

WHITE PAPER

LAUNCHING YOUR
WHOLESALE TOY BRAND:
A GUIDE TO SUCCESS

Launching Your Wholesale Toy Brand: A Guide to Success

Congratulations on taking the plunge into the exciting world of wholesale B2B toy manufacturing! As a new brand, navigating the initial steps can feel overwhelming. But fear not, with careful planning and the right tools, you can set your business up for long-term success. This guide will equip you with the knowledge you need to excel in various aspects of the wholesale toy industry.

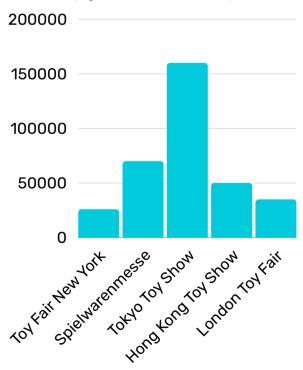
Building Your Sales Network

Sales Agencies and Reps: Partnering with experienced sales agencies or reps allows you to leverage their industry knowledge and established relationships with retailers. Look for agencies with a proven track record in the toy industry and a strong understanding of your target market. Do they have a B2B site for retailers to order from? What software does the agency use to take orders? Identify a few retail locations where your products would best fit and ask them to recommend a rep agency. The Toy Association (https://www.toyassociation.org/) and WTHRA (https://toyfestus.com/about-toyfest-andwthra/) are also great resources to find reputable sales agencies. Attend tradeshows and visit agency showrooms to see the mix of products they carry, before reaching out. Carefully assess commission structures and sales territories to ensure alignment with your business goals.

Trade Shows: Attending industry trade shows like ASTRA (https://www.astratoy.org/), ToyFest (https://toyfestus.com/), or Toy Fair (https://www.toyfairny.com/) allows you to showcase your products directly to potential buyers. Here you can meet with major retailers, distributors, and independent toy stores. Research regional shows as well. Prepare captivating presentations and high-quality product demos to grab attention and generate leads. Network with other industry professionals and build valuable connections that can foster long-term partnerships. Become a member of organizations like WTHRA, ASTRA and the Toy Association and take advantage of their question-and-answer boards, webinars and educational sessions.



Top 5 Toy Trade Shows (by # of attendees)





Optimizing Your Operations

Shipping and Logistics: Establishing efficient shipping and logistics processes is crucial for on-time deliveries and customer satisfaction. Research freight forwarding companies that specialize in toy shipments and understand the specific needs of your products. Ask what sort of integrations they use. Will they be able to connect to your B2B site and other marketplaces or websites you sell from? Consider partnering with a 3PL (Third-Party Logistics) provider to streamline fulfillment. A 3PL can manage warehousing, packaging, shipping, and even returns, allowing you to focus on core business activities. Be sure to compare prices and set expectations.

Working with Overseas Manufacturers: If you are sourcing from overseas, ensure clear communication, quality control procedures, and compliance with import regulations. Regularly visit factories to maintain strong relationships and monitor production; or work with a sourcing team that has associates in the U.S. and overseas to do this work on your behalf. Establish clear quality control protocols to ensure your toys meet your exact specifications and international safety standards. Familiarize yourself with international trade rules and sites such as: https://www.trade.gov/rules-and-regulations.

Protecting Your Products

Safety Certifications: Ensure your toys comply with all relevant safety standards, such as ASTM International (ASTM F963 for toy safety) (https://www.astm.org/) and the U.S. Consumer Product Safety Commission (https://www.cpsc.gov/Business--Manufacturing). Third-party testing labs can help you ensure your toys meet these standards. Safety is paramount in the toy industry, and failing to comply with regulations can result in product recalls and damage your brand reputation.

Trademark/Patent Information: The United States Patent and Trademark Office (USPTO) (https://www.uspto.gov/trademarks) can guide you on protecting your brand name and unique product designs. Registering your trademarks and patents helps prevent others from copying your intellectual property and allows you to take legal action if necessary.

Licensing and Brand Expansion

Licensing: Partnering with established brands to create licensed toys can be a lucrative strategy. The Licensing Industry Association (https://licensinginternational.org/) offers resources and educational programs to help you understand the licensing process. Carefully evaluate potential licensing partners (including time commitment, contract, and royalties) to ensure brand alignment and a good fit for your target market.

Safety Standards

100+

All toys sold in the U.S. must comply with 100+ strict toy safety regulations, tests, and requirements designed to protect children at play. (toyassociation.org)



The Power of Technology

Having a strong technology partner for your sales tools is essential for maximizing revenue and collaborating effectively with your sales teams. <u>MarketTime</u> offers a comprehensive suite of solutions designed specifically for the wholesale B2B market including:

Order Writing:

Write orders anywhere, anytime, on any device both online and off. Manage items, promotions, digital assets, and shoppable catalogs. Share item and inventory data. Integrate with your ERP (source system) for even greater visibility.

Order Delivery:

Automatically receive order copies from your sales teams. View full order history and live order status through a cloud portal. Schedule, batch and export custom order files via FTP, EDI, or API. Use customer and field mapping to deliver clean orders directly to your ERP.

B2B eCommerce Sites:

Highly configurable, leveraging your data and product images already maintained in MarketTime. No coding experience needed. Features that include promotions, shoppable 'hot-spotted' catalogs and images, curated collections, and top-selling items to drive buyer discovery and purchasing. Designed for buyers to log in and place orders 24/7.

Reporting & Analytics:

Gain valuable insights into your sales performance with MarketTime's detailed reporting and analytics tools. Track sales trends, identify top-selling products, and analyze customer behavior to make informed business decisions.

Payment Processing:

Powerful and flexible payment processing solutions with a connected third-party gateway or with mtCharge, MarketTime's integrated solution. mtCharge allows payment processing via credit card (with no tokenization fees) or ACH, the ability to schedule net terms, request alternative payment methods directly in MarketTime, run preauthorizations, on-demand payments and more in a PCI-compliant environment. No more manual detokenization or chasing down payments, saving you time and money.

Product Management:

Automate product info, inventory, and pricing from your system to MarketTime. Sync data via API, third-party integration, or flat file transfer to MarketTime's FTP.

Content & Storage Hosting:

Host data, files, images, etc.

By leveraging the power of a strong sales tool partner like <u>MarketTime</u>, you can position your wholesale toy brand for long-term success in the ever-evolving B2B market.





Pricing Your Products

Cost Analysis: Start by meticulously calculating all your costs, including manufacturing, materials, shipping, marketing, and overhead.

Market Research: Research the pricing of similar toys in the market to understand customer expectations and competitor strategies.

Target Market: Consider your target market's price sensitivity. Are you aiming for the premium market or a more budget-conscious audience? **Profit Margin:** Factor in your desired profit margin to ensure your business remains sustainable.

Competitive Advantage: If your toy offers unique features or benefits, you may be able to command a higher price point.

Packaging That Plays a Role

Safety First: Packaging should be sturdy enough to protect your toy during transport and storage and comply with safety regulations.

Visual Appeal: Eye-catching graphics and clear product information on the packaging will grab attention on retail shelves and online marketplaces.

Sustainability Matters: Consider eco-friendly packaging materials to appeal to environmentally conscious consumers.

Multifunctionality: Whenever possible, design packaging that can be repurposed or integrated into play to add value.

Why Product Displays Matter

Building Brand Awareness: A captivating display acts as a silent salesperson, drawing attention to your brand and products amidst a sea of competitors. Eye-catching visuals, clear product information, and engaging interactive elements can spark curiosity and entice children to explore your toys.

Maximizing Shelf Space: Retail shelf space is precious, and a well-designed display utilizes it efficiently. Instead of just relying on individual toy packaging, a display allows you to showcase multiple products, highlight key features, and encourage impulse purchases.

Enhancing the Play Experience: A good display goes beyond just showcasing the product. It can create a miniature play environment, encouraging children to engage with the toys and imagine the possibilities. Interactive elements, like buttons or levers, can further enhance the experience and impact their decision to purchase.

Driving Sales Conversions: Ultimately, a successful display helps convert interest into sales. By providing clear pricing information, easy access to product features, and a visually engaging experience, displays can influence buying decisions at the point of purchase.

Getting Retailers Onboard: Convincing retailers to utilize your display requires a strategic approach:

- Offer Multiple Display Options: Cater to different store layouts and needs by providing a range of display sizes and styles.
- Focus on Functionality: Ensure your display is easy to assemble, maintain, and restock.
- Share Sales Data: Demonstrate the display's effectiveness by providing retailers with data on increased sales for products displayed prominently.
- Co-operative Marketing: Consider offering incentives or co-operative marketing funds to encourage retailers to utilize your display.

Marketing Ideas to Make a Splash

Develop a Brand Story: Craft a compelling brand story that resonates with your target audience and captures the essence of your toys.

Public Relations Efforts: Reach out to relevant media outlets for product reviews and features.

Trade Show Marketing: Make an impression at trade shows with engaging booth displays, product demonstrations, and promotional giveaways.

Trade Show Promotions: Consider creating special promotions to incentivize buyers to place an order at the show. Just make sure to keep it simple. Test out different promos to see what resonates with your buyer. Is it a discount, BOGO, free shipping?

Influencer Marketing: Partner with relevant toy reviewers and social media influencers to reach a wider audience and generate excitement for your products.

Social Media Strategies for Success

Identify Your Platforms: Focus on the social media platforms where your target audience spends the most time, like Instagram, YouTube, TikTok, or Pinterest.

High-Quality Content: Create engaging content that showcases your toys in action, highlights product features, and offers fun play ideas.

Interactive Engagement: Run contests, giveaways, and polls to encourage audience participation and build brand loyalty.

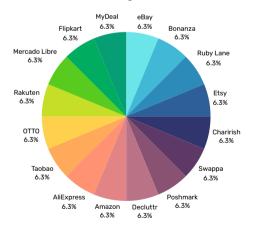
Paid Advertising: Consider utilizing paid social media advertising to target specific demographics and reach a wider audience.

Third-Party Platforms

Benefits: Selling on established platforms like Amazon can offer wider market reach, increased brand awareness, and access to a ready-made customer base.

Downsides: Competition on these platforms can be fierce, and you may have less control over pricing and brand messaging. Fees associated with selling on these platforms can also eat into your profit margins.

Popular Selling Sites & Marketplaces



The Importance of a MAP Document (Minimum Advertised Price)

Maintaining Brand Value: A MAP document outlines the minimum price at which retailers can advertise your products. This helps prevent price wars and protects your brand image.

Ensuring Fair Competition: A MAP policy creates a level playing field for retailers and prevents any one store from undercutting the competition with drastically lower prices.

Building Retailer Relationships: A well-communicated MAP policy fosters trust with retailers by ensuring a healthy profit margin for everyone involved.



Future Planning - Charting Your Course

SWOT Analysis - A Strategic Framework: As your toy brand evolves, conducting a regular SWOT analysis (Strengths, Weaknesses, Opportunities, and Threats) is crucial. This strategic planning tool helps you identify internal and external factors that can impact your business success.

- **Strengths:** Analyze your competitive advantages, such as unique product features, strong brand identity, or efficient manufacturing processes.
- **Weaknesses:** Identify areas for improvement, such as limited marketing budget, reliance on a single sales channel, or lack of brand awareness.
- **Opportunities:** Explore potential growth opportunities, like expanding into new markets, developing new product lines, or forging strategic partnerships.
- **Threats:** Consider external factors that could pose challenges, such as rising material costs, economic downturns, or increased competition from new entrants.

By regularly evaluating your SWOT factors, you can make informed decisions, capitalize on strengths, address weaknesses, seize opportunities, and mitigate threats.

Identifying Your Niche: In a crowded toy market, standing out is essential. Carefully define what makes your product unique and how it benefits the industry. Highlighting these unique selling points will resonate with retailers and consumers, solidifying your brand's position in the market.

- Focus on Innovation: Does your toy offer a unique play experience or address an unmet need in the market?
- Embrace Educational Value: Does your toy promote learning, creativity, or social development?
- Sustainability Matters: Are you using eco-friendly materials or production processes?
- Prioritize Inclusivity: Does your toy represent diverse characters and encourage inclusive play?

Room for Everyone - A Collaborative Industry

The toy industry thrives on innovation and collaboration. Don't be afraid to learn from competitors, attend industry events and network with other toy professionals. There's space for everyone to succeed by offering unique and engaging products that bring joy to children.

By following these comprehensive guidelines and continuously refining your vision, you can position your brand for long-term success. Remember, the journey is just as exciting as the destination. Embrace the challenges, celebrate the wins, and never lose sight of the magic of creating toys that spark children's imaginations and leave a lasting impact on their lives.







About MarketTime

MarketTime is the technology platform of choice for B2B sales organizations around the world – providing commerce solutions that unite retailers, brands, and sales teams. MarketTime's solutions are the only fully integrated cloud-based applications available to stakeholders anywhere and anytime that fulfill three key needs: making product discovery and ordering easier for buyers; making organizing and sharing information intuitive and secure for sellers; and saving time and money for all ecosystem participants. The company facilitates over \$5 billion in orders annually for more than 300,000 retailers, with 350 sales agencies, 7,000 sales representatives, and 6,500 brands utilizing the platform. You can learn more at www.markettime.com.