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1966 INTERNATIONAL TOY FAIR

NUREMBERG

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by Charles E. Smith

Formerly the Toy Buyer for Burdines, The Federated Department Store in Miami, Florida. Mr. Smith currently lives in England where he teaches marketing, consults, and engages in research within the European Toy Industry.



Introduction

Nuremberg is a magic city. For one week each February this quaint but bustling place becomes an international wonderland. Not only is a fortune in toy business transacted but a very warm and human thing takes place. Visitors renew old associations and make new ones. Germans, Americans, Britons, Poles, Belgians, French, Italians, Czechs, Swedes, Danes, Russians, Orientals, and others are involved in the largest display of toys in the world; and with each other,

Peoples attitudes toward merchandise become stereotyped after a number of years in the toy business. But their attitudes and behavior toward their one time a year friends take on a new vitality each succeeding year.

For American toy buyers the Nuremberg Spielwarenmesse (Toy Fair) offers a convenience of shopping not found elsewhere. The slick, high pressure salesmanship of New York is absent here. It is truly a buyers market. For the American toy manufacturer, Nuremberg affords the opportunity to broaden his market and sources of supply as well as the chance to look for new items, and even more important, new ideas.

The exhibitions are held in five connecting buildings and there is an ample sprinkling of restaurants, snack bars, and vendors purveying the popular Nuremberg bratwurst. These are small sausages served with or without sauerkraut and mustard. The buildings are well lit and well heated. This year these pleasant physical conditions were supplemented by unseasonably warm, clear weather.

Fair Statistics

The spirit of the fair was captured by the secretary in the press office who played with a yo-yo as she gave out statistics and by the two guards who amused themselves with a Super Ball as they checked badges.

This year's presentation was more "international" than ever. 17,000 trade buyers were expected. 1,155 exhibitors displayed their wares in approximately 28,000 square yards of exhibition stands. There were 750 German exhibitors and 405 foreign stands. In all 26 countries were represented. Over 30 American Manufacturers were included. The new and modern "Europa Haus" replaced temporary buildings used in previous fairs and provided about 9,000 square yards of convenient exhibition space.

Merchandise Impressions

The major impression of the Nuremberg Toy Fair is one of overwhelming assortments. The traditional German strength in wood toys continues much in evidence. Stuffed animals, dolls and sophisticated mechanical toys were next in importance as far as the number of stands were concerned. As usual the "landed cost" dictated one's enthusiasm toward any particular item.

New items included a craft set for painting your own stained glass; a large felt covered hobby horse that actually walks forward and backward and turns as well; a "Gumby" type plastic figure with a series of highly expressive faces; a molding clay that hardens and takes on elastic properties; craft sets for porcelain enameling on brass that make all manner of jewelry, ash trays, plates and novelties; and paint sets in clear plastic cases that will give the British factories competition in the years to come.

Another development was from Dux Spielwaren who took a step toward solving the problem of high price in German mechanical toys. Dux has packaged 4 cars with one remote control unit that can be plugged into each car. This small act of genius provides four remote control steerable cars for a U.S. retail of about \$10. Normally, such an item from Germany would have to retail in the United States for almost double the price.

The Buyers View of the Fair

Among department store, chain, and wholesale buyers notice was taken of packaging improvements from German manufacturers. Compared to last year there was a marked increase in colorful visual packs with emphasis on pictures which eliminate language problems for foreign buyers. This was coupled with an increase and improvement in blistered and skin wrapped merchandise. Mr. Kurt Sippel, the resident agent for a large group of American department stores, commented that after last year's fair the German manufacturers held a special meeting on packaging during which they compared samples from several different countries. This year's fair certainly showed the results of this effort.

This new packaging is a refreshing symptom of change in the German market. As the European channels of distribution become more like our own, and stores are faced with higher labor costs, branch store operations, and self-service selling, the European manufacturers are impelled to the "American Way" of merchandising. And, consequently, more merchandise becomes appealing to the American buyer.

Historically the American buyers chronic complaint at Nuremberg has been lack of new items. As the Americans believe in constant merchandise change, the Europeans believe in stability. European buyers will continue to buy an item as long as it sells. Culturally we want change for its own sake and so do our customers. Also European buyers are more faithful to their resources than American buyers. It is rare for the European to switch to another resource for reasons of an additional discount.

This year's fair also demonstrated the difficulty that the European manufacturers have in adapting to trends in the marketplace. Most of the exhibitors at the fair are single classification companies; for example, they make only preschool toys or only musical toys. In Europe, as in the States

there has been a relative age group shift towards older children, eight and above. In America a multi-classification manufacturer can easily shift his design, production, and sales efforts to cope with this shift in demand. In Europe a single classification preschool manufacturer has difficulty in making such adjustments.

Several American buyers noted the lack of adult games at the fair. This would be an area for development in the coming year.

One New York buyer suggested that the many exhibitions of Christmas ornaments and fireworks should be segregated into a building of their own. Similarly he suggested that the toy exhibitions should be grouped by country so that buyers need not walk past displays already seen at other fairs. There was general agreement among the American buyers on these points.

Several manufacturers disagreed however. They feel that their total traffic is greater by having a conglomerate fair. Also they feel that customers remember their booths from previous years and expect to find them in the same place.

On balance, however, there seems to be a good argument for separating Christmas decorations and non-toys while leaving various national toy groups intermixed.

Prices were up only slightly this year with certain exceptions such as Steiff who, unfortunately, had another significant price increase. However buyers can expect prices to go up next year. At the moment wages and working conditions are ahead of prices in Germany. Nevertheless an adjustment is expected in the next 6 to 8 months. Because of higher prices traditional import markups for the American buyer may have to suffer. But although a 40% markup will be worse than the traditional 50% or 55% it is still better than the 30% or 35% one might obtain on a similar discounted item in the States. This shifting price structure will force a reappraisal of the purpose of the European market trip.



In Nuremberg as in the States, buying power dictates price. The printed price list rarely contains the low price. And increasingly the extra 5 or 10% discount makes the difference between buying an item or passing it.

Another difficulty for the American buyer is in the increasing number of important lines that are tied up for the States by import wholesalers. Many argue that if they make the trip to Europe they should be able to buy. They claim that the importers are most effective with smaller users and that European manufacturers would sell more to the visiting buyers if they were able to place their orders directly at the low price.

Manufacturers View of the Fair

Richard Shapiro, executive vice-president of Knickerbocker Toy, was interviewed at his usual stand in the "Wieselerhaus". This was Knickerbocker's fourth successive year in Nuremberg. Orders have been up each year both from repeat business and from many novel sources. Customers from such far away places as Israel, Angola, Peru, Kuwait, South Africa, Australia, Lebanon, Nigeria and Rhodesia have not been uncommon. Mr. Shapiro has been displaying wider assortments each year and is becoming increasingly sensitive to each country's differences in merchandise requirements with respect to both color and design in stuffed animals.

This was the second year at Nuremberg for Min Horowitz of Gym Dandy. Mrs. Horowitz felt that her increased business this year was due to an improvement in communications with her customers. Gym Dandy's acquisition of a fluent German agent opened many doors that had previously been missed. Very often in these foreign markets the business may be there without the American manufacturer realizing it. It is important that presentations are made in the native tongue and with a real understanding of the customers merchandise needs and problems. Over the long term, the egocentric approach, common to many manufacturers, can only lead to failure.

Harry Blum from Mercury Model in Cleveland, comes to Nuremberg for ideas. According to Mr. Blum, Europe offers the American hobbyist a wealth of assortment and innovation in electrical development and train and road race display. Mr. Blum pointed out the impressive miniaturization that has taken place in European H.O. trains. The effect is in detailed layouts that can be housed in a very small space.

He commented, however, that many of his purchases require repackaging because of language problems in instruction and advertising messages.

Although much of the train and road racing merchandise is too expensive for the American market, the ideas in automatic switching, operation, and romantic displays can be invaluable. The Germans do a very effective job with "total" displays that show off the features of a line as a whole. This is contrasted to the New York displays which are very much an item presentation.

John Grabowski, chief executive of the Davis-Grabowski Company of Miami, Florida, has been coming to Nuremberg for many years. His organization covers 11 southern states and has recently expanded distribution into the north and west with a broad line of European imports. Mr. Grabowski speaks five languages and has many long standing business relationships in the European Markets. His linguistic ability and careful shopping of smaller manufacturers offers a good demonstration of the potential of foreign markets if they are approached on their own terms.

Advice to Potential Visitors

Nuremberg is a must for the American Buyer, wholesaler, and manufacturer who is interested in Europe. In fact, some of the best factories that show at the Brighton, Paris, and Milan Fairs duplicate the important part of their lines at Nuremberg. In addition, Nuremberg provides the opportunity to contact new or little known resources. An American chain store buyer commented that some of his best results were due to concentrating on out of the way factories.



Very often the merchandise offered will be highly styled, high priced and made of materials not overly popular in the States, e.g. wood. In order to sell this merchandise you need a quality of presentation, display, and salesperson training, well above the American average. Many items at the Nuremberg fair were not purchased because the buyers knew that they could not support the class of merchandise with their existing store facilities.

In Nuremberg many buyers make the mistake of failing to examine the type of packaging on items that are shown on open display. Often the unlikeliest merchandise will come bulk packed or packed three to a carton. Similarly the apparent freight advantage of buying a wheeled toy in a knocked down condition is offset by the expense of having to assemble a complex toy for the customer.

Hotel accommodation in Nuremberg is almost impossible to obtain. Companies and buying offices have hotel rooms booked in perpetuity. Accommodations in private homes are available, however, and these are clean, comfortable, and inexpensive. They can be obtained by writing to the Nuremberg Verkehrsverein, Nuremberg, Germany.

And every buyer should bring at least two pairs of shoes. More walking is required than in New York.

Stardust

The evenings in Nuremberg provide an array of activity comparable in breadth to the assortment at the Toy Fair. There are numbers of excellent restaurants in all price ranges. This year the Fair was during the "Fasching" Season and each night the famous costumed balls took place. Polkas, native bell ringers, and dancers were much in evidence as well as an occasional American toy buyer doing the Zorba.

And for those of a quieter mind, one can take a walk around Nuremberg's towered walls or visit the medieval castle that dominates the highest hill in the old city

And there were humorous events as well. One midwestern toy buyer, interviewed at 3 a.m. in the bar of the Grand Hotel, was obsessed with the thought that he had an infection from handling so many toys.

American Manufacturers at Nuremberg

Aluminum Specialty Co.	Knickerbocker Toy Co. Inc.
Amsco Industries	Mettel
AMT Corporation	Playschool
Aurora Plastics Corp.	Pressman Toy Corp.
Blazon Inc.	Remco Industries
Buddy L. Corp.	Revell Plastics
J. Chein & Co.	Russkit Co.
Daisy Mfg. Co.	Telcap Inc. (Sifo)
Fischer Price	Silly Putty
Gabriel Industries	Structo
A. C. Gilbert Co.	Tonka Corp.
Gym Dandy Inc.	Transogram Co. Inc.
Hassenfeld Bros. Inc.	Uneda Doll Co.
Hobby Crafts Inc.	Whitman Publishing Co.
Ideal Toy Corp.	Wolvertine Toy Co.