After the Toys Come Home

PlayCon
May 6, 2011
Michael Cohen, PhD

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MCG Overview

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MCG Overview

Market research, public opinion and scientific evaluation

Headquartered in New York

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Market research, public opinion and scientific evaluation

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Expertise:

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MCG Overview

Market research, public opinion and scientific evaluation Headquartered in New York

Expertise:

Research. Full range of qualitative and quantitative methodologies

Constituents. Children, youth, adolescents, women, families, educators and adult learners

Markets & Industries. Children toys, entertainment, learning & education, children's media, health, and the intersection of private enterprise, not-for-profit, and public sectors

Recognized leader and acknowledged industry innovator

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Methodology

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Methodology

The conclusions and insights presented are the sole responsibility of MCG.

The data comes from a variety of established sources including proprietary qualitative and quantitative market research conducted by MCG.

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Objective

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Toy purchases are well documented and analyzed.

Purchase

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Purchase → **Post Purchase**

Less is known about what occurs post purchase.

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Unused rejected toys

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Objective

The objective of this study is to focus on
unused and/or rejected toys.

Unused rejected toys

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The Lifespan of Toys

* some toys are designed for display and are purchased as collectibles
  Q5 & Q6. Pg. 10-17.

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The Lifespan of Toys

54% Of parents report **one out of four** toys that are **gifts** go unused or underused*

* some toys are designed for display and are purchased as collectibles
Q5 & Q6. Pg. 10-17.

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The Lifespan of Toys

54% Of parents report **one out of four** toys that are **gifts** go unused or underused*

49% Of parents report **one out of four** toys **purchased** go unused or underused

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   Q5 & Q6. Pg. 10-17.

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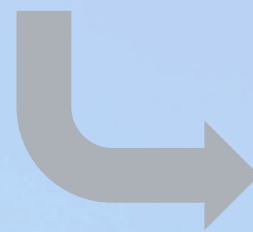
The Lifespan of Toys

54% Of parents report **one out of four** toys that are **gifts** go unused or underused*

49% Of parents report **one out of four** toys **purchased** go unused or underused

↳ **1/2** Of these parents report **one out of two** toys go unused or underused.

* some toys are designed for display and are purchased as collectibles
Q5 & Q6. Pg. 10-17.

Categories of underused* toys

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Categories of underused* toys

Parents report/rank unused or underused toys by category

*"Underused" is defined as "never used or opened" and "only once"
Q8. Pg. 18-21.

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Categories of underused* toys

Parents report/rank unused or underused toys by category

1 **Plush cuddly toys**

*"Underused" is defined as "never used or opened" and "only once"
Q8. Pg. 18-21.

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Categories of underused* toys

Parents report/rank unused or underused toys by category

1 **Plush cuddly toys**

2 **Action figure/dolls**

* "Underused" is defined as "never used or opened" and "only once"
Q8. Pg. 18-21.

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Categories of underused* toys

Parents report/rank unused or underused toys by category

1 **Plush cuddly toys**

2 **Action figure/dolls**

3 **Computer console & games**

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Categories of underused* toys

Parents report/rank unused or underused toys by category

1 Plush cuddly toys

2 Action figure/dolls

3 Computer console & games

4 Latest gadget

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Categories of underused* toys

Parents report/rank unused or underused toys by category

1 **Plush cuddly toys**

2 **Action figure/dolls**

3 **Computer console & games**

4 **Latest gadget**

5 **Arts & crafts**

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Q8. Pg. 18-21.

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Categories of underused* toys

Parents report/rank unused or underused toys by category

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2 Action figure/dolls

3 Computer console & games

4 Latest gadget

5 Arts & crafts

6 Board games

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Q8. Pg. 18-21.

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Categories of underused* toys

Parents report/rank unused or underused toys by category

1 Plush cuddly toys

2 Action figure/dolls

3 Computer console & games

4 Latest gadget

5 Arts & crafts

6 Board games

7 Outdoor toys

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Q8. Pg. 18-21.

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'Product purchase/non-use' ratio

The toy industry has a high 'product purchase/non-use' ratio compared to any other significant consumer product category.

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Why?

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Why?

Parents report/rank the reason for toys to go unused/underused

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Why?

Parents report/rank the reason for toys to go unused/underused

1 The child was not interested

2 The child was bored

3 Not age appropriate*

4 The toy broke*

5 It was a collectible

6 Presented a health hazard

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Consumer attitudes

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Consumer attitudes

Acceptance - Annoyance – Outrage

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Consumer attitudes

Acceptance - Annoyance – Outrage

"A lot of toys are unused but I accept it" - acceptance

"Too many" – overwhelmed

"We already have that" – duplication and waste

"It doesn't work" – "its already broken" – frustration

"It doesn't do anything" – boredom and rejection

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Consumer attitudes

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What accounts for this continuum?

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What accounts for this continuum?

Relativity – the relationship between expectation and use

The alignment of expectation and use = satisfaction

The non-alignment of expectation and use = disappointment

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A new paradigm for purchase

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A new paradigm for purchase

The digital explosion has led to the Internet, blogs, and social networks.

Word of mouth has always been important.
Now it is the holy grail.
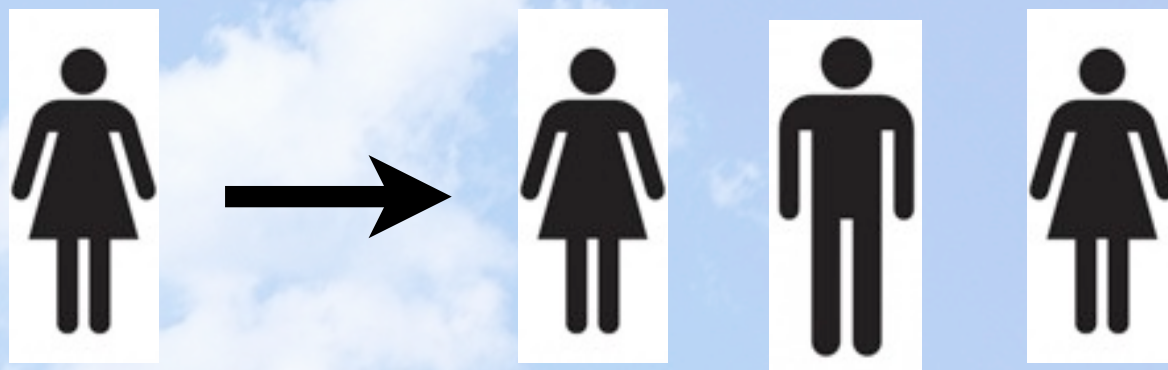
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Prior to the digital explosion word of mouth was one consumer speaking to one or several consumers.

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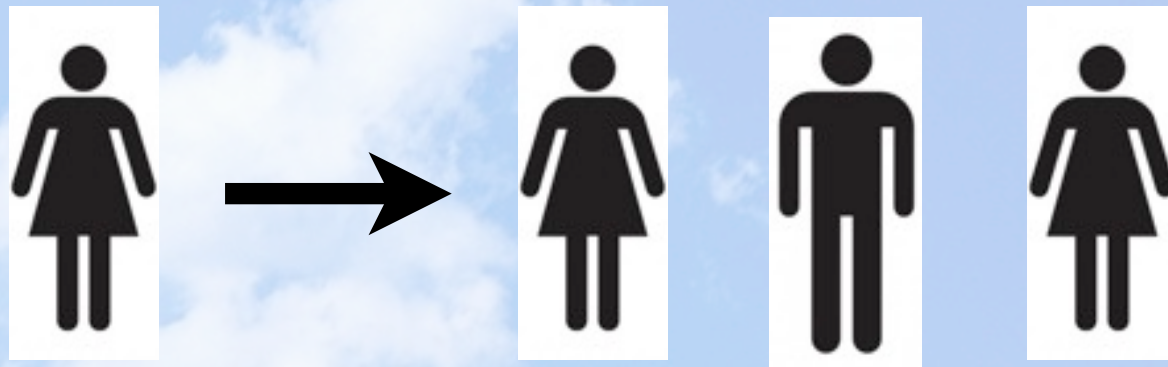
A new paradigm for purchase

Prior to the digital explosion word of mouth was one consumer speaking to one or several consumers.

Now one consumer reaches possible millions.

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Challenges

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Challenges

1990s – 2010

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Challenges

1990s – 2010

Developmental compression – children aging out of toys at younger age

Significant loss and erosion of playtime

Children's lives are increasingly structured

Increased focus on education

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1990s – 2010

Developmental compression – children aging out of toys at younger age

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2010 ⟶

A new challenge.
The consumer has equal if not dominant influence on toy purchase.

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Consumers, reviews and influences

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Approximately:

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80-85% of Americans are online.

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85% of online Americans use social media, read blogs, and consumer reviews.

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80-85% of Americans are online.

85% of online Americans use social media, read blogs, and consumer reviews.

70-75% report that online consumer reviews made them more comfortable with their purchase decision.

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Consumers, reviews and influences

Approximately:

80-85% of Americans are online.

85% of online Americans use social media, read blogs, and consumer reviews.

70-75% report that online consumer reviews made them more comfortable with their purchase decision.

60-70% say that online consumer reviews were the primary influence for their purchase decision.

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Consumers, reviews and influences

Approximately:

80-85% of Americans are online.

**85%** of online Americans use social media, read blogs, and consumer reviews.

70-75% report that online consumer reviews made them more comfortable with their purchase decision.

60-70% say that online consumer reviews were the primary influence for their purchase decision.

25-35% of US adults have posted a product review online.

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Consumers, reviews and influence

advertising

personal recommendations and online consumer reviews
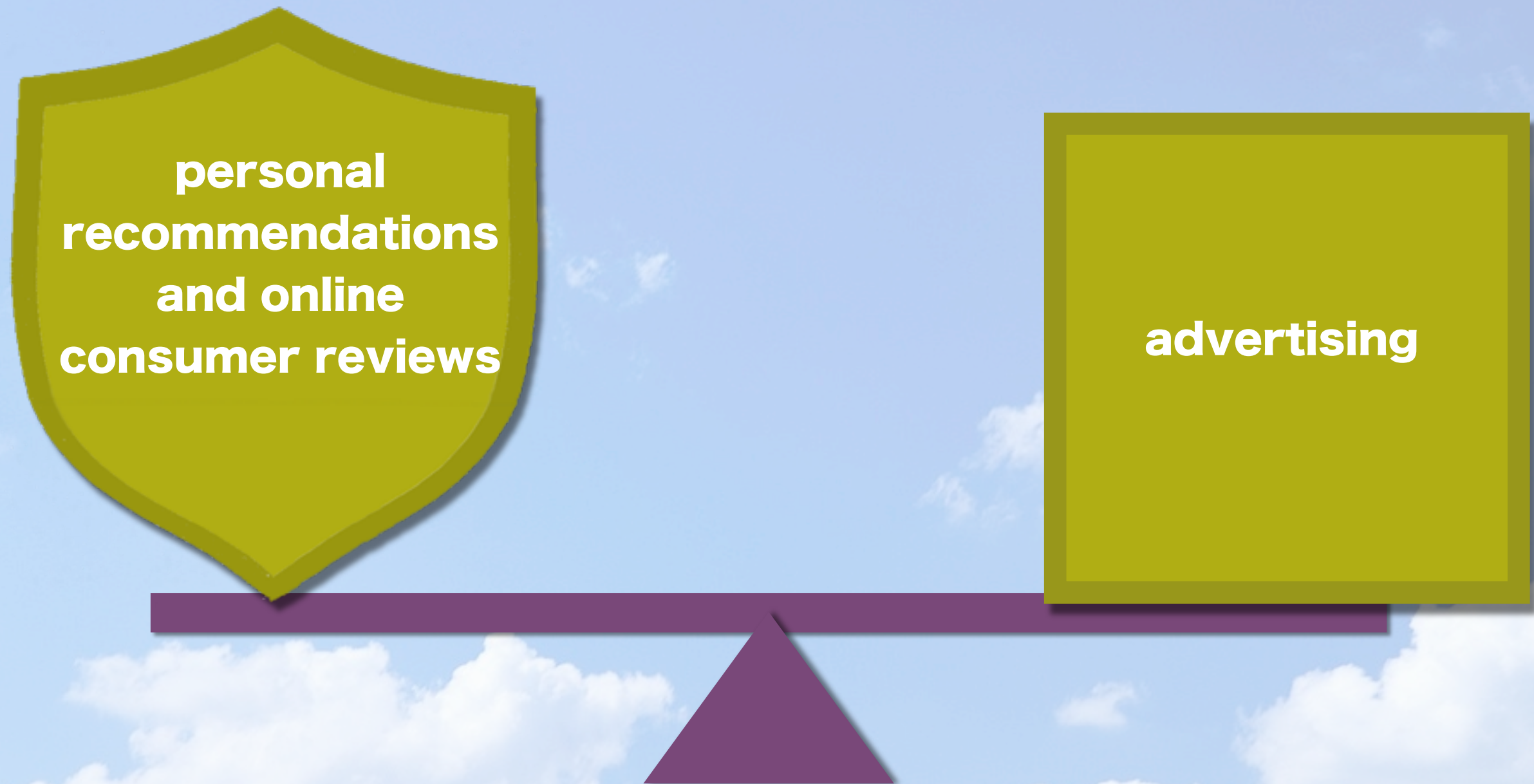
Consumers rank recommendations and reviews as more **trustworthy** than advertising. Research indicated that these numbers continue to increase exponentially.

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Consumer-to-consumer communication is paramount

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Consumer-to-consumer communication is paramount

The industry has enjoyed the luxury of producing products that are purchased and go unused.

There is now considerable risk when a toy goes unused.

Consumer-to-consumer review has unprecedented impact on purchase.

Consumers increasingly report that advertising is secondary to online communication with peers.

As a result of the digital explosion, the industry is one of many voices and not the most powerful.

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Providing strong play value is now critical.

Negative review = lost purchase

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What can be done?

**Two models
to guide the development of successful toys.**

1 Similar to brands, toys and/or play activities have different levels of meaning:
  a.   functional value (use)
  b.   aspirational/social value (meaning)

  Toys and/or play activities, like brands, have become tools for the child's:
  a.   construction of relationship with themselves and
  b.   relationship to others

2 Model for child involvement and identification.
Successful toys, activities or characters allow for the child's identification and involvement in one or more of the following ways. The activity, character or toy is:

  a.   An aspirational caregiver
  b.   An aspirational peer group
  c.   An aspirational version of 'me' (the child)
  d.   Allows me to be an aspirational caregiver

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