Toy & Game Family Decision Making Study

A White Paper prepared for the Toy Industry Association by

The Family Room Strategic Consulting Group, LLC

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Abstract

It is a well-established fact in the consumer marketing community that families are undergoing tectonic changes. From the skyrocketing number of single parent households to the emergence of a truly 'multicultural' nation, marketers in categories ranging from cars to candy have had much to keep track of as they strive to keep their fingers on the pulse of the largest single consumer group: the family. Mirroring these critical trends is a dramatic shift in parent versus kid roles and the accompanying transformation in how the family, as a unit, makes decisions. Today's parents express a far greater degree of collegiality in their relationships with their kids and operate in a far more democratic manner when it comes to purchase decisions across a wide range of product categories.

In 2012, The Family Room and Toy Industry Association (TIA) embarked on a groundbreaking research project to study how these family dynamics impact purchase decision making in the toy and game space. This study delves into the underlying factors and motivations that stimulate toy and game purchases and also examines the anatomy of the purchase decision itself, including how a decision is affected by outside factors and how decisions can change even moments before a purchase is made. In the toy and game arena, it turns out that two factors are critical in shaping a consumer's path to purchase:

1. How much deliberation or research parents feel they need before buying, and
2. What parents' resistance/engagement level is for buying the particular toy or game.

This study identifies the range of decision making styles that emerges from these forces, as well as the roles of parent versus child and the contextual, emotional and functional cues that will most resonate with each as marketers and retailers hone their messaging, innovation and in-store programs.

Background/Purpose

Between February and May of 2013, The Family Room partnered with TIA and two other flagship sponsors to conduct a rigorous qualitative and quantitative investigation of family decision making in the toy and game category.

This was a two part study:

Part 1
Identifying overall toy and game decision making typologies in families, and

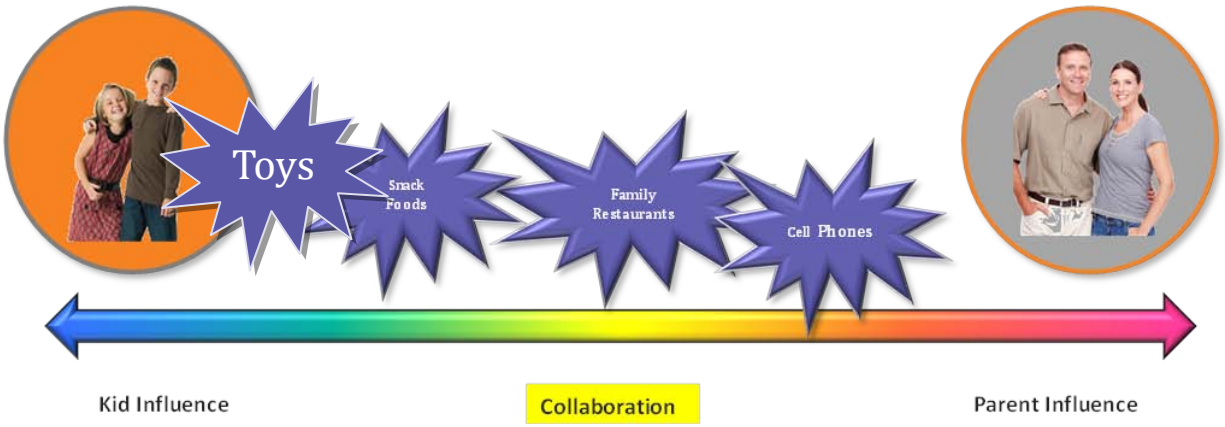
Part 2
Identify family decision making at the specific category level for 13 toy and game categories ranging from traditional board games to playing on smart phones and tablets.

The focus of this paper will be Part 1 of this study. Part 2 is available for purchase from The Family Room in the form of customized reports for category(ies) of interest.

Part 1 ***Overall Toy And Family Decision Making Styles***	**Part 2** ***Decision Making At The Category Level***
• Role of Mom, Dad and Kid • Steps navigated in the path to purchase • Triggers, Barriers, Context, Influencers, Sources of Information • Naming and decoding the multiple approaches to decision making in the sector.	• How families are making decisions at the category level (e.g. action figures vs. tablets vs. arts and crafts) • Robust sample allows for reads within each of **13** categories • Detailed measures across key stages in the Path to Purchase • Brand, model and character/theme captured

Introduction

Twenty years ago, decision making in families was a pretty simple affair. Parents, most often moms, made the decisions for most household purchases and the rest of the family lived with the outcome. But in a recent study by The Family Room, nearly six in ten moms reported that they consider their child to be one of their "best friends," revealing a very different parent/child relationship than the benign dictatorship many of us grew up with. More importantly, only 21% of moms and 35% of dads now say they consider themselves to be the person in the family who has 'the final word' on family purchases. This has been replaced by various forms of democratic collaboration in decision making, with varying levels of kid and parent influence depending on the category.



Toys sit firmly in the territory of kid influence … this likely has not changed very much in 20 years. What has changed, however, is HOW the toy gets into the child's hands – that is, the contextual, emotional and functional behaviors that shape the path to purchase for that toy. Also important to remember is that kids are more empowered than ever in terms of information, knowing their preferences, and engaging their parents as active enthusiasts.

- **One in ten toys were purchased by the child**
- **Six in ten toy/game ideas come directly from an overt "ask" from the child.**
- **Virtually all of these 'asks' specify exact brand and model/type.**
- **When a purchase is made by the parent, eight in ten are exactly what child has requested.**
- **Six in ten kids claim they felt they "HAD to have" the toy they requested**

Key Insights

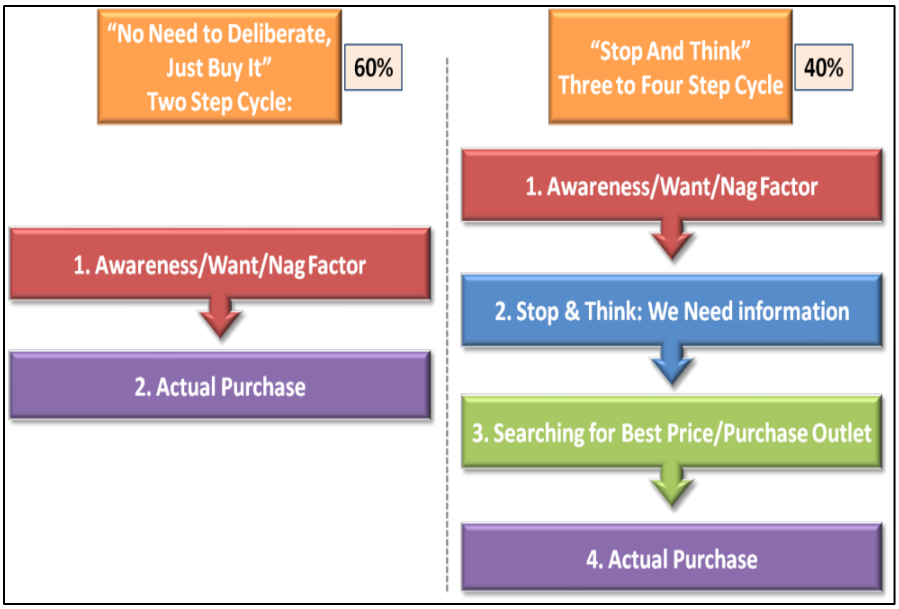
KEY INSIGHT #1

While kids 'rule' in terms of influence in the toy category, parents still do the actual buying in the majority of cases. **The tension between what the child wants and what the parent wants creates a range of hurdles and pathways that each toy must take from the initial "ask" to get into the child's hands.** For parents, these hurdles fall into the areas of:

- Price Considerations/Affordability
- Age Appropriateness
- Occasion or Rationale for Purchase
- Perceived Quality and Value

KEY INSIGHT #2

There are multiple paths to purchase, which range from a simple two-step process to a longer and more complex four-step process. **The primary factor in determining the length and complexity of this path is the level of deliberation the parents require before buying**. This need for deliberation is inextricably tied to the perceived hurdles or resistance that parent experiences for the given toy or game.



- The first group, "**No Need to Deliberate, Just Buy It**," accounts for 60% of purchases and consist of a two-step cycle with the "ask" leading directly to purchase.

- The second group, "**Stop and Think**," accounts for 40% of purchases and consists of three to four steps. Category has a significant influence here. "Stop And Think" cycles start with the "ask" and then move into some combination of searching for information regarding the toy/game itself, and optimizing for the best price/ purchase outlet before moving to the actual purchase.

KEY INSIGHT #3

The length and complexity of the decision making cycle has a significant impact on the contextual, emotional and functional aspects of a toy's path to purchase.

- "No Need To Deliberate, Just Buy It" paths are measured in hours or days and tend to be impulse or unplanned decisions that are likely to take place in big box stores.

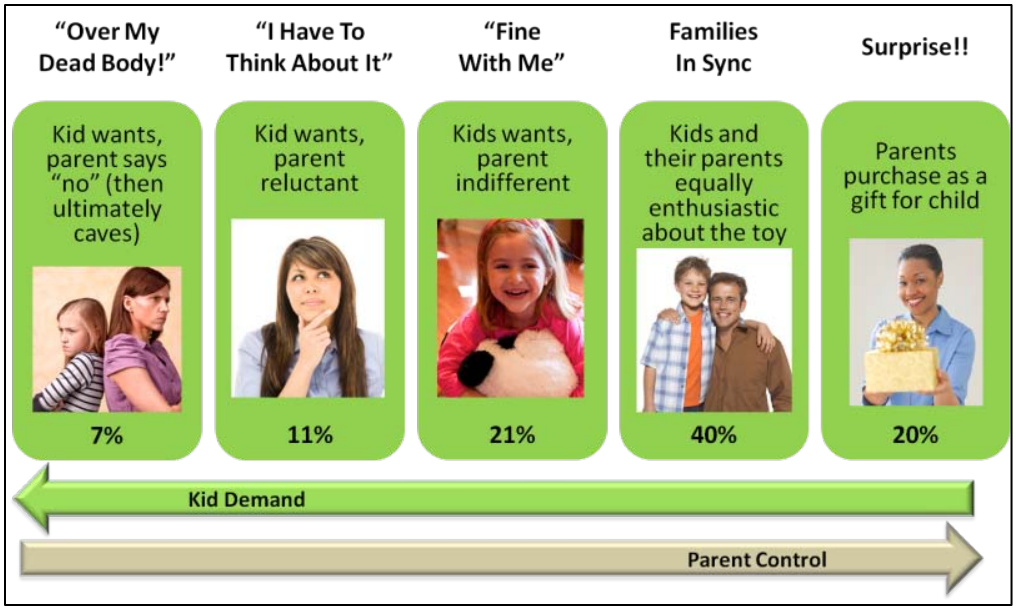
- The more deliberative "Stop and Think" paths, on the other hand, are often measured in weeks or months with very few impulse buys. Child involvement in searching for information and optimizing choice is higher, and parent reluctance and stress is also high. The consideration set tends to expand after the information search is done, and online purchases are significantly more likely.

KEY INSIGHT #4

To better understand what triggers a parent's need for deliberation (or lack thereof) we took a deeper look at the attitudes, barriers and roles operating during the decision making process. This revealed that families employ one of **FIVE distinct decision making approaches**, known as decision typologies, when purchasing a toy in the 13 categories covered in this study. Each typology has its own combination of defining characteristics.

The Five Typologies

The five typologies fall onto a continuum that moves from kid demand to parent control.



- **"Over My Dead Body"** accounts for 7% of purchases and are occasions when kid is asking and parent is saying "No", but eventually caves in (keep in mind that this study did not gauge non-purchases, where parent held to their "No" response). The tension between parent and child is highest here; categories which 'pop' here are often gender-specific toys, or character or theme-based. Many of these purchases tend to be fast and furious (literally)—many are impulse buys. A quicker, two-step cycle taking less than a week is typical.

- **"I Have To Think About It"** accounts for 11% of purchases. These are also a bit tense for parents and kids, but they are not as fraught with conflict. These are situations where the parent needs to pause and get more information related to a specific concern or barrier before they actually purchase. As a result, they tend to require a full four-step cycle that can take a weeks or a month or longer. These toys tend to be those that are about keeping up with a peer group but they have some redeeming value for parents as well.

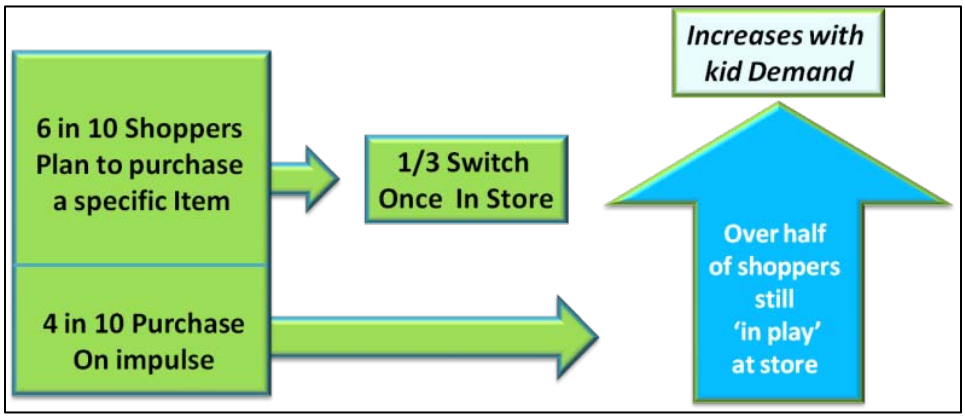
- **"Fine With Me"** accounts for 21% of decisions and characterize those decisions which are 'no-brainers' for parents. The only barrier they have here is to make sure it's not just a passing fad, but primarily, it is all about getting exactly what the kid wants. These purchases are typically two-step cycles but are likely to be measured in weeks, not days, so there is likely some back and forth and discussion between parent and child.

- **"Families In Sync"** is by far the most common decision typology, and is a clear reflection of families' more collaborative decision making approaches today. It accounts for a full 40% of purchase decisions in the toy/game space. These purchases are characterized by the parents and kids being equally enthusiastic and engaged in the toy/game purchase. As such it is motivated by an interesting combination of getting exactly what the child wants but also getting something creative or educational, in line with what the parent wants. These decisions are far less fraught with conflict and so tend to show a shorter two-step path occurring over days or weeks.

- **"Surprise"** accounts for 20% of toy/game purchases. While the kid is not involved with the actual purchase, their influence is high. Parents look for toys that are new and surprising and are likely to make their purchase on the same day that they have the idea.

KEY INSIGHT #5

It is well documented that the toy/game arena is characterized by a high degree of impulse purchase—in fact, this study found that more than half of shoppers are still "in play" when they step foot into the store or click onto the retailer's website. **The revelation in this study, however, was that this tendancy toward impulse increases in this category as kid demand/influence increases**.



Understanding the decision making typology employed for a given purchase can go a long way in giving both marketers and retailers an incredibly valuable tool in decoding the needs of their in-store shoppers.

- **"Over My Dead Body"**
  During these high-stress shopping trips, kids tend to be shopping with their parents (picture the child having a tantrum in the toy aisle at Walmart). They are incredibly indecisive and impulse-vulnerable—they tend to start off focused on one brand, but 75% of actual purchases are of a different brand! Despite their strong resistance, these shoppers tend to make multiple toy/game purchases in a given trip.

- **"I Have To Think About It"**
  While less fraught than "Over My Dead Body," this scenario involves in-store stresses and indecision as well. They have less of a single brand focus when they walk into the store, but half of those who do switch their intended brand/model in-store. These shoppers also make multiple toy purchases.

- **"Fine With Me"**
  Parents who shop in this mindset tend to be calm and focused on one brand, which they stick to**.**

- **"Families In Sync"**
  Parents tend to be happy in these situations, where the focus is on one item that they keep to. The shopping process tends to be a pleasant experience that is shared with the child or enjoyed by the parent if they are solo.

- **"Surprise"**
  There is lots of impulse purchasing when parents are in this mindset. In many cases, these shoppers tend to focus on a category or type of toy over a specific brand, and the experience is calm and happy.

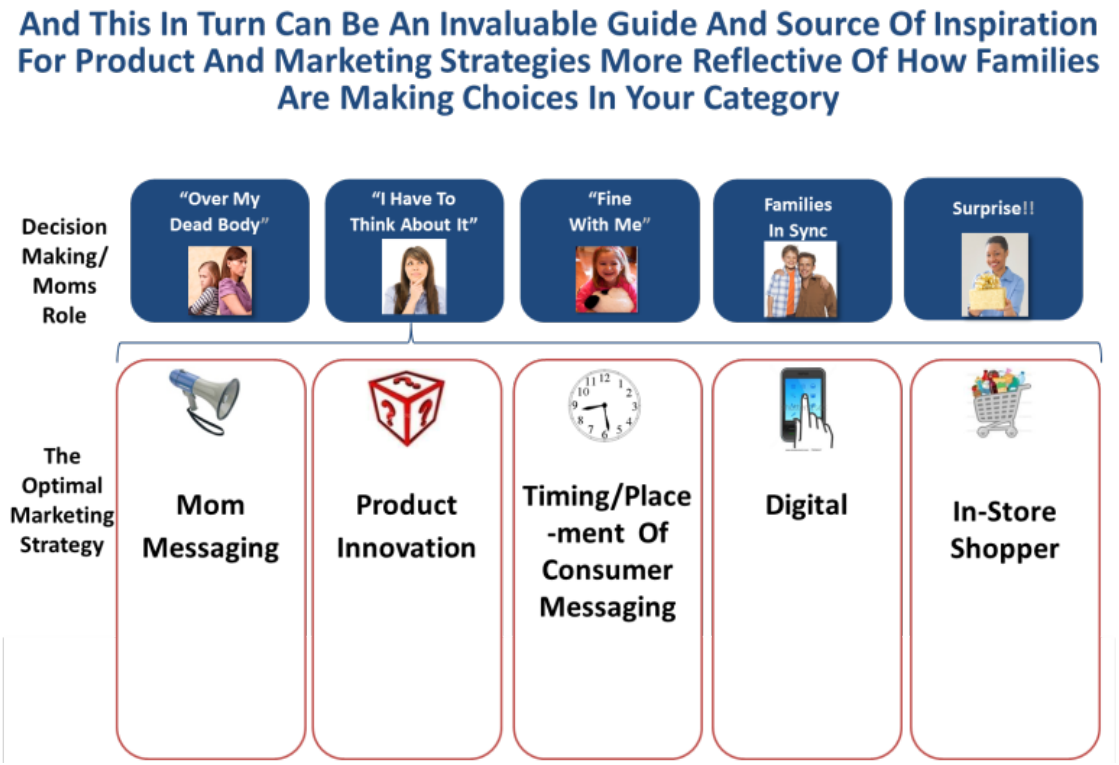
KEY INSIGHT #6

Parent and child dialogues that drive decision making are increasingly virtual. 21% of parents reported that their kids conveyed the initial idea for the purchased toy online. These methods included pointing it out online in the presence of the parent, sending a text or email making the request, and setting up an online wish list.

Conclusions and Implications

The type of decision making that is active in a given toy category's purchase has a broad and deep impact and is a key predictor of how shoppers behave at all stages of the path to purchase. This is known as the "Cascading Effect" of decision making.

Once the decision making style is active in a given category and predicts the vital elements of the purchase dynamic, **three "Now What?" opportunities become evident**.



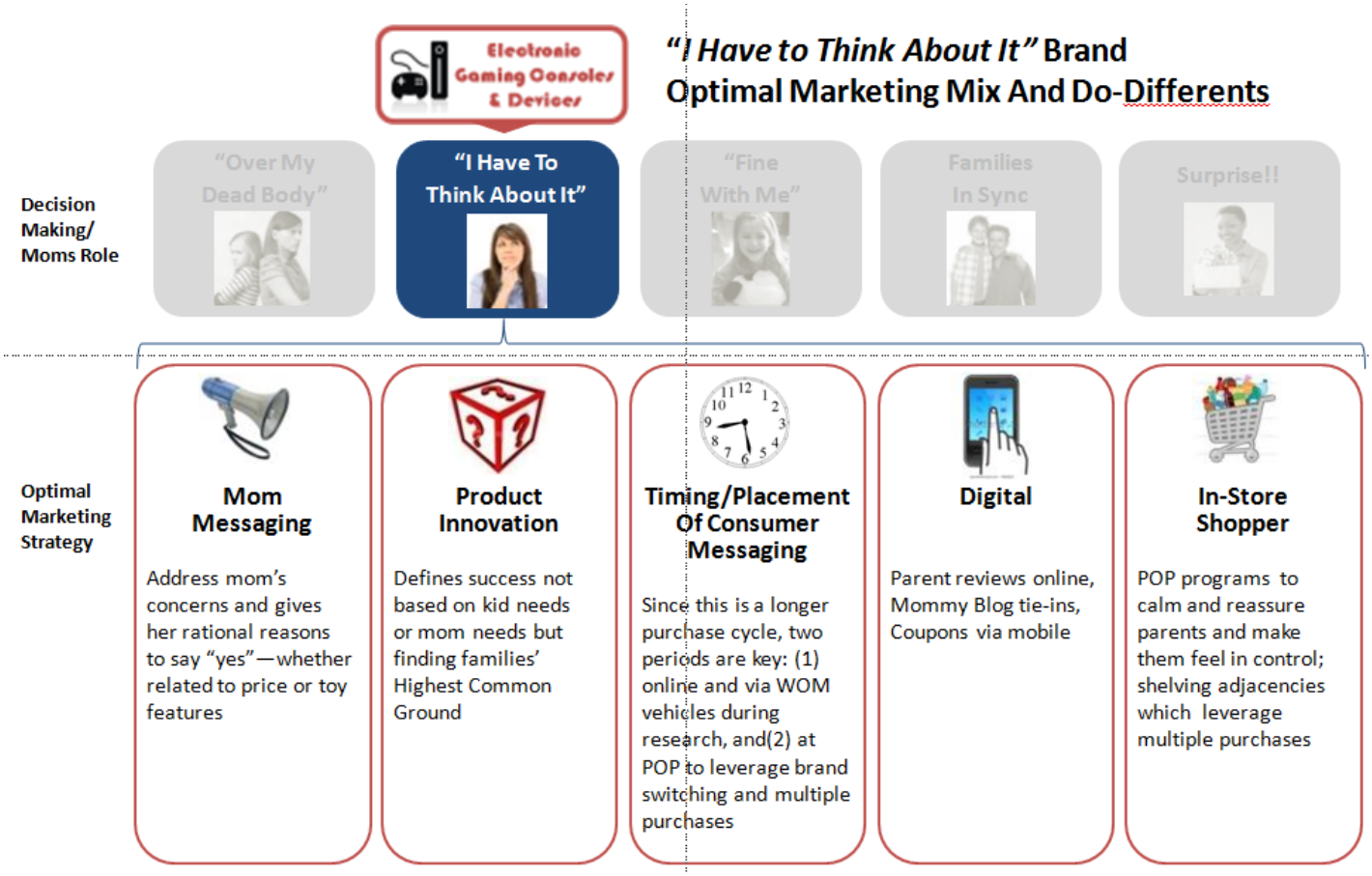
1. The first of these is **developing marketing strategies** that are more reflective of these new decision making realities. Knowing the dominant decision making typology at work in a category can give a brand team a precise roadmap for consumer motivators, path to purchase, and in-store shopper experience, as well as other key characteristics that the brand needs to embody to fit their consumers. This roadmap provides an optimal marketing strategy comprised of mom messaging, product innovation, timing of consumer spend, digital and in-store shopper information.

2. The second is **developing shopper strategies** that are better aligned with the type of decision maker that will be entering the aisle or visiting the website to buy a toy. Knowing which decision making style is at work for a category provides invaluable guidance on "which mom" is shopping; her role; whose needs she's considering; what the purchase window; and what the key marketing challenge is. Using this knowledge to create a "mom map" then allows for the crafting of shopper strategies that are aligned with "which face of mom" a brand will encounter when she walks the aisle or goes online.

3. The third is the **creation of new retail strategies** that reflect the realities of how decision making is driving the how, where, when and with whom families now buy toys. The defining characteristics of each decision typology are set to provide insights into tactics and strategies with regards to promotion, merchandising, web presence and retail staff training, among other aspects in the marketing and sales process.

Two decision making typologies follow that provide illustrative examples of the types of strategic recommendations that emerge from learning in this study.

Illustrative Example #1



Illustrative Example #2

"Surprise" Brand
Optimal Marketing Mix and Do-Differents

Decision Making/ Moms Role

"Over My Dead Body"	"I Have To Think About It"	"Fine With Me"	Families In Sync	Surprise!!
				

Optimal Marketing Strategy

Mom Messaging

Connects to parents around both gift planning as well as impulse gifting; Helps ignite the fun & excitement of gift shopping and provides information to help them choose a guaranteed hit

Product Innovation

Delivers exactly what the child wants – theme and character-driven toys are big wins as well as special editions/ accessory bundles for holidays/ birthdays. New introductions with high 'buzz' value

Timing/Placement of Consumer Messaging

Holiday, Birthday, 'Just because' gifts Leverage impulse through in-store appeals, especially at non traditional toy outlets

Digital

Mommy blogs with best toys reccos by age; kid wish lists, esp mobile based on location; viral videos to generate 'buzz' and influence kid 'ask-factor'

In-Store Shopper

Ease of store/shelf navigation based on kid age/gender. Access to parent recommendations/ reviews in store; Reminders about holidays, just because gifts

Appendix

Definitions for 13 Categories Covered

Action Figures	Accessories and battling toys and play sets and action role play and action figure dress-up
Vehicles	Trains and accessories, trucks, aircraft, boats, race track vehicles and play sets, remote control vehicles and mini/finger vehicles.
Outdoor / Sport Related	Bicycles, tricycles, ride-ons, skateboards, scooters, foam toys and weaponry, sporting goods, seasonal toys
Dolls	Fashion dolls, collectible dolls, baby dolls, horse and pony dolls, doll clothing and accessories, dollhouses and play sets and fashion styling and dress up
Arts & Crafts / Kits / Sets Models	Clay, dough, sand, paint, crayons, markers, craft kits, science kits, mechanical craft toys and models
Stuffed Animals & Dolls	Traditional stuffed animals, favorite character plush, customizable stuffed animals, special feature plush and puppets.
Building Sets	Such as LEGO, K'NEX and preschool building sets, wood blocks magnetic and gear sets
Video Games & Accessories	For use with gaming consoles and devices, video game figures and video game accessories as well as games for PCs, downloadable social network games
Smart Phones, iPods & Tablets	Tablets, portable media players, other mobile devices (e.g., iPad, iPad mini, iPod touch)
Preschool Toys	Stacking, shape sorting, push/pull toys, musical instruments, play sets and figures, role play/dress-up and other role play, bath toys
Electronic Gaming Consoles & Devices	Home game consoles, handheld gaming players
Puzzles & Games	Card games, dice games, trading cards, board games, puzzles, brainteasers, travel games, small digital games, electronic versions of traditional games.
Electronic Learning Toys	Kid specific tablets, robotic or interactive playmates, electronic pets and robots, electronic learning systems

Additional Information

Questions about the information contained in this White Paper, or requests for price quotations regarding Part 2 of the study (e.g., customized reports for category(ies) of interest) may be directed to:

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