



Stanford eCorner

Price Isn't Everything

Debbie Sterling, *GoldieBlox*

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Video URL: <http://ecorner.stanford.edu/videos/5262/Price-Isnt-Everything>

Debbie Sterling, founder and CEO of GoldieBlox, describes how she learned to focus product design on customers, not on the retailer. The maker of construction toy kits for girls dramatically increased production and dropped retail prices to appease Walmart, only to have products end up on clearance because no one wanted them. "It doesn't matter how much it costs," Sterling says. "If it's not a product that excites and gets every girl interested in wanting to build more and more, we failed."



Transcript

Every retailer wants to carry it. I mean, the brand is so hot, and sure enough, Walmart calls, and Walmart is begging for GoldieBlox. I mean, imagine being in the situation, where Walmart is begging for your product. And so, in order to sell at Walmart, we're told by a lot of the toy industry veterans, that you have to have products at 9.99. You have to have low price point products. That's what sells at Walmart. And so, our whole focus for the year, was okay, we're gonna go big, GoldieBlox is gonna hit the main stream, and everybody drop everything. Let's figure out how to make toys that are 10 bucks, and make a lot of 'em because we have to have a lot of products to fill up a lot of room. So, we had a really small team still, about 15 people, and we were just bending over backwards, under insane timelines, and all we're thinking about is hitting that 9.99 price point, and hitting the shelf date on time. What ended up happening was we worked as hard and as fast as we could.

We went from six products to 18 products, in less than a year, getting out as many products as we could, at the cheapest prices that we could. And as a result, those cheap products very quickly went on clearance. We had kind of forgotten the most important thing, which is if GoldieBlox was gonna be successful, we have to design for the girls. Every product, it doesn't matter how much it costs. If it's not a product that excites and gets every girl interested and wanting to build more and more, we failed.