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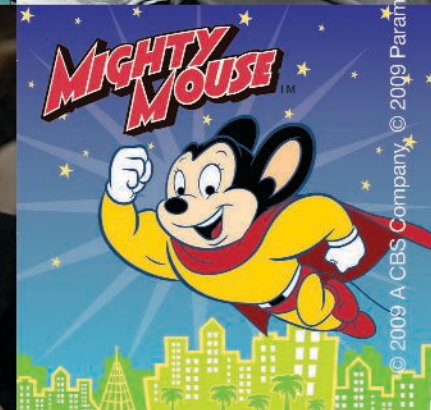
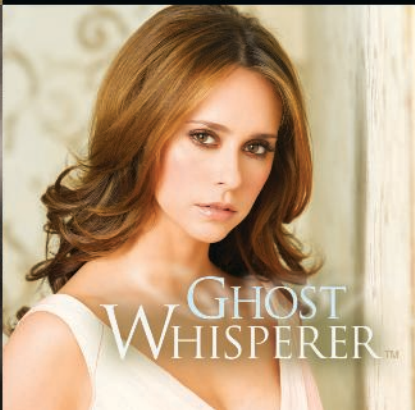
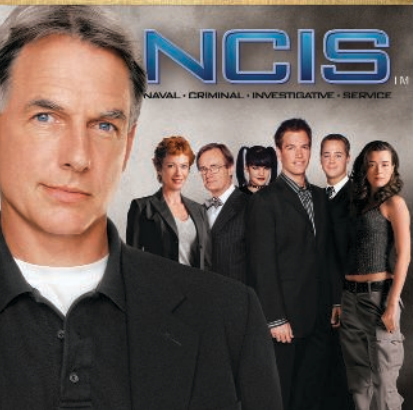
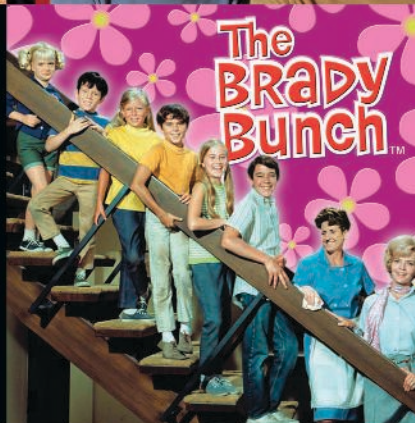
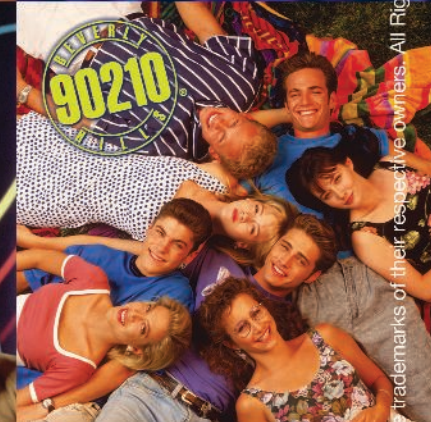
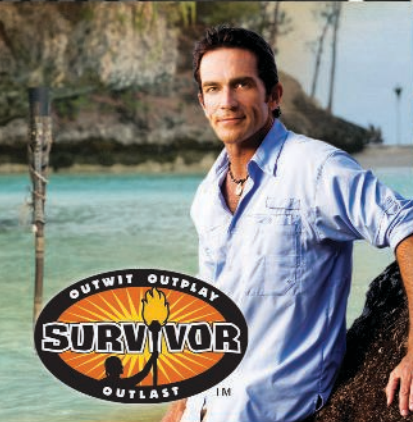
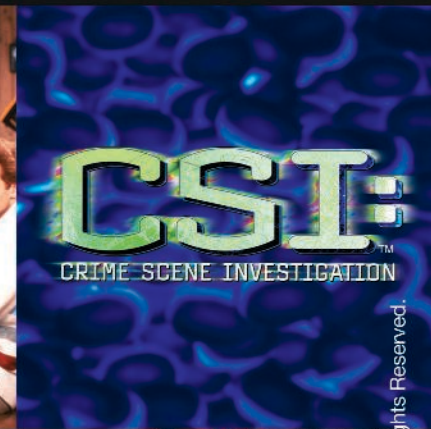
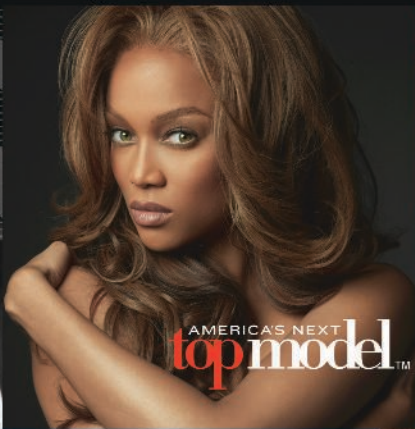


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- A Voice from Mars
- ASDA's Special Events
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## 16 Licensing Industry Annual Report

*License! Global* takes a look at the licensing industry across key categories during a very challenging business climate and takes a big-picture view of the marketplace and what lies ahead in 2010.

## 26 It's Game On for Toys“R”Us

Toys“R”Us has had a busy year rolling out new store formats and making a number of key acquisitions. Chief executive Jerry Storch lays out what the retailer's priorities will be for the months ahead.

## 27 Toy Show Product Preview

Toy executives are in Dallas this month to check out some of the hottest new licensed product that manufacturers are debuting at the Toy Industry Association's Fall Toy Preview.

## 30 Buffet of Brands

Licensing is becoming increasingly important to executives in the food business as a way for brands to get more touch points with consumers and also add incremental sales.

## 32 A Voice From Mars

The Mars Retail Group is using its new “One Voice” strategy to expand the retail experience in its M&M World stores to retailers across channels.



p36



p34

## 34 Licensing and Low Prices

Debbie Johnson, ASDA's licensing event manager, who took on this new position a year ago, is responsible for coordinating efforts across all categories, food and non-food, to create events in ASDA stores that are based on top licensed properties.

## 36 A Discovery in Licensing

Discovery Communications is making a big push into licensing across its brand portfolio, focusing not only on product but also creating experiential options for consumers with travel and exhibitions.

## 38 Licensing Awards

At a gala evening held at the Lancaster London hotel, British comedian Jason Manford hosted the dinner and ceremony recognizing retailers, brands and licensees for innovation and excellence.

## consumer & retail trends

7 editor'snote

8 europeanperspective

There's Never Been a Better Time

12 limaline

Marty Brochstein: Brand Building

13 bizbriefs

Retail news, deals and more

42 lastword

Turner CN Enterprises:  
Alan Fenwick



p13



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goodness  
in a bottle...



... a carton



... a pouch



... a jar



... a bag

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# A Post-Recession Plan

While it's been well-documented that the recession is officially over, sales for the holiday season will be flat at best, and 2010 will be a better year, as analyzed in the *License! Global Annual Report* on page 16, one result of the global economic crisis remains clear, the script has changed. And the plot will be very different for licensors, retailers and consumers in the next decade.

Licensors are re-evaluating their brands and properties; retailers are re-evaluating their merchandise assortment, pricing, sourcing and marketing; and consumers are changing their buying patterns dramatically.

So while there is genuine optimism that retail and brand licensing will improve, albeit slowly over the next few years, the "old" approach to doing business has quickly become passé.

2010 represents a new decade for retailing and brand licensing that requires a more in-depth understanding of retail strategies, brand values and consumer behavior as well as sustainability, global sourcing, new media and social networking. Consider these factors:

- **Brand equity.** As much as everyone agrees that you just can't "logo slap," licensors can no longer tout their brand or property based solely on its popularity at the box office, or a celebrity tie-in or on a popular YouTube video. While these factors are important, licensors need to position the brand in the context of specific retail and consumer strategies and why it warrants valuable shelf space. That means demographic data, sales performance analysis, promotional and marketing support in a more detailed and customized format.
- **Online.** E-commerce will become even more viable for retailers as it becomes even more cost efficient and for consumers as it offers greater value, selection, and affordability. Consider the reinvention of iconic retail brands, such as Circuit City, Linens 'n Things and Sharper Image, as pure online ventures.
- **Sustainability.** When Walmart held its summit in July to introduce "The Sustainability Index," and the retailer challenged suppliers with a list of 15 questions about their companies' sustainable practices, it marked the beginning of a strategic initiative and green standard that will impact licensors and licensees over the next several years in terms of

developing sustainable practices.

- **Customer service.** As consumers worldwide changed their buying habits during the recession, service has become a greater priority for retailers and an even more important criteria to get shoppers to spend money. The impact here is how support materials, labels and shelf-promos can deliver the right info to customers.
- **Social networking.** Over the next several years, the ability to merchandise products to specific audiences will skyrocket and will require a savvy understanding of the networks and formats. The merging of information, brand messages and direct-selling poses niche opportunities for many.
- **Value.** This word, which is often overstated and misused, is even more relevant now, as consumers have truly changed their buying habits. Defining value means convincing consumers that the price, need and enjoyment factors are being satisfied.
- **New markets.** Retailers and licensors need to look for opportunities in other markets and it doesn't always mean the emerging markets of the BRIC nations. For example, the BBC Worldwide, dominant broadcaster in the U.K., is now looking to America for future growth and development, particularly in kids' entertainment.
- **New categories.** Retailers and licensors also must evaluate new products and categories, not only to remain competitive, but also to find incremental growth. For example, Home Depot recently signed a mega-deal with Martha Stewart, perhaps considered an unlikely partner for the DIY retailer, to develop an expanded collection of home products.
- **New Brands.** The time is right for new brands to enter the market. For example, a newcomer to brand licensing is Paul Teutel Jr. of The Learning Channel's "American Chopper" fame, who designed a new branded grill for Coleman, which will be sold exclusively by Home Depot.

The recession, which has redefined many factors in retailing and licensing over the past 12 months, may be "officially" over, but it will take several years for licensing to return to the sales levels of 2007, now considered the single biggest year in the history of licensing.

The good news is that the future looks brighter and new opportunities for growth exist. ©



**Tony Lisanti**  
Editor-in-Chief

# Kids Still ‘For Sale’?



By Sam Phillips

In 1986, the U.K.’s *Guardian* newspaper published a furious article, criticizing the BBC for showing “pernicious” American cartoons whose editorial content was controlled by toy manufacturers. Its tone was thus: “One, they are American; two, they are violent; three, they are linked to the marketing of toys; and four, they are pernicious rubbish. It is a dangerous combination. The values extolled in the cartoons are unremittingly military, high-tech, intolerant, macho and imperialist.”

## Children’s television is in a perilous state as far as funding...it needs to find other sources of income...

The BBC got the most criticism for abandoning standards and responsibilities by screening “Thundercats,” “alleged to be a program-length commercial for toys.” It goes on, “There is something particularly repugnant about such abnegation of responsibility at the expense of children. There is so much good material on children’s television that it seems almost deliberate wickedness for the broadcasters to abuse their audience with such programs.”

Boy, oh boy. This was 23 years ago and how much has changed. Reassuringly, for the outraged at the time, this pernicious TV hasn’t caused social

meltdown and of the cartoons name-checked, “Transformers,” “Decepticons,” “Thundercats” and “Gobots,” only one has endured, as a massive and respected money-spinning franchise.

The language is strong, intolerant and old-fashioned. But the accusation of abnegation of responsibility looms in the air over all of us in licensing. The world has evolved to accept that there is no screen-based entertainment for “free.” If you don’t want your children to be marketed to by the programs they watch, turn the telly off.

Not known for his timid approach, Kids Industries’ Gary Pope is starting a crusade to promote some international thinking in this area. It’s symptomatic of how the arguments have progressed and the combatants must keep up. Children’s television is in a perilous state as far as funding is concerned. The fact is it needs to

find other sources of income is

a given. But, as WBCP’s Bruno Schwobthaler reminded us in the BLE keynote address this year, toys and “stuff” are not necessarily the only things by which a property stands or falls any more. The importance and global reach of gaming, online and truly international partnerships with QSRs and retailers

can be just as effective.

If those furious parents and lobbyists of 1986 looked at the kids’ TV listings now, they would find a market that offers up choice as the natural gatekeeper. They would also see commercial “touch points” everywhere, engineered by the owners of hundreds of properties promising to be the next big thing. Fortunately, there is still so much good material on children’s television just as there was then. ©



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# Brand Building

**Brand extensions are a valuable tool, especially when they are well thought out.**



**Marty Brochstein**

Senior vice president of industry relations and information, International Licensing Industry Merchandisers' Association

As someone connected to the licensing business, the headline on a column in *Advertising Age* brought me up more than a bit short: “Slowly But Surely, Line Extensions Will Take Your Brand Off Course.” The author was well-known longtime marketing and branding guru Al Ries. Even allowing for the “Columnist In Desperate Search of A Provocative Idea” syndrome—a state of mind with which I’m all too well acquainted—that headline struck me as an overly sweeping, if not totally misguided, indictment of a basic consumer products technique in which licensing often plays a starring role.

It turns out that the headline overstated Ries’ point. His idea centers on extensions that remain in a brand’s core category. His specific example was the introduction of Bud Light (and later, Bud Light Lime) as an offshoot of the muscular Budweiser brand. The advent of Bud Light may have opened a new segment and demographic group to Bud and generated healthy sales in its first few years, he says, but ultimately it has led to the watering down of the Bud identity and weakened the parent Budweiser brand. Sales of the parent brand, he points out, have plunged nearly 50 percent in the past two decades. (You may or may not agree with the cause-and-effect relationship he’s constructed.)

At best, Ries’ thesis certainly has its limits. Jeff Greenhouse, president of marketing and brand development agency Singularity Design, points out in an online response to the column that “there’s no law that says a large, leading brand will maintain that position. In fact, the more likely scenario is a Golden Age followed by a decline as the world changes and the large, heavily-rooted company doesn’t.” More important to licensing professionals, though, is Greenhouse’s next point. “I’m just saying that brand extension isn’t necessarily bad; you just have to make sure that the extension fits the profile and personality of the successful brand you’ve already built.

“For a few examples, I’d offer up Jell-O extending from gelatin into pudding, Hershey’s extending the Reese’s brand from peanut butter cups to Reese’s Pieces (and then licensing it for Reese’s Puffs), and Ralph Lauren extending from clothing into

fragrance. In each case, the extension was a natural fit to the existing market, rather than an attempt to stretch and capture a different demographic.”

Though we are reminded every day that there are no absolutes in marketing and branding, the vast majority of successful licensed brand extensions would seem to follow Greenhouse’s description—finding new merchandise and service areas that make sense for the existing demographic. The diversity of licensed brand extensions that have come onto the market in just the past couple of years is exceptional in its breadth and execution. A brief handful include such products as: Crayola children’s cameras and electronics; Jeep strollers; Stanley work gloves and ladders; Food Network cookware; Milk Bone pet accessories; Mr. Clean mops and brooms; Champion fitness equipment; Michelin automotive accessories; TGI Fridays frozen appetizers; and Burger King snack foods.

As in much of the rest of the licensing business, market conditions in the corporate trademark and brand segment are more challenging than at any time in recent memory. Brand owners are more methodical and slower to pull the trigger on deals, and both they and retailers are testing products and programs more than ever before.

Retailers themselves have put increasing emphasis behind their private brand/private label programs, raising the barrier that even the most worthy product carrying a licensed brand needs to surmount to get into the store and in front of the consumer. That’s partly a function of the consumer concentrating more on price and value during tough times. It’s also partly a result of major retailers having improved their own direct-sourcing capabilities over the past two decades or so.

A major question is whether the private label momentum will continue once the economy starts improving. In some cases, it likely will. A few retailers have built legitimate, sophisticated brands that will be continue to be able to perform next to, and instead of, national and licensed brands. In other cases, though, when a private label stumbles, retailers will likely decide that their real expertise is as retailers, not brand builders, and more shelf space will open up. ©





## Remember My Name

U.S. accessories retailer Claire's is offering a wide range of *Fame*-inspired accessories, according to MGM, tied to the release of the new *Fame* film on Sept. 25.

The *Fame* brand has a strong slate of licensees signed on including Lotta Luv for lip balm, hair mascara, color cosmetics and a cosmetic bag; American Classics for women's and girls' tops (department and specialty stores); Global Prints for posters, art prints and postcards; Ice It by Bebe Z for women's and juniors' embellished tops; Jerry Leigh for juniors' tops (mass and mid-tier

stores); H.E.R. Accessories for necklaces, bracelets, earrings, mirrors and combs; SG Footwear for athletic shoes, dance shoes, flip flops and slippers; American Greetings for cards, calendars, party goods and Christmas ornaments; Carolina Manufacturing for bandanas and hair accessories; SGI Apparel for sleepwear; Six Flags for tops, shorts, tote bags, key rings, water bottles, buttons, magnets, bracelets and shot glasses; MTC Marketing for outerwear; and Concept One Accessories for legwarmers, fingerless gloves, scarves and headwear.

## MGA Adds Another New Doll Line

A month after MGA's new Moxie Girlz fashion doll launch, the company has revealed yet another doll range—BFC, Ink. or Best Friends Club, Ink.

The latest doll line focuses on five characters—Addison, Kaitlin, Calista, Aliesha and Noelle—and incorporates a literary program. Each doll comes with outfits, accessories and a BFC, Ink. book with lock and key, as well as a BFC, Ink. membership card, which unlocks games at [www.bfcink.com](http://www.bfcink.com). The online destination also features the characters' blogs and other activities.

The line's literary partner, Parragon Publishing, supports the dolls with a series of tween-targeted fiction books, as well as a club kit and scrapbook. Titles slated for print include "Beauty Bible," "Party Planner" and "Style Book." Other BFC, Ink. add-ons to the range include a laptop (\$44.99), secret sign-in journal (\$24.99) and a collectible charm accessory pack and jewelry set (\$5.99 each).

The dolls come in two ranges—fashion dolls (all characters) and 18-inch dolls (Kaitlin, Addison and Calista only)—and retail from \$16.99 to \$39.99.



## Peter Griffin: Citizen of the World

Fox's "Family Guy" continues to generate buzz both here and abroad fueling a continuing robust licensing program. The show delivered its biggest audience to date of 1.2 million viewers on BBC3 in July and, recently, in the U.S. was the first cartoon series since "The Flintstones" in 1961 to receive an Emmy nomination in the Outstanding Comedy Series category.

"A rating success in major territories, such as Australia, U.K., Italy and Spain has enabled us to build a successful L&M program. The licensing strategy is to widen the apparel category and grow the program in stationery, accessories and gift items with a particular focus on Father's Day and the Christmas selling periods," says Carl Lombard, senior vice president and managing director of Twentieth Century Fox L&M Europe. "In France, there has been a relaunch of "Family Guy" on NT1 this year, changing the title from "Les Griffin" to "Family Guy." NT1 will broadcast "Family Guy" in the prime time slot from September 2009."

Following on the success of Bravado's Evil Monkey and Stewie Evil T-shirt will be Trust and Anarchy T-shirts that will roll out this month. Nightwear from TDP hit Tesco last month and Brand International's Stewie novelty slipper is being restocked by Play.com after its sell-out performance over Christmas 2008. The

Family Guy bedding range from Character World is available at a number of retailers from Argos and Express Gifts to Amazon.

Underground Toys will be distributing The Promotions Factory's collectible range of Family Guy figurines. Later this year, the refreshed versions of the bestselling Family Guy In Your Pocket voice key chains will be available.

New partners to the Family Guy U.K. licensing program include Pedigree Books for a Family Guy annual to sell in Asda stores, Borders and HMV. Posh Paws has been signed as the new gift partner for barware, mugs and novelty items for 2010. Season 8 of "Family" Guy will launch on DVD in November this year.

"Family Guy" is currently the No. 1 biggest selling Fox TV Home Entertainment property DVD. This provides us with the opportunity to maximize in-store presence with dual merchandising. By working closely with our home entertainment division we are able to leverage DVD releases such as Season 8 this November," says Lombard.



## Famous Grouse Takes a Shot at Licensing

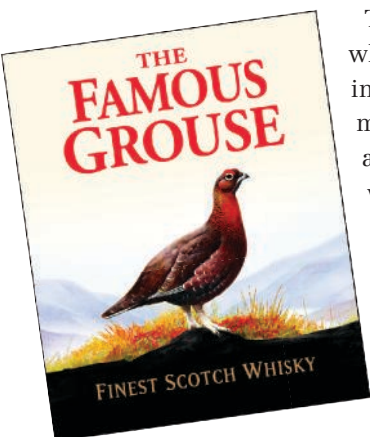
CPLG has been appointed licensing agency for The Famous Grouse whisky. Famous Grouse, part of the privately owned Edrington Group, was first produced in 1896 and has been Scotland's No. 1 whisky since 1980. It is marketed as a premium-blended whisky with a red grouse as its emblem.

Famous Grouse has dipped its toe in licensing and promotions in the past and has been, most significantly, the official shirt sponsor of the Scottish Rugby Union team.

Alan Harrison, CPLG's head of promotions, explained the aim is to expand the presence of the brand, particularly at retail, so that it's not just a bottle on the shelf. Encountering the brand in more places within the store will help to strengthen its hand at retail in the long term, particularly in the face of pressure to reduce prices.

The strategy will initially encompass two areas of licensing: first, where Famous Grouse could be an ingredient in food stuffs, such as in cakes, preserves or chocolates, for example, and second, in the male gifting category with products such as glassware, barware and combinations for male gifting occasions. It's been done before with other spirits, but this is the first time for The Famous Grouse. A style guide is being prepared in house at the distillery.

Famous Grouse is very strong in the Mediterranean countries of Greece, Portugal and Spain, and is the best-selling scotch in Sweden and Norway. While this licensing program will start in the U.K., Harrison anticipates logical expansion to these European territories in time.



## New Martha Stewart Line at Home Depot

A line of Martha Stewart Living-branded home improvement products will soon hit Home Depot. The exclusive line will span outdoor living, home organization and home décor products.

The outdoor living product line will hit first this January in the U.S. and then in February in Canada. Items will include different styles of patio dining and conversation sets, retailing from \$399 to \$1,999. Home organization items, which will roll out in February, will feature a closet organization system, as well as a nine-cube organization unit. More product announcements are expected in Q1 2010.



## executivemoves

- **Christina Miller** has been promoted to senior vice president of Cartoon Network Enterprises, as well as for strategy, marketing and programming at Turner Sports. Miller, who was previously vice president of CNE, will continue to manage consumer products and merchandising programs for Cartoon Network and Adult Swim properties. Her added responsibilities will include overseeing strategy, marketing and programming for Turner Sports.
- The newly formed Los Angeles-based Hasbro Studios has named a number of its key executives, including **Stephen Davis** as president. Other appointments include **Bob Boden** as head of reality and game show development and production, **Michael Vogel** as head of boys' animation, **Brian Charles Lenard** as head of story development, **Mary Beth Bambridge** as head of finance and **Kevin Healy** as head of legal and business affairs.
- Discovery Communications has appointed **Nicolas Bonard** as senior vice president of Discovery Enterprises International, where he will direct the company's consumer products and licensing activities. Bonard replaces **Caleb Weinstein** who is now senior vice president and general manager of emerging markets for Discovery Networks EMEA. Bonard previously served as founder and co-president of Screen Optus and worked at MTV Networks International.
- **Sara Nemerov** has been appointed senior vice president of consumer products and brand licensing at Frank Sinatra Enterprises and Rhino Entertainment. She previously worked for The Trump Organization as the vice president of global licensing.
- PPC Enterprises, the commercial division of the Picture Production Company Group, has appointed **Denise Bailey** as licensing manager. Bailey will help manage properties, including Pinky and Perky, Monty Python and The Hive. She previously worked at the Jane Goodall Institute and The Prostrate Cancer Charity.
- **Amy Jarashow** has been appointed to director of brand development at New York-based Big Tent Entertainment, where she will



Christina Miller



Nicolas Bonard



Sara Nemerov



Denise Bailey



Amy Jarashow

work to expand the company's brands in licensee sales and at retail. Jarashow previously worked at digital handtag company eTAGZ. At Big Tent, she will assist with properties such as Domo, Discovery Kids and Telemundo.

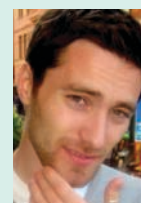
- FremantleMedia Enterprises has appointed **Mel Alcock** chief executive officer for the EMEA. Alcock will be responsible for managing and growing the performance of FME's operations across the U.K., France and Germany, while developing growth strategies for Turkey, Greece, the Middle East and Sub-Saharan African, including South Africa.



Mel Alcock

Alcock comes to FME from iCrossing, the U.K.'s No. 1 search and social digital agency, where he was chief client officer.

- Montreal-based Sardine Productions has appointed **Madeleine Lévesque** to lead the company's development and production projects. Properties include My Goldfish is Evil, Leon and Pea and Small and Sweet. Lévesque previously worked as director of original productions at Teletoon.
- National Geographic retail's **Sven Thierhoff** has been promoted to manage global business development for its worldwide retail stores. He was National Geographic Enterprises' vice president for international business, which he has built up since 2002.
- Spin Master has appointed **Harold Chizick** as vice president of global communications and promotions. Chizick most recently worked at Mega Brands.
- Performance Brands has made two new appointments. **Robert Burstein** becomes category-licensing manager for food and drink and **Ina Steinnes** is the new marketing research and public relations manager. Burstein comes from working in digital public relations for brands such as Vodafone, Virgin and Fairy Liquid and Steinnes' background is in program promotions and advertising for clients such as Discovery Channel and ITV.
- **Christina Macphail** has joined CPLG covering Susan Bolsover's maternity leave until the end of March 2010 focusing on publishing.



Robert Burstein



Ina Steinnes



Christina Macphail

**Correction:** Cookie Jar will distribute Lucha Libre under its new label The Jar.

# The Future Looks Brighter

By **Tony Lisanti**

**t**he worldwide retail sales of licensed merchandise declined for the first time in five years as the global economic crisis, recession, retail bankruptcies and shifts in consumer spending took its toll beginning in the fourth quarter of 2008 and ended a boom period for licensing.

Total worldwide sales of licensed merchandise dropped 2.2 percent to \$187.5 billion in 2008 virtually affecting every major category from the largest, entertainment and character, to the smallest, interactive, according to the exclusive *License! Global* Annual Report. It was the first decline since 2003 when retail sales of licensed merchandise worldwide dropped .5 percent over the previous year and the largest since 2001 when retail sales dropped 6.7 percent as a result of the economic downturn from the aftermath of the terrorist attacks on Sept. 11.

the worst is over and that 2010 will likely show a modest improvement in retail sales, and in turn, an improvement in the sale of licensed products worldwide.

Indeed, the future looks brighter. In July, *Newsweek* magazine boldly declared “The Recession is Over.” And last month, U.S. Federal Reserve Bank chairman Ben Bernanke, claimed the “recession is very likely over.”

But the caveat is that recovery will be slow and methodical and take several years before consumer spending, retail sales and sales of licensing products climb back to pre-2008 levels.

For the holiday season in the U.S., Deloitte’s Retail Group expects total sales to remain flat. Deloitte projects total sales (excluding motor vehicles and gasoline) to reach \$810 billion for the period November to January, which represents a zero percent change over last year. However, Deloitte points out that this would be an improvement over last season’s 2.4 percent decrease, which was the first decline in holiday sales, according to Deloitte’s analysis of Commerce Department data dating back to 1967.

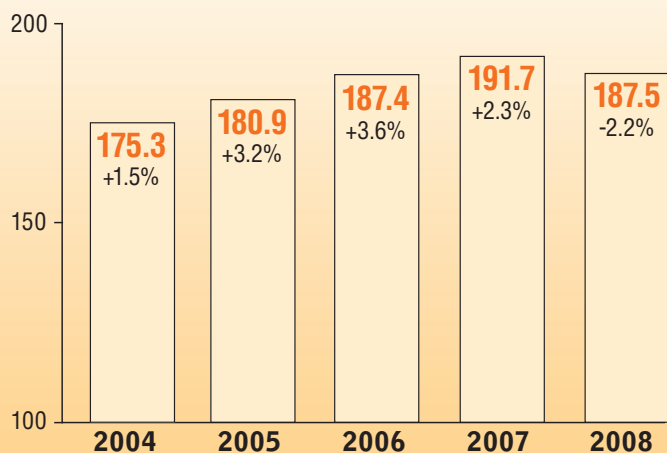
“Although there are signs that suggest the economy is nearing the end of its darkest days, many consumers remain burdened by restricted credit availability, high unemployment and foreclosures,” says Carl Steidtmann, chief economist with Deloitte Research, a subsidiary of Deloitte Services LP. “Americans continue to save at historically high rates while also paying down debt, and these factors combined suggest another chilly holiday season for retailers. “We are seeing certain economic indicators move in the right direction,” adds Steidtmann. “The consumer’s desire to spend

For the licensing industry, it’s truly a bad news, good news scenario. The bad news is that the decline in retail sales and general malaise in retail experienced in late 2008 continued throughout mid-2009 and will be reflected in the analysis again next year, possibly with an even more substantial decline.

Yet, the good news, based on various economic and retail studies and projections, is that

## overall retail 2004–2008

Estimated worldwide retail sales of licensed products



\$ Billions (Year-to-year % change) Source: *License! Global*, 2009

## estimated licensing revenues by property

Type	2004	2005	2006	2007	2008	% Revenue	% Change
<b>Art</b>	\$170	\$175	\$182	\$175	\$154	2.72%	-12.0%
<b>Character</b>	\$2,565	\$2,626	\$2,680	\$2,710	\$2605	46.06%	-3.9%
<b>Collegiate</b>	\$201	\$203	\$203	\$201	\$208	3.68%	3.5%
<b>Fashion</b>	\$814	\$822	\$830	\$810	\$775	13.70%	-4.3%
<b>Music</b>	\$122	\$128	\$132	\$125	\$117	2.07%	-6.4%
<b>Non-profit</b>	\$41	\$43	\$45	\$43	\$39	0.69%	-9.3%
<b>Sports</b>	\$795	\$810	\$825	\$815	\$740	13.08%	-9.2%
<b>Brand</b>	\$1,081	\$1,086	\$1,090	\$1,060	\$975	17.24%	-8.0%
<b>Publishing</b>	\$41	\$41	\$41	\$41	\$37	0.65%	-9.8%
<b>Others</b>	\$15	\$18	\$12	\$9	\$6	0.11%	-33.3%
<b>Total</b>	\$5,845	\$5,952	\$6,040	\$5,989	\$5656	100.00%	-5.6%

In millions Source: LIMA, 2009

may rally somewhat if gas prices remain stable, home values continue to strengthen and the stock market's comeback persists. These small improvements are part of the reason that retailers may avoid another negative season."

According to Retail Forward's forecast for the 2009 holiday season, "Retail sales will be on the road to recovery, but it still will be the second worst holiday of the past 42 years." Retail Forward forecasts flat growth, compared with a 4.5 percent decline last year, and also projects that this sales growth trend will gain strength quarter by quarter in 2010.

There are several other trends and indicators that the global recession is ending and economies worldwide are showing signs of improvement.

In a study of 11 countries released by Millward Brown in August, the U.K. research company states: "U.K. consumers feel hardest hit by the crisis so far and feel that there is worse to come. Although U.K. survey participants feel positive that the country will start to recover over the next 12 months, most feel it will take time for the effects of this to filter down to individuals making the next 12 months difficult for them and their families. In contrast, the perceived intensity of the crisis in Poland is lower and this is the only country (in the survey) to see the coming 12 months as an opportunity to invest and if possible increase planned spending."

While it didn't impact sales data in 2008, nor will it have an affect on this year's licensing sales numbers, Disney's acquisition of Marvel last month, combining the No. 1 and No. 4 largest licensors worldwide, is indicative of a more vibrant M&A marketplace, as well

as a more bullish outlook for the future of entertainment and brand licensing.

Another trend gaining momentum and proving viable in the marketplace over the past year has been the growing strength of IP owners such as Iconix, Li & Fung and Hilco Consumer Capital, which continue to acquire brands and expand their presence at retail worldwide.

And in entertainment, JP Morgan recently announced that it would invest \$525 million in the installation of 3-D technology in movie theaters throughout the U.S. This is a positive move for licensing, as most of the major 3-D films are tent-pole properties. And Sony last month reported it would begin selling 3-D Bravia televisions by the end of 2010.

In addition, Universal Music Group's Bravado acquired the exclusive merchandising rights for the Michael Jackson estate, creating what could possibly become the largest celebrity licensing program in global licensing.

While the worst of the recession and economic crisis may be declared officially over, it will be a slow and long-term recovery process.

Retail sales of licensed merchandise

worldwide will not reach anywhere near the projection of \$210 billion by 2010 made by *License! Global* several years ago, when it seemed that the juggernaut of licensing was experiencing its greatest growth surge at retail and there appeared to simply be no end in sight. Certainly, not even the most knowledgeable licensing executive, retail analyst or global economist, could have predicted the radical downturn that has occurred over the past 12 months.

If retail sales of licensed merchandise further decline in 2009, as is likely, then total worldwide retail sales could dip to the level of 2005 at \$181 billion.

Therefore, even with a modest rebound in 2010, global retail sales of licensed merchandise will likely not exceed the \$184 billion mark. And it could take several strong years to reach the sales level of almost \$192 billion for 2007, which can now be called the single best year in the history of licensing.

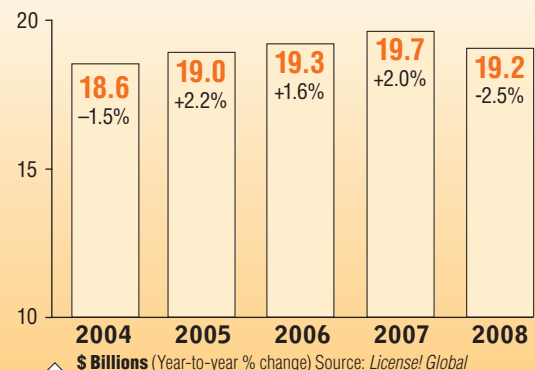
Another important factor to consider is that according to the Top 100 Licensors, an exclusive ranking based on retail sales of licensed merchandise published by *License! Global*, the top 25 licensors reported more than \$112 billion in sales of

# licensing industry annual report

## art

### 2004–2008

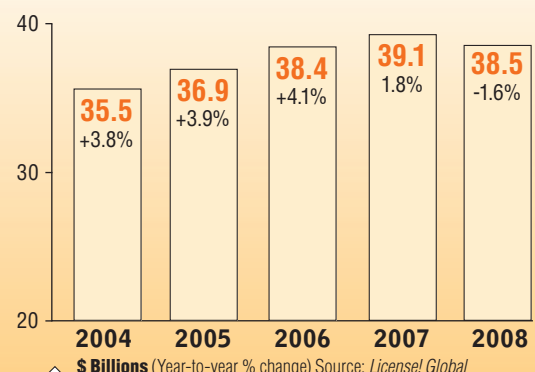
Estimated worldwide retail sales of licensed products



## brands

### 2004–2008

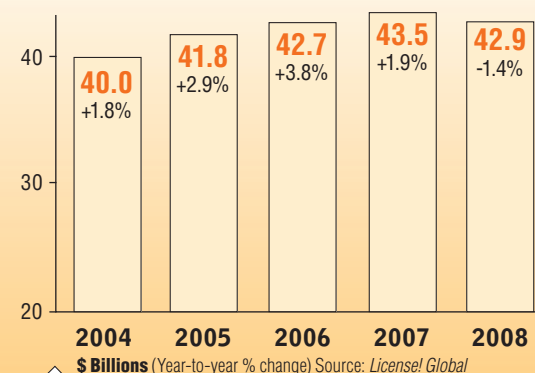
Estimated worldwide retail sales of licensed products



## character

### 2004–2008

Estimated worldwide retail sales of licensed products



licensed merchandise in 2008. More importantly, these licensors reflect the viability of brands in the retail marketplace.

According to the LIMA licensing survey, conducted by a research team from the Yale School of Management, total royalty income declined 5.6 percent, or \$333 million, in 2008 to \$5.656 billion from \$5.989 billion in 2007.

There's little doubt that the global retail industry was hit hard by the economic crisis and recession. More than 50 retailers filed bankruptcy over the past 18 months and several ceased or scaled back operations, most notably KB Toys, Fortunoff, Sharper Image, Linens 'N Things, Goody's, Steve & Barry's, Mervyn's, Circuit City, Gottschalks, S&K Menswear, Drug Fair, Eddie Bauer and Samsonite.

In Europe, Woolworths in the U.K. and Arcandor in Germany were among the major retail collapses.

In fact, these chains at their peak represented a combined total of more than \$35 billion in retail sales, which had a sizable impact on the sale of licensed merchandise.

On the positive side, several retailers that have performed well over the past 12 months are the companies focused on low prices and value including Walmart, TJX, H&M and Primark.

The business adage for the licensing sector is simple: as retailing goes, so goes licensing. And it is important for licensors and licensees to consider not only retail trends, but consumer trends, as well as trends within the specific product category sectors.

Despite the decline in retail sales, this recession and economic crisis exemplified that even during the worst

of times, there are pockets of growth and opportunities that resulted from the demise of a specific retail chain or from shifts in consumer buying habits.

Woolworths U.K., which was the largest retailer of licensed children's products in the U.K., has created opportunities for other retailers to grab its piece of the pie.

And as consumers stopped spending on non-essential items, impulse purchases and higher-ticket items, they did spend on films at the box-office and licensed merchandise based on the blockbuster properties, value-priced toys and apparel, and recognized and trusted licensed brands in food, beverage and home.

In the long term, there will be an uptick in all major categories as the economy and consumer confidence improves and pent-up demand results in stronger sales at retail. In the short term, the key categories that will perform well include home, entertainment and corporate brands and consumers will stick close to the value-driven, well-known and trustworthy brands.

One recent example is the exclusive mega-deal between Home Depot and Martha Stewart Living Omnimedia, signed last month, to develop an extensive line of home-related products, which will begin to launch in January in outdoor living and in February in home organization.

Another example is in corporate brands where food-related licensed products have been a strong area with new deals for line extensions for numerous brands including Burger King (Broad Street Licensing), Sunkist (Act III) and Dr Pepper (Brand Central) being developed.

On the retail front, the key factors that will continue to impact licensing



in the future are being driven by the strategies of Walmart and other large retailers as they look to improve sales and prepare for the future. They include:

- SKU rationalization, or the reduction in SKUs and product assortment, as retailers look to cut costs and reduce inventory.
- Sustainability will be the focus of retailers and suppliers worldwide and will likely continue to impact product design, packaging and marketing over the next several years. Yet although consumers will prefer environmentally friendly products, it remains uncertain whether consumers will actually pay more for these types of products.
- Lower prices will continue to be marketed by retailers worldwide to get consumers, who are looking to save money and are settling for popular and essential products versus paying more for higher quality, to spend more.
- Value will be another key marketing message that retailers will deliver to consumers to encourage and justify higher-ticket items and impulse purchases.

For brand managers and marketers, the Millward Brown study suggests that they “help consumers reduce tension by providing reassurance and being positive, helpful and hopeful and to be honest and deliver what you promise.” The study also suggests “affordable luxury brands may be able to position themselves as little treats to appeal to the need for small rewards.”

Another key factor is to understand just how significant consumers worldwide have changed their shopping habits and behavior.

One positive sign, is that The Conference Board Consumer Confidence Index, a monthly benchmark in the U.S., rebounded in August following a decline in July. Yet

consumers still remain concerned. Says Lynn Franco, director of The Conference Board Consumer Research Center: “Consumer confidence, which had posted back-to-back monthly declines, appears to be back on the mend. The Present Situation Index increased slightly, mainly the result of an improvement in consumers’ assessment of the job market. The Expectations Index improved considerably and is now at its highest level since December 2007 (Index, 75.8). Consumers were more upbeat in their short-term outlook for both the economy and the job market in August, but only slightly more upbeat in their income

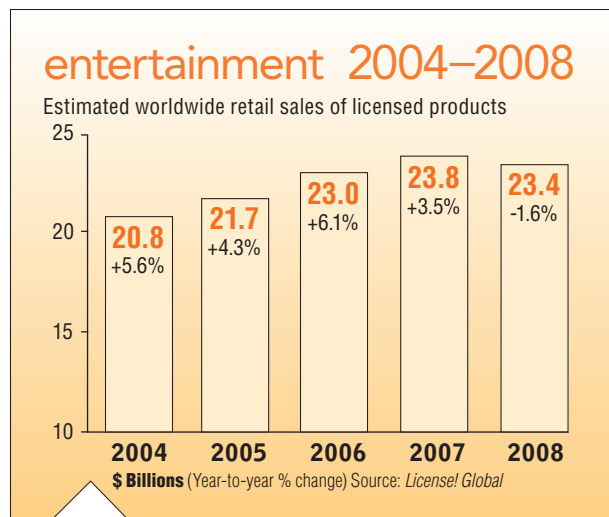
expectations. And, as long as earnings continue to weigh heavily on consumers’ minds, spending is likely to remain constrained.”

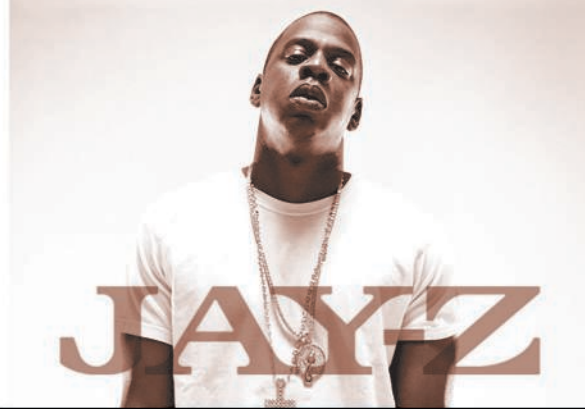
According to the report, “The Sky Did Not Fall,” released last month by WPP, the world’s largest communications services group, “Consumers are spending again. But they are buying less. This change in purchasing behavior is long-term and will have transforming impact on retailers, suppliers, media and brands.”

The study suggests, “consumers will move through the recession in three stages, not dissimilar to the way individuals cope with—and emerge from—grief. Consumers were then in Stage One: Acute Distress, which was characterized by anger and sadness. The report anticipated Stage Two: Acceptance and then Stage Three: Moving On. The report reveals that “consumers are now solidly in Stage Two. They are shopping again, in stores and online, relieved that the sky did not fall; that economic decline avoided total meltdown. But consumers are chastened.”

“Wallets are open, but only a crack,” says David Roth, chief executive officer of The Store—WPP Europe, the Middle East, Africa and Asia. “Consumers are purchasing primarily to fill basic needs. They’re tentative about the state of the economy and are ready to snap their wallets shut at the least provocation from negative economic news or a tone-deaf sales pitch.”

“While this consumer anxiety will subside, the underlying retail trend is long-term,” the report asserts. “Consumers understand that, living in a world of infinite global and personal resources, they need to make choices. The choice has changed significantly, from ‘What credit card should I use?’ to ‘Which product should I buy?’”





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# licensing industry annual report

“Even when the economy strengthens, this shift in consumer attitude and behavior will not be easy to reverse because the economic realities shaping this new consumer are also shaping a new retailer,” the report states. “Retail is being re-engineered to be simpler for the supplier, retailer and consumer. In an effort to increase efficiency and control costs, ‘smaller and less’ is replacing ‘bigger and more’ as the imperatives guiding store size and product range.”

“Retailers need to reconfigure their space,” says Roth, “or else they will be left with large stadiums designed for a sport that customers no longer want to play.”

Following is a summary of key trends in major licensing categories:

## Art

The art licensing category continues to benefit from the need for retailers to offer product differentiation. A unique offering in any category gives consumers a reason to choose one retailer over another and artists license their work across every category from kitchen textiles to jewelry to publishing. Their influence reaches across all channels, as well. No longer the purview of specialty boutiques, artists’ influence can be found on the shelves in every channel of retail from discount to high-end department store.

A children’s clothing line based on the picture book artwork of Todd Parr began selling at Nordstrom department stores nationwide. The collection, under the brand Planet Color by Todd Parr and created by Jen’s Ideas, features tees, thermals, embroidered baseball caps and dresses for girls and boys ages 6 months to 6 years old.

2009 was a big year for Paul Frank Industries. The brand signed a slew of deals including for sportswear with

apparel manufacturer Equipment Apparel and with American Greetings for greeting cards, gift packaging, stickers and party goods, in addition to deals for accessories, party goods, jewelry and infant products. Paul Frank signed similar deals outside of the U.S., as well.

Not to be outdone by the monkey, the bunny had a strong year in licensing. Jim Benton’s character and publishing property It’s Happy Bunny is partnering with Games2Win for online video games; Imagine Apparel Group for girls’ sleepwear; Mystic Apparel for juniors’ swimwear; and StickerYou for customizable stickers, decals, static clings and appliqués.

Overall, eco-friendly themes were a

growing trend in the category such as The Scrap Kins from Brian Yannish Designs and PlanetPals and PeacePals.

Also growing in popularity was the licensing of well-known artist brands such as Andy Warhol, Salvatore Dali and the work of celebrity artist Tony Curtis.

## Brands

Top consumer brands continued to look to licensing extensions not only to create incremental revenue, but also to keep names top of mind among consumers. In particular, the food and beverage category (see page 30) continued to be strong.

Among the several major announcements that characterized the past 12 months include: M&M’s will create a product extension into home electronics (Brand Unlimited); Pinnacle’s Duncan Hines brand will extend to bakeware (IMC); and GNC (General Nutrition Centers) will extend to food, fitness equipment and apparel categories (IMG).

## Character/Toys

The character/toy category was driven by some big names both on the big screen and the small screen. One of the stars of the 2008 holiday season was Bakugan. And while that brand remains a strong seller, a new powerhouse has emerged the last few months in toys based on Cartoon Network’s Ben 10 franchise.

On the big screen, Hasbro had huge success with product based on its summer blockbuster *Transformers: Revenge of the Fallen*. Other big screen names creating buzz in toys included Star Trek, G.I. Joe and X-Men/Wolverine.

Not to be undone, a number of doll brands reinvented themselves and celebrated anniversaries over the past year. Mattel’s Barbie celebrated its 50th milestone and rolled out new product across categories. Nickelodeon’s Dora the Explorer grew





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Let's REALLY think about this, people. What does a birthday cake actually signify?

**BEN 10**

**CHOCIAX**

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**HELL'S KITCHEN**

up and launched, among other things, an interactive Dora for tweens with changing hair length and eye and jewelry color. American Greetings' Strawberry Shortcake also launched a new look appealing to tween girls.

MGA and Mattel spent much of the year embroiled in legal battles over the Bratz doll line, with Mattel eventually emerging victorious. MGA just recently announced two new doll lines called Moxie Girlz and BFC, Ink.

Even with the buzz surrounding these products, it was retailers who created the most buzz in the category. KB Toys went bankrupt leaving Toys“R”Us the first and only name in the toy specialty category. TRU subsequently acquired the KB brand, in addition to FAO Schwarz and a number of online players, including eToys.com.

In addition, about 350 Toys“R”Us holiday-themed shops will open nationwide, including 80 pop-up stores in malls and shopping centers. The remaining locations will be in-store “Holiday Express” shops in Babies“R”Us stores.

Sears has also added toy departments to its stores. The sections measure about 1,800 square feet and feature about 800 to 1,000 SKUs, many of which are licensed product, targeted to the 3- to 5-year-old demographic.

### Entertainment

The entertainment category, once again driven by a long list of blockbuster box office hits in 2008, may have been least affected by the economic crisis and proved to be somewhat recession-proof as consumers cut-back spending on luxury items and high-ticket products, but continued to flock to the theaters. The 2008 lineup of movies including the top 10 grossing films—*The Dark Knight*, *Iron Man*, *Indiana Jones*, *Hancock*, *Wall-E*, *Kung Fu Panda*, *Twilight*, *Madagascar*, *Quantum of Solace* and *Dr. Seuss' Horton Hears a Who*—also proved to be strong licensing properties, as well.

2009 followed with another slew of summer blockbusters including the top 10 grossing films—*Transformers*, *Harry Potter*, *Up*, *The Hangover*, *Star Trek*, *Monsters Vs. Aliens*, *Ice Age*, *X-Men*, *Night at the Museum 2* and *The Proposal*.

And the lineup of films for 2010, which includes *Chronicles of Narnia*, *Alice in Wonderland*, *Iron Man 2*, *Toy Story 3*, *Prince of Persia*, *Shrek 4*, *The Green Hornet*, *The Smurfs*, *Spider Man 4*, *Twilight: Eclipse* and *Harry Potter*, indicates that it could be another record year at the box office, as well as an improved retail environment for related licensed products.

Extensive retail programs, for *Transformers*, *Harry Potter* and *Twilight*, in particular, dominated retail shelves.

### Fashion

The apparel segment is characterized worldwide by a decline in high-end luxury brands and a move to value-priced apparel, as well as a move to basics and essentials versus “nice to have.” The department stores have experienced the greatest pressure resulting in double-digit sales declines for many retail chains over the fourth quarter last year and through the first half of 2009, while the lower-priced value retailers have performed better throughout the worst months of the recession.

A recent study from the U.K.'s Verdict Research, part of the Datamonitor Group, captures the global sentiment and trends in apparel. According to the study, “Clothing retailers have reacted to the recession with understated fashion ranges, cut backs on inventory and a reliance on sales. In combination with anxious and unsettled clothing specialists, depressed consumer confidence and spending levels (due to the impact of a looming unemployment crisis and a dearth of credit availability) will conspire to produce one of the worst years for the pan-European clothing sector on record.

Verdict forecasts a 5.2 percent decline to €274 billion (\$403 billion) for 2009. The one sector Verdict expects to outperform is the value segment with around €50 billion (\$73 billion) in sales in 2008.”

The report states, “As overall clothing volumes are down, ‘value’ is the growing segment in a declining sector. Retail propositions with a strong and deep value focus will outperform the rest of the market over the next five years and Verdict expects great times for the majority of European value players (H&M, Primark, Kiabi). Moreover, there is currently a massive opportunity on high streets right across the EU as department stores are retrenching.”

In addition, some high-end celebrity brands have suffered during the downturn.

### Interactive

Despite a continued downturn in game sales through August 2009, according to NPD, licensing and merchandising remains a key growth area as software producers realize the potential of licensing out their IP and are making a much bigger commitment from the launch of the game, as well as a more coordinated marketing and promotional campaigns with retailers.

One of the biggest releases of the year was last month's launch of *The Beatles: Rock Band*, which was projected to sell 200 million copies and also coordinated with a major global retail licensing and merchandising push for *The Beatles* from Live Nation.

### Sports

The collegiate category, according to LIMA's licensing survey, was the only category to post an increase in royalty income in 2008 with \$208 million reported versus \$201 million in 2007.

With licensing execs and retailers focused on the future, there's a strong expectation over the performance of licensed merchandise based on next year's World Cup, Winter Olympics in Vancouver and the 2012 Summer Olympics in London. ©



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# IT'S Game

# On FOR TRU

By **Bernadette Casey**

"Our strategy hasn't changed since I joined the company, it's evolved along with the marketplace. Specialty retailers are competing successfully with discounters in every segment. You have to find your strength and use it to capture customers," says Jerry Storch, chairman and chief executive officer of Toys"R"Us since 2006.

And strategically 2009 has been a very busy year for the retailer, a year loaded with acquisitions and new store formats and, mostly recently, word that the business has no intention of slowing down. "We've been aggressive and we intend to stay aggressive," says Storch.

The No. 1 reason people shop TRU is the product assortment, he says. And while the economy is making shoppers more budget conscious they still place value above anything else. The chief executive says that TRU carries 6,000 products under \$10. "We carry more toys under \$10 than our competitors carry toys. We will do some aggressive marketing and will offer toys at every price point. Value has two components, what you pay and what you get for that price." According to the retail executive the sweet spot for toy purchases falls between \$30 and \$60.

The retailer's product assortment has helped it through a trying market. Now, at a time when electronics and video

games are down, traditional toy products from evergreen brands such as Lego and Barbie are up at TRU and those products provide bigger margins than games and electronics. Lego has been recently experiencing high double-digit sales growth, says Storch.

By early this month, close to 350 Toys"R"Us holiday-themed shops will have opened nationwide, including 80 4,000-square-foot pop-up stores in malls and shopping centers. The remaining locations will be in-store "Holiday Express" shops in Babies"R"Us stores.

The Babies"R"Us store-within-a-store toy shops mark the first time a TRU-devoted area has

been present in the baby store. The 2,500-square-foot area will feature an expanded toy space, almost triple the space normally allotted in BRU stores, and will include a variety of infant and preschool toys, as well as offerings for older kids.

The retailer has refurbished 25 percent of its store base and will continue that effort into 2010. Wherever possible the retailer will open its new side-by-side format that combines a full-sized Babies"R"Us and a Toys"R"Us next to each other.

During 2009, TRU made acquisitions at a steady clip beginning with eToys.com, BabyUniverse.com and ePregnancy.com and most recently the KB Toys brand.

"We will be working to determine the role KB Toys will play in our growing portfolio of family-friendly brands over the long term," noted a TRU spokesperson at the time of the acquisition.

Regarding its recently acquired FAO Schwarz brand, Storch says that the brand will be preserved but that FAO Schwarz boutiques inside Macy's stores are a thing of the past.

Going forward, Storch says the retailer will continue to provide quality product, will do its best to protect margin and continue a rigorous control on expenses.

"We are not counting on any general economic recovery. Nobody really knows what is going to happen, I don't care what anybody says," notes Storch.

He points out that despite continuing difficult times TRU posted some strong numbers last holiday season compared to its competitors and is optimistic about the coming season. December 2008's comp-store sales at TRU were up 1.9 percent compared to Walmart's that were up 1.7 percent. Kmart's comp-store sales decreased 1 percent, Target slipped 4.1 percent and Sears dropped 7.3 percent. At TRU, net income has grown every year since 2005, climbing to \$218 million in 2008 from \$109 million in 2006.

The retailer has also turned out some interesting in-store programs recently. A video game trade-in program let gamers exchange used games from most video game platforms for a Toys"R"Us gift card representing the value of the trade-in. Another allowed shoppers to trade-in used cribs, car seats and other baby products in exchange for 20 percent savings on a new item.



# fall toy show product roundup

The top names in toys are headed to Dallas with a host of new and innovative licensed products.

- Discovery Communications' Animal Planet Media has tapped Jay at Play for basic plush, plush bundled with an Animal Planet DVD and plush with electronic movement and animal sounds.

Based on the "MythBusters" series airing on Discovery Channel, Elmer's has created MythBusters Science Activity Kits. Themes include the Weird World of Water, Power of Air Pressure and Forces of Flight.

- WHAM-O is relaunching classic toys and a range of new products. Its fall 2010 line, which will debut at the Fall Toy Preview Show in Dallas, includes preschool, dolls and figures, outdoor winter games and back-to-school. The company is planning a major program for spring 2011 with fresh takes on core brands including Slip 'N Slide, Frisbee, Hacky Sack, SuperBall, Morey, BZ and BoogieBoard.
- Spin Master has signed a deal with Nickelodeon and Viacom Consumer Products to be the master global toy licensee for Nickelodeon Movies' and Paramount Pictures' theatrical release of the *The Last Airbender* based on Nickelodeon's animated TV series "Avatar: The Last Airbender." The film is slated to hit theaters in the U.S. on July 2, 2010. The licensing deal between Spin Master and NVCP will produce a comprehensive line of products including: action figures, vehicles, playsets and more, featuring heroes and villains from the movie and using innovative technology.
- Marvel Entertainment has signed a deal with VTech Electronics North America for learning toys featuring Marvel's Super Heroes. VTech will develop electronic learning toys for ages 18 months to 4 years and electronic learning aids for ages 4 to 8 years featuring Classic Spider-Man, Super Hero Squad and the *Iron Man 2* feature film.

- From CBS Consumer Products comes a Star Trek toy line from Playmates Toys. The second wave of the action and role-play items include a utility belt, communicator, tricorder, dolls and phaser. Also rolling out for holiday are Star Trek games from Fundex, USAopoly, Screenlife, and Mattel, including Scrabble, Uno, Monopoly and Scene It, four different ornaments from

Hallmark, a Star Trek watch from Armitron, Kirk and Spock teddy bears from Vermont Teddy Bear Company, a mid-scale Enterprise from QMX, cufflinks and fragrance.

Products from other CBS



properties include: CSI: Deadly Intent video game from Ubisoft, Ghost Whisperer trading cards from BreyGent, "America's Next Top Model: A Fierce Guide to Life" advice book, CSI pinball machine, Survivor's Jeff Probst bobblehead from Funko, Survivor ornament from Hallmark and 90210 fragrance.

Classic property Twilight Zone will have an ornament from Hallmark and bobbleheads from Bif Bang Pow. From I Love Lucy Barbie comes a doll from Mattel that depicts the classic episode "The Ballet" when Lucy takes the stage ready to audition for Ricky's show as a ballerina.

- Nickelodeon has a broad slate of toys ready to roll out over the coming months, including dolls inspired by the TV movie "Dora Saves the Crystal Kingdom."

For SpongeBob Squarepants there will be a TV motion game by Jakks Pacific and a number of board games including Sorry!, Connect 4, Memory, Operation, Cranium Cadoo by Hasbro and Uno from Mattel. Also from Mattel, a SpongeBob edition of Magic 8 Ball, Play-Doh set and 3-D DVD game.

There is also a Kai-lan block set by Mega Brands and an interactive I Feel Super Doll.

iCarly will have hip collectible figures by Playmates that incorporate distinctive materials and accessories. Rounding out the offering are Go, Diego, Go! Extreme Launch & Rescue Packs by Fisher Price, Neopets jumbo 10" plush by Jakks Pacific and Wonder Pets Schoolhouse Adventure Playset by Fisher Price.

- Cartoon Network Enterprises and The Lego Group have a full line of construction toys based on the Ben 10 Alien Force adventures. Featuring never-before-seen Lego elements and a new twist on the Lego building system, the line is scheduled to launch in the U.S. in spring 2010, and will roll out in additional territories thereafter.

- Fisher-Price Friends comes to Dallas Toy Fair with a number of licensed products. In addition to the Dora Links doll (Mattel), Dora and her new friends are available as traditional dolls and each comes with a special code that girls can enter into the computer to unlock their own rooms online. Girls can explore each friend's bedroom and unlock a new game. Each doll is dressed in a special outfit and comes with a brush.





Other items include the Flippy-Kickball Wubbzy Remote Control, Wonder Pets Schoolhouse Adventure Playset and Sing-a-Song Shine doll based on one of this season's newest Wow! Wow! Wubbzy! characters.

Dunder Mifflin Paper Company offices, where employees need to find out who killed Toby, Michael's nemesis from human resources. Six of the suspects include Jim Halpert, Stanley Hudson and Dwight Schrute. It's under license from Hasbro and Twentieth Century Fox.

■ Wild Planet's newest active learning game will feature the stars of Disney Pixar *Toy Story* films. Woody's Run-Around Roundup will be the second Smart Step game from Wild Planet using Disney characters and is set for release in May 2010. The game follows Wild Planet's listen-think-move format and promotes physical and mental exercise. Woody (atop his horse Bullseye) is the electronic handheld tagger in the game and his *Toy Story* co-stars Buzz Lightyear, Jesse, Hamm and Rex are targets. In addition to the main game, Woody's Run-Around Roundup also features a sequence-building memory game, a hide-and-seek treasure hunt and multi-player modes.



■ I Can Do That! Games has an exclusive multi-year licensing partnership with Cookie Jar Entertainment to develop games based on the Richard Scarry brand. Richard Scarry has sold 150 million books worldwide, translated into 30 different languages. I Can Do That! Games' Richard Scarry's Busytown Eye Found It! Game debuted in September exclusively at

■ Scholastic, in partnership with Briarpatch, is launching I SPY products including a quest adventure hunt game, flash and object card games, children's puzzles and grab-and-go games. For Word Girl there will be the Word Up Game, grab-and-go "Spelly Deli" game, card game and a jigsaw puzzle. Products will be available January 2010.

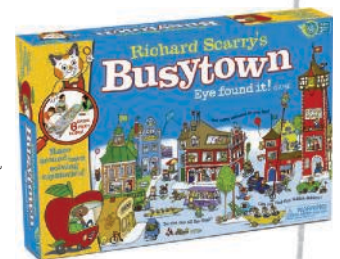
Toys"R"Us. The launch of the game coincides with the U.S. debut of Cookie Jar's "Busytown Mysteries," a preschool series inspired by the works of Scarry.

■ A Baby Genius toy line is launching at Walmart stores nationwide. The toy line from Battat Toys includes all-in-one musical band, musical vacuum, musical broom, DJ's sing-a-long keyboard, pet care center and Old McVinko's musical farm.

■ ESPN is bringing new licensed product to toy fair. Kids can train for the game with the innovative ESPN 3 in 1 Skills Challenge. Throw strikes at the K-Zone target, pass for touchdowns, kick field goals or score goals into the soccer net. The target easily flips up and down to convert from a baseball target to a football target. A soccer ball, football and baseballs are all included.

The 2009 licensing program also includes a series of Baby Genius board books, which are currently distributed through Simon and Schuster. For 2010 and beyond, The Joester Loria Group plans to pursue additional categories including juvenile

■ A Squared has a partnership with AOL to unveil a new slate of purpose-driven entertainment brands for children to entertain and teach kids about finance, the environment, creativity and science: Secret Millionaire's Club features Warren Buffett; Gigi and the Green Team features Gisele Bundchen; Little Martha (working title) features Martha Stewart; and Kosmos features Carl Sagan. To coincide with the online launch of these properties, A Squared is developing a consumer products program for each one, to be distributed at mass retail. The individual programs will be tailored to the core messaging of the properties, each centered around tent-pole licenses, including toys, publishing, videogames and home entertainment.



products, feeding accessories, infant and toddler apparel, party supplies, bedding and electronic learning aids.

■ Clue: "The Office" Edition from USAopoly, a collectible version of the classic mystery-murder board game, was produced under license through Hasbro, NBC Universal Television, DVD Music and Consumer Products Group and Reveille. The revamped game takes place in the

AOL is working with MGX Lab to create a unique dynamic interactive world for each property, with games and activities. ©



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# Buffet of Brands

By **Mike Duff**

Food licenses can provide instant identification with a brand, but also work across a variety of categories because they embody utilitarian concepts, such as freshness, wholesomeness and youth, that can be applied beyond edibles.

Global Icons, which handles the Cold Stone Creamery license, has been developing programs for foodservice operators who are rolling with the punches thrown by the recession. Bill McClinton, Global Icons' senior vice president of licensing, says that as consumers have shifted to more at-home dining, foodservice operators have moved into licensing.

"We have a number of food clients currently including Cold Stone Creamery, Mrs. Field's and Steak and Shake and we just signed Danon yogurt, Bennigan's and Steak and Ale. With Cold Stone, we just finished a dessert topper deal that comes out to the market in the first quarter of next year. For Mrs. Field's, we are finalizing an in-store bakery cookie program for a major retailer. And for Steak and Shake, we're signing a deal for their singular Frisko steak sauce."

McClinton says that for restaurants—even defunct operations such as Bennigan's—the branding done to position the eatery is readily transferable and an asset that can be licensed.

"A lot of these restaurant brands had been hesitant prior to when the recession hit, but now they are looking for incremental revenue streams. And, with a lot of families staying at home, they want to have the interaction at home and eventually drive them back

to the restaurant with value," says McClinton.

In today's food licensing, attention is paid to maintaining the integrity of the brand, another factor that can make a potential licensor more confident in undertaking



a project. Products developed must be consistent with existing brand identifications and values and not dilute a reputation.

For Cold Stone, the dessert topper program is a natural fit with the ice cream parlors and how to mix different treats into one of the chain's "signature creations." The program not only creates revenue, but keeps the experiences associated with the brand, McClinton notes.

"We started with products that stay closer to the menu," he says. "Then we evolved to products that contain the essence of the brand."

A few years ago, Jelly Belly's developed a candy line, now widely available at retail, using signature creation flavors made famous by Cold Stone. Launched last year, Cold Stone Creamery chocolate truffles from Turin Chocolates expanded in 2009 and now are sold at mass, club, drug, grocery and specialty stores including Target, Walgreens, CVS and BJ's. Now, Cold Stone Creamery ice-cream makers are rolling out at mass market, including Toys"R"Us and specialty stores.

McClinton noted that, while general merchandise deals are great, licensing food products has particular advantages. "There are so many more grocery doors, more places to sell into than just Walmart, Kmart and Target. You can do a regional program and still have a huge revenue hit with an independent, or with one Kroger region or a club region rather than depending on one buyer at Walmart to make your year."

At TLC, consumables is a licensing category that has quickly built momentum. Angela Farrugia, group managing director, says that anything consumers regularly put into their shopping baskets—and that includes, for example, laundry and cleaning products—makes so similar an impression that it should be considered as a category with food rather than artificially segregated.

"Food licensing is still developing and growing," she says, "but only with brands that clearly reflect what consumers want in life. We have signed new agreements across the board, with a host of new product areas either in development or just breaking into the market. We launched Jim Beam premium chili with Whiteys for foodservice, which has been greatly received in restaurants and bars. Malibu premium chocolate bars with our partner Turin will





be launching shortly. We have also signed an exciting new brand that will allow us to re-create restaurant meals at home.”

TLC is Jelly Belly’s representative and has new products coming out beyond the candy category, with soft drink launches on the way. “Jelly Belly sodas are exciting as well as Jelly Belly smoothies, both utilizing the top tastes and flavors of Jelly Belly candy. Alongside, we have Jelly Belly ice-cream toppings and sauces about to come into the shelf-stable aisle. We also signed our first deals with Welch’s,” says Farrugia.

Farrugia says that product emerging under the Welch’s label will remain true to the core brand attributes the grape juice producer wants to project—healthfulness, antioxidants and wellness. Welch’s has been slow to license for fear that a frivolous product with its name might undermine the brand building it has done for its grape juice products. It is working on new programs with the understanding that its core brand assets will be supported rather than undermined.

“The antioxidant power of the purple Concord grape is well documented. So all categories that we are developing will have this health and wellness promise attached,” says Farrugia.

As the basis of its licensing, Dr Pepper Snapple Group is leveraging a strong portfolio of widely regarded brands, says spokesperson Carla Peyton. “DPS has a trademark to fit many opportunities. We have strong carbonated beverage trademarks in Dr Pepper, Crush, 7UP and A&W, as well as non-carbonated teas and juices such as Motts and Snapple. We also can help a partner gain credibility with the Hispanic population by utilizing our Hispanic-skewed trademarks such as Clamato, Hawaiian Punch, 7UP, Squirt and Penafiel.”

Dr Pepper Snapple Group is concentrating on relationships to keep its licensing operation tight and to the point.

“We are looking to create long-term relationships with a few key partners,” says Peyton. “We have great partners in Anheuser Busch, Jelsert, CH Robinson, Jelly Belly and Brachs. Some of these relationships we have had for more than 20 years. We are looking to continue to build our trademarks in the key channels where we sell our core beverages like grocery,

mass, drug and convenience. We are also looking to expand to other non-traditional

channels for our core business like better department stores.



This will allow our consumers the opportunity to experience our brands in every part of their lives.”

Another Jelly Belly partner, Dr Pepper Snapple Group’s work with the brand suggests how it wants to develop its overall licensing business. “Our partner, Jelly Belly Candy Co., started with one product, the Dr Pepper-flavored Jelly Belly bean. They followed that up with A&W Root Beer and A&W Cream Soda, then 7UP, Orange and Grape Crush. Last year, they launched a mix of our trademarks called Soda Pop Shoppe in bags, bottles and gift tins. This is a perfect example of innovation over a 20-year time frame,” says Peyton.

Ross Misher, chief executive officer of Brand Central, which represents Dr Pepper Snapple Group, as well as Kellogg’s, Keebler and others, notes, “The success of food licensing has positioned the category for continued growth over the next few years. Food manufacturers are becoming increasingly aware of the positive impact that licensing can have on their business when they are looking to expand into new categories, improve upon or expand their existing offering or developing exclusive SKUs for retailers.”

The Rice Krispies treats cookbook, from publisher Weldon Owen, featuring 40 kitchen-tested recipes just launched at booksellers.

Some food licenses come with particular advantages. Aviva Rosenthal, partner at Act III Licensing, says that when the company began representing the Sunkist brand, it had to honor its traditions, but recognized that significant elements of those traditions could translate effectively into the licensing operation. The Sunkist name and logo recalls freshness and wholesomeness and will be the centerpiece for some programs, including branded kitchenware. Indeed the logos themselves have history and Act III plans to use ’70s-era logos.

Sunkist also comes into its licensing program with a 100-year history of orange crate art generated by the growers who make up the cooperative. Although some of the art, often elaborate and celebrated, has appeared on products before, Act III is planning to develop a comprehensive program that reflects its true value, planning to divide the program between more everyday, mass-market applications for the logos and more upscale, mid-tier and specialty applications for the crate art. “The art offers a retro California look. In apparel, we will have men’s, women’s and children’s—all based on retro food crate art,” says Rosenthal. ©



## a new message from

# M&M's

By **Bernadette Casey**

M&M's, Skittles and Starburst have been mainstays at checkout counters and in candy aisles for decades. Now the Mars Retail Group, which for the last three years has had responsibility for licensed product, is looking to bring the excitement it has created in its M&M World stores to retailers across channels—an integral part of that effort is the company's new One Voice strategy.

MRG is part of Mars Inc., a privately owned company that generated \$22 billion in sales in 66 countries for 2008 across its snack food, pet care, drinks and food divisions via about 64 diverse brands including Snickers, Dove, Pedigree and Uncle Ben's. The company operates three retail stores, one each in New York, Las Vegas and Orlando, Fla.

"We've built our licensee network from 12 to just under 50 at this point. We've really gotten a great response from the product and from our ability to both put the brand and the characters out there. With that growth, we wanted to put some structure behind the program so we've recently expanded our team and came up with a strategy called One Voice," says John Capizzi, general manager of licensing for MRG.

"On our retailer calls, we have buyers that are saying 'How can I bring some of that fun and excitement in the M&M World stores into our stores' and now we have designed a team and a strategy around that."

Another part of the One Voice strategy has members of the retail group participating in pitch meetings with potential retailer clients alongside the snackfoods division. "We bring in licensed product and let the buyers know

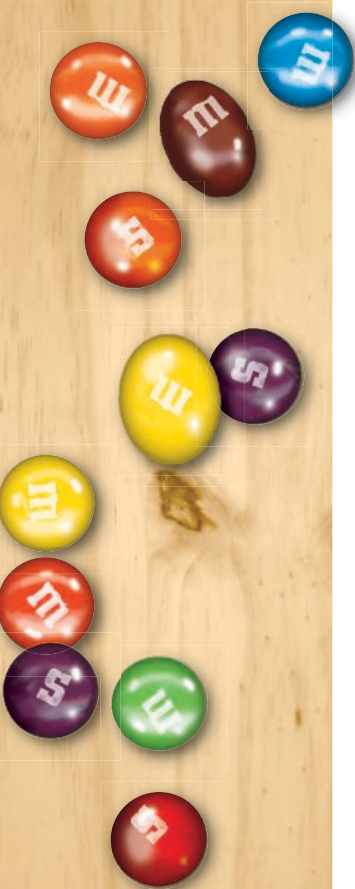
how they can differentiate from their competition

and really make a big statement," says Capizzi. He sees some of Mars' major licensee partners as playing a role in furthering the One Voice strategy "by making the program bigger and better and trying to figure out what the opportunities are. Every customer wants to differentiate themselves, whether that's with product or price. We could go as low as dollar stationery product if that is where someone wants to go or create a theme for BTS," says Capizzi. "Our message to retailers is 'We could make you different than anyone else in the marketplace and our licensees are really nimble enough to make those adjustments.'"

One of Mars' largest licensees is Summit Resources. The licensee has the majority of apparel, housewares and plush categories and a portion of the candy-gifting segment. Another strong partner, CandyRific, handles a lot of Mars' novelty and collectible items. Both vendors are having success specializing for customers and are extending the One Voice strategy in some initial first steps with retailers.

MRG developed a back-to-school program at Cincinnati-based Kroger featuring various products across its M&M's, Snickers, Skittles and Starburst brands. The customized kiosks offered a variety of price points and went beyond the traditional BTS offering of pencils and notebooks. Select Kroger stores also featured apparel, loungewear and kitchen/home products. Options for students heading back to the dorm included M&M's-branded digital alarm clocks, desk lamps, USB-powered desk fans and blankets and pillows—products created in partnership with Summit Resources.

For holiday last year, MRG set up a program at Walgreens in conjunction with its snackfood group. MRG got placement at free-standing bins near the checkout offering candy on the larger, lower portion of the bin and used the upper portion for promotional items such as M&M's dispensers and tied it together with an in-store coupon for \$2 off for purchasing both items. Walgreens kept the program in store for a few months and has committed to repeating a similar program for this holiday season.



MRG, along with CandyRific, answered the call for a nostalgic candy item for restaurant chain Cracker Barrel and developed a tin that is the classic scene at a Cracker Barrel with the M&M's characters sitting in rocking chairs and playing checkers on the porch.

"If you put a little thought and creativity behind it you can almost do anything. It's great to be able to walk into an account and pull something like that off," says Capizzi.

Following on the successful launch in January 2009 of M&M-branded ear buds, a product Capizzi says was a real standout, MRG will roll out an M&M-shaped MP3 player for holiday.

MRG has signed a number of deals that place its brands in new retail channels.

A deal with Candy-Scents for air fresheners has product shipping to Bed, Bath and Beyond in January 2010 followed up by a general rollout across automotive, convenience, drug and grocery. ROK Imports is also developing a line of licensed product lines in the automotive accessories category. Product plans include steering wheel covers, mats and license plate frames. Items are expected to hit retail in second quarter 2010. For the home improvement channels, The Hillman Group will create M&M's-branded customized house keys for early 2010 with lanyards and key chains as a potential follow-up launch.

As part of its commitment to reduce its waste by 3 percent a year, MRG has had, since April, a deal with TerraCycle to upcycle surplus and used candy packaging to produce items including cell phone holders and



## Going to the Dogs

Chocolate and indulgence may be the first words that come to mind when thinking about what the Mars Retail Group does best, but the company also has other power brands across a very diverse slate of categories—brands that are now being looked at for licensing opportunities.

**MRG is looking for partners for its Pedigree and Whiskas brands. John Capizzi, general manager of licensing for MRG, says that talks are currently under way for products that could include dog treat dispensers, dog beds and dogs bowls. The company is working with Olivine International Marketing, a manufacturer of plastic molds and a current partner of MRG, to create some of the initial items, which will be ready in about eight months.**

**"Through our wholesale unit we were selling a card with M&M's encased in it and one of the products Olivine came to us with had dog treats on it instead of the M&M's," says Capizzi. "It's a brand with a ton of potential. Even in downturn economic times people continue to treat their pets almost like children.**

**By putting something out there in a brand they know and trust in the marketplace it's the same as the original success we've had with the M&M's, where people want to experience the brand in new and different ways. This is just an extension of that."**

**A portion of the proceeds from the product go to the Pedigree Foundation to fund animal shelters and rescue organizations.**

laptop sleeves. The company is also working with Ecoist to manufacture and market a line of handbags from candy wrappers to be sold at high-end department stores, boutiques and at Ecoist.com.

Further expansion of the One Voice strategy will be slow, steady and considered, notes Capizzi. "The first two years of the program where staffing up, getting licensees in place and getting the right initial product out there, getting comfortable delivering the message and building the team and network," he says.

"Mars is really just getting into the licensing business [beyond its own retail stores] so it is nice to have that white space opportunity. We have that very well-developed brand that has characters to go along with it, which are two of the things you need to have a successful license program and you know the brand is going to be around for a while," says Capizzi. ©



# ASDA's licensing event manager creates in-store excitement with licensed products, merchandising and other promotions.

By Sam Phillips

ASDA, the wholly owned British subsidiary of the global retail giant Walmart, is the second largest retail chain in the U.K. after Tesco and targets consumers with the tagline "Saving You Money Every Day." Within the Walmart international portfolio, ASDA accounts for about 35 percent of the company's international sales of \$98.6 billion in fiscal 2009 and is its largest non-U.S. division.

ASDA is known for championing the customer, and its licensed products and licensing-driven events are part of this ethos to entertain shoppers and promote great prices.

Debbie Johnson, ASDA's licensing event manager, who took on this new position a year ago, works as part of the retailer's in-store experience team, a department which exists to champion the customer and is responsible for all touch points with the customer, including point-of-sale, communications and events. She is responsible for



Debbie Johnson

coordinating efforts across all categories, food and non-food, to create events in ASDA stores that are based on top licensed properties.

There has always been an events team at ASDA to create excitement around calendar events such as Valentine's Day or Easter, or around sporting events such as the World Cup. Johnson's role is to look specifically at licensed events

within this context. She describes how, in addition to the calendar events, there are "golden moments" where there might be a gap in the calendar or likely consumer behavior where there is space for customer-led events rather than calendar-led events—summer picnics, for example. And this is where licensing gets its opportunity.

Deciding which properties to back involves Johnson listening with one ear to licensors and the other to customers. She reviews licensed properties, licensed ranges being stocked in store, NPD and other research data, as well as what customers are telling the retailer that they want to see.

"What I quickly learned is that everything is going to be the next big thing," says Johnson. "So I work with different categories to look at what the customer wants." Disney's *High School Musical* is a good example of the nimbleness required and the impact a cross-category event can have. When the *High School Musical* feature film was released in autumn 2008 there was a big presence at George (ASDA's clothing brand) and it was expanded when the DVD was released in

February 2009. ASDA was able to capitalize on the event from a cross-category point of view. It's Johnson's unique role to liaise with all

# Licensing and Low Prices

the trading departments to establish which products can be used, what space can be occupied and what can be implemented from a practical point of view for this sort of event. In addition, she evaluates whether an event offers a strong value message that the ASDA customer expects.

“Our ultimate aim is for a strong event creating excitement in the store for customers,” she says.

The High School Musical event ran over a week and offered a range of products (including the DVD) at value prices together with balloons and other giveaways. There were items from home categories, as well as George clothing. All products were not only merchandised together in all of its 370 stores, but also separate collections of HSM products were merchandised in a few places around the store—a method Johnson says was very successful.

If the first task is to secure space and product to make the licensed event happen, the second is to communicate what’s going on to the customer. For example, ASDA and Disney offered a prize of an HSM-themed prom for 100 people. “We communicated the event through the whole customer journey from the car park to checkout, the *ASDA* magazine, greeters and in-store announcements,” explains Johnson. She says that ASDA aims for at least two major events like HSM per year, depending on the opportunities presented by a major theatrical release or DVD launch.

For other licensed brands, such as Ben 10, for example, ASDA had a successful back-to-school event, which didn’t require a major cross-merchandising initiative.

Since Easter 2009, ASDA has been working with children’s television series, “LazyTown,” on a very particular set of events organized not only to create in-store excitement, but also to help ASDA and the TV show promote healthy eating and living.

Johnson describes the partnership with LazyTown as being a cultural fit, as well as a practical one. Together, they established a joint mission to get 1 million children moving and to help children eat their five

portions of fruits and vegetables a day. Working with LazyTown enabled ASDA to create a communication plan about healthy eating backed up by LazyTown’s main star,



Sportacus, and supported via its Great Stuff range of nutritious products.

The exchange of information and partnership between ASDA and LazyTown has enabled LazyTown stars and brand managers to work together and have confidence in the product range.

The first ASDA LazyTown event took place in April 2009 with LazyTown endorsing ASDA’s Great Stuff range through elements such as endcaps and point-of-purchase Sportacus standee character which encouraged children to exercise right there and then. By pressing its button, children could hear Sportacus motivating them to get moving.

ASDA saw a 28 percent lift in sales of Great Stuff and a million extra bags of fruit

and vegetables were purchased in three weeks. The event was repeated in May and was part of ASDA’s summer campaign, which included more activities such as suggestions for how to plan a LazyTown party at home with glossy character sheets containing games to play. More recently, the partnership has continued with back-to-school, helping to create a healthy lunchbox and it shows no sign of slowing in its impact.

“It’s a great partnership,” says Johnson, “because LazyTown adds value to the brand and encourages children to eat healthy and exercise. Now we’re looking at how to develop the range, taking notice of customer feedback and thinking about what other categories could be included.”

The biggest challenge for ASDA with the licensing events is that licensed products are often perceived as costing more. Johnson says it’s a perception they had to address directly. “When we first did customer insight we looked at the fact that licensed products are perceived as more expensive and we tackled it head on in all our communications. We make the point online, for example, that this is an ASDA investment in the partnership, and we have been very clear to reassure customers that product prices have been unchanged and we always aim to deliver the lowest price to our customers.”

ASDA will continue to evaluate other similar licensing driven events considering the success of LazyTown.

Says Johnson, “LazyTown is dominant and we got it off the ground successfully. We know it’s right and it’s set to continue. But we’ll also continue to listen to our customers. There will certainly be licensed events that are separate from our health initiatives next year. It’s always tough to know which big properties to go after. We’re working with licensors and there are a number of exciting things in the pipeline for full cross-category and smaller events. There are some big things happening in 2010.” ©

# a DISCOVERY in LICENSING

By **Bernadette Casey**

**D**iscovery Communications boasts a strong portfolio of 13 networks that includes the Discovery Channel, The Learning Channel, Animal Planet and Planet Green, in which reside a diverse lineup of shows. For the Discovery Channel alone the programming ranges from Dirtiest Jobs (think maggot farmer), to Deadliest Catch (crab fisherman on the Bering Sea) to Cash Cab (New York taxi riders become game show contestants).

And that diversity of shows translates into strong viewership and licensing potential.

In fact, co-viewing among family members and overall viewership is making impressive gains. For each of the 14 months ending August 2009, Animal Planet viewership has grown between 15 percent and 30 percent and the network has posted double-digit growth in women viewers each month in that time period, notes Debra Joester, president and chief executive officer of the Joester Loria Group, the agency that handles brand licensing for a number of the networks including Discovery and Animal Planet.

“Only three cable networks grew more than 30 percent with 25 to 54 year olds and Animal Planet was one of them,” says Joester. “The reach and appeal of

this network is extraordinary and it has something for everybody.” According to Nielsen data, Animal Planet was the fastest-growing non-fiction network among 25 to 54 year olds.

The building viewership and buzz in the marketplace has become an ideal jumping off point for an aggressive push into expanded lines of licensed product, in addition to a new travel Web site and live events that work together to further

complement the Discovery brand and its programming.

“For over 25 years, Discovery Channel has epitomized high-quality authentic curiosity and inspiration and I love the fact that we are bringing what consumers have always watched on TV in a more tangible way and in some cases experiential way. It just feels like that is the next step for our brand rather than just observing it on TV,” says Elizabeth Bakacs, vice president of licensing at Discovery Commerce.

Discovery Communications was busy over the summer having just launched a new adventure travel brand and Web site—[www.discoveryadventures.com](http://www.discoveryadventures.com)—in partnership with G.A.P. Adventures. Thirty-one trips are available, ranging from seven to 15 days. The first official booking for the site was a trip to Egypt. Other destinations include Peru, Ecuador, the Galapagos Islands, Argentina, Tanzania, South Africa, Morocco and Thailand.

“I think people are looking to enrich their lives with experience rather than just product and I think these trips are incredibly affordable. That is another hallmark of our brand—while it is very inspirational it is also very attainable,” says Bakacs. “In some cases destinations will tie into what people are accustomed to seeing on air.”

Discovery is planning a marketing event and a catalog this month to promote the site.

Also this past summer, Discovery kicked off a partnership with Running Subway Productions, a New York-based entertainment production company, on exhibitions, two of which—Lucy (a 3 million-year-old hominid from Ethiopia) and Titanic—debuted at a site in Times Square in New York.

“We have a slate developed out for the next three years, many of which tie directly to our programming that you will see on air,” says Bakacs. The next exhibition will be King Tut scheduled for February.

Licensed product is a big part of the company’s future strategy and for the first time Discovery is making a big push to get its branded product into retailers beyond



its own brick-and-mortar stores and Toys“R”Us. One of the first lines out of the gate was with MerchSource for Discovery Expeditions products that include an alarm clock radio and entertainment projector. Those items will have shelf space at Kohl’s and JCPenney for holiday 2009 and will be refreshed next spring with apparel and accessories potential categories for expansion.



Animal Planet first launched toys in Toys“R”Us 10 years ago and it is only in the last year that the brand has ventured out into other categories and retailers. Animal Planet, a category that was rebranded this past August, has a wide range of product coming in spring 2010 including bedding with TexStyle; sleepwear with Sara Max; Marion Health Greeting Cards for greeting cards; kids’ dinnerware with Zak Designs; and Jay at Play for a line of plush. Tops, T-shirts and hoodies launched over the summer at Walmart and Kohl’s with Trau and Loevner in men’s apparel and a line of pet products with MerchSource landed in Bed, Bath & Beyond and JCPenney.

“When the word is out that a property is performing at retail and buyers are liking it, the phone starts to ring with other people in adjacent categories that are getting the sense that momentum is building. Companies who were not sure because it’s not your typical property are seeing this working and we’re seeing that in the apparel sector. Sara Max has gotten distribution at Walmart and Kohl’s for spring and the apparel from Trau and Loevner has been selling extremely well for the last three or four months with a couple of big re-orders,” says Joester.

Just this month, Discovery signed a number of new deals including C&A Sportswear for Animal Planet-branded children’s and adult apparel, accessories and novelty gifts also for a 2010 launch. The line will include T-shirts, hoodies, fleece jackets, bags, hats, notebooks, pens, pencils, mugs and glassware. Primary Colors will develop an extensive line of Animal Planet-branded stationery, craft and school supplies, which will arrive at retail for spring 2010 and Kurt S. Adler is producing a line of Christmas and holiday products for the holiday 2010 season.

This year, an Animal Planet game launched for the Nintendo DS and in spring a game will roll out for Wii and another Nintendo DS will hit in spring with Activision.

A portion of the proceeds from the products will benefit R.O.A.R. (Reach Out. Act. Respond.), Animal Planet’s national



charitable campaign.

Discovery Kids, represented by Big Tent Entertainment, is also building its licensing portfolio with new deals including MasterPieces Puzzle Company for puzzles and craft activities for spring 2010 in the U.S. and Canada. 505 Games has just rolled out Spider Quest, the sixth title in its line of Discovery Kids-branded games for Nintendo DS.

“For Discovery Kids, our master toy licensee is Jakks Pacific and they are coming out with a whole new slew of products for the fall. We are looking to build out Discovery Kids with live experiences and MerchSource is coming out with new products for Discovery Kids this fall,” says Bakacs.

Discovery, like many other companies, understands the importance of giving consumer access to their brand wherever they are and whenever they want it.

“One area of focus for us is interactive. We are looking to really expand in that area. We are looking at interactive for Discovery Channel, as well as the individual shows. We did just launch a ‘Cash Cab’ mobile game and that is doing really well and we are looking to follow that up with other mobile games as well as providing viewers with Discovery content, whether it’s programming or other content, on multiple platforms whether it be on air, online, on mobile devices or experiencing it through a travel adventure experience or a day experience,” says Bakacs. A “Deadliest Catch” mobile game will debut in January 2010.

“Mobile and interactive are areas we are aggressively moving on and we have added Military Channel to our mobile and interactive outreach because there is a lot of interest in gaming with military themes, whether it’s snipers or World War II themes and that channel is the authentic brand in that space,” says Joester.

Planet Green, another Discovery brand, is taking its first steps in licensing.

The eco-channel just signed a health and beauty deal for a full skin care line with Econatura for spring 2010. EnviroSax, reusable alternatives to plastic shopping bags available at a variety of online spaces, was the first licensing deal from Planet Green. The bags will roll out to specialty stores in spring 2010.

Strong network properties that benefit from high consumer recognition clearly bode well for Discovery’s bold push into licensing. Who knew maggots, crabs and cabbies could be the foundation for a successful licensing business? ©

# The Licensing Awards 2009

**The European licensing industry gathered last month to celebrate the winners of the Licensing Awards.**

At a gala evening held at the Lancaster London hotel, British comedian Jason Manford hosted the dinner and ceremony recognizing retailers, brands and licensees for innovation and excellence. Almost 1,000 attendees broke a world record (for the most ever red noses worn in one place for five minutes) and watched bespoke animations made for the event featuring Aardman's Timmy the Sheep, Pinky and Percy and Thomas and Friends. The awards are supported by LIMA U.K. and Brand Licensing Europe is the headline sponsor. The winners were selected by a panel of retail buyers from some 4,500 products. ©



**Best Kids' Retailer of Licensed Products**  
Next's Marsha Marcus, Julia Richards, Sarah McCarthy and Lizzy Mitchell with 4Kids' managing director Sandra Vauthier-Cellier



**Best Preschool Retailer of Licensed Products**  
Peter Byrne, Hit's executive vice president of consumer products international with Mothercare's Fiona Sharp and Barbara Robinson



**Best Licensed Paper Products or Stationery Range**  
Monster Factory's graphic designer Diana Buchan and managing director Martin Grix with HarperCollins' head of licensing and content development Mel Beer

## WINNERS ARE:

Best Preschool Retailer of Licensed Products: **Mothercare**

Best Kids' Retailer of Licensed Products: **Next**

Best Brands Retailer of Licensed Products: **Debenhams**

Best Direct-Selling Retailer of Licensed Products: **Littlewoods**

Best Overall Retailer of Licensed Products: **Next**

Best Licensed Toy or Games Range: **Ben 10 Wheeled Toys by MV Sports & Leisure**

Best Licensed Dress-Up and/or Party Range: **Mr Men & Little Miss Dress-Up by VMC Accessories**

Best Licensed Apparel or Accessories Range: **EMI Music Publishing "Lyric" T-shirts by TU Clothing for Sainsbury's**

Best Licensed Written, Listening or Learning Range: **Peppa Pig by Penguin Books**

Best Licensed Paper Products or Stationery Range: **Mr. Potato Head cards and wrap by The Monster Factory**

Best Licensed Giftware Range: **Top Gear novelty gift and toys by Wow! Stuff**

Best Licensed Home Décor, Housewares or Bedding Range: **In the Night Garden bedroom furniture by Martin Yaffe**

Best Licensed Food or Drink Range: **Hello Kitty confectionery by Bon Bon Buddies**

The Innovation Award: **SpongeBob SquarePants real musical instrument range by John Hornby Skewes**

Best Licensed Brand Product—Soft Goods: **V&A anemone bed linen by Bedeck**

Best Licensed Brand Product—Hard Goods: **Flying Scotsman gifts and accessories by Wild & Wolf**

Best Preschool Licensed Property: **Peppa Pig**

Best Schoolers/Tween- or Teen-Licensed Property: **Ben 10**

Best Licensed Sports Property: **England Rugby**

Best Licensed Celebrity Property: **Jamie Oliver**

Best Licensed Brands Property: **V&A**

The Honorary Achievement Award: **Trevor Jones from Danilo**



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**Best Direct-Selling Retailer of Licensed Products**

Littlewoods' Mark Vaughan, merchandiser for children's character wear, and buyer Annemarie Collie with RDF managing director Matthew Frank



**Best Licensed Written, Listening or Learning Range**  
Penguin Books' category publisher Eric Huang and Phil Davies from Astley Baker Davies with PPC's director of legal and commercial affairs Mark Hurry



**Best Licensed Giftware Range**  
Wow Stuff's managing director Richard North with TV-Loonland head of licensing and merchandising Bernd Conrad



**Best Licensed Brand Range - Soft Goods**  
Lauren Sizeland from V&A Licensing and Bedeck's head of design Julie Hall with Jonathan Sieff, managing director and owner of Watermelon



Trevor Jones from Danilo, this year's winner of the Honorary Achievement Award sponsored by Smiffy's

Celebrating two awards for Peppa Pig: E1 Entertainment's manager Rebecca Harvey, marketing licensing manager Hannah Mungo, U.K. licensing manager Andrew Carley with international sales executive Lisa Marriott

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# The Right Turn



**Alan Fenwick**, vice president, EMEA, presides over a repositioned and rebranded division of Turner Kids, called Turner CN Enterprises, which was launched formally at the beginning of the year. He's the architect of this new structure, which offers partners a 360-degree service comprising expertise, creative ideas and execution from its six business areas: consumer products, events, DVD, brand licensing, digital sales and mobile. The division's top properties include Ben 10 and Powerpuff Girls, together with channel brands such as Cartoon Network. It also represents third-party properties such as Bakugan and Hero 108. As Fenwick explains, the team has been "living" the new structure for two years in order to raise the profile of the consumer products business within Turner and to demonstrate that using "all the tools in the box" can have an exponential effect on growth. TCNE is on track for another record-breaking year.

By **Sam Phillips**

**When you joined Turner CN Enterprises, you said you could double the size of the business every two years. Have you done it?**

We doubled the business in 11 months, doubled it again nine months later and are about to double it once more.

**Why were you so sure of this huge potential?**

I knew we could grow significantly because I had utter belief in the strength of the brand, the network and the people. I inherited a great jigsaw and I could see what the end picture could be like. I just had to align all the pieces.

**Is the growth and success really due to your recent restructuring or to having a major hit with Ben 10?**

It's down to both. Without the restructuring and the new approach, we wouldn't have been able to get every one of our departments behind Ben 10 to make it such a success.

**You are also trying to create activity around the non-children's Turner brands so explain why partners might be interested.**

Take Adult Swim, for example. It's "the" place for 18- to 34-year-old men, it's incredibly funny and it's the channel that broke Family Guy. It comes to the European market with a great heritage and its entry to the market is being led by good performance at DVD and on non-linear media. Adult Swim inspires constant new creativity such as the all-endorsed parody, "Star Wars RoboChicken" that we did. I am so convinced it will be a success here in the U.K.; we just have to find the right home for it in Europe.

**Where do you think the most exciting opportunities are at the moment in Europe?**

I think Turkey still has phenomenal potential and is about to 'wake up'—our month-on-month improvement in reach is in the thousands with no sign of slowing. There's also very exiting growth in CEE where the consumer products business is directly linked to where the channels are now. And

we'll restructure our U.K. team at the beginning of next year to reflect the strength of the U.K. market.

**Who are among some of your key retail partners?**

I like the work we're doing with Il Corte Ingles and Original Marines, a direct result of relationships we have with those retailers. In the U.K., Tesco and BhS are very responsive.

**Among the six TCNE business units, which generates the most revenue and will that change?**

So far, consumer products has led the way and given us great confidence to take on major projects such as the indoor branded theme park in Kuwait. I think consumer products will continue to be at the heart of what we do but we'll see increased contributions from home entertainment and non-linear parts of the business.

**What would make you say 'yes' to representing a third-party brand?**

I would ask, is it on air? Is it a natural fit with our portfolio? And will it work with our unique selling proposition, which is now to work across all parts of the organization?

**When will we see some content coming out of your European production studio?**

There's a first look at something new at MIP this month. It's very important for us to have a local facility because our European content is relevant worldwide. And yes, TCNE has an appropriate place at the table during development.

**What's the most innovative deal you have done since joining the company?**

The one that makes me laugh most is the iphone app called Mouth Off!, which enables you to talk like one of the Ben 10 aliens.

**Does your 360-degree approach reflect developments in the industry as a whole?**

In some ways I don't really care. What we've created is the best possible solution for Turner; it is part of the ethos and it might not be right for anyone else. Most importantly, we have demonstrated that a consumer products business is far more than just 'nice to have.' ©

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