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## **“Emerging strategies in toy marketing” ”**

### **I. Introduction.**

Foreseeing future scenarios is not an easy task. If, in addition, we are focusing on a constantly shifting public such as that of the preadolescent market which is a difficult group to research, we will understand the real extent of the question. The infant and preadolescent sector is one of the most difficult to study and predict, which can turn strategic decision making into a real headache for marketing professionals.

A good strategy should be based on research on previous market experience, particularly in the case of toys. The toy market is a very specific playing field indeed. Let's look at why this is so.

The Spanish toy market is worth 1,000 million euros. Exports account for approximately 45% of that amount. 20% of sales come from products which are permanently on sale all year round and 80 % of sales are due to seasonal products sold at Christmas. The sector is very much subject to seasonal variations, 50% of annual advertising pressure is concentrated in the five week run up to Christmas (between 5 November and 24 December). Despite the fact that only 20% of buyers actually give presents on 24 December, the advertising campaign slows down from that date on, as studies show that the decision to purchase has already been taken. In other European countries the market is not quite so seasonal, with Christmas and the end of the academic year the two most important times for toy sales. In Spain attempts at reducing this seasonal concentration have not met with success.

The risk element for this market is extremely high. In little more than two months 80% of the total annual turnover occurs and as may be supposed there is little time in which to respond to movements in market demands. There is no time to manufacture further units, should the market for a particular product take off, and nor is there time to reach all distribution points. In view of this situation businesses cover their backs with an extremely extensive offer which diversifies risk.

Additionally, the sector has suffered for some years from the lowest birth rate in Europe. In the light of this situation there are three possible courses of action:

- Raise prices which will reduce the competitiveness of some companies.
- Compensate losses in the national market, by exporting to other countries. This strategy is only really feasible for well established companies

- Diversifying the offer. Making use of know-how in the treatment of plastic derivatives and designs:

- Tool toys: household goods with novelty designs and colours and also decorative items and furniture.

- Objects for the elderly: offering alternatives to anti-aesthetic orthopaedic apparatus. For example, zimmer frames, sticks or wheeled carts with designs inspired by children's toys.

As adults we always feel a degree of nostalgia for the objects of our childhood. For this reason, an emerging trend seems to be that of infantilising or making objects commonly used in adult life more playful.

We started by talking about the market, however, what does the toy sector sell? What is a toy? We might say that a good toy provides an emotive experience, destined to take up part of the child's leisure and play time. In addition, that experience may be shared, educational, socialising, enjoyable and even therapeutic, depending on the product.

A toy in itself, as with any product, has various dimensions where strategic action is necessary. We have commented on some market trends, however there are two aspects where changes will be, or at least should be, most revolutionary, namely, types of products and sales point.

## **II. Product categories.**

Although toy advertising is frequently criticised, as well as the toys themselves, as sexist, the truth is that specific play roles tend to predominate in one or other of the sexes, particularly in certain age ranges, and manufacturers exploit these natural tendencies with products which satisfy and explore contextual differences between boys and girls.

Last Christmas, I took part in a radio discussion on the toy campaign. A representative of the Communications Users Association complained about an advertisement for tattoos on the grounds of sexism. He argued that the advertisement was divided into two parts: firstly, it mentioned designs for girls and later designs for boys. In both sections, there was a change of colour scheme as well as different music and voices in off. I had to defend the opposite opinion as I think it shows a considerable degree of respect, for a brand to propose and adapt its product to the tastes of both sexes. Personally, I consider it to be an act of tolerance far removed from any denigration or sublimation of one gender to another, as in the case of genuinely sexist situations. For years, differential psychology has been studying the specific grounds for differences between the sexes, yet it seems undeniable that they do exist. We like to dress differently, we shop in different ways, we interact differently, we think on different lines, and our bodies are different as well, how could it be otherwise? The terms are frequently confused in this area.

Although I won't attempt to categorise such trends, there are certainly many which may well be shared. However, in order to develop trends in play

and leisure, I think that it might be appropriate to define these gender differences since I am sure that boys and girls will have different alternatives and different opinions as has been proved to be the case until now.

To develop this theme further I will begin by indicating the different product categories for both sexes and their foreseeable development, based on a number of examples:

## **2.1. MASCULINE CATEGORIES:**

**A-CONSTRUCTIONS.** The market for this type of product has been gradually reduced of late. Despite its undeniable educational value and the tremendous family traditions (numerous parents have played with the same building bricks that their children play with today creating a legacy or transmission of values in the process) reality has, however, indicated a clear change in trend. One of the manufacturers of this type of product, MegaBlocs, has termed this tendency "Get to the fun faster". In effect, the satisfaction gained from construction toys was bipolar, that is, the child was entertained while building and also pleased with the result once it was completed. The new audiovisual and electronic culture is unquestionably at odds with a procedure which is so time-consuming prior to actual play. In future, children will require less weight in the construction phase and an acceleration of the resulting play time. It would seem logical to assume that if children dedicate a daily average of three and a half hours watching television, forty five minutes playing with video games, thirty minutes surfing Internet, and in addition they spend eight hours at school and on educational activities, they cannot spend much more time in building than they spend on any of the previously described activities. As a result, it is necessary to offer them products which produce rapid results and subsequent high potential for play. This is therefore an initial trend we could point to and indicate some clear examples, such as BIONICLE or DRAGONS, where construction takes no more than ten minutes and the subsequent result offers innumerable opportunities for play.

A second trend in the building and construction sector is linked to the content and depth of the story concerning the toy. Until recently the classic Castles and Forts buildings were strongly supported by both the market and consumers. A child would construct his own stories and battles round these play sets. Today if those elements are not recognised as part of a story, a film, a television series etc., they do not seem to gain the same acceptance. Children will demand complexity and depth of the content or simplification of the creative exercise to the benefit of more faithful reproductions of stories represented by any media support. The growth of Lego sales each time their toys coincide with the release of new episodes of the Star Wars saga, is a marked indicator of this trend. There are always spacecraft and fantasy vehicles on the market but sales are incomparable to those of reproductions issued by the George Lucas factory.

Getting to the fun faster, and contents linked to the toy are clearly the two trends we could deduce from this category of products.

**B- ACTION FIGURES.** The wealth of content or its link to media phenomena is almost a constant in this type of product. Our forebears' battles with little lead soldiers are long gone, as are those unknown heroes where the child is able to explore his imagination and creativity. There has been a genuine simplification of the imaginative exercise and increasingly, imitated patterns of play from media episodes will assume greater importance. Power Rangers, Tortugas Ninja, Pokemon, are clear exponents of success, reproducing recognisable characters thanks to the media presence.

There is also an evident trend towards evaluating group activities or to group membership. This has largely overcome the popularity of individual heroes from the past. Characters such as Action Man or GI-Joe have lost almost 30% of the market quota in the last five years to the benefit of less individualistic characters who are more integrated within a group, and who are provided with various skills (Power Rangers, Bey-blade, Tortugas Ninja). It seems that anticipation of adolescence we have been witnessing also needs its representative toy or its resonance in the world of leisure and entertainment. If membership or integration in a group or band is a characteristic of the individual's maturing personality, then toys are definitely providing this imaginary association of characters with various skills and values participating together to resolve varying conflicts of interests.

In addition to this phenomenon, two further trends have arisen, collectability and conflictive and competitive play. In effect, the fact that heroes can only be qualified as such on the basis of their group membership, leads to purchase or collection of all the characters required to reproduce the desired game.

In addition, the various powers and skills of each component also lead to competition with extremely complex resources. The Yu-Gi-Oh illustrate the importance of this trend, opening a new play category where the child competes and beats the enemy through a combination of chance and strategy. Similarly, Bey-blade explored this area with various spinning tops linked to powerful creatures competing in an arena hitherto unexplored.

Thus, media content, group membership and lack of individualism, collectability and competition accompanied by success and defeat are the predominant trends in this sector.

**C-VEHICLES AND ACCESSORIES.** Traditionally, the keys to success in this sector have been speed and competition. We cannot effectively state that these trends have disappeared, yet new elements have also been incorporated here, such as customisation or transformability. In some cases these phenomena have gone hand in hand with important media figures such as Monster Garage, an American format in which utilitarian vehicles are transformed into real sports cars or fantasy machines with mobility. The incorporation of technology, such as lights and sound etc. is a further trend, resulting, as a consequence, in a greater demand for realism and versatility. Futurist designs and free conception in respect of reproductions which are more or less faithful to reality, contrast here with the need to seek or simplify the realism of other product categories. In other words a Castle is always a Castle, however, cars change, and increasingly quickly, and it seems that

children have assumed that reality and are changing more than reality itself which they seem to exceed with astonishing speed. Customisation, transformation, futurism and technology would appear to be new trends in this category.

#### **D- COMMON ELEMENTS**

In all the categories described until now we also find a series of common trends:

The first could be termed as miniaturisation. It would appear that everything small or reduced in size is more interesting or acceptable to children. We have witnessed a reduction in size in the figures (Geyperman vs Power Rangers) of almost 10 cm. and a reduction of accessories, elements of the game etc.

The second is portability. Cases, containers which are in turn play scenarios etc ... The ability to enjoy a full play experience in any place without restricting it to the play area or room would appear to be a clear trend and a secure value.

The third notable trend is the incorporation of electronics. Lights, sounds, movements etc. Electronic chips have become considerably reduced in cost and their possibilities for incorporation in toys have led to a genuine revolution. Interactive toys and those with electronic surprises are definitely one of the clearest trends of the moment.

Finally, I would venture to mention Robotisation. Mechanisms integrated in complex circuits and assemblies with all kinds of applications are also a marked trend and one with solid value in the market. Robosapiens, a Robot with over 50 different functions was the most widely sold product over the last two years. It seems clear that this is the beginning of a new trend and perspective.

## **2.2 FEMININE CATEGORIES**

**A-DOLLS AND ACCESSORIES.** Unlike boys, it appears that girls are not quite so media influenced in their choice of characters or their dolls. Television series do not seem to have the same effect, as they continue to play with the same dolls, and we could say that they are more faithful to their toys, or more impervious to media phenomena. What has occurred however, is a considerable aesthetic transformation. If Barbie was long considered an indisputable product, promoting the beautiful Hollywood star stereotype with her perfect proportions, Bratz has now shattered that mould completely. Large heads, huge eyes, big lips, little bodies and big platforms are the complete antithesis of Barbie, yet they have become the new icon for little girls today. Although the same play patterns are maintained in terms of hair and dressing, there is a clear trend towards exaggeration and a break with proportions. Also the group membership factor, that of having specific personality but within a group context, has broken with the previous individualism, as has occurred with boys. Bratz are a group of rebels, mad about fashion, as opposed to Barbie, an

individualistic and privileged beauty who has no specific claims to make or social concerns.

The competitive nature of boys is substituted in girls by a form of status seeking. Products which are evidently exclusive or special are particularly attractive for girls and are setting a new trend.

Accessories for these dolls are now less realistic and more idealised or free in design, as if fulfilling a requirement for creativity. Perhaps girls are thus claiming their conquest of an ideal world and their creative role within it.

In the world of baby dolls, generally aimed at very small girls, we seem to be witnessing similar scenarios. New aesthetics introduced by Bratz babies and a world of newer more exclusive accessories, differing from the traditional Nenucos, fast becoming obsolescent. The incorporation of mechanisms linked to electronic chips which reveal or hide secrets, provoke reactions or generate emotions is also a clear trend.

Girls in general do not compete, but create communications networks and interrelate. Their toys seek to satisfy a need for sociability and personal relations. Emotions and the way they share them are also a new trend. Someone once used the slogan *Alucina, vecina!*, (which means something like "Look what I've got!" perhaps in a rather gloating manner) and this has today become a reality among little girls. Communicators, message telephones within a specific radius, electronic diaries etc.

Order and planning are also feminine characteristics. Today an enormous number of toys are satisfying this trend.

## **B- HANDICRAFTS AND ACTIVITIES**

Most toys in this sector are used by girls. Creating jewellery, making coloured bracelets, designing, drawing, making patterns etc. In all these products there is a trend for seeking new colours and formulas while maintaining the old play patterns.

The incorporation of certain machines which either simplify or accelerate creativity is also a trend. Make your own clips with a special machine, make your own ice cream in the ice cream maker, are some examples of this phenomenon.

Incorporating music or musical interpretation is another clear trend and may well be linked to media phenomena such as "Operación triunfo" (a televised amateur singing competition) or similar formats. Bella Dancerella where the little girl learns ballet, dresses as a ballerina and has a ballet class on DVD linked to the television, Karaoke, microphones (Star Party), amplifiers etc. area new category and a confirmation of status seeking as opposed to competitiveness. Little girls appear to seek recognition and popularity but they seem to accept this reality without any conflict in respect of popularity or recognition from others, that is, without competition or without winners or losers.

## **C- COMMON ELEMENTS**

Curiously, all the common elements of boys' toys are also applicable to girls' toys almost without exception. Miniaturisation (Polly pocket), portability (Designer cases), incorporation of electronics (Tamagochi) and robotisation (Furby)

We may conclude that there are many elements common to both sexes and that in future there will be a trend for producing hybrid or neutral products, as the diminishing age of the toy and the reduction in numbers of potential consumers will require manufacturers to seek further elements of this type, in an effort to achieve significant sales volumes. Video Now and other electronic products have already achieved this aim.

This is certain to be the most significant new trend. Harmonising activities of boys and girls, seeking alternatives for shared play.

### **III. The sales point.**

As we can see, products propose "relative" novelties. In reality what is crucial for the toy is the purchasing experience. The toy itself is an emotive experience. This experience does not necessarily begin following purchase of the product, it is possible to work the communication of the toy in a way that the vendor, the sale point and any tool providing contact with the consumer reproduce, promote and contribute to reinforcing this experience. Each toy provides a world of play, a whole microcosm with a story which can connect to the boy or girl. This is the real added value that a product is able to offer.

In a context where it may be difficult to easily differentiate between products, where copying is relatively easy and all retail outlets want to sell the same toy, the brand which provides an alternative will be able to attract the consumer.

When all the shops are selling the same product, why do consumers prefer some shops over others? It is either due to the difference in price, the service, or the buying experience. This last may be strategically designed in future so that the consumer is attracted for a longer period and with better results. Our consumer, the pre-adolescent, usually buys with the family which implies taking into account a number of special requirements.

In an effort to accurately define the aspects which are likely to develop in terms of the sales point, below we list the most salient elements:

- Themed shops: The future of toy shops is the shopping centre format where each shop (as in professional trade fairs) recreates the world of the product in all its sensitive registers. The retail outlet should become a shop-theme park.
- Offering alternative parallels complementary to the shop itself, such as a café, areas for holding birthday parties, play areas supervised by monitors, promotion-style events where more can be learnt about the

product or initial contact can be established, or where play can be shared with others.

- Reproduction of the intimate play context of home. For some products such as baby dolls and their accessories, this would be ideal.
- Recreation of the world of the product beyond its packaging, on a human scale, encouraging the child to identify with the brand.
- It is in these areas that it is particularly helpful to obtain direct feedback from the consumer which will lead to future innovation in the brand. Attention paid to suggestions will be extremely important and creation of a database which will enable monitoring and the child's brand faithfulness is likely to become a feasible trend in future. To achieve this in practice, personnel will need to be selected with care to ensure that they will adequately present the product and interact with the child
- The shop provides the possibility of experimenting with the product. This aspect has not been sufficiently developed to date and should be something to take into account in future.

In the United States shops of this type proliferate ratifying the trend we have mentioned. Examples include the Pokemon Center, Build-a-Bear, Fao Schwartz, American Girl or Wannado City. This last, is an amusement park where the child can really play, taking decisions and choosing from over 100 professions as well as using its own currency.

It is curious to note how all these initiatives take several years to adapt to the European market. I am sure that the way ahead for pioneers when analysing future trends is to organise forums such as this one in which we can pool ideas, share points of view and discuss the potential effectiveness of such schemes, with a view to improving strategic market expectations. The future of this sector looks really exciting. Don't you agree?