

一. 個案分析 (50%)

底下為一個案, 請您在看完該個案後, 依序回答該個案內所提的三個問題, (每一問題為10%)

### Company Background

Toys R Us, Inc. is a children's specialty retailer concentrating on toys and children's clothing headquartered in Paramus, New Jersey.

Toys R Us is, by all accounts, the largest toy retailer in the world, with about 20-25 percent of the U.S. market, and 2 percent of total international sales. It was founded in the late 1940s by the current chairman, Charles Lazarus, as the first "toy supermarket," and was acquired by department store chain operator Interstate Inc., in 1966. Interstate went bankrupt in 1974 after becoming overextended through buying a number of discount chains, but it continued to build more Toys R Us stores through a court-ordered reorganization. After this was finished in 1977, Interstate divested all its other assets and became Toys R Us, Inc.; Lazarus became chairman and CEO. Toys R Us grew fast through the late 1970s and 1980s by an aggressive expansion campaign which undercut existing retailers. The first Kids R Us stores were opened in 1982; and the first international stores were opened in 1984. Since going public in 1978, sales have risen every year, although earnings showed only nominal gains between 1989 and 1991.

The company currently operates 1,037 stores, with 581 Toys R Us stores and 217 Kids R Us stores in the United States, and with 234 Toys R Us stores operated through international subsidiaries in 18 countries. Sales in 1993 were \$7.9 billion, making Toys R Us the 50th largest retailer in the world and the 22nd largest in the United States. By comparison, Japan's largest retailer, Daiso, had about \$14 billion annually in sales. After-tax profits of \$483 million were realized in 1993, and 18 percent of total sales and 14 percent of profits were from the international operations.

### Company Strategy

Toys R Us has succeeded by using a "category killer" strategy, which combines strong advertising to promote name recognition and discounts on the most popular items (loss leaders such as diapers) to create a perception that everything is discounted, with large stores offering a wide selection of brand name merchandise. Such stores are the progenitors of the low-cost, low-service, warehouse-style discount store concept that is currently taking a large share of the U.S. market. In the United States, a computerized inventory system is used to track demand on a regional and store-by-store basis to maintain low standing inventories and capitalize quickly on trends. This system is being upgraded with even better communications technology and improved regional warehouse facilities. Toys R Us also owns and operates its own fleet of trucks, to save on shipping. Industry power from the high market share is occasionally wielded by

Toys R Us to keep its producers in line. Prices on most goods are competitive with other retailers, but in general they are not deeply discounted. Over the past year, Toys R Us has used coupon promotions aggressively in the period before Christmas to increase market share over their major sales period.

### Toys R Us International

The long-term strategy for Toys R Us is to expand primarily in international markets. Toys R Us International operations follow the home country strategy, but as competition from other large-volume discount-type stores is less in most of the international markets, prices are correspondingly higher. Inventory is chosen with more than half from the Toys R Us U.S. inventory, and the rest is chosen to reflect local tastes. As of 1993, Toys R Us has started making franchising deals to enter foreign markets with local partners; deals to enter six such markets have been made, primarily in oil-rich developing countries in the Middle East. Of the 115 stores Toys R Us plans to open over this year, 70 will be in other countries.

(背面仍有題目, 請繼續作答)

### The Japanese Toy Market

As in many product categories, the toy retail market in Japan is dominated by small specialty stores and general retailers. Of the 29,413 stores which had toy sales as a significant percentage of overall sales in 1991, 11,628 were toy and hobby specialty retailers (including computer game shops), and 12,582 were small general retail shops; an additional 2,772 were convenience stores, and 1,227 were large toy specialty retailers; less than 500 larger general retailers made a significant portion of their income from toy sales. By comparison, in 1987 the United States had only 9,629 stores which fell into the specialty retailer category, and a significant percentage of total sales were made by large general retail chains such as Kmart, Sears, and Wal-Mart.

Japanese statistical reporting does not separate toys from other leisure goods, but statistics indicate that yearly sales for toys, sporting goods, and musical instruments were approximately ¥3.3 trillion (\$25 billion at 1991 exchange rate of ¥130/\$1) in 1991. The largest exclusive toy retailer in Japan, Kiddyland, had 1992 per store sales of ¥230 million (\$1.8 million) from 52 stores for a total of ¥11.96 billion (\$92 million), as compared to Toys R Us' \$7.9 billion from 1,032 stores (\$7.6 million per store). All in all, there are 21 toy/hobby store chains (defined as having more than one store) in Japan, with the largest, Pelican, having 71 stores.

The 29,000 toy and sporting goods retailers are serviced by a network of 3,692 wholesalers and deal almost exclusively in Japan-made products. There are upwards of 15,000 toy manufacturers in Japan, but only six of all of these (including game giants Nintendo and Koel) employ more than 50 people; the vast majority are one or two person operations. The most popular products are computer games and dolls or toys with linkages to animated television characters.

The average Japanese household spent ¥83,724/year in 1992 (\$650) on health and leisure products (again, the two are not differentiated in statistical analyses). There are approximately 39 million households in Japan, which ranks Japan with the United States and Europe as one of the three largest and wealthiest markets in the world for leisure products. In general, they are motivated as much by quality as by price, and show a preference for established brand-name merchandise over lesser known goods.

### Barriers to Entry

Before Toys R Us entered the Japanese market, a number of issues were pointed to and voices were raised to suggest that Japan was not ready for the retailing revolution Toys R Us represented. The issues took a number of forms: suggestions that Toys R Us would not be able to get the necessary permissions and empty space it needed to open huge stores; statements that major Japanese manufacturers would not be willing to enter into direct deals with Toys R Us, instead preferring to work through middle wholesalers and preserve their traditional trade links; analyses that claimed that Toys R Us, like many other multinationals, would find that the tools which worked so well in the rest of the world would come up short when confronted with the sensitive Japanese consumer; and contentions that discount retailing was antithetical to the Japanese psyche, which linked quality with price, and so Toys R Us, by competing on price, would class themselves out of the market.

### DISCUSSION QUESTIONS

1. What is the basis for Toys R Us success in the United States?
2. What are the problems in transferring Toys R Us firm-specific advantages to a foreign market?
3. Why should Toys R Us internalize the firm-specific advantages rather than licensing another retailer abroad?
4. Does Japan look like a good market opportunity for Toys R Us?
5. What are the entry barriers into Japan? Any culturally based barriers, in terms of how to do business? Do you think there are any cultural obstacles to product acceptance?

- 二. "國際網路(Internet)的蓬勃發展, 對於企業進行國際行銷工作, 會有那些有利與不利之影響?" (15分)  
 "並請任舉一個行業, 說明上述的影響。(10分)"
- 三. "請以資訊產業為例, 說明該產業經營環境的特性為何?" (10分)
- 四. "在此經營環境下, 產業內的廠商在「規劃、組織、領導」等方面向該如何去因應, 並請說明為何該如此去因應?" (15分)