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Toy shop must be special to survive

By Jon Ortiz - Bee Staff Writer

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Donald Snyder has been in the toy business for 25 years. Town & Country Village, where he leases 3,600 square feet, has been around for 60.

This holiday retail season, store owner and shopping center share a common challenge: How can they compete in the era of the megastore and megamall?

Starting on Black Friday -- the day after Thanksgiving, when retailers traditionally begin showing profit -- the stakes for Snyder and his landlord are particularly high.

Snyder's store, Carousel Toy and Party, gets half of its yearly business during November and December. Meanwhile, Town & Country Village, at Fulton and Marconi avenues, heads into retailers' busiest weeks with nearly one in five of its spaces empty, including the former Scofield's furniture store.

"The vacancies are worrisome," Snyder said. "After all, I've got all my marbles right here."

Independent toy stores like his are as hard to find these days as a Sony PlayStation 3.

Wal-Mart Stores Inc. and Target Corp. have taken over the stagnant \$22 billion U.S. toy business with slash-and-burn discount pricing. Both have stores within a mile of Carousel Toy.

"There's no doubt that the big-box stores put a lot of stress on a store like us," Snyder said.

National toy chains are adding to that pressure. KB Toys at nearby Arden Fair and Toys "R" Us at Arden and Ethan ways usually occupy newer shopping centers and malls, relegating the few remaining independents to older sites that usually draw fewer customers.

Snyder, who opened at 10 a.m. Friday, said he needs to sell \$1 million each year to "get all the bills paid and have a little left over." He hasn't hit that mark for the past couple of years.

"It's a tough, tough, tough business," said Doug Fleener, president of Dynamic Experiences Group, a Boston-area retail consulting firm. "The streets are littered with the carcasses of independent toy shops who once thought they could compete."

Town & Country Village is bumping up against some of those same market forces. Built in 1946, the 239,645-square-foot venue is reportedly the oldest shopping center west of the Mississippi. Noah's New York Bagels, Starbucks Coffee and a very popular Trader Joe's anchor the open-air center's prime perimeter spots. Many of the center's independent tenants, including speciality retailer William Glen, apparel merchant Bonney & Gordon and the Sacramento Brewing Co. restaurant, occupy interior spaces. That also is the part of the center with the most empty spaces.

Still, it's an eclectic, well-tended collection of older and newer buildings, an architectural brew that gives a sense of how Town & Country has evolved over six decades.

Donahue Schriber Realty Group LP in 2004 paid \$44.4 million for the center. At the time, four of its 59 spaces were vacant. Today, nine storefronts are empty. Wellbound Inc., a home dialysis therapy center, and women's apparel store At Last Lingerie will open soon, according to signs.

Donahue Schriber officials could not be reached for comment, but commercial real estate experts say older venues often are challenging to fill. National chains want newer spaces, such as Donahue Schriber's Creekside Town Center in Roseville, that can accommodate today's high-ceiling, open-floor designs.

"It's easier for a newer center to garner the attention of a national client and make a deal," said David Smith, real estate manager for developer Opus West's Sacramento region. "Older centers have their place, but they usually have a tougher time finding tenants."

To succeed, Snyder and Town & Country have to offer things their rivals can't, like a homey atmosphere and unique products.

Heath Kastner, a retail property broker with CB Richard Ellis, noted that after years of shopping in fortresses of commerce surrounded by parking lots, consumers are gravitating to open-air centers. That plays to Town & Country's strength.

"And the place is a Sacramento landmark because it's been around for so long," Kastner said. "So what (Donahue Schriber) is trying to do is make it a destination with unique retailers that serve a different purpose than the typical retailers you'll find in a mall."

Stephanie Nishikawa said she opened her handmade paper products and gift boutique in Town & Country because of the center's uncommon atmosphere -- and Snyder's toy store.

"We have a unique product and wanted our store to be in a unique place, not some strip mall," said Nishikawa, who in September opened The Paper Garden next to Snyder's store. "And we looked at (Carousel Toy) and said, 'If he can make it here with everything that's going on in the toy industry, we can, too.'"

Snyder said that he believes Donahue Schriber is aggressively marketing the center for "good independent stores."

"I've seen it full, and I've seen it like this," he said. "I'm confident things will get better."

Snyder's store recalls memories of toy shops from the past. Its brick-and-wood facade and frosted bay window displays invite shoppers in to discover about 20,000 items in stock, some that the chains carry -- and many that they do not.

For example, Wal-Mart sells the Kettler Ketrrike Brummi Tricycle, a three-wheeler, for \$118.77. Carousel sells the same item for \$119.99 but also carries seven other Kettler trikes from \$79.99 to \$209.99.

"We don't carry video or computer games," Snyder said. Instead, he scours toy shows and presses manufacturer representatives for items that promote social interaction, stimulate imagination and make learning fun.

It's an approach born of years spent talking with parents and kids, observing social trends and then trusting intuition and experience to stock the store.

Carousel carries Erector Sets and wooden trains, dolls and jack-in-the-boxes, Gumby dolls and gyroscopes, chemistry sets and ant farms.

No TMX Elmo. "What's the fun in that? A kid just looks at it," Snyder said. No Bratz dolls? "Don't like the attitude." No \$400 electric cars? "Doesn't promote physical activity."

Jim Taylor, vice chairman of the Harrison Group market research firm in Waterbury, Conn., said that Snyder is an "editor" for his customers.

"That's how you make it as a small toy store," said Taylor, who has consulted for Wal-Mart, JCPenney Co. Inc. and toy maker Mattel Inc. "You find out what parents and kids in your market value, then find toys that fit those values and make a difference in their lives."

That formula has kept Sami Nakao driving from her Pocket-area home to Carousel Toy since her first son was born six years ago. "This place has a lot of unique toys, like this," Nakao said Friday,

pointing to a German-made toy garbage truck she had just purchased for her 3-year-old son. "And the quality here just seems to be better than Wal-Mart or Toys "R" Us."

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