

Toy Ads: Holiday Toy Ad Tactics

Be ready for toy marketers' Christmastime tactics

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Every year at this time, visions of sugar plum profits dance through the heads of toymakers and retailers.

Many take aim at the most susceptible target: children.

Almost half of all child-targeted toys, games and gadgets sold this year will be bought in the final quarter. Children through age 14 will influence \$160 billion in spending in November and December, says James McNeal, author of "The Kids Market: Myths and Realities."

That leaves marketers little time to make a Santa-size impression.

Meanwhile, slipping toy sales have raised the stakes. Last year, sales dipped 2 percent to \$21.9 billion, reports market researcher NPD Group. Some categories went down like a kid on a slide: plush toys by 14 percent, board games by 8 percent.

What's a toymaker to do? Advertise like mad.

Last year, marketers spent \$1.4 billion per month marketing to children – 15 percent more than the year before, McNeal says. "I call it 'surround selling.' "

Mattel Brands President Neil Friedman says Mattel will spend half its ad budget –estimated at \$460 million by Advertising Age –in the fourth quarter.

Hasbro won't divulge its ad plans, but it is ramping up TV spots for hot toys such as its \$299 life-size, interactive miniature pony – Butterscotch My FurReal Friends Pony. When making and placing ads, however, Chief Operating Officer Brian Goldner says, “We apply judgment as parents, not just as business people.”

Critics don't buy that. The annual ad onslaught drives some crazy.

“It's greed,” says Raffi Cavoukian, the child-music singer turned child advocate intent on protecting against commercialism. “These companies want to turn America's kids into sales agents to nag Mom and Dad.”

In the next few weeks, marketers will try to nudge, prod and cajole children into buying their stuff. Some techniques that have worked for years are still effective – particularly, repetitive ads on kids shows. Among new ideas in 2006: a Wal-Mart Web site for toy picking that critics have panned for putting children in control of e-mailed wish lists.

Holiday hype has reached a point where parents need a tip sheet to know what to watch for to shield their children – if not themselves.

Here is a list of six of the most effective techniques marketers are using this season to snatch the attention of youngsters.

1. Techie wish lists

Erin Willett wants Wal-Mart to kill its toy wish list Web site.

The mother of 4-year-old Carter and 1-year-old Nolan recently wrote Wal-Mart's CEO that she'll do her shopping at Target until Wal-Mart dumps the site.

The site, www.walmart.com/toyland, features two elves who

nudge children to select toys by clicking on the word YES when a toy appears on the screen. Applause is played when YES is selected. But it's silent if NO is selected. "If you show us what you want on your wish list, we'll send it straight off to your parents," promises one elf.

Several consumer groups have asked Wal-Mart to close the site. "Wal-Mart is encouraging kids to nag for toys," says Susan Linn, co-founder of Campaign For a Commercial-Free Childhood.

"This site is the lowest of the low," says Gary Ruskin, founder of consumer group Commercial Alert.

The site "helps create a culture of nagging," says Diane Levin, co-founder of Teachers Resisting Unhealthy Children's Entertainment.

Even readers of ad industry trade journal Advertising Age find the site troubling. In a poll, 52 percent agreed that Wal-Mart "goes too far with its holiday Web site."

Wal-Mart says the site is a modern twist on an old tradition. "Making a Christmas wish list and sharing it with parents is a tradition that goes back as long as Santa," spokeswoman Jolanda Stewart says.

But some toys aren't on the site by accident. Some involve financial "sponsorships," says Stewart, though she declined to be specific. As for consumer complaints, she says, "We haven't received a significant number."

2. Repetitive TV spots

Despite the hoopla over the Internet, the vast majority of child-targeted ads for the holidays still will appear on one of seven TV networks: NBC, ABC, CBS, Fox, CW, Nickelodeon and Cartoon Network, says Paul Kurnit, founder of KidShop, a consulting firm.

"The best way to build brand awareness with kids is the 30-

second TV commercial," Kurnit says.

TV viewing has leveled off, but the typical child still watches 20 hours of TV weekly, he says.

The toy industry calls the eight weeks leading up to Christmas the "hard eight." That's when prices jump for slots on children's shows and when toy ads replace cereal ads.

Some makers of children's games spend their entire TV ad budget during the fourth quarter, he says.

3. Big-screen hype

Odds are, something with Johnny Depp's imprint is going to show up in your child's Christmas stocking.

It won't be by accident.

On sale now are some 50 toys – from key chains to boats – linked to his hit film, "Pirates of the Caribbean: Dead Man's Chest."

Never mind that the movie was rated PG-13. Toys for children as young as 6 are flooding the market for the holidays. So, too, is the DVD to be released early next month.

Using movies as stepping stones for toy licensing is not new. But the sheer volume of "Pirates"-related toy and DVD marketing for Christmas 2006 has some critics concerned.

"Hollywood knows if you hook a kid's heart, the parent's wallet follows," Ruskin says. "Disney exploits children's love for 'Pirates of the Caribbean' to get them to nag for toys."

For weeks, four different commercials promoting "Pirates" toys have appeared on Cartoon Network and Nickelodeon. Zizzle, the master toy licensee for "Pirates," also hosted a look-alike contest at FAO Schwarz in New York for Jack Sparrow, the Depp character.

Toys include everything from \$5.88 action figures to a plastic boat for \$49.99. Most are geared for 7- to 12-year-olds, says Roger Shiffman, CEO of Zizzle and co-founder of Tiger Electronics.

Shiffman sees no conflict between the toys' target and a movie that's rated PG-13. "The toy line works with or without the movie. Boys love to be pirates."

Besides, the real connection isn't to the movie, but to the Pirates rides at Disney theme parks, says Jessi Dunne, Disney consumer products chief.

4. Books as toys

When is a book a toy?

When it's sold by children's publisher Scholastic, Linn says. "Scholastic used to be about books, but now it's about toys, too," she says. "That can carry special weight before the holidays when children's antennae are up."

Over the past five years, the company has increasingly turned to toys and games to boost sales.

The toys or games are seldom sold alone, usually being packaged with books. Nearly half the books on the cover of its "2006 Holiday Gift Books" catalog are marketed with games, jewelry or plush toys.

"The Care Bears Holiday Pack" is advertised with a Cheer Bear plush. "The Animal Ark Spaniel in a Stocking Pack" has a charm bracelet. And "The Dog Happy Howliday Book" is sold with stickers and a dog charm.

"We are not a toy catalog by any means," says Judy Newman, president of Scholastic Book Clubs. "But the world is changing."

She won't say what the company makes in toy sales. "We need to

make sure there's something for everyone," Newman says. "If you just have Shakespeare in there, kids won't participate."

5. Faux toy shortages

When is a toy shortage really a shortage and not just a stunt to build media hype and sales?

In the case of T.M.X. Elmo – an updated Elmo that keels over in laughter when tickled – that depends upon whom you ask.

When the \$39.99 plush doll was introduced Sept. 19, an estimated 250,000 units sold in one day – a record for the toy industry. This caused an immediate shortage.

Critics insist that shortage was set up by Mattel.

"Planned shortages are the perfect way to get kids to nag parents for presents," says Linn of Campaign for a Commercial-Free Childhood. "The buzz creates a sense of urgency to get the toy."

Executives at Mattel say that's nonsense.

"We're a public company. We don't plan shortages," insists Mattel's Friedman. "All that does is make for angry consumers and disappointed customers."

The shortage continues. "We're shipping every piece we can," Friedman says. "It's still tight."

6. Bus Radio

For many kids riding in school buses, the background noise is more than the drivers' pleas for quiet.

It could be a piped-in commercial – perhaps even for a holiday gift. About a month ago, Bus Radio began rolling out its student-targeted programming of music, news and commercials to about 800 school buses in 12 cities. Roughly eight minutes each hour are devoted to commercials. Ad revenue is shared

with school districts.

Critics want it banned from the buses. "The school bus is one of the only places left in society where a child is free from a sales pitch," says Betsy Taylor, founder of New American Dream, a consumer group. "Let's leave it that way."

Who is advertising on Bus Radio?

The Web site Answers .com is. Beyond that, executives at Bus Radio won't name other sponsors.

"A lot of people blow it out of proportion," says Michael Yanoff, founder of Bus Radio. "Our shows are age-appropriate and designed for kids."