

Understanding People

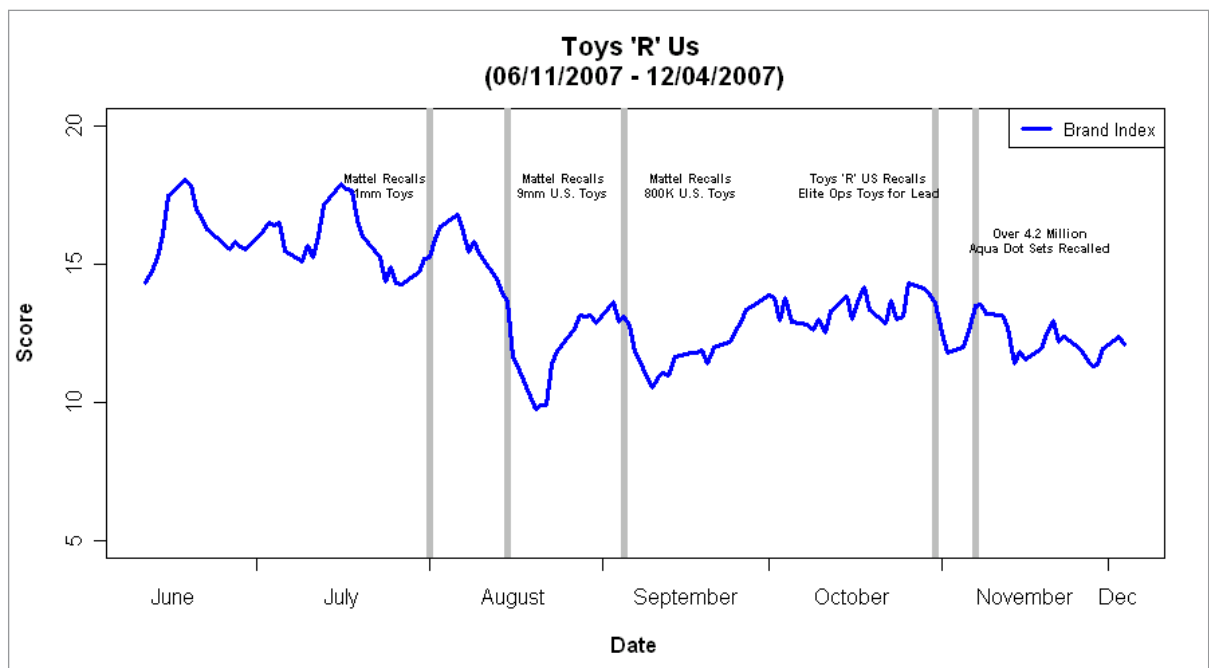
Case Study: Toys 'R' Us



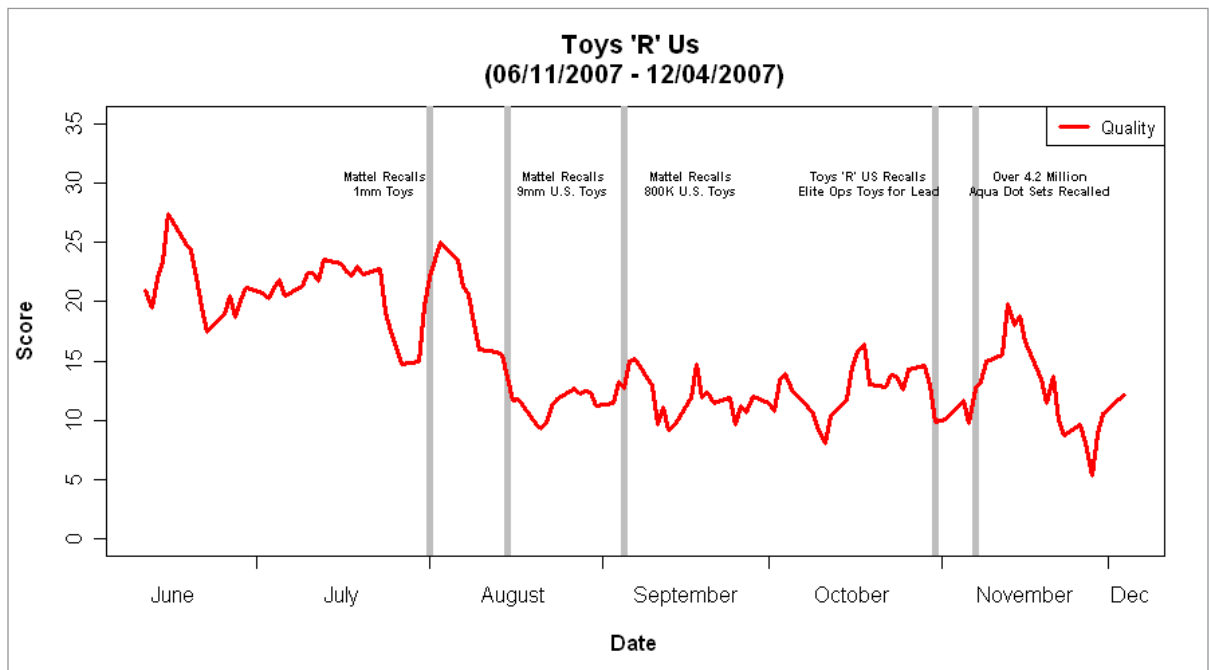
Toys 'R' Us

Repeated toy recalls impact Toys 'R' Us Brand Health – potential to impact holiday sales

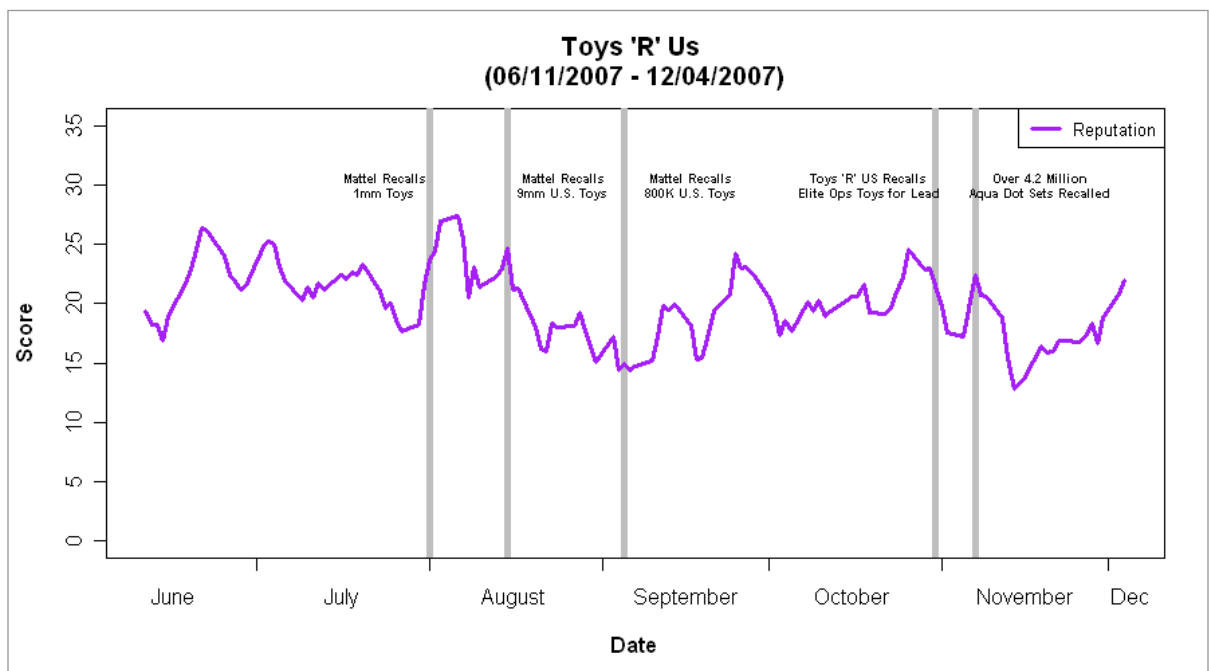
- Wave of Mattel recalls push Toys 'R' Us BrandIndex score to new lows in August
- In September, BrandIndex partially recovers and seems to settle at a new (lower) level in October
- A second round of recalls (Elite Ops and Aqua Dots) hits the BrandIndex score again at the beginning of November...
- ... Entering crucial holiday shopping period, Toys R Us' sales may be impacted



Quality scores have been impacted the most by the recalls – falling by approximately 50%



Reputation scores displayed initial resilience, but have suffered since the most recent recalls



Likewise, Loyalty scores have fallen since the latest recalls – potentially impacting future prospects

