

Case study for Chapter 12

The Earl's Court Toy Fair

Each year in January Earl's Court hosts the Toy Fair. This exhibition is attended by toy buyers from all over the UK and the world – and is one of the premier showcases for British toy manufacturers.

Because 80% of toys are sold at Christmas, the toy industry needs to operate on long lead times and needs to have orders booked well in advance in order to schedule production. For some firms, the difference between a successful exhibition and an unsuccessful one is the difference between surviving the year and not surviving. The Earl's Court exhibition, and another one in Harrogate, are widely believed to be the most important in the industry.

Apart from the buyers there are a number of other types of visitor. Some are there to sell things to the exhibitors: marketing consultants, machine tool manufacturers, and financial services salespeople are all likely to be among those present. Also, many students attend the exhibition. Some are design students, looking to pick up ideas and contacts, some are business students observing the process of exhibiting. Another large category of visitor is the technical people, the engineers and programmers who build mechanical and electronic toys for rival firms and are simply on a spying mission to see what is happening with the competition. There are even some visitors who are having a day out of the office or are retired from the industry altogether – in other words, have no power to buy anything at all, and are simply there for the entertainment value of spending all day in a giant toy shop.

In fact, only a relatively small number of the visitors is engaged in buying anything at all. This presents a problem for the exhibitors, many of whom are small firms who are staking their year's profits on doing business at the show.

For AM Games Ltd. the show is particularly crucial. As a small company starting out in the board games business, AM Games needs the showcase that the exhibition provides, but can barely afford to attend. The company produces a grand total of three board games, and is hoping that (eventually) they will be bought out by one of the bigger games manufacturers. The directors of AM Games realise that they are unlikely to strike it rich with only three games – but establishing them in the market is a way of attracting the attention of the larger manufacturers.

The games themselves are all of the traditional board variety. There are no electronic gadgets involved, just dice and counters: each game has an educational aspect as well as the excitement of a game of chance, and each game was invented and tested by the managing director's son-in-law, a mathematics professor at a university in the Midlands. AM Games Ltd.'s managing director, Colin Rogers, is a retired Army officer who has funded the company out of his Army savings. He wouldn't be destitute if the company failed – but equally he is anxious not to lose his investment. To this end he hired a firm of exhibition consultants to help him plan and run the stand. The consultants advised him on the design of the stand, and on what he might reasonably expect from an exhibition – and in fact the advice proved to be very useful, because he obtained more than twenty good sales leads from interested buyers in the course of the first day.

Afterwards, Colin considered whether the exhibition had been worthwhile. Of the total of seventy sales leads obtained, he managed to follow up on fifty in the first week after the exhibition, making telephone calls and appointments to see the firms' buyers. The fifty leads actually resulted in 14 firm appointments, which seemed to be a reasonable result. Colin thought it would probably be worthwhile booking a stand at the exhibition for the following year – the sales figures should be enough to carry the company through until then at least. Overall, his gut feeling was that exhibitions are a good way forward for his fledgling company.

Case Study Questions

1. What else might Colin have achieved from the exhibition, apart from sales leads? *Colin should also have been looking out for useful contacts. These might have been technical or marketing people from rival companies – he would do well to consider hiring a marketer with experience of the industry. Secondly, a small games company like his will probably be a target for a takeover by a larger firm, so he should have been looking at what these companies are offering. Finally, he should have taken a look at the other games on offer, with a view to seeing how AM Games can find a niche in the market.*
2. How might Colin have ensured that the right kind of people visited the stand? *Colin could have researched his market and made a point of inviting specific companies to send people to visit the stand. He could have evaluated his success in this by checking how many of those invited actually came. He should have had some kind of incentive in place to encourage visitors – perhaps if his son-in-law had been with him, there might have been some interest in meeting the actual designer of the games. Another possibility might have been to have a sales promotion on the stand, although these can sometimes be seen as gimmicks by serious buyers, and may only attract visitors looking for a free gift.*
3. How might Colin have evaluated the success or otherwise of the stand? *Colin's evaluation was fairly good, within the limited aims he had. He could have evaluated his success better had he identified the key companies he wanted to talk to, and also considered setting targets for finding out about the competition and other games. He does not have the resources to carry out major market research exercises, but he could have made a checklist beforehand of what he wanted to find out and who he wanted to see, and evaluated against that.*
4. What other activities might have been advisable to ensure that the exhibition went well? *Colin might have considered having a promotion, or a competition, to raise the profile of his stand. Also, he needs to follow up on the leads even more quickly if possible – if he could have had someone following up and making appointments while he is still at the exhibition that might have helped speed the process. He should also consider categorising his visitors as leads, possible prospects, useful contacts, and so forth.*
5. Should Colin consider going to other toy exhibitions? *Colin might find that the other exhibitions attract the same exhibitors and visitors, so there may not be a lot to gain: on the other hand, he can only know this by attending. His safest course, in view of his limited budget, would be to go to Harrogate as a visitor first and see who else is there, then consider booking a stand later.*