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Citation: Tong, L. (1974). Promotion and the UK toy industry. (Unpublished Doctoral thesis, The City University)

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PROMOTION & THE

U.K. TOY

INDUSTRY

L. Tong

This report is submitted as part
of the requirements for the
award of M.Sc. degree in Admin.
Science.

Lawrence Tong.

Oct. 1974.

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ACKNOWLEDGEMENT

To cover such a complex subject as promotion in the U.K. toy industry, it is essential to have the willing co-operation of many people.

Special thanks are due to the following people whose assistance and ideas have enabled the author's work to develop and have thereby helped in the production of this piece of work. They are:

- 1) Mr. V.G. Bolton, the Marketing Director,
Mr. A.W. Laurie, the Marketing Manager,
of Ideal Toy Co. Ltd.
- 2) Mr. R.K. Holden, the Managing Director
of Peter Pan Playthings Ltd.
- 3) Mr. R.S. Maugham, the Accounts Director
of Gee Advertising.
- 4) Mr. D.W. Potter, the Marketing Director
of Dennys Fisher Toys Ltd.
- 5) Mr. P. Katz, the Marketing Director,
Mr. K. White, the Group Marketing Manager,
Mr. G. Edwards, the Manager in charge of POS
of The Mettoy Co. Ltd.

- 6) Mr. C.A.V. Nicholls, the Marketing Manager
of British Lego Ltd.
- 7) Mr. J.R.Spear, the Chairman of
J.W. Spear & Sons Ltd.
- 8) Mr. B.J. Cripps, the Marketing Controller
of Chad Valley Co. Ltd.
- 9) Mr. R. Ehrmann, the Chairman of
Airfix Industries Ltd.
- 10) Mr. R.J. Beecham, the Managing Director
of Dunbee-Combex-Marx Ltd.
- 11) Mr. T.P.A. Norman, the Managing Director
of Berwick Timpo Ltd.
- 12) Mr. L.C. Smith, the Managing Director,
of Lesney Products & Co.Ltd.
- 13) Mr. T.D. Mchard, the Marketing Director
of Meccano Ltd.
- 14) Mr. J. Maillard, Group Publicity Manager
of Raleigh Industries Ltd.
- 15) Mr. C. Hunt, the Co. Secretary
of Thomas Salter Ltd.

Acknowledgement is particularly due to [REDACTED] and [REDACTED] [REDACTED] [REDACTED] for their enormous help which they had provided during the early phase of the research.

My appreciation is extended also to Mr. A. John for his supervision of this research project.

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INTRODUCTION

The prime objectives of this Business Appreciation are :

- 1) Examine the structure of the U.K. toy market and industry and its major component companies.
- 2) Examine the role of promotion in the marketing of toys in U.K.

These main objectives are dealt with in Section 1 & 2 respectively.

The lesser objective of the study is to assess the likely future of the U.K. toy industry. This is dealt with in Section 3.

In this study, we only discuss the role of promotion in the toy industry. More research work could be done on the relationship between pricing, distribution and product decisions with the U.K. toy industry.

CHAPTER **1**

STRUCTURE OF THE U.K. TOY INDUSTRY

a) Important Market Factors

In August 1973, toys were picked up as the fastest growing section of the British Business in an 800 strong company survey published by the Financial Times.

The survey calculated that the trading profits of Toys and Games firms had doubled in 1972.

Profit League

Toys	95.5%
Financial	71.9%
Motors & Components	62.5%
Property	51.5%
Electronics, radio & T.V.	49.0%
Hire Purchases	46.4%
Newspapers and Publishing	44.7%
Mining	44.2%
Motor Distributors	39.1%
Discount Houses/Merchant Banks	38.1%

According to Professor Constable of the Cranfield Institute of Technology, the total size of the toy market in the 'free world' was forecasted to be £2,000 m. at manufacturing selling prices in 1972, distributed as follows :

	£ million
U.S.A.	1,000
E.E.C.	480
Americas (less U.S.A.)	200
Japan	120
EFTA*	80
Rest of Europe	40
Australasia	40
Africa & Asia (less Japan)	40

* These figures are based on the restructured E.E.C. of 1973 including U.K., Denmark, Eire and Norway.

Toy output in U.K., which was no more than £3m. a year before the war, has risen to £110m. in 1973. The value of the retail market in 1972 was valued at in the region of £230 m. after allowing for trade margins and purchase tax.

Rising standards of living have been one major reason for this growth. Another has been the industry's great success in overseas markets. Exports continues to account for a good proportion of sales and are currently running at approx. 25.8%. This is the same level as that in 1969/70, there having been a drop to 21% in the intervening years.

After a significant fall in the period 1969/70 to 1970/71, the net cash flow of the industry seems to have recovered and is currently some 62% above the level of 1969/70.

There has been a steady investment in fixed assets, mainly in plant and machinery. The expansion that took place during this period appeared to have been financed solely from outside source since there has been a 29% increase in the borrowing that occurred at that time.

Stocks are currently being turned round approximately 4.4 times per year. A slight increase as compared with the 1969/70 figure.

The overall liquidity of the top 60 companies being surveyed by the Financial Analysis Group Ltd. shows a steady improvement. Sales margin has also improved and the rate of pre-interest profits to sales is running at

9.6% as compared with 3.4% in 1969/70.

The toy industry is a fragmented industry with 5 out of the total of about 380 companies control about 60% of the market. These 5 main groups are : Airfix, Dunbee-Combex-Marx, Mettoy, Lesney Products, General Mills toy groups. These constitutes the big 5 now that the collapes of Lines Brothers had led to absorption in various parts, by Barclays, Airfix and D.C.M.

The manufacturers are aware that the U.K. market is approaching satuation point and accordingly some companies, Lesney and D-C-M amongst them have acquired production and distribution facilities on the Continent in a bid both to expand their marketing horizons and to eliminate problems that have won U.K. manufacturers a reputation for poor delivery.

b) Expenditure on Toys and Unisex Trend:

A survey carried out be James Morrell and Associates indicated that Expenditure on Toys has grown at

around 10% since the early 1960's.

Attwood Statistics (G.B. Ltd.) carried out a survey on the toy market last Christmas. The results indicated overall sales were 17% ahead of those recorded (£91 m.) during the same period of 1972.

According to the survey, all parts of the country showed increases in sales with the greatest expenditure increases taking place in the Western and Southern parts of the country.

Toy shops- as opposed to the other types of retail outlet - increased their share of the market to 23% of the total. Mail order firms and supermarkets also showed healthy gains.

Dolls and accessories with nursery toys became the most significant sectors of growth though constructional, indoor and outdoor toys also showed good expenditure increases.

Between 1961 and 1971, the child population, (child under 15) increased by 1,157,000, a rise of 9.4% per annum but between 1971 and 1981, it is estimated that the rise will only be 543,000. This means an increase in the

total no. of potential recipients of toys of only 4%.
The situation is even worse if we look at the figure for
children under 10.

Children under 10

	Number ('000)	Increase
1961	8,091	
1966	9,040	+ 17.3%
1971	9,295	+ 2.8%
1976 (Est.)	9,222	- 0.8%
1981 (Est.)	9,593	+ 4.0%

Source : Annual Abstract of Statistics

Thus this shows a grim picture for toy-makers over the next 5 years. It is the under 10 year-old who are the bulk of the ultimate consumer.

A survey was carried out by Mintel in 1971 on the expenditure on toys. All the respondents who had bought any toys were asked the age and sex of the child to whom it was to be given. (in some cases, the respondents may have bought similar items for more than one child.)

The presents were divided into those for boys and those for girls.

Toys by sex of child

	Boys %	Girls %
Board games	58	42
Jigsaws	51	49
Dolls	5	95
Soft toys	41	59
Toy guns	95	5
Die-cast and similar metal toys	89	11
Model kits and materials	92	8
Colouring books, painting books.	43	57
Colouring pencils, crayons, paints	43	57
Toy trains	73	27
Tricycles, pedal cars, scooters	38	62

Source : BMRB/Mintel

In the case for board games, soft toys, colouring books, crayons and especially jigsaw puzzles, the ratio of boys and girls is more or less equal. Boys dominate with toy guns, die-cast models, model kit and

toy trains, while the two areas when girls get the most toys are dolls and tricycles, scooter, pedal car class of products.

The survey was taken place in 1971 and the figure do reinforce the idea that for some toys, the market can be segmented by sex, i.e. dolls for girls and guns for boys.

However, nowadays, 3 years after the survey, more and more toy officials feel toyland's sex lines are becoming more and more vague with Fisher Price and Playskool marketing play sets that offer doll houses for both sexes.

Randolph Burton, President of Toy Manufacturers of America, said that the toy industry is 'very marketing orientated' and doesn't object to selling both sexes what were considered toys for boys only, since sales would increase. It is parents who keep toys from being unisex products, he said.

"Sexism in toys is actually in the mind's eye of today's consumer." said Ray Wagner, Mattel Toy President, who claimed Mattel would like to sell cars, trucks to girls and dolls to boys. To him, in most cases, it is the parents who says : " No, I don't want my son to play with dolls"

or "I don't want my little girl playing with cars and trucks."

To overcome such bias of the parents, manufacturers are now more and more promoting toys to both sexes. Mattel last year added a camper and dune buggy as accessories to their Barbie doll. Uni-sex appeal items such as Kung Fu studio, Devil River Trip complete with animals were also introduced.

Milton Bradley, another American company, who also owns Playskool, stressed indirectly in their advertisement that its games are for both sexes, for instances by using Lucille Ball to promote their sporty games.

General Mills Fun Group said that they give hefty T.V. support to its new Steve Scout and Bob Scout boys' dolls and kits (with ad noticing that they are 'approved by Boy Scouts of America) Girls' dolls being introduced include Dusty, who has golf, tennis and other sports accessories.

Thus we can see that the traditional saying of " Dolls are for girls, trucks are for boys." no longer apply. 1973 was a boom year for dress up dolls like Sindy,

Action Girl, Action Man, Barbie and Daisy and it is not surprising to see that millions of girls as well as boys will have them on their Christmas lists.

c) Influence of the United States of America:

In many other industries, the United States of America has a considerable influence on the British toy industry. This influence is derived from 2 main sources, the huge size of the U.S. toy market and the size and strategies of its leading toy companies, such as Mattel, Milton Bradley Co. etc.

The U.S. toy market is probably the most important market in the world. As I have pointed out earlier, 50% of the world's retail sales occur there. To any toy company wishing to operate internationally, a share of this market is almost essential.

Another important feature of the

U.S. market is the great purchasing potential residing in the hands of a few buyers. An order from a Sears Roebuck or F. W. Woolworth's buyer can turn a product from a failure to success, a feat which no single U.K. order is likely to achieve.

The world's biggest toy companies are not surprisingly, U.S. manufacturers. The U.S. companies are famous for their modern marketing methods and the use of these methods, in an industry with a predominant orientation towards design and production, has resulted in fierce competition. Mattel, the market leader, attacked the U.K. toy market with a campaign of intensive and costly advertising and promotional campaigns of their own. Mattel's success however was limited and recently, the U.K. subsidiary was presented to Dunbee-Combex-Marx.

However, the effects of such campaign were dramatic, forcing Lines Brothers, U.K. largest toy manufacturer into liquidation and helping to turn Lesney's and Mettoy's profits into losses.

d) Consumer Attitude :

A finding undertaken by System 3 Ltd. have indicated that mothers in U.K. can be classified generally into 2 types. Some mothers which we can classify as A types, paid more emphasis upon the importance of "toys which are educational and help the kids to learn things which are important." These mothers were more interested in constructional and educational toys - Lego, Meccano, Fisher Price toys, Counting and Learning games. They were less interested in toys that were for amusement value only - Matchbox toys. Another type of mothers, which can be classified as B type, were far more simplistic in their attitudes towards toys: "Something for them to play with, to keep them happy."

However, when it all really comes down to it, all parents were primarily concerned with toys that "keep the children amused, occupied and quiet." If it was educational, the better, but if they had to return to mothers for instructions and advice as to how to play the toy or game, it wasn't on.

In fact it was found that type B parents were more tolerant of being drawn into games even if

they were occupied than were type A's. However, the latter tends to set aside periods for playing with their children patiently.

Parents are very important in determining the choice of toys, if not of the particular toy, eg. a model, a game or construction kits.

Toy purchasing is usually made locally, many small toys, usually in the lower price range, such as drawing books, simple games, plastic models and games are almost completely impulse purchase - as a reward for good behaviour, as a bike to amuse the child or just to keep the child occupied. In the case of bigger or expansive toys, the purchaser feels there is need to obtain assistance from the retailers on advice about durability, suitability, value for money etc.

The source of information about toys are fourfold :

- 1) T.V. and other promotional material.
- 2) Repetition of demand from the child-continuous nagging.
- 3) Word-of-mouth from relatives and friends.
- 4) Observation of other children toys.

In fact, T.V. toy is probably the single most influential medium.

Beyond the age of 9 or so, attitudes both in parents and children alike begin to change. Outdoor, rugged games become more favourable and the child plays an increasing role in the choice of toys himself.

e) Occassions on which toys are bought

Using the individual's amount of expenditure as a measure of the significance of occasions whcih toys are bought, a simple hierarchy is created.

- a) Christmas
- b) Birthdays
- c) Special occasions, other than Christmas and Birthdays
- d) Informal, small gift occasions.

a) Christmas

Though toy retailers have margins that would be envied by many others, some 50% before tax, they have a trade pattern that no one would want. "Nine monthes hell and a three monthes ball." The bulk of the profit arrive with Christmas, and this goes for a few monthes. Attempts

have been made to try and reduce severe peaking in sales spreading out the promotion effort evenly throughout the year. However, one manufacturer believes that the peak will be around as long as Christmas sticks around.

People certainly like to be generous at Christmas which means that spending more on certain items than they do throughout the year. The Christmas boom in toys have led to other shops or departmental stores to increase both floor space and stocks for the 3 months up to Christmas.

Christmas too is the time for the big advertising expenditures. Last year, direct advertising by all manufacturers of toy and games was £2,361,000. The main reason for such a big advertising expenditure is that this is the occasion when advice and assistance in the toy buying are most readily sought by the ordinary adult toy buyers, parents etc. While any kind of help or advice are welcome the most practical and useful ones would be the wide ranging brochures, advertisements and local toy shops.

b) Birthdays

Adults tend to spend more on toys at Christmas than at Birthdays.. Birthdays were more an occasion

for a single present purchase. As children grew older, birthdays assumed lessening importance. Parents were more likely to give money to children for birthdays than they were for Christmas. Relatives would stop giving birthday presents before they stopped giving Christmas presents. Although expenditure at Birthdays was likely to be in the £2 range, birthdays definitely did not carry the sense of occasion that Christmas did.

c) Special occasions, other than Christmas and Birthdays.

Occasions such as visits to hospital, the doctors, the dentists often unleash a bout of extravagant buying. The motives behind the purchases fit into two major categories : bribes and rewards. This usually results in the parents in the purchase of an expensive toy in the region of £2 +.

d) Informal small gift occasions.

These occasions covers : pocket money supplements, good behaviour rewards, small non-expensive gifts for other children's party etc. Expenditure on these occasions is unlikely to exceed £1.

Thus we can see that the seasonal nature of the industry is important. It has been estimated that between 70% and 95% of annual retail sales occur between July and Dec. While out of this, about 40% occur in Christmas itself.

For the toy manufacturer, this seasonal nature passes considerable problems in almost all areas of activity. Production must be built up from a low level in the 1st. half of the year, and then cut back again after Christmas. Recruitment and lay-off of personnel are often inevitable and give rise to direct and hidden costs. Much of the marketing effort, especially advertising take place around this time of the year often with urgent requirements for cash. When the effect of these factors, together with the seasonal purchasing and distribution costs, are considered, the implications for cash flow and liquidity are indeed very serious.

e) Factors contributing to success in U.K. market.

There appears to be 6 main ways to be a successful marketer in the U.K. toy market.

- 1) Innovate sufficiently to be able to produce a product good enough to be patented and prevent other companies copying it exactly at least. It is then necessary to promote or publicise it sufficiently to create a new market. Spirograph and Lego are products which are in this group. Further once the product is established, it is desirable to use the

known names to help launch new products eg. Spiromatic from Spirograph.

Thus it is essential to produce a toy with household name and once this has established, than it is not surprising to see the product selling for an enormous long period. An example of such is the game 'Monopoly'. Monopoly, origionally developed in the U.S. is made and marketed by the Games Division of John Waddington Ltd. It is a product that appears to defy the theory held for Monoply. Sales would have grown rapidly in the early years and after reaching a peak, would have started an increasingly rapid decline. In fact, the games has grown continueously. Although it is such a well-known game, the company still spend a vast sum of money advertising the game each year on national T.V. The main reason of this is to remind the public the popularity of such a game.

2) Specialise in improving products which have been on the market for a considerable period without any change. Often, the product is then considered dull and in its declining stage with sales started falling. The improvment can be in the product itself and equally, in the packaging which have become old-fashioned. An example of this has happened is Chemistry Sets, where Thomas Salter have modernised a rather old-fashioned product considerably,

repackaged it, and probaby increased the market share in doing so. The new improved model is then promoted heavily so that the customers are aware of the new image.

However, manufacturer must be careful that the improvements they make are seen by the public and are not just technical achievements. Skeelers, Mettoy's low friction skates, failed to achieve high volumn sales even though the die-cast cars with friction free wheels, based on the similar principal have been a great success. The main reason was that there was a desire for cars which would run further and more quickly than the older models, whereas the roller skates were quite fast enough anyway. This then bring us the 3rd. point.

3) To be successful marketer in the toy industry, it is essential to be market orientated. i.e. discover and understand consumer needs better. A Product and Sales Orientated Co. can often ignore market trends until too late, or accept too readily rules and regulations which no longer apply. A good marketing man has to identify his market and met its demands. He first sees a gap in the product range at his local market. He finds the right product at the right place to fill this gap. He then establish ed his retail outlet at the right place and sells his merchandise.

The most importnat and remarkable development in the toy industry is the changing attitudes of the

toy manufacturers. Most of the toys in the old days were 'spectator' toys, fascinating at first sight, amusing conversation prices, but boring after a short time.

These days, toy manufacturer have to produce their products for children or for mother if they happens to be pre-school toys. It is essential to test their 'play value' before marketing them. The increased interest in child development has led parents to seek more child orientated toys that demand a positive response from the child and which will hold the interest for a long time.

Louis Marx, for example employ child psychologists to advice them on various aspects of their present and future toy ranges in a bid to provide the ultimate consumer-the child - with what he or she wants.

Children's games, like Sorry! Animal Lotto and Memory Games manufactured by John Waddington are often tested in nursery schools.

An educational psychologist, MR. Linn, in Waddington once said : " You must captivate the imagination of the child and the children game must have a certain degree of frustration, and in games, they can throw tantrum without any comeback."

The big revolution was in toys for the very and very young, the pre-school toys. The manufacturer realised that the ultimate customer who buys and choose the pre-school toys are the parents and not the child. Dedicated to the idea that it is the need of the parents who have to be satisfied, more and more firms are going for educational toys, the learning and teaching toys, The most successful manufacturer of this group is Fisher-Price, of America.

Mr. Henry Coords, the President of Fisher-Price once said : " The base of our strength is the love affair we have going with mothers." Fisher-Price is probably the most profitable toy company in business. Mr. Coords attributes much of this success to the nation's quality-conscious mothers who frequently buy pre-school toys by brand name. Another reason is that shopping public are now more and more asking intelligent questions about product safety, product durability, the product integrity as well as the intrinsic play value of the toy. Fisher-Price is one of the few manufacturers who can satisfy the above mentioned criteria. Such criteria are stressed strongly in every advertisement of the Fisher-Price toys.

Toy spending in the pre-school market has expanded rapidly. This is possibly coupled with the fact that the parent have very much more money to spend on toys than

20 years ago. People seems more willing to spend high amounts for single toys providing quality is there.

Another factor that should not be overlooked in the assessment of the pre-school toy market is the coming of the nursery school expenditure, with an investment of £34 million scheduled to be spent on a massive building programme over 1974/76 to provide new nursery classes in England. There must lie some relation between this and the toy market on the premise that if a child has a toy which he plays with at school, he will very likely want that same toy in his home. The scope of his knowledge of toys available is bound to be increased. So for retailers and for management, the pre-school toy market is a very healthy one at present, and it is certainly one worth investing in .

4) A further area of increasing importance in successful toy marketing is that of accessories. For many years now accessories. For many years now accessories have been important in certain sectors of the toy market, notably railways. Here accessory sales are worth 2½ to 3 times the sales of the original sets.

Mattel has over its 23 years developed a philosophy about the selling of toys. It does not simply produce a one off, lone toy, but a concept. In otherwords, it sells

and promote aggressively a play idea to a child who then proceeds to collect all the relevant Mattel products associated with that idea. Mattel first tested the commercial viability of this idea with the Barbie doll, a teenage style doll with an infinite accessories and wardrobe as well as numerous friends. The trade said it wouldn't work but it was a success.

5) Quality Control in any manufacturing enterprise is recognised as a most important function. It is a well known fact that many companies have failed because consumers rejected their products due to substandard quality.

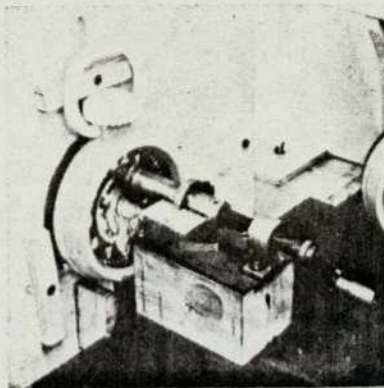
Aside from consumer considerations, a loss of quality control in a manufacturing operation means waste since it involves the reworking or discarding of material and labour used in the fabrication of the product. This naturally, has a negative effect on the profitability of the Co.

To the toy industry today, the quality control department has an even more encompassing responsibility than preventing waste and assuming that the finished products will function in a satisfactory manner. It also has the responsibility for seeing that all the product the Co. produces meet a rigid code of safety standards acceptable to the country where the firm's market is located. In America, the American Consumer Product Safety Commission have recently drawn up a set of very stringent safety regulations for toys to which importers must comply.

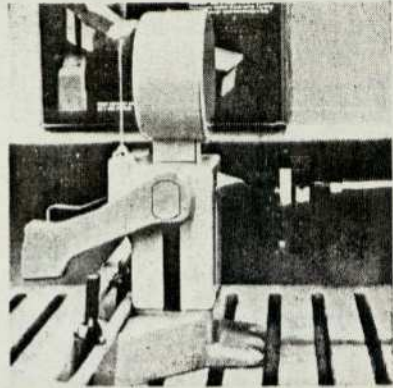
With more and more emphasis being put on safety, it's good to see the British toy industry doing its bit. The American Consumer Product Safety Commission have recently drawn up a set of very stringent safety regulations for toys, to which importers must comply.

The regulations, shown in the chart below cover everything from impact to compression, and apply to toys for children up to eight years old.

Lesney, the Matchbox people, have made sure that their new range of pre-school toys are subjected to all these tests.

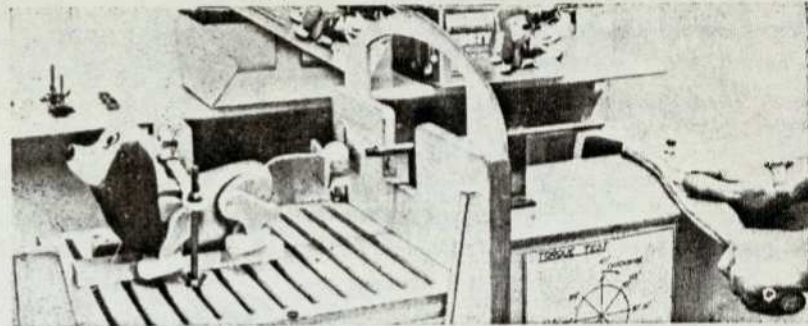


Matchbox Rhyme Time clock face undergoing compression tests up to 30lb at Lesney's.



Torque test on Billy Stacker. Projections must stand torque of up to 4 in lb.

Rusty, the pullalong dog gets horizontal and perpendicular tension test. Force applied is up to 15lb.



American Toy Safety Regulations

Test

IMPACT (Drop)

The toy shall be dropped in random orientation onto a impact area consisting of 0.125 vinyl-asbestos tile over at least 2.5 inch thickness of concrete.

BITE

A toy or part of a toy that has an external dimension of 1 1/4 in or less that a child could insert into its mouth a portion in any orientation up to a biting thickness of 1 1/4 in and a penetration of at least 1/4 in.

FLEXURE

Any toy that is intended to be bent or formed and that is equipped with metal wire(s) or metal stiffening.

TORQUE

A toy with a projection, part or assembly that the child can grasp by at least the thumb and forefinger.

TENSION (Pull)

Any projection of a toy that the child can grasp by at least the thumb and forefinger. This test is to be conducted on the same projection after it has been subjected to the torque test.

COMPRESSION

Any area on the surface of a toy that is accessible to a child and inaccessible to flat surface contact during the impact test.

Age Groups (in months)

0-18

Toy weight
3lb or less
Drop 10 times
from height
4-5 ft.

Bite force
25 lb

18-36

Toy weight
4lb or less
Drop 4 times
from height
3 ft.

Bite force
50 lb

36-96

Toy weight
10lb or less
Drop 4 times
from height
3 ft.

For mouth
toys only
100 lb

Force to be applied over five seconds and maintained for 10 seconds.

The part shall be bent through a 60 degree arc then bent in the reverse direction through a 120 degree arc applied over 2 seconds. Two 120 degree bends constitute one cycle. Repeat for 30 cycles with 60 sec. rest period after every 10 cycles.

A torque load shall be applied in clockwise direction over 5 sec. and maintained for 10 sec. or until a rotation of 180 degrees is attained. The test to be repeated counter-clockwise from the original position.

Torque load
2 inch lb

Torque load
3 inch lb

Torque load
4 inch lb

A direction force is applied parallel to the major axis followed by a tensile force applied perpendicular to the major axis.
Load 10 lb Load 15 lb Load 15 lb
Force to be applied over 5 sec and maintained for 10 sec in both tests.

A direct force is applied through a metal disc. 1 1/4 in diameter to the flat surface under test.

20 lb

25 lb

30 lb

Force to be applied over 5 sec and maintained for 10 sec.

Thus it is essential to satisfy the consumers through quality control.

6) The manufacturer must also offer - when necessary - incentive such as extended credit or merchandise on sales or return basis. All these and many other factors will contribute to sales both to the retailers and then to the consumers.

However, one must stress that the quality of the product is an important factor leading to success. A high quality product, can often survive poor promotion or inadequate selling, but an unsatisfactory product is unlikely to survive even with first class selling and promotion. It is the ultimate consumer who will decide the fate of the products.

There are about 380 companies engaging in the marketing of toys in the U.K. According to a survey in Toys, Games and Sports Equipment Industry that has been published by Financial Analysis Group Ltd.

The 5 most profitable companies are Peter Pan Playthings, Tonka, Nissen International, Trendon and J.W.Spear, showing % return on capital respectively of 56.9%, 44.2%, 41.9%, 36.0% and 35.9% and % margin on sales of 11.0, 17.2, 16.5, 11.0, and 24.7 compared with an average of industry of 17.5 and 8.0.

From my own research, the 6 largest companies in the Toy Sports and Games Industry are Raleigh, Lesney, Dunbee-Combex-Marx, John Waddington, Airfix Industries and Mettoy, with 1972/73 sales respectively of £56.87m. , £20.23m. , £16.634m. , £15.523m. £14.451m. and £9.304m.

Hence, the largest company producing sports equipment is Raleigh, makers of children bicycles of all types, cycle components and fitting saddlebags.

The large company, producing boardgames and sport games (Subbuteo) is John Waddington and the largest company in the toy industry is Lesney Products, followed by Dunbee-Combex-Marx and Airfix.

British Toy Manufacturer do have a reputation abroad for good quality products even if this reputation is not always equalled by their inefficiency in meeting delivery dates. This could be less of a problem if other companies follow the example of Lesney and D-C-M who are trying to take over European companies which offer manufacturing as well as warehousing and distribution facilities.

Toy manufacturer can be classified into 5 groups :

- 1) U.K. based companies whose primarily activity is/was the manufacture of toys.
- 2) U.K. based companies which manufacture(d) toys but have (had) substantial interests in other activities
- 3) Past & Present major U.S. toys and non-toys companies with toy interests in U.K.
- 4) European company with toy interest in the U.K.
- 5) Other significant companies whose major income (or part of it) is derived from toy manufacture.

- a) Major U.K. based companies whose primarily activity is/was the manufacture of toys.

Airfix Industries Ltd.

Airfix has started in 1939 by Mr. Nicholas Kove, manufacturing rubber toys filled with air. The first construction kit was produced in 1950 but it was not until the advent of polythene bags that the idea became economical.

In 1952, the first of the present range of construction kits was produced and marketed through F. W. Woolworth. The Gold Hind was the first model used. The price of the first model kit was 2/-. Next came the Messerschmitt aeroplane and Airfix just kept on going until they dominated the British market.

In 1957, Airfix Products went public by means of a 'shell' operation using the Ceylon Cocoa and Rubber Co. (1933) Ltd. Consequently, the Co. changed its name to Airfix Industries Ltd.

During the early 1960's, the Co. acquired several other companies and its subsidiaries. Airfix Products is known for its leadership in kits. At the same time, Airfix Products diversified into other areas of the toy trade. Today, together with Meccano Products, the Co. covers nearly all aspects of the toy business apart from dolls and model trains.

The Co. products tend to appeal to the quality end of the toy market which explains and justify the decisions to have a retail selling force as opposed to wholesale force.

The Co. owns freehold and leasehold premises at Wandsworth (London), Sunbury-on-Thames, Dunstable, Doncaster and Liverpool. The Executive office is now located in High St. Kensington.

In Dec. 1971, the Co. made its largest single acquisition while it purchased the assets and goodwill of the former business of Meccano Triang. This was a sizable part of the Line Brothers and manufactures toys under the brand name of 'Meccano' and 'Dinky'. The Meccano acquisition is now proving itself after a slightly disappointing year in 1972/73.

The Co. now has 3 principle divisions:

Toys, General Plastics and Footwear.

The three day week early this year had meant that big customers like Woolworth and Boots were told that certain lines had been chopped or temporarily suspended. Also, Shell Chemicals, which provided some of the raw materials for Airfix's Plastics, had to rephase deliveries to economise on diesel fuel. At the same time, Airfix Products, responsible for all toy production, were cutting back slower selling lines maybe 15% of their ranges. "Pruning will save mould changes which can put machines out of action for 4 hours" claimed Mr. John Gray, Managing Director of Airfix Products. "We are trying not to have mould changes during our 3 selectricity days, when we work 3 shifts round the clock."

It must be said first that sales of Airfix Industries over the past year fell far short of the unofficially forecast £20m. made at the beginning of the year. The final figure came out at £17.76m. against £14.45m. in 1972/3 - a 23% increase but nevertheless a disappointment.

The problem of Airfix now is meeting its orders. Exports doubled in the 1st. quarter of the current year and the export order books continues to grow so that some deliveries have had to be rationed in the home market.

But there must still be reservations about the future of any company engaged so heavily in the cyclical toy industry (Last year, toy accounted for 72% for turn-over and 85% of profit) even though raw material prices look as though they might be turning in favour of the producer. Airfix's diversification still only accounts for a small part of the business and is in any case in cyclical products.

However, on the whole the overall control of the group is very good and of high quality.

Subsidiary Co. :

Toys

Airfix Products Ltd.

Construction kits and models.

New Artist - Painting by no.

Arts and Crafts

Family games

Adult Games

Weebles Pre-school

Meccano Ltd.

Meccano

Dinky Toys

Plastic Meccano

Action kits

General Plastics

Airfix Plastics Ltd.	Houseware
	Packaging Containers
	Material handling
	Furniture Accessories
Delcon Foam Plastic Ltd.	Foam-domestic Sponges
	Industrial components filters
Airfix Packaging Developments Ltd.	
	Container

Footwear

Airfix Footwear Ltd.	Ladies footwear
----------------------	-----------------

Financial Profile :

<u>Year to</u> <u>31st. March</u>	<u>Turnover</u> <u>£ '000</u>	<u>Net Profit</u> <u>before tax</u> <u>£ '000</u>	<u>Net Profit</u> <u>after tax</u> <u>£ '000</u>
1970	7,224	807	442
1971	8,537	812	489
1972	11,002	1,420	939
1973	14,451	1,936	1,234

<u>Activity</u>	<u>Turnover</u>				<u>Pre-tax Profits</u>			
	<u>1973</u> <u>£ '000</u>	<u>%</u>	<u>1972</u> <u>£ '000</u>	<u>%</u>	<u>1973</u> <u>£ '000</u>	<u>%</u>	<u>1972</u> <u>£ '000</u>	<u>%</u>
<u>Toys</u>	10,738	75	7,809	71	1,740	85	1,360	86
<u>General Plastics</u>	2,326	16	2,123	20	206	10	172	11
<u>Footwear</u>	<u>1,326</u> 14,390	<u>9</u> 100	<u>90</u> 10,922	<u>9</u> 100	<u>92</u> 2,038	<u>5</u> 100	<u>41</u> 1,573	<u>3</u> 100
A.P.D.	61		80		(108)		(103)	
<u>Parent Co. Admin.</u>	<u>-</u> 14,451		<u>-</u> 11,002		<u>6</u> 1,936		<u>(50)</u> 1,420	

	<u>Exports</u>	<u>No. Employees</u>
1971	1.799m.	2,159
1972	2.695m.	3,520
1973	4.162m.	3,464

AIRFIX

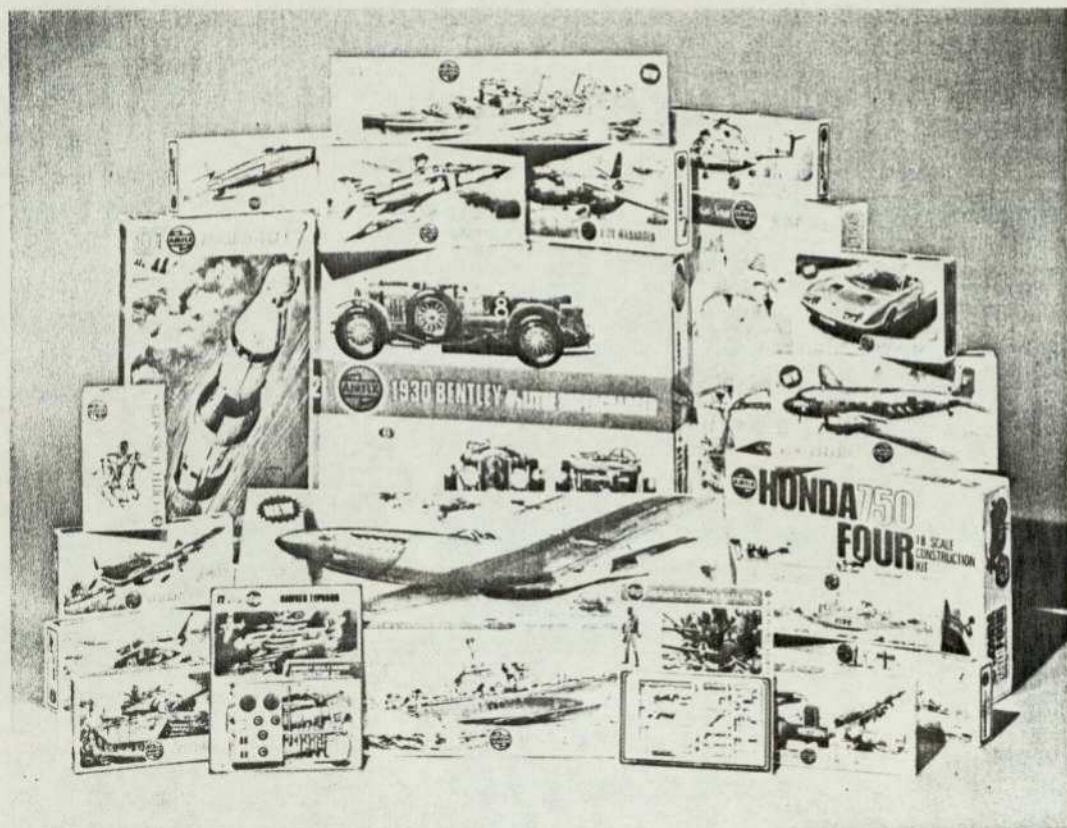
TOYS & GAMES

1974





FOR CONSTRUCTION KITS



Ever mindful of its place in the modelling world and of its vast programme, Airfix continues to bring forward a selection of new kits every year unsurpassed by any other manufacturer. The quality, attention to detail and value for money of the Airfix range speak for themselves and are renowned the world over.



FOR ARTS AND CRAFTS



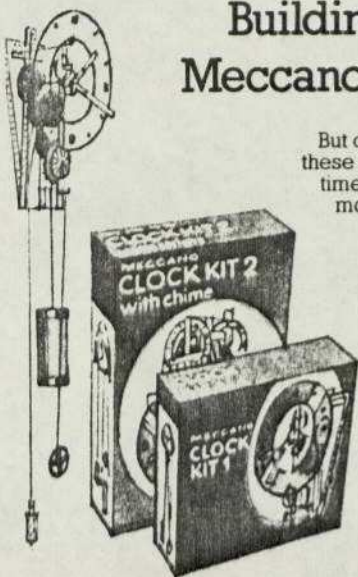
With the need in today's world to relax and, in relaxing, to create, the Airfix range of Arts and Crafts has evolved to meet the demands of the entire family.

He'll have the 'time of his life'

Building the Meccano Clocks

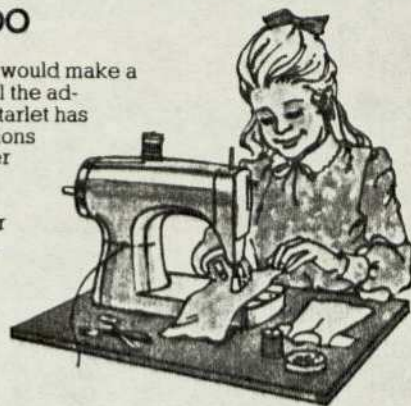
But don't think for a moment that these are anything but real working timepieces with real clock movements.

There is a choice of both striking and non-striking models. Take them seriously ... your customers will.



At Meccano, girls are in fashion too

Who else but Meccano would make a girl's sewing machine with all the advanced features of Starlet? Starlet has Lockstitch to keep her creations from falling apart. (Most other machines have a pull-out chain stitch). Then there's a metal table clamp to give her maximum ease of operation. And finally, there's strong Meccano quality metal construction to keep our girl in fashion until she graduates to Mum's grown-up model.



But above all, we know what's on your mind

Meccano and Dinky sell because of the continued support of our dealers. And that means you.

In order to sustain your enthusiasm, we concentrate on creating sales at your

shop, in addition to creating exciting new toys for the market.

Just look at some of the ways we're helping you sell this year.



What happens when the most popular name in cereals teams up with the most popular name in construction sets? The Kelloggs/Meccano Pre-Christmas (1974) Promotion. Watch for it on TV and in the comics.



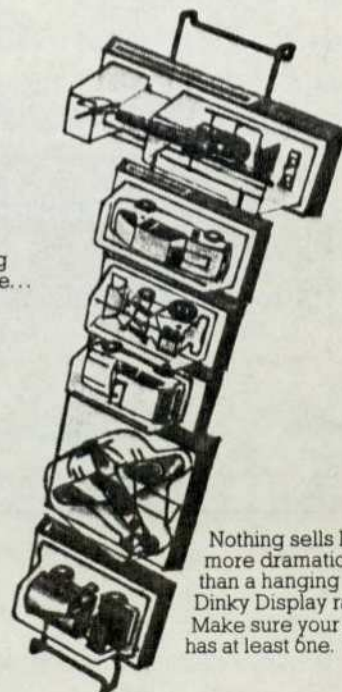
It's easy to sell Multikit when your customers can tell at a glance what they're getting.



A whole London Bus carries the Dinky and Meccano message to your customers.



Meccano advertising is where the kids are... in the comics.



Nothing sells Dinky more dramatically than a hanging Dinky Display rack. Make sure your shop has at least one.

MECCANO®

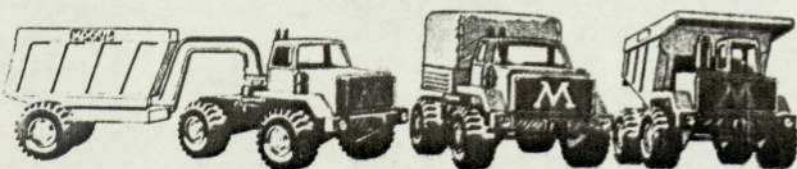
1973. MECCANO Limited, Binns Road, Liverpool L13 1DA.

MOGUL^{T.M.}



The biggest thing in big steel toys in years!

THE FIRST THREE



Articulated Tipper No. 3222. Army Truck No. 3287. Dump Truck No. 3201.

A great new range of king-size steel toys, made to make any kid's eyes light up, will take almost anything today's tough youngsters can dish out and made by MECCANO.
Order yours now.

Made by
MECCANO
England

COMING SOON

Mobile Crane No. 3299



Tractor & Trailer No. 3265



Tractor Digger No. 3243.



Berwick Timpo Ltd.

The Co. registered in 1907 as Mirrlers Bicherton & Day Ltd., named changed to Mirrlers Watson Co. Ltd. in Oct. 1944 and to Blairs Engineers Ltd. on 23rd, Jan. 1967 and to Berwick Timpo Ltd. in Oct. 1969.

After an exceptionally good year in 1966 as a result of "Batman" and Superball products, Blaire Engineering Ltd's results were depressed in 1967 and 1968 and there were a loss in 1969.

With the backing of the Ionian Bank Ltd. the Co. was reorganised in 1969 and a new management team was introduced. Previously, it had been the holding Co. for an engineering group: Blairs Engineering Ltd. The engineering subsidiaries were sold in 1969 for £200,000 in cash and Berwick Toy Co. Ltd. was acquired for a consideration of £861,443 cash and issue of 323,000 ord. shares of 1 each. At the same time, the Co. changed its name to Berwick Timpo Ltd. Co. now operates as a Holding Co. only. Its subsidiaries are principally engaged in manufacture and working of toys and games.

In 1965, the Co. acquired Model Toys Ltd. Model Toys manufactured model figures such as Cowboys and Indians, Soldiers and Animals.

At the end of 1972, Model Toys undertook a major expansion into the field of girls' toys and part of this programme was the purchased of the tools, goodwill and world manufacturing rights of the doll's furniture division of Creilsheimer GMBH, West Germany's largest manufacturer in this field for the sum of £ 56,000 cash. Its market include the Comman Market and other European countries. Such deal further strengthen the company's position as a major toy exporter.

Of great importance has been development, in conjunction with Mary Quant, of a new fashion doll, 'Daisy' with an extensive wardrobe of clothes and accessories. Model Toys has been granted the worldwide manufacturing and sales rights of 9" tall doll. The doll is aimed at the 6-10 years old market.

Berwick Timpo's production facilities are situated in Cheshire and Scotland and a new factory was opened in 1972 at Hillington in Scotland to accomodate the production of Dolls House furniture.

In Nov. 1973, the Co. acquired Peter Pan Playthings with effect from Jan. 1973, for £417,500 - £250,000 cash and 236,238 ordinary shares.

Peter Pan was a private manufacturer of toys and games. It is a very profitable company and is considered to be the company with the highest return on capital invested (56.9%) in the industry. The Co. concentrate on selling in the local market and export only forms a small % of the total turnover.

The year ended 31st. Dec. 1973. It was another year of progress for the Co. The group taxable profit for 1973 was £808,057 including first time contribution from Peter Pan Playthings of £115,758. 1973 was a solid achievement, but a note of caution must come into assessment of the year's figure as there is evidence that margins, especially in the 2nd half, have been squeezed and substantially higher tax charges this year resulted in post-tax profits being only slightly up on last year.

Increase in sales in 1973 comes principally from the Model Toys division and the 'Daisy'doll, launched early last year was a success. Model Toys sales were up from £1.66m. to 2.78m. while Berwick Toys, the other major

division, manufacturing more expansive toys, mostly in plastic and for home market increased sales from £1.53 m. to £2.04m. Peter Pan Playthings also contributed a sales volume of £1m.

An important feature of the company's trade is that it is largely of a non-seasonal nature in contrast with most toy manufacturing companies. According to the Chairman, Mr. J. D. Oakley, the 3-day week and other factors had meant a difficult start of the year and he repeated that it was extremely difficult to predict the outcome for 1974.

Product Range :

"Daisy Doll"; model soldiers, animals ;
"Paint Yourself" action pack, Action games
such as Frustration from Peter Pan Playthings.

Subsidiary Companies :

Berwick's Toy Co. Ltd.
Model Toys Ltd.
British Artware Ltd.
Berwick Timpo Pension Trustees Ltd.
Berwick's AG., Chur (Inc. in Switzerland)
Timpo AG Zug (Inc. in Switzerland)
Peter Pan Playthings Ltd.

Financial Profile :

<u>Year to</u> <u>Dec. 31</u>	<u>Turnover</u> <u>£</u>	<u>Net Profit</u> <u>Before tax</u> <u>£</u>	<u>Net Profit</u> <u>After tax,</u> <u>£</u>
1970	2,351,322	254,206	N/A
1971	2,870,292	406,781	N/A
1972	3,190,345	562,111	359,664
1973	5,811,955	808,057	389,660

Exports :

The F.O.B. value of goods exported for the
U.K. by the group during 1973 was £1,778,239.

No. of Employees :

1973 : 1,243.

BERWICK 74



PREPARE TO MEET THY BOOM!

Model Toys predict booming profits for you in 1974.

Model Toys should know! Because they're providing you with some of the greatest sales-winning ideas of all time.

Backed by advertising and promotional support that will really get the customers going.

And they'll be coming back to the shops for more. Because everything is designed to spur them into collecting.

You'll find full details on the following pages.

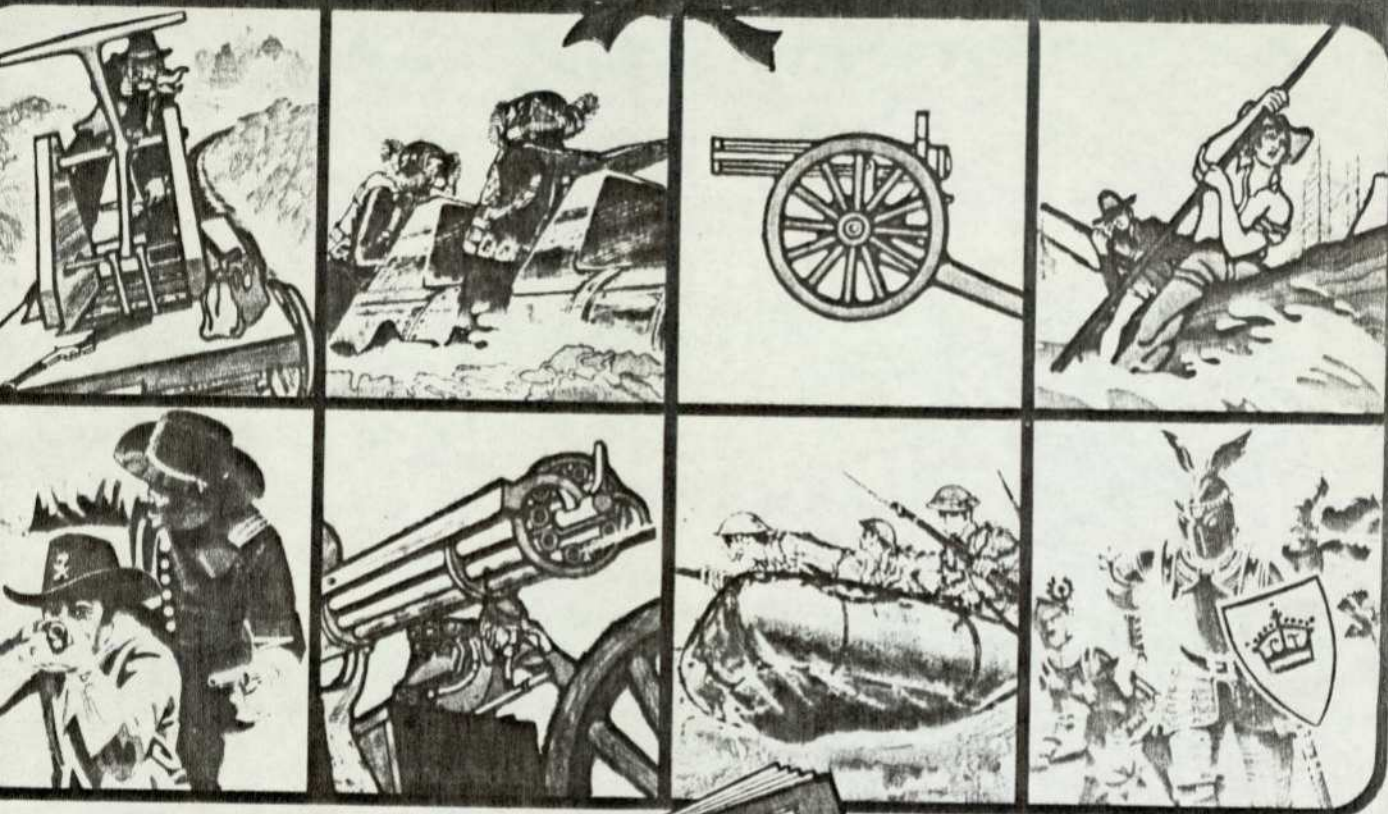
Prepare to play your part. Then look forward to a Happy 1974 – the year of your big boom!

The biggest BOOMS begin with Timpo

And continue throughout the year

No need to remind you that Timpo
ion models are the all-year-round big
ers. They can go crackers at Christmas,

like everything else. But they don't leave you
feeling the party's over once the season of
goodwill has gone by.



ere's the 1974 package for a
igger-than-ever Timpo year:
uper New Lines: Two-man
omarine, Rocket Bazooka with
merican Soldiers, Gatling Gun,
kers Machine Gun, Two Cowboys on a
ating Log, Surrey and Buggy, new
ights of the Middle Ages, Medieval Siege
ver—and lots more.
nd all the old favourites, too.



Shining new
Catalogue:

Your trade catalogue. Bigger and
better than ever. Carefully set
out, with full-colour
illustrations. It makes ordering
easier for you.

PLUS
ising, Advertising,
On TV

with really punchy spots.
covering all three major series in the
Timpo range: Wild West, Historic
and Medieval, and Modern Army.
in colour, of course.
in the Spring.
with high frequency, in a steady
stream.
on all the main TV channels.

**Stock up with
TIMPO for a Happy
1974—the year of
your big BOOM!**

Model Toys Ltd.,
Shotts, Lanarkshire,
Scotland.

MODEL TOYS GO FOR GROWTH IN 1974.

MODEL TOYS MEANS TIMPO first and foremost – the line that's been proved a winner year after year. Because Timpo sells steadily right through the year. It doesn't need a Christmas or Easter to get it moving.

Why should Timpo enjoy this steady success? First, perhaps, must come the quality of the models themselves and the care which goes into their design and manufacture. It all bears repeating for anyone who might have forgotten the details.

Timpo models are made from tough, non-toxic plastic by a *unique overmoulding process*. This means that the model is built up gradually by a number of separate moulding processes, one over the other.

The end result – which could easily have involved a dozen moulding operations or more – is a perfectly fused whole, realistically modelled, with all-through colour that can't rub off.

Individual finishing touches, such as placing a figure on his horse, are carried out by hand. All this – for an item that can sell for only coppers!

Terrific range. Next must come the marketing strategy behind the Timpo range – a terrific range by any standards, as a quick flip through the latest catalogue would show. All aspects of the toy-buying situation have been catered for in a way that interlocks for maximum potential.

The total range breaks down logically into a number of distinct sub-ranges, to take account of different crazes: there's the Wild West, for example; Historic and Medieval series; the Modern Army; the Frozen North; the Farm series, which ropes in the girl customers as well as the boys.

And within these sub-ranges there are infinite possibilities price-wise. From the Super Luxury Window Display Boxes for special gift-buying occasions right down to individual figures for the impulse pocket-money purchase. Once those kids start collecting Timpo, there's no stopping them!

New models for 1974

And let's not forget Model Toys' principle of always keeping the Timpo range alive with new ideas. 1974 is no exception and new models include a Large Assault Craft with 4 Army Figures, Apache Indians, a Mortar with Germans, Rail Car with Cowboy, Two Cowboys on a Floating Log (floating items are always extremely popular) – and many more.

The successful 'Action Pack' series of unpainted models will be further enlarged with Highland Infantry and Sioux Indians. And a special unpainted Footballers series will appeal greatly to every football fan in the country who wants to 'paint his own team'. That will probably include quite a few Dads!

The Best-Dressed Doll in the World

It would be difficult to find a formula for a fashion-doll to beat Model Toys' DAISY. A fashion-doll needs to be really

fashionable. That should go without saying. So Model Toys decided to entrust their new doll's entire fashion-wardrobe to the one designer with the widest following anywhere: Mary Quant, the girl who put the world into mini skirts.

Mary Quant also advised on the styling of the doll itself, down to every limb and golden curl. And what a winner Daisy has turned out to be!

Initial demand far exceeded even the most wildly optimistic expectations of Model Toys. Retailers' shelves were clear at the end of the year and will have to be re-stocked.

Complete new wardrobe for Autumn 1974

Now the Daisy success story looks like being repeated with an even greater bang in 1974. To be a truly fashionable doll, Daisy quite naturally must have a complete new wardrobe from time to time. Which is exactly what she's getting next Autumn. It's styled by Mary Quant again, of course. And it adds up to over forty outfits that every little Daisy owner will



feel she simply must have for her very own Daisy doll.

A sneak preview of the range shows that it's really colourful and destined to make a big splash on toy counters everywhere.

There are crisp little numbers such as Smarty, Concorde and Sunday Best. Frilly, flowery frocks such as Daisy Chain and St. Tropez. Dressy outfits such as Garden Party and Derby Day. Sporty separates. Glamorous evening dresses. Saucy culottes. And all the shoes, bags and other etceteras that go to make Daisy so very credible in real fashion terms.

In addition, there's a wonderful new range of special accessories which includes a suitcase, movie camera, passport, guitar, record player, typewriter, telephone, TV set, and tray with bottles and glasses. They will all be launched at Harrogate.

The new Daisy fashion-theme for Autumn '74 is a Round-the-World Holiday. A most appropriate theme for what must

surely be the best-dressed doll in the world – and one which will be used throughout eye-catching promotional pieces.

Daisy will be making two lots of appearances next year in colour on TV. In February, featuring the current range of top-selling fashions. And again in September through December, to promote the new Autumn fashion collection.

Daisy gets a bed. Daisy's also launching out onto the interior design scene – with her very own bed. A gorgeous Victorian 'brass' bedstead – with knobs on! That, too, has been designed by the talented Miss Quant and comes complete with the most attractive bedclothes in an eye-catching box.

Increased demand for Model Toys Furniture

But, of course, Daisy has already had a super range of furniture at her disposal: Model Toys' CORONET range. It's the perfect size for Daisy, Skipper and other 8" – 9" fashion-dolls.

This prestige line of beautiful pieces is beautifully made. It has been one of the great successes of the year. And it looks like going from strength to strength in 1974. Model Toys have built up good stocks to meet the steadily increasing demand they've found for this range.

Really works Coronet Furniture really works. Doors and drawers open, doll's clothes can be stored inside – making it a perfect extra-selling line for every owner of an 8" – 9" fashion-doll. Each super piece of Coronet Furniture comes individually packed in a colourful window box with enormous display value.

Model Toys' other furniture range, FLAIRLINE, has also proved itself this year. And Model Toys are well stocked up and producing it in the vast quantities they realise will be required in 1974.

Contemporary styling. Flairline really is in a class of its own on the doll's house scene. These true-to-life miniatures are made of tough non-toxic plastic, styled in the contemporary manner.

There are dozens of pieces in the range, making complete settings for every room in the home, thought out to the last little detail – which makes all the difference between being 'just another range' and being the really tempting line-with-a-plus that appeals to the young collector.

Flairline packaging is most attractive and colourful and designed to set off the furniture to maximum effect. It covers Small, Medium and Large Display Sets, Room Displays and Blister Packs.

Enter: The Flair Family. For 1974, Model Toys have produced the logical extension to their range of Flairline Doll's House Furniture: a family to enjoy it.

They are called, naturally enough, The Flair Family and consist of Mr. and Mrs. Flair, their son and daughter.

The Flair Family are an enchanting group of fully-bendable flexi-figures, ready dressed in colourful fabric clothes, and are, of course, in scale with the furniture. They come packaged as a complete family in a window box.

Incidentally, although Model Toys have done their level best to anticipate the snowballing demand for both the Flairline and Coronet ranges, they do advise ordering plenty and ordering it soon. Like anyone else, they hate being put in a position of having to disappoint their customers!

This will really
knock you out!



BOOM!

HAVOC
Secret Agent

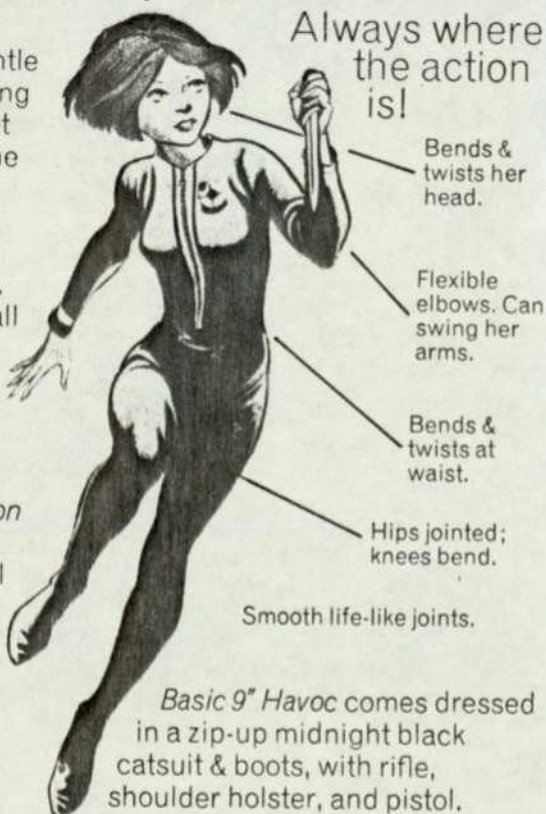
The sizzling new concept in
action figures—from Model Toys

Inside every sweet and gentle little girl, there's a streak of daring and devilment just waiting to get out. Now, Model Toys provide the perfect outlet: HAVOC, Secret Agent.

HAVOC is fearless, fiery, fighting crime around the world. Havoc is fully articulated. With all the outfits, weapons and accessories her fantastic exploits demand. Including a racing motorbike!

HAVOC is the one doll that every little girl will want *in addition* to any other dolls she may have.

And just think what *that* will do to your profits!



Basic 9" Havoc comes dressed in a zip-up midnight black catsuit & boots, with rifle, shoulder holster, and pistol.

Also available: Havoc plus Racing Motorbike. Racing Motorbike alone. Action accessory packs.

Two fantastic Advertising Campaigns!

In Spring: Pages bursting with colour in top girls' comics. Autumn through to Christmas: Really wild colour commercials on TV.

Special HAVOC Introductory Pack

Approx. Cost (inc. VAT) £39.68.

Approx. Retail value (inc. VAT) £59.52.

Contains 1. 1 dozen assorted doll packs.

1 dozen assorted blister packs.

1 dozen assorted small packs.

2 racing motorbikes.

2. Sales-compelling showcard.

3. A supply of exciting booklets outlining Havoc's adventures and showing accessories range: they fit into a pocket on the showcard.

Order from your wholesaler NOW!

Meet Havoc at Harrogate and Brighton.

Get cracking with HAVOC for a Happy 1974—the year of your big BOOM!

This will slay you!



A special breed of man

The cost-conscious new character from Model Toys

DAREDEVIL is a fully-articulated 9" male action figure. He goes fighting, feuding through the ages. And Model Toys provide all the outfits necessary to change him into many daring characters.

And here's the twist: your customers can buy Daredevil complete with one of his character outfits. Then they can buy other outfits *separately* without having to buy more Daredevils!

But that's not all! A Daredevil complete with full outfit retails at a fantastically competitive 'best-buy' price. Just compare the sensational quality and value for yourself. You'll be bound to agree that cost-conscious Daredevil has all the makings of a terrific sales-builder.

Daredevils with outfits: Marshal of the West, Indian Chief, 7th U.S. Cavalry Officer, Champion Show Jumper, Knight in Armour, Mexican Bandit.



Separate outfit packs: Wild West Outlaw, Apache Indian Brave, 7th U.S. Cavalry Sergeant, Show Jumper of the Year, Jousting Knight, Mexican Brigand.



Head twists and bends.
Fully jointed hips and legs.
Arms swivel, elbows bend.
Bends and twists at waist.
Smooth life-like joints.

And *LIGHTNING*:

Daredevil's sure-footed horse. One pack provides Lightning *plus* a selection of saddles, bridles, etc. to go with every Daredevil character.



Two Sharp-Shooting Advertising Campaigns!

In leading boys' comics:
Full-pages in colour, in the Spring.
On TV:
Character-packed colour spots pre-Christmas.

Special DAREDEVIL starter pack

Approx. Cost (inc. VAT) £31.69.
Approx. Retail value (inc. VAT) £47.54.
Contains 1. 1 dozen assorted Daredevil packs. 1 dozen assorted blister pack 1 horse complete with accessories.
2. Outstanding counter display piece.
3. A real stopper of a window poster.

Order from your wholesaler **NOW!**

Meet Daredevil at Harrogate and Brighton.

Get moving with DAREDEVIL for a Happy 1974—the year of your big BOOM!

Model Toys Ltd.,
Shotts, Lanarkshire,
Scotland.

Two new adventure figures with a difference from Model Toys

'Always where the action is':

that's the theme underlying HAVOC, Secret Agent, a fantastic new concept in action figures, all set to take the toy world by storm in 1974.

And it's a theme that might well be applied to Model Toys. For, not content with launching this amazing new girl-doll on her sizzling career next year, they're also coming up with DAREDEVIL – a male action figure who has different outfits to match various fighting, feuding roles, and a stallion, LIGHTNING, to accompany him on his daring way.

HAVOC and DAREDEVIL are both fully-articulated 9" action figures. Both fit perfectly into the Model Toys' pattern of marketing products which accommodate and foster a child's instincts for building up collections. And both will be promoted next year with all the punchy colour and fizz they deserve – in children's comics in the Spring and on television prior to Christmas.

The perfect outlet for devilment

HAVOC takes the commonplace assumption that little girls are interested only in pretty pretty dolls – and knocks it off for six!

The Havoc doll is born out of the shrewd recognition that most little girls can be sweet and feminine angels one minute, then bursting with devilment the next. It provides the perfect outlet for this latter aspect of their natures by supplying a karate-chopping, gun-toting character with whom they can identify as she fights crime around the world.



And do please note that Havoc may be the most daring and aggressive girl your wildest fantasies could ever fix upon – but she's doing it all for the right cause, representing the forces of good against the evil-doers of this wicked world.

It's a theme which has, of course, been the inspiration for one of television's most successful and longest-running series for grown-ups. It has its counterpart in adult comic strips. Now, thanks to Model Toys, it's going to create enormous excitement among youngsters.

Havoc will be the one doll that every little girl will want in addition to any others she may have. And that can't be bad for a start.

Fantastic adventures – and the gear to match

The major adversary in Havoc's adventurous life is the fiendish Dr. Grizzle of S.M.O.G.G. International (which stands for Spying, Murder, Outrage and Gold Grabbing). And the fantastic exploits in which she outwits his agents and thwarts his nasty plans are vividly recounted in stunning comic-cartoon style on the backs of accessory packs. Each of these contains the gear Havoc needs for that particular adventure.

There's 'The Swedish Incident', for example, in which Havoc uses mountaineering equipment, including snow-shoes, skis, ice-pick and rifle with telescopic sights, in her attempts to retrieve the stolen plans of a new secret weapon. 'Sabotage under the Sea' has her in full underwater frogman's outfit; 'Surprise from the Skies', in parachuting gear.

She goes on safari – and does battle with a deadly python. She's an undercover agent – and hides her Tommy gun in a violin case. And she has a desperate race against time – fully kitted up in studded black jacket, helmet, etc. – on her motorbike. This is an authentic push-along replica of a Honda racing motorbike and is available two ways: either packed on its own or with the Havoc action figure.

Havoc herself is also available on her own, dressed in a basic cat suit and boots, with rifle, shoulder holster and pistol. She's red-haired, by the way, in keeping with her 'fearless, fiery' nature.

Colourful catalogue

Subsidiary accessory packs provide items without which no self-respecting secret agent can hope to get by – such as a tent, an inflatable boat with outboard motor, and a Mae West. And there's also a full training kit which includes a karate outfit and the indispensable bullet-proof vest!



All packs are cross-referenced against others in the series. And doll packs will include full-colour catalogues giving mouthwatering synopses of Havoc's adventure stories and illustrating the entire range of gear. The packaging itself is a riot of eye-catching colour and zippy activity.

DAREDEVIL: all the action – at a reasonable cost

Model Toys have designated their new DAREDEVIL character 'A Special Breed of Man', which sums him up beautifully. Because he's not just one character.

Daredevil is the pseudonym of a whole host of characters spanning the ages and the globe.

He's the man who ignores danger and welcomes challenge. The man who risks all. And always wins.



In his Model Toys guise, Daredevil comes boxed complete with an outfit and all relevant accessories for playing a particular role. There's a choice of six different action-figure packs like that, each with its individual character outfit.

Lifelike joints

Daredevil's other tremendous marketing plus is the fact that an action-figure-plus-outfit pack will retail at a terrifically competitive price. You only have to compare the quality and price structure for yourself and you'll see at once what sensational value-for-money Daredevil represents. What's more, Model Toys have managed to give him unusually smooth and lifelike joints.

The experience which Model Toys have gained with Timpo has led them to produce in Daredevil a figure which can become all the popular Wild West characters and other characters which are such proven best-sellers.

The characters in this Daredevil series include: Marshal of the West, Indian Chief, 7th U.S. Cavalry Officer, Champion Show Jumper, Knight in Armour, and Mexican Bandit – in the figure-with-outfit range; and Wild West Outlaw, Apache Indian Brave, 7th U.S. Cavalry Sergeant, Show Jumper of the Year, Jousting Knight, and Mexican Brigand – in the separate outfit range.

Equipped to match

Faithful companion to Daredevil will be LIGHTNING, his surefooted horse. Lightning is to be sold on his own in a box which also includes a selection of saddles, bridles, blankets, etc. to equip him to fit in accurately with every Daredevil character.

The Havoc and Daredevil ranges will both be unveiled in all their sales-compelling glory on Model Toys' stands at Harrogate and Brighton. They're bound to prove a terrific draw.



Daisy's got a super 'NEW YEAR' offer

To help you cash in
early in 1974.



Model Toys' beautiful Daisy fashion-doll is the only doll dressed by Mary Quant. Model Toys have got all their buttons on in other ways, too.

They know lots of little girls will get Daisy dolls this Christmas. Many of their other presents will be cash. Which makes lots of little girls who will want more Daisy dresses - and will also have lolly just burning to be spent.

To help you cash in on this extra spending money, Model Toys are offering a wonderful package deal in the New Year, boosted by advertising on TV.

Special Daisy 'Happy New Year' Pack:

COST (INC. VAT) £38.13
RETAIL VALUE (INC. VAT) £52.20
Contains: 1 dozen assorted Doll packs; 1 dozen assorted Bumper fashion packs; 2 dozen assorted Super fashion packs; 1 dozen assorted Mini fashion packs.

**Good stocks available.
Immediate delivery from
Model Toys Ltd.**

Model Toys Ltd.,
Shotts, Lanarkshire,
Scotland.



Special Daisy 'Happy New Year' Advertising:

A concentrated burst of
sparkling colour spots
On all major stations in
England and Scotland
Commencing February

Daisy sales far exceeded all
our expectations in 1973. Don't
risk being caught short in 1974.

Order your special Daisy 'Happy New Year' *NOW!* Extra for 1974!

Daisy has her very own bed!
A gorgeous Victorian 'brass'
bedstead. With knobs on! It's
designed by Mary Quant (of
course) and comes complete with
most attractive bedclothes.

New Fashions for 1974!

Mary Quant has created an entire

**Keep up with
DAISY for a
Happy 1974—
the year
of your
big BOOM!**

new wardrobe for Daisy for Autumn
1974, specially designed to cover
all exciting occasions and climates
of a round-the-world holiday.

It adds up to over forty new Mary
Quant outfits that every young Daisy
owner will feel she simply must have.

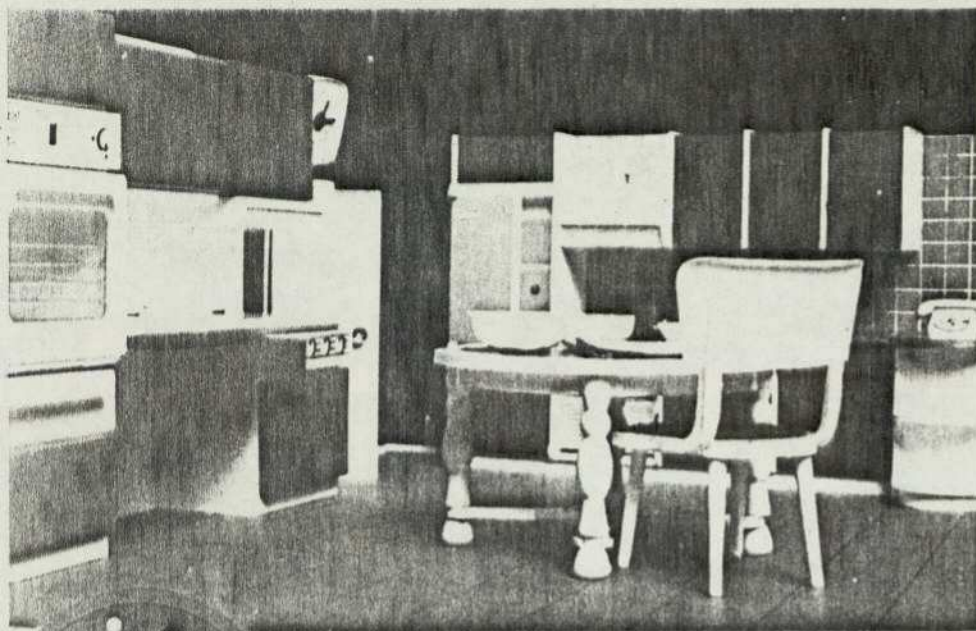


Daisy's New Autumn Fashions will be Supported by:

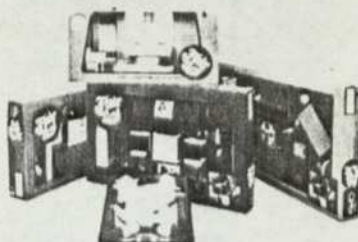
Terrific TV advertising campaign,
September to December, showing
the new fashions in colour.
New stunning cut-out Daisy showcard.
New sales-getting poster featuring
all the new fashions.

Daisy's New Autumn
Fashion Collection on
show at Harrogate.
Delivery from Model
Toys Commences
May 1.

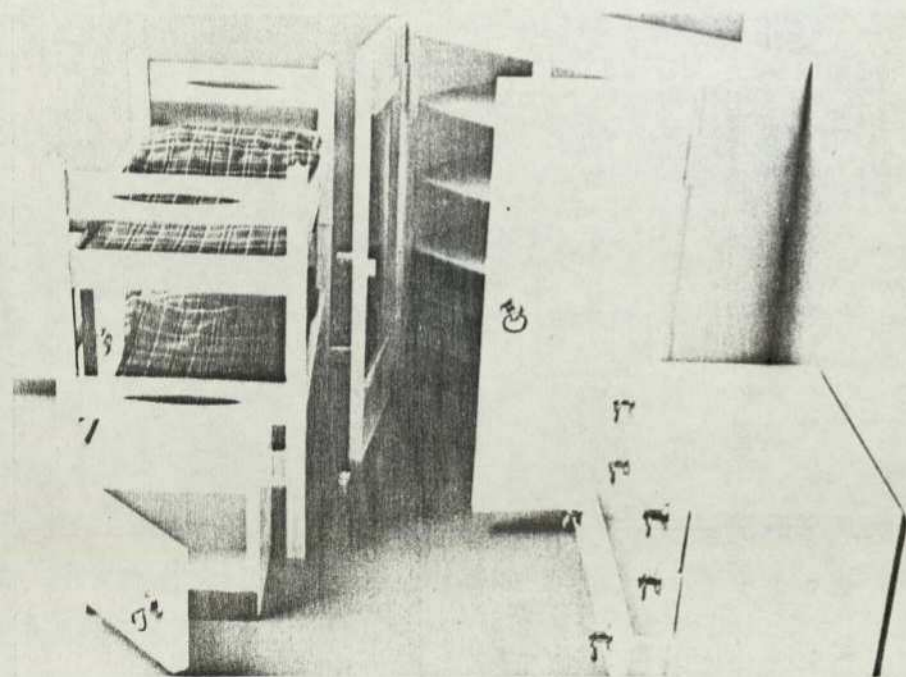
Flairline and Coronet furniture are going from strength to strength.



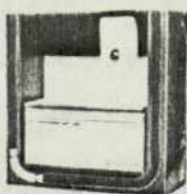
FLAIRLINE DOLL'S HOUSE FURNITURE. A quality range of true-to-life miniatures in contemporary style, made of tough non-toxic plastic. There are complete settings for every room in the home.



CORONET DOLLS FURNITURE



CORONET DOLLS FURNITURE. A prestige range of beautiful pieces, beautifully made. Fits 8"-9" fashion-dolls. And it really works! Doors and drawers open, doll's clothes can be stored inside.



They can take your profits with them.

We knew we were backing winners when we launched our two new furniture lines: CORONET, to fit Daisy and other 8"-9" fashion-dolls; and FLAIRLINE, miniatures for the doll's house.

The trade obviously thought so, too. To a most gratifying extent.

So now we've zipped up production lines, built up stocks and are all set to supply you with whatever you need from both ranges.

Just the same, experience has shown that once the young customers latch onto a new collecting craze they go on and on collecting like crazy!

So please get those orders in fast. We'd hate you to miss out on Model Toys' profitable furniture boom.

More for 1974!

If there's one thing a well-furnished house needs, it's a family to live in it.

So Model Toys have come up with **THE FLAIR FAMILY!**

Mr. and Mrs. Flair and their son and daughter are an enchanting group of nicely dressed, fully-bendable flexi-figures, perfectly scaled to fit Flairline furniture. They come packaged as a complete family, and can be ordered from your wholesaler now.



THE FLAIR FAMILY. The enchanting new family of flexi-figures, specially scaled to fit Flairline furniture. In 'family-size' window boxes.

Get well-furnished with CORONET and FLAIRLINE for a Happy 1974—the year of your big BOOM!

PETER PAN PLAYTHINGS

TRADE 1974.



Dunbee-Combex-Marx Ltd.

After Lesney Products, this is currently the 2nd. largest toy manufacturer in Europe.

Dunbee Ltd. was registered as a private Co. in 14th March 1946. It was made public and name changed to Dunbee-Combex-Marx Ltd. on July 1962 and then to above on Jan. 1968.

The operating Co. manufacture toys, toiletries, do-it-yourself (D.I.Y.) and home improvement products. On the D.I.Y. front, it is estimated that the market amounts to some £500m. a year. This sector is likely to treble its volume by 1980 and about 28% of D-C-M turnover comes from this market.

The Co. expanded steadily through acquisition and achieved a turnover of £21.7m. in the year ended Dec. 1973, with a net profit before tax of over £2m.. The group is firmly based, energetic and professional.

Combex Ltd.

Dunbee Ltd. acquired this company to form the Dunbee Combex Ltd. in 1962. On the toy side, it manufactured

a wide range of products including small baby toys, modern soft vinyle toys (World's largest producer), pre-school nursery toys and large ride on toys.

Louis Marx & Co. Ltd. :

This Co. initially is a U.K. subsidiary fo Louis Marx Inc. of U.S. Louis Marx Inc. was started over 50 years ago in the States and comes to Britian in the 30's to introduce the yo-yo which is still a good seller. As a result, Louis Marx & Co. Ltd was set up in U.K.

In Nov. 1967, D-C-M acquired all the share capital of Louis Marx & Co. Ltd. and Lumar Ltd. so as to obtain benefits of designs and patents, moulds, tools and dies for manufacture of toys and other products of Louis Marx Organisation and also to exchange technical and other information and market such products. The name was since then changed to Dunbee-Combex-Marx.Ltd. In return, Louis Marx Inc. holds a minority interest in D-C-M of about 17%.

On Jan, 30, 1972, Quaker Oats Ltd. acquired Louis Marx Inc. of U.S. for \$51,346,000 cash.

Louis Marx is the largest manufacturer of pressed steel vehicles in the U.K. and Europe's

largest producer of plastic guns and bagatelles. The Co. also produce a no. of Disney Toys and continue to be the holder of Yo-Yo registered name. The current new product includes Raving Bonkers, the Cowboy kid, Lone Ranger and Cherokee Indian.

Rovex Ltd.

It was formerly a part of Line Brothers Group which went bankrupted a few years ago. The Rovex-Triang piece of Lines had gone to D-C-M while Barclays bought the Pedigree prams division from Lines whereas D-C-M now own the Pedigree toys. It manufacture the following range of toys : Hornby Railways, Frog model kits, Scalextric electric racing cars, Sindy Dolls, Pedigree doll and soft toys.

The Co. was loosing more than £1m. as part of Lines, but it earned over £300,000 profit during its first year with D-C-M and more than 1 million last year. It is still free from tax since it has app. 3m. worth of tax losses.

The Co. has freehold factories at Margate and Canterbury.

Burbank Toy Ltd.:

This is a new company formed within the D-C-M group following their successful acquisition of the exclusive rights to distribute the Mattel range of toys in U.K. Mattel is the world's largest toy manufacturer and one of the 400 largest U.S. corporations.

Under the agreement of 17 May, 1973 with Mattel Inc. of U.S. D-C-M could take over the major part of the existing U.K. stocks and sales order of Mattel Ltd. with effect from 1 July 1973 and subsequently took over the exclusive marketing in the U.K. and Eire of Mattel's world-wide toy production from Jan. 1974. It now also manufacture under license Mattel's range with effect from the same date. D-C-M will only be taking on profitable Mattel lines.

Thus Mattel has now handed over its marketing and distribution rights to D-C-M who have obtained a 5 year licence to use Mattel's trade-mark and copyrights with complete access to the Californian company's knowhow, tools designs, patents and R&D. Burbank Toy Ltd. (initially Burbank Plastic Ltd.) will deal with the distribution and manufacturing of Mattel's range. In return,

D-C-M will pay Mattel 5% royalty on sales with a min. of £50,000 per year.

This deal with Mattel was at a cost of precisely nothing to D-C-M. Indeed the effective cost was minus £100,000 since Mattel had promised to continue its advertising programme.

Mattel had lost around £300,000 in Britain in the past few years before making the deal with D-C-M. Since then, the Co. had contributed £100,000 profit during the six months period they were with D-C-M group last year and they are expected to turn in around £250,000 this year.

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Last year (1973) the Co. D-C-M made an agreement with RB Davies Industries Ltd, a publicly quoted Co. of Sydney, Australia to acquire 10% of their issued capital in exchange for provision of technical knowhow, management and marketing expertise and the use in Australia of certain D-C-M tooling. R.B. Davis Industries are also substantial manufacturer and supplier

for and to the building and D.I.Y. trades. A major expansion is now planned to their Melbourne-based toy division, which has been exclusively licensed by D-C-M for the past 8 years.

In Europe, the Co's development has been consolidated by the acquisition in 1974 of 80% of the share capital of Depreux S.A., a well established manufacturer and distributor of toys in Roubaix, France. A marketing link will also be established with the existing Dutch Co. SIO BV. Other acquisitions are being eyed, particularly overseas, but joint Managing Director Mr. B. Feldman says there is no plan to step out of the present product mix:- toys, toiletries and do-it-yourself products. Apart from the overseas ventures, direct exports rose by 24% to £ 2.8m.

The toy side was helped by the enormous surge of orders placed just before and after Christmas. Distributors scrambled to get stocks, fearing huge price increases or even a dearth of toys in the wake of the oil crisis. Very few of these orders have been cancelled.

Principal Subsidiary Companies :

Toys :

Burbank Toys Ltd.
Combex Ltd.
Louis Marx. & Co. Ltd.
Lumar Ltd.
Rovex Ltd.
S.I.O. B.V. (Holland)
Depreux S.A. (France)

Toiletries :

Jean Sorelle Ltd.
R.F. White & Co. Ltd.

D.I.Y. and Home Improvement Products :

Dunbee Ltd.
H. A. Spiers & Co. Ltd.
Ucan-Greenman Ltd.

All companies above are owned 100% except
Rovex where the interest is 98% and Depreux
where the interest is 80%

Associate Companies :

Dunbee-Elm Ltd. (50%)
Elm-Dunbee Inc. (50%)

Financial Profile :

<u>Year ended</u> <u>31st Dec.</u>	<u>Turnover</u> <u>£ '000</u>	<u>Net Profit</u> <u>before tax</u> <u>£</u>	<u>Net Profit</u> <u>after tax</u> <u>£</u>
1971	6,009	548	354
1972	16,634	1,314	961
1973	21,708	2,009	1,366

<u>Turnover :</u>	1973 <u>£</u>	1972 <u>£</u>	1971 <u>£</u>
Toys & Toiletries	16,448,000	11,646,801	3,720,631
D.I.Y. & Home Improvement Products	5,260,000	4,589,646	1,945,813
Prams & Carry Cots	-	-	342,391
TOTAL :	<u>£21,708,000</u>	<u>£16,634,391</u>	<u>£6,008,835</u>

Exports from U.K. £2,815,000 £2,274,927 £854,971

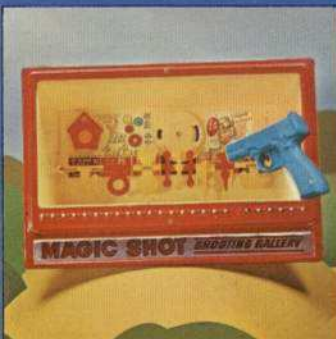
Geographic Break-
down :

Europe	1,635,000	1,310,644	567,385
Asia	89,000	62,294	45,924
N. & S. Africa	310,000	295,004	142,416
Australasia	562,000	357,917	38,228
Africa	<u>219,000</u>	<u>249,068</u>	<u>61,018</u>
	<u>£ 2,815,000</u>	<u>£2,274,927</u>	<u>£854,971</u>

<u>Group Trading Profit:</u>	1973	1972	1971
Toy & Toiletries	2,001,000	1,171,326	452,289
D.I.Y. & Home Improvement	509,000	425,447	243,160
Prams and Carrying Cots	-	27,085	654
Total :	<u>£ 2,510,000</u>	<u>£ 1,623,858</u>	<u>£ 696,103</u>

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Dunbee Combex Marx



An insight into
Europe's most successful
toy group

Driving force in Europe's Toy Industry

DCM have, in a little over 20 years, developed into one of the major companies in the European toy industry. As a result of acquisitions in recent years the company has risen to the number two position in a highly competitive field. Dunbee Ltd, as it was when it was started, began trading in 1946. Richard Beecham and Basil Feldman, the two joint founders, commenced their business in the plastics industry on a £500 loan. Initially trade was difficult but through ambition and hard work Dunbee developed from a small operation, with two employees, to a substantial one with a sales turnover of just under £1m and 30 employees in the late fifties. It was at this time that the foundations for the future were laid. For sometime Richard Beecham and Basil Feldman had been attracted by the toy industry. Realising that as the nation's wealth increased in the post war years and with a new prosperity the toy industry was likely to be one of its major beneficiaries. Dunbee began to look for likely acquisition candidates in this field, and Combex Ltd, manufacturers of toys for very young children, was acquired in the Summer of 1960 to form the base for a newly formed toy division. Richard Beecham decided to undertake this particular area of responsibility personally and this soon showed its effect with Combex sales doubling in two years as well as increasing its marketing effort in the form of new products. Meanwhile Basil Feldman continued as head of the successful DIY division. Shortly after this in 1962, the group was strong enough to obtain a public quotation. This was achieved by means of a share placing at 6/0½. Compare this figure with the share price at last year's high of 256p (equivalent before scrip) and the success of the DCM group is clearly apparent. There followed several years of gradually increasing profits and planned development and a number of notable purchases. One of the major ones was the UK interests of the world famous American, Marx Toys, Louis Marx & Co Ltd, and it was at this time that the current Dunbee-Combex-Marx was born. Louis Marx were well established British toy manufacturers with names such as Bagatelle, Yo-Yo and are the largest producer of moulded toy guns. With this acquisition the new DCM group became a significant force in the UK toy market. During the ensuing years there followed further expansion by acquisition in the DIY field and organic development in the Toy division.

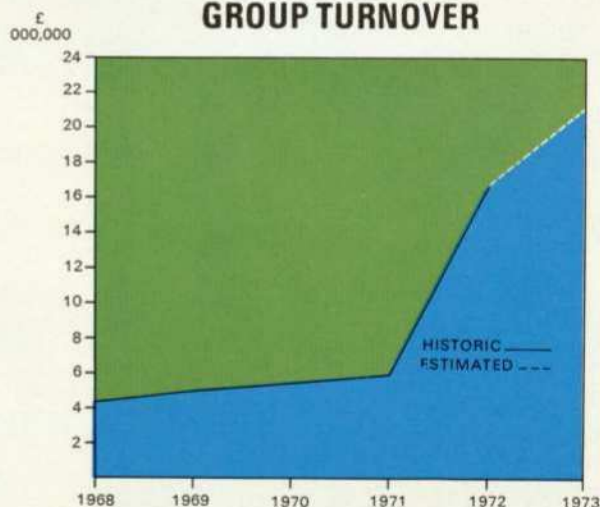
In 1972 the division was ready for another major step forward with the purchase from the liquidator of the defunct Lines Bros of Rovex Ltd, manufacturers of the world famous Hornby trains, Scalextric racing sets, Frog construction kits, and Sindy dolls and Pedigree toys. This in one step gave the toy interests of DCM an increase in sales of £5m. Rovex which had been making losses for some time, under DCM's dynamic management soon turned in a profit in just one year. After the Rovex purchase further important steps were taken.

Firstly, SIO Bv, the second largest toy company in Holland joined the group in November of the same year. This in addition to giving DCM an EEC base, also provided the company with a tailor made sales force for its own products in Belgium. The second of these agreements was the takeover under licence of the UK interests of Mattel Inc, of the USA, the largest toy manufacturers in the world. Their trademarks include the famous Barbie Dolls and Hot Wheels.

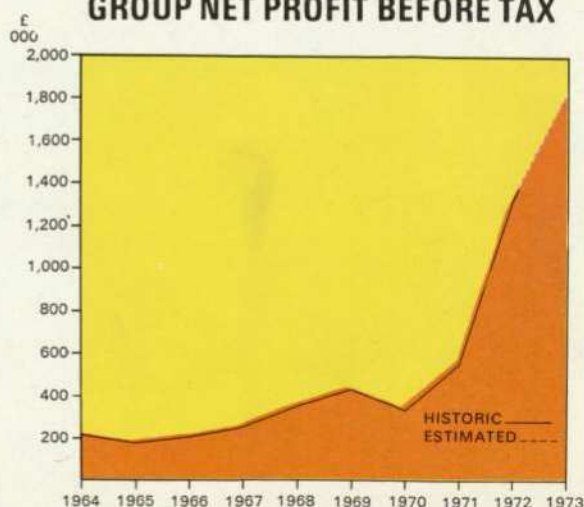
In 1973 DCM continued its overseas development by acquiring 10% of R.B. Davies Industries Ltd., a quoted Australian Company, and also a reciprocal manufacturing and distribution tie up for Combex with Combi of Japan was negotiated.

Later the same year, a three year purchasing agreement was signed with Pizzey Ltd., another quoted Australian Company, whereby Pizzey would purchase and distribute certain DCM products throughout Australia.

GROUP TURNOVER



GROUP NET PROFIT BEFORE TAX





Chairman of DCM's Toy Division and its driving force since its inception. Richard Beecham has been the architect of the rapid growth and sustained success of the Division. Well known in the industry he was elected Chairman of the British Toy Manufacturers Association in April 1972.

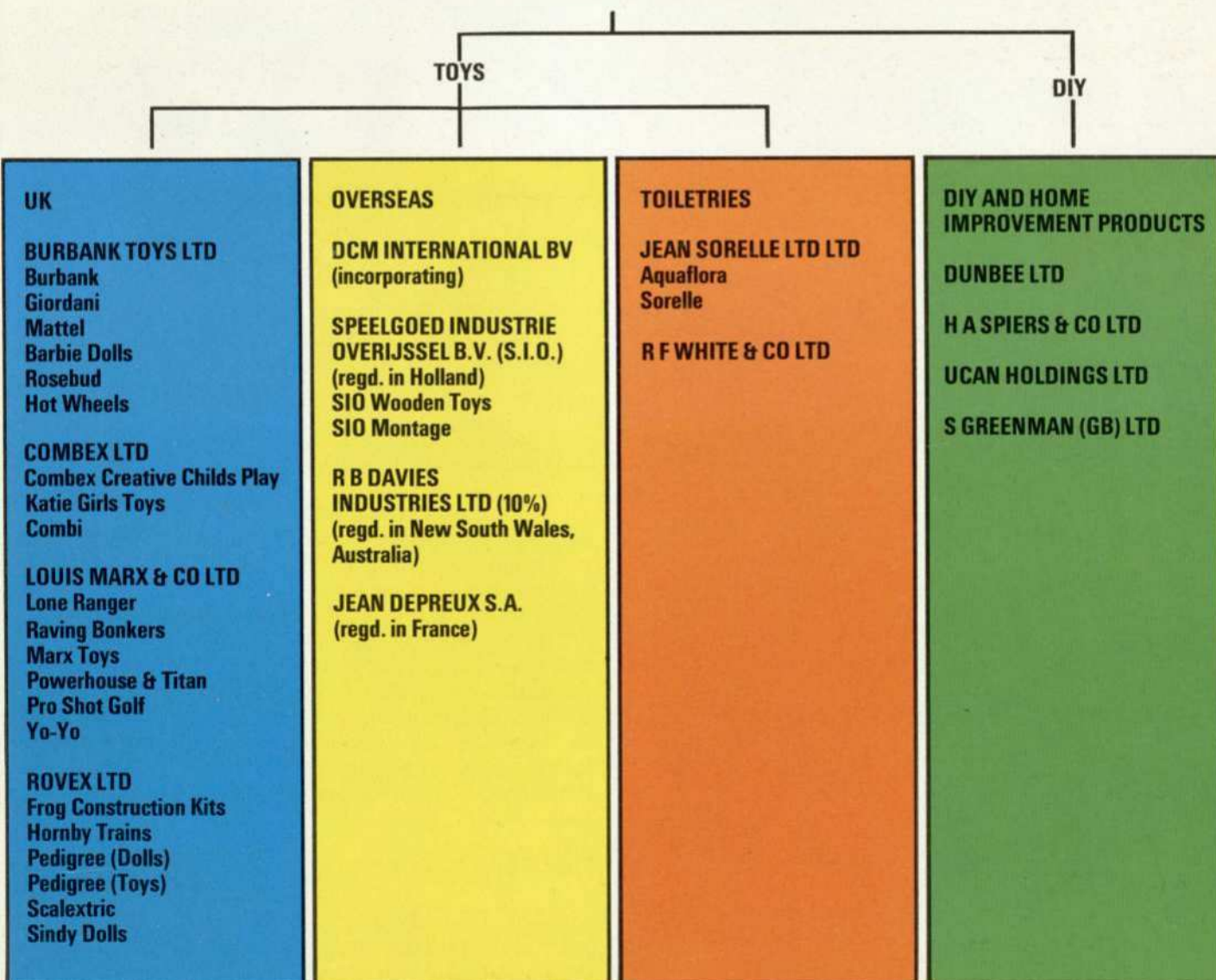
Continuing its conscious policy of expansion in Europe, DCM also acquired 80% of Jean Depreux S.A., which manufactures and distributes wooden toys throughout France.

The recent years have been ones of rapid and carefully planned expansion for the DCM group which has taken it to a premier position in Europe's expanding toy industry. Sales have increased for the group as a whole from £4.6m in 1968 to £16.6m in 1972 and an expected £21m in 1973. The charts show the exciting development both in terms of turnover and profits.

In addition to servicing the UK toy buying public, the group now has approaching £3m worth of sales from overseas and its products are sold the world over, from Europe to Asia, and North America to Africa.

Reproduced below is a group structure chart showing the extensive interests of the DCM group. It has been the policy of the management to keep a balance between the toy interests and the DIY business and this can be clearly seen in terms of operation and profits.

DUNBEE-COMBEX-MARX LIMITED



The Combex Story

Combex was the start of it all. From this unusual conception a huge toy group developed. Because of the flair, originality and drive of the individuals involved, the different companies, although part of one group, are still separate from each other – complementary but competitive, controlled by master toy makers completely involved in the toy trade and each contributing to it.

The story of Combex could be said to have started with the aspirations of Max Reich, a refugee from Europe in the 1930's. When Reich came to Britain he brought only his skills as a toy maker and a moulding machine that was to change toy making from the cottage craft that it had been into the highly sophisticated business we know it as today, based as it is on scientific methods of manufacture and highly developed marketing concepts.

Small Miracle

Reich's machine performed the small miracle of actually moulding combs from celluloid – thus saving the manufacturer from the laborious job of cutting combs from horn or celluloid sheeting. But moulded combs were only moulded combs until Reich added his characteristic extra touch – a few flowers painted on each comb.



Taking what proved later to be the first step on the road to international success, Reich commissioned Alf Pallett, who had started the celluloid based firm of Cascelloid in Leicester to mould combs for him, with the help of Pallett's assistant, Denis Carter.



Early Success

Reich called his company Combex and it prospered with the introduction of moulded hair ornaments, rattles and small toys. Every item had that little extra touch of flair which was to become the hall-mark of Combex – a small ribbon here, a touch of painted decoration there.

Reich's drive and ambition created a team to which nothing was impossible. In fact to Bert Rogers ('Rog' to the trade), who is still a driving force at the Combex works at Peterborough, it became a motto and a way of life. He still remembers how he used to tramp around London on foot carrying the first samples to the trade for the immaculate carnation-button-holed figure of the founder, Max Reich.

From a Few Hundred Pounds

While Combex was flourishing, two dynamic young fellows, Richard Beecham and Basil Feldman, following the war, saw the emerging potential of the new material

plastic. So they borrowed a few hundred pounds each from their parents and bravely founded a plastics based company which they called Dunbee Limited. Their incredible drive, coupled with plenty of initiative and a sense of fun became a legend and could fill a whole book.

In a few years their hundred pounds had multiplied substantially and they began to take a close look at the toy market. They persuaded Max Reich to sell Combex to them provided they retained his services for five years. A contract was made and signed, but nothing is certain in life, and sadly Max died the same week. Thus Max Reich was never to see how successful this merger would become.

Fifteen years ago a quarter of a million pounds to Richard Beecham and Basil Feldman was still a small fortune and they admitted to knowing nothing of the toy business. With characteristic drive Richard Beecham dropped all his other interests and dedicated himself completely to toys.

After an incredible three years, the company of Dunbee - Combex was successfully floated - securely and broadly based with the parallel development by Dunbee of a flourishing D.I.Y. business under Basil Feldman.

Denis Carter, who had previously been approached by Reich with a view to his controlling Combex, was persuaded to join Richard Beecham. This allowed Beecham to devote his time to realizing his unique plan of founding a Toy Group based on toy makers who really understood their craft.

Further Expansion

Dedicated, exciting years followed. First the Group acquired Jean Sorelle a company well known for its Christmas Toilet Novelties. Then came a master stroke. Louis Marx (the world's biggest toy maker) was persuaded to sell his interests in Europe and his Swansea factory. After this an even greater success - the purchase of the Pedigree Rovex Division of the great Lines Bros organisation. Rovex was seen as the crown

of this empire and it was quickly converted into a highly profitable business.

Recently the Mattel U.K. operation was added under the wing of Burbank Toys Ltd. together with S.I.O., the Dutch wooden toymakers and Common Market



distributors. D.C.M.'s latest moves are a stake in the Australian toy market through Plasticraft of Melbourne.

Also announced in Australia is a distribution agreement between DCM and Pizzey. The group has also moved into France with the acquisition of Depreux, wooden toy manufacturers by. To launch the Toy Divisions world wide, DCM Holding BV has been formed.

A Varied Range

Combex have exclusive manufacturing agreements with Green Monk Products Ltd., John Robinson (Textiles) Ltd. and Rutland Plastics for the sole distribution of their products and have recently concluded a reciprocal manufacturing and distribution agreement with Combi Company Ltd. of Tokyo, Japan.

Experienced Management

Combex Creative Childsplay are the largest producers of soft vinyl toys in the world, and manufacture nursery and pre-school toys, girls' toys, tea sets, sewing and craft sets and Ride on Toys.

The Combex management team is today headed by Ralph Stevens, managing director, and Brian Cooper, works director. Export director Harry Schneider and sales director Tony Burke, together with sales manager Mike Hoare and Malcolm Worrell head the wholesale orientated sales team.

If Max Reich were still alive, he would probably be amazed at how the original company has grown. But then, maybe he wouldn't be, because with his aspirations and dreams, he might well have foreseen a time when Combex would be part of one of the biggest and most successful toy groups in the whole of Europe.



Louis Marx goes from strength to strength

1973 — The great leap forward

1973 was a year of outstanding success for Louis Marx, the Welsh member of the Group. Not only did sales of Raving Bonkers, the company's lead product, exceed expectations but all 14 product categories showed very significant increases in sales. The large number of changes, both in product specification and packaging, has proved highly acceptable to retailers and their customers alike.

Organised Base

The fact that the company has been able to make this great leap forward is a tribute to its organisation and its people. Reliability and efficiency have been Marx watchwords since the company began operations in Britain 40 years ago and have provided the essential base for today's success.

Louis Marx became British-owned when it was acquired six years ago by Dunbee Combex. At this time Colin Williams was Managing Director and, as a management accountant, he devised and implemented control systems which are still the major strength of the company today. In January 1972 Colin Williams became Vice-Chairman of the Group's Toy Division and experienced toy-man Miles Fletcher took over as Managing Director of Louis Marx.



Years of experience

Another great strength of the company lies in the large number of employees who have been with the company for many years. The recently formed 15-Year Club has 75 members, 33 of whom have more than 21 years' service to their credit.

The sales force of 19 highly competent salesmen is under the day-to-day leadership of Norman Brown. In control of the whole operation is Sales Director Alan

Morris, who has been with Marx for 25 years. Another senior Marxman is Abe Stevens, responsible for originating many of the superb character toys produced for Marx in Hong Kong.

Of course, Marx attracts new blood, too! Just one instance is John Dixon, recently appointed Export Manager.



Liberated Women

Having talked about the men's contribution to the Marx saga of success it is only fair to mention that the majority of the 600 employees are women and company and customers benefit from the experienced skill of two key managers: Miss Barbara Dickinson, Sales Office Manager; and Miss Hay, Accounts Manager. Between them they have notched up 47 years with Marx.

Miss Dickinson is responsible for processing the many orders which come into the company every day. The system is based on computer logic — but without a computer! Nevertheless Miss Dickinson and her colleagues achieve a fast processing of orders and a ready supply of accurate data.



On a recent visit to the Swansea factory Dan Ingram, President of the NATR, expressed a particular desire to meet someone to whom he had often spoken on the telephone but had never met. That person was Miss Hay and Dan Ingram's complimentary remarks would be probably echoed by a majority of Marx customers.



Varied range

Marx is a friendly, egalitarian company, well-liked within the toy industry. It offers a substantial range of varied and exciting toys. Marx originally made their name with the Yo Yo — a registered name exclusive to the company. Nowadays Marx have many other claims to fame. It is Britain's biggest manufacturers of pressed steel vehicles: the Titan and Powerhouse ranges, and Europe's largest producers of plastic guns and bagatelles. Marx is also well known for its range of mechanical and battery operated toys.

The Lone Ranger Rides Again!

The most exciting development for 1974 is the Lone Ranger series which is being introduced only after extensive quantitative and qualitative research into the entire concept of articulated figures which appeal especially to boys. This research even included studies of possible competitive moves into Western figures, but the results were convincingly in favour of the Masked

Rider and his friend Tonto, in respect of both price and performance.

Other New Products for 1974

In all, 54 new products are being introduced into the well-balanced Marx range. Marx toys are essentially all-the-year round staples which no retailer can afford to be without. Even in these days of rapidly rising prices it is encouraging that there are no fewer than 59 Marx toys retailing for under £1.

Marx's policy is to provide maximum promotional efforts to a few carefully selected toys, rather than a weak blanket coverage of vast numbers of toys. But the range should never be forgotten, because they have all been carefully selected and to show them is to sell them.

Marx within the Group

As already explained, there is great strength in the Group's policy of allowing all its companies a very considerable degree of autonomy. Louis Marx is a prime example of the outstanding success of this policy.

Pedigree Toys-Good Things to grow up with

Quality sells quantity

Research has shown that when consumers are asked about quality toys, Pedigree comes out right at the top of the list. This is a reputation that Pedigree have taken great pains to build up. Pedigree believe that quality is important to parents and have proved that it sells – more and more every year.

1973 – a vintage year

That Pedigree sales hit a tremendous peak in 1973 is no secret.

Well, the word from Pedigree is that 1974 is going to be even better. And for good reason.

Production at the Canterbury factory has already been increased and building work is in progress on a new factory extension, plus a new, ultra-modern warehouse. The new buildings should be operational by mid-year.

Increased production now and expanded capacity promised for the future will mean for you – the trade – greater product availability and fewer delivery delays over a wider product spread than any other single company can offer. A continuing sales boom is of no long term benefit unless Pedigree can produce the goods – and produce they will.

Re-fuelling the boom

Far from resting on their sales forecasts, Pedigree will be throwing more advertising and promotion money and effort behind the range than ever before – and over a wider product spread.

This means promotion not just at Christmas but right through the year. You can expect to see at least four Pedigree products starring in their own TV campaign, in addition to extensive press promotion and some new point-of-sale projects.

A brilliant new product range, backed by the heaviest-ever promotion – a combination that cannot be beaten.

Why not take up Pedigree's invitation to come and see the range for yourself at this year's Brighton Toy Fair on stand H116-122. It's an opportunity to discuss the company's plans for the future and to examine each item in detail.

In fact it's probably the only chance you'll get to take a leisurely look at the range – they certainly won't be on your shelves long enough!

To whet your appetite, here are just a few of the good things in store.

Pedigree Dolls: There are over 20 new dolls in the range. Dolls that walk, talk, cry or just look beautiful.

The star is Peek-a-Boo. She does exactly what her

name suggests – plays peek-a-boo with her own cosy little blanket. A random mechanism moves her arms up and down, together or separately. There are no batteries no clanking noises. Peek-a-Boo runs – as they say in the States – on love.

Top of the '74 doll range, and rightly so, is the Furga range, imported from Italy – expensive, exclusive and quite simply the most beautiful dolls in the world.



Pedigree Soft Toys: An even bigger range of character-full soft toys this year, including twenty new items.

The best-sellers are still there, of course, like Rupert, Dougal, Hush Puppy and Lamb Chop, but now we've added Sylvester and Tweety Pie, Noddy and the Wombles. Plus a whole range of cute cuddlies and two plush character pyjama cases – and many more equally well-designed items.

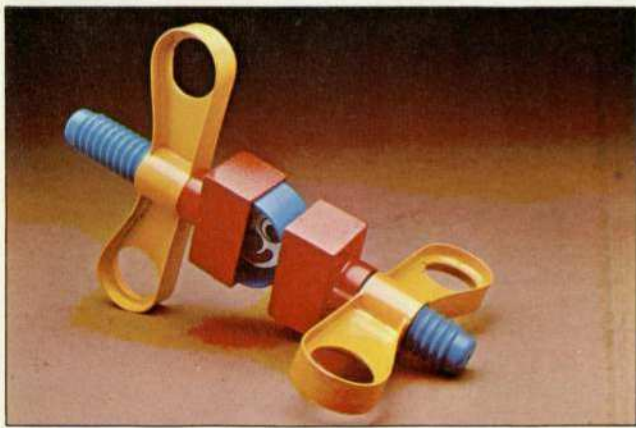
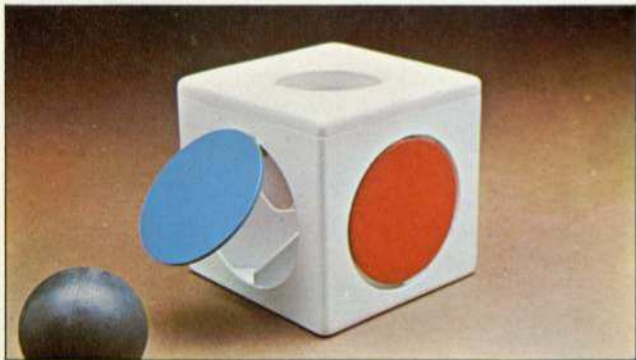
Pedigree have rightly earned a reputation for producing the very best in soft toys. 1974 will see them build on that reputation with a range that has success written all over it.



Pedigree Pre-School Toys: Of all the categories, the Pedigree Pre-School range really does show what hard work, research and outstanding design can achieve.

The most important period of a child's life is from birth to 24 months – termed by experts 'the formative years'. This is where Pedigree have placed special emphasis, and the results speak for themselves. Co-operation with child care specialist has produced a range that combines visual attractiveness and play appeal with a genuine educational function.

The Pedigree range is also extended at the opposite end of the pre-school age spectrum with a total of seventeen new products.



Sindy: Well, what can be said about Sindy that has not been said a million times before? Despite fierce competitive activity she goes from strength to strength. But not by accident – it's because no other dress up doll can match her all round appeal to mother and daughter alike. 1974 is going to be the year of big surprises. The ideas that Pedigree Toys have got lined up for Sindy are going to take her strides ahead of all the others. Don't be surprised at what you'll see Sindy getting up to in 1974, just be glad that you can be part of the action.

Rovex - "Sell a good hobby and you've got a customer for life"

That's the philosophy behind Rovex Models and Hobbies, and it's a philosophy that has paid off to the point where demand now outstrips supply.

All three Rovex brands - Hornby, Scalextric and Frog - products of the Margate factory - are household names and each has built up its own following of loyal enthusiasts.

Rovex's reputation in this field has been built up by offering the high quality products which the market demands *at the right price*, and by a thorough understanding of the needs of the hobbyist.

Hornby: added play value for 1974

Every boy deserves a Hornby train set, and we've made sure that he'll get even more play value from it this year. There's a whole new range of boxed sets, many with extra features like tunnels, sidings and level crossings.

The idea is to make every set interesting and absorbing in its own right, an exciting start to Hornby railway modelling which will lead naturally into collecting more track, locomotives and accessories.

Three big-value battery-operated sets are also included in the '74 range. Battery sets provide an ideal

introduction to this fascinating hobby, but there are also several ready-to-run mains sets, complete with transformers.

There are new accessories, too: two new locomotives, rolling stock, trackside buildings and so on - in fact plenty of new features to catch up on.

The place to see them, of course, is the Rovex stand at the Brighton Toy Fair.

Big news from Scalextric, too!

The 1974 Scalextric range includes some superb new sets, each set incorporating super-speed banking. Among the new goodies are a Ford Escort Mexico for saloon racing fans and the exciting Tiger sports racing car.



There's also a complete Rallycross set with two change-over tracks and two new updated wide-track Minis. Other sets include a new figure-eight track with super-speed banking and two new Shadow Grand Prix cars, plus an extended figure-eight set which includes a John Player Special and a March Ford Grand Prix car.

New accessories are coming along, too, including a lap recorder which lets into the track and automatically clocks up as many as 30 laps.

Frog: new models, new image

The Frog range has really been transformed - in fact there are four new ranges for '74, all boxed, with dramatic colour picture lids for impact.

To ensure continuing interest, there will be a regular series of new model introductions totalling 15 over the year. Among the sure-fire best-sellers will be the Anglo-French Jaguar, the Vickers Vimy, the Mirage, HMS Exeter and Royal Sovereign.





To complement the new look for the Frog range, the Frog symbol has also been given the treatment, with the aim of adding character and personality to the Frog brand image.

Rovex are confident that this combination of product innovations and re-vamping of the brand image

will produce some major sales upsets for Frog's competitors in 1974.

But don't take our word for it, come and see the Frog line-up for yourself, as well as all the other Rovex ranges designed for big sales and big profits on Stand H116-122 at Brighton.



Burbank at Brighton in the Corn Exchange

Burbank Toys Limited is the new company formed within the Dunbee-Combex-Marx group following their successful acquisition of the exclusive rights to distribute the Mattel range of toys in the UK. Burbank Toys operate from their new premises in Rixon Road, Wellingborough.

Mattel Toys will continue to be an important part of the Burbank range. The sales of Mattel toys have increased constantly over recent years and Burbank Toys will continue to improve on this success.

In addition Burbank will distribute the Giordani range of Wheel toys. Giordani are Italy's largest manufacturers of wheel toys. Their toys are beautifully designed and constructed. They are exciting and unusual in both shape and colour. They make a fine addition to the Burbank range.

Burbank Toys have also developed a range of their own manufactured toys to be marketed under the Burbank trade mark. These will include dolls, soft toys, vinyls, wood toys, teasetts and wheel toys.



1974 Range

You can see below photographs of just a few of the many exciting new toys in Burbank's first toy range.

Barbie was the first of the fashion dolls and this year sees her celebrating her 16th birthday with the new doll, you see below. Barbie still leads the field in world wide sales of fashion dolls. This year Burbank have a new range of dolls and costumes, with a bigger range of accessories. Many of these new items provide Barbie with outdoor play situations. The Sports Set are two dolls

which come with all the clothes and accessories Barbie needs for skiing or for surfing and sailing. The Get-Ups range is extended with costumes for the beach and for skiing. Accessories include the Pool Party shown, a bicycle for Barbie and a camp-out tent which can also be used alongside the Country Camper. Barbie's is an exciting life to be part of.

The Barbie Sew Magic Fashion Set means that girls can make their own clothes for Barbie. The Sew Magic sewing machine is a simple and safe way to learn sewing skills, creativity and coordination. It uses a liquid fabric joiner. The set provides reusable patterns, material, instructions and lots of extras along with the Machine. There is also a Gifts and Crafts set which provides patterns for a rag doll, a puppet, a wall hanging and other craft items.

There are many new introductions in the Burbank range of dolls two of which we show.

The Sunshine Family is an exciting new concept in dolls. It is a set of 9" dolls, father, mother and baby and the concept is based around family life, outdoors and simplicity. It incorporates a craft approach to the family which allows the child to make things for the dolls, creating her own environment for them. There are 4 Craft packs for the dolls each including clothing, for each member of the family, accessories and craft components for the girls to extend the family world.

The Superb Mattel talking units are used in a new range of Talking Dolls and Soft Toys. There are now 5 other soft toy characters to go alongside the famous Talking Bugs Bunny and a brand new Chatty Cathy too.

In Pre-School toys, the exciting Tuff Stuff is at last available. This material is so strong its guaranteed for 5 years. It is smooth, washable, colourfast and all weather durable. There are 2 toys. The Play Truck, shown and the Pound-a-Truck which has tools to take it apart.

There are some exciting new wooden toys: Wood Bods are a whole set of super characters to collect and play with who will become very well known. The others are Wood Pops a simple wood construction kit for the youngster to make more than 15 different toys with.

There will be a new range of all vinyl animals and play things, completely safe play for young children.

For boys there is a new Vertibird Police Patrol which drops a road block and captures a getaway car.

Lastly, there is a whole new range of Wheel Toys. 35 exciting models for the preteen market. These include a range of Burbank's own plastic toys, from the Pushalong, for the toddlers, to the Tricycle for a 5 year old and then there is a range of Giordani Wheel Toys including Tricycles, Pavement cycles, Pedal cars and Electric cars, covering the whole of the preteen age range. This is a big range of Wheel Toys which can best be seen in full at Brighton or the Regional Toy Shows.



1. Barbie Pool Party 2. Ittsy Bittsy Beans 3. Lupetto Trike
4. Jeep Pedal Car 5. Sun Valley Barbie 6. Tuff Stuff Play Truck
7. Barbie Sweet 16 8. Sew Magic 9. Jeaners 10. Texas 12 Pavement Cycle.



Jean Sorelle

Jean Sorelle was DCM's first purchase since its public debut in June, 1962, and resulted in the immediate expansion of the group's retail outlets.

Sorelle manufactures and markets toiletry products including bath salts, shampoo, soap, bubble baths and

specialises in producing children's toiletries and novelty soaps in particular.

To complement Jean Sorelle's products, R F White & Co was acquired in 1968. R F White manufacture the well known Mitcham Lavender Soap.



Overseas

DCM moves further towards becoming an international company

During the course of the last 12-18 months, Dunbee-Combex-Marx have been in the process of creating an integrated overseas sales and manufacturing business. In November of last year, DCM International was formed to undertake responsibility for all the overseas interests of the group. Included in this was SIO Bv of Holland, a recent acquisition. They are leading manufacturers of wooden toys and one of the major distributors of American and British toy marks throughout Belgium, Holland, France and Germany. These include such names as Corgi, Mettoy, Scrabble, Simplex and Daisy.

Prior to the acquisition there was no trading agreement between the two companies, and thus the tie up has enabled DCM to sell SIO products in the UK, and

to use the Dutch company's sales network in Europe as a spring board into the EEC for the groups own products.

Also in Europe, DCM has recently purchased 80% of Jean Depreux S.A., manufacturers and distributors of wooden toys throughout France.

Other responsibilities of DCM International include the recently acquired 10% stake in R B Davies Industries Ltd, a quoted company in Australia. It is intended that this company will manufacture and market under licence in Australia and New Zealand some of the products of Combex and Jean Sorrelle. The Australian toy market is currently worth £40m and is expanding

rapidly so the move represents another vital overseas development.

Following this purchase, a contract was signed with Pizzey Ltd., another quoted Australian Company, whereby Pizzey will purchase and distribute certain DCM products for a minimum period of three years.

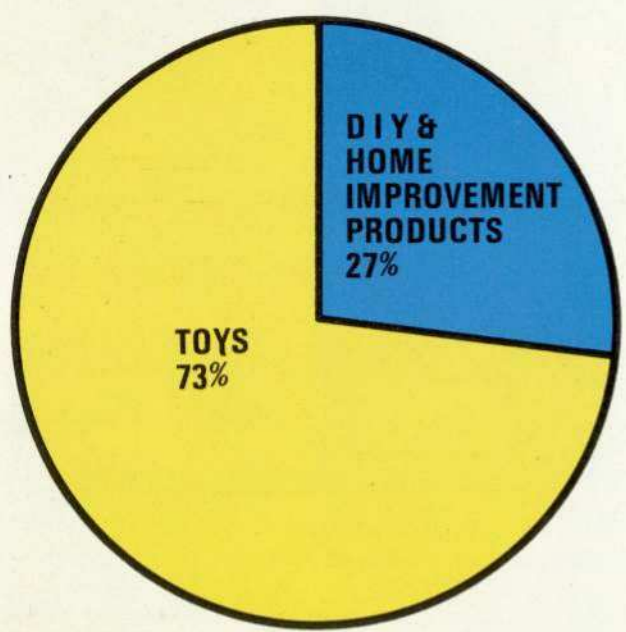
Another agreement which is expected to have long term benefits is a reciprocal manufacturing and distribution tie-up in Japan for Combex Ltd. This also provides for DCM to manufacture certain Japanese toys of the Combi Co. of Tokyo for marketing in the UK and EEC.

In addition to these foreign arrangements DCM has been actively expanding its exports from the UK. In 1972 alone the sales figures increased from the 1971 figure of £854,971 to a remarkable £2,274,927 and 1973 should show not less than £2,700,000. This has meant that DCM products are finding their way into children's hands in countries throughout Europe, Asia, North and South America, Australasia and Africa.

Nor is the development finished. Expansion plans for further overseas acquisitions are currently well in hand and 1974 should prove to be an International Year at DCM.

More than toys

Although Dunbee-Combex-Marx is world famous as a manufacturer of toys, the company has long been engaged in the do-it-yourself home improvement business. It is DCM's conscious policy to expand further these markets which accounted for a significant 27% of group profits in 1972.



A planned programme of both organic and acquisitional growth is well under way to increase the groups' share of these markets, and it is the directors' view that the DIY industry has one of the biggest growth potentials in the UK, and expects to treble its volume by 1980.

Three companies are primarily involved with the DIY and home improvements side of DCM. These are Dunbee Ltd, the original company started by Basil Feldman and Richard Beecham in 1946, H A Spiers Ltd, and the most recent acquisition, Ucan Holdings Ltd, incorporating S Greenman (GB) Ltd.

Dunbee manufactures and markets an extensive range of DIY products and vinyl materials which are sold to many DIY and other outlets at home and abroad.



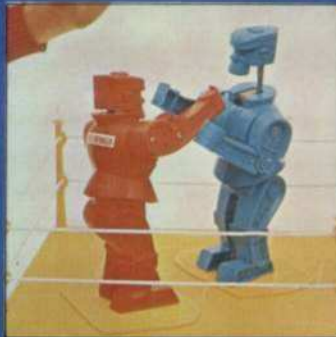
A perfect example of the easy-to-fix decorative Dunbee Metal Fashion Tiles.

H A Spiers and its associate companies were acquired in June 1969. Spiers had already been established for 40 years marketing decorative laminates, wall boards, and plastics largely to do-it-yourself, builders merchants, shopfitters and kitchen suppliers.

Since then H A Spiers has undertaken an expansion programme to spread its activities to cover the whole of the UK.

In February 1972, it was announced that DCM had acquired Ucan and its principal subsidiary S Greenman (GB) Limited, whose business consists mainly of the manufacture and distribution of a wide range of do-it-yourself products, fixings, power tools and allied hardware.

As well as Ucan's head offices at Hersham in Surrey, the company achieves national distribution through its depots in Glasgow, Edinburgh, Bristol, Ipswich, Heywood, Timpton and Blackheath.



Dunbee Combex Marx

Lesney Products & Co. Ltd.

This is the largest toy manufacturer in Europe.

The Co. registered as a private Co. on 9th March 1949 to acquire business of pressure die-casting engineer, converted into public Co. on 21st. Sept. 1960. The Co. has 2 trading divisions, namely (die-cast) toys and commercial die-casting. Toys are marketed under trade-marks : Matchbox and Modelsoof Yesteryear. In commercial die-casting division, Co. manufacture a wide variety of presure die-castings for use principally in motor car, electrical television and engineering industries.

Product capacity was trebled in 1964 when the factory at Lee Conservancy Rd., Hackney was completed. In the same year, the Co. acquired the Fred Bronner Corp. of America, which was used as a sales outlet for the improved and growing North American market. In 1968, the Co. formed Lesney 'Match box' Pty. Ltd. in Sdney, Australia and Lesney Products of Canada Ltd. Toronto, Canada. Throughout the mid-sixties, expansion continued at a rapid rate with new with new factories being acquired at Rochford near Southend in 1969 and in Hackney and Harold Hills in 1970.

However, the company ran into serious problems around 1969. These problems were :

- 1) The die-cast model range was outdated by the introduction of friction free models : Hotwheels.
- 2) The die-cast moulds could not be used to manufacture the friction free models.
- 3) The credit squeeze, at the time when Lesney's overdraft limits were low, created liquidity problems
- 4) Lesney's management had never faced a period of retrenchment.

As a result of these problems, the company has undergone a major re-organisation of production methods and management is now organised on a divisional basis.

The two founders of the Co., Mr. Smith and Mr. Odell, have always been closely involved in all aspects of the business. This has led to a great deal of central management control which until recently was exercised in an informal manner with management organisation and individual responsibilities imprecisely defined. In April 1973, however, the Co. introduced a clearly defined management structure based on five divisions : Toy Products, Industrial Products, Design & Engineering, Overseas Operations and U.K. Services.

The new structure which followed a re-allocation of responsibilities at company board level has clarified management functions. One of the two founder-directors became Deputy Chairman and the other became Managing Director.

The disaster caused by Mattel taught Lesney and other major toy manufacturers a lesson. Besides developing their own range of low friction die-casting models, they also realised that it is no longer enough to float to the surface on the strength of just one product. Instead they had to diversify into other areas. The Company recently entered into 4 new areas simultaneously for the first time.

The first is the aircraft construction kit market and 20 new models were introduced in 1973.

The second area is the pre-school toys where the company introduced 6 new items, having had success with musical toys in 1972.

Third is the move into the doll markets. A totally new concept was produced - The Disco Girls - which were designed around a discotheque theme. Four dolls were introduced in the 1st year. They are manufactured by subcontractors in Hong Kong.

Fourthly, the Co. has entered into die-cast planes market - The Skybuster .

The Co's intention was that sales would ultimately split approx. 50-50 between die-cast and other toys. Thus the prime aim of the Co. has been to develop a more acceptable and widely used product range combined with the re-establishment of a growing market in the U.S. with generally strengthened marketing methods in all other important export markets. The very important German market was attacked in this way in Aug. 1972 by the purchase for cash of Edor Spielwaren-Handelsgesellschaft of Essen which previously had been the sole distributor of the Co's products in West Germany and Berlin.

Though Lesney achieved record sales of £24m. (increased of 19%) last year, it fails by a wide margin to meet order. The main problems still facing the Co. is the shortage of labour especially in the Hackney plant and the shortage of raw materials. The shortage of women labour to staff the machines has led to the company to open small 'feeder' plants, well away from the labour scarce Hackney area, where the group main factories are. The Co. opened Rockford factory and more recently those at Abbey Wood, Harlow and Chingford in order to trap the

potential supply of female employees in those districts. However, there are also said to be labour shortages in those areas.

Location of Establishments and Activity undertaken :

Establishments:

Main Activity

Toy Products Division:

- | | |
|---|---|
| 1) Eastway Hackney | Toy production and assembly, repair toolroom. |
| 2) Lee Conservancy Rd. Hackney | Toy production and assembly. |
| 3) Rockford, near Southend | Toy production and assembly, toolroom. |
| 4) Abbey Wood, near Woolwich
(opened April 1973) | Toy assembly. |
| 5) Chingford
(opened Nov. 1973) | Toy assembly |
| 6) Harlow
(opened Nov. 1973) | Paint spray shop |

Design and Engineering Division :

- | | |
|---------------------|--|
| 1) Eastway, Hackney | Manufacturing toolroom
(production of dies and tools for model toys.) |
|---------------------|--|

- | | | |
|----|--|------------------------|
| 2) | Waterden Rd. Hackney | Machine tools |
| 3) | Carpenters Rd. Hackney | Machine tools |
| 4) | Enfield | Manufacturing toolroom |
| 5) | Tottenham | " |
| 6) | Rayleigh
(moved from Rockford
Aug. 1973) | " |

Industrial Products Division:

- | | | |
|----|-------------------|----------------------------------|
| 1) | Homerton, Hackney | Die-cast Industrial
Products. |
|----|-------------------|----------------------------------|

Product range :

"Matchbox", "Speed King", "Models of
Yesteryear", "Disco Girls", "Sky Busters"
"Cascade", "Live'n Learn", "Scream'n
Demons", "Chopper Chase"

Principal Subsidiary:

J. Kohnstans Ltd.
Lesney Products Corp. (U.S.A.)
Fred Bronner Corp. (U.S.A.)
Lesney Products of Canada Ltd. (Canada)
Lesney Products Pty. Ltd. (Australia)
Edor Spielwaren-Handelsgesellschaft GMBH
(Germany)
Lesney Belgium N.V. S.A. (Belgium)

Financial Profile :

<u>Year to</u> <u>31st. Jan.</u>	<u>Turnover</u> <u>£</u>	<u>Pre-tax</u> <u>Profit</u> <u>£</u>	<u>After tax</u> <u>Profit</u> <u>£</u>
1970	21,165,532	2,960,000	1,319,000
1971	16,734,838	(1,226,000)	(731,000)
1972	17,049,796	756,000	457,000
1973	20,232,754	1,884,956	984,791
1974	24,034,989	2,549,356	1,495,827

U.K. employees.

Weekly Average

Part time :

(worked 25hrs. or
less.a week.)

Full time :

1970	2,490	4,130
1971	2,379	4,025
1972	1,483	3,572
1973	1,065	3,144
1974	962	4,347

Exports. £

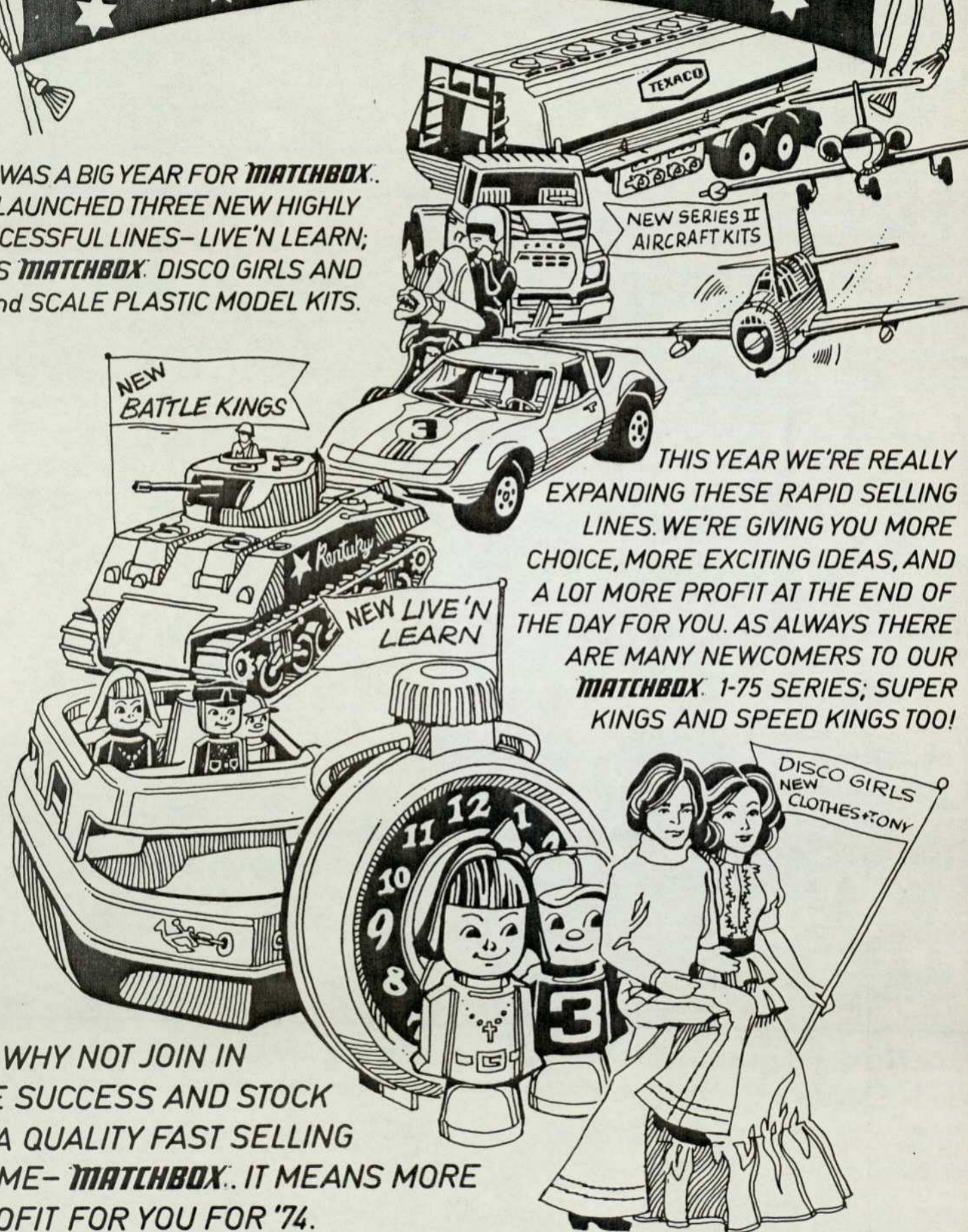
1970	N/A
1971	N/A
1972	11,105,127
1973	11,271,923
1974	11,347,000

Exports in Areas :

£ 11,347,000 - 64% to Europe
14% to America
22% to rest of world.

THE GREAT 1974 **MATCHBOX** TOY SHOW

1973 WAS A BIG YEAR FOR **MATCHBOX**.
WE LAUNCHED THREE NEW HIGHLY
SUCCESSFUL LINES—LIVE'N LEARN;
MISS **MATCHBOX**; DISCO GIRLS AND
1-72nd SCALE PLASTIC MODEL KITS.



THIS YEAR WE'RE REALLY
EXPANDING THESE RAPID SELLING
LINES. WE'RE GIVING YOU MORE
CHOICE, MORE EXCITING IDEAS, AND
A LOT MORE PROFIT AT THE END OF
THE DAY FOR YOU. AS ALWAYS THERE
ARE MANY NEWCOMERS TO OUR
MATCHBOX 1-75 SERIES; SUPER
KINGS AND SPEED KINGS TOO!

SO WHY NOT JOIN IN
THE SUCCESS AND STOCK
IN A QUALITY FAST SELLING
NAME—**MATCHBOX**. IT MEANS MORE
PROFIT FOR YOU FOR '74.

Lines Brother Ltd.

In terms of size measured by sales, this Co. dominated the U.K. toy industry throughout the 1960's. Over 3,000 different toys and games were produced, covering virtually every category of toys.

Where Lesney recovered from the assault of Mattel, Lines Brothers did not. Trading results in 1969 and 1970 were extremely poor and in 1971 were disastrous. This resulted in the Co. going into voluntary liquidation.

At one time, Lines Brothers owned the famous brand names of Meccano, Dinky, Hornby and Tri-ang. Even in 1971, Lines had 70% of the model train market, 60% of the prams and slot cars (Scalextric) and 40% of sales of premium priced dolls.

The main reason for its failure is that they had developed too many products, neglected to exploit its assets as well as the neglect of the importance of marketing function in the Co.

The Mettoy Co. Ltd.

This company, like Lesney Products, also grew on the die-cast model cars boom, although its product line outside die-cast cars was somewhat broader than Lesney. In total, the Co. received the Queens Award to Industry for 3 times.

The Co. was registered as a private Co. on 31st August 1932 and was converted into a public Co. on 5th June 1963. The Co. owns a freehold factory and a warehouse in Northampton and 2 modern factories in Swansea Industrial Estate. The 'nerve centre' is in the Northampton factory where the offices of the Directors and Executive Staffs are located. The Northampton factory are responsible for the production of the Wemby range of football while the Corgi range of die-cast models are being made in Swansea. During 1964, the Co. acquired 75% of interest of N & R Green Ltd., manufacturer of roller skates for £23,910 cash.

An important move has been the link up with Fisher Price in Nov. 1971. The Co. had entered into an

agreement with Fisher Price, a division of Quaker Oats Co. of U.S.. Under the agreement, Mettoy obtained the sole right to manufacture in Swansea, Fisher Price toys for the U.K. and some surplus for exports to European markets. The distribution is only in the hand in of Mettoy Playcraft. Since then, Quaker Oats owns a 9% stake of Mettoy. In Oct. 1972, Mr. Henry Coords, the President of Fisher Price Toys was appointed to the Board of the Co.

A long standing trading link is with Byron Jardine Ltd., a subsidiary of Dobson Park Industries Ltd. Byron Jardine is the manufacturer of the Petite typewriter. The link was more formalised with the establishment of the Mettoy Petite Ltd., owned 50% by Dobson Park and 50% by Mettoy, to distribute the Petite toy typewriters. Under the newly re-negotiated agreement, Mettoy Petite will only act as a sole agent for the marketing and selling of the typewriters to the rest of the world on a commission basis.

In 1971, Mettoy made a loss of £441,000. There were a few factors that can be said as contributing to the loss.

- 1) The disruption of production following the Swansea fire in 1969, resulting in failure to meet demand.
- 2) Tough competition from Mattel's Hotwheels and over stocking in the die-cast models markets, on which Mettoy was heavily dependent.
- 3) Liquidity and
- 4) The level of overheads and rising costs.

Since then, the Co. has recovered.

In the second half of 1972, helped by a buoyant toy market over Christmas, we saw the return of profitability for Mettoy. In the first half, the group trading loss was £178,500 and against a loss of £369,000, the second half of the year saw a profit of £380,000 compared with a loss of £52,000 to produce pre-tax profits for 1972 as a whole of £201,000 compared with a heavy loss of £441,001 in 1971. There was also a great improvement in Group Profit from £201,000 in 1972 to £1,013,000 before tax for 1973. Thus the group is now back within reasonable striking distance of its 1967 profit peak of £1.22m. and hope are that it can complete the recovery this year.

There are various factors contributing to this recovery. According to Mr. White, the Group Marketing Manager, they are :

- 1) Better management structure due to re-organisation of the Co. in 1971 following re-commandations made by P. A. Consultants Ltd. Later, a new Managing Director was appointed.
- 2) Better system of budgetary control was introduced and both marketing and sales area were strengthened. Product range was also enlarged.
- 3) There was quite a boom in world toy market in 1972/73 as a whole especially in the die-cast sector.
- 4) The Co. was able to receive better prices for their products and better pricing strategies were developed.
- 5) The Quaker deal also have some contribution towards the recovery. This is due to the enormous acceptance and fast growing demand of the Fisher Price range of toys in U.K.

However, the problem still facing the company nowadays is the cost of materials. To avoid short-time working, the Co. has had to bring in materials from abroad at vastly higher prices, double those quoted a year ago. The rising cost of raw materials is forcing

the Co. to increase its prices.

The three-day working week also checked output, but the company won generators, and a fair amount of improvisation, enabled production to continue at not far below the normal rate. The period of shorter working, moreover fell soon after Christmas selling season in what is the company's least strenuous quarter.

Product Range :

Corgi and Corgi Junior pressure die-cast scaled models, Wembly playballs and sportsballs, Mettoy Playthings, Petite Typewriters, Fisher-Price toys, Magic Roundabout, Playcraft toys, Spacehopper, Music Maker, Walt Disney Movie Viewer and Wembly Kites and Games.

Subsidiaries :

Trading : Mettoy Playcraft (Sales) Ltd.
Qualitoys Ltd. (Canada)
Dragon Data Services Ltd.

Non-trading : Playcraft Toys Ltd.
Trend Moulding & Packaging Ltd.
Weedon Engineering Co. Ltd.

Interests in other Co. :

Childcraft Ltd.

Mettoy Petite Ltd.

Toy Works Ltd.

Trondex Ltd.

Wembly Toys (Pty.) Ltd.

Financial Profile :

<u>Year to</u> <u>31st Dec.</u>	<u>Turnover</u> <u>£</u>	<u>Net Profit</u> <u>Before tax</u> <u>£</u>	<u>Net Profit</u> <u>After tax</u> <u>£</u>
1970	10,779,758	107,286	81,000
1971	9,891,730	(440,569)	(351,000)
1972	9,304,286	201,425	142,000
1973	12,862,723	1,013,306	771,000

Employees :

1970	:	4,410	(including part time: 1299)
1971	:	3,083	(including part time: 653)
1972	:	2,784	(including part time: 720)
1973	:	3,055	(including part time: 573)

Exports :

1970	£ 4,019,065
1971	£ 3,683,184
1972	£ 3,042,743
1973	£ 4,252,430

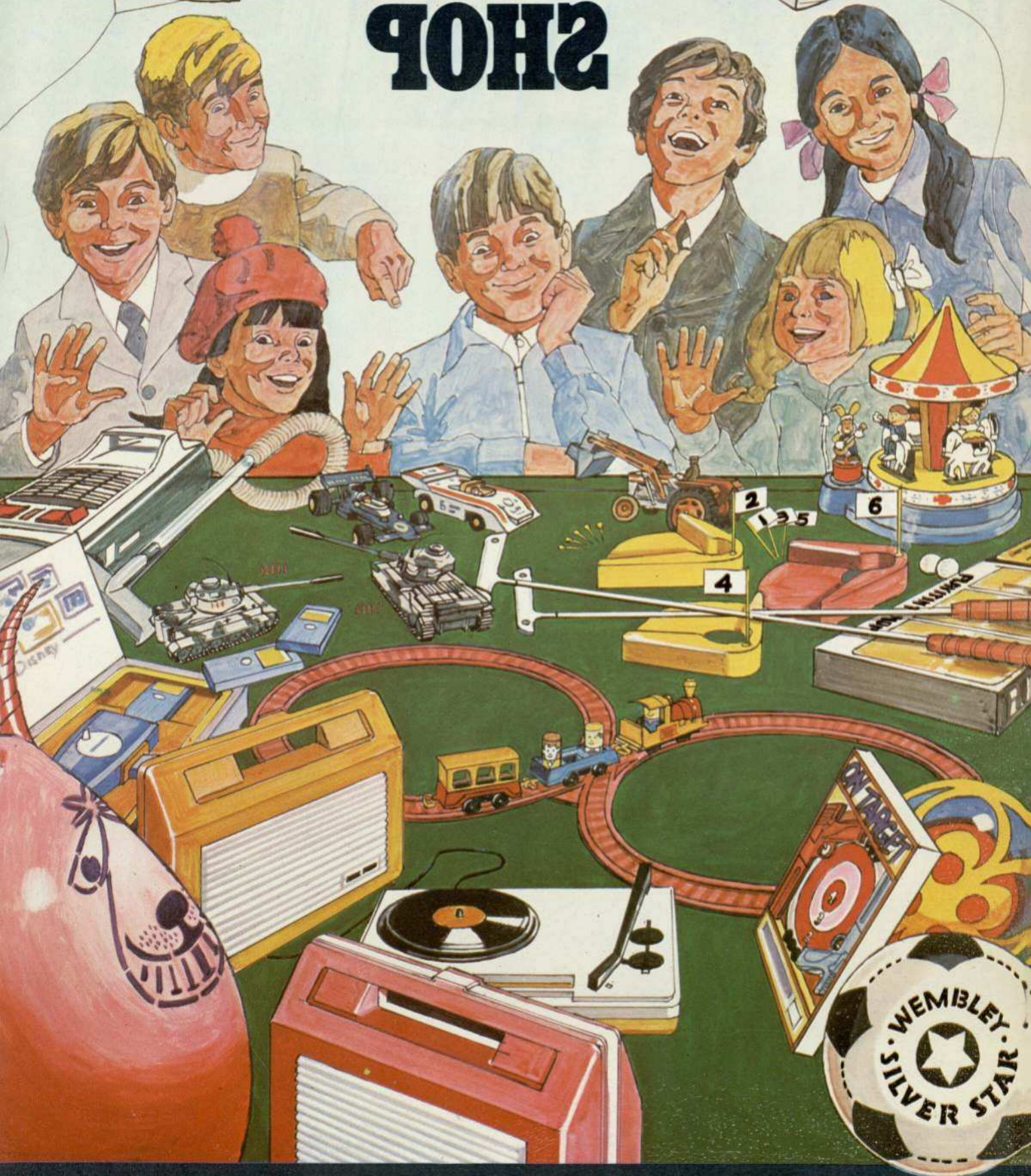
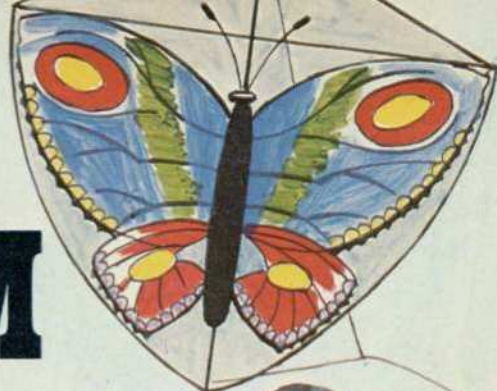
Geographical analysis of 1973 turnover :

U.K.	7.79m.
Europe	2.82m.
North America	1.15m.
Other Overseas	<u>1.10m.</u>
	<u>£ 12.86m.</u>

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THE YOTTEM POH2



Here's what Mettoy have in store for you in 1974:

Petite Junior Typewriter.

We've re-designed the Junior Petite.

Mind you, all the letters are still in lower case. Which makes it easier for children to learn.

This is in line with modern teaching theory, which reasons the fewer symbols to learn, the better.

Commander Typewriter.

We've given it more pow for '74 with a brand new red and black carrying case.



New desk and stool from Petite.

Petite Super International Typewriter.

We'd like to start off with a quote about the Petite:

"I like it because it's lighter to carry than a metal typewriter. And if I drop it, it doesn't scratch or bend."

That was a comment we had from a little girl who couldn't pronounce high-impact polystyrene.

"Mum likes it because I don't have to keep oiling it and getting everywhere messed up."

That was another ten-year old's tribute to its nylon working parts. As you know, they're two of the main reasons why the Petite sells so well. So for 1974 we're leaving well alone.

Except for one thing:

We've re-designed its pack. And made it more eye-catching. More appealing.

Mind you, we do have one trick up our sleeve:

Or two to be precise.

We now have a desk and stool.

So instead of selling just a typewriter, you'll be able to offer a complete secretary's typing station.

The Music Maker.

Our Music Maker is a money spinner for you.

And in 1974 your cash registers will be playing even louder tunes.

Because research has proved that we can improve sales by changing colours. To flame red and sunshine yellow.

We've also re-designed its pack.

And we have a great new point-of-sale display.

One thing we haven't touched is its unique motor.

Which gives it a battery life longer than any other portable record player.

It still has only one moving part. That's the turntable.

Which means it is trouble free.

And we haven't interfered with its sound.

Which is miles better than anything else in its price range.





Give them what they want. Corgi.

All through 1973 we've been talking to boys about die cast models.

Finding out what their favourite favourites really are.

We know about racing cars. The John Player Special was a top selling toy by everyone's standards.

Success breeds success, so the

J.P.S. now comes in a Giant version too.

And we learnt that boys wanted military vehicles. We are launching the best he can buy.

Not content with those, they want construction vehicles too.

With lots of moving parts (and

no other die cast manufacturer has been as successful with detailed moving parts as Corgi).

So guess what they'll be asking for in 1974?

With our increased production capacity we'll be racing to keep up with them.

We're no longer all balls.

As you know Wembley is the big name in the ball market.

A position we intend to maintain.

We'll be helped by our four new balls:

The Sportsman 5;

The Superstar;

The Club;

And the Munich World Cup ball.

Which carries the World Cup symbol, for which we have the UK rights.

We've also put a lot more sparkle

and colour into our whole range of Playballs.

But we're no longer all balls.

Grouped under the roof of Wembley you'll now find other lines.

Activity toys we call them.

There's the Tom and Jerry Spinning Target set; the 'On Target' Twin Pistol set; the Clock Golf set; the 6 Hole Golf set; Hoppers, including the new Zebedee Hopper; and Kites, including two new designs, the Osprey and Dragon.



Secretary Typewriter.

Totally re-designed.
Brighter.
Fresher.
For the younger typist.



Corgi Juniors.

We've four new Corgi Juniors to start 1974:

The Hot Rod Racer;
The Grand Prix Racer;
The US Military Jeep;
And the Landrover Military ambulance.

They're just for starters. We've others on the way.

That's one reason why we believe 1974 will be an even better year than 1973.

But it's not the only reason.

D'you remember how in our original ads we pointed out to Mums the value of Corgi Juniors?

How they could buy them for the price of a bar of chocolate?

We positioned them as an impulse buy.

And then reasoned no one would act on impulse if the product didn't grab their attention.

So we re-designed the packaging. And made it brighter, more grabbing.

Yet keeping the models plainly visible in crystal-clear blisters.

The result was consumer purchase increases of up to 40%.

So we know '74's going to be a blinder.



Vacuum Cleaner.

Yet another new model for 1974.

An 18" version of the Electrolux vacuum cleaner.

It's battery operated.

It sucks up dust and dirt.

And it's called the Electrolux Vacuum Cleaner.

Now would Electrolux allow us to put their name to anything but a top quality product?



THE WALT DISNEY MOVIE VIEWER



Now to sum up what we're up to:

We've done our homework.
And acted on what research has
told us.

We've brightened lots of our
packs.

We've brought out new lines.
And improved lots of others.
We've bucked up our displays.
And we're boosting our
advertising by 50%.

In press. And on TV.
Mind you, though we feel
confident, don't think we're sitting
back complacent.

We'll be beaver away
throughout the year giving you all
the support we can.

Which brings us to something
you could do for us.

Order early. Please.



The Walt Disney Movie Viewer.

1973 showed us the
fantastic potential of the M
Viewer.

The trade loved it.
And the kids loved it.

In a sense how can you g
wrong if you offer kids all th
magic of continuous Walt
Disney movies.

In fact all we could do to
improve it was to extend the
number of cassettes.

Which is what we've don

There are now ten
available. The original five:
Lonesome Ghosts; Goo
Scouts; Three Little Pigs;
Dumbo; Snow White; and
Cinderella.

Plus five new ones. All gr
favourites:

Pinochio; Sleeping
Beauty; Bambi; 101 Dalmati
and Pluto.

You can order them
individually.

And we've also a
10-assorted dispens
pack which holds t
of each.

METTOY

The toys children really play v

Come and see us at Brighton Metropole Hotel Stands M2 and M3

J. & L. Randall Ltd.

The Co. regd. on 25th March 1958 as J. & L. Randall (Proprietary) Ltd. The name changed to J. & L. Randall Ltd. on 21st Oct. 1958 and converted into a public Co. on 13th Nov. 1963. Co. manufactures a very wide range of toys and games which are sold under the trade name of 'Merit'. The major part of the Co's product is undertaken in a 140,000 sq. ft. factory, Merit House at Porters Bar, Middlesex, augmented by established sub-contractors who manufacture and assemble components supplied by the Co. to its own design and specifications.

Direct sales to retailers account for the largest proportion of group trade in U.K.. Exports are widely spread over 100 countries throughout the Commonwealth, Europe and America, including Germany and Japan.

Major developments in recent years have been the build up of a property subsidiary, J. & L. Randall (Property) Ltd. and of a portfolio of quoted investments. In 1970/71, the company completed the building of a 160,000 sq. ft four storey warehouse, Cranborne House,

alongside its headquarter in North London.

Group profit before tax for the Co. for the year ended Sept. 30 1973, amounted to £ 963,810 against £801,999. Investment income and rents increased to £381,801 from £281,998. J. & L. Randall has been keen to emphasis the advantages of building up an investment portfolio as a bulkwark against cyclical demand in the toy industry. This policy certainly paid off last year as income from dividends, short-term loans, and rental from a warehouse jumped by £100,000 to £381,801 and accounted for 62% of the increase in total group profit. The remainder came from the manufacture of 'Merit' toys and games.

Labour and material exigencies impeded the group taking full advantage of record home trade order book. Total exports showed only slight improvement reflecting the adverse effects of restrictions in some markets and the comparative weakness of the dollar in others.

Thus the financial business has proved especially useful over the past year when labour difficulties combined with the general shortage of materials such as paper and board have tended to restrict production.

Product Range :

Nursery toys, Chemistry and Scientific
outfits, Indoor and Outdoor Creative Play,
Novelties, Puzzles, Toolsets, Family
Boxed Games.

Subsidiary Companies :

Motitz & Chamber Ltd.
Merit Toys & Games Ltd.
J. & L. Randall (Proprietary) Ltd.
(Non-operating)
J. & L. Randall (Property) Ltd.

Financial Profile :

<u>Year to</u> <u>30th Sept.</u>	<u>Turnover</u> <u>£ '000</u>	<u>Net Profit</u> <u>Before tax</u> <u>£</u>
1970	1,220	563,000
1971	1,324	594,000
1972	1,462	801,999
1973	1,550	963,810

	Employees <u>Weekly Average</u>	Exports <u>£</u>
1970	268	340,354
1971	253	403,918
1972	265	354,826
1973	228	392,970

Geographical Analysis of Exports (%)

<u>Year to 30th Sept.</u>	<u>N. & S. America</u>	<u>Africa</u>	<u>Europe</u>	<u>Asia</u>
1971	35.94	17.27	36.25	10.54
1972	37.71	7.83	37.95	16.51
1973	33.39	12.61	34.54	19.46

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FLOWERS



LAURENCE



J. W. Spear & Sons Ltd.

The Co. was registered as a private Co. in 1930. and made public on 5th Jan. 1966. The Co. now manufacture and distribute a very wide range of games and educational toys, most successful of which is "Scrabble". In addition, the Co. owns 49.5% of Scrabble Schutzerchte Und Handels Gmbh and has a interest of 41% in J. W. Spear & Sohne of Nuremberg. This Co. is making similar goods mainly for the German speaking market.

In 1970, the Co. acquired G. J. Hayter, the maker of Victory jig-saws for £ 90,000. On 28th Sept. 1973, the entire share capital of Hupfield Plastics Ltd., Hemel, Hamstead, who are injection moulder, was purchased for £ 20,000 cash.

The Co. has avoided the fashion end of the toy market and given the group's specialization in higher quality educational games such as Scrabble (for which it holds the world's right except U.S., Canada and Australia), it is less vulnerable to any fluctuations in demand than the rest of the toy industry.

Recent policy has been to increase sales by expanding distribution capacity (warehouse accomodation has been increased 50%) and manufacturing capacity (a further 9,000 sq.

ft of factory space was added in 1971.)

The Co. has successfully opened up export markets, particularly in Europe to expand sales. In 1973, 30.3% of the firm's products were exported to countries throughout the world especially Europe and North America.

However, the director says that demand for both the home and export trade is at record levels, but the availability of raw materials and their increasing costs continue to cause concern.

Product Range :

Scrabble, Action games, plastic puzzles, educational toys.

Subsidiaries :

G. H. Hayter & Co. Ltd.
Hupfield Plastics Ltd.

Financial Profile :

<u>Year ended 31st Dec.</u>	<u>Turnover £</u>	<u>Pre-tax Profit £</u>	<u>Profit after tax£</u>
1970	1,282,413	290,000	178,125
1971	1,654,604	407,260	249,204
1972	2,165,519	651,118	390,179
1973	2,745,347	969,346	537,069

Exports sales :

1973 : £ 833,742 (1972:£569,847)

Breakdown of Exports Sales (%)

	<u>Europe</u>	<u>N. & S. America</u>	<u>Africa</u>	<u>Asia & Austral- asia</u>
1971	47	31	7	15
1972	54	28	6	12
1973	60	18	7	15

Employees:

	<u>Average No.</u>	<u>Sub. No.</u>
1970	365	104
1971	363	106
1972	384	105
1973		521

Sharna Ware Ltd.

The Co. was incorporated in Sept. 1964 and became public in Sept. 1965. Since then, the name was changed to Sharna Ware Ltd.

The main business of the Co. can be divided into 1) manufacturing of plastic ware which used to be the largest part of the Co.'s business, although this division still accounted for 86% of the trading profit in 1973.

2) General Wholesales : this division accounted for 64% of the turnover but only 13% of the trading profit.

3) General retail.

The Co. opened a large wholesale Cash & Carry warehouse in Manchester on 1st. April 1973 which has proved to be successful. Both trading profits and turnover had increased in last fiscal year.

In June 1973, the Co. also purchased Cherilea Toys of Padiham, maker of small plastic model toys.

Product Range :

Large wheeled toys, pedal tractors,
pedal cars. Go,Go cart.

Subsidiary Co.:

Sharna Ware (Mfg.) Ltd.

Cherila Toys Ltd.

*L. Miller (Manchester) Ltd.

*L. Miller (Park Place) Ltd.

Orbro Cash and Carry Ltd.

Stanley Orchant (Glasgow) Ltd.

Domestic Discount Stores Ltd.

*These two companies ceased to trade
on 17th Feb. 1973.

Financial Profile :

Year ended 31st. Dec.	1973	1972
Sales	£ 4,772,294	£ 1,974,869
Profit before taxation	£ 250,482	£ 170,059
Profit after taxation	£ 114,363	£ 108,742

	<u>Turnover</u>		<u>% of trading Profit</u>	
	<u>1973</u>	<u>1972</u>	<u>1973</u>	<u>1972</u>
Manufacturing division	£ 1,685,380	£ 1,234,289	86	97
Wholesaling division	£ 3,064,890	£ 605,068	13	1
Retailing division	£ 22,024	£ 135,512	<u>1</u> 100	<u>2</u> 100

	<u>1973</u>	<u>1972</u>
Turnover	£ 4,772,294	£ 1,974,869
Exports	£ 108,954	£ 21,002
%	2.2	1

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3-Wheel Series- For freewheeling youngsters.



Meteor Motorcycle Ref: 436

Bright zippy 3-wheeled model motorcycle with 'Easy Rider' saddles and super-sturdy plastic body. Fitted with metal reinforced front fork and pedal crank. Non-toxic silver-painted engine details. Length 26½". Just right for the 2-6 age group.



Rapide Motorcycle and Side-car

Ref: 437

Standard model as above with big side-car. Length 29".



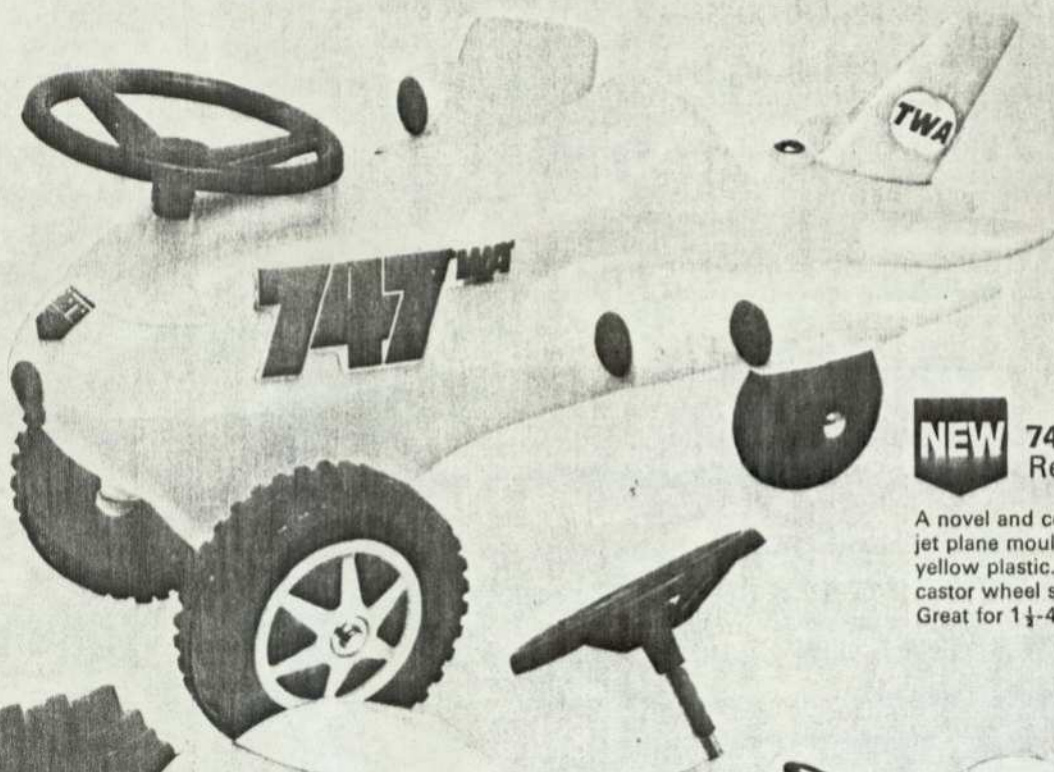
De-Luxe Jumbo Trike Ref: 521

(Available 1974)

Jumbo Pedal Trike Ref: 518

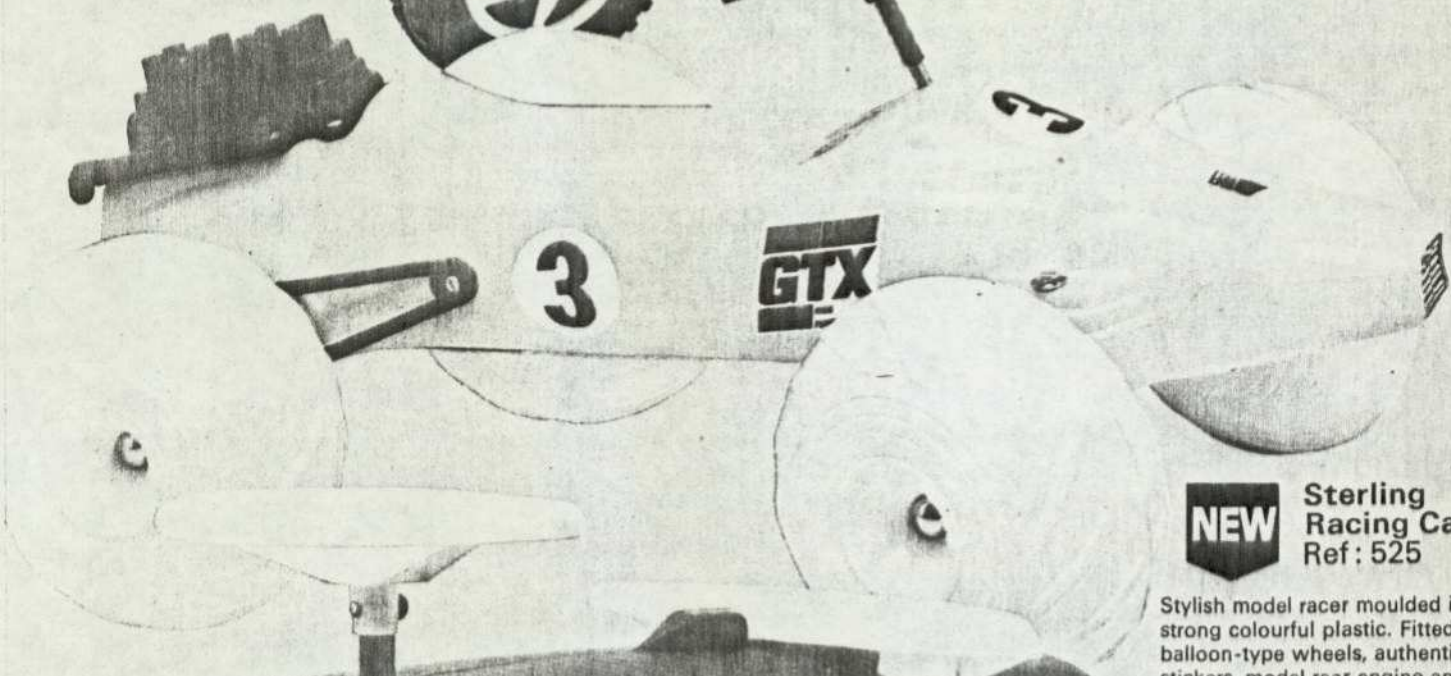
A modern stylish Tricycle with front wheel pedal drive. Moulded in strong colourful plastic. Length 23". Ideal for age group 1½-5 years.

Sit 'n' Ride Series-For children with get-up-and-go!



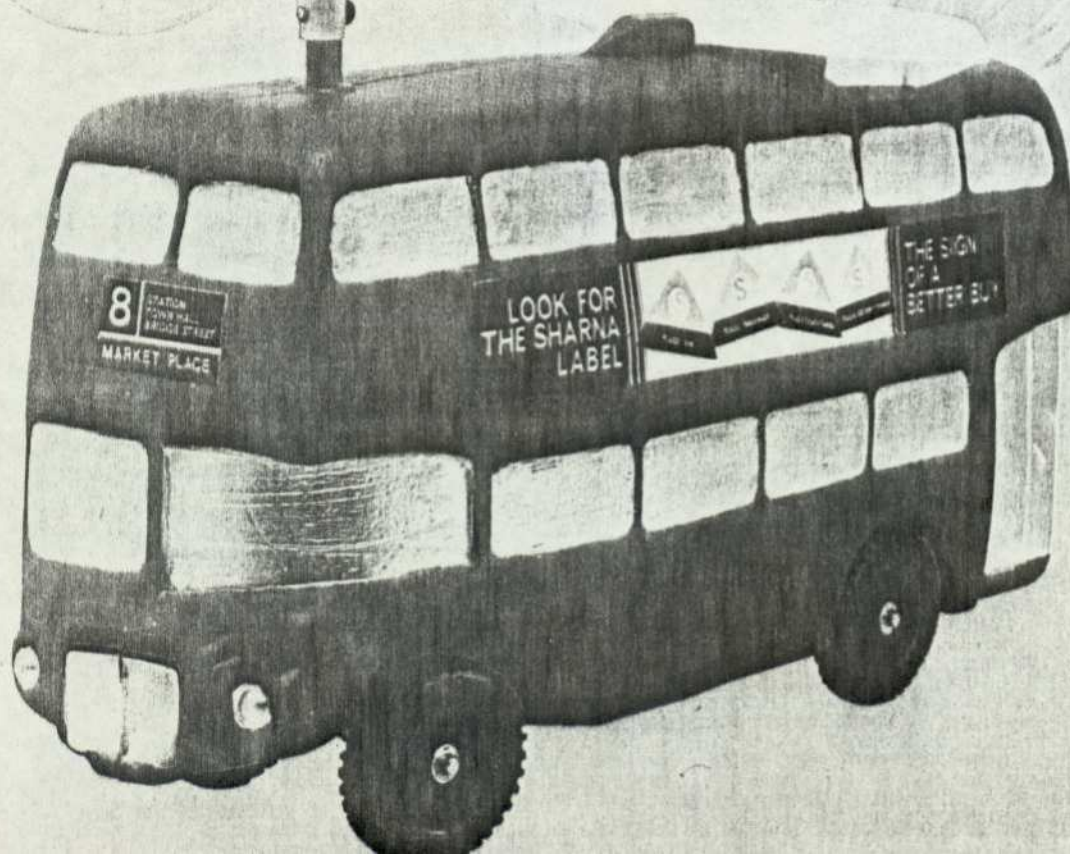
NEW 747 Jet Plane
Ref: 520

A novel and colourful sit 'n' ride jet plane moulded in strong bright yellow plastic. Fitted with rear castor wheel steering. Length 23½". Great for 1½-4 year olds!



NEW Sterling
Racing Car
Ref: 525

Stylish model racer moulded in strong colourful plastic. Fitted with balloon-type wheels, authentic stickers, model rear engine and details. Length 29½". Ideal for 1½-4 year olds.



Roadmaster Bus
Ref: 428

A sturdy red sit 'n' ride bus, fitted with metal axles, steering fork and column. Moulded plastic seat, steering wheel and wheels. Length 20". Just the thing for the 2-4 age group.

Thomas Salter Ltd.

Thomas Salter was incorporated as Thomas Salter Ltd. in 1913, to import toys from France. Today, the Co. manufactures a wide range of toys, craft and play equipment, especially in educational, scientific and high quality toys and crafts.

The Co. originally operated in London but has now moved to Glenrothes New Town in Scotland in 1966 and since then both factory and warehouse space have more than doubled and exports have increased tremendously.

Unsuccessful diversification meant that by 1970, the parent Co. was in a very weak financial position. In March 1971, the Co. joined the Kennedy Duff Savage Ltd. who arranged to acquire all the share capital from the family of Thomas Salter and provided capital in the form of cumulative preference shares.

The factory in Glenrothes consists of 72,000 sq. ft. of factory and warehouse space and 12,000 square ft. of offices. An additional 45,000 sq. ft. of

storage space is rented.

The Co. is labour intensive and it mainly designs and assembles boxed toys from components purchased from outside manufacturers.

In the U. K., the Co. sells mainly to wholesaler, store groups and discount stores. About 35% of sales derived from overseas. The Co. only began exporting in 1966 and sales have grown rapidly.

In Jan. 1973, the Co. introduced an exciting range of Crafts Products together with Spares and Accessory Services to match the large spares and accessory service which is required for the Science Range.

The Co.'s only subsidiary, Salter Toys Ltd. in Canada ceased trading on 30th Nov. 1973. The Co. has been making losses in the past few years.

Product Range :

The products fall into 4 main categories:
Sciences, Crafts, Toys and Sports.

Archery sets, climbing rope, disguise set,
microscope lab. tool sets, adventure kit,
table tennis sets, candle making sets,
Stringcraft kits.

Financial Profile :

<u>Year ended :</u>	30th Dec. 1973	15 months 31st Dec. 1972.
Turnover	£ 2,072,276	£ 1,560,252
Pre-tax Profit	£ 183,409	£ 12,047
Profit after tax.	£ 183,409	£ 12,047

(as a result of losses brought forward, there is no liability to corporation tax on the results of the period.)

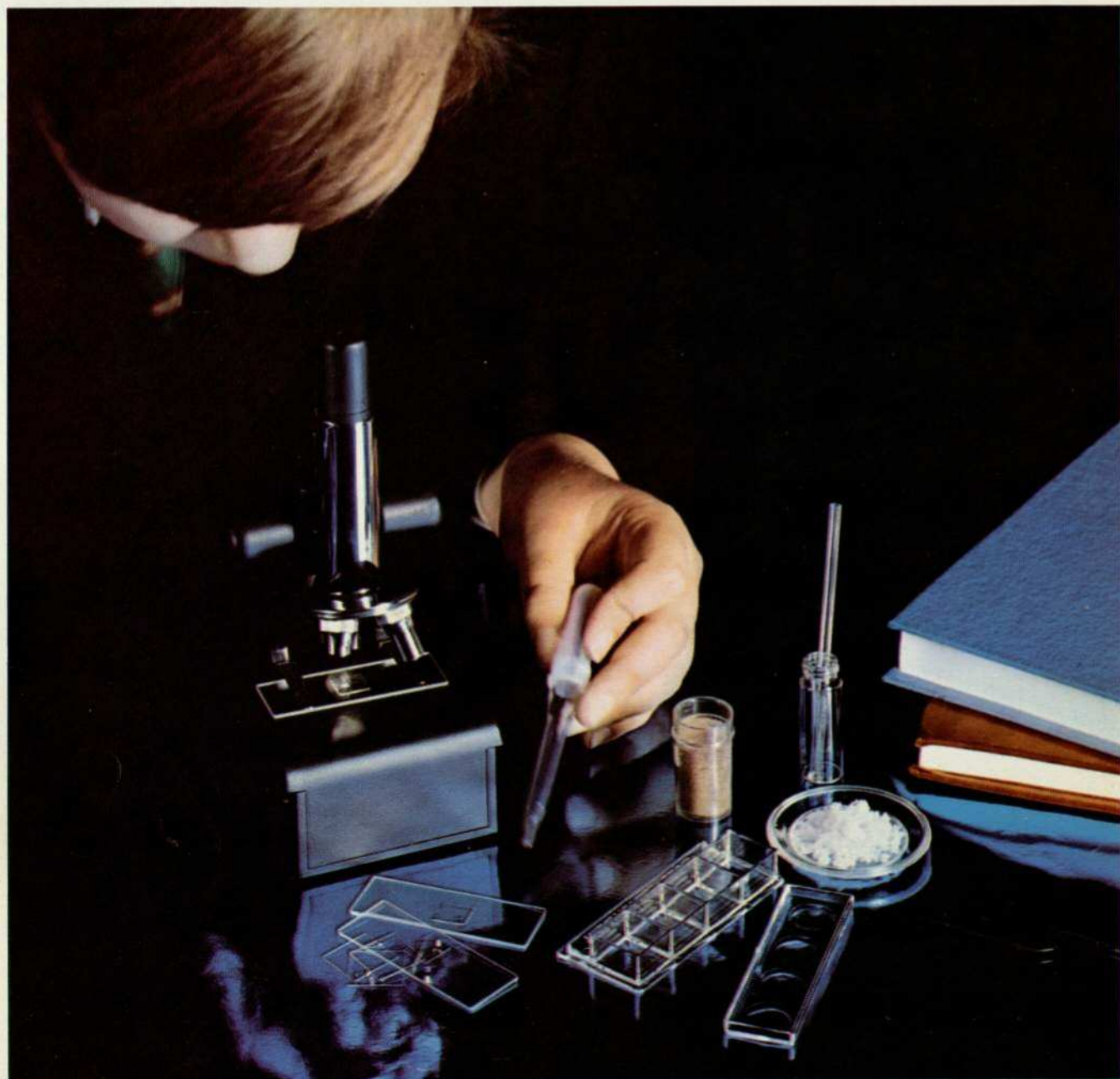
Exports :

The value of goods exported from the
U.K. during the period was £ 730,252.
(35.2% of total turnover.)

Employees : The average no. of persons employed
by the group in the U.K. during the
period ended 30th Dec. 1973 was 382.

Microscope Labs

- ★ DUAL built-in lighting system for ABOVE and BELOW stage illumination (batteries supplied). Enables OPAQUE or transparent objects to be studied.
 - ★ Light density control unit for variation of lighting strength.
 - ★ Ground glass lens system used for superior clarity of image. Made in Japan to Thomas Salter's specification.
 - ★ Sets offer power range from $\times 60$ to $\times 750$.
 - ★ Superior quality dissecting instruments, specimens and equipment.
 - ★ Each microscope individually tested at factory.
 - ★ Microscope and laboratory equipment packaged in styrofoam modules for safe transit.
 - ★ Each set further packaged in attractive "Flip-open" display box printed full colour "High Gloss" finish.
 - ★ Full range of accessories available direct from Thomas Salter Ltd including higher magnification lenses for sets 1, 2 and 3 which will convert each microscope to $\times 750$ power. (Outside UK, special distributors have been appointed.)
- 48-page illustrated laboratory manual provides a range of 170 exciting experiments in Microscopy including scientific techniques, programmed study, slide and culture preparation.



Thomas Salter

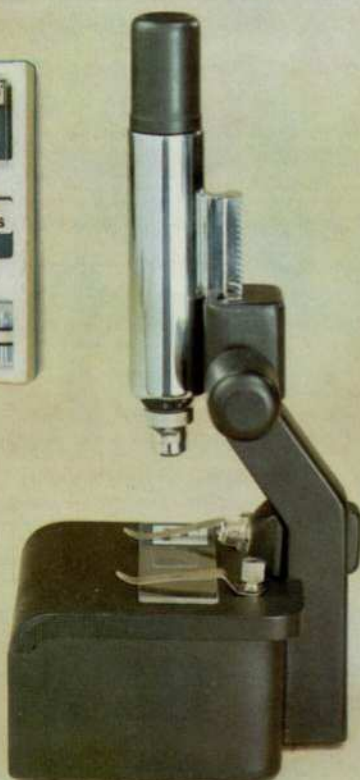
3401 Microscope Lab. 1

63 Experiments. Microscope with single light tube and objective for magnification $\times 60$ power. Accessory module contains scalpel, dissecting needle, tweezers, 2 specimen bottles, 5 plain slides, 1 prepared slide, cover slips, microscope batteries complete with 48-page illustrated laboratory manual. Packed in attractive "Flip-open" display box printed full colour "High Gloss" finish.

A graticule (Locator & Measure) is placed on the Microscope Stage enabling the consumer to test the quality of magnification and clarity of image at the point of sale.



Box Size:
 $5\frac{1}{2} \times 9\frac{1}{2} \times 8"$
 (15 $\times$ 25 $\times$ 20 cm).
 Pack:
 $\frac{1}{2}$ dozen carton
 $17 \times 10 \times 18"$
 (43 $\times$ 25 $\times$ 45 cm).
 11 lbs.



Thomas Salter

3402 Microscope Lab. 2

99 Experiments. Microscope with turret and 2 objectives for magnification $\times 60$ and $\times 150$ power. 2 accessory modules contain scalpel, 2 dissecting needles, tweezers, 2 specimen bottles, 5 plain slides, 1 prepared slide, eye dropper, watch glass, spatula, bottle of balsam, bottle of fuchsin, packet of labels, cover slips, microscope batteries complete with 48-page illustrated laboratory manual. Packed in attractive "Flip-open" display box printed full colour "High Gloss" finish.

Design Registered. Patent Applied for.



Box Size:
 $9\frac{1}{2} \times 9\frac{1}{2} \times 5\frac{1}{2}"$
 (24 $\times$ 24 $\times$ 14 cm).
 Pack:
 $\frac{1}{2}$ dozen carton
 $20 \times 10 \times 18"$
 (51 $\times$ 25 $\times$ 45 cm).
 12 lbs.



Microscope Labs

Thomas Salter

3403 Microscope Lab. 3

138 Experiments. Microscope with turret and 3 objectives for magnification of $\times 60$, $\times 150$ and $\times 250$ power. 3 accessory modules contain scalpel, tweezers, 2 dissecting needles, 2 specimen bottles, 10 plain slides, 2 prepared slides, packet of labels, watch glass, spatula, cover slips, bottle of balsam, bottle of fuchsin, 4" glass rod, 3" glass tubing, shrimp egg hatchery, bottle of hatching mix and shrimp eggs, bottle of eosin dye, bottle of methylene blue. Microscope batteries. Complete with 48-page illustrated laboratory manual. Packed in attractive "Flip-open" display box printed full colour "High-Gloss" finish.



Box Size:
 $11\frac{1}{2} \times 5\frac{1}{2} \times 9\frac{1}{2}$ "
 (29 x 14 x 24 cm).
 Pack:
 $\frac{1}{2}$ dozen carton
 $17 \times 10 \times 12$ "
 (44 x 25 x 30 cm).
 7 lbs.

Thomas Salter

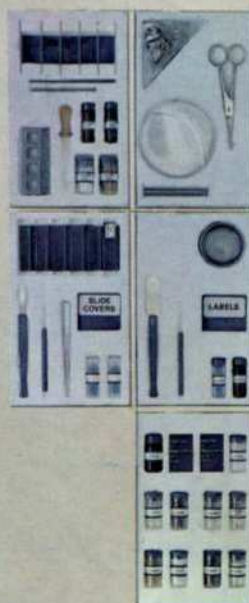
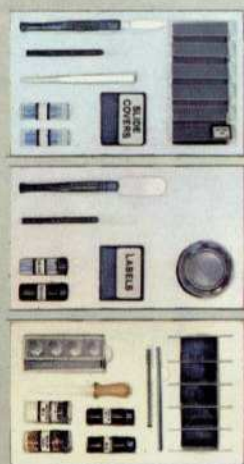
3404 Microscope Lab. 4

170 Experiments. Microscope and turret with 3 objectives for magnification to $\times 60$, $\times 150$ and $\times 250$ power. 2 extra interchangeable objectives to boost power to $\times 450$ and $\times 750$. 5 accessory modules containing scalpel, 2 dissecting needles, tweezers, 2 specimen bottles, 10 plain slides, butterfly, 2 prepared slides, packet of labels, watch glass, spatula, cover slips, eye dropper, glass rod and tubing, shrimp egg hatchery, petri dish, scissors, test tube, 14 bottles containing balsam, fuchsin, hatching mix, shrimp eggs, eosin dye, methylene blue, xylol, seaweed, honey bee, agar, yeast, silicon and feather. Microscope batteries. Complete with 48-page illustrated laboratory manual. Packed in attractive "Flip-open" display box printed full colour "High Gloss" finish.



Box Size:
 $14\frac{1}{2} \times 9\frac{1}{2} \times 5\frac{1}{2}$ "
 (36 x 24 x 14 cm).

Pack:
 $\frac{1}{2}$ dozen carton
 $15 \times 10 \times 18$ "
 (37 x 25 x 45 cm).
 9 lbs.



thomas salter toys+ sports

Thomas Salter Ltd.

(Export Sales Office & Showroom) 151 Great Portland Street, London, W1N 5FB. Tel. 01-637 4931

(Factory) Woodside Road, Glenrothes, Fife, Scotland. Tel. 0592 75 3631

- b) U.K. based companies which manufacture(d) toys but have(had) substantial interests in other activities.

Barclays Securities

This Co. regd. on June 1896 as Barclays Securities Ltd. The name changed to Barclays Securities Ltd. in 13th April 1970 when business of the Co. was changed from Pharmaceutical Wholesale Co. to that of an Investment Co.. The Co. still has substantial interests in pharmaceutical distribution. During 1970/71, the Co. acquired inter alia D. Sebel & Co. Ltd. and Chad Valley Co. Ltd. These two are toy manufacturing Co. Besides these two, they also acquired Mills and Allen Ltd. and Dorland Advertising (poster advertising etc.) for shares, loan stock and cash. In 1971, the Co. also acquired Triang Pedigree (1971) Ltd.. The latter for £2,350,000, 9¼% Partly Conv. Unsec'd Loan Stock and cash and deferred payments totalling £5.25 million. This section

of Lines Brother had a turnover of about £8.5m. and such acquisition had made Barclays Toys Group one of the largest toy company in Europe.

In the mid, of 1972, the Co. had rationalised their possessions, selling off parts of the business to Raleigh. The adult bicycle business was sold to Raleigh for approx. £800,000 in cash. Under the terms, sales would not confer the use of Tri-ang or Pedigree trade names and stocks of products carrying these names, amounting to about £400,000 in value, would be retained and sold by Barclays Toy Groups, Tri-ang Pedigree wooden toy and nursery goods business, was also sold to Goodwill Playthings, for approx. £225,000.

Since then, the Co. only had Chad Valley left as the only Co. in the organisation left manufacturing toys and games.

In March 1973, the Co. was taken over by J. H. Vavasseur, the City financial group and Barclay Securities became one of its subsidiary.

In July 1973, Barclays completed the sale of the issued capital of the Chad Valley Co. Ltd.

pursuant to an agreement entered into, on 21st Dec.
1972 prior to the acquisition of Barclays by J. H. Vavapteur;
the sales completed the disposal of Barclay's interests in
the toy industry.

For the 15 months prior to March
31st, 1973, Barclays Securities returns turnover at £6.5 m.
against £32m. for 1971. Pre-tax profits worked out to
£2.75m. against £2.2m.

Chad Valley :

Chad Valley Co. was established in
1860. Private Co. 1919, made public 1950. It manufacture
toys and games, cardboard boxes, jig-saw puzzles and printed
metal canisters and kitchenware.

.....-.....

**We've been toying around
with some great new ideas.**

Now it's your turn.

*NEW PODGER BEAR

NEW CRACKSHOT
*SHOOTING GAME

*NEW SOCCER
COACH

*NEW PEEP-A-SCOPES

*NEW TALKING SOFT TOYS

*NEW COASTER

*NEW MILLION MONSTERS

All great new products for 1974 from Chad Valley

Come and see all these and a whole lot more (including the established ranges) on Stand **H339-41** at the Brighton Toy Fair. And see how we're going to boost your sales with wide scale Television advertising in 1974.

Take a trip to Chad Valley, stand H339-41 Brighton Toy Fair

Chad Valley, Garretts Green Lane, Birmingham.



Raleigh Industries Ltd

According to the Guinness Book of Records, this Company, with its 54 acre plant at Nottingham, is the world's largest factory producing complete bicycles.

The original Raleigh Cycle Co. was founded in 1887 by a man called Frank Bowden, who became the first Chairman. By 1891, the Co's capital was £100,000 and in the next 5 years, that doubled, at which time its 7½ acre was the largest cycle factory in the country.

In 1932, the Co. started acquiring other names with the purchase of the cycle interests of Humber. Towards the end of the second world war, Raleigh bought up the Rudge-Whitworth Co. and thus began a concentration of the industry that reached its peak during the 1950's. In 1954, it took over Triumph Cycle, in 1951, BSA Cycles and in 1960 Carlton Cycles, specialists in sports and racing models. In that same year, Raleigh's own difficulties caught up with it, and it merged with the £260m. Tube Investments, which also manufacture cycles under the brand names like Philips, Her-

cules, Sun and Norman. This merger made the Co. largest bicycle group in the world and brought under Tube Investment's wing most of the really substantial brand names in the U.K.

Outside the bike business, Raleigh also needed to diversify, to get away from being a one-product business. In a minor way, the Co. had been in wheeled toys since the late 1940's when it made the Child's tricycles, but it was not until the merger with T.I. that toys began to be treated as diversification. After 1962, Raleigh began to produce a significantly wider range of wheeled toys. The Co. produced 26 models in 4 main groups to start off a range that now has about 65 products from pavement cycles to doll's prams to pedal cars.

In 1962, toys were a £750,000 business at retail. By 1968, it turned over at £2.5 million., but most of the growth to over £7 million has come in the last couple of years - and this is in a market worth around £17m. a year.

Raleigh's successful operation in both bikes and toys has to be qualified by the fact that it had all the advantage of soft or softening competition.

In bikes, it has a huge proportion of the U.K. market, the E.E.C. will make little enough competitive difference, since no company is geared up on the same scale. There are for example 600 manufacturers in Italy and the industry is also fragmented in France. In Germany, there is no branding at all and the bikes sell at a much lower price. Perhaps, the main reason for the lack of competition is the sheer size of the operation. At Nottingham, Raleigh produce one cycle every 5 seconds. Taking Raleigh on its strong markets would take a lot of time and money and would demand even more courage.

Principal Subsidiaries :

Trading Companies : Irish Raleigh Industries Ltd.

Raleigh Industries of America
Inc.

Sturmey Archer Gears (Europa)
B.V.

Cox of Watford Ltd.

Raleigh Nederland B.V.

Lines Brothers (Canada) Ltd.

Overseas Non-trading Co. : Raleigh Industries (Nigeria) Ltd.

Non-trading Co. : Brampton Fittings Ltd.

J. B. Brook & Co. Ltd.

B. S. A. Cycle Ltd.

Carlton Cycles Ltd.

Moulton Bicycles Ltd.

New Hudson Cycle Co. Ltd.

Norman Cycles Ltd.

J. A. Phillips & Co. Ltd.

Phillips Cycles Ltd.

Rudge-Whitworth Ltd.

Sturmey Archer Gears Ltd.

Financial Profile :

<u>Year ended</u> <u>June 31st.</u>	<u>Turnover</u> <u>£ ('000)</u>	<u>Net Profit</u> <u>Before tax</u> <u>£</u>	<u>Net Pro-</u> <u>fit after</u> <u>tax.</u> <u>£</u>
1970	33,057	2,202,292	1,394,773
1971	45,910	3,823,541	2,110,325
1972	56,879	5,838,567	3,515,295

.....-.....

"Playing for real" isn't just kids' stuff.

It's what
RALEIGH can do for
your profits
right now!



Raleigh toys capture the imagination – and the business. Because they've 'real life' looks the kids adore, backed by a name that parents go for too. You've got a huge range to choose from (four of which are shown) and a limitless potential for constant, rapid turnover. Stock the Raleigh toy range today; and 'play it for real' in those profits stakes!



RALEIGH

Raleigh Industries Limited, Nottingham, England

A  COMPANY

J. Waddington Ltd.

This Co. is registered as a private Co. in 1921. It was made public in June 1928. The Co. specialises in lithographic and other colour printing and the manufacturing of playing cards, games jig-saw puzzles, greeting cards, plastic containers and cartons as well as general printing, with works at Leeds, Dundee, Keighley, Tunbridge Wells, Brentford and Camberly and Gateshead-on-Tyre.

Thus the Co. has 3 main divisions: Packaging, Publishing and Printing. Within its Publishing division, however, there is a Games and Puzzles section. The most famous game produced by this section is Monopoly which still sells 500,000 sets per year. Waddington have come up with further original products such as Cluedo and Subbuteo. The latter is a football game played with miniature men, millions of whom are made each year. This is a product with great room of expansion. In Subbuteo's case, the growth have been in collecting items to go with football

games eg. various teams, grandstand and the range has been extended to other games such as Rugger.

In 1972/73, there was major pay-off from past efforts and all divisions were simultaneously flourishing. Cartons and labels produced much better results after several years of unduly low margins. Valentines- cards - contributed well over a fifth of group profits, and in games, it is a table football rather than the 31 year old Monopoly which is performing most outstanding. The Subbuteo game is claimed to have higher sales than any other in the world, and the subsidiary concerned contributed 1/10 of Waddington's earnings. This game has taken over Monopoly as the best selling family game.

For the year 1973/74, group turnover progressed from £15.53m. to £19.84m. Net profit declined from £1,130,068 to £917,607 after taxation up from £764,896 to £1,024,700.

J. Waddington full year results tell a story of rapidly escalating material costs - mainly paper and plastics - and virtually static selling prices. After a 19% pre-tax rise in the 1st six months, profit

slumped by almost the same proportion in the second half on a 5½ points fall in profit margins to 6¼%.

The fact that sales were around 30% higher in the 2nd. six months suggests that the three day week had little effect on either production or demand. Since the year end, the group has introduced several significant prices increases and has seen no sign yet of any offset in sales. However, given the uncertainties which still surround the availability of the group's two most important materials, it would probably be wise to take a fairly cautious view of the current year prospects of the Co.

Financial Profile :

<u>Year ended March 31st.</u>	<u>Turnover £ (000)</u>	<u>Net Profit Before tax £</u>	<u>Net Profit after tax. £</u>
1971	11,811	879,000	512,000
1972	13,115	1,047,625	610,455
1973	15,525	1,894,964	1,130,068
1974	19,837	1,942,307	917,607

Principal Cos. within the Group :

Parent Co.

John Waddington Ltd. : Cartons,
Business labels, Games
and Jigsaw puzzles.

Principal Sub. Cos.:

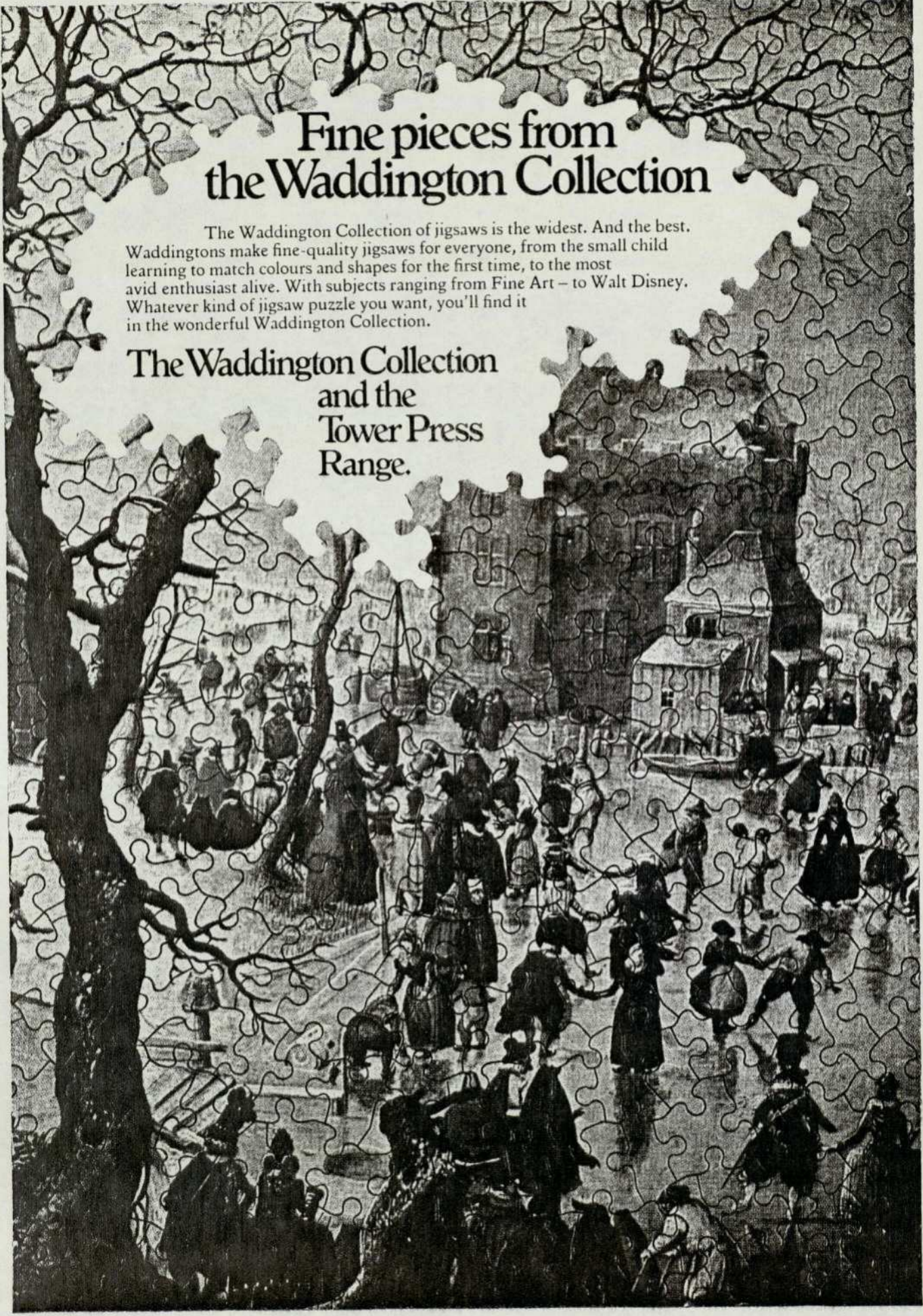
Valentines of Dunbee Ltd.	Greeting cards and Gift wrappings
Plastona (John Waddington) Ltd.	Plastic Con- tainers.
John Waddington of Kirkstall Ltd.	Posters, advertising Printing, Blister Packaging and Security Printing.
Waddington Playing Cards Co. Ltd.	Playing Card.
Subbuteo Sports Games Ltd.	Sports Games
Art Master of Chelsea Ltd.	Oil Painting by No. Artists' paints.

Associated Co.

Ormond Printing Co, Ltd. (53%)	Cartons, Letterpress, Litho Printing and Playiny cards.
Canadian House of Games Corp. (75%)	

<u>Year to</u> <u>31st March</u>	<u>Employees</u> <u>Average No.</u>	<u>U.K.</u> <u>Exports</u>
1971	3,136	£ 628,600
1972	3,020	£ 804,000
1973	3,129	£ 964,000

.....-.....

The background of the advertisement is a large, intricate jigsaw puzzle. The puzzle depicts a historical scene, likely a fair or a busy street in a past era. In the foreground, a large crowd of people, mostly women in long, dark dresses and hats, are gathered. Some are standing, while others appear to be dancing or moving in a group. To the left, a large, leafless tree with a thick trunk and many branches frames the scene. In the background, a large, multi-story building with a prominent tower or clock face is visible. The puzzle pieces are interlocked, creating a textured, mosaic-like effect across the entire image.

Fine pieces from the Waddington Collection

The Waddington Collection of jigsaws is the widest. And the best. Waddingtons make fine-quality jigsaws for everyone, from the small child learning to match colours and shapes for the first time, to the most avid enthusiast alive. With subjects ranging from Fine Art – to Walt Disney. Whatever kind of jigsaw puzzle you want, you'll find it in the wonderful Waddington Collection.

**The Waddington Collection
and the
Tower Press
Range.**

What Waddingtons did in Advertising for 1973...

Illustrated are some of the 1973 press advertisements and television films which emphasised the quality and supremacy of Waddingtons games. Our 1974 advertising campaign is in the 'think-tank' now and promises to further enhance our reputation for solid advertising support for our quality games.

Introducing The Game of Nations.
With your help, it'll take over the country.

The Game of Nations is based on Mike Costello's best selling "Game of Nations". It's a game of political strategy set in the Middle East. Oil is the basis of power, skill and nerve are the principal requirements for survival. There are no winners, and no losers. The only people who can profit in the end are you and me.



The Game of Nations
From Waddingtons, the makers of Monopoly

Cluedo is hot on the trail of Monopoly.

We introduced Cluedo - the Great Detective Game - in 1947. Today it's one of our best sellers, second only to Monopoly. And starting in September we're running a 17 second Cluedo television commercial to boost your sales even further. It could end up top of the public's wanted list.



Our Speculate, Cluedo, Sorry and Campaign TV campaign.



Starting late September, for six weeks, we're running four television commercials. Speculate, Cluedo, Sorry and Campaign. They're going out nationally, creating a lot of interest, bringing you more business. Stock up now and be on the winning side.

From Waddingtons. The makers of Monopoly.*

Buy Speculate. It's selling.



Last year, we introduced Speculate, the true-to-life stock market game, and it's gone from strength to strength. So much so, that now, it's one of our best sellers.

And this September our Speculate commercial appears on television to bring you even more buyers. And bigger profits.

Make sure your stocks are up now, and share in our success.

Speculate from Waddingtons
The makers of Monopoly.

*Monopoly® is the Registered Trade Mark of John Waddington Ltd. for their property trading game equipment.

- c) Past & Present major U.S. toys and non-toys companies with toys interests in U.K.

General Mills Inc.

General Mills Inc., the cereal giant, is about 6 times as big as Mattel Inc.. Its total toy intact however is approx. 40% of the size of Mattel's.

The Co. is a leading producer of packaged consumer foods.

The main product groups of the Co. are:

- 1) Foods at Home :
 - a) Breakfast and Snake Items.
 - b) Mixes, Family Flour, Seafood.
- 2) Foods away from Home :
 - a) Commercial Foods and Ingredients
 - b) Restaurant Activities.

- 3) Consumer Non-foods
 - a) Crafts, Games and toys
 - b) Fashions and Direct Marketing.
- 4) Specialty Chemicals.

In U.K., it operates a no. of subsidiary companies. In 1968, General Mills purchased Palitoy Inc. from Bakelite Xylonite. Since then, the name was changed to Palitoy Ltd. In Aug. 1970, the Co. bought Dennys Fisher Toys Ltd. and these two companies together formed the U.K. part of General Mills' Crafts division. Denny Fisher Toys Ltd. was registered in 23rd., Nov. 1960. Palitoy's success has been based on Action Man and is approx. twice the size of Denny Fisher and for the year ending 30th April 1973, its approx. turnover was in excess of £ 6 million.

Action Man was introduced in 1966 and sales are said to exceed 3 million units plus a further 30 million accessories. It is a military doll for boys. Denny Fisher developed Spirograph System which enables children to draw complicated looking designs. For Denny Fisher, Wendy Bosten has an excellent range of pre-school toys which are currently very fashionable. Recently, a new division, Bluebell dolls division has been established. This division only sells to wholesalers.

Kenner Products and Parker Bros. (world's largest games manufacturer.) are the two main toys trading heads of General Mills. In general terms, in the U.K., Dennys Fisher have first choice on lines made by Kenner Products while Palitoy has first choice from Parker.

For these two companies, Television Advertising has been the main medium used for promotion and has achieved greater success than some other toy companies. The key to this success has been a good follow through at the products point of sale and well organised distribution.

The management structure has been carefully designed to control costs throughout the division and in both companies they are closely controlled with sales director, work director and financial controller being directly responsible to their respective Managing Director.

Dennys Fisher supplies directly to the retailers while its division Strawberry Fayre supplies directly to wholesalers. Similarly, Palitoy supplies directly to retailer while its division Bradgate acts as a wholesaler in some instances. The sales divisions are kept apart and altogether supply over 3,500 outlets.

The Companies were well run and their return is possibly better than that of any other U.K. Company. On the whole, the group was well managed and well liked. It has concentrated to a much greater extent on P.O.S. satisfaction. Promotions are well thought out and deliveries well controlled. In short, it is an extremely well run operation.

In last fiscal year, 1972/3, the parent Co. made a few more acquisitions in the area of crafts, games and toys. Immobiliaria Selene, S.A. was acquired in Dec. 1972, H. E. Harris & Co., Boston, the world's largest dealer in stamps for collectors was purchased in May 1973. Finally, Meccano, France, S.A. a marketer of construction toys, electric trains, Dinky toys and toy projectors, was also acquired in May 1973.

It is however interesting to note that the Advertising media expenditure of the group was \$74.2m. last fiscal year, greater than the amount spent on Gross Expenditure of Plant and Equipment (\$56.6m.) and Research Expenditure (19.0m.)

Product Range :

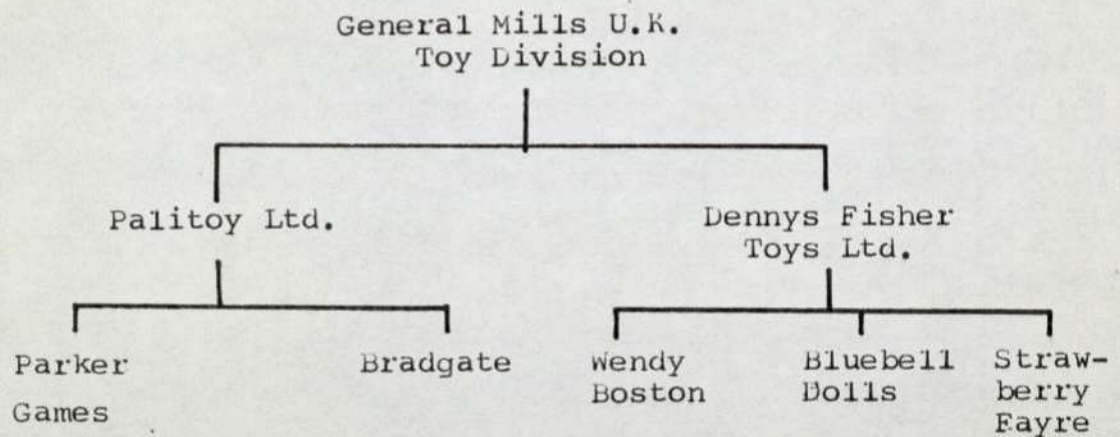
Palitoy : Pippa, Clever Kerry and Action Man.
Parker Games : Strike, Colditz, Monopoly.

Bradgate : 'Play-Doh', 'Little Big Man'

Deny Fisher : 'Pre-school toys from Wendy
Boston.

Kenner Brothers : Children toys, Easy -bake
Oven, Spirograph.

U.K. Toys & Games Divisional layout :



Principal Craft, Games and Toys subsidiaries :

The Co. has many subsidiaries in the field of Chemical and Food industry. The main subsidiaries in the Crafts, Games and Toys are :

Toltoys Proprietary Ltd. (Australia)
 Binder Tool and Mold Ltd. (Canada)
 Kenner Products (Canada) Ltd.
 Parker Brothers Games (Impressions) (Canada)
 Dennys Fisher Toys Ltd. (England)
 Palitoy Ltd. (England)
 Miro Co. S.A. (France)
 Brohm Spielwaren GmbH (Germany)
 CIA Industrial de Novedades Plasticas y
 Metalicas, S.A. (Mexico)
 Meccano France, S.A. (France)

Financial Profile :

<u>Year ended</u> <u>May 27</u>	<u>Turnover</u> <u>\$'000</u>	<u>Net Income</u> <u>\$'000</u>
1971	1,144,100	43,856
1972	1,343,155	47,911
1973	1,593,167	65,560

Sales by major product group :

<u>Sales (\$m.)</u>	<u>1973</u>		<u>1972</u>	
		%		%
Foods at Home	906.1	56.9	785.8	58.5
Foods away at Home	247.2	15.5	195.3	14.5
Consumer non-foods				
Crafts Games & Toys	173.7	10.9	148.0	11.0
Fashion and direct	207.5	13.0	167.2	12.5
Marketing				
Speciality Chemicals	<u>58.7</u>	<u>3.7</u>	<u>46.9</u>	<u>3.5</u>
	<u>1,593.2</u>	<u>100.0</u>	<u>1,343.2</u>	<u>100.0</u>

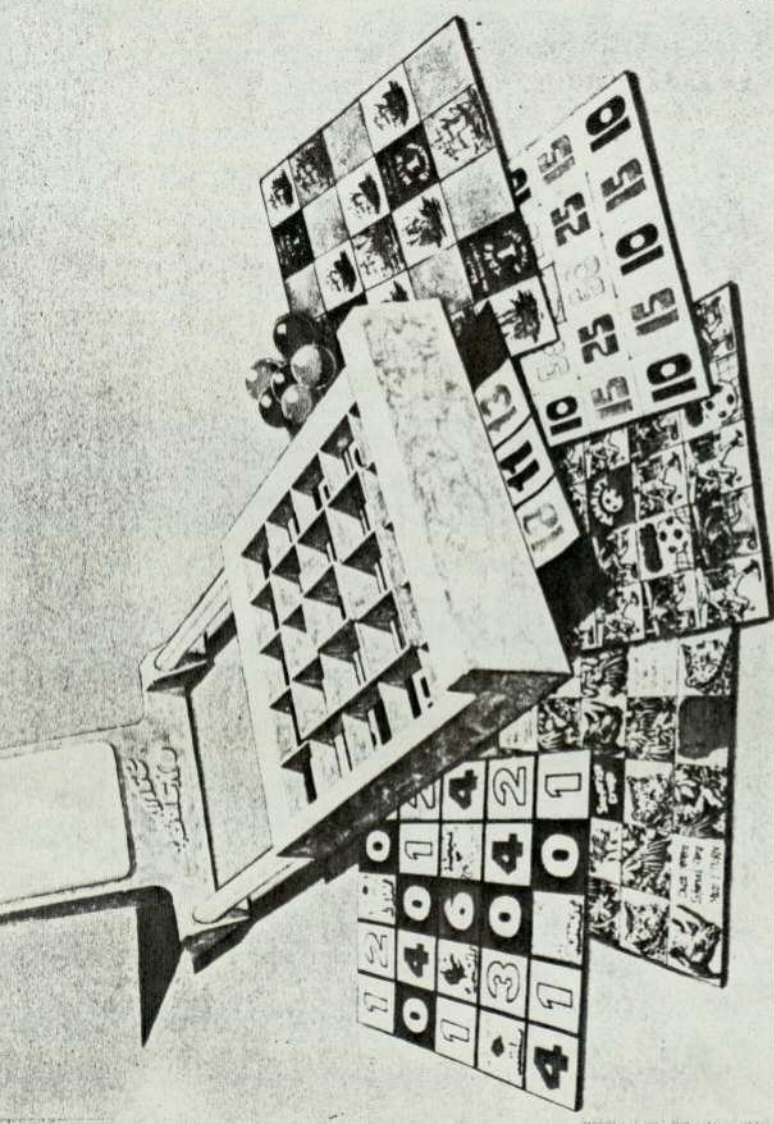
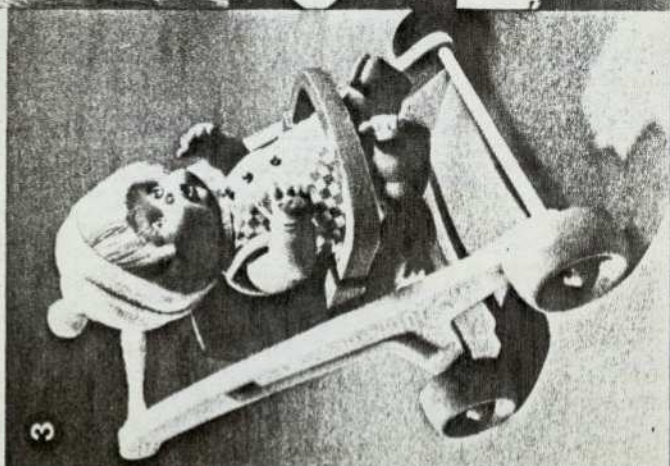
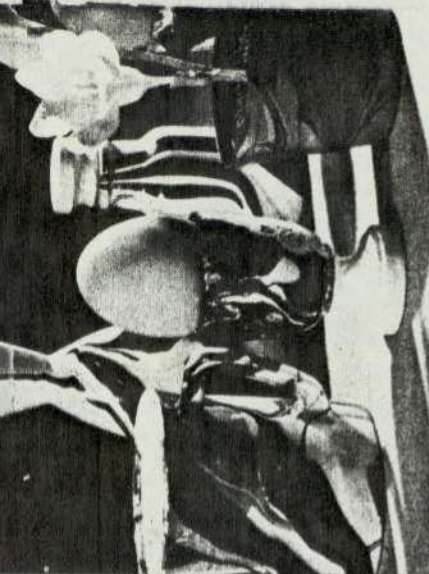
Earnings by major product groups:

(\$ millions)	1973		1972	
Food at Home	112.3	64.8%	102.0	69.9%
Food away at Home	11.7	6.7%	8.6	5.9%
Consumer non-foods:				
Crafts games & Toys	14.0	8.1%	6.1	4.2%
Fashion and Direct Marketing	28.1	16.2%	24.1	16.5%
Specialty Chemicals	<u>7.3</u>	<u>4.2%</u>	<u>5.1</u>	<u>3.5%</u>
Total Operating Profit	<u>173.4</u>	<u>100.0%</u>	<u>145.9</u>	<u>100.0%</u>

.....-.....

bradgate 1974





New I.V. items for '74

Denys Fisher already have quite a reputation for producing the really big profit makers. And each year we produce more big profit makers than the previous year. So if you're wondering how on earth we're going to improve on '73, just take a look at '74! There's a beautiful new range of dolls that'll win every young girl's heart.

Brilliant new games that'll sweep the board. Craft toys and Action toys that'll take an ever-growing market by storm. And we've produced a beautiful, hard-selling television commercial for every single one of them!

1 BOUNCE BACK Six family games in one with the unique Bounce Back Action! Indoors or out the game has skill, fun and variety for the whole family. Play Ton-Up Numbers, Bingo, Cricket or Football. Go on Safari or defeat the Armada!

2 REPLICA Another technical innovation in crafts from Denys Fisher! Makes exact replicas of endless things. The secret is in the special mould mix! Gives you a perfect mould for making plaster casts which can then be coloured.

3 SWEET APRIL PLAYTIME SETS Already an established favourite Sweet April's now got 6 new playtime sets that really exploit her play value to the full. Whether it's shopping time, bathtime or bedtime she's got everything she needs to do it in style!

4 ROCKABYE BABY Yet another doll-with-a-difference! This one has rockabye eyes. Rockabye will not close her eyes and go to sleep unless you gently rock her in your arms or in her cradle!

5 KISS KISS A beautiful new doll with unique play value! Just gently squeeze her arm, place her lips upon your cheek and she will give you a lovely goodnight kiss! Kiss Kiss comes in a new shaped box with a "kiss" on the window.

6 TURBO TOWER OF POWER TTP for short! And Power is what it's all about! No batteries and no track. Pump the tower. Hear that jet-like whine. Release the car or cycle, and just watch those daredevil action stunts!

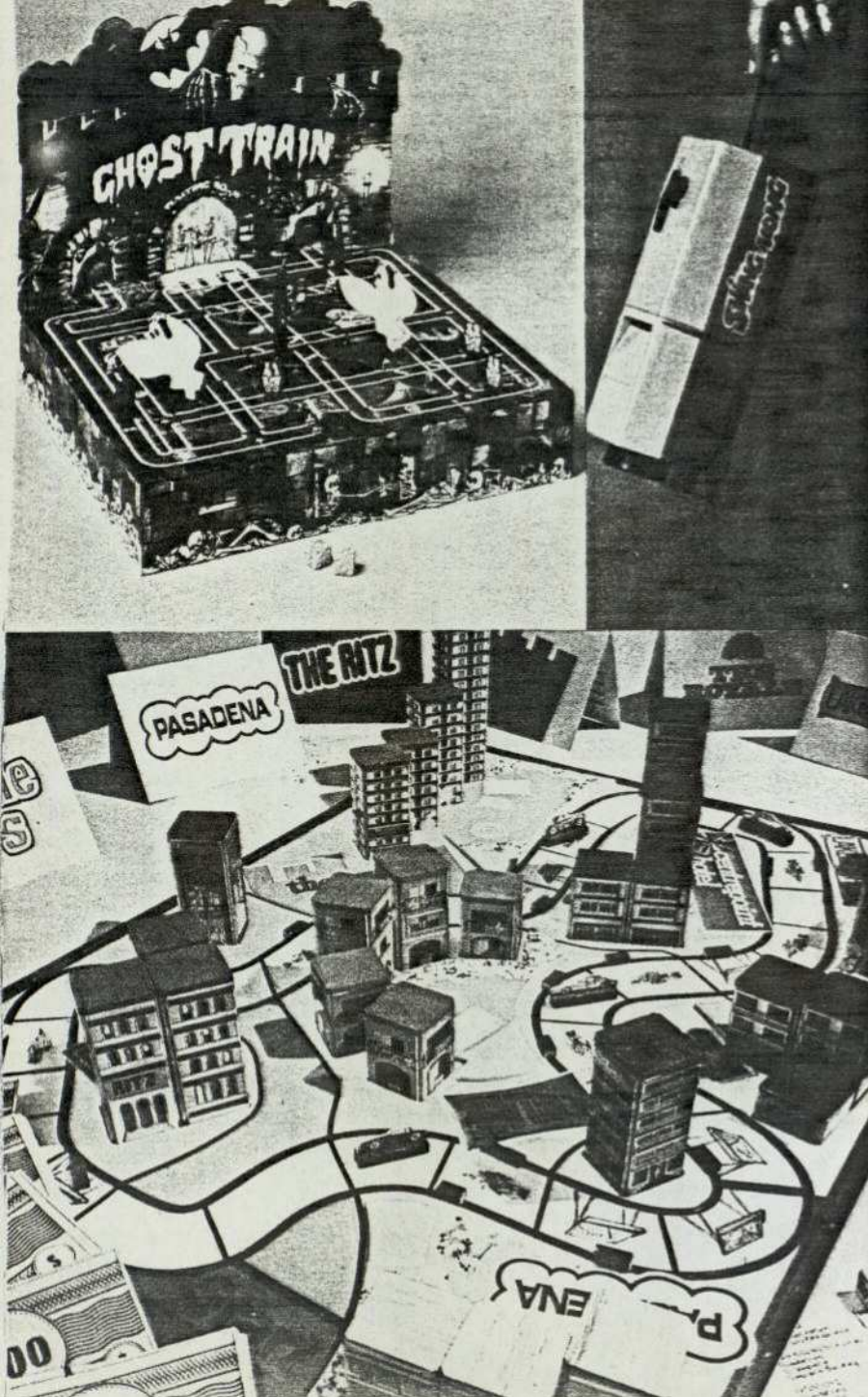
7 COLOUR DIP A visually astounding new craft item that's a multi-colour marvel! Just float the special formula paints on water and dip in, say, a plain vase. The result is incredible—a multi-coloured psychedelic vase!

8 SLEEPY SUE Perhaps she's so gorgeous because she gets so much beauty sleep! Sleepy Sue just cannot stay awake. Sit her down and before very long she's lying on her back fast asleep with her eyes closed!

9 GHOST TRAIN A harrowing hilarious journey with ghosts, vampires and skeletons lurking in wait! The game holds you in its icy grip right to the very end—where the giant spider's lurking! Ghost Train has highly original packaging.

10 HOTEL A great new game with size, dimension and stature. A game of quality—superbly designed with authentic model hotels with apartment blocks, lawns and pools that you actually build up!

11 SWINGALONG PROJECTOR A great new technical development. A projector with a big difference! It's a fully portable slide strip and individual slide projector rolled into one, but there's more—children actually colour their own cartoon favourites.



Advertising Campaign is

'74

Plenty of T.V. spots at the right time—on every single network. The kind of television campaign you've come to expect from Denys Fisher except that this year we're advertising more toys than ever before! Take a closer look. Great new commercials, prime-time spots, national coverage. A mammoth T.V. campaign that'll build up an incredible demand. Be sure that you can meet it! But there's more! This year we're using Press advertising! Full page colour advertisements in the popular women's magazines including 'Woman' will carry our exciting new crafts to the ever-increasing number of women and indeed whole families interested in creative pastimes.

TELEVISION		APRIL	OCTOBER	NOVEMBER	DECEMBER
DOLLS	KISS KISS				
	SLEEPY SUE				
	ROCKABYE BABY				
	SWEET APRIL & ACCESSORIES				
GAMES	HOTEL				
	GHOST TRAIN				
	BOUNCE BACK				
	THE FASTEST GUN				
ACTION TOYS	TURBO TOWER OF POWER				
	SWINGALONG PROJECTOR				
	SCREEN-A-SHOW				
	CHIP AWAY				
CRAFTS	REPLICA				
	COLOUR DIP				
	THE POTTER'S WHEEL				
	FLOWER DROPS				
PRESS					
CRAFTS	REPLICA				
	COLOUR DIP				

Quaker Oats Co.

The Co. is a major world wide producer of packaged brand name food products, including cereals, mixer-table syrup, frozen foods and pet foods. Co. is also a major producer of furan chemicals, which are used in foundry industry, refinery of petroluem and in manufacture of a wide range of prodcuts such as plywood, rubber and plastics.

The Co. main product groups are:

- 1) Grocery Products Group : the largest factor in: the Quaker's business. The main divisions are: Cereals & Mixes division, Frozen Foods Division and Pet Food Division.
- 2) Toys and Recreationall Products Group : This group now accounts for about a $\frac{1}{4}$ of total sales and a third of consolidated operating income. The main divisions are : Fisher-Price Toys division, Marx Toys Division, Needlecraft Division.

- 3) International Grocery Products Group: In 1973, 46.8% (\$62.7m.) of this group's turnover came from Latin America and 53.2% (\$71.2m.) came from Europe.
- 4) Industrial Institutional Products : The main divisions are Chemical Division, Burry Division and Restaurants Division.

Now we shall concentrate on the Toys and Recreational Products Group.

Fisher Price Inc., a manufacturer of pre-school toys, was acquired in Sept. 1969. Louis Marx & Co. Inc., a manufacturer of riding toys, games, trains and other toys for children of broader age groups was acquired in June 30, 1972 for \$51,346,000 in a purchase transaction.

The Co. also acquired a 9% ownership stake in Mettoy early in 1972. Mettoy also has a sole right to distribute and manufacture Fisher Price range of pre-school toys for Great Britain and Europe. By now, Fisher Price toys Ltd. with responsibility for

marketing in the U.K. and in the Continent, would have completed its first full year of operation.

In U.S., Quaker have further extended their toy interests by buying Needlecraft Corp. (maker of Needlecraft kits) and by backing the children's film Willy Wonka and the Chocolate Factory.

Steinmeier & Co. N.V. in the Netherlands, the manufacturer of Simplex children's puzzles and games sold principally in Europe, was acquired in July 1972. A new plant facility was built at Kanlille, Belgium, which will allow for expansion of this subsidiary.

An important factor in the successful growth of the Fisher-Price in recent years is the extensive expansion of manufacturing, distribution and research facilities required to support a sales growth rate that has averaged 38% a year since the division was acquired by Quaker in 1969. New plants had been built and a doubling of R. & D. facilities at the division's research centre in East Aurora N.Y. is well under way.

Advertising, promotion and packaging of Marx products also were revamped to focus attention on the name 'Marx' as a symbol for quality and durability. A new slogan : "If we make it, it can take it." is now being used in all Marx's advertising in U.S. Significant parts of the Marx television advertising and all of its new print are now directed to parnets.

Principal Subsidiaries :

Like General Mills, the Co. has many subsidiaries in the field of Food and Chemical Industries.

However, the major toy subsidiaries are :

Fisher Price Toys Inc. (U.S.)
Fisher Price Toys Ltd. (U.K.)
Louis Marx & Co. Inc. (U.S.)
Needlecraft Corp. of America
Steinmeter & Co. N.V. (Netherlands)

Financial Profile :

Sales of major Toys and Recreational Products:

Sales in \$million.

	<u>1973</u>	
Fisher Price	\$114.2 m.	(50.8%)
Marx.	\$82.0 m.	(36.5%)
Needlecraft	\$28.5 m.	(12.7%)

Sales and Income Breakdown :

<u>Sales :</u>	<u>1973</u>	<u>1972</u>
Grocery Products Group	\$528.1m.	\$484.1m.
International Products Group.	\$133.9m.	\$106.7m.
Toys and Recreational Products Group	\$224.7m.	\$116.8m.
Industrial and Institutional Products Group	\$104.1m.	\$87.6m.
Total	<u>\$990.8m.</u>	<u>\$795.2m.</u>

Operating Income :

	<u>1973</u>	<u>1972</u>
Grocery Products Group :	\$51.1m.	\$43.5m.
International Products Groups	\$6.8m.	\$5.3m.
Toys and Recreational Products Group	\$31.9m.	\$22.8m.
Industrial and Institutional Products Group	\$6.7m.	\$5.6m.
Total :	<u>\$96.5m.</u>	<u>\$77.2m.</u>
Less interest ex- pense (net)	<u>\$11.0m.</u>	<u>\$6.6m.</u>
Income before income tax.	<u>\$85.5m.</u>	<u>\$70.6m.</u>

Consolidated Turnover and Income analysis :

<u>Year ended June 30th</u>	<u>Turnover \$'000</u>	<u>Net Pro- fit before tax \$'000</u>	<u>Net Profit After tax \$'000</u>
1970	597,652	53,966	28,143
1971	678,732	58,641	30,065
1972	771,159	67,790	34,224
1973	990,767	85,549	42,123

Employees : over 23,000

Christmas comes but once a year. So why is Fisher-Price advertising in spring?

Starting April we'll be promoting our highly successful Play Family range.

We plan on spending about £10,000 on full colour advertisements in five leading women's magazines and Readers Digest.

And for your store, there's our Programmed Merchandising for Profit scheme and display material which Mettoy representatives will gladly tell you about.

There are seven toys in the current Play Family range.



So to make things interesting we'll be introducing four more in time for the promotion.

We take-off with a Play Family Airport. For animal lovers there's a Circus Train.

For junior travellers we've got a Play Family Camper.

And for something to get the girls talking—or keep them quiet for hours—there's a Nursery Set.

These four new toys will be just like our others. They will be high quality. They'll be stimulating. They'll be hard wearing.

And with non-toxic colours they'll be as safe as safe can be.

The toy market could really do with a boost come Spring.

And come Spring that's just what we're planning for you.



Fisher-Price Toys
PO Box 47, Northampton NN5 7AW
Distributed in the UK by Mettoy Playcraft Ltd.

Fisher-Price Toys

1974 Promotional Programme



SOLE DISTRIBUTOR FOR THE UNITED KINGDOM **METTOY PLAYCRAFT LTD.**
14 HARLESTONE ROAD, NORTHAMPTON., NN5 7AW. TEL. NORTHAMPTON 51075

Fisher-Price Springtime Play Family Promotion

To celebrate the introduction of four new Play Family groups into the range of Fisher-Price pre-school toys, there will be a special Springtime Play Family Promotion during April, May and June.

This is designed to pull *more* customers into *your* store—just when your selling efforts need our support most.

We shall be backing this promotion with colour advertising in leading womens interest magazines through the three month period.

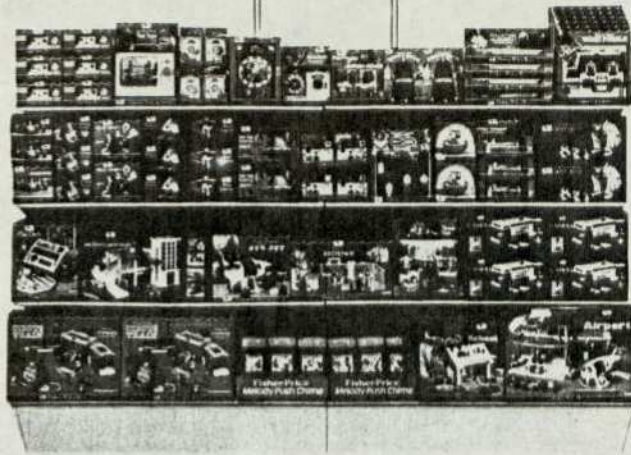
With Fisher-Price sales already climbing steadily, just imagine what this increased advertising exposure could mean to you.

Attractive Play Family point of sale material has been specially prepared for you so that you can really capitalise on this promotion.

And, by displaying all the Play Family groups together you will create even more impact with the Fisher-Price Play Family toy line right in your store.

Remember too, that there will be Fisher-Price advertising and promotional activity put behind the rest of our range during the Spring.

Fisher-Price
Pre-school Toy Shop



Fisher-Price Play Family Toys.



Fisher-Price Autumn Promotion

This Autumn is going to be an exciting one for Fisher-Price Toys and for you too.

Our toys are all designed to give young children what they need. Bright colours that are safe and stay fast. Simple, sturdy, construction. Play features that hold a child's interest and excite his imagination.

We will be promoting all these features with a bigger than ever full colour advertising campaign in the major womens interest magazines from September, through to Christmas.

Take advantage of our advertising, point of sale material and Programmed Merchandising for Profit Scheme. It'll be you that benefits—and that is a promise—from Fisher-Price.



Advertising Schedule

Magazine	April	May	June	July	Aug	Sept	Oct	Nov	Dec
Woman						* *	* *	* *	*
Mother	*	*	*				*	*	*
Family Circle	*	*	*				*	*	*
Readers Digest	*	*	*				*	*	*
Woman's World		*	*	* 1			*	*	*
Good Housekeeping		*	*	*			*	*	*
Ideal Home	*	*	*				*	*	*

Sales Aids HEADER BOARDS



Fisher-Price Pre-school Toy Shop



Fisher-Price Play Family Toys.

COUNTER CARDS

Fisher-Price knows that a child learns best from what he enjoys most.

That's why Fisher-Price toys don't look "educational." They're bright, colorful, and fun. They don't look like school books. They look like toys. And that's why they're the most popular toys in the world. They're the toys that children love to play with. They're the toys that parents love to buy. They're the toys that make a child's world a better place.

That's why Fisher-Price toys are the best. They're the toys that children love to play with. They're the toys that parents love to buy. They're the toys that make a child's world a better place.

Fisher-Price toys don't need batteries.

That's why Fisher-Price toys are the best. They're the toys that children love to play with. They're the toys that parents love to buy. They're the toys that make a child's world a better place.

That's why Fisher-Price toys are the best. They're the toys that children love to play with. They're the toys that parents love to buy. They're the toys that make a child's world a better place.

Fisher-Price toys come without instructions.

That's why Fisher-Price toys are the best. They're the toys that children love to play with. They're the toys that parents love to buy. They're the toys that make a child's world a better place.

That's why Fisher-Price toys are the best. They're the toys that children love to play with. They're the toys that parents love to buy. They're the toys that make a child's world a better place.

Fisher-Price Toys run on child power.

That's why Fisher-Price toys are the best. They're the toys that children love to play with. They're the toys that parents love to buy. They're the toys that make a child's world a better place.

That's why Fisher-Price toys are the best. They're the toys that children love to play with. They're the toys that parents love to buy. They're the toys that make a child's world a better place.



CONSUMER CATALOGUE for point-of-sale use.

Ideal Toys Corp.

The Co. was incorporated in Delaware as successor in June 1972, to a company of the same name which was incorporated in N.Y. in 1912 as successor to a business founded in 1903.

Co. and sub. make and market a broad line of toys and other recreational products, including games, dolls, dolls clothing, mechanical toys etc. Products are sold throughout U.S. and in various foreign countries. Co. also does custom plastic moulding of non-toy items for others.

In Feb. 1970, the Co. acquired U.S. Fibre & Plastics Corp. and in the same year, in March 30th, acquired 80% shares of Perfekta Enterprises Ltd., Hong Kong, manufacturer of component parts for toys and dolls. for \$2,308,581 in cash and notes due to Aug. 31 1971 and option (exercised May 13 '71) to purchase 20,800 common shares at \$16.83 a share.

The Co. also acquired: Buckingham - Crown Sports Co. Inc., Kiffe Sales Co., assets from Alabe Crafts Inc., Recreational Wood Products Co. in Dec. 1971,

June 1972 and May 1973 respectively.

The U.K. subsidiary, Ideal Toys Co. Ltd. was established in 1964 in High Wycombe. This subsidiary employs about 200 people and is one of the big spender in T.V. advertising in this country.

The management is 100% British and they do enjoy wide freedom of action and a fair degree of autonomy from the American Parent Co.

Product Range :

A broad line of toys including games (eg. Mousetraps) and dolls. In early 1970, the Co. entered the family swimming pool field. Through subsidiary, the Co. manufacture table tennis tables, pool tables and other sporting goods.

Principal Subsidiaries :

Active Subsidiaries: (wholly owned)

Interstate Mould & Hobby Co. Inc.

National Consulting Co. Inc.

Kamiro Trucking Corp.

Ideal Toy Co. Ltd. (U.K.)

Winken Trading Co. Ltd. (U.K.)

Alabe Products Inc.

Buckingham- Crown Sports Co. Inc.

Ideal Toy Co. de France

Ideal Recreational Products Inc.

I. T. C. Industries (H.K.) Ltd.

Perfekta Enterprises Ltd. H.K.
(80%)

Wilder International Ltd.

Hollis Urban Renewal Corp.

Affiliates (50% owned) :

Ideal Toy Co. of Canada Ltd.

Ideal Toy Corp. of Australia Pty. Ltd.

Ideal Toy Corp. of New Zealand
Pty. Ltd. (100% owned)

Financial Profile :

	Jan. 31 '74 \$	52 wks. to Feb. '73 \$	53 wks. to Feb. '72 \$
Net Sales	88,363,206	75,819,139	70,924,000
Net Profit after tax.	2,080,454	1,826,013	2,929,000

Employees:

Average in fiscal 1973 : 1,600 permanent,
expanded by 1,000 depending on season of
the year.

As seen on
TV

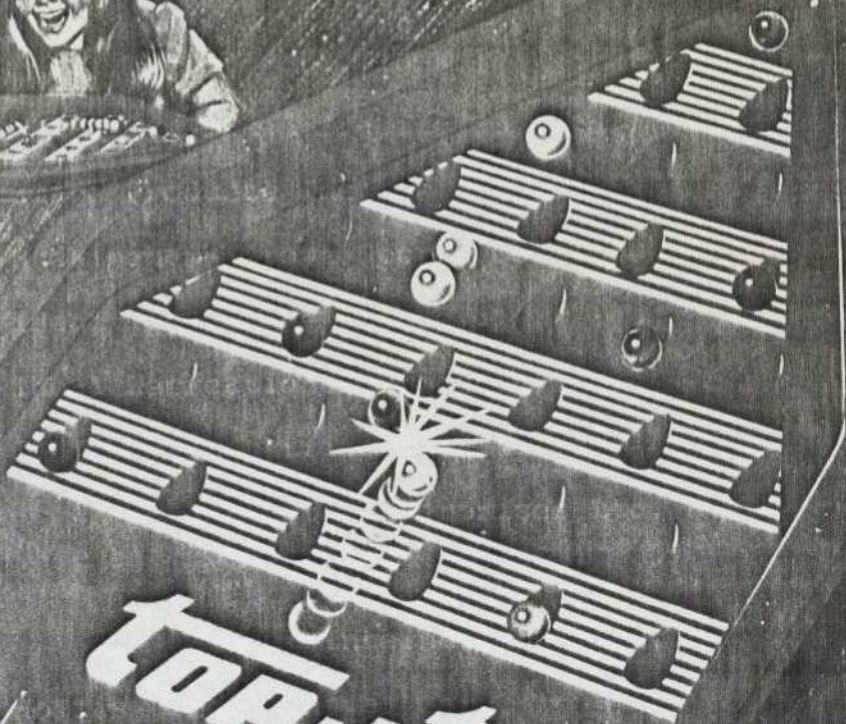
AGES 7 and UP

IDEAL

2 to 4 PLAYERS

top-it

GAME



Everybody's shooting for
the hi-scoring spot—
Knock off your opponents
and come out on top!

© 1972 IDEAL TOY CORP. HOLLIS, N.Y. 11023



IDEAL

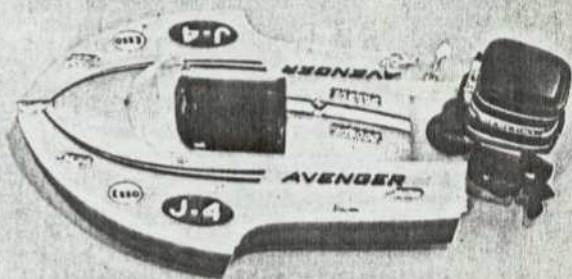
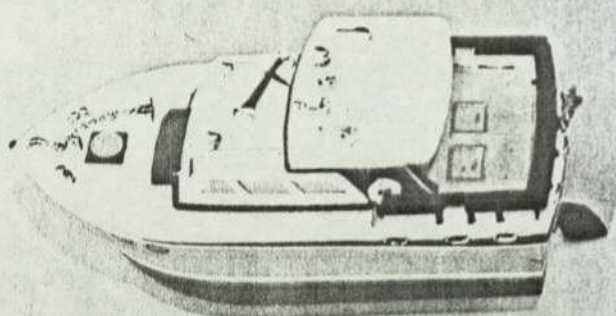
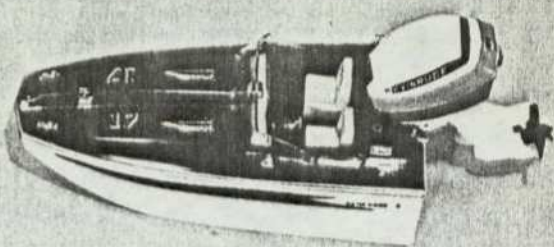
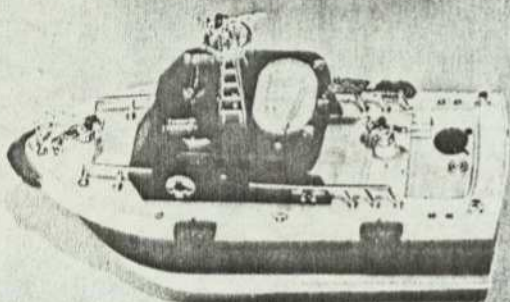
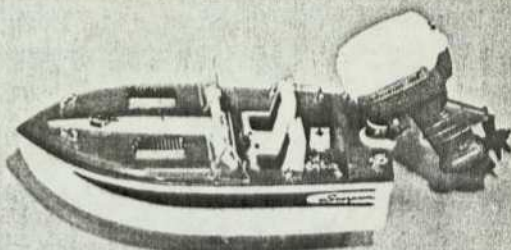
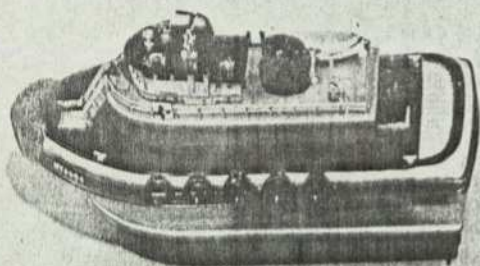
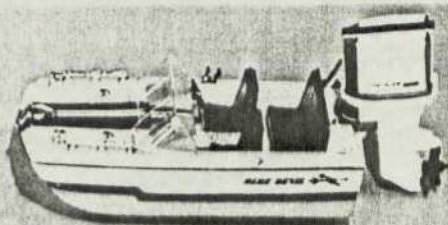
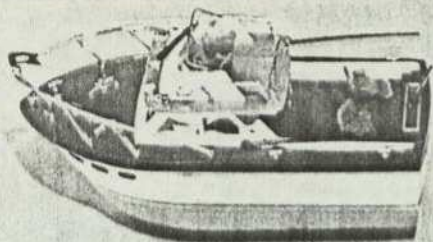
2125-3 TOP-IT Choose the right shooting slot and pop in your marble. Then snap it up the playing field into the high scoring pocket . . . then knock it even higher with your next shot. You have got to top your opponent's marble shooting skill to top their score! and if you can knock their marbles out of the game, you can really TOP-IT. When two to four players start snapping for the highest scoring spots, the competition really gets fierce . . . so we have made the high impact styrene playing field tops in the durability stakes. Take on some real fun, and SNAP! . . . TOP-IT.

Contents: Playing platform with support leg, 20 marbles (5 of each of four colours) rubber bumpers.

Pack: 1 doz.

Weight: 26 lbs.

BOATERIFIC



4494-1 BOATERIFIC CLASSICS AND OUTBOARDS
Boaterific Classics and New Boaterific Outboards, authentically detailed replicas of popular vessels. The Classics have an exclusive automatic bailer that will keep bilge and battery dry. The Outboards have superbly designed outboard motor housings for their Mighty Midget Motorific Motors. Both Classics and Outboards are packed in new sparkling pilfer-proof packages. Min pack: 1 doz. Assorted.

Mattel Inc.

This is the largest of the U.S. Toys Co. and the largest toy manufacturer in the world. It is also one of the 400 largest U.S. Co-operation.

Mattel has started very small and grown through hard work and enterprises. In Mattel's case, the starting point was 1945. From then on it developed into the world's largest toy manufacturer with a 1970/71 sales of \$358m. (149m.) falling to \$332m. in 1972/73.

The technical breakthrough with Hot Wheels were supported by advertising on the scale with which British manufacturer were unfamiliar.

Such invasion caused discomfort to the British toy industry and lead to the liquidation of Lines Brothers and huge losses for Mettoy and Lesney Products.

However, the excitement for Mattel was short-lived and in 1973, the net losses was about \$32m.

Mattel is in financial difficulties and so its plans to broaden beyond toys in family entertainment had to be postponed. Much of what has been put together in recent years may now be undone and what remains may be shaky.

To strengthen out its weakened financial position, Mattel has swept out its old financial management and restructure itself from the top. The immediate goal to the elimination of Mattel's losses and the reestablishment of profitability, claimed the President and the Chief Operating Officer, Mr. Auther Spear, was "Reduction of inventories, reduction in Accounts Receivable, tightened fiscal controls and the elimination of unprofitable or undesirable operations." There are also serious pressures from outside the Co. mainly from the investment community.

The bad financial position of Mattel had forced the Co. to sell one or more of its profitable subsidiaries. Mattel Rosebuds Ltd., acquired in Sept.

1967 was presented to D.-C.-M. in May 1973. Other discontinued operations include the Optican Corp. - music maker business which was sold in Jan. 1973. The Turco Manufacturing Co., playground equipment business which was sold in Feb. 1974. and several business discontinued during 1973.

Also included are all of the operations of Ringling Bros. - Barnum & Bailey Combined Shows, Inc., including the Circus and Circus World Entertainment Complex, which the Co. presently intends to sell. There is no assurance at this time that such a sale will even be consummated. Notwithstanding the consistently profitable performance of the Circus itself, the severe cash position on the Circus from its Circus World Theme Park investment and the heavy debt attendant to the completion of the Circus world project created a burden for Mattel with its heavy debt. Thus the Co. wishes to dispose of this operation.

Principal subsidiaries :

Mattel Engineering Co.

Mattel Canada Ltd.

Mattel Fashion Inc.

Ringling Brothers Barnum & Bailey
Combined Shows Inc.

* Mattel Marden Ltd. (70%)

Mattel France SA

Metaframe Corp. (manufacture aquariums
and related products.)

Monogram Models Inc. (maker of Hobby kits)

Radnitz/Mattel Productions Inc. (produce
and distribute family
motion picture)

Frankfurt Communication Inc.

* In May 1966, Mattel purchased a 70% interest in
Mattel Marden Ltd. H.K. for \$614,000 and agreed to
lend Mattel \$1,840,000. Late in 1966, Mattel Mar-
den acquired for \$3,500,000 all shares of Hong Kong
Industrial Co. Ltd. and Precision Moulds Ltd. of
Hong Kong.

Financial Profile :

Year ended	<u>Feb. 2 1974</u>	<u>Feb.3 '73</u>	<u>Jan.29 '72</u>
	\$'000	\$'000	\$'000
Net Sales	280,829	331,912	263,664
Net Loss	5,423	32,387	29,945

.....-.....

How to create sales when you least expect them.

Mattel's
Plan For All Seasons.

Four big consumer promotions
designed to make consumers
buy early and repeatedly.

• **WHAT DOES MATTEL MEAN BY CONSUMER PROMOTION?**—A special, urgent reason for

somebody to come to your store and buy a Mattel toy...to act *immediately*.

• **HOW IS IT DIFFERENT FROM ADVERTISING?**

—Advertising creates a demand for a product. Promotion triggers that demand and turns it into *action*.

• **HOW DOES IT MAKE ADVERTISING WORK BETTER?**—We're going to spend more heavily in

1973 telling consumers about our line. Now we're adding continuous promotion to our advertising to make it more effective in creating sales.

• **WHAT WILL IT MEAN FOR YOU?**—We think advertising plus promotion, Mattel's *PLAN FOR ALL SEASONS*, will sell more toys, earlier...and more steadily...because it's a series of *strong promotions* that *lasts all year*. It will do more than ever before to provide consumers with reasons to buy *early*, and to buy *repeatedly*.

THE FIRST SEASON (March-April)—Kentucky Fried Chicken spectacular. 20 million refund certificates available free at Kentucky Fried Chicken stores all across the country good for up to \$3.00 in refunds after purchasing Mattel toys. Supported by \$700,000 in television—in March alone!

THE SECOND SEASON (May-June)—A big traffic building sweepstakes plan featuring new toys, toy prizes and a special bonus travel sweepstakes. Your Mattel representative has the details.

THE THIRD SEASON (September-October)—Designed to give you early sales in time for Halloween. Details in June.

THE FOURTH SEASON (October-November)—Another big Mattel fall promotion.

- Television
- Magazines
- Trade Incentives



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A Plan For All Seasons only from Mattel.

Tonka Corp.

The Co. was inco-operated in Minnesota on Sept. 18 1946 as Tonka Toys Inc.. The present name was adopted in Sept. 15 1965.

The Co. design, makes and sells durable metal and plastic toys, including trucks, racing vehicles, construction equipment, other vehicles and related accessories. Trade name are Tonka Toys for standard line of toys, Mini-Tonka and Tiny Tonka for smaller, lower priced toys and Mighty Tonka for larger toys. Products sold under Toddlers are designed for children of pre-school age. Action lines consists of steel and plastic vehicles operated by a spring motor. Assembly Line kits are toys made of steel and plastic that can be assembled, disassembled and re-assembled.

The Co. now have 3 main Divisions: Toys, Hobby & Craft and Hydraulic.

In 1963, the Co. acquired Gresen manufacturing Co., Mineapolis for \$2,450,000 cash and 22,500 common

shares. This later formed the Tonka's hydraulic component subsidiary. Last year, strong demand in the agricultural and construction sectors of the economy contributed to a record performance for Gresen and this division contributed \$21,595,000 in revenues in 1973, up , 26% from 1972.

In 1964, the Co. also acquired certain assets of Mell Manufacturing Co., Chicago, producer of outdoor barbecues. However, this was sold in 1968.

In Jan. 1973, the Co. acquired Vogue Dolls Inc. Vogue positions Tonka in a staple segment of the doll field and provides a product platform on which to expand.

The acquisition of Ceramichrome Inc. of Westminister, California, in Nov, marked Tonka formal entry into the expanding haobby and craft field.

In 1970, the Co. and the Bandai Co. Japan have formed the Japan Tonka to produce and market the toys internationally. Under the agreement,

the Co. would have exclusively rights for sale of Tonka toys products in Japan and the Asian countries and for exports of Bandai's toys products to Britain, Canada, New Zealand and Australia.

Tonka Corp. is the largest manufacturer of pressure steel toys in the world with annual output of over 22million toys. In 1972, the Co, celebrate its silver annivary.

The U.K. subsidiary, Tonka Ltd. was set up in 1969. During the 4 years that the Co. has been in operations, sales in the U.k. has risen 30times from a 1st year figure of £100,000 to £3 m. in 1973.

Tonka Ltd., the U.K. subsidiary is responsible for developing sales of the Tonka range of toys in the U.K., W. Germany, France, Belgium and Italy as well as opening up new markets in the other key European countries.

Consolidated sales for the year ending Dec. 29 1973 were a record \$83,414,000, a 35% increase over the \$61,995,000 sales level realised in 1972.

In April 10 1974, Dale Olseth, President of Tonka Corp. was reported as having stated that the Co. was forecasting sales of more than \$100m. for 1974.

Product Ranges:

Matel trucks and other vehicles, construction equipments and related plastic toys and accessories, also manufacture a line of put together hobby kits and baby dolls.

The Co. also manufacture hydraulic components, consisting principally of pumps, motors, valves and filters sold primilary to origional equipment manufacturers.

Subsidiaries:

Gresen Manufacturing Co.

Vogue Dolls Inc.

Ceramichrome Inc.

Tonka Corp. (Canada) Ltd.

Tonka Corp. Pty. Ltd. (Australia)

Tonka Ltd. (U.K.)

Tonka France S.A.

Tonka Japan Ltd.

Tonka Spielwaren GmbH (Germany)

Tonka Corp. S.A. (Belgium)

Financial Profile:

Year ended	<u>Dec. 29 '73</u>	<u>Dec. 30 '72</u>	<u>Jan. 1 '72</u>
Net Sales	\$83,413,727	\$61,994,818	\$47,010,321
Earnings before tax	\$7,220,449	\$4,888,463	\$2,570,300
Net Earnings	\$3,556,145	\$2,364,929	\$1,429,917

Toys and Hobby & Crafts Operations:

Financial Results: Domestic.

	<u>1973</u>	<u>1972</u>	<u>% change</u>
Sales	\$47,859,000	\$35,435,000	+35%
Earnings	\$3,533,000	\$2,101,000	+68%
Net Earnings	\$1,826,000	\$1,089,000	+68%

Financial Results : Hydraulic Operations:

	<u>1973</u>	<u>1972</u>	<u>%change</u>
Sales	\$21,595,000	\$17,092,000	+26%
Earnings	\$1,777,000	\$1,676,000	+6%
Net Earnings	\$907,000	\$818,000	+11%

Financial Results : International Operations:

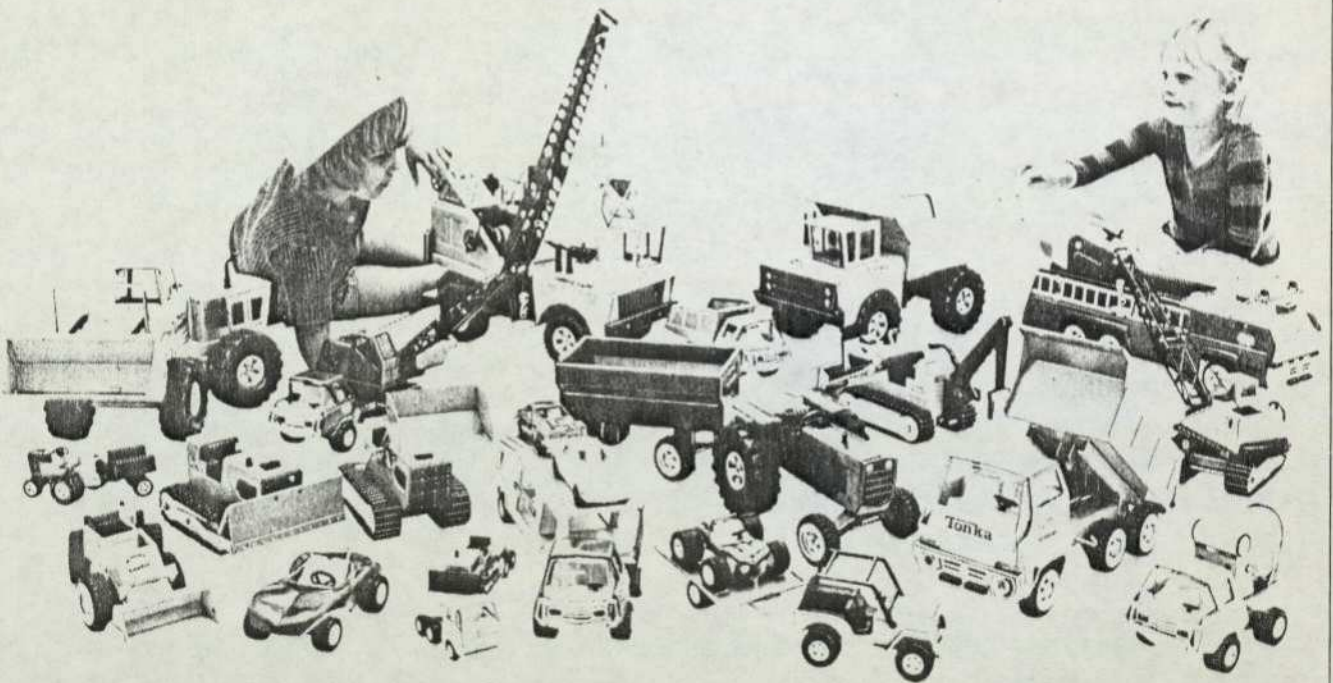
	<u>1973</u>	<u>1972</u>	<u>%change</u>
Sales	\$13,960,000	\$9,469,000	+47%
Earnings	\$1,910,000	\$1,096,000	+74%
Net Earnings	\$823,000	\$458,000	+80%

Employees in 1973 : 2,430 - 2,998.

.....-.....

Tonka boys toy of the year!

Tonka Limited wish to thank all toy
retailers for their vote of confidence
at Brighton this year, and for their
continued support since 1969.



Tonka Limited, Fishponds Road, Wokingham, Berkshire RG11 2QN
Tel: Brookside (073589) 8666



Quality Toys

Milton Bradley Co.

The Co. was incorporated in Massachusetts on Jan. 21, 1884 and the business was formed in 1860.

On Aug. 6, 1968, the Co. acquired Playskool Manufacturing Co., Chicago and the operations were continued by a newly formed subsidiary Playskool Inc.

During 1973, a concentrated effort was made to improve and modernize the organisational structure of Playskool, with particular emphasis given to the manufacturing department. New departments were established. They were : a centralized Purchasing department, a new Production Engineering department, the centralization of production planning and control, a centralized Quality Control department, and the reorganisation of the manufacturing and industrial engineering staff.

The Co's wholly owned subsidiary South Bend Toy Mfg. Co. Inc. makes dolls, carriages, coaches,

strollers and lawn games.

In April 1970, the Co. acquired Amsco Holding Co. Inc., Lisbeth Whiting Co. Inc. and Franken-Plastik Vertriebs GmbH (now, Milton Bradley GmbH) West Germany.

The Amsco division makes dolls, accessories, including doll luggage and bedroom doll sets. In Feb. 1973, the division expanded lines to boys items and in Dec. 1973, the Co. was successful in obtaining the rights to manufacture the Kewpie doll line. In addition, the Co. negotiated a licensing agreement for the British product line of latex based character dolls and animals known as Bendy from Newfeld Ltd. of Ashford-Middlesex,

The two new product lines: Kewpie dolls and Bendy dolls should give the Amsco division a much improved and broaden product line.

In Dec. 1971, the Co. acquired Les Editions Europeennes S.A., producer of toys and educational products.

In April 14, 1972, the Co. acquired for cash a 74% interest in Arrow Games Ltd. London. This Co. is the maker of games, puzzles and crafts. In Aug. 10. 1973, the remaining minority interests were purchased making it a wholly owned subsidiary.

In 1973, sales reached a record level of \$146,499,048 compared with \$125,615,321 for 1972, an increase of 16.6%. Income however declined from \$8,559,361 to \$7,026,343 a decrease of 17.9% compared that of last year.

Toys sales constituted 90.2% of consolidated sales, while educational materials represented 9.8%. Toy sales continued to be relatively more profitable than sales of educational materials.

The fall in income can be said as due to the various factors:

- 1) Orders received in the games and crafts divisions were actually higher than shipments made due to inability to produce as a result of late deliveries of molds for products introduced in 1972 and the shortage of raw materials during the last period of the year.
- 2) Playskool's sales also fell short of projection due to late delivery of tools for the new line of toddler

toys and production interruptions because of shortage of lumber and plastics.

- 3) The Co. incurred expenditures as a result of partial consolidation of Playskool's facilities and the resultant start up cost. The South Bend Toys Manufacturing Co. also incurred similar costs due to move to their new facility.
- 4) The most significant adverse effect was the substantial increase in the cost of major raw materials. Because of industry practice of maintaining prices throughout the year, the Co. could not pass on these on these costs to their customers until early 1974.
- 5) The increase in interest rate. The prime rate advances from 6% in Jan. to 10% by Dec.

Product Range :

Games, puzzles, including board and card games, reading aids, action items, pre-school toys and crafts.

Subsidiaries :

Operating Divisions:

East Longmeadow

Amsco Industries

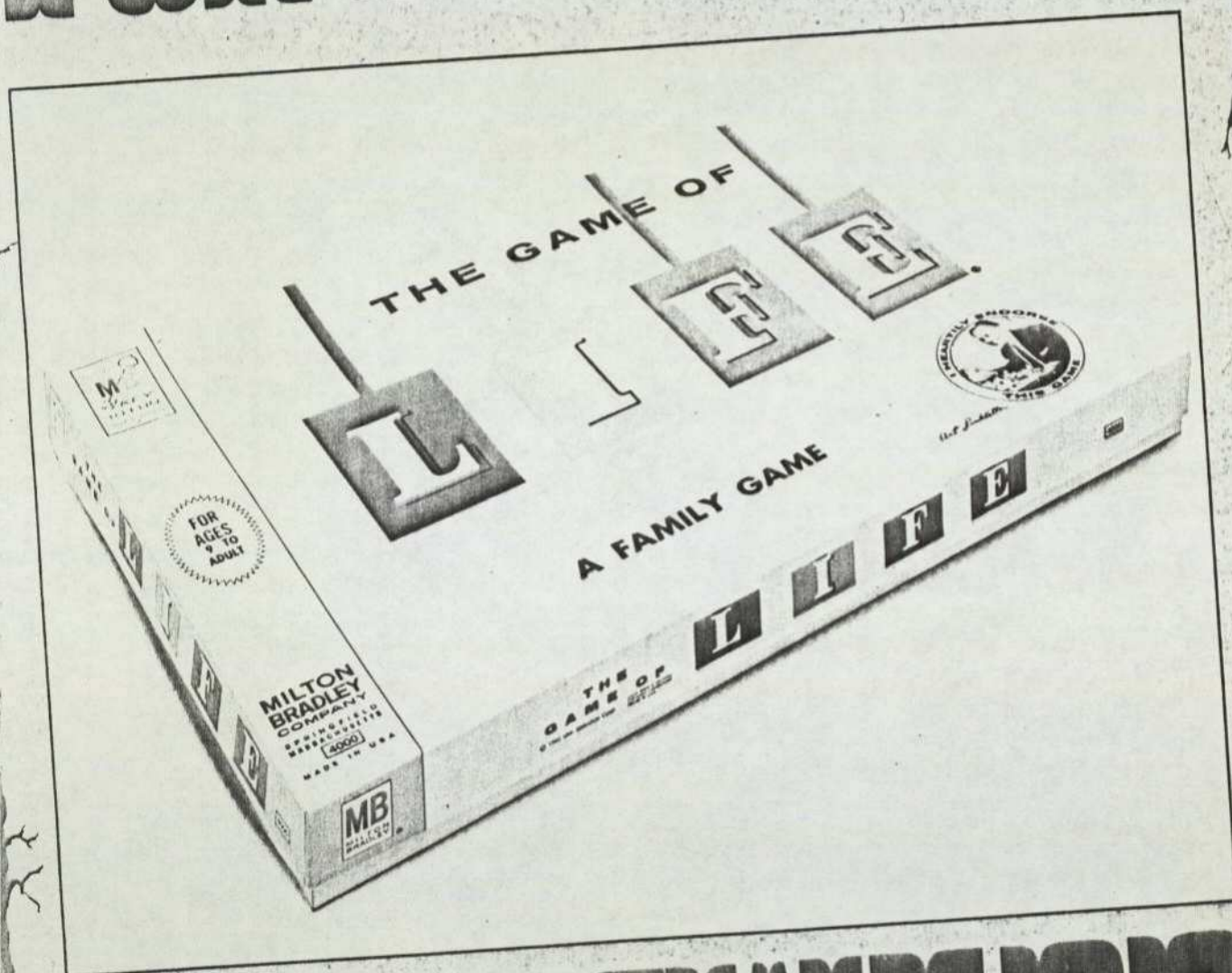
New England School Supply

Domestic Subsidiaries:

Playskool Inc.

The South Bend Toy Manufacturing
Co. Inc.

WANTED FOR 100 YEARS



BIG REWARD

AMERICA'S MOST WANTED LIST.

There are big rewards coming your way again this year. With these perennial best-selling staples. Some have been best sellers for many years. Others, for just a few years. All have shown the strong sales appeal that puts them on America's Most Wanted List.



Revell Inc.

The Co. was incorporated in California on Jan. 7 1955. The business was established in 1951.

Revell Inc. is the world's largest manufacturer of plastic model kits, mainly in the 1/72nd and 1/32nd. scale.

Products are sold throughout the U.S. and most of the free world. Foreign sales have become increasingly important in recent years rising from about 19% of the total in 1968 to more than 45% in 1973. Roughly over 2/3 of the Revell products sold in the U.S. are also marketed internationally.

New items are introduced into Revell's world market at the rate of 30-50 annually. The company's staff of product historians and designers often works 3 to 5 years in advance of production.

Model building activity tends to be strongest during the winter months, from October through February.

Revell believes that the average age of model kits builders has been moving steadily upwards. According to Revell, the market for model kits, unlike other sectors of the industry, is composed of both adults and children and the purchasers are evenly divided between gift-givers and users. Hobby kits are sold on a year-round basis. Advertising and promotion expenses in this field is established to be a small fraction of the expenses incurred in the sale of toys on a per unit of sales basis.

In term of competition, the variety and depth of resources required for entry into the model kit business, taken together with the long lead times inherent in tooling for model kit production, have combined to discourage both product-copying and overnight entry to the business.

At the end of 1973, Revell employed about 534 persons in its domestic operations, including 31 people engaged full time in developing new products and 28 in the tooling of new products. Worldwide employees are about 750.

The principal raw materials used to produce Revell's products is polystyrene. The largest supplier to the company is Dow Chemical.

Manufacturing facilities totalling about 300,000 square ft. are located in Venice.

The Co. now has wholly owned subsidiaries in Australia, Canada, Great Britian and West Germany. Licensing agreements are in force in Japan, Mexico and South America.

Revell (G.B) Ltd., the U.K. subsidiary was found in May 1956. At that time, it was located in Berners St., London ; but in Jan. 1964, the firm moved to Potters Bar.

By 1969, American and German manufacturing machinery was installed and the Co. began to manufacture its own range of kits. Last year alone, the Co. made around 7 million kits and many of them were exported to 65 different countries.

The Co., Revell (G.B.), shared with the German subsidiary wide freedom of action and a fair degree

of autonomy from the American parent company.

The U.K. subsidiary employ over 100 workers and act as a production centre for Revell Germany.

Revell's West Germany subsidiary was established in 1958.

Product Range: Plastic model kits and women's craft items.

Subsidiaries :

Revell Plastics G.M.b.H.
Revell (G.B) Ltd.
Revell Hobbycrafts Inc.
Revell (America) Pty. Ltd.

Financial Profile :

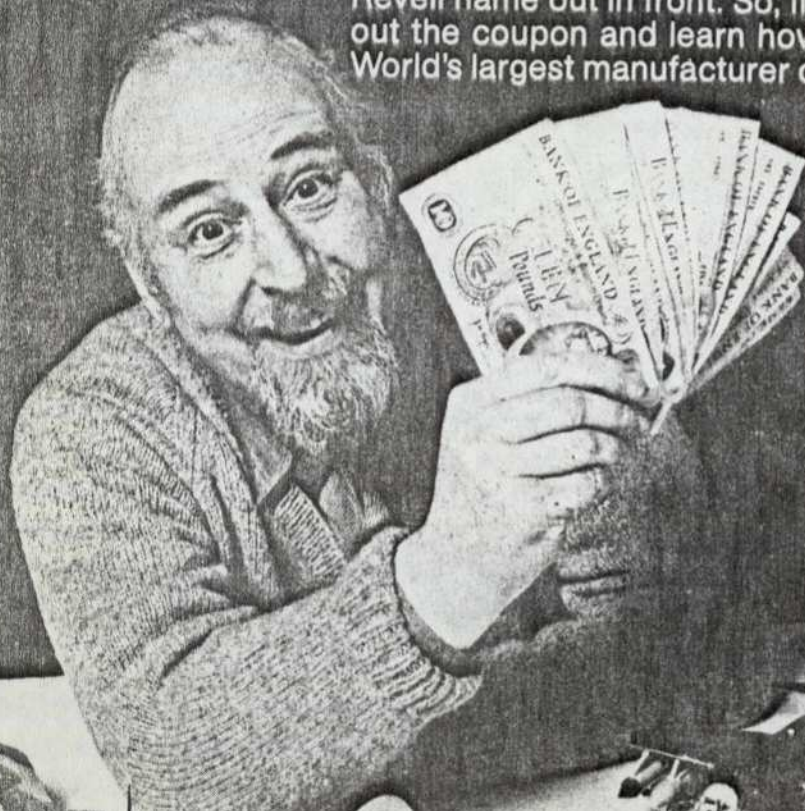
Year ended	<u>Dec. 30' 73</u>	<u>Dec. 31' 72</u>
Net Sales	\$25,004,252	\$20,593,703
Net Income	\$1,612,926	\$1,186,985

Beatties of London Ltd make it with Revell model kits...

Just about every model shop stocks Revell Kits. And most toy shops. With good reason. Because our range of over 270 big-selling model kits gives them rapid turnover and good profit margins. In other words, there's nothing like Revell to keep the customers happy and the tills ringing.

Naturally, our back-up service is pretty streamlined too. Deliveries – large or small – are very quick. Our representatives call regularly. And a stack of advertising activity keeps the Revell name out in front. So, if you're not doing it already, fill out the coupon and learn how to make it with Revell – The World's largest manufacturer of plastic model kits.

It's the big-profit way.



**...SO
can you!**

Please tell me more
about Revell Kits. TT/5/74

Name _____

Address _____

d) European Toy Co. with toy interests in U.K.

Lego

The founder of the Co., Ole Kirk Christiansen (1891 - 1958) was a Danish ex-carpenter who during the depression of the building trade in the 30's turned to producing wooden toys for children. The toys was named Lego which is an abbreviation of Leg godt. (play well).

By the end of the 2nd world war, the total workforce was 50 and in 1948, it was agreed that plastics should substitute wood as the raw material.

Lego's turnover in toy shops around the world amounted to about £37 million (in retail prices). The firm has various sales companies in the States as well as 14 seperate European countries, mainly for the distribution of the Lego bricks made in Denmark.

Furthermore, Lego is made under

license in Canada (by Samsonite, the case maker) and ,
in the U.K.

The U.K. company is British Lego Ltd.
owned jointly by British Celanese Ltd. (51%) and Lego
System (49%). Since 1960, the Co. have been based in
Wrexham, North Wales, where British Celanese also have
a Lego production facility.

In keeping with Lego's involvement
with all production affair, the firm's own facilities
in Denmark and Germany produces the precision tools for
injection moulding the ABS material into Lego and
Duplo bricks (for very young children) and Modulex
(used for industrial planning eg. in connection with
the construction of factories and offices.)

Besides the factories there is a
10 acres amusement park : Legoland. In the park are
displayed illuminated giant size models of well-known
buildings and places of interest (all from Lego bricks)
made especially by a team of women employed by the
company. Besides the model buildings, there is also
a zoo, doll museum, Lego ships and harbour, Elizabethan
town, Mount Rushmore sculpture, Wild West trading post
and gold mine, driving school and railway.



Legoland middles between Battersea
Funfair and Disneyland. Certainly,
its a place for all family.

SECTION 2 :

PROMOTION IN THE TOY INDUSTRY

Promotion, along with product development pricing and channel management, is a major marketing task.

According to Kotler, Promotion encompasses all the tools in the marketing mix whose major role is persuasive communication. Thus promotion is an exercise in information persuasion and influences.

Importance of promotion:

In a realistic market place, perfect competition does not exist. Under condition of imperfect, or monopolistic competition with product differentiation, nonrational behaviour, and less than complete market information, promotional activities are essential.

Several factors point up to the need for promotion today.

- 1) As the physical distances between producers and consumers increases, and as the no. of potential customers grows, the problem of market communication becomes a significant one.
- 2) The development of channels of distribution nowadays involve the uses of wholesaling and/or retailing middlemen. Once middlemen are introduced, it is not enough to communicate only with the ultimate consumers or industrial users. It become essential that middlemen be informed about the products as well.
- 3) In the development of our economy of abundance, consumers engage nowadays more and more in the satisfaction of wants rather than needs, they become more and more selective in what they spend their money on. To attract customers, a firm must have a good promotional program.
- 4) Finally, promotion is needed to maintain the high material standard of living and the high level of unemployment in the country.

The Campaign:

When planning the total promotional program in a firm, management must make use of the cam-

paighn concept. A campaign is a planned, co-ordinated, integrated series of promotional efforts built around a single theme or idea and designed to reach a pre-determined goal. Then the total promotional campaign can be subdivided into its promotion mix : advertising, personal selling, sales promotion and publicity(or public relation) components and the subcampaign can be planned in more detail.

The key to success in a campaign depends largely on management's ability to activate and co-ordinate the efforts of its entire promotional task force and the physical distribution of the product. Unfortunately, this is not always the case, too often, the effectiveness of the advertising part of the promotional campaign is reduced considerably because of a failure to co-ordinate advertising with the personal selling and sales promotion efforts.

In a successfully operated campaign, the efforts of all groups concerned will be meshed together effectively. The advertising program will consist of a series of related, well timed, carefully planned ads. The personal selling effort can be tied in having the salesmen explain and demonstrate the product benefits

stressed in the ads. In the case of seasonal campaigns, salesmens' calls will be timed so as to follow shortly after the campaign is opened. The salesmen should carry the information of the theme of the advertising, the media use, schedule of appearance of ads, the products being advertised, appeals use etc. to the wholesalers and retailers so that they become effective participants in the campaign. Sales promotional device such as point-of-sales display materials needed to be co-ordinated with the other aspect of the campaign. The new display materials must be prepared, reflecting the ads and appeals used in the current campaign in order to maximize the campaign's impact at the point of sale. Publicity department will work hard to try to persuade the journalists of various newspapers or trade press to write articles describing the campaign. Personnel responsible for the physical distribution activities must ensure that adequate stocks of the product are available in all outlets prior to the start of the campaign.

In order to set up an effective campaign, there are three major decisions each Marketing Director has to consider. They are : 1) Promotion Target. 2) When to Promote and 3) How to Promote. These shall be discussed in detail in the next few chapters.

It takes a knowledge of customer characteristics to divide the mass of population into non-users and prospects. By prospects, we mean those customers who meet the specification of target customers. The same knowledge is helpful in selecting the targets of promotional efforts. In addition to identifying target customers, decisions must be made about promotion to middlemen in the channel of distributions.

Thus there are 3 alternatives:

- 1) Management may decide to 'push' its products through the channel of distribution by aiming the promotional efforts mainly at the middlemen who in turn will sell to the ultimate consumers. A push strategy place heavy emphasis on personal selling. Usually, those toy manufacturers who only use push strategies are those manufacturers who only sells to middlemen who might place their brand name on the products. These manufacturers are usually small toy producers with a small work force.

- 2) Another approach is to pull the products through the channel by aiming the promotion at final customers and creating demand for the products at the retail level.

A pull strategy places heavy emphasis on mass communication with the prospects. Advertising dominates the promotion mix of firms attempting this promotion strategy. Those toy manufacturers who found this pull strategy appropriate are usually those who sell to a widely dispersed market and does not wish to develop his own extensive sales force.

- 3) Many toys firms, especially the large ones use a combination of the two above mentioned tactics. Some promotional efforts are aimed at final customers, and some aimed at the middlemen in the channel of distribution. Thus in fact these manufacturers are seeking a promotion mix that employs both pull and push strategies in some combination deemed effective for the goals of the firm. Usually the large toy companies in U.K. employs regular salesmen to push the product to wholesalers, missionary

salesmen to work with dealers and train retail salesmen in better sales (pushing) method and advertising to pull the product down and through by creating demand for its brand. Moreover, sales promotion may be used in combination with the pull and push tactics to coordinate and supplement the primary efforts. This combination approach to promotion strategies are most common among the large producers in the toy industry.

In U.K., most small manufactures tend to deal entirely through wholesalers and direct to retailers. The purchasing power of the large retail chains eg. Woolworth, W.H.Smith & Son, Boots etc. enable them to deal directly with manufactures. Such developments have mean't that toy manufacturers, especially the large ones, may devise different promotional programmes for wholesalers and retailers. In U.K., it is not surprise to see the same Co. setting up 2 different divisions, one solely deals with wholesalers and one only deals with retailers. One such example can be found in the 2 subsidiaries of the U.S. based Co. : General Mills. In 1968, General Mills purchases Palitoy Inc.

from Bakelite Xylonite and in 1970, bought Denny Fisher Toys Ltd. and these two companies together form the U.K. part of the General Mills' Craft division. Denny Fishers supplies direct to retail trade while its division Strawberry Fayre sells directly to wholesalers. Similarly, Palitoy only sells to retail trade but its division Bradgate deals only with wholesalers.

A few manufacturerers like Ideal Toys do not sell to wholesalers those products that are going to be advertised in T.V. The main reason given by Mr. Laurie, the Marketing Manger of Ideal is that since discounts, lower prices etc. have to be given to wholesalers on those products they are buying, these 'extra costs' coupled with advertising expenditure will make the product too expensive to sell profitable. Hence to Mr. Laurie, their main promotional targets are retailers and ultimate consumers and not the wholesalers.

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Decisions about the timing of promotional efforts must take account such considerations as seasonal sales pattern, company plans regarding new models or products, and competitors' promotion programmes. Thus most advertising on toys are centred around the Christmas season i.e. from Sept.-Dec.. If the marketing strategy is to introduce a new model, promotion timing must be tailored to the production schedule of that items.

In the toy industry, most manufacturers consider the sale promotion and personal selling as well as publicity as an 'all year round' event while the bulk of advertising expenditure is spent on the 3-4 months before Christmas. However, some manufacturers, like Louis Marx of U.S. seeks to reverse its image from an aggressive promoter of toys only at Christmas, to a company that sells toys year- round. In the beginning of this year, Marx Toys began its 'Johnny West Spring Round-Up " promotion in U.S. to gain first quarter sales for its Johnny West Line of articulated western figures.

Johnny West composed of a family of Western characters which comes with a complete set of accessories, retailing at \$4 U.S.

The promotion included a 60% increase in advertising, new across-the-board packaging stressing family industry, and a self-liquidating display deal.

Network television commercial was scheduled for Jan. 19 - March 24 and were expected to reach 72% of the 2-11 years old market. 4 colour full printed ads. were also being placed in women's magazine in this Spring.

Thus we are seeing a movement from a trend of heavy advertising only in Christmas to a tendency of spreading the advertisement expenditure throughout the year. One of the reason of this is that most manufacturer is trying to push up sales during the worst time of the year.

Many people closely connected with the toy industry argue that sales of hobby goods: model planes, boats, kits and crafts can be given a strong

boost by vigorous promotional programmes during the Spring/Summer season.

Spring/Summer is the time for hobby and craft retailers to 'get outdoor and generate activity' maintained Rick Palmer of Rick's Hobbytowne, U.S.A. 'Hobby and Crafts have to be exposed in order to generate sales interest, and promotions are the best means of gaining exposure and generating attention.'

It was generally felt that Spring/Summer does not have to be a 'dead' period for the hobby and craft retailer. Since business tends to be slow at this period of the year, than store personnel should therefore be free to get outside and being involved in valuable promotional activities. These can result in increase in sales during this period of the year where sales and turnover are generally low.

Since Spring and Summer is the period of widespread outdoor events, this than offer excellent opportunities to demonstrates hobby and crafts such as radio control air-planes and boats.

For toy shops locating in a shopping

centre, it is possible to set up outdoor arts and crafts shows during the Summer period in order to draw attention to arts and crafts merchandise.. Since the shopping centre have a lot of space between stores, it is possible to hold contests such as model airplane contest so as to attract customers.

.....-.....

When the firm considers its promotion as a whole, it faces a major decision : how much relative usage should be made of the different promotion tools. There are 4 major components of the promotion mix : Advertising, Personal Selling, Sales Promotion and Publicity. A further analysis of these 4 components will give us a good idea of the various promotion tools that make up these components.

The term 'above the line' and 'below the line' are often used to distinguish between 2 classes of promotion and they are artificial divisions. Above the line is also known as media advertising, and this refers to the traditional media of press, T.V., radio and cinema. Six principal media comes under the heading of below-the-line. These being the: direct mail, point of sale, sales promotion and merchandising, sales literature and exhibitions. These promotion are designed to have an impact, usually short term, on sales volume.

Before discussing each of the promotion mix in detail, it is better to look at the various factors which influence the promotion mix.

Factors influencing promotion mix:

In fact there are 4 factors which should influence management's decision making with regards to promotional mix. They are : 1) the amount of money available for promotion, 2) the nature of the market, 3) the nature of the product and 4) the stage of the product's life cycle.

1) Funds available:

Regardless of what may be the most desirable promotional mix, the amount of money available for promotion is the real determinant of the mix. Business with ample funds can make greater and more effective use of advertising than enterprises with limited financial resources. Small or financially weak Co. are likely to rely on personal

selling, dealer displays, or joint manufacturer-retailer advertising. To do an effective promotional job in advertising may take a considerable sum of money.

2) Nature of the Market:

In most cases, management's decisions on the promotional mix will be influenced to great extent by the nature of the company's market. The influence can be felt in 3 ways.

a) Geographic scope of the market:

Business selling in local markets only will use different promotional strategies than those used by firms selling in national markets.

Personal selling may be adequate in a small local market, while advertising may be essential for firms selling nationally

b) Concentration of the market:

The fewer the no. of potential buyers, the most apt a seller is to stress personal selling rather than advertising. Also a market that is concentrated on a type of customers or industry will call for a different promotional mix from that required when a firm sells to many different

groups. A firm selling products which can be used by one industry will concentrate more on personal selling and a firm selling goods used by many industries will probably concentrate more on advertising. Finally, even though a firm sells nationally, it may find its market concentrated in relatively few spots. In this type of market concentration, emphasis on personal selling may be feasible whereas it may be unrealistic if the potential customers were widely distributed all over the country.

c) Type of customers.

The promotional strategy is influenced by whether the business is aiming its sales campaign at industrial users, household consumers or middlemen. A promotional campaign aimed at retailers or wholesalers will probably contain a greater % of personal selling, sales promotion than a programme designed to attract housewife.

3) Nature of the product:

Consumer products and industrial goods frequently require different strategies. Firms

marketing consumer convenience goods will normally rely heavily on manufacturer's advertising plus emphasis on dealer's displays and personal selling plays a relatively minor role. This mix is better because the product is widely distributed, usually need no special personal demonstration and buying decisions are often made at the point of purchase. In the field of industrial goods, the promotional strategies may rely heavily on personal selling probably on all level.

4) Stage of product's life cycle:

Products go through life cycle, usually starting with the introductory period; then progressing through the stage of growth, maturity and saturation, and finally ending in decline and possibly abandonment. Promotional strategies should be influenced by the stage of demand or the life cycle of the item.

When the product is in the pioneering stages, the customer does not recognise that he wants the commodity. He does not understand how the new product will benefit him. Thus the promotional strategy is to inform and educate the potential

customer or industrial user. Normally, heavy emphasis will be placed on personal selling. Trade shows, exhibitions and fairs also may pay a major role in the promotional mix. During the middle stage of a product's life cycle, the promotional mix calls for increased emphasis upon advertising. Customers are aware of the want satisfying benefits of the product, so advertising can perform whatever informational and educational tasks remain to be done. As the products move through the middle stages and attracts more competition, more and more attention is devoted to advertising as a tool of persuasion rather than information only.

For most products, the promotional emphasis during the middle stages is on advertising, but this is not always true. Some products, especially industrial products may still rely heavily on personal selling.

When the products reached the declining stage, most marketing directors would probably found it unwise to promote heavily on the products which reached their end of the life cycle.

Now we shall look at the 4 major components that make up the promotion mix.

Advertising can be defined as any paid forms of non-personal presentation and promotion of ideas, goods or services by an identified sponsor. It makes people aware of the existence and advantages of goods and services. It is a form of personal salesmanship designed to make consumer see a brand in a more favorable side. For a familiar brand, consumers will have found a no. of different impressions, both favorable or unfavorable. Advertising will attempt to reinforce the favorable impressions and loosen the unfavorable impressions. The devices used are information, reason and emotion.

The most important relationship is that between the advertising and the product. Advertising is unlikely to succeed in selling an inferior product more than once. Thus the quality of the product is important in deciding whether the product should be advertised or not.

Advertising, far from being a uniform product, comes in a large variety of forms. It involves such varied media as magazines, newspapers space, radio and T.V., outdoor, direct mail, catalogue, directories and circular.

The examination of buyer/seller interfaces suggests the existence of distinct 'buy phases' and advertising role can be described as trying to advance the prospective buyers to a buyphase nearer purchases.

Advantages and Disadvantages of Advertising:

Advantages :

- a) It is a means of influencing large target audiences which by another communicational methods (eg. direct mail to all U.K. households who have an income in excess of 30 per week before tax) would be very expensive.
- b) It builds up an identifiable products/ company identify or image.
- c) It does sell the product when executed efficiently.

Disadvantages:

- a) It can be expansive, not only because of space cost but also because of production costs - art works etc.
- b) It can have a high wastage rate because few publications, newspapers etc. exclusively reach the listed target groups with no wasted circulation.
- c) Media advertising has a cumulative effort and it will take several costly insertions before the product will sell.

WHY ADVERTISE ?

All the major toy firms which I had interviewed employed an advertising agency to help them to plan the campaign, make recommendations on budget and media buying.

There are many special and specific reasons or objectives why a toy manufacturer might wish to advertise. Among them are:

1) To announce a new product or promotion campaign:

Announcement of new toys, involving the use of full paper and full colour in national press or trade press are typical example. Manufacturers might wish to use advertising to support their consumer offer or a specific campaign. Supporting their consumer offer of an on pack coupon with 15p off retail cost of any Mark Strong Toys made by Mattel, were national television advertising commencing from April 9th 1973 for 2 weeks plus a 8 full page ads. in Children Magazines. All advertising specially mentioned the 15p on pack coupon offer showing the pack, so as to encourage children to purchase the toys immediately.

2) Improve dealers relations:

The goal of an advertising campaign may be to attract new dealers by showing them how profitable it is to carry the manufacturer's line of toys. The purpose of other advertisement may be to give the names and addresses of retailers who carry the product. Mattel pre-school toys were featured in Mothers and Living Magazines in full colour during June last year. Retailers who had supported the range of products were listed on a separate page opposite to the colour ads.

3) Increase sales of products:

An advertising campaign may be designed to lengthen the season of the product. As I have mentioned before, manufacturer like Louis Marx has begun to advertise more and more during the off season in order to increase their sales revenue during the slow months in Spring and Summer.

4) To force the retailers to stock their range of products whether the lines will sell or not:

Many retailers have complained that some manufacturers have misuse the media of advertising. The purpose of any advertising campaign, be it television or press, is to persuade potential customers to buy. This has caused problems on 2 fronts. First, retailers have stocked, literally dozens of lines which have no 'promised' advertising back-up to cause them to move off the shelves. A few years ago, over 35 different games were advertised by a firm in short bursts during a 3 month period and some of the shops were still trying to sell these stocks nearly 12 months later. Second, there have been several manufacturers whose salesmen have deliberately gone out of their way to mislead retailers. eg. a man-

ufacture told shopkeepers throughout the South and South-West of England that it was mounting a full T.V. campaign for certain lines. In practise, it was merely a couple of 7 seconds spots on London. Such practice have made retailers to become so sceptical about toy manufacturer's claims that a few of them refuse to stock toys until they ihave actually seen the commercials. This then give rise to problems in production planning.

HOW MUCH SHOULD BE SPENT ON ADVERTISING ?

The major recurrent advertising decisions facing firms is how much to spend on advertising. Firms have embraced a varity of approaches to determine the advertsing budget. The purpose of this section is to examine some of the theories as well as practices by the major advertisersof the toy industry.

Appendix 8 shows the advertising expenditure by the U.K. and American toy manufacturers in the U.K. market 1973. There are various methods for setting the advertising budget.

1) Arbitrary rule of thumb:

By arbitrary, we mean that the sum is not based on any exact calculation but is what the advertiser is prepared to spend. 'what he can afford' or what he thinks will do the job. It may be a rough guess based on past experience.

2) Percentage of previous turnover :

If the appropriation is based on previous turnover, at least the aim is to do as well as before, but is is not very ambitious or forward looking. There is a danger that if trade was bad during the previous year, this unfortunate trend can be worsened by reduced expenditure in the following year.

3) Residual of previous year's surplus:

This is generally a method adopted by 'businessmen' with less than necessary faith in advertising. In this method, the appropriation is based on what remains after profits have been taken from the previous year's turnover.

4) % of Gross profit method:

The gross profit method takes advertising as a % of the residuum after production and distribution costs have been deducted from income. Thus if total sales = A and production and distribution cost = B, $A - B = C$, the latter representing the balancing of gross margin. Advertising is taken as a % of C. As sales increase, the fixed costs are spread more commercially, leaving a larger proportion for division between advertising and net profits, the opposite apply to the fall in sales. Thus previous year profit may be invested in promotion to bolster up declining sales.

5) % of anticipated turnover method:

Looking ahead at anticipated sales is more professional and more realistic, provided the sales forecast is a good forecast. But if the forecast is wrong, the appropriation will also be wrong.

6) To match the competitor's outlay:

When a toy manufacturer is uncertain about the weight of advertising necessary to promote a product, it may be useful to

study the MEAL and Legion Publishing statistics on current advertising expenditure. In so doing, he must remember that competitors may have had the advantage of a build up advertising impact over a no. of years. In order to catch up, the manufacturer may have to spend more than an established rival if he seeks to gain a similar impact unless his product is so superior that it is an instant winner.

7) Comparision with total product group advertising:

Using the comparision method, an advertiser in a product group assesses the total expenditure of all the firms in that group, probably using the estimates published by MEAL . The total figure of product group advertising expenditure per year is then divided by the no. of producers according to their market shares, the calculation suggesting what each firm should be spending. By this process, a member of the product group- and especially a newcomer - can work out what should spend to achieve a particular share of the market, or perhaps a larger share of it.

8) Marketing model or operational reasearch method:

This is an excellent method for the advertiser who wants to see the value of larger

or smaller investments in advertising. It leads itself to the needs of the say, mail order toy trader who wishes to cost promotions in relation to prospects and market share of each commodity he handles. This will also influence his buying, which in turn may involve quantity discounts. Thus a scale can be created showing the different buying, advertising, packaging and overhead costs for different quantities resulting in a certain net profit. However, there is no guarantee that the marketing model will give precise results.

9) Recommendations from the advertising agency:

An agency often make recommendations to their clients on how much it is worthwhile to spend on each advertising media. This is quite a popular method among the major advertiser in the toy industry in setting the advertising budget.

10) Cost per head of population:

This refer to the population served by the advertiser. If it is wished to increase the market share, the advertising cost is worked out on the basis of the cost per customer to be gained.

If the entire market is say one million of which the present market share is 50%, and the present appropriation is £½m, the cost per head is 1, to gain another 10% means increasing the appropriation by £100,000.

There are various other methods being used in the setting the budget. For Mettoy, the budget is set by developing a media plan which it is believed will be effective in achieving the product's sales/profit targets, taking into account the competitive level of spending and previous expenditure as well as the recommendation made by the agency.

It might be interesting to note that according to the Guinness Book of Records, the world's largest advertiser is Unilever and the advertising bill for over 1,000 branded products was £110,000,000 in 1971.

Results of the questionnaire regarding the setting
of the budget:*

Sample size: = 8

Q.: What is your method for setting the advertising budget?

A.: Arbitrary or rule of thumb:	1
Percentage of previous turnover:	1
Residual of previous year's surplus:	0
% of gross profit:	1
% of anticipated turnover:	4
To match competitor's outlay:	1
Comparision with total product group advertising:	1
Marketing model or operational research:	0
Recommanded by the advertising agency:	4
Cost per head of population:	0
Other methods:	0

* To reach a final budget, toy manufacturers have been found to use more than one of the above mentioned methods.

Results from the questionnaire regarding the time
of the year when the firms spend most of their
advertising budget.

Sample size : 8

Q.: When do you usually spend most of your advertising budget ?

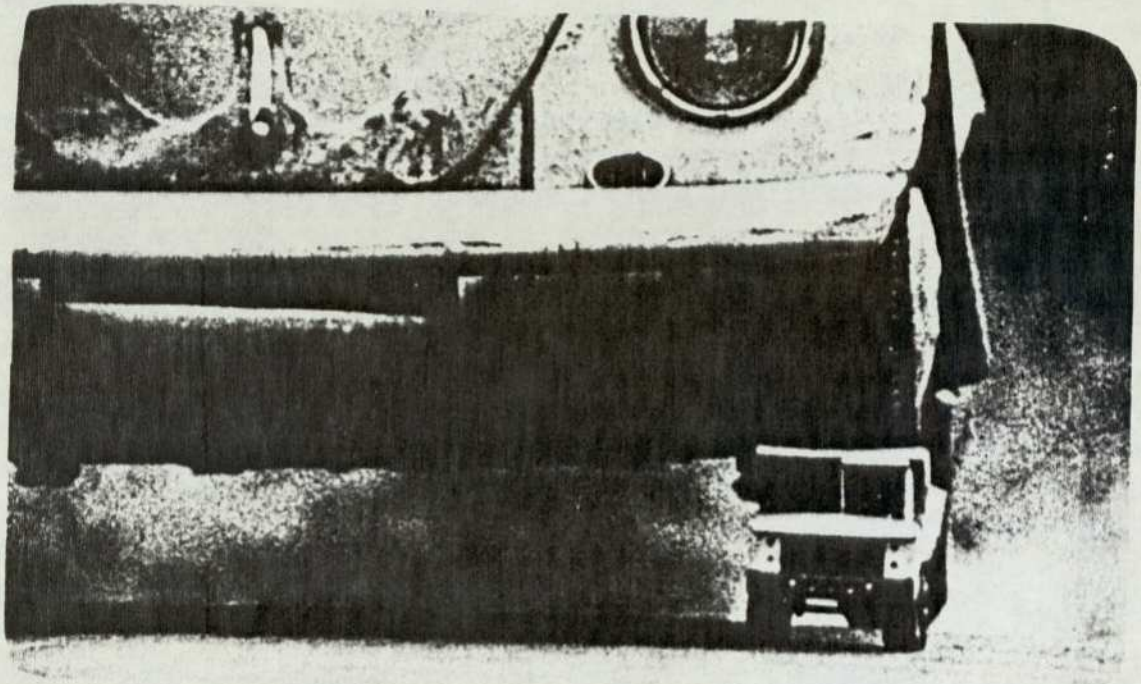
	No. of firms
A. : Jan - March	0
April - June	0
July - Sept.	0
Oct. - Dec.	8
About the same all the year round	0

MESSAGE DESIGN & CONTENT

The effect of advertising on sales is not simply a function of how much it is spent. Even more important may be how it is spent: specifically, what is said, how it is said, where it is said and how often it is said.

Many things can be said about any product. Out of this set of possible messages, only a few can be used. Buyer will neither believe nor remember too many claims. Message focus is needed so that the buyer can learn something distinctive about the product. An example can be found in the T.V. advertising placed by Tonka last christmas.

Tonka Ltd. is famous for its high quality steel trucks and cars. Their aim is to bring to the consumers the message that their toys are strong and virtually 'unbreakable'. Hence in the commercial which were seen on London and Southern region during Christmas, they showed a Volkswagan Beetle driving over the brow of a hill with its front wheel on a Tonka Dump Truck. The commentary recollects the true story of an



A still from the Tonka's new 30-sec.
commercial featuring the Volkswagen
which used a Tonka Dump Truck to
support its disabled front wheel.

American family who, in 1971, drove their Volkswagen 14 miles using a Tonka truck to support their disabled front wheel. Also, dramatic commercials such as these, employing the by now well known slogan: "Give Boys Tonka Toys" have made the word Tonka a household name.

The advertisement must give attention to consumers' preconceived ideas of what they want. Fisher Price realise that the shopping public are more and more aware of the importance of product safety, product durability, product integrity as well as play value of the toy. Hence in most advertisements, the message that Fisher Price is a company that sells : "High quality, durable toys with bright attractive colour and plenty of play value" as well as "all designed and built to the same high standard that you've come to expect" are stressed again and again.

Once a household name has been established out of a toy or a game, it is to the benefit of the Co. concerned to remind the public that it is they who make this or that toy a famous toy. Hence in every advertisement placed by Waddington,

we can see the message: ".....from Waddington,
the makers of Monopoly."

To help advertisers and agencies to avoid spending time and money on commercials directed to children which would not be approved under the code, the ITCA (Independent Television Companies Association) publishes a series of notes of guidance. The notes are the 'case laws' of advertising, setting out the results of decisions made on the basis of the code set by ITCA, in consultation with the IBA (Independent Broadcasting Association).

In practice, proposed commercials are seen at script stage and again before final approval for screening by the IBA and ITCA. Between these two stages, the ITCA investigates doubtful claims or wordings and generally checks the advertisements against the provision of the code. The rules in general are that the commercials must not encourage the children to enter 'strange places' and it must not suggest that the child will be in an inferior position than his friends if he doesn't have the product advertised and the commercial must not encourage children to pester their parents.

Buy Speculate. It's selling.



Last year, we introduced Speculate, the true-to-life stock market game, and it's gone from strength to strength.

So much so, that now, it's one of our best sellers.

And next September our Speculate commercial appears on television to bring you even more buyers. And bigger profits.

Make sure your stocks are up now, and share in our success.

Speculate from Waddingtons The makers of Monopoly.

MEDIA SELECTION :

The most brilliant and original advertising ideas will be wasted if they are not presented in the right place at the right time to the right people. Media supply the vehicles for advertising message, carrying them to the right readers, viewers, listeners or passers-by.

Choosing among major media categories :

The extent to which a firm should use T.V., radio, newspapers, magazines and other media depends on at least 3 factors: the target audience's media habits, the media's effectiveness for presenting the product, and the relative costs of the major media categories.

The target audience's media habit provide first clue to major media selection. A company producing toys for age group of 5+ will probably prefer to advertise on T.V. while maker of pre-school toys like Fisher Price, manufacturer of high quality toys for children under 5 years of age, will prefer to advertise in woman's magazines. Fisher Price are

selling to a minority market - parents with very young children. It would be more effective to advertise in quality magazine such as Woman's Own, Reader Digest, Ideal Homes etc. than in T.V. which communicate to whole children population.

The product itself is an important factor in choosing among media. The major media categories have different potentialities for demonstrations, visualisations, explanations, believability and colour. A product like automatic diving and surfacing submarine made by Playart Ltd. is probably best advertised through live demonstrations in the television medium. A product like teddy bear or any other soft toys, where demonstration is not essential is best advertised in magazines and girls comics.

The cost of different media is also important. Television is a very expansive medium, whereas newspapers are on the inexpensive side. However, a frequent error is to misunderstand the cost and value of the media, maintaining that one "cannot afford" say television advertising. It is really a question of need not only cost. Media cost are re-

lative to the size and penetration required for a particular market. On a cost-per-thousand basis, it may be cheaper to reach potential customer through television than newspapers.

A toy manufacturer might reject using T.V. advertising not because it is expansive but rather because it appeals to the wrong market, and it is the wrong medium to use in reaching the potential customer. An example of such manufacturer is Fisher Price. Fisher Price can afford to spend a vast sum of money on T.V. if it is necessary. However, since she is selling to a minor market, mothers with very young children, women magazines becomes the most effective medium to use.

Thus we can say that media use can vary according to particular product and target audience.

Selecting particular media vehicles:

The first stage of analysis should result in a decision on how much to spend in each media category. The decision may be made for

example, to spend approx. £200,000 on T.V. than which programme should the advertisement be feature in? and how many times should it appear ?

Cost for airtime vary greatly from area to area and within any particular area depending on the time of day that the advertisement appears. Basically, the larger the viewing audience the higher the cost of the spot. However, reaching the largest audience possible does not necessary guarentee the best results. eg. more children may view between 4.30 and 6.30 p.m. than at peak period later in the evening. Therefore, a commercial aimed specially at children would be best suited out of peak viewing hours. One must then assume that the advertisers have the commercials timed to give max. results in relation to their target audience.

The media planners generally turns to the rate cards produced by the T.V. companies. From this the cost of the various programmes can be obtained.

a) Press:

Despite the advantage of commercial T.V. the press remains a major advertising medium in U.K.

One reason is its remarkable resilience and flexibility. Best of all, the press can provide a transportable medium - which can be enjoyed practically anywhere - containing detailed information which can be retained if desired. Hence the sheer convenience of the press, is its chief characteristics. And that makes it an excellent advertising medium, provided it reached enough of the right people at an economic price. That economic price results from a comparison with the effectiveness per pound spent on any other medium.

Moreover, the press has certain specific advantages over all other media. It is still a very cheap way of reaching a very large no. of people, and it is the most effective and economic means of reaching large no. of scattered and unidentified prospects. At little or no extra cost, copy can be changed at short notice, and different copy (eg. branch address)

can be inserted in regional editions. A major advantage is that press media offer the opportunity to include coupons so that immediate response can be stimulated.

Press here is referred to newspapers, magazines and comics.

1) Newspapers:

Newspapers can be classified under

- i) National Daily Morning Newspapers : they are Daily Mail, Daily Mirror, Sun, Daily Express, Daily Telegraph, Financial Times, Guardian, Morning Star and the Times, together with the sporting dailies, commerce and shipping journals, and the licensed 'victuallers' daily, the Morning Advertiser.
- ii) London Evening Newspapers : they are the Evening News and the Evening Standard.
- iii) Weekly Colour Magazines: The Friday Edition of the Daily Telegraph and the Sunday Times and the Observer supplement the normal letterpress-printed newspaper with a photogravure printed full-colour magazines.

iv) National Sunday Newspapers: News of the World, Observer, Sunday Express, Sunday Mirror, Sunday People, Sunday Telegraph and Sunday Times.

Besides these newspapers, there are the regional evening newspapers, regional Sundays (eg. the Sunday Mercury in Birmingham) and the Scottish, Welsh, Northern Ireland, Channel Islands and the Isle of Man Newspapers.

Mettoy moved into the National newspapers with a whole page advertisements appearing in the Sun last November and December.

From last year record, one can see that Toy manufacturers tended to place most of their advertisements in the Sunday newspapers and magazines such as the Sunday Times, Sunday Express, Observer etc. This is probably because Sunday is the time when most people can relax and take as much time as they like in reading the newspapers.

THE Sun MASSIVE
METTOY
CHRISTMAS
AD CAMPAIGN

10.4 MILLION
TO
SEE
ADS!

Double page 30 Nov '73. Double page 7 Dec '73. Whole page 14 Dec '73.

As you may have gathered we're spending this Christmas in The Sun.

Everyone's talking about the success of The Sun.

Love it or hate it, it's a winner.

It already has 10,476,000 readers.

That's a quarter of the adults in the country.

And its circulation is growing every week.

So we've decided to run our Christmas advertising campaign in it.

We're taking a double-page on Friday 30th November.

Another on the following Friday, the 7th of December.

And a whole page on Friday

14th December.

We're going to tell its readers just what toys we make.

And why children love them.

It'll be the first ever toy campaign in the paper.

But it's by no means the only campaign we're running.

We've also major promotions for individual products in TV Times, Reader's Digest, women's magazines, and children's comics.

They'll get people to your shop.

After that it's up to you.

METTOY

The toys children really play with.

2) Women Magazines:

Usually when a child wants to buy a doll or car or any toy, Mum usually is the all-important first contact. But Mum like to know something about the play value of the toy she is going to get. Are they product by reputable company? Are they completely harmless? Are they value for money ? All these questions must be answered in the mother's mind. So when selling a toy, it is clearly important to make the primary appeal to mothers.

A survey undertakes by the Opinion Research Centre at the end of 1972 estimated clearly that when it comes to purchasing Christmas presents, especially toys, women are the prime movers - they are responsible for most present buying. 21% of husbands in fact leave all gift buying to their wives.

There were altogether 5 seperate surveys carried out at different times over the 2-month period before Christmas. 85% of all women questioned claimed to have purchased Christmas

gifts of any sort against only 52% of the men interviewed.

The survey clearly demonstrated the important role women placed in purchasing toys. They are professional buyers when it comes to spending their own or the families money. Money that has been hard earned and had tax paid on it. And they want to know what is available in the market, whether or not it would be suitable for their purposes, and how much it is likely to cost. Women's magazines meet most of these requirements.

Hence it is only wise for toys makers also to consider in advertise in a medium where women will not only see the message but have the opportunity to study it at some length.

This is where women's magazines can play a vital part. Barbara Buss, editor of Woman- Britain's most successful publication for women said: "The relationship between a women's weekly magazine and its readers is a very

personal one and its essential strength is the faith and confidence that the readers have in the publication."

This surely stress the greatest asset that women's magazine can offer advertisers: an atmosphere of trust.

Just why do women read magazines? part of the answer was provided by a survey on reader attitudes carried out by I.P.C.. It can be seen that the main reasons are : "Finding out which products are worth buying," " For giving a fresh outlook and new ideas" and "For useful information and advice"

Hence magazines have long been used as a medium where help and advice can be obtained by housewives and mothers. A magazine is always there to be studied and re-studied many times. Its influence therefore is very powerful and enduring.

Taking the I.P.C. group, one can see that one issue of each of the four mass-selling weeklies - Woman, Woman's Own, Woman's

Realm and Woman's Weekly, plus the monthlies Woman & Home and Mother - reach well over half of all mothers with children in Britian. This adds up to a total of 4 million or so.

Malcolm Mountjoy of I.P.C.

Magazines Ltd. said: " Even a very limited budget can achieve a valuable market penetration, a single insertion in "Woman" magazine will be seen by about 1/3 of all mothers. In fact this is just about the coverage that one peak - time television spot on national network would achieve.

Most toys, of couse, rely heavily on colour appeal for sales attractiveness. Magazines can offer the toy advertiser the advantage of high quality colour reproduction.

I.P.C. Magazines Merchanding Department also offers a quantity of facilities free of charge. Copies of magazines containing the 1st. advertisment in a campaign are given free of charge to the advertiser's sales force so that they can call on the retailers advising them on the campaign details. In addition, details of an ad-

vertiser's campaign can be published in Women's Market - a magazine which is seen by the Merchandise Managers and other key executives in a few thousand retail outlets.

Hence, we can see that the Women Magazines is a valuable medium for reaching the toy advertiser's target market. Mike Boyall, General Manager of Fisher Price Toys Ltd. once says: "Our check list of requirements was met most exactly by women's magazines. They allow us to home in on our target market with a high degree of precision and to buy a good number of dominant spaces in which a whole selection of toys could be colourfully represented."

Apart from Fisher Price, other leading toy advertiser such as Rovex, British Lego and Mettoy are currently taking advantage of Women's magazines.

David Oake, Brand Manager of Mettoy Playcraft Ltd. says : " Mettoy are using Women's magazines because they reach our main market - parents as well as children - and give us enough space to tell them all about our product.

Presenting nearly 4 million mothers who don't play games when it comes to buying toys

Toy buying is no game to the one person who does more of it, more often, than anyone else—the mother. She may still buy the odd small toy on impulse, to keep a child quiet while she shops. But when it comes to major present buying, for her own children or other people's, she has a hundred questions to ask first. Questions about safety, size, colour, age suitability, range, durability, price . . .

In short, the mother wants to be *sold* on the toys she buys. *Easily the most efficient, most economical way of selling to nearly 4 million mothers is through the magazines shown opposite.*

A single insertion across *Woman*, *Woman's Own*, *Woman's Realm*, *Woman's Weekly*, *Woman and Home* and *Mother* reaches 55% of all mothers of children between 0 and 15.

That means nearly 4 million mothers would see your advertising on average twice.

Two insertions reach 2 out of every 3 mothers in the country!

That could be—*should be*—your message that's getting across. Again and again. In colour. In an ideal editorial environment. In a medium that shares a unique personal relationship and trust with its readers.

Women's Magazines Group,
IPC Magazines Ltd., 15-17 Long Acre, London,
WC2E 9QU. Tel: 01-836 4363



**No medium sells to mothers
with the comprehensive coverage, economy
and concentration of women's magazines**

The Petite Typewriter has been advertised on television. But this year, after extensive market research and the subsequent development of three new models, there was a much bigger story to tell the trade and the consumers. Far too big to get over in a television commercial....."

Once again we must stress that the editorial environment is important to toy advertisers. Through no other medium can an advertiser present his product within the context of an environment so personal, so reassuring, so trusted. A woman turns to her magazine for advice and guidance at a personal level. The main thing is that she trusts it.

3) Other magazines:

These include special interest magazines (eg. Advertiser's weekly), regional magazines and especially trade magazines.

Trade magazines are read by distributors - wholesalers, factors, mail-order traders, retailers, agents, importers and exporters. In the U.K. toy industry, there are altogether 4 trade magazines: Toy International, Toy Trader, British Toys and Games and Toys.

Most toy manufacturers place their advertisements in these trade magazines. Through these magazines, the toy manufacturers can announce new products, advertising schemes, merchandise offers, display material, co-operative scheme and so on, using both advertising and editorial columns.

4) Comics :

The case for advertising direct to children via the medium of comics is that children (those old enough) know best what they want. Most of the time, it is they who choose the toys and games that appeal to them.

The toys are designed ultimately to be received by children and regardless of who makes the actual purchase, children are the real customers of the toy industry.

The medium is very big, there are over 30 different titles published every week and they often carry toy advertisements most of the time. They represent an annual expenditure of over £20,000. Besides being a big business, the comics are selective, each having a clearly defined readership : for example: boys aged 8 - 12 or 8 - 15 years or girls aged 8 - 14 etc.

Such segmentations are always helpful. By choosing the titles whose readership most closely related to the appeal of the toys, expansive wastage can easily be avoided. In 1972, a survey undertaken by I.P.C. Juveniles Group shows that 76% of all children see at least one advertisement carrying comic every week or 6,800,000 children. There is no other way of reaching such a large target group at such a low cost when using comics.

Although Television have the advantage of sound and vision, but a large no. of children do read comics and they can be read over again and again or passes from one children to another, thud extending the life of the advertisment.

Some purchase of toys are done by mothers while a fair amount of toys are being chosen by the children themselves, and a relatively small sum will bring an effective campaign lasting for a long time.

100%
ALL CHILDREN
10 TO 15

CHILDREN'S COMICS THE MOST EFFECTIVE MEDIUM FOR REACHING 10-15 YEAR OLDS

ALL
AD' CARRYING
JUVENILES
APPEALING TO
10 TO 15
YEAR OLDS

76%
COVERAGE

IPC GROUP OF
AD' CARRYING
JUVENILES
APPEALING TO
10 TO 15
YEAR OLDS

59%
COVERAGE

NON IPC
AD' CARRYING
JUVENILES
APPEALING TO
10 TO 15
YEAR OLDS

55%
COVERAGE

AVERAGE
WEEKLY
CINEMA
SPOT

33%
COVERAGE

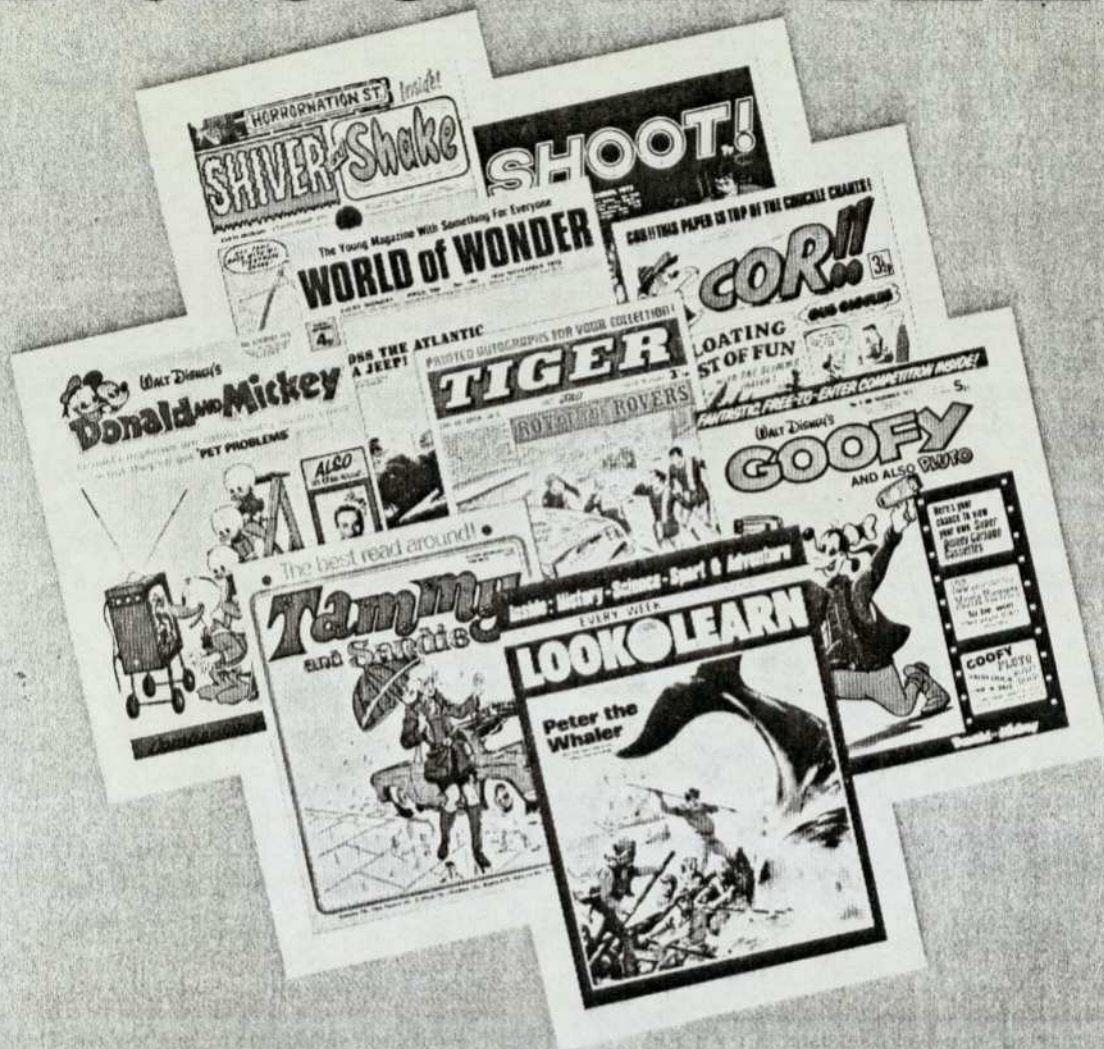
AVERAGE
CHILDREN'S
ITV NETWORK
SPOT

21%
COVERAGE

AVERAGE
EVENING
RADIO
LUXEMBOURG

14%
COVERAGE

IPC JUVENILES



We are pleased to present in this advertisement those toy manufacturers who featured our publications in their advertising plans during 1973. Between them they took over one thousand two hundred advertisements in the IPC Juveniles Group. We maintain that comics are the only true children's medium. We should know, we sell about 4 million comics each week. Our titles give excellent coverage of the children's market in which they are economic and effective.

OUR TITLES ARE
 boys
BUSTER/VALIANT
TIGER · SCORCHER · LION
 girls
TAMMY/SANDIE · JUNE
 nursery
JACK & JILL · PLAYHOUR
DONALD & MICKEY · GOOFY
 soccer
SHOOT
 educational
LOOK & LEARN · WORLD OF WONDER
 humour
COR!!/SHIVER & SHAKE
WHIZZER & CHIPS



another window in your shop



**ASL CHARTBUSTER/SOCCERAMA
AIRFIX KITS/ARTS & CRAFTS/ACTION TOYS/HANKY PANKY
ALLTRADES/LANDMASTER/SUPER WINGS · BEROL GEM COLOUR PENS
BIC PENS · BRITAINS · BRITISH LEGO · BURBANK
CHARBENS DOLLY INTERNATIONAL · W. DAVID/ISOPON · FREEDMAN WATCHES
FROG KITS · GEMINI SCAN · GRANADA GAMES · HORNBY RAILWAYS · HUMBROL
JACOBS SKATES · LESNEY MATCHBOX/KITS/ROLA-MATICS/DISCO DOLLS
LIBERTA POP-A-POINT · MALINS ENGINES · MATTEL
MECCANO DINKY TOYS/DINKY KITS/MULTIKIT · MENTMORE PENS
METTOY/CORGI/WEMBLEY/COMMANDO TYPEWRITERS · PALIToy ACTION MAN
PARKER GAMES · PHILMAR · RADIONIC KITS · REVELL KITS
ROTODRAW/ROTAWORD · ROYAL SOVEREIGN · SCALECRAFT · SCRIPTO PENS
SPEARS GAMES · STANDARD FIREWORKS · SUBBUTO · SUPERCASET
TAF GAMES 4-2-4 · TOY WORKS/BON TEMPI · WADES WHIMSIES**

**Len Martin Advertisement Manager, IPC Juveniles Group
Fleetway House, Farringdon Street, London EC4A 4AD. Tel: 01-634 4384 or 4365**

b) Radio:

Annual expenditure by British advertisers - mostly local retailers - may not exceed £15m. The total audience may not even exceed 5% of the total population. For the advertisers, radio represents a very cheap and flexible media and gives good programmes which steadily create audience loyalty.

To the advertiser, the news breaks can be peak listening points when it pays to advertise.

Production costs are minimal - a pre-recorded tape or a script for the live announcement - and while costs of air remain low there will be big inducement for quite small advertiser to use the medium.

From my questionnaire study, there are indications that radio advertising is considered as an unattractive medium to use by most major toy advertisers. This is mainly because the % of audience which they considered as

their target customers are relatively small compared with the other media available. Airfix is probably the only manufacturer who spent a considerable sum on advertising campaign in the London commercial station : Capital Radio.

c) Commercial Television:

For Britian, commercial television was first launched in 1955 as a result of the Television Act which was produced in consultation with the I.P.A. (Institute of Practitioners in Advertising) and I.S.B.A. (Incorporated Society of British Advertisers. .

Characteristics of the media:

- i) It is a regional medium. Commercial T.V. is not a national medium. There are 15 programme contractors who sell air time in their region.

Thus it is a flexible medium so that one can advertise where one wishes and still reaches the mass audience of that area.

- ii) There is action. The product and services can be given the reality which make desire to purchase more readily achieved. The Independent Television Authority (now I.B.A.) awarded contracts to the following programmes companies which have operated since 30 July 1968.

The area and Co. are listed as follows:

<u>Area</u>	<u>Company</u>
London	London Weekend TV Ltd. Thames TV Ltd.
Midland	ATV Network Ltd.
Lancashire	Granda TV Ltd.
Yorkshire	Yorkshire TV Ltd.
Central Scotland	Scottish TV Ltd.
Wales and West	HTV Ltd.
South	Southern TV Ltd.
North East	Tyne Tees TV Ltd.
East of England	Anglia TV Ltd.
South West	Westward TV Ltd.
Ulster	Ulster TV Ltd.

<u>Area</u>	<u>Company</u>
Boarder Area	Boarder TV Ltd.
N. E. Scotland	Gampian TV Ltd.
Channel Islands	Channel Islands

A company is said to be advertising nationally when the advertisement is shown in all the 14 areas.

Special Merits in Commercial Television:

- 1) No other medium can compare with TV for its power to attract attention and interest. Only the cinema screen advertisement has similar impact, but only if you go to the cinema. It is a single medium that is seen by both the child and the parent. Commercial TV reaches homes which contains 96% of all adults and 98% of children in the U.K.. No other medium can give such a wide cover of the potential toy user and buyer
- 2) Excellent quality of production.

- 3) Retailers also watch TV. Both consumers and distributors are viewers but the retailers may not necessary read the advertisement in different newspapers or magazines. Moreover, the trade confidence in TV means they will support TV advertised lines at point-of-sale.
- 4) Television is able to demonstrate a toy or to create an atmosphere through its combination of vision, sound, movement and colour. It can demonstrates the toy's quality or to create the atmosphere of excitement from playing action games.
- 5) One of the most important development has been the extension of ITV's hours of broadcasting in late 1972. Thus it is possible to run a campaign during the afternoon which will largely pick up housewives and their children.
- 6) It is an effective means of reaching mass audience (good cost per thousand and coverage for the toy industry as a whole.)

Special demerits of Televison advertising:

- 1) Take time to produce the commercial. It requires long planning, approaval by the client and the

- lacking of flexibility or press or radio advertising,
- 2) It is a transient medium. Unlike the press advertisement that can be torn out and kept, or returned to in the issue for further study, the commercial has flickered on and off in a few seconds. It then will need the support of other media to reiterate the message at another time or in a different place.
 - 3) An immobile medium. Unlike radio or newspapers or magazines, a TV may not be able to be carried around.

The effectiveness of television in selling toys.

Television can work effectively only if it is used properly. The product advertised must be a good product that is realistically priced and attractively packaged.

A marketing orientated Co. tends to use more research more frequently to help it predict market changes, and thus develop new products which will meet consumer requirements. There is a great difference in the approach between the non-marketing

and the marketing orientated Co., to television advertising! The production and sales orientated Co. have a product and they advertise it without caring the effectiveness of the advertising .

The marketing orientated Co. develops a product and then determine if it is suitable for TV advertising. They forecast to sell X units without TV and they forecast to sell Y units with TV advertising. If the difference in sales justify the campaign, than it must be agreed at which market the commercial is to be aimed. Is it Children ? Young Mothers? Dads ?

Having identified the target audience, the Co. then decides what type of commercial is required and what size of campaign is likely to create real and lasting consumer demand, for the market orientated Co. is taking the steps to ensure that the product is given every chance of success and if possible success for the years to come.

Many toy manufacturers fully understand the pulling power of television. The Leicester based Palitoy Co. attributes much of its marketing success in the past year to television.

Last year, Palitoy spent a total of £344,000 on TV. She is one of the few companies who took the trouble to understand the effectiveness of T.V.. According to the Marketing Manager Les Cooke : " Television on its own is no damn good. The whole marketing mix has got to be right and advertisements must have got to be used to motivate the consumer not merely the trade.

Too many people still believe that a good product can always sell successfully without advertising support. This may not be true for all the cases. Not so for Chelfied Toy's Uni-draw. The Co. could only sell 5,000 units in 1970. However, a £30,000 television campaign in 1971 increase the sales to £130,000 units.

Nowadays, many retailers are reported to say the TV toy is less important to them in the past years. The TV toy has now simply become more institutionized. No single stockkeeping unit is pivotal to the ad campaign. Single items are less glamorous and have less appeal than in previous years. Retailers are not interested therefore on depending on the TV toy as the single stockkeeping unit -

at least not as interested as they were 5 - 6 years ago. Another reason is that the main purpose of the toy manufacturer to advertise on TV is to get retailers to stock particular lines without any thought as to whether those lines will sell or not. Hence the retailers have now become so sceptical about toy manufacturer's claim that some of them refused to stock some items of toys until they have actually seen the commercials on TV.

Any-how, those companies profiting most by TV promotion are those who have a good product and those who ensure that their customers are aware of the true strength of the planned campaign, and who are able to meet the created demand with adequate supply.

However, T.V. is still one of the most effective means of advertising in toy industry. The correct use of television will help to diminish the no. of toys which fail every year. To be successful, a toy company must gain a strong consumer and retail franchise through consistent effective advertising, based on sound research and marketing.

Research on the impact of advertising upon the young children and their parent's subsequent buying pattern.

A research was undertaken by J. Frideres to study the impact of advertising in the child and the parents buying behaviour. A random sample of households was selected in a large Western Canadian Urban area. Subjects were interviewed twice during the year 1973. Once before Christmas and once the following Summer.

Data were obtained through structured interviews conducted with both the children and the parents. Only children between the ages of 5 - 8 were interviewed.

The findings indicate that TV create desires for toys among the small children. The data also demonstrate that while the impact of TV ads may not affect all children directly, informal communication between children creates needs in an indirect manner. Thus the commercial persuaded kids - who then persuades other children to buy certain brand of toys.

Examining the actual behaviour of the parents, the findings suggest that a large % of parents buy toys on the basis of children desires. Parents tend to accept the desires of their children and subsequently purchase the particular toys specified by their children.

Why Mothers hate ads that children love ?

As I have said earlier in the chapter on Message Design, that IBA provide a series of notes or rules to guide the advertisers in making the commercials directed to children. The rules in general are that the commercials must not encourage the children to enter strange places and it must not suggest that the children will be in an inferior position than his friends if he doesn't have the product advertised and the commercials must not encourage the children to pester their parents. However, a survey sponsored by Campaign still shows that a vast majority of parents still think that TV commercials make children nag their parents to buy the advertised products .

According to some housewives, rising prices have aggravated the worry caused by the nagging

effect of the commercials and the cost is mainly the reason why mothers saying no to the demands for advertised products. Some housewives commented that: "If they had put the price on, it might give you a good reason to say no, if you take your child to buy something that's been advertised. You can get a horrible shock when you see the price. It's terrible to say no then."

There are other major complaints such as : " It is not fair- that advertisers encourage children to buy things that are too costly for them.", "children between the age of 4 and 7 cannot tell fact from factasy in TV commercials" and " children in commmericals sometimes set bad example."

The IBA's head of advertising's control Archie Graham, responed to Campaign's investigation by .saying that TV ads are not a major worry for mothers. He argued that television f. display of things that children want is no difference from any other display, and if television went away tomorrow, children would "still be nagging their parents for things." He also said that expansive toys such as trains sets did appeared in commercials duing Christmas but the parents should accept some responsibilities for their children and get accross the message that they cannot get everything they want. His

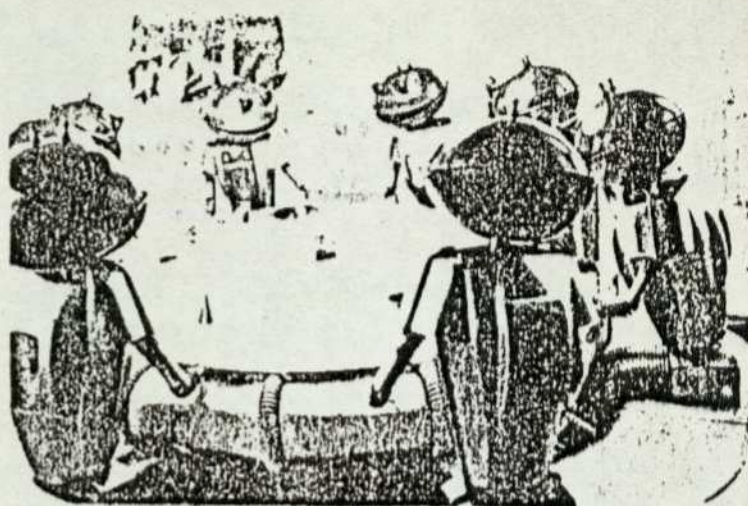
opinion that a fair no. of advertisement were turned down every year because a fantasy element had been misused but the authority should not completely disallow the use of fantasy in commercials aimed at children. Also, he thought that the behaviour of the children in commercials were probably much better-behaved than any cross-section of kids in Britian.

Finally, in spite of claims by certain consumer groups that advertising is psychologically harmful to a child, and other changes mentioned above, most parents do not really object to the advertising of toys directed specially to children.

In U.S.A., a study by the Roper Organisation in the end of 1971 and again in 1972 indicated a majority of parents interviewed approved of toy advertising. The main reason for such approval was the fact that they wish to buy a toy or a game that the child liked, after all, there are thousands of toys and games introduced each year and a large proportion of these are to be found in most toy departments. It is difficult for a parent, re-



'My children take everything as gospel, and if a child is saying it, then it's even more so. If a little boy says baked beans are the thing to eat, then he must be right ...'

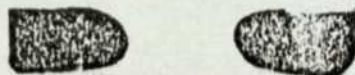


'The children love the outer space ad for Cadbury's Smash, but they wouldn't ask for it because they think it's horrible. The little one thinks it's Doctor Who all over again'



'In the Persil dirt-collectors ad, a child gets really dirty and his mother doesn't seem to mind. My boy says to me: You'd go mad if I came in from playing and I looked like that'

'When Johnny first got Action Man, there were only a few outfits available, but now there are so many. You feel you have to get all these, or his Action Man won't be a proper one.'



AIR

Pamela and David would wash up for me, playing the Fairy Liquid commercial like a game ... It didn't have to be Fairy Liquid, though — they were happy to use any brand of washing-up liquid

'I gave in with Angel Delight, but they only tried it twice or so, and they all thought it was horrible. Now they see the commercial and say it's awful — which is good really'



lative or friend to decide from the packaging alone what might appeal to the child. Television advertising, which is able to demonstrate the toy or game, makes the selection a more satisfying decision, both to the purchase and the recipient.

d) Cinema Screen:

The surprising thing about cinema screen advertising is that when one visits the cinema, and see the cinema version of a TV commercial, the larger, wide-screen version is so much more interesting and dramatic.

In estimating the cost of cinema screen advertising campaign, the commercial length must first be considered. The choice is between 15, 30, 45, 60, 90 or 120 seconds. Because of the

lower cost, advertisers tend to run longer commercials on the cinema screen than on television. A second consideration is the no. of weeks of exhibition, and the third is the number of cinemas selected.

When the cinemahas suffered from the competition of television, and many cinemas have either been pulled down or converted into bingo halls, the medium does appeal to the teenage and young adult segment of the market and there is still a worthwhile cinema-going public.

As a medium for advertising, it has its own characteristics which are as follows:

- 1) The sheer size of the advertisement, with its colour, sound and movement, it is in itself impressive.
- 2) Campaigns can be tailored to cover specific region, town or an individual cinema.
- 3) Unlike ITV, the cinema film is not interrupted by commercials. Distractions are minimal and there is less inclination to move from one's seat as there is in the home when the commercial appear, and so with such a truly captive audience, full attention is gained. Memorability tests carried out in the cinema have proved that audiences have retained strong impressions.

Some toy manufacturers such as Ideal Toys do advertise in cinemas.

e) Outdoor & Transportation Media :

These media are sometimes described rather generally in U.K. as "posters" and in U.S.A. as "billboard" advertising although they are by no means limited to paper posters pasted on hoardings.

There are special characteristics of outdoor advertising.

- 1) It's widespread popular appeal makes it a medium for goods and services of interest to the mass market.
- 2) Most outdoor advertisements are big and dominant so that it is a powerful eye catching medium.
- 3) They usually enjoy both 24 hour exposure and long life.
- 4) It is very flexible so that the advertisers can rent sites where he needs them most

Type of outdoor advertising include: Hoardings, public information panels, signs billboards, newscasters (electric signs spell out news flashes in Piccadilly Circus), aerial methods, (by sky-writing aircrafts), litterbins, giant billboards.

There are special characteristics of transportation advertising.

- 1) The variety of kinds of site is so great that it is more versatile than ordinary outdoor advertising.

2) The medium attracts public goodwill which is enjoyed by the advertisers using it. When people are waiting for a bus, or a train to arrive, or when they are actually travelling, the advertising overcomes their sense of time-loss or their boredom. For these reasons the advertisements can be lengthier than with most forms of street advertising. Outdoor advertising is mainly reminder, but transportation advertising can be hard selling.

Two of the organisations principally concerned with transportation advertising in U.K. are London Transport Advertising and British Transport Advertising.

Ten million people live in the London Transport Area and in central London alone, LT buses carry nearly 5 million passengers daily, while the underground system carries just under 2 million passengers a day. There are about 6,000 buses operating for 68 garages.

On the underground, there are 283 stations and trains comprising 4,250 com-

On the stations, there are 79 lifts, 110 escalators shafts, and 208 runs of escalator panels and the system is being extended. Hence the medium offers the opportunity of advertising to more than 1/6 of the total British market.

British Transport Advertising Ltd. is the largest of its kind in the world, and is responsible for selling and servicing commercial advertising on the properties of the country's nationalised transport undertakings, with the exception of London Transport and the airlines. Principally, this concerns the advertising on some 2,300 British Rail stations, and on 20,000 buses consisting of half of the country's total number of 54 bus companies. In addition, the company controls the advertising on British Transport Hotels, British Waterways Boards and British Rail Hovercraft Ltd., National Carriers Ltd., National Freight Corp. and Freightliners Ltd.

The nearest thing to a full size, real life Dinky Toy is touring central London. This is a double-decker London Transport Routemaster finished

as a huge mobile advertisement for Meccano. The eye catching light blue is emblazoned with pictures of colourful Dinky Toys and children playing with Meccano models. Dinky kits are featured on the back of the bus and even the roof carries the Dinky and Meccano logotypes.

The bus operates on routes which passes through the heart of the city, through places such as Oxford Street, Regent St. and Westminster Bridge.

Explained Mr. Mchard, Meccano's Marketing Director : "We selected the Central London routes, not only because of the important shopping centre through which the bus passes, but also because of the millions of visitors in the area from all over the Britian and the world."



f) Direct Mail

The medium of direct mail advertising or postal publicity, consists of sending advertisements direct to prospects or customers by means of the postal services. It does not include hand-delivery or 'mail-drop', door to door distribution of advertising materials and samples.

The ISBA Guide to Direct Mail advertising states that there are 4 basic types of direct mail campaign, the direct, the informative, the reminder and the utility.

The direct type of direct mail seeks an immediate response, an offer being made and enclosures including a catalogue or price list, an order form and a reply envelope.

Product literature or technical data sheet may be called informative direct mail while reminder direct mail are used to follow up earlier mailings. Supporting material such as

calenders, ring files, wall charts are all utility direct mail.

Distinctive characteristics and advantages:

- 1) It is possible to mail to every person in the country, however, this is wasteful and costly. However, it appeals to actual people: all other media are broadcast to unnamed prospects. However it is possible to have an accurate mail list and become less wasteful.
- 2) The mail list can be selective and the advertiser can have control over the no. of people being sent as well as the expenditure. This allows him to direct specific appeals to different markets. Few other media permit such precise segmentation, i.e. recognition of the sub-groups which form his total market.
- 3) It is a personalised medium especially if the letter or material is addressed to "Mr. Tong" and not "Dear Sir/Madam"
- 4) The mailing can be sent at any time the advertiser wishes.
- 5) The effectiveness of such a scheme can be tested

from the no. of replies and the value of the orders.

Disadvantages :

The disadvantages of direct mail mostly accrue from the misuse of the medium. It is also a medium which can irritate recipients if badly employed. This can be avoided from careful choosing of prospects and make sure that there are no repeated mailing of same sort of materials to the same persons.

Since costs in direct advertising are extremely flexible, they must be judged entirely in relation to results. Accordingly, it is often wise to judge the effectiveness of a direct advertising effort on a cost per order basis. The cost of the mailing is divided by the no. of orders received so as to obtain a cost-per-order figure. Where tracable sales results are an objective of the direct advertising campaign, the cost-per-order figures can be used to measure the relative efficiency of the advertising.

Quite a no. of toys firms do employ direct mail as one of the advertising medium. An example of such is the informative type of direct mail sent out by Denny Fisher informing the retailers and wholesalers about their new products, Blue Bell dolls.

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CONCLUSION :

There are various media which a toy manufacturer can use in advertising their toys. The most popular media being employed are Television, Comics and Women Magazines. Some Co. such as Peter Pan Playthings or Ideal Toys only concentrate their resource on National TV while other companies such as Palitoy, employs a variety of media such as TV, newspapers, Women Magazines and comics.

Which media is most suitable depends very much on the nature of the product and the nature of the target customers. If the target customers are mothers with very young children, then Women Magazines will be an efficient medium than TV or Comics. However, TV may be a better medium if a) the advertiser is launching a single new product. No two products, unless they are alike, should appear in the same advertisement. b) the need to gain immediate maximum awareness for his new toy is more important than the advantages of parading it in colour before his primary target audience. c) the budget is large enough to permit

the use of follow-up advertising in TV and/or Women's Magazines (or Comics) right through the peak buying season.

On the other hand, if the products being advertised are pocket-money toys or toys which are for children of 4 years and above, it might also be wise to consider the effectiveness of advertising in children comics.

Finally, one can say that there is no clear cut answer as to which media the firm should employ. Television is good for some purposes, and so are Women's magazines and children comics. We have to analysis more carefully the nature of the product and the target customers before we can decide on choosing the most effective medium for that particular product.

.....-.....

Results from the questionnaire regarding the choice
of advertising media. *

Sample size : 8

	No. of firms
Local Television	1
National Television	8
Local Newspapers	3
National Newspapers	3
Women's Magazines	5
Trade Press	5
Other Magazines	4
Comics	5
Radio	1
Cinema Screen	2
Outdoor & Transportation	1
Direct Mail	2

* a manufacturer may use more than one medium
to advertise their products.

Measuring Advertising Effectiveness:

Researching the consumers, the products and the market enlarge the advertiser's knowledge about what consumers want and why, about the want satisfying qualities inherent in the product and about who and where his prime prospects are. Such research is useful in planning advertising strategy, in deciding what should be said and to whom, through what type of media and to accomplish what objectives. Another kind of research generally referred to as testing is used to measure the performance of specific elements of an advertising programme or of the entire programme itself.

The principal reason for testing the effectiveness of advertising are : to avoid mistakes, to select the best from apparently equal alternatives, to resolve difference of opinion, and to add to the store of knowledge bearing on advertising efficiency. Management need to test advertising in order to know not only which ads or campaigns are better than others, but also why they are better. This information will help management to get the most effective combination of advertising

ingredients, including the media. Toy executives want proof that their advertising really does pay. They want to know that the money spent on advertising are resulting in proportionately as many or even more sales than those spent on other activities.

Advertising is usually more effective on new brand because people take time to form definite opinions about them and are not deterred from buying by any previous poor experience. What is more, new products advertising is likely to attract above average interest, since novelty holds great fascination. Once a brand is on the market for sometime, it may become harder for advertising to make an impact. Most consumers will already have a firm opinion about the brand. Here the advertising must be used to change the bad attitudes and reinforce good ones rather than create fresh ones.

Assessing the effectiveness of advertising campaign remains an approximate art, and although techniques are available to make the whole business more scientific, they are acknowledged to have serious weaknesses. The evaluation of

advertising still sometimes relies heavily on the personal judgement of experienced executives. The trouble is that advertising is only one of the many valuables which also affect sales. Indeed, an advertising campaign is itself influenced by four sub-variables - the content of the message, the amount of money spent, the choice of media and the amount of competition activity.

The effectiveness of an advertising may be tested

- 1) before the advertisement is presented to the public
- 2) while it is being presented or
- 3) after it has completed its run.

The "sales results tests" is to measure the sales volume arising directly from the advertisements or series of advertising campaigns being tested. This method has been employed by Peter Pan Playthings in measuring the effectiveness of their advertising. Before any campaign, an anticipation of the volume of sales (S) they hoped to achieve as well as the advertising budget they hope to spend (A) in each area are made. Then the Advertising cost per

unit of sales (A/S) is included in the final selling price. Records of quantities sold in each area are kept. If the actual sales of the advertised product is greater than the anticipated volume (S), then not only are the total advertising cost is recovered, the advertising can be said to be effective and extra profit are made from the allowance set aside on those extra units sold.

Most other types of tests are indirect measurements of advertising effectiveness. A no. of memory tests are used to measure the attention getting value of the advertisement or how long it is remembered. These tests are often used to check on advertisement after they have appeared in commercial media. The memory tests consists of two categories, the "recognition tests" and "recall tests". This involves the respondent going through the magazines or newspaper and reporting which advertisement he recognize from a previous exposure. In the 'recall test' the subject is asked if he or she had remember a particular advertisement of the Co. or if they had noticed any recent advertisements.

Respondents can also be asked

to answer questions from a structured questionnaire or encouraged to discuss freely on advertisements show to them in terms of recall, illustrations, layout, message design or media.

These research undoubtedly helps advertisers to improve the quality of message content and presentation. Also, it is argued that the greater the no. of people who see, read or remember and are favourable disposed towards an advertisement, the greater will be the number who do as the advertisement persuades and the greater will be the effectiveness of the ads.

In some case an advertisement may include a cut-out coupon and from the no. of inquiries or coupons received, the advertiser can measure the effectiveness of the ads. This can be done by taking the ratio of the returned form to the no. of readers who are in a particular market segment at which the ad is aimed.

Sometimes, a Co. for example Ideal Toys, might use a consumer panel to appraise

or criticize a group of advertisements and select the best one. They might be asked to comment on a particular advertisement run by the company. This method is used for it is argued that since the effectiveness of the advertisements is measured not only in terms of the no. of viewers whose buyphase position is advanced but also by the nature and intensity of response experienced. Hence it is wise to conduct "indepth" structured interviews in which the respondents encouraged to discuss freely their attitudes, how and why they have changed to build up a more accurate picture of the effect of the advertisement on the consumer (children) or purchaser (mother).

With respect to the radio and television advertising, several techniques are used to measure the quantity and quality of the program audience. The theory is that the no. of people who will buy the advertiser's product varies proportionately with the no. who watch or hear the program. Such method such as the cost per thousand method have been used by Ideal Toys and Palitoy.

In the cost per thousand method, they compared the expected no. of viewers of a particular programme with the actual no. of viewers of that pro-

gramme. They then compare the expected cost per thousand viewers (E) : Advertising cost $\div$ (expected no. of viewers $\div$ 1,000) with the actual cost per thousand (A): advertising cost $\div$ (actual no. of viewers $\div$ 1,000). If $E < A$, then the advertising is effective.

Usually, the expected cost per thousand are established by rate card given by the Television Co.

In conclusion, we can say that it is in fact very difficult to measure accurately the effectiveness of normal advertising. Sometimes, the increase of the sales volume may be due to some other factors. (eg. price reduction, competitor's price increase) than advertising. Some advertising men will tell you that even if the advert didn't increase your turnover, it may well have prevented it actually going down.

There was some disagreements among the toy retailers interviewed on the effectiveness of advertising. Those in the working class area thought advertising more effective than those in more prosperous areas. This then demonstrated that there may be a

difference in effectiveness of advertising between areas. It also pointed out that the effect of toy advertising is to stimulate the demand of the product being advertised rather than the brand. Most retailers agreed that most customers did not come to the shop with a particular brand in mind but asked about a product without even sure of who the manufacturer was. It thus follows that the main benefit of advertising for a brand comes when it is sufficiently different from other brand to be classified as a separate product in the mind of the customer. Eg. of this are the Dennys Fisher products Spirograph and Sticklebricks when sales were greatly stimulated by advertising.

The lack of brand loyalty may be due to the fact that the children are concerned completely with the product and are not particularly aware of the brand name of the product. It may also be due to the fragmented nature of the toy market itself. One result of this is that sales of any individual brand are too small to permit advertising at a sufficient volume for a sufficient period to create brand loyalty.

The only area where it seems there may be brand loyalty is die-cast cars, the most popular

one in the U.K. are Matchbox and Corgi. However, whether their market share is high because of brand loyalty or other factors still have to be seen.

One must argue that some advertising, at least, are cost-effective. For example, the exclusive use of women's magazines by one famous toy advertiser helped him to exceed his sales target by 40%. Lord Lever once quoted : '50% of my advertising expenditure is wasted, only I don't know which 50%.'

In general, there is still a long way to go before really effective evaluation tests and technique will be developed for advertising. One hopes that in the future there will be more effective use of psychological and sociological testing methods and operations research. We should however bear in mind that the main purpose of advertising is to sell the product and modify consumer attitude or behaviour. Hence we should be more concerned with measuring advertising's ability to influence these attitudes or behaviour rather than with measuring the extent to which consumers recall or recognize given advertisements.

Maybe, in the future, with the help of more sophisticated methods, we can say that : '50% of my advertising is wasteful, and I can tell which 50%'

Personal selling consists in individual, personal communication, in contrast to the mass, relatively impersonal communication of advertising, sales promotion, and other promotional tools. Hence, compared with the other tools, personal selling has the advantage of being more flexible in operation. Salesman can tailor their sales penetrations to fit their needs, motives and behaviour of individual customers. Also, salesmen can see the customer's reaction to a particular sales approach and then make the necessary adjustments right on the spot. Questions can be answered immediately on the spot.

Another merit of personal selling is the chance to minimize wasted effort. In advertising, much of the cost is devoted to sending the message to people who are in no way real purchaser. In personal selling, a company has an opportunity to pinpoint its market target far more effectively.

A third advantage is that in most

is that in most situation, unlike advertising, this tool can be used to make actual sale.

Finally, a salesman can perform for management many other services which are not strictly selling jobs. They can collect credit information, reflect customer attitudes, and relay complaints to management.

However, it also has its limitation. Its cost are high. The cost of developing and operating a sales force is high. Another limitation is that personal selling is limited by the company's ability to get the caliber of the men needed for the job.

Personal selling may not be the last promotion tool to use. Advertising is widely felt to be the most important promotool in consumer marketing and personal selling the most important promotool in industrial marketing. Sales promotion is considered of equal, though smaller importance in both markets. Publicity is considered to have even smaller, but equal importance in both markets.

The role of a company's sales force in the toy industry appear to be small relative to brand advertising. Many toy companies used their sales force mainly to collect weekly orders from dealers and to see that sufficient stocks are held and display. However, in some toy companies, their efficient trained sales force do make important contributions.

Now, we shall see the various contributions or selling jobs performed by a few well-known toy manufacturers' sales force.

Some manufacturers' salesmen only sells direct to wholesaling middleman, and some only sells direct to retailers and some do both. Usually for those salesmen who sell direct to retailers, they only pick the large accounts such as W. H. Smith & Smith, Boots etc. However, there may also be exception.

Selling to wholesaling middlemen require creative selling as well as the ability to perform services for the wholesalers and their employees. As part of getting the order, the manufacturers' salesmen may have to train the wholesalers' salesmen, help them to promote the product, adjust complaints,

and in general, service the account.

Some manufacturer's salemen sell direct to retailers. Their job is quite similar to that of selling to wholesalers.

The initial task is to get retailers to stock the product by showing him that there is a demand for it, and that it will be a profitable item, and that the manufacturer will make the necessary guarantees. Also they may be required to negotiate price and terms of sales or to explain his company's programs for advertising and sales promotion.

After an initial contact is made and an order is obtained, the main activities centre around keeping the retailers informed on new products and other developments and help him to promote and resell the products, train his salesmen and handle adjustments.

Ideal Toys currently employ 12 salesmen which sell direct to retailers, taking with them a portable TV set which is used to show the TV advertisement placed by Ideal Toys. Besides these salesmen, they also employs a National Accounts Manager,

(looking after the main large accounts) and a mail order manager. These two managers report directly to the General Sales Manager. Other company such as Peter Pan Playthings has 3 salesmen who sell only to wholesalers and chain stores.

Waddington sells through a sales force of 10 representatives to something like 1,000 wholesalers.. It recognise that calling on all these is wasteful, however, and is trying to cut down on these numbers to concentrate on and encourage the better ones. By contrast, Subbuteo, a subsidiary of Waddington, sell direct to a restricted no. of retailers who are very carefully selected by the company's salesmen. The numbers are deliberately kept down because no shop-keeper would prepared to keep a comprehensive range of stock unless he had sufficiently high volume of trade coming in.

British Lego, a subsidiary of Lego of Denmark, employs quite a lot of personal selling as well. Lego, famous for its Lego construction bricks, has an annual turnover of roughly £37 million. The firm has its own sales companies in the States as well as 14 seperate European countries expressly

for the distribution of merchandize made in Denmark. Furthermore, Lego is made under license in Canada (by Samsonite, the case makers) and in U.K.

British Lego is a selling and marketing organisation owned jointly by British Celanese Ltd. (51%) and Lego System (49%)

Before launching a new Lego family set, British Lego thought that they have to sell the set or the whole scheme to the trade first. They thought they also have to prepare sales handbooks and samples case for them to use.

Two days before the opening of the Brighton Toy Fair, they held a sales conference to have their sales force fully informed so that they could tell their customers the new sets and the whole carefully planned package.

Another Co. also selling construction kits employed a special technique called the "Involvement technique" in selling their construction kit system. The construction kits are produced by

Fishertechnik of West Germany.

Joe Poppe, the chief Executive of Aurther Fisher (U.K) said, in one of the interview with Toy International, that Fisher will only appoint retailers, who take on a stocking commitment and agree to attend a Fishertechnik seminar at which "we simply invite them to play with our product" "you need involvement to sell fishertechnik. We encourage it at the most basic level. You have to know it to sell it. It's as simple as that." In fact there has been no shortage of retailers prepared to go to the 'school'.

Besides selling to retailers, Fisher also sell direct to consumers. The Co. is working hard to penetrate the education market. In many regions of Germany, fishertechnik is a compulsory teaching aid built into school curricular. With limited promotion to date the company is already obtaining a strong reaction from the education market.

Over 140 schools have placed trial orders and science advisors in particular find fishertechnik very appealing. Seminar or teaching

centers are now taking place regularly and the response is very encouraging, according to Jo Poppe.

Jo Poppe considered that their salesmen need to understand the product. They are selling in depth and hence, Fisher representatives, on appointments, spends at least a week at the factory with 'refreshers' visit planned.

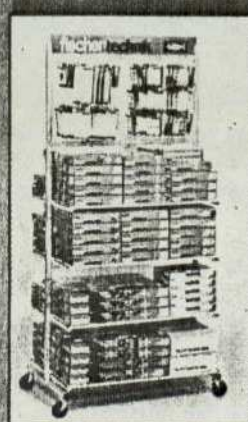
Another form of personal selling used in the toy trade is the employment of demonstrators to persuade the consumers to purchase the firm's products. The demonstrators are supplied by manufacturers and some demonstrators may be permanently employed by the Co. and they go from store to store staying from say two weeks to half a day at some particular store.

Usually, the demonstrators shows how a toy works and attempts to persuade the parents or the children to purchase the products.

Demonstration in a toy department do stimulate the interest of the children towards the product and persuade them to actually play with the product. It is one of the most efficient means of promoting toys at the retail level.



Success builds success



Fischertechnik is now being launched nationally in Britain! And, judging from its incredible sales record on the Continent, you can get ready for the biggest success you've ever known!

With guaranteed supplies—maximum 4 week delivery—advertising and P.R. support—complete sales back-up—and, all the in-store merchandising material you want!

Fischertechnik is the construction kit that children can never outgrow. From the simplest to the most sophisticated, each kit further supplements the next, so it remains in active use from pre-school age

right into adulthood.

Made from an almost indestructible quality nylon material, its modern innovative design requires no tools whatsoever. Each precise and exact piece simply slides into position, or 'spring-clips' on for fast construction and a beautifully smooth finish.

So, start building your own future success with Fischertechnik right now. Write or telephone today. Our representative will explain the entire range and demonstrate its versatility.

Fischertechnik—the year's most profitable catch!

fischertechnik®



Introduction :

Sales promotion and merchandising activities form the bulk of 'below the line' advertising. A more precise definition is that sales promotion comprises those activities, addition to 'above the line' media advertising which support the sales representatives and the distributors. It includes merchandising or tactical advertising, and consists of below the line efforts to stimulate both selling in and selling put at the point-of-sale. In here, we shall use the term merchandising to mean any special sales promotional scheme, device or activity. From these two definitions, we find the sales promotion is a long term operations, and merchandising the shot-in- the arm, short term boost.

Sales promotion deals with non-recurring and nonroutines matters, in contrast to advertising or personal selling. In effect, a major

function of sales promotion is to serve as a bridge between advertising and personal selling - to supplement and co-ordinate efforts in these 2 areas. In general, the purpose of advertising is to improve attitude towards a brand while the objective of promotion is to transfer favourable attitudes into actual purchase.

The adoption of merchandising tactics has certainly been at the expense of traditional media, and press advertising has suffered most. The answer must be the greater effectiveness of merchandising on these products.

These are also the products which are most subject to bulk buying and the buying decisions of wholesalers, chains, multiples and supermarkets. Shelf space in supermarkets is reserved for a limited no. of fast-selling lines, and the manufacturer has to adopt fast-acting techniques of moving the goods out of the store. Hence he has to introduce sales promotion methods to induce what is often called "impulse buying" by means of packaging, offers and other devices.

Sales promotional devices are

often only the only promotional materials available at the point-of-sale. Advertising media reach potential customers at their homes, at their place of business or in their travels. When the time for buying arrives, the impact of the advertisement may have worn-off, but sales promotional device at the point-of-purchase inform, remind, or otherwise stimulate the purchaser.

The importance of Sales Promotion in the Toy industry

As Mr. K. White of Mettoy has rightly pointed out; in the toy industry, a large no. of toys are not advertised and the overall level of advertising in the industry is low compared with the size of the industry. For those products that are not advertised, the manufacturers will need the support of retailers if these products are to be successful at all. If the products are not stocked by the retailers, they are virtually dead.

Below the line promotion is then the only tool left to stimulate the interest of the

retailers in stocking the unadvertised products. Great importance has been stressed on a particular form of sales promotion: dealers incentive or dealers discount and special attention has also been paid to exhibitions, toy fairs etc. as means of selling to the retailers the whole product range.

Consumer below-the-line promotion arenot used as often as in the detergent of food industries.

Sales Promotion Programme:

A manufacturer's sales promotional programme which is directed towards the consumer may be divided into 2 groups : activities intended to educate or inform the customer and those intended to stimulate him. To inform the customers, companies maygive demonstration, offer free consulting services, prepare booklets and mannuals. To stimulate

them, many firms may give away samples and premiums. Others conduct contests, offering prize.

I am going to discuss this topic under 3 headings; 1) Exhibition and toy fairs, 2) Merchandising and 3) Sales Promotion materials.

Exhibitions:

The main purpose for exhibitions and toy fairs is to provide a center where toy buyers and toy sellers can meet. No other medium can compare with the ability of exhibitions to provide actual products and services, information and demonstrations, to those who are prepared to come and see for themselves.

Within the few days of the toy fairs, a toy manufacturer can meet a very large no. of people from many foreign countries. It also is the time when a large amount of orders are being placed. Many Companies will derive 15% - 33% of their business from the fairs, the figure reaching possibly 90% for some of the small companies.

Apart from the opportunity to do business- the exhibition has a large public relation contest. There can be personal contact between buyer and supplier, whether the buyer be distributor or consumer. The interface is important in building up goodwill through human relationships. Moreover, the toy exhibitor will be able to obtain feedback from the buyers on the new products being displayed or demonstrated.

There is also another important public relation aspect. This is the publicity arise from any exhibition. It provides an opportunity for press, radio, TV and film coverage so that the message of one's participation in any fair can be broadcast to those who cannot attend.

On the whole there are various reasons given during interviews for taking part in a toy fair:

- 1) To launch a new product.
- 2) To meet distributors or buyers.
- 3) To demonstrate the sales or play values of the toys.
- 4) To test the market. This may be more so especially for overseas toy fair.
- 5) To maintain reputation and market status.

- 6) To sell the product
- 7) To improve the Public Relation of the Co.
- 8) To outline to the distributor, buyer or retailers the major promotional programme for the year.

The major 1974 toy fairs were as follows :

- a) Australia : 9th Sydney International Toy and Sporting Goods Trade Fair.
Randwick, Sydney, 10 - 13th March
- b) Canada : 34th Canadian Toy Fair "Place Bon-aventure" Montreal, 10 - 15 Feb.
- c) France : Salon International du Jouet
Paris 9th - 15th Feb.
- d) Germany : Internationale Spielwarenmesse
Nurnberg , 2nd - 8th Feb.
- e) Great Britian : i) British International Toy Fair, Brighton, Sussex, 26th - 30th Jan.

ii) Internatioal Toy Fair,
Harrogate, Yorkshire 12th-17th Jan.
- f) Italy : Salone Internazionale Del Giocattolo,
Milano, 24th Jan - 31th Jan.

g) Spain : F. E. J. U. Toy Fair, Valencia,
16th-24th Feb.

h) U.S.A. i) American Toy Fair, New York
17th - 20th Feb.

ii) Hobby Industry Trade Show, Chicago,
3 - 6th Feb.

iii) Internatioal Toy Fair, New York,
17th - 19th Feb.

These were the major toy fairs in the world this year. Besides these , there are other smaller regional toy fairs where the no. of exhibitions are small. eg. Manchester Toy Show, Welsh Toy Show.

Traditional, Harrogate is a home market show, it is,in the main the Brighton show which attracts overseas visitors.. This year, we had the 25th Harrogate Internatioal Toy Fair and the fair is celebrating its Silver Jubilee.

The most important and the largest Toy Fair is the Numerberg Toy Fair. This year, we also saw the 25th anniversary of this fair. Al-

together, there were 1,540 exhibitors and just under 25,000 visitors registered, a slight drop in attendance from last year's all time record. The exhibit area had been increased to about 55,000 meters and the list of foreign exhibitors was headed by Italy with 113 companies followed by 103 from U.K.. As with all the fairs, business at Nurnberg was affected by the world shortage of raw materials, but German manufacturers seemed, on the whole to be able to give firm delivery dates and prices at least up to the middle of the year. Price increase were not so great as many anticipated and although some large plastic had the price increased some 30% over last year. The general average was in the nature of 15%.

Merchandising :

1) Gift Coupons:

This is an often used device for securing regular purchase. This also have been used in the toy industry.

Coupon is a certificate that, when presented for redemption at a retail store, entitles the bearer to a stated saving on the purchase of a specific product.

Mattel last year put forward a consumer offer of an on pack coupon with a 15p off retail cost on all Mark Strong toys. To support such an offer were 2 weeks national TV advertising plus a total of eight full pages ads in a few children comics. All advertising specially mentioned the 15p coupon offer as well as showing the pack.

2) Trading Stamps:

Trading Stamps are a form of premium in that they are given for purchasing or rather for purchases in a particular outlet. The no. and value of the stamps that the buyer receives depend on the value of the purchase.

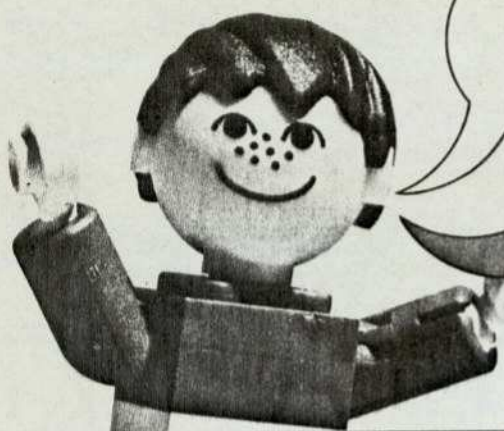
Trading stamps are saved by the consumers and then redeemed for merchandise. To my knowledge, there doesn't seem to be any retail toy shops in this country actually giving trading stamps. There are

various reasons for this :

- 1) The trading stamps are mainly for supermarkets and garages and unless there are a no. of toy shops in the same street, which is very unusual, the trading stamps are of no use in stimulating sales.
- 2) Once you have started giving the stamps, you can't really stop.
- 3) It has been proved that a 'sale' in toy doesn't work, because people want a specific article for a specific purpose at a specific time and there are no reasons why trading stamps should have an inducement to buy.
- 4) Usually, giving trading stamps means giving up $2\frac{1}{2}\%$ of the profit margin.

3) Free Gifts or Samples:

This is really a method for inducing impulse purchase as with a free comb attached to a toothpaste package. Free offer mail-ins are those where a gift is offered in return for the label or package or a no. of tokens.



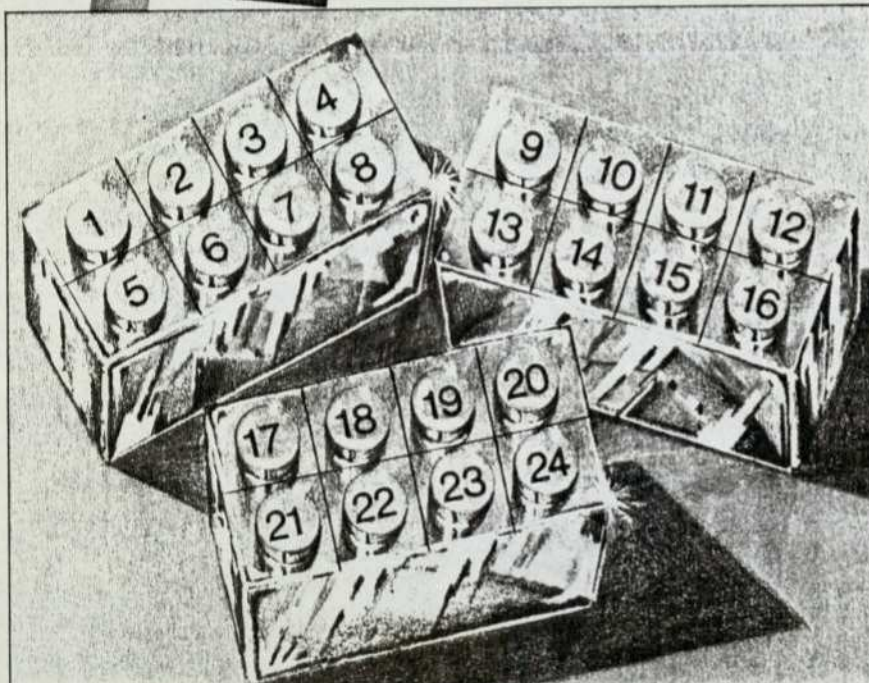
Free gifts!

With your LEGO®
**GOLDEN
STUDS**

Collect the Golden Studs from LEGO packs and stick them on the Golden Bricks on this page. When 1, 2, or 3 bricks have been completed, cut them out and send them to:

"Golden Bricks"
British LEGO Ltd.
Wrexham, N. Wales.

and your FREE GIFT will be sent to you. Sets retailing at under £1. are worth 2 studs, under £2.00 = 4 studs, under 4£ = 6 studs and all over 4£ = 10 studs.



Please use BLOCK CAPITALS.

Name

Address

★ If you buy a LEGO set which does not contain any Golden Studs because it was packed before the scheme started, all you have to do is cut out the code number of the set (e.g. 357, 655 etc.) and pin it to your Golden Bricks claim form when you send it in for your free gift. You will be credited with the correct number of Golden Studs according to the value of the set.



1.
For 1 brick completed with 8 Golden Studs you get the 'Mother' from the new LEGO Family. Worth 30 p



2.
For 2 bricks completed (16 Golden Studs) you get the Mother plus the two children. Worth 65 p



3.
For 3 bricks completed (24 Golden Studs) you get the complete Family Pack of Mother, Father, 2 children and Grandma. Worth £1.25
ALL ENTIRELY FREE!

97820-GH

Last year, Mettoy repeated their Sugar Puff Promotion using one of the Corgi Range Rover police car. The whole of the reverse side of the new packs of Sugar Puff were devoted to the promotion. A headline on the front announced a special offer. In the offer, the children were asked to collect 6 tokens, at least 3 of which must be a special Range Rover tokens. They would then receive a Juniors Range Rover Police car if they send in the 6 tokens.

4) Multiple Packs:

Sometimes called Jumbo packs, these are tried to encourage the sale of small items in multiples. eg. a set of diecasting cars. They are usually offered at an advantage price.

This sort of promotion is sometimes used in the toy industry and they usually involve small toys that are in the lower price range,

5) Bargain Packs:

This is an offer to the consumers of a certain amount of money off the regular price of a product. This form of price-off promotion is not very popular in the industry.

6) Consumers Contest:

In the toy industry, we have children's contest such as painting and colour competitions as well as free holidays.

In this Easter, Lego staged a "Happy Birthday" competition, whereupon 250 prize winners received a birthday present from Lego for the next 3 years. To enter, the consumer only need to solve a simple puzzle and send a proof of purchase from one of the 4 new Lego Family Sets. The scheme has been designed not to involve the retailers in any extra work or any extra cost.



It is young Peter's birthday. Mum and Dad, Grandma and his little sister are all waiting for him to unwrap his presents. Here is a list of presents, but the letters are all mixed up. Can you sort them out? Put your answer in the space provided (please use block letters and write in ink).

1. CHATY _____ 2. ELORLRKSETAS _____
 3. TEOLGSE _____ 4. OFTLOLBA _____
 5. SATIENRT _____ 6. JBOCNAIAKX _____

Now, in not more than EIGHT words, complete the following sentence.

"LEGO makes a super birthday present because _____"

Now complete the address panel and post the completed entry, together with a box end from set No. 200, 250, 251 or 252, to: Happy Birthday Competition, British LEGO Limited, Wrexham, Denbighshire.

Name _____ Boy/Girl (delete one)

Address _____

Birthday Date: _____

All entries must be received by 15th July 1974.

COMPETITION RULES

1. The competition closes 15th July, 1974 and no entries received after that date will be considered.
2. The competition is open to residents of the U.K. and Republic of Ireland with the exception of Employees of British LEGO, their associate companies, Advertising Agents or anyone directly connected with the competition.
3. All prize winners will be notified by post. The names of prize winners will be published in the Competitors Journal dated September 1974. A complete list of Winners' Names and Addresses will be available on application from British LEGO Ltd.
4. The competition will be judged by a panel of judges appointed by British LEGO Ltd., who will award the prizes to the entrants who have correctly answered the puzzle and who have in their opinion completed most aptly the sentence "LEGO always makes a super birthday present because" by using not more than EIGHT of their own words.
5. The decision of the judges on all points will be final. No correspondence will be entered into.
6. Copyright of all entries will belong to British LEGO Ltd., no entries will be returned.
7. Only one prize will be awarded per household. Prizes cannot be exchanged for cash.
8. Entries for the competition will only be accepted on official entry forms and provided they are accompanied by the required proof of purchase i.e. the box end of LEGO set No. 200, 250, 251 or 252 posted to the address shown on the entry coupon.
9. It is a condition of entry that competitors agree to be bound by the rules of the competition.

A painting competition were published in children's comics last August and early Sept. This competition were organised by Britians Ltd., the maker of small plastic farm animals and soldiers. Children were invited to paint a "life like" farm scene in a space printed in each comic, using Britians' Farm range as models. Each entrant had to give the catalogue numbers of the models painted. The prize was a holiday on a Danish farm for a family of four.

7) Dealers Contest:

This sort of contest is quite popular in the toy industry. A typical dealer contest is the window display competition, using the supplier's point-of-sale materials.

At the end of 1972, Meccano ran a window competition for dealers with prizes up to a combined maximum of £7,000, including a trip for two to the 1973 International Toy Fair in Germany.

To qualify for entry, dealers were asked to display goods including at least a Meccano No. 1 set and a No. 3 set and one other set of the dealer's choice, together with the selection of the point-of-sale materials. Dealers were asked to complete an entry form for each month answering some simple questions. The competition was spilt into 3 monthly sections with a seperate entry form and prize for each month. Dealers could enter on one, two or all three occassions with the same or different display.

In order to promote their new Derby Day horse-racing game, Auroa staged a retailer's contest at the 1974 Brighton Toy Fair. Toy retailers were asked to enter the Derby Day draw if they visit the stand. These invitations were mailed before the opening of the fair.



Twenty winners were drawn at the end of the fair and were invited to be Aurora's guests at Epsom for the 1974 Derby on June 5th.

Actor Sid James was also invited to promote the horse racing game. TV. commercials which he has made to promote Derby Day and the new Aurora Snooker games were scheduled for screening throughout the year.

8) Free Display for Retailers:

Sometimes, the dealer is provided with a special display such as a working model or a system of dispensing the product, usually on loan for a specific period.

At the end of 1972, as a further service to the retailer, Meccano employed a team of merchandising girls whose jobs were to arrange displays - entirely free of charge - using large

eye catching Meccano working models. In addition to supplying the model, the merchandiser also set the model up and build the display around it, using the dealer's own stock. In this way, the dealers were put into the minimum amount of inconvenience and interruptions.

The scheme was proved to be successful and not only increased their sales but also those of dealers involved. Some dealers even reported an increase in sales of non-Meccano products.

9) Discounts:

Last year, Mettall offered a special discount of 50p for their new Quick Curl Barbie Dolls. To support the promotional introduction of the special retail price of £1.99 versus the regular retail at £2.49 was national television commencing April 9th for 2 weeks. This television campaign was also backed by eight full page ads in girl's comics. All advertising specially mentioned the special discounts as well as showing the pack.

10) Publishing of retailer's name in Advertisement

The names of the retailers or dealers are listed in the advertisements, thus helping to direct customers to a source of supply.

In June last year, Mattel featured a range of pre-school toys in Mother and Living magazines in full colour. Retailers who supported the range were listed on a separate page opposite the colour ad.

11) After sales service to customers or dealers:

With most consumer durables, a good after sales services is essential, otherwise the trader will not take stocks or act as an agent or distributor. Guarantees of spare parts or repairs, or the training of the retailer's own service staff are forms of the back-up services.

In the toy industry, some manufacturers provide after sales service to dealers and a few even provide such services to customers.

Airfix usually employs about 8 girls sole responsible for the letters from Airfix enthusiasts. This department is expected to grow, according to the Managing Director, John Gray, as a result of the birth of the Airfix Club which was launched in October last in IPC children's paper Lion and Valiant. The first year target is 100,000 members. The Airfix Club page in the two comics contained competitions, hints for modellers, puzzle corner and a history section.

The Airfix Club membershipkit comprises a letter of welcome from the club President, a metal label badge, a plastic membership card and certificate plus an Airfix kit leaflet and a sticker.

The after sales service provided by Palitoy are mainly special repair service to the company's products bought by the customers. Also if it is impossible to obtain any accessories from the local retailers, the customers can obtain the necessary items direct from Palitoy.

Sales Promotion Materials:

There are two kinds of sales promotion materials which may be used as regular items or as part of the merchandising schemes. These being point-of-sales materials and sales literature.

Point of-Sales Materials:

Manufacturers use point of purchase devices as part of the total marketing effort. The purpose of these display, like all form of sales promotion, is to increase the sales of the manufacturer's products. But manufacturer particularly wish to use point of sale material or display to remind or persuade the customers to buy their products when they are in the shops.

According to a poll undertaken in 1969 by Gallup in conjunction with the Point of Sale Advertising, few shoppers entered store with a precise view of what they are going to buy and are thus open to in-store influence such as point-of-sale display to stimulate impulse buying. The better the display, the better its position in the store, the more likely it is that

consumers will see it and buy the products.

The third purpose of point of purchase display is to influence the retailers to take on a product. In retailing today, shelf space is one of the most valuable commodities. Displays at point-of-purchase are used to influence retailers to allot some of this valuable space to a manufacturer and to show his product. Good construction as well as attractive design is also an important factor.

In fact whether P.O.S materials are effective or not also depend on whether they are being used or not. In the heady days of the mid-sixties when manufacturers were more generous with their promotional budgets than they are now, the wasteful factor was enormous. Estimate that 80% to 90% of the material did not see the light of the day. Nowadays, manufacturers have finally come to accept that retailers will not automatically display any materials which is sent to them. Even now, the waste factor is considerable but at least, manufacturers are no longer naive enough to order print run of POS material in huge quantities before making test of acceptability either in specific areas or in different types of outlets.

In fact some firms do offer a service to manufacturers in which data on distribution and acceptance of POS materials is analysed. It will also undertake to find out how long the material is kept in store and whether it is used for stock from the Co. who produce it or for rivals' stocks which is common occurrence.

It is now recognised that the first design consideration for any item of POS is for it to be accepted by the retailer. Therefore POS should always be designed with 2 selling jobs in mind.

Hence in deciding whether the POS material will be effective or not, we have to ask ourselves the following questions : will the retailers accept the display or materials ? Will they maintain at the retail level, the manufacturer's message and brand image as created by his advertising and other sales promotion activities ? Will they stimulate impulse buying as well as remind the consumers ?

In the toy industry, quite a few firms, especially the large ones, do employ POS materials. Some manufacturers even set up special merchandising unit to distribute the POS materials as well as to

help the retailers to make full use of the sophisticated merchandising techniques.

According to Mr. David Killins, the Sales Manager of Lesney Products, there has long been a need in the trade for a merchandising unit to advice on in-store presentation of the companies Match-box range of die-cast toys.

In common with most leading toy manufacturer, Lesney had invested considerable time and money in recent years in an effort to provide the retail trade with easy to handle, well designed and practicable point of sales materials. And like most other manufacturers they felt that this material was not always being used to best advantage due to restricted space for display area on the retailer shelves and lack of time.

In order to improve the efficiency of the POS material, Lesney had set up a merchandising unit comprising of 4 specialists in the beginning of last year.

The major function of the team are to pass on information about new and proposed lines advice

on and provide POS material and merchandising units and to assist with the planning of special in-store demonstrations of large toys and the type of "special features" events which are becoming more and more popular with department stores.

According to Mr. A. Laurie, the Marketing Manager of Ideal Toys Ltd. most specialised toy shops do not use much of POS materials. The main reason is that they usually carry too many lines and there are insufficient space for POS materials. POS materials are more effectively used in toy shops or department stores where the no. of lines carried are relatively small.

There are various kinds of POS materials.

1) Posters:

Posters are sometimes called bills. This form of POS material is sometimes used in the toy industry usually showing the firm's product and carrying an advertising message.

2) Stickers and badges:

A free give away of a Lego-land car sticker supported the January release of ten

Bradgate Display Material



PLAY DOH WINDOW STREAMER



ON NATIONAL **T.V.**

by bradgate

PLAY DOH SHOWCARD



DOLL WINDOW STREAMER



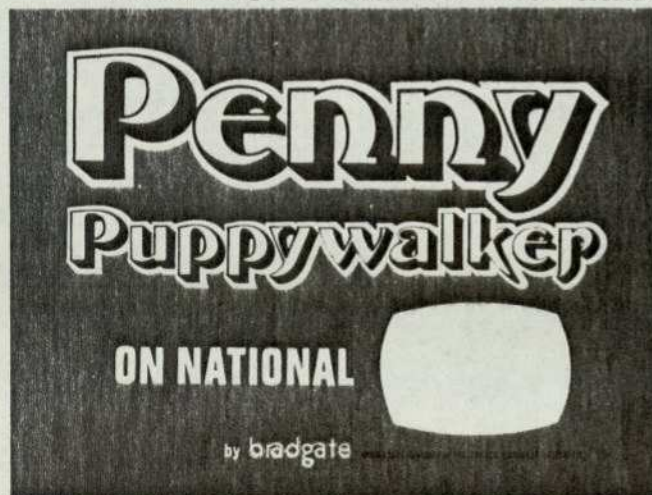
'LITTLE BIG MAN' SHOWCARD



'TING-A-LING TRUDY' SHOWCARD

'SILKY' SHOWCARD

'PENNY PUPPY WALKER' SHOWCARD



Please ask your Bradgate representative for supplies of display material.

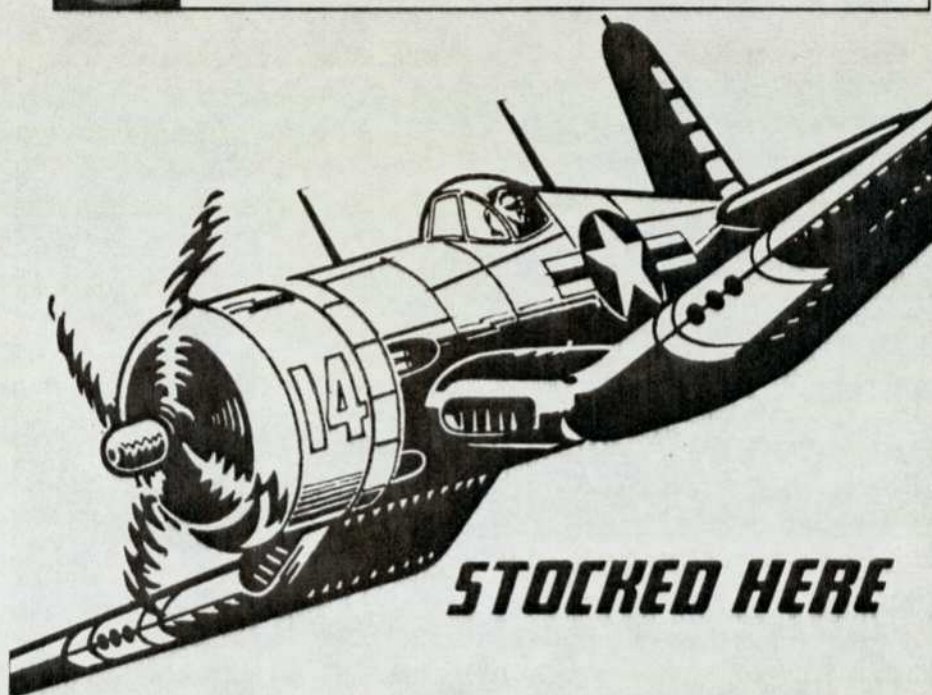
new Legoland packs. Leaflets explaining the scheme were attached to the headboard of a specially designed, free-standing 'select a pack' dispenser. The stickers were sent direct from Lego on proof of purchase of any of the Legoland packs.

The complete promotional packs contained ten models, including aeroplane, a fire engine, a tipper truck, a shovel truck, a helicopter, car and trailers, excavator, a Shell service station, and a tea garden model. The pack costed £34.12 to selected retailers and there were also a limited supply featuring a headboard only at £20.50

Besides the car sticker give away, the launch of the ten new packs was also supported by full-page colour advertisement in the comics.

In addition to the TV campaign for Raving Bonkers in Aug 1973, Louis Marx distributed half-a-million "I am Raving Bonkers about Raving Bonkers" label batches through retail outlets and boys comics so as to make the children more familiar with the name of the product.

 **"MATCHBOX" KITS**



Sticker for Matchbox
Construction Kits

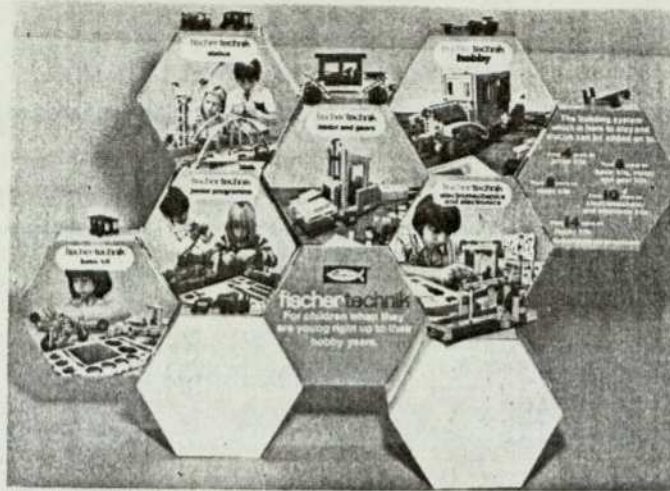
3) Display stands:

Display stands are useful when the product is not a mass packaged item and can stand to advantage by itself on a stand.

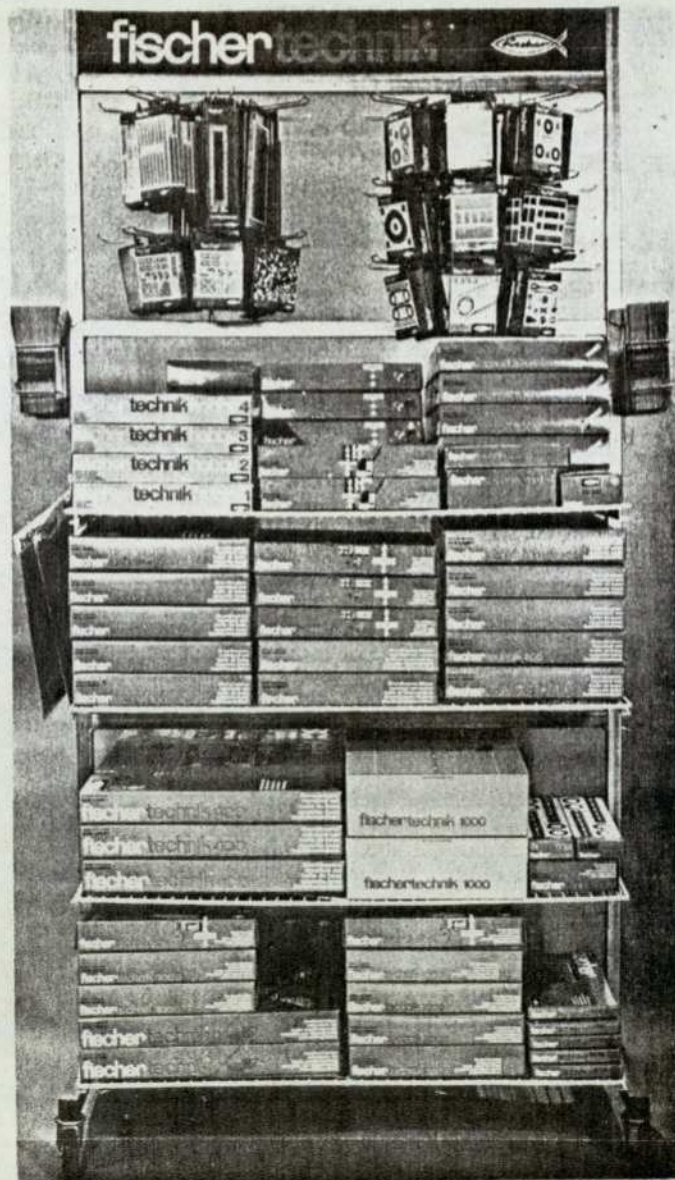
The display racks, stands or self-service cartons are usually made of wire, metal, plastic or paper and are designed to hold the merchandise being displayed. The most important aspect of display racks is that they actually hold and show the product being displayed.

Racks and other self-service display peices are normally used by supermarkets, drugstores, and other retailers that primarily carry self-service products.

Quite a few toy manufacturers provide free display stands to retailers to hold their own merchandise. Among them are Lesney Products and Mettoys. They also have display stands for holding their range of die-cast cars. The stands are mainly holding items which are small in size.

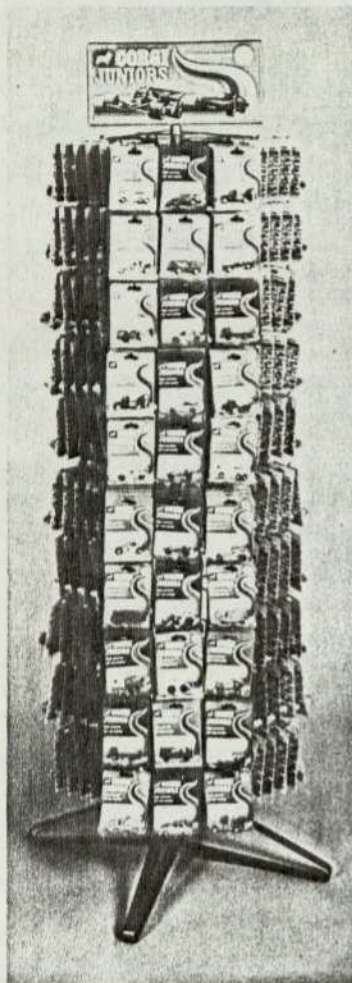


Fischer window display

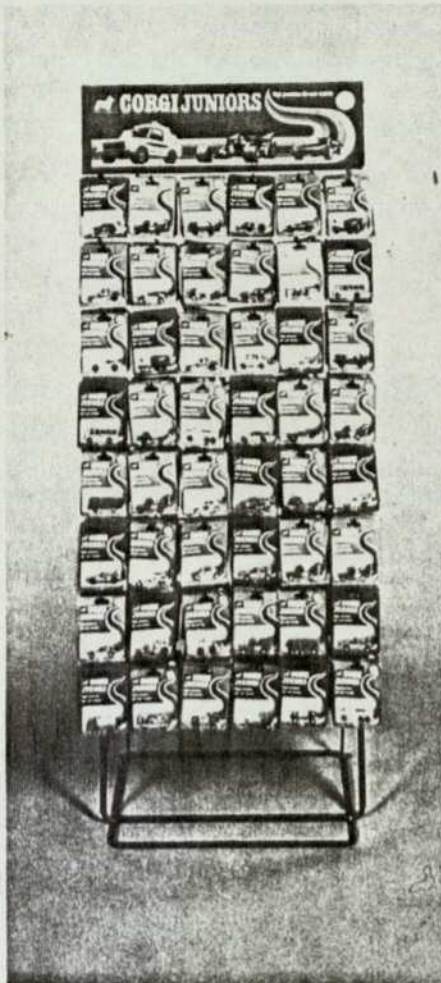


Fishertechnik's point-of-sale stand.

CORGI JUNIORS Sales Aids



E9002 Rotary Floor Unit
merchandising unit holds 540 packs on 90 pegs. In metal, easily assembled and with an attractive metal header.
Height 72½" (184cm.)
Diameter 20¼" (51.5cm.)



E9006 Single Sided Floor Unit
Single sided merchandising unit holds 288 packs on 48 pegs. Metal with attractive full colour metal header.
Height 62½" (159cm.)
Depth 16" (41cm.)
Width 22½" (57cm.)



E9014 Counter Stand/Wall Unit
Holds 96 models on 16 pegs in a single sided display. Easel construction permits either counter or wall use.
Height 28" (71cm) : Width 17" (43cm) :
Depth 14" (35cm) or 10½" (27cm.) as a wall unit.



E9051 Moulded Pre-selection or Display Unit
Counter standing or wall fixing, with 48 compartments each showing one model.
In high impact polystyrene, covered with clear acetate anti-pilfer shield.
Height 22". Depth 1½". Width 22".
(8" with easel-type stand)

A
METTOY
PRODUCT

Mettoy Playcraft Ltd.
14 Harlestone Road, Northampton NN5 7AF, England.

©1974 The Mettoy Co. Ltd.
The right is reserved to amend and improve specifications.

Printed in Great Britain

4) Display Models for the firm's products :

The working or moving model is an attention-getter and often provide an attraction to shoppers.

As I have mentioned earlier, Meccano usually employ a team of merchandising girls whose tasks were to arrange display -entirely free of charge - using large, eyecatching Meccano working models.

Fishertechnik also set up large working models of trucks, cranes etc. that made from the company's construction kits.

5) Plastic shopping bags:

Carrier bags and boxes for men's suits and ladies' wear are means of conveying publicity from the point of sale. Elliort shoe shops, Mark & Spencer and various shopping centres also provide attractive bags for carrying purchase.

Such form of POS material is now beginning to receive attention from the major toy companies.

6) Mobiles :

Suspended displays often made up of a number of items, are useful in super-markets or large department stores where the ceiling is about the only unoccupied space, and they attract attention by their movement and novelty.

Surprising enough, such form of display material which are usually more attractive to children are not very popular to the major toy firms.

Sales Literature:

These are printed material serves to promote the sales of manufacturers, mail-order traders, travelling representatives, wholesalers and retailers.

It has the advantage, rather like direct mail advertising (of which it may be part) of providing detailed information in a permanent and portable form. The following are the chief kinds of sales literature.

1) Price lists, catalogues:

These are usually issued periodically and these are the most important form of sales literature which any toy company must have in one form or another.

2) Leaflets :

These are pieces of print consisting of one or more sheets of paper printed on one or both sides. It may be in the form of newsletter such as the one issued by Ideal at the beginneing of the year.

3) wall charts:

These are informative posters and are ling-lasting and ideal for presenting instructions, charts or maps of the company's branches.



newsletter

Ideal Toy Company Limited Turnpike Way Cressex High Wycombe Bucks

New Year Issue

Great innovations at Brighton

With a 40% new range, **Innovation** is Ideal's motto for 1973.

Ideal have always been particularly successful with their games — Mouse-trap, Battling Tops, Kerplunk and Buckeroo are classics in their field and last year Crossfire hit the jackpot. This year, as well as four exciting new TV action games — Top-it, Toss Across, Pay-off and BattleBoard — there are two completely new sections, one aimed at older children and adults and the other at the younger age group. Logus, Matoca and Trap will challenge the keenest of minds, whereas Steps 'n Chutes, Egg Race and Rain, Rain Go Away, will delight the very young.

Ideal have a great reputation with games and this year, more than ever, they are concentrating on their dolls and toys. Last year Shaker Maker took the country by storm! This year there are two great new creative toys to rival Shaker Maker — the ingenious In a Minute Cake Maker and Nature's Window.

Last year Velvet and Crissy delighted fashion conscious little girls and Busy Missy, the housekeeping doll, amazed us all with her ingenuity. This year Playing Jane, the ultimate in child participation, sets the trend and Velvet has a new little sister.

Never before has there been such a wide new range at Ideal. Everyone is catered for right from boisterous pre-school toughies to thoughtful teenagers. See our photo-scan of the new range on the centre pages.



Nature's Window — A unique seed growing product which reveals nature's secrets. Children can see what goes on under the ground as the seeds germinate and grow

in the magical 'invisible soil'. A must for every child interested in the world about him.

A new Managing Director for Ideal

We are pleased to announce the appointment of Mr. Peter Ryan as Managing Director of the Ideal Toy Co Ltd. He joins us at the beginning of March.

For the past 8 years he has been Managing Director of leading consumer products company. Mr. Ryan has always taken a very active part in sales at home and overseas and looks forward to meeting our customers as soon as possible.



Some wall charts are designed to show the toy retailers the sort of promotion campaign which will be launched by the company in the next few months. It will provide information on the various media that will be used and the items that will be involved.

4) Calenders:

Once the Christmas gift of every family butcher and grocer, the calenders have become a most sophisticated sales promotion media of which the Pirelli calender has become the most sought after. To my knowledge, this medium has not yet been employed by the major toy manufacturers yet.

Conclusion:

We have thus gone through the bulk of the below the line activities, sales Promotion and merchandising. From the variety of items we have discussed

so far, it will be appreciated that sales promotion is a complex area of opportunity and expenditure. Those responsible for this sort of advertising need to be extremely selective and he must choose the one which is most economical, original and successful. If used effectively, it will certainly stimulate both selling-in and selling-out of the firm's product.

Finally, one has to remember that promotion merely gets a brand an 'interview' with the consumer. The brand's long term future will depend on how he or she assesses its performance against other competing products. Comments like: "The promotion was not successful because it only achieves a temporary bump in business" are uncomfortably frequent and demonstrates a clear misunderstanding of the role of sales promotion. Thus the role of sales promotion is to achieve a specified number of new or additional purchases over a limited period. Whether or not the promotion achieves a long term increase in business depends on the performance and value of the brand compared to its competitors.

.....-.....

Results from the questionnaire regarding the
various forms of Sales Promotion.

Sample size : 8

Q.: Do you use any of the following sales
promotion ? *

A.:	<u>No. of firms</u>
i) Exhibitions	8
ii) Merchandising:	
Gift Coupons	2
Trading Stamps	0
Free Gifts or Samples	3
Multiple Packs	1
Bargain Packs	1
Consumers Contests	4
Dealers Contests	3
Free Special Display	6
Discounts	7
Publishing of Retailers' names in Advert- isments.	1
After Sales Service to Dealers	7

Sales Promotion Materials:

a) Point-of-sales materials:

Posters	4
Stickers	7
Display stands	6
Display models	5
Plastic shopping bags	1
Mobiles	4

b) Sales Literature:

Catalogues, price lists	8
Leaflets	8
Wall Charts	3
Calenders	0

*

A firm may use more than one form
of sales promotion tool.

Both advertising and publicity are non-personal promotions. They should be in harmony, the product claims in advertising should be compatible with any product statements in publicity. Advertising tends to raise doubts and questions while publicity or editorial is more thoroughly read and more readily believed. It enjoyed more prestige and acceptance because its source appears to be an editor rather than an advertiser.

As Mr. B. J. Cripps, the Marketing Controller of Chad Valley Co. Ltd. rightly pointed out: "If one is distributing to the wholesale trade, it is essential to acquaint the retailer with your products and promotional plans. This motivates him into asking for your products : whilst this can be done by trade press advertising, editorial is sometimes considered to be less biased and therefore more meaningful."

Most toy manufacturers consider good publicity as essential in order to make their promotional program more effective. Some major toy firms employ a professional publicity company to be in charge of the company's publicity and public relations.

To many toy manufacturer, toy exhibition do give the company involved a good deal of publicity since there is usually national coverage, and the exhibition itself attracts both TV and radio reporters as well as press.

In the heart of London, one can often see the Meccano/Dinky promotional bus - a real London Transport Routmaster finish as a giant mobile advertiser of Meccano's product. The bus was launched in Sept. 1973 and will operate for a year.

"It makes good sense," explained Meccano's director, Doug Mchard, "we were looking for a hard-hitting publicity platform which would be of maximum value to our possible coverage. With London receiving millions of visitors every year - not only from all over Britain, but from all over the world - a London double-deck bus, specially finished, was the ideal choice. It enables us to reach a huge

audience - home and international - in a modern and highly effective way."

Promotion bus is certainly a very modern form of publicity and the long term coverage they give is enormous. They are in public eye all day, everyday, constantly punching their message home.

Since the bus will be on the road for 18 hours a day, London Transport calculate that over the year, it will provide over 6½ thousand hours of continuous exposure.



"The great value of the bus " said Doug Mchard, "Is that it passes through the big tourist areas of London and tourists are transient: new

visitors arriving all the time so that with each trip, the bus reaches a new audience."And he added, " It is important to remember that a tourist is usually far more observant than a local resident. He is keyed-up to notice anything unusual, such as one bus."

A company who has also thought of a modern form of publicity is Lesney Products. Lesney is the first British toy manufacturer who has entered Grand Prix motor racing sponsorship. In past few years, Lesney has been involved in Formula 2 racing sponsoring the Team Surtees. This partnership which in 2 years has won and been runners-up, is moving from Formula 2 into Grand Prix world of Formula 1.

" We have decided to go Formula 1" explained Leslie Smith, the chief executive, "because of the immense contribution motor racing sponsorship made to our world-wide marketing operations.. We won the 1972 European Championship and we were placed second this year. " Matchbox" is now ready to capitalise on the additional prestige and promotional potential which Formula 1 racing will give to our plans for 1974."

There are other promotional activities for supporting the partnership. Main item being the "Matchbox" motor racing club for young boys. The Club will produce a regular newspaper about motor racing and also containing offers, prizes and stories about Matchbox models and their production.

It is also worthwhile to look at an unique event that had happened in the American toy industry middle last Sept. 1973. In last mid-Sept, television viewers across U.S. were able to see a half-hour presentation entitled "The Milton Bradley Story." (Milton Bradley is a major toy company in U.S.) The segment was part of : "America - The Men Who Make Her Great.", a program designed, according to a producer, Joe Battaglia of U.S.A. Network to "tell the public about the man who have made significant contributions to the country in such areas as business, education and medicine."

"The Milton Bradley Story" is a unique event because it was the first time ever that television had focused on a single toy company in such a revealing way.

The programme consisted of a tour of the company factory in Springfield Mass. and it went through the history of the company and its goals. One of the more interesting bits of films recorded a stimulated pre-testing session, where children selected at random were placed in a room with a series of toys including the specific item being evaluated. They were just told to play and how they responded to an item became a yardstick by which its success is measured.

The major theme of the programme was Bradley's strong concern with product safety and with consumer responsibility.

Such events must have given the Co. a lot of good publicity.

Finally, it must stress that many toy manufacturers believe that publicity will involve a lot of time and money. It will probably demand a fair amount of time but it needn't cost much, and often the most effective publicity can be just about free. Probably one way to approach the subject is to recognise that publicity, - as distinct from advertising - is allied to show

business. The elements in good publicity are identical to those in most forms of show business. Some of these are elements are surprise, excitement, colour and climax.

.....-.....

Tremendous Tonka Publicity 1972

1 NATIONWIDE 30 SEC TV CAMPAIGN

26 spots will be seen by **85% OF ALL CHILDREN**

73% OF ALL HOUSEWIVES

Exciting dramatic action commercial demonstrates strength reliability and versatility of Tonka toys



2 BIG COMPETITION- JOINT PROMOTION KELLOGGS-TONKA

501 Tonka Toysets as prizes in children's painting competition.

Tonka Toys will be featured on 5 million FROSTIES packs.

This Competition will make Tonka the toynome from April to June, 1972. Tonka/Frosties 30 second tv commercial will get maximum exposure - there'll be a big children's comic campaign too.

3 YEAR ROUND SUPPORT WITH THE TONKA DISPLAY WAY

'Tonka toys feel real because they're made of steel'

501 Tonka TOY SETS

(each worth about £15) must be won in Kellogg's PAINT YOUR 'CITY OF THE FUTURE' Competition

Tonka Toys are tough. Beautifully built and accurately detailed, they're made from heavy gauge steel just like Dad's car. They're given two coats of protective enamel to keep up their smart appearance - and their toys are guaranteed for life!

Just look at these prizes!

Please see yourself off:

1. Hydraulic Dump Truck
2. Loader
3. Main Tonka Pick-Up
4. Roadster
5. Pull-Back

Win round the world with the new Tonka Toys. They're helping to build the cities of the future. But what will life be like in the city of AD2000? What sort of toys will people have? How will they work? How will they spend their leisure? What will their 'city look like?' Show us your ideas and you could win one of 501 Tonka Toys. Kellogg's are giving away as prizes!

The Competition is in three age groups - 4 to 6, 7 to 9 and 10 to 12. With special prizes in each age group. Full details on back of each cereal box. Competition closes 19th August 1972.

SPECIAL DISCOUNT

10% Off Normal Trade Prices
For All Tonka Orders Over £1,000

If you place a £1,000+ order for Tonka Toys either at Brighton or to reach our Head Office by February 29th, FOR SHIPMENT PRIOR TO JUNE 30th, you will receive in addition to the normal 2½% cash settlement terms, 10% discount off normal trade prices.

NO extended dating terms allowed.

Marketing mix (Price, Promotion, Place and Product) consists of a no. of submixes of decisions variables, Promotion is only one of these component mixes while so far, we have only concentrate on promotion mix, we must never loose sight of the fact that all decisions in the marketing mix must be mutually supporting. Besides decisions concerning with promotion, a marketing manager must also make vital decisions regarding the products the company is selling, the physical distribution of the products and also the price the Co. hopes to sell.

Decisions about the Products:

The critical question facing a Marketing orientated company is no longer : "Can we make it ", but rather : "Will customers buy it ?" There are 4 major types of decisions which the marketing manager has to make regarding the product. They are packaging design, product design, branding and product service.

The marketing department must be closely involved in the product design stage by uncovering needed products, testing out ideas on consumers to see how acceptable prospects are, and analysing customers complaints so as to modify the existing models.

Packaging has two major areas which it must function effeciently. First, it must provide satisfactory protection to the product and its design has an important part to play in providing brand recognition (eg. Fisher Price toys) and in helping to build consumer demand for it. Toys manufacturer have over the past few years began to realise the importance of packaging as a sales aid. More and more toys are now sent to retailers in instant display packs, seethrough packs or just plain better designed, more attractive packs.

The management must also make decisions about the brand name of the products. A good brand name is an important asset to the firm and a cornerstone of thepromotional programmes especially if it becomes a household name such as Yo-Yo, Lego bricks, Spiro-graph.

A final example of product design is the whole matter of services to be offered to consumers or dealers. Palitoy is a good example of a company who offer special after sales repair service to their customers.

Decisions about Distribution and Place

These decisions must take into account of consumers buying habits, shifts in population, the change in the face of the market, and the institutional facilities available to carry out the distribution plan. The toy manufacturer must create a channel of distribution to transfer efficiently his products to where the customers need them.

The toy manufacturer has at his disposal 3 main distribution channels, he can sell to wholesaler, retailer or to the ultimate consumers. The choice of which distribution to adopt will depends upon many factors and the marketing manager must weigh each carefully before he decides upon the selection of the right distribution method.

Decisions about Price:

The marketing manager must be concerned not only with the price the final buyers pay, but also with the whole structure of prices to middlemen within the planned distribution channel. In a competitive market, such as the toy market, the prices must be set with an eye to the price of the competing product, (eg. Matchbox and Corgi) to the nature of the demand of the whole product class, and to the cost of the firm in producing and distributing the products. A variety of credit plans or alternatives must be considered. They range from sales on a cash basis only to 30-day charge accounts, to more complex revolving credit plans or installment purchase contracts.

Thus we can see that a marketing programme is not the sum of a collection of independent decisions. The various ingredients of products, distribution, promotion and price decisions must be carefully selected so as to yield a balanced blend

or mixture of marketing effort. Decisions in one area affect, and are themselves affected by, decisions in other areas of marketing. The interrelated nature of these marketing decisions must always be kept firmly in mind.

To sell a product successfully, the toy manufacturer must have more than a successful promotional program. The product which the customer desire, selling at a right price and through the right channels. Only with such optimum mix, will the firm be able to yield maximum profit at minimum cost.

.....-.....

SECTION 3 :

THE FUTURE OF THE U.K. TOY INDUSTRY

The industry had been going through a difficult time. However, there had been growth in gross sales in spite of the increase in labour and material cost as well as the recent 3 days week. There has been increased in fixed investment, mainly financed by external borrowing.

From the report prepared by Financial Analysis Group Ltd., one can see that during the period of 1972/73, there has been a growth in sales in excess of 19% and an increase in the ratio of pre-interest profit to sales from 3.4% in 1969/70 to 9.6% in 1972/73. This improvement has meant a reduction in the rate of borrowing chiefly because the industry can now finance any expansion from internally generated funds.

One of the problem areas of the industry is the declining child population particularly the under 10 years sector.

The industry is becoming more and more oligopolistic as a result of quite a few mergers and acquisitions at the beginning of this decade. New ideas and innovation is essential in this 'fashion industry'. Innovation was lacking in the products available in 1973 with nothing equal to the Monopoly, Hot Wheels or Action Man products of previous years.

The industry should have no great difficulty with the supply of labour since a high proportion of the labour force consists of part time female labour although the cost of such labour will inevitably increase in the future.

Imports from Japan, Hong Kong and Taiwan as well as South Korea form a continuing challenge to the domestic manufacturer. Such challenge may in fact be not severe as it might have been in first sight since the public is becoming more quality conscience than price conscience.

Although advertising will obviously reach a peak in the last 3 months of the year. There will be a greater use of promotion all the year round so as to build up demand for toys in the months that

follow Christmas.

Toys which sell steadily for several years (eg. Monopoly, Yo-Yo) and which last for a reasonable period of time after they had been bought out are likely to survive in the years to come.

.....-.....

Appendix 1:

A Survey on the Promotion Decisions in the U.K. Toy Industry.

Name : _____ Company : _____

Position Held : _____

As you will probably know that promotion is becoming more and more important as a major function of any company selling or producing toys. However, there has never been a detailed survey on the aspect of promotion in the toy industry in this country before. For this reason, I am conducting a market research relating specifically on the promotion decisions in the toy industry and I would appreciate your cooperation in completing this questionnaire. If you do not wish to answer any question, please pass on to next one.

1. Who do you consider as your promotion target ?

Middlemen eg. wholesalers ()

Retailers ()

Ultimate consumers ()

2. There are 4 major sets of tools for promoting your firm's products. They are : a) Advertising, b) Personal Selling, c) Sales Promotion and d) Publicity.

a) On Advertising,

i) What is your method for setting the advertising budget ?

Arbitrary or rule of thumb ()

Percentage of previous turnover ()

iv) Which of the above mentioned medium/media do you consider as the most effective? Why?

v) When do you usually spend most of your advertising budget?

Jan - March ()
April - June ()
July - September ()
October - December ()
About the same all the year round ()

vi) About how much do you spend on advertising each year?
Or what % of sales revenue?

vii) Do you spend any of your advertising budget abroad?

Yes ()
No ()

viii) Do you use any method to measure the effectiveness of your advertising?

Yes ()
No ()

ix) If yes to question viii, please answer how?

b) On Personal Selling:

Do you use Personal Selling as a tool for promotion?

Yes ()

No ()

If yes, how?

c) On Sales Promotion :

Do you use any of the following sales promotion ?

i) Exhibitions & toy fairs ()

ii) Merchandising :

Gift coupons ()

Trading Stamps ()

Free gifts or samples ()

Multiple packs ()

Bargain packs ()

Consumers contests ()

Dealers contests ()

Free special display for retailers ()

Discounts ()

Publishing of retailers' names in advertisements ()

After sales service to dealers ()

iii) Sales Promotion materials :

a) Point-of-sales material - for windows, shelves, counters, floors.

Posters ()

Stickers ()

Display stands ()

Display models of the firm's products ()

Plastic shopping bags ()

Mobiles ()

b) Sales Literature

Catalogues, price lists ()

Leaflets ()

Wall charts ()

Calenders ()

iv) Other forms of sales promotion which are :

d) On Publicity :

Do you consider publicity or public relations as an important promotion tool?

Yes ()

No ()

If your answer is yes, would you like to expand this further?

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

Thank you for your cooperation in completing this questionnaire.

PQ 494.1

**Toys, games and children's
carriages**

Fourth quarter 1973

HMSO

Business Monitor

A publication of the Government Statistical Service

Quarterly Statistics

Appendix 2 - 7



**Business Statistics Office
Department of Industry**

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Produced and published by Her Majesty's Stationery Office

Subscription enquiries should be addressed to
HMSO, PO Box 569, London SE1 9NH

PQ 494.1 TOYS, GAMES AND CHILDREN'S CARRIAGES FOURTH QUARTER 1973

NOTES:

THIS MONITOR PRESENTS THE PROVISIONAL RESULTS OF THE QUARTERLY INQUIRY INTO THE SALES OF THE TOYS, GAMES AND CHILDREN'S CARRIAGES INDUSTRY (MINIMUM LIST HEADING 494.1 AND 2 OF THE STANDARD INDUSTRIAL CLASSIFICATION). RESPONSE IN THE LATEST QUARTER WAS 84 PER CENT IN TERMS OF THE TOTAL EMPLOYMENT IN ESTABLISHMENTS COVERED BY THE INQUIRY. ESTIMATES OF SALES BY FIRMS FAILING TO RESPOND BY THE CLOSURE DATE HAVE, HOWEVER, BEEN INCLUDED. SOME ADDITIONAL INFORMATION FOR THE INDUSTRY IS GIVEN IN SUPPLEMENTARY TABLES.

COVERAGE

THE FIGURES OF SALES IN TABLE 1 RELATE TO ESTABLISHMENTS IN THE UNITED KINGDOM EMPLOYING 11 OR MORE PERSONS, CLASSIFIED TO MINIMUM LIST HEADING 494.1 AND 2 BY VIRTUE OF THEIR MAIN BUSINESS ACTIVITY, VIZ THE MANUFACTURE OF TOYS, GAMES AND CHILDREN'S CARRIAGES. THESE ESTABLISHMENTS ARE THOUGHT TO ACCOUNT FOR 93 PER CENT OF EMPLOYMENT IN ALL ESTABLISHMENTS CLASSIFIED TO THE INDUSTRY. THE FIGURES IN TABLE 1 ALSO INCLUDE SALES OF PRINCIPAL PRODUCTS OF MINIMUM LIST HEADING 494.1 AND 2 BY ESTABLISHMENTS CLASSIFIED TO OTHER INDUSTRIES WHICH ARE NOW INCLUDED IN THE NEW SYSTEM OF QUARTERLY INQUIRIES.

OVERSEAS TRADE STATISTICS

THE OVERSEAS TRADE STATISTICS FOR TOYS, GAMES AND CHILDREN'S CARRIAGES GIVEN IN TABLES 2 AND 3 ARE COLLECTED BY HM CUSTOMS AND EXCISE AND SHOW TOTAL EXPORTS FROM AND IMPORTS INTO THE UNITED KINGDOM.

DISCLOSURE

TO AVOID DISCLOSING INFORMATION ABOUT INDIVIDUAL UNDERTAKINGS, IT MAY NOT BE POSSIBLE TO PUBLISH INFORMATION IN THE FULL DETAIL IN WHICH IT IS COLLECTED.

CHANGES TO MONITOR NUMBERING SYSTEM

REPORTS PUBLISHED IN THE BUSINESS MONITOR SERIES HAVE BEEN RE-NUMBERED. THIS MONITOR REPLACED P43 TOYS, GAMES AND CHILDREN'S CARRIAGES AT THE BEGINNING OF 1973.

CONTENTS:

- 1 SALES OF TOYS, GAMES AND CHILDREN'S CARRIAGES BY UNITED KINGDOM MANUFACTURERS.
- 2 EXPORTS (F O B) OF TOYS, GAMES AND CHILDREN'S CARRIAGES.
- 3 IMPORTS (C I F) OF TOYS, GAMES AND CHILDREN'S CARRIAGES.
- 4 TARIFF NUMBERS OF OVERSEAS TRADE HEADINGS WHICH COMPARE WITH THE SALES HEADINGS IN TABLE 1.
- 5 WHOLESALE PRICE INDEX.
- 6 TOYS, GAMES AND CHILDREN'S CARRIAGES EMPLOYMENT IN THE UNITED KINGDOM.
- 7 INDEX OF INDUSTRIAL PRODUCTION.
- 8 BIRTHS REGISTERED IN THE UNITED KINGDOM.

SYMBOLS USED:

- | | | | |
|---|---------------------|----|--|
| E | ESTIMATED CONTENT | .. | NOT AVAILABLE |
| | EXCEEDS 50 PER CENT | | |
| P | PROVISIONAL | - | NIL OR LESS THAN HALF
THE FINAL DIGIT SHOWN |
| R | REVISED | | |

ROUNDING OF FIGURES

BECAUSE OF ROUNDING, THE SUM OF THE CONSTITUENT ITEMS MAY NOT AGREE WITH THE TOTALS SHOWN.

ENQUIRIES

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ANSWER BACK BSO NEWPORT

PUBLISHED APRIL 1974

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TABLE 1

SALES OF TOYS, GAMES AND CHILDREN'S CARRIAGES BY UNITED KINGDOM MANUFACTURERS (A)

PO 494.1

	NO OF ENTERPRISES(B) 1973	UNITS	1972 R	1973	1972 4TH QTR R	1973 1ST QTR R	1973 2ND QTR R	1973 3RD QTR R	1973 4TH QTR P
TOYS AND GAMES:									
WHEELED TOYS	27	£ THOUS	9,082	10,892	3,661	1,295	3,096	2,858	3,643
DOLLS OF ALL MATERIALS EXCEPT RUBBER (INCLUDING PUPPETS, MASCOTS, ETC AND PARTS AND ACCESSORIES)	18	£ THOUS	7,543	8,428	3,117	806	2,114	2,563	2,945
SOFT TOYS (OTHER THAN DOLLS) OF ALL MATERIALS EXCEPT RUBBER, EXCLUDING FIGURES OF SOFT PLASTICS	26	£ THOUS	3,352	4,630	1,157	427	984	1,512	1,706
MODELLING MATERIALS AND CONSTRUCTION MODELS OF ALL MATERIALS, COMPLETE IN KITS OR PARTS	16	£ THOUS	12,575	15,617	3,876	2,307	3,487	4,561	5,261
METAL TOYS (EXCLUDING CONSTRUCTIONAL), NOT ELSEWHERE SPECIFIED:									
MECHANICAL (SELF-PROPELLED)	8	£ THOUS	3,758	4,143	1,553	547	1,022	1,095	1,479
DIE-CAST	10	£ THOUS	22,298	24,394	6,170	5,118	5,238	6,115	7,923
OTHER	17	£ THOUS	2,617	2,687	913	247	555	899	987
PLASTIC TOYS (EXCLUDING CONSTRUCTIONAL), NOT ELSEWHERE SPECIFIED:									
WITH MECHANICAL PARTS OF METAL	20	£ THOUS	3,790	4,625	1,243	539	957	1,724	1,406
OTHER	89	£ THOUS	17,370	22,249	5,467	2,755	5,454	6,565	7,476
WOODEN TOYS	24	£ THOUS	3,918	6,361	1,416	648	1,435	1,816	2,462
CARDBOARD OR PAPER TOYS (INCLUDING EDUCATIONAL)	12	£ THOUS	1,619	1,805	447	104	215	772	714
ALL OTHER TOYS (EXCLUDING RUBBER)	26	£ THOUS	5,088	6,478	1,486	708	1,305	2,381	2,085
PARTS OF TOYS AND GAMES, NOT ELSEWHERE SPECIFIED	12	£ THOUS	809	965	201	244	237	242	242
INDOOR TABLE GAMES:									
OF CARDBOARD OR PAPER (INCLUDING EDUCATIONAL, CARD GAMES AND JIGSAWS BUT EXCLUDING PLAYING CARDS)	13	£ THOUS	7,059	9,276	2,764	1,114	1,459	3,176	3,526
OTHER INDOOR TABLE GAMES, PARTS AND ACCESSORIES OF A TOY NATURE	12	£ THOUS	2,495	3,065	878	299	603	968	1,195

TABLE 1 (CONTINUED)

PQ 494.1

	NO OF ENTERPRISES(B) 1973	UNITS	1972 R	1973	1972 4TH QTR R	1973 1ST QTR R	1973 2ND QTR R	1973 3RD QTR R	1973 4TH QTR P
CHILDREN'S AND INVALID CARRIAGES:									
PERAMBULATORS (WITH NON-COLLAPSIBLE RIGID BODY)	9	E THOUS	2,960	3,493	851	1,310	957	585	641
BEDFOLDERS (SOFT, FULLY ENCLOSED FOLDING BODY)	11	E THOUS	2,010	1,956	401	582	490	438	446
PUSHCHAIRS AND SUN CARS (WITH OR WITHOUT HOOD AND APRON)	14	E THOUS	4,895	4,762	875	1,519	1,098	1,312	832
TRANSPORTERS (WHEELED FRAME ONLY, FOR CARRY COTS ETC)	10	E THOUS	348	352	100	152	114	45	41
PARTS AND ACCESSORIES FOR CHILDREN'S CARRIAGES	13	E THOUS	851	968	169	315	225	215	214
INVALID CARRIAGES, BATH CHAIRS AND PARTS THEREOF	7	E THOUS	2,367	2,719	712	751	662	605	701E
UNCLASSIFIED SALES AND WORK DONE	37	E THOUS	884	989	217	252	234	250	253
<u>TOTAL</u> SALES OF PRINCIPAL PRODUCTS OF THE TOYS, GAMES AND CHILDREN'S CARRIAGES INDUSTRY (MLH 494.1 AND 2) AND WORK DONE		E THOUS	117,688	140,854	37,674	22,039	31,941	40,697	46,178
<u>LESS</u> SALES (INCLUDED ABOVE) OF PRINCIPAL PRODUCTS OF MLH 494.1 AND 2 BY SOME ESTABLISHMENTS CLASSIFIED TO OTHER INDUSTRIES		E THOUS	12,119	14,869	4,131	2,389	3,519	4,088	4,874
<u>PLUS</u> SALES BY ESTABLISHMENTS CLASSIFIED TO MLH 494.1 AND 2 OF PRINCIPAL PRODUCTS OF OTHER INDUSTRIES		E THOUS	2,619	3,066	648	1,014	440	819	793
<u>PLUS</u> SERVICES RENDERED AND SALES OF MERCHANTED GOODS	46	E THOUS	5,021	11,196	2,144	803	1,447	3,459	5,487
TOTAL SALES AND WORK DONE BY ESTABLISHMENTS CLASSIFIED TO THE TOYS, GAMES AND CHILDREN'S CARRIAGES INDUSTRY (MLH 494.1 AND 2)	147	E THOUS	113,209	140,247	36,335	21,467	30,309	40,887	47,584
SALES OF RUBBER TOYS (CLASSIFIED TO MLH 491)		E THOUS	1,961.5	..	639.4	370.3	423.3P	..	..

(A) PLEASE SEE NOTE ON COVERAGE IN INTRODUCTION.
SALES ARE DELIVERIES ON SALE FOR HOME AND ABROAD: FORWARD SALES ARE EXCLUDED.
VALUES ARE NET SELLING VALUES: VALUE ADDED TAX (OR PURCHASE TAX WHERE PREVIOUSLY APPLICABLE), TRADE DISCOUNTS AND COMMISSIONS ARE EXCLUDED.

(B) AN ENTERPRISE COMPRISES ONE OR MORE ESTABLISHMENTS UNDER COMMON OWNERSHIP OR CONTROL.

TABLE 2

EXPORTS (F O B) OF TOYS, GAMES AND CHILDREN'S CARRIAGES (A)

Pg 494.1

		1972	1973	1972	1973	1973	1973	1973
	UNITS			4TH QTR	1ST QTR	2ND QTR	3RD QTR	4TH QTR
WHEELED TOYS	£ THOUS	585	459	204	76	87	107	188
DOLLS OF ALL MATERIALS	£ THOUS	403	546	142	109	153	189	96
SOFT TOYS	£ THOUS	649	1,025	238	116	236	349	324
MODELLING PASTES	£ THOUS	131	143	41	22	37	33	51
CONSTRUCTION MODELS AND KITS	£ THOUS	3,334	5,121	1,279	1,011	1,067	1,431	1,612
METAL TOYS:								
MECHANICAL	£ THOUS	704	1,099	218	195	193	435	276
DIE-CAST	£ THOUS	14,160	14,395	4,608	3,706	3,165	3,556	3,968
OTHER	£ THOUS	1,082	1,269	361	217	285	442	325
PLASTIC TOYS:								
MECHANICAL	£ THOUS	881	921	263	109	207	360	244
NON-MECHANICAL	£ THOUS	5,232	6,549	1,331	1,051	1,566	2,023	1,909
WOODEN TOYS	£ THOUS	211	310	57	41	82	115	73
PAPER OR PAPERBOARD TOYS	£ THOUS	358	343	99	52	72	128	92
RUBBER TOYS	£ THOUS	682	720	186	181	194	185	160
ALL OTHER TOYS	£ THOUS	2,598	3,055	897	364	689	1,018	984
TOTAL TOYS	£ THOUS	31,010	35,955	9,926	7,250	8,033	10,370	10,301
COACH BUILT BABY CARRIAGES	£ THOUS	239	282	48	63	68	86	64
BABY CARRIAGES OTHER THAN COACH BUILT	£ THOUS	552	1,028	136	209	294	294	231
INVALID CARRIAGES AND PARTS	£ THOUS	569	830	177	173	211	235	211
PARTS FOR BABY CARRIAGES	£ THOUS	189	247	44	65	70	85	27

SOURCE: OVERSEAS TRADE STATISTICS

(A) THE TARIFF/TRADE CODE NUMBERS CORRESPONDING TO THE EXPORTS ABOVE ARE SHOWN IN TABLE 4.

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TABLE 3

IMPORTS (C. I. F.) OF TOYS, GAMES AND CHILDREN'S CARRIAGES(A)

Pg. 494.1

		1972	1973	1972	1973	1973		1973
	UNITS			4TH QTR	1ST QTR	2ND QTR	3RD QTR	4TH QTR
WHEELED TOYS	£ THOUS	937	1,779	403	196	386		555
DOLLS OF ALL MATERIALS	£ THOUS	4,913	8,397	1,608	1,152	1,978		2,655
SOFT TOYS	£ THOUS	467	698	142	102	174		243
MODELLING PASTES	£ THOUS	2	1	-	-	-		-
CONSTRUCTION MODELS AND KITS	£ THOUS	819	1,630	255	306	417		501
METAL TOYS:								
MECHANICAL	£ THOUS	1,271	2,206	333	327	467		609
DIE-CAST	£ THOUS	502	537	106	84	141		177
OTHER	£ THOUS	1,278	2,466	301	308	725		518
PLASTIC TOYS:								
MECHANICAL	£ THOUS	3,210	5,762	973	670	1,174		1,955
NON-MECHANICAL	£ THOUS	9,225	14,588	2,585	2,600	3,656		3,868
WOODEN TOYS	£ THOUS	877	1,582	259	223	419		453
PAPER OR PAPERBOARD TOYS	£ THOUS	69	163	24	26	33		57
RUBBER TOYS	£ THOUS	157	297	29	49	70		109
ALL OTHER TOYS	£ THOUS	472	969	161	207	229		269
TOTAL TOYS	£ THOUS	24,198	41,074	7,179	6,251	9,869		11,971
COACH BUILT BABY CARRIAGES	£ THOUS	15	10	-	-	-		6
BABY CARRIAGES OTHER THAN COACH BUILT	£ THOUS	34	39	7	14	11		7
INVALID CARRIAGES AND PARTS	£ THOUS	12	26	-	6	8R		8
PARTS FOR BABY CARRIAGES	£ THOUS	167	291	38	61	94		69

SOURCE: OVERSEAS TRADE STATISTICS

(A) THE TARIFF/TRADE CODE NUMBERS CORRESPONDING TO THE IMPORTS ABOVE ARE SHOWN IN TABLE 4.

PAGE 6

OVERSEAS TRADE HEADINGS	HM CUSTOMS AND EXCISE TARIFF/TRADE CODE NUMBERS (1973)
WHEELED TOYS	9701-0018, 0139
DOLLS OF ALL MATERIALS	9702-0005, 0165
SOFT TOYS	9703-0017, 0202
MODELLING PASTES	3407-0009
CONSTRUCTION KITS	9703-0273
METAL TOYS:	
MECHANICAL	9703-0476
DIE-CAST	9703-0615
OTHER	9703-0679
PLASTIC TOYS:	
MECHANICAL	9703-0736
NON-MECHANICAL	9703-0889
WOODEN TOYS	9703-1005
PAPER OR PAPERBOARD TOYS	9703-1126
RUBBER TOYS	9703-0330
ALL OTHER TOYS	9703-0070, 1261
COACH BUILT BABY CARRIAGES	8713-0147
BABY CARRIAGES OTHER THAN COACH BUILT	8713-0193
INVALID CARRIAGES AND PARTS	8713-0396
PARTS FOR BABY CARRIAGES	8713-0250

(A) THE SALES AND OVERSEAS TRADE HEADINGS ARE NOT COMPLETELY COMPARABLE BUT IT IS BELIEVED THAT THERE ARE NO SIGNIFICANT DIFFERENCES IN DEFINITIONS. A FULL DESCRIPTION OF THE CODE NUMBERS GIVEN IN THIS TABLE IS PUBLISHED IN THE HM CUSTOMS TARIFF AND IN THE GUIDE TO THE CLASSIFICATION FOR OVERSEAS TRADE STATISTICS, 1973. EACH CODE NUMBER COMPRISES EIGHT DIGITS (EG 9701-0018, 0139 SHOULD BE INTERPRETED AS 9701-0018 AND 9701-0139, ETC).

TABLE 5

WHOLESALE PRICE INDICES (1970 = 100)

PQ 494.1

	1972	1973	1972	1973	1973	1973	1973
			4TH QTR	1ST QTR	2ND QTR	3RD QTR	4TH QTR
TOYS AND GAMES	123.3	133.7	124.8	125.2	130.0	136.5	143.0
METAL TOYS	126.6	140.2	128.1	128.5	136.1	143.8	152.3
DOLLS AND SOFT TOYS	124.6	129.9	126.3	127.7	129.1	130.9	132.0
PLASTIC TOYS	114.7	122.7	115.5	116.0	119.5	125.9	129.4
PEDAL CARS, SCOOTERS, TOY PERAMBULATORS AND CHILDREN'S TRICYCLES AND BICYCLES	134.2	148.2	136.0	136.6	140.5	150.1	165.8
PERAMBULATORS, FOLDERS AND PUSHCHAIRS	116.1	125.6	117.3	118.3	122.3	125.3	136.3

TABLE 6

EMPLOYMENT IN THE TOYS, GAMES AND CHILDREN'S CARRIAGES INDUSTRY

SEPARATE EMPLOYMENT FIGURES FOR THE TOYS, GAMES AND CHILDREN'S CARRIAGES INDUSTRY ARE NOT PUBLISHED BY THE DEPARTMENT OF EMPLOYMENT. AVERAGE EMPLOYMENT, INCLUDING WORKING PROPRIETORS, IN UNITED KINGDOM ESTABLISHMENTS CLASSIFIED TO MLH 494.1 AND 2 IN THE ANNUAL CENSUS OF PRODUCTION FOR 1970 AND 1971 WAS:

1970 33.4 THOUSAND
 1971 32.1 THOUSAND
 1972 32.7 THOUSAND P

TABLE 7

INDEX OF TOYS, GAMES AND CHILDREN'S CARRIAGES PRODUCTION (A)

PD 494.1

1970 = 100 (B)

		TOYS AND GAMES (MINIMUM LIST HEADING 494.1)	CHILDREN'S CARRIAGES (MINIMUM LIST HEADING 494.2)
1970	2ND QTR	84.7	128.1
	3RD QTR	114.4	77.1
	4TH QTR	130.5	80.5
1971	1ST QTR	62.9	116.3
	2ND QTR	84.0	105.9
	3RD QTR	115.7	80.9
	4TH QTR	125.0	83.8
1972	1ST QTR	56.0	124.7
	2ND QTR	78.5	116.1
	3RD QTR	112.9	104.3
	4TH QTR	123.0	101.1
1973	1ST QTR	62.0R	151.0
	2ND QTR	94.9R	110.6R
	3RD QTR	127.7	97.0
	4TH QTR	142.0P	79.3P

(A) THE INDEX OF PRODUCTION IS AN APPROXIMATE MEASURE OF THE CHANGE IN NET OUTPUT (OR VALUE ADDED) IN REAL TERMS. IT MAKES USE OF A VARIETY OF DATA QUANTITIES, VALUES OF SALES DEFLATED BY PRICE INDICES ETC). SEE "THE INDEX OF INDUSTRIAL PRODUCTION AND OTHER OUTPUT MEASURES", (STUDIES IN OFFICIAL STATISTICS NO. 17, HMSO, 1970).

(B) THESE SERIES REPLACE THE PREVIOUSLY PUBLISHED INDEX (TOYS, GAMES AND CHILDREN'S CARRIAGES) WHICH WAS CALCULATED ON THE BASIS OF 1963 = 100.

TABLE 8

BIRTHS REGISTERED IN THE UNITED KINGDOM

PQ 494.1

		THOUSANDS			
	TOTAL	ENGLAND	WALES	SCOTLAND	NORTHERN IRELAND
1967	960.2	787.1	43.5	96.2	33.4
1968	949.4	777.1	44.3	94.8	33.2
1969	920.9	755.2	43.0	90.3	32.5
1970	904.2	742.1	42.6	87.4	32.1
1971	905.7	743.9	43.3	86.7	31.8
1972	831.2	682.9	39.7	78.6	30.0
1970 1ST QTR	225.7	185.7	10.6	21.7	7.7
2ND QTR	235.1	193.1	11.0	22.4	8.6
3RD QTR	226.5	186.0R	10.6	21.7	8.2
4TH QTR	216.9	177.4	10.3	21.6	7.6
1971 1ST QTR	239.7	197.9	11.3	22.2	8.3
2ND QTR	231.8	190.5	11.1	22.0	8.2
3RD QTR	225.4	185.0	10.8	21.5	8.1
4TH QTR	208.7	170.5	10.0	21.0	7.2
1972 1ST QTR	217.8	179.3	10.5	20.5	7.5
2ND QTR	213.5	175.4	10.1	20.0	8.0
3RD QTR	209.0	172.1	10.0	19.3	7.6
4TH QTR	190.8	156.0	9.1	18.8	6.9
1973 1ST QTR	209.7P	172.6	10.0	19.5	7.6
2ND QTR	197.8P	162.4	9.2	18.7	7.5
3RD QTR	191.7P	157.4P	9.1P	18.3P	6.9P
4TH QTR	..	..	..	17.9P	..

SOURCES: OFFICE OF POPULATION CENSUS AND SURVEYS
 GENERAL REGISTER OFFICE (SCOTLAND)
 GENERAL REGISTER OFFICE (NORTHERN IRELAND)

Appendix 8:

Advertising Expenditure by the U.K. &
American Toy Manufacturers in the U.K.

	<u>TV</u> <u>£</u>	<u>Press</u> <u>£</u>	<u>Total</u> <u>£</u>
<u>Airfix Industries Ltd.</u>	:		
Airfix Products	96,900	52,000	148,900
Meccano	<u>-</u>	<u>27,500</u>	<u>27,500</u>
	96,900	79,500	176,400
 <u>Berwick Timpo Ltd.</u>			
Model Toys	51,200	-	51,200
Peter Pan Playthings	<u>28,100</u>	-	<u>28,100</u>
	79,300		79,300
 <u>Dunbee-Combex-Marx Ltd.</u>			
Louis Marx	51,600		51,600
Rovex	89,600	48,000	137,600
Mattel	<u>72,600</u>	<u>6,800</u>	<u>79,400</u>
	213,800	54,800	268,600
 <u>Lesney Products & Co. Ltd.</u>	36,800	56,100	92,900

	<u>TV</u> <u>£</u>	<u>Press</u> <u>£</u>	<u>Total</u> <u>£</u>
<u>The Mettoy Co. Ltd.</u>			
Mettoy Playcraft Ltd.	-	65,388	
Mettoy Petite Ltd.	-	<u>25,200</u>	90,588
Fisher Price Ltd.	-	<u>84,000</u>	<u>84,000</u>
		174,588	174,588
 <u>J. & L. Randall Ltd.</u>	 -	 -	 -
 <u>J. W. Spear & Sons Ltd.</u>	 -	 28,700	 28,700
 <u>Sharna Ware Ltd.</u>	 -	 -	 -
 <u>Thomas Salter Ltd.</u>	 -	 -	 -
 <u>The Chad Valley Co. Ltd.</u>	 49,200	 -	 49,200
 <u>Raleigh Industries Ltd.</u>	 7,700	 6,400	 14,100
 <u>J. Waddington Ltd.</u>	 48,300	 6,100	 54,400
Subbuteo Sports Games	<u>30,400</u>	<u>26,100</u>	<u>56,500</u>
	78,700	32,200	110,900

	<u>TV</u> <u>£</u>	<u>Press</u> <u>£</u>	<u>Total</u> <u>£</u>
<u>General Mills Inc.</u>			
Palitoy Ltd.	152,100	4,200	
Parker Games	49,300	-	
Bradgate	81,800	-	
Dennys Fisher Toys	<u>274,270</u>	-	
	627,470	4,200	631,670
 <u>Ideal Toy Corp.</u>			
Ideal Toys Co. Ltd.	199,500	-	199,500
 <u>Lego</u>			
British Lego Ltd.	-	46,400	46,400
 <u>Revell Inc.</u>			
Revell (G.B) Ltd.	-	16,300	16,300
 <u>Tonka Corp.</u>			
Tonka Ltd.	86,000	27,000	113,000
TOTAL	1,395,370	526,188	1,921,558
OTHERS	313,530	125,912	439,442
TOTAL for Toys and Games:	<u>1,708,900</u>	<u>652,100</u>	<u>2,361,000</u>

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