

APRIL 1989

Playthings

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Plush
Shows the
Right Stuff



*Action Figures
Put Up a Good Fight*

What's Selling

Twin Cities



Plush shows dramatic upswing

Irene Clepper

February was the coldest it's been in 53 years, but most of Twin Cities' toy, game and hobby retailers were happily surprised by the month's sales volume.

Merchants reported a dramatic upswing in plush after a so-so Christmas for the category. One dealer said he was "sitting on half his Christmas order in January" and had almost decided to cancel when, a few weeks later, in February, plush was booming. Both dealers cited Gund as a high performer, especially lambs and the perennial favorite, Muttsey. One store reported an upsurge in Dakin's big plush at \$400-plus retail. Private label plush, in the \$25 to \$85 range, with pandas very popular, was also doing well.

Big sellers still in short supply

Although the top names — Nintendo and Teenage Mutant Ninja Turtles — were in short supply, dealers were hopeful that the situation would be improving soon.

Nintendo games were the hardest to come by — systems were a little more available. One store, by month's end, had a waiting list of 100 for Nintendo games. But one electronics discount chain ran a full page ad not only offering cartridges and accessories, but sweetening the deal with a \$5 off each purchase with coupon.

Games were outstanding. Let's Go Fishing was mentioned among the leaders, along with newer games, especially for the 3-6 age group, such as Pictionary with Clay.

Dino-Riders show steady sales

Dino-Riders were selling "consistently," leading some dealers to think they may be heading for the title of "staple." Flik Flack Inc.'s watches, at \$25 were continuing to do well after a successful Christmas.

Also in the forefront were science kits from Educational Insights; infant and preschool toys from Chicco; and Leisure Learning's games and puzzles. Playmobil continued to top previous numbers with ever-increasing volume and Brio was cited as "very strong." Retailers were also seeing a big trend develop in black-and-white infant toys.

Dress-up sets gain popularity

Another trend was also noted in dress-up and make-up sets, such as Sanrio make-up and Whimsicality dress-up sets, along with Hasbro's Fazz.

Galoob's Micro Machines were outselling Hot Wheels and Matchbox about "20 to 1," according to a retailer who predicts Micro Machines' electric road race set will be a best seller. Among the Micro Machines being promoted were the Big Rig Hauler and Travel City Pocket Playsets, for under \$5; and the Aircraft Carrier set for under \$10.

Retailers were in accord as they expressed optimism about the items and lines brought out at Toy Fair. "It's refreshing to see some different items, not just knock-offs," one retailer said.

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Action figures are still fighting the good fight

Small figures trying to make it big on retailers' shelves

By Thomas Tuna

Action figures may have been knocked around a bit for the last couple of years, but the little guys aren't about to go down without a fight.

According to figures supplied by the Toy Manufacturers of America (TMA), action figures as a category fell off to \$523 million in manufacturer sales last year, compared with \$702 million in 1987. Unit sales in 1988 also dipped, to 115 million units from 173 million units in 1987.

To add insult to injury, 1988's disappointing results came on the heels of 1987, when the category's shipments were off 36.5 percent from 1986, with unit sales down 24.5 percent.

But despite the fact that total sales in the action figure category fell off about 25 percent in 1988 from 1987, the category still managed to flex its muscles last year, mainly because of such standouts as G.I. Joe, Ghostbusters and Teenage Mutant Ninja Turtles.

Category still shows some strength

Manufacturers and retailers alike said that, although the category obviously isn't as prosperous as during its peak times, the action figure business still accounted for more than \$500 million worth of manufacturers' sales in 1988, and provided retailers with a good source of repeat business.

And this optimism was evident despite what many industry observers called a fairly uneventful and less-than-exciting Toy Fair in February.

Wayne Charness, director of public relations for Hasbro, was one who came out as a strong supporter of action figures in 1989.

Charness said that, despite the TMA's figures that pointed out the drop in action figure sales last year, Hasbro "did well" with their COPS and G.I. Joe figures in 1988.



Robocop figures from Kenner #657

Charness said that Hasbro "doesn't break out those types of specific sales figures," but added that the category was a good performer for them last year.

Charness said that he expects prices in the category to take on "the usual yearly increases," but nothing drastic. Charness did say, though, that Hasbro is planning some special promotions for its action figures this year, "especially for G.I. Joe." He said he's expecting a "good, solid year selling action figures."

There'll be new introductions in the category this year by Hasbro, Charness said, adding that he expects that "others in the industry will also introduce new figures."

After all, he said, "it's a very popular category, especially for boys."

Charness added that he's looking forward to good results for the COPS figures "now that it's in its second year."

Jim Block, vice president of marketing for Kenner, was another who voiced optimism for the category.

There was no sign of a sales drop in 1988 for Kenner's action figures, Block said. "The category was very strong for us last year."

New lifeblood for category

Block predicted that "there'll be a number of new action figure products in 1989," both in continuing lines and with new entries. "There'll be a new lifeblood in the category," he said.

As far as new trends for action figures this year, Block said there should be "a number of new licensed products" during the year.

In terms of Kenner's 1989 line, Block said that the Robocop figures will receive a real boost this year. "They'll be launched nationally for the first time," he said, "so I guess that's news." Also, there will be "a variety of new Ghostbuster entries out this year," Block added.

Block said he sees no big problem in the category for 1989. The key thing for manufacturers to look out for over the course of the year, he said, will be "making sure that their product is differentiated from the others. You have to have a unique product."

Richard Sallis, vice president of marketing for Playmates Toys Inc., said his company had experienced "just the opposite" of the TMA stats for action figures in 1988. "Our sales of action figures were up substantially last year," Sallis said. "I'm not gloomy



Top: A Dino-Rider from Tyco #656



G.I. Joe figures from Hasbro #655



Barnyard Commandos from Playmates #654



L.J.N.'s Freddy Kruger action figure #651



He-Man figures from Mattel #653



Nylint's Men of Steel #634

Action Figures

(Manufacturer shipments in millions)

	DOLLARS			UNITS		
	1987	1988	%Change	1987	1988	%Change
Totals	\$702	\$523	-25.5	173	115	-33.5
Action Figures	404	303		133	87	
Action Figure Accessories	298	220		40	28	

Source: Toy Manufacturers of America

on the category at all."

Sallis added that the new trend in the category for 1989 may very well be humor. "I think it'll be the wave of the future," he said. Humor is the idea behind Playmates' recent introduction of Barnyard Commandos, Sallis said, as well as the company's still-popular Ninja Turtles.

The category is not without its drawbacks, though, Sallis said. The biggest problem facing action figures today, according to Sallis, is that too many of them look the same. "After G.I. Joe and He-Man did a fine job," he said, "there were too many copies. You need something different."

Ed Zobrist, senior product manager for Mattel, said his company wasn't hurt by the drop-off in action figures last year "since we weren't very active in the category in 1988," but added that 1989 is expected to be a good year for Mattel in this area.

Zobrist said that, from what he has heard since Toy Fair, there have been "strong early results" from Mattel's Food Fighters figures. And that's good news, he said, since, in his opinion, only Kenner and Mattel are going after the category in a big way this year.

In Mattel's line, He-Man will be a strong player in the category this year, Zobrist said. "We're looking for him to be the beachhead in our line this year."

This fall, according to Zobrist, Mattel will be strongly promoting He-Man, and then perhaps the company will bring back the She-Ra figure. "She-Ra has always been like He-Man's sister," Zobrist said, "so we want to establish He-Man before we push She-Ra."

The future of the action figure category, according to Zobrist, depends on "captivating the 4- to 8-year-olds." The biggest competition to action figures lately has come from outside the category, he said, from Nintendo. "It's important," Zobrist said, "to come out with lines with strong product focus, lines that kids like."

Expressing the flip side of the coin was Murray Bass, director of sales for LJN Toys Ltd. According to Bass, LJN experienced a drop in action figure sales of at least 25 percent in 1988, and a slide of about 60 percent in the category over the last three years.

Competition from Nintendo

The problems with the category, Bass said, include the fact that "it's hard to capture a kid's imagination" with current figures and the stiff competition from Nintendo. "Rather than spending \$6 or \$7 on an action figure," he said, "they're saving up their money and spending \$30 or more on Nintendo."

But Bass said he's bullish on the category, nonetheless. "We constantly have our eye to the future," he said. "We're working on new additions to our line."

Bass added that he sees "a resurgence coming in the action figure category. A kid will always be a kid in the sense of emulating his heroes."

Retailers also had mixed reviews for the action figure category in 1988.

James Wardwell, co-owner of The Toybox in Bristol, Conn., went along with the TMA figures for action figure sales in 1988. Wardwell said the TMA's statistics on the 25 percent drop-off in 1988 sales was "just about right" for his store.

As a general rule, though, he said action figures usually sell well in his store, but explained that, "last Christmas, parents had just so many dollars to spend," adding that a good percentage of those dollars went to Nintendo games.

Good action figure sellers for The

Toybox in 1988 were Teenage Mutant Ninja Turtles, G.I. Joe, and Ghostbusters, according to Wardwell.

The store has reacted to the drop in sales, though. Wardwell said The Toybox only devotes about 5 percent of its space to the category. "It's not a lot," he said. "It used to be more."

Wardwell said he saw "a few new figures" at Toy Fair, but added that he expects the category to be "about the same as it was in '88." But he offered hope, too. "If the figures are innovative and fresh," he said, "they'll sell this year."

On the other hand, a spokesperson for Lenox Toy & Hobby shop in Atlan-

A resurgence is coming in the action figure category. A kid will always be a kid in the sense of emulating his heroes.

ta, Ga. was very enthusiastic about the prospects for action figures, present and future.

According to the spokesperson, action figures — especially G.I. Joe — have been "selling very well over the last year. They keep on coming out with new ones (G.I. Joe figures) every year and they keep selling." She added that she expects the category to continue to sell well through 1989.

The only problem with action figures in her store, the spokesperson added, is that "we can't keep them on the shelves. We keep selling out."

Fred Meyer, the manager at Meyer's Toy World in Battle Creek, Mich., while confirming a slight drop in sales of action figures in his store over the past year, also expressed optimism for the category.

Meyer said the figures did drop off some in 1988, but not as much as the 25 percent decline reported by the TMA. "The drop was close to that," he said, "but it wasn't as bad as the drop experienced in 1987."

Meyer's Toy World, which devotes about 33 to 35 feet of its space to action figure displays, sold a lot of Teenage Mutant Ninja Turtles and Food Fighters last year, according to Meyer, as well as COPS figures. "We sold out of COPS," he said.

"It was the different stuff that sold



Action Figures

Distribution of Unit and Dollar Sales

	Total Action Fig.	Total Action Fig. Access.
Action Figures		
Unit Sales (000)	86,981	34,009
Dollar Sales (000)	324,278	279,856

Distribution of Unit Sales By Outlet

Discount	44	45
Sears/Penneys/Wards	2	3
Other Department Stores	2	2
Variety	3	3
National Toy Chain	32	33
All Other Toy Stores	5	5
Catalog Showrooms	3	3
Food/Drug	6	4
Other	3	3

Source: NPD Research

well," Meyer said. "The unusual stuff — not just the good guys and bad guys — sold."

Meyer said he thinks the category will "stay on the same plane as last year, if not improve," especially with regard to G.I. Joe. "That's by far the biggest category for us in action figures."

A year-round seller

The bigger action figure playsets may sell better in the fourth quarter, he admitted, but the category sells well for him year 'round.

At the other end of the spectrum, though, were those stores with little or no interest in the category. Gayle Null, a buyer for Imaginarium in Walnut Creek, Calif. said, "We don't stock action figures because they don't fit into the overall scheme of our store."

Explaining that Imaginarium tends to shy away from what she termed the more "violent" toys, Null added that Kenner's Starting Line-Up figures would probably be the only action figure line that her store might stock in the future.

But she wasn't sure when — or if — those figures might get a "turn at bat" on her shelves. **#650**