Ready for
Brand owners heading to BLE are coming up with creative

By Jane Marlow

In a year when every trip to the supermarket means wading through aisles crammed with merchandise featuring the characters from Frozen, Ant-Man and Star Wars, it would seem that the kids’ licensing and merchandising (L&M) industry is enjoying a vibrant, fertile period. But, given that all these properties derive from one company—Disney—perhaps their omnipresence on the shelves presents more of a challenge to the industry as a whole rather than being a barometer of good health.

Jennifer Coleman, the VP of licensing and marketing at 4K Media, is upbeat about how Yu-Gi-Oh! has grown over the last two years. Coleman started with a blank slate in 2012 and now has a roster of licensing partners across apparel, back to school and more. But, she says, the consolidation and “Disneyfication” of the L&M industry is currently one of its biggest challenges.

“There’s been consolidation within the licensor realm and so much on the retailer side too—with some retailers going away—which makes it so much harder,” says Coleman. “Tesco can go meet with Disney and they’ve got every demographic covered, from preschool to the older folks, with Marvel and Indiana Jones and Star Wars—it’s one-stop shopping.”

Confronting challenges generates creative solutions, however, and Coleman says that niche brands like hers are starting to benefit from the growth of online shopping and retail.

NICHE APPEAL

“More small manufacturers in the industry are understanding niche brands and niche retail, which doesn’t necessarily mean brick-and-mortar stores,” she explains. “There are manufacturers that are deciding they want to take advantage of these online opportunities. We have one T-shirt licensee that is making a huge investment to do a print direct and is partnering with Amazon. I feel that as a licensor we are benefiting from some of the unique opportunities that licensees are seeking out in the marketplace now.”

Mediatoon also has a wide manga catalogue, as well as comics with characters such as Garfield, Gaston Lagaffe and Spirou. Jérôme Leclercq, the director of Mediatoon Licensing, agrees that the rolling program of movies churned out by Disney, and Minions and Jurassic World from Universal, make shelf space hard to find. But, with a new movie release scheduled, new properties being added to the catalogue and a new TV season of
Yakari in the offering, the next two years present good opportunities for the company.

"It's important to refresh the catalogue and have events, new movies and new series coming up," says Leclercq. His strategy is to think differently than the larger outfits. "We have the chance to partner with some licensees that don't work with Disney. We try to be smarter and help them to continue to sell our properties at retail."

**DAY AT THE PARK**

Central to this approach are two theme-park projects, Parc Spiriou in France and Spirioland in Belgium, which will feature properties from Belgian comics such as Lucky Luke. Medialoon hopes success in Europe will open doors in China.

"We have an office in Shanghai and are trying to develop the Chinese market," Leclercq adds. "We have a Chinese partner who is looking at what we're doing with the theme park in France; it could be a great way to develop our brand in France and outside the country too."

Increasingly, imaginative partnerships and product ranges are also improving the health of the L&M arena as companies strive to bring fresh and engaging products to shelves.

**STANDOUT BRANDS**

Hayward says the challenges lie particularly in the boys' market, which is saturated by big-budget franchises like Star Wars and The Avengers. "It does seem that the licensing industry is still polarized to the tried-and-tested brands that can deliver an established fan base and the short-term opportunities for new properties."

That said, Hayward reports that ITV's GE's Thunderbirds Are Go has had a stellar year since its launch in April 2015, with British consolidated TV ratings nearing the 3-million mark for the series' two opening episodes, which aired back-to-back.

"We have assembled a very strong consumer-products program and already have all key categories covered with over 45 licensees on board globally," says Hayward. "The retail rollout of Thunderbirds Are Go solutions to turn their properties into L&M hits.

Theme parks are also core to The Smurfs' presence in the marketplace and are indicative of the brand's commitment to a long-term growth strategy. The iconic blue characters will have a home at various multi-property parks that are in the pipeline, and at motoringate in Dubai, which is set to open in 2016. Tim Verschuer, the head of sales at IMPS, licensor of the Smurfs brand, says the benefits of a big project like this are manifold.

"You're doing a licensing deal with theme parks for 10 or 15 years, so it's a long-term vision. That's one of the most important elements. Secondly, you can get income from the entrance fee; your products will be shown in a restaurant with food, drinks and placemats; there will be a shop where people will come into contact with your products—toys, plush, apparel, health and beauty—so you create engagement. There are marketing commitments, which means that the brand will be promoted through the park on a national or international level. It means visibility and keeps the brand alive for the target group."

Trudi Hayward, the senior VP and head of global merchandise at ITV Studios Global Entertainment (ITVS GE), thinks the L&M arena is improving all the time. "The upturn is underpinned by having strong brands across the market. They help buoy retail as their halo effect helps spread confidence among consumers and retailers alike.

merchandise kicked off in July with the debut of Vivid Imagination's new toy range."

Thunderbirds Are Go will be leading ITV's GE's presentation slate at BLE, where the focus will be on adding innovative products within existing categories for the brand. "It's important that all our partners have a genuine passion for the brand and will develop products that fully capture the show's key themes of adventure, teamwork and rescue," Hayward continues. "We'll also be seeking promotional partnerships for the property to further enhance consumer engagement with the brand."

Thunderbirds Are Go taps into audience recognition of the original series. Similarly, Saban Brands's Power Rangers is an evergreen property, with evolving themes that help it engage old and new fans alike in the core 4- to 8 target age group. Dino Super Charge is the 23rd season of the franchise, launching in 2016. "Toys are our strongest category—action figures, role-play and costumes," says Kirk Bloomgarden, the senior VP of global consumer products at Saban Brands. "Power Rangers is the perfect vehicle for kids to live the experience and role play. In the U.S. for Halloween we have a tremendous product sell-through, and in Europe for other year-round events. Kids want to dress up as their favorite
Power Ranger. Costumes are huge for us on a global basis. Apparel is strong—it provides the ability to express yourself and showcase your love of Power Rangers through your apparel and accessories. The other strong category is publishing—comics and magazines that the kids can follow. It’s not as strong as it once was, clearly, but it is still important. It rounds out the categories that are important for the brand.”

Bloomgardens adds that, from a retail point of view, Saban Brands is also interested in online and e-commerce opportunities. “While staying traditional, we are still branching out into other areas.”

Mediatoon’s Leclercq agrees that online retail is important, notably for manga, which has a fan base accustomed to consuming material on the Internet. “We have developed our own website to sell collectible products based on our comics. Collectorbd.com launched in November 2014, and now we have more than 600 different products—high-quality, high-price and limited-edition items—made by our licensees, which we sell directly. It’s a different way for us to sell and to expose our products.”

Collectibles are also central to 4K Media’s Yu-Gi-Oh!, whose fans graduate from the animated series to engaging with trading cards. It’s a play pattern the company is keen to build on.

“We’re looking for a licensing deal and a licensing partnership to enhance the trading-card play and the collectability of the overall brand,” Coleman explains. “There are so many different types of collectibles, so we’re looking to target that market as much as we can.”

Having previously focused on opportunities in the U.S., Coleman says 4K Media is now looking to make inroads into the European market at BLE. The brand has secured good TV exposure in Italy, France and Germany, and Coleman is aiming to expand the presence in the U.K.

Mondo TV’s current top properties are Sissi the Young Empress and the Ferrari co-production The Drakers. Roberta Puppo, the company’s international licensing and marketing manager, says the two properties are working well with toy, food and publishing partners. She aims to increase their presence in accessories and luxury. For Mondo TV, online is also key in supporting the brands.

“We consider online to be a really good opportunity for children to interact with their heroes in order to know them and the world they live in better,” says Puppo. “We are currently working to develop this business.”

**TWEEN SCENE**

Launching new properties is still a challenge in the current environment. ZDF Enterprises is confident that the TV success of its key live-action tween brands Wolfblood, Dance Academy and H2O: Just Add Water will boost their appeal to licensees.

“Wolfblood, an award-winning BBC co-production, has sold to more than 150 territories, including a multi-territory agreement with Disney Channel,” says Peter Lang, the VP of ZDFE junior at ZDF Enterprises. “The third and fourth seasons guarantee the long-term perspective for any partner’s merchandising portfolio. Dance Academy, aired in over 140 territories, unifies a variety of attributes that will turn it into an international merchandising hit—unique look and feel, dance scenes and music and high involvement of the viewers.”

Lang continues, “Our Home of Mermaids’ series have traveled all over the world and found millions of devoted fans everywhere. Sold to over 160 territories, these award-winning series stand out for their storytelling and, in the case of the live-action version, for special effects and underwater photography. Malto Mermaids was even launched internationally as the first live-action Netflix original children’s series.”

Tapping into that track record, ZDF Enterprises has launched the animated series H2O: Mermaid Adventures. “It is a combination of comedy, friendship and adventure for
younger fans. The combination of 2D and 3D animation offers countless possibilities for merchandising products for little girls 6-plus.

Lang says that the home-entertainment, publishing and lifestyle categories will be priorities for the live-action brands. For H2O: Mermaid Adventures, which skews younger, toys will also be a key focus.

Saban Brands is launching the preschool show Cirque du Soleil: Luna Petunia at BLE. “Cirque du Soleil is a global, family brand, so we feel we have a great basis to start this from,” Bloomgarden says. “We’re starting to talk to partners to get them on board early, but we’re not rushing things either. With preschool shows specifically, you need to let them build, and we want to grow an audience and, as demand builds, feed the marketplace with product.”

For IMPS’s The Smurfs, the show’s classic brand recognition has been bolstered in recent years by the live-action/animated feature films released by Sony Pictures Entertainment. The movie releases are tentpoles in terms of audience awareness. The next Smurf’s movie is scheduled for release in March 2017 and will be accompanied by a “blue tsunami” of marketing initiatives across publishing, apparel, food, health and beauty, home products, toys and video games, explains Verschure. “There is also a new category; we have signed an agreement with BrandLoyalty, which is putting in place the licensing deals with supermarkets. They are negotiating now with all the supermarkets in Europe, Asia and South America.”

Verschure says food is a category that is doing good business for the brand, but it’s crucial for The Smurfs to maintain a presence on TV to create a bond that feeds into a retail experience. “I think retailers are more open to talk to brands than before,” he says. “[Retailers] need to find ways to beat each other. It’s a red ocean [amid stiff price competition] out there in the supermarkets. They need to find ways to get the clients in their shops, and brands are a possible mechanism to do that.”

“To keep consumers returning to their stores, retailers need to offer everything from pocket-money toys to impulse purchases and then higher-ticket gifting items,” says ITVs GE’s Hayward. “Within these larger ranges, it’s also important that each licensee complements one another. We strive to appoint licensees that bring something new and exciting to a brand’s licensing program.”

That remit will surely extend to other brand owners at BLE as they look for new and innovative ways to turn their hit shows into must-have products for kids.