Old Fashioned Fun Of Collecting, Fuels Growth In Britain’s Toy Market

Contributed by Greenfields
Friday, 27 May 2011
Last Updated Friday, 27 May 2011

UK market increased by 4% in first three months of 2011

Despite appearances, children of the digital age are turning to old-fashioned virtues like collecting for their fun these days.

According to leading market research company, The NPD Group, the good news for the British toy market is that retail toy sales have already increased by 4% in revenue over the first three months of the year, primarily fuelled by the popularity of collectible toys. The trend follows a very good 2010 that saw a 9% increase in revenue growth.

While some of the star performers of the 2010 Christmas toy market â€“ such as Building Sets and Plush - are still performing well, the first quarter of 2011 has been marked by a strong buzz in the collectibles market according to NPD. Â

Collectible toys, often launched with a heavyweight media campaign, are usually priced at less than Â£10 by retailers and capitalise on boysâ€™ and girlsâ€™ enthusiasm for collecting.Â Over the years the toy market has created brands and characte targeted at young collectors, including trading cards, mini figures and Beanie Babies.

When it comes to appealing to girls, collectibles tend to be cute and/or animal related, whereas for boys they are designed to be funky and competitive. Â

The first quarter of 2011 has already been â€œan amazing year for collectible concepts.â€• according to FrÃ©dÃ©rique Tutt, Industry Analyst for NPD EuroToys.

The Â£5 to Â£9.99 price point has been the most dynamic with an 11% increase in the first quarter, while the biggest new concepts for 2011 so far include: Lego Mini Figures, Moshi Monsters figures from Vivid and cards from Topps, Spinmasterâ€™s Zoobles and Character Groupâ€™s Squinkies.

The best new brand in NPDâ€™s Retail Tracker is currently Lego Ninjago, a full proposition including toys (mini figures), cards and game play (spinning and fighting).Â The brand is currently on tour meeting children and on TV as a mini cartoon with its own dedicated website. Â

Adopting a launch strategy with an accompanying story and fully integrated marketing campaign is now widespread practice among manufacturers in the toy market. Â

There is also a resurgence of packaging designed to add to the excitement and anticipation for children, as â€˜blind packâ€™ packaging supersedes traditional blister presentation. Â

For example, Lego Mini Figures and Vivid Imaginationsâ€™ Moshi Monsters are now sold in a foil pack that does not allow the child to see which toy they are buying, creating excitement and surprise around buying collectible toys. Â
NPD believes this is a trend that will increase over the coming months. Â

Growth in the UK toy market would have been greater during the first quarter of 2011 had it not been for the lateness of this yearâ€™s Easter holiday, traditionally the largest toy buying occasion in the first half of the year.

Up to the first three weeks of March, sales of toys in the UK were showing a strong 7% growth in value terms, but the late holiday means any boost to sales from the Easter holiday will be accounted for in April this year, as opposed to March, as was the case in 2010. While the first quarter of 2011 only represents an estimated 16% of annual sales, it is a strong indicator in terms of trends, as many new concepts are launched in the first weeks of the New Year. Â

Commenting on the old fashioned buying habits driving sales of new toys, FrÃ©dÃ©rique Tutt, Industry Analyst for NPD EuroToys says:
"The collectibles trend is likely to be bigger than ever in the UK this year and it is the kids who have the power to make or break a brand with their choice. The data indicates that Lego Ninjago has the potential to be a big winner. However, these first few months of the year are absolutely key to establishing new brands - retailers tend not to give those that fail to impress straight away a second chance in todayâ€™s tough retail environment.Â We expect the first four months of the year to confirm the very good start with a 7% increase on the same period for 2010."

About The NPD Group, Inc.
For more information, visit http://www.npd.com/ , or follow them on Twitter at https://twitter.com/npdEuroToys .

London, 16th May 2011