



Displaced Toys “R” Us Shoppers: Where Are They Now?

At inMarket, we’re constantly working with top brands to implement digital strategies that drive sales in the real world. This ‘convergence’ of new strategies disrupting established retail locations is something that is becoming increasingly important for businesses to master if they want to thrive, or even survive, in the modern climate.

One of the largest shifts in the retail landscape happened mid-2018, with Toys R’ US closing all of their stores. Many factors caused this event, however the largest was undoubtedly their inability to create a solid digital strategy that could counter the likes of Amazon, Walmart and Target. Despite their decline, Toys R’ US still represented an extremely large portion of toy sales nationwide and with their demise, a huge opportunity for remaining retailers.

In this inMarket inSights report, we first identified former TRU shoppers: consumers who visited Toys “R” Us stores at least three times between January 2017 and the chain’s [nationwide closure](#) on June 29, 2018. We then looked at which chains are attracting the most net new shoppers from this audience as a percentage of their total visitation in Q3 2018. We also looked at total crossover percentage from TRU shoppers at major retailers.

To learn more about inMarket’s advertising programs, or to request visitation analysis for a specific chain, please contact us today.

Based on inMarket Location Data

Brand	Percentage
American Girl	1.80%
Lakeshore	1.51%
Learning Express	1.16%
Kmart	0.99%
LEGO	0.90%
HobbyTown	0.85%
Papyrus	0.67%
Build-A-Bear Workshop	0.57%
Disney Store	0.56%
Hobby Lobby	0.46%

[illegible]



The Big Winners? Specialty Retailers

American Girl, famous for their dolls and doll clothes, has attracted the most net new foot traffic from displaced TRU shoppers since the national closures in June 2018. This is indicative of a larger trend in which specialty toy retailers — including **Build-A-Bear**, **LEGO** and **The Disney Store** — stand to benefit this holiday season as shoppers look to fill the void left by Toys “R” Us.

Educational Toy Retailers

Learning Express Toys and **Lakeshore Learning Materials** — both toy chains with a focus on educational toys — have naturally absorbed some of the displaced TRU traffic post-closure. Because these chains are smaller (~125 locations for Learning Express, and ~60 for Lakeshore), the impact on their business is magnified. In particular, Learning Express has its sights set on expansion, and local news outlets are taking notice: The Morning Call (Allentown, PA) [recently said](#) the chain is “taking over the Valley.”

Larger Chains

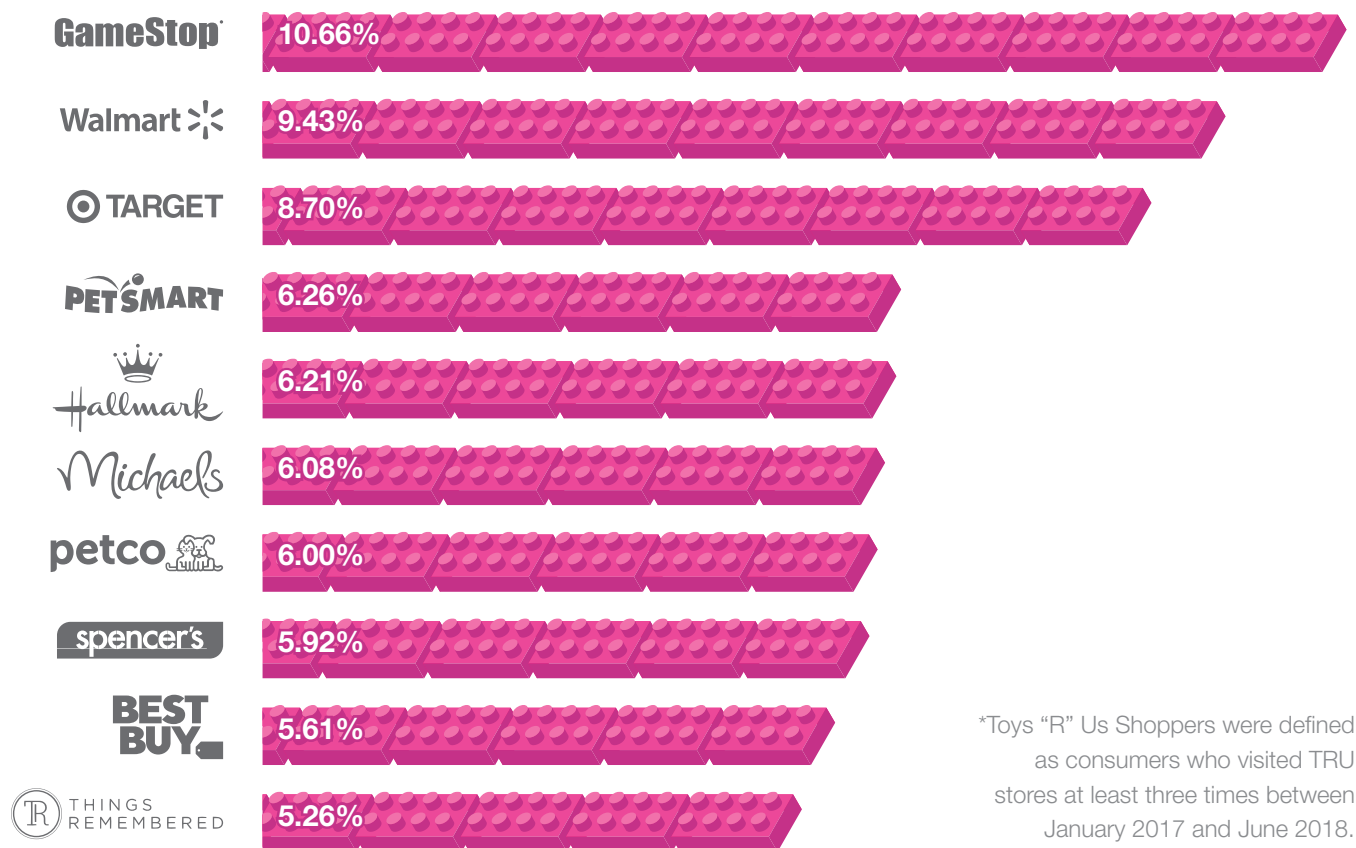
Kmart, currently embroiled in the bankruptcy of its parent Sears, gained just under 1% of net new traffic from former TRU shoppers in Q3. The small bump in traffic is unlikely to change the overall outlook of doom and gloom at the struggling chain. **Hobby Lobby**, with 800+ stores, rounds out the Top 10 with a modest bump in traffic since the TRU closures.

What about Walmart and Target?

It’s been [widely reported](#) that both Walmart and Target are vying for former TRU shopper dollars this holiday season, and they’re likely to get it -- but not because of new foot traffic from displaced TRU shoppers. These chains already shared significant crossover traffic from TRU, which has made the impact of the closures less obvious in the foot traffic data. This is reflected in the below table, which shows the percentage of total traffic (not new gains) that came from former TRU shoppers in Q3 2018:

Total Toys “R” Us Shopper Crossover — Q3 018

Based on inMarket Location Data



In Q3 2018, **GameStop** received the most foot traffic (as a percentage of its total traffic) from displaced TRU shoppers, although these shoppers were not new visitors. GameStop will likely see a spike in sales from former TRU shoppers who have one less place to buy their video games and accessories.

Both **Walmart** and **Target** had high crossover from TRU shoppers in their existing traffic. For these chains, the challenge is less about attracting the displaced shoppers over, and more about ensuring they spend those former TRU dollars in their stores.

Note that for this study, inMarket has defined Toys “R” Us shoppers as consumers who’ve visited the chain *at least* three times between January 2017 and the closures in June 2018. The crossover percentage of shoppers who’ve been to a TRU just once and also shopped at these major chains is much higher.

As the only location intelligence platform with 3rd party verified reach, inMarket fosters one-to-one relationships with customers at scale, at the most important moments leading up to a purchase. For more information on how you can still drive sales with inMarket in Q4 2018, [contact us today.](#)