One: In-Person Experience



Store Experience Mood Board

For a more memorable experience enhancing Build-A-Bear's brand equity and unique value proposition



**"Fun" "Experience"
"Childhood" "Joy"
"Memories" "Cute"**





In-Person Experiences

Workshops

Give parents & children a reason to come back

- Offer diverse packages: family workshops, group workshops



Events

Make Build-A-Bear the go-to place for celebrations and experiences

- Advertise special occasions and promotions





Part Two: Simplify Online



Simplify Online

Take out the regular bears from the web

- Helps maintain the brand image of build a bear
- Maintain the high price

Sell accessories and already stuffed bears

- Sell the products where there is no in-person experience
- Make it premium by selling special bears and collaborations
- Allows to maintain premium price



Part Three: Expand Collaborations



Strategic Collaborations: Expanding Build-A-Bears Horizons

Increased Brand Visibility and Appeal

- Collaborations with iconic brands.
- Exclusive lines with cultural trends.
- Expanded marketing reach.

Enhanced Product Diversification

- Themed bears for varied interests.
- Limited artist series.
- Collector edition bears.

Leverage Nostalgia

- Vintage-themed collections.
- Anniversary commemorative editions.
- Cross-generational product tie-ins.

Cross-Promotional Activities

- Joint brand marketing campaigns.
- Co-hosted events and experiences.
- Social media influencer partnerships.



Expanding Collabs to Target Older Generations Instead of After Dark



Child-Friendly





Conclusion



Thank You!

Any Questions?

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