

Your biggest Earls Court preview issue

Wheatland

# Toy Trader

JANUARY 1983



David Welsh, Sales Director.

“I joined Appletree Toys because the philosophy behind it appealed to me: reliable, no-nonsense service and products I would be proud to sell.

Here are some of our major items . . .

# Hi-tech package for '83



variety ... innovation ... retail support ... keen prices ...  
year round sellers ...

Launched last year, Leisure Zone was formed primarily to market the Innovator range of electronic pocket and table arcade games, but looking back, Richard Abbott realises that as far as the toy buyer was concerned, timing meant the company missed their selections. But as Abbott says philosophically, "one has to start sometime."

So rather than achieve a broad distribution in toy outlets, Leisure Zone have to date succeeded in selling these games more in the brown goods sector of the industry, that is electronic trades, radio and TV outlets. One exception was Baxter Bros. in Scotland who have been very successful in achieving a strong distribution for these products in Scotland. To summarise 82, Abbott says, "we have sold out, our objectives were modest, but we have achieved them."

Looking forward to the new trading year, Abbott feels that as the company has now established what he terms as "some visibility", the outlook is optimistic. Optimism which stems from the belief that the new products "represent innovation in product, presentation and price which is keen in today's market."

## Difficult

As far as the Innovator range is concerned, Abbott feels that his company has got the right answers for the trade. "This whole product area is difficult, or has been, for the trade. The nature of the business is falling prices and rising technology so the retailer needs to have products which have some kind of edge on technicality/features/prices," Abbott explains. Having been closely associated with retailing and micro-chip products as Merchandise Director of Dixons, Abbott believes that he is in a good position to know how the retailer feels. As a consequence the company has tried to make the product better looking in terms of the consumer's perceived value and he claims that "each new

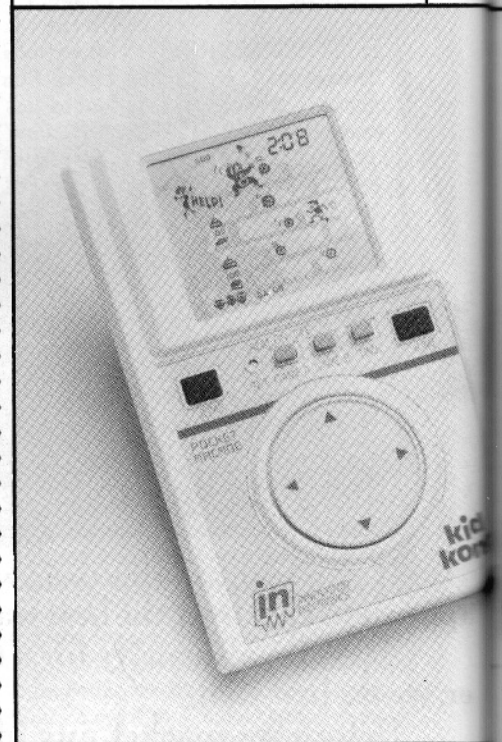
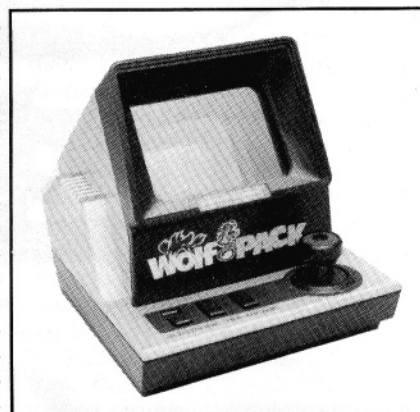
launch will endorse what we mean about innovation in terms of providing the market with new features."

The 1983 Innovator range is described as "the latest innovation in product at good value price points, supported with good packaging, good presentation and very attractive terms." Abbott feels that this is the best possible package whilst others are "continually pressing the retailer to buy last year's lines when prices are steadily spiralling down." Leisure Zone are also launching a press campaign around Easter focusing on those items which transcend seasonality. Abbott explains, "we believe that innovative pocket games are the best way to generate year round sales."

New products include a tri-screen pocket game which the company believes is a first. Known as the Triple Arcade programmable pocket game, there will be two versions available from March onwards — Deadly Journey and Wild Bunch. Each screen provides an individual game and a fourth game utilises all three screens simultaneously. These games are expected to retail around £24.95. Two further games in this range will be launched mid-year, namely Battling Bunny and Ocean Combat.

In addition to the tri-screens, there are two pocket arcade games again featuring what the company believes to be unique — an omni-directional controller. Wolf Pack and Kid Kong will retail around £14.95 and both these and the tri-screens feature day, date, time and chronograph alarm. Lastly in this range are two table arcade games — Wolf Pack and Jungle Rescue — which will also retail around £24.95.

As the flagship to this range, the tri-screens will be advertised at Easter in national newspapers and comics. Further retail back-up comprises counter demonstration units for both ranges of pocket and table games. All the products are packaged in visi-packs which Abbott describes as "making the packaging do the selling job."

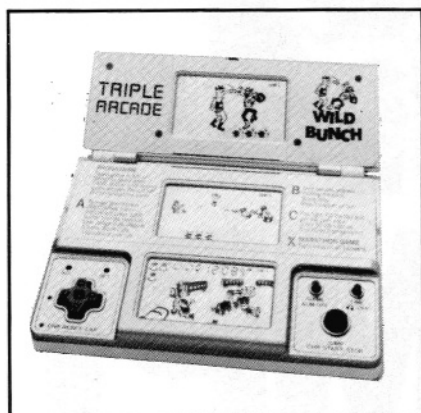


The advantage of stocking Innovator products as opposed to anyone else's, Abbott sums up by saying: "It is really a question of the Innovator range being rather special, offering people value and features as opposed to having a me-too product along with 20 other importers. A

year ago you could buy a simple pocket game for around £20, now you are getting a tri-screen, and with good profit margins for the retailer."

## Direct marketing

In addition to the Innovator range Leisure Zone are launching a new direct marketing scheme this month. The company has formed a joint equity concern with Video Technology of Hong Kong. Abbott explains: "Historically this factory has been selling to a small number of customers in the UK and they wanted to broaden their distribution and achieve a bigger market share. They consequently decided the best way to achieve this was to establish a local office to represent their products in the market



and they have chosen to work with Leisure Zone." This company is to be known as V-Tech (UK) Ltd.

From Leisure Zone's point of view, the company will basically be earning a management fee and offering pre and after-sales service.

This new scheme is aimed at bulk buyers in the toy industry, retail multiples and buying groups, those identified by Abbott as "attracted to the idea of buying ex-factory and importing themselves but wary of the dangers associated with this in the electronic games area." Abbott claims that there are four questions most frequently asked by those wishing to source direct and these are: Am I really getting an exclusive product? How do I control the factory quality? Can I cope with the after-sales warranty? And lastly, what about the unrealistic commitment to vast quantities? The V-Tech scheme seeks to remove all those dangers.

The Hong Kong company boasts a research and development budget which exceeds 40 per cent of total manufacturing overheads which unquestionably reflects their commitment to product innovation. As well as established export sales, the company has also achieved two major Hong Kong design awards and describes itself as "one of the foremost manufacturers of micro-chip leisure products in Hong Kong."

Abbott describes the incentives for joining the V-Tech marketing scheme as "profit margins and price protection — the fact that he is buying ex-factory, he is enjoying the profitability that the importer is currently enjoying." "It allows him to make more profit and stay ahead of the game," he continues.

The V-Tech product range will basically comprise pocket LCD, pendant, calculator, wrist watch and table arcade games. They will all be available either with the V-Tech brand or the customer's own brand. The launch range consists of four models in each of the above categories with the exception of the table games, of which there will be two. The pocket LCD games feature two skill levels, hour/minute/month/date facility, chronograph and alarm, as do the pendant games. The calculator games all feature an eight digit calculator and a game with two skill levels as well as day, date etc. The same features apply to the wrist watch games. Lastly the mini arcade table games feature multi-colour 3D display, variable skill levels, digital scoring and musical sound effects.

Of the V-Tech scheme Abbott says, "we are seeking to deal with a selected number of companies, the objective is not to flood the market with product in a disorderly manner but to work closely with a small number of important sales channels who believe in promoting the product in a professional way."

Promotion will be a joint activity with V-Tech's customers and it is envisaged that this will include in-store promotion, P.O.S. material and press advertising. Abbott continues however, "the margin that V-Tech's customers will enjoy will not only allow them to far exceed their

usual margins, but it will provide enough profit to fund promotion and advertising of their own."

This scheme, Abbott anticipates, will get off the ground from January onwards with shipments expected to start in February. This will mean that V-Tech products will be available in the marketplace around Easter time.

## Computer

The third part of the Leisure Zone package for 1983 is CreatiVision which is best described as a home computer/home entertainment system. As Abbott says, "there is a boom in home computers' consumer take-off at the moment. This is currently dominated by non-toy outlets and we are seeking to provide the toy industry with an opportunity to take a share of this market." At the moment the company is gauging reaction and is hoping to gather research directly from those who have seen the system at Harrogate and those who will at Earls Court. Abbott continues, "we do not pretend to have a monopoly of wisdom in knowing exactly what the toy retailer needs in terms of support. We believe in certain established elements, like staff training, support, P.O.S. material and demonstration aids. From research we hope to be able to round out a comprehensive package."

CreatiVision is a fully functional computer but for the price of a video games console, and that will be its strongest selling point. Abbott believes that the home computer is beginning to eclipse games-only machines and this trend will continue. "Ultimately it will eclipse games-only machines totally," he goes on.

The CreatiVision package comprises a fully-functional personal computer unit with built-in keyboard and memory and is capable of running software packages and of being programmed. As well as being programmable, it can be used to store and retrieve data and to create own programmes. Additionally there is a wide range of plug-in hardware units which expand the system. There is a specially-designed BASIC course cassette to enable users to programme CreatiVision and any other computer in fact. There is also a wide range of ready-to-run software programmes from home accounting through to video games. All important, of course, is the fact that Video Technology are fully committed to developing plug-compatible hardware and ready-to-run software to keep the CreatiVision system 'state-of-the-art'.

**See Leisure Zone  
on Stand No. E22**