

# The power of licensed product

**Wendy looks at retail challenges and the opportunities that Licensing offers to help overcome them**

**W**ith our retail environment and customer habits changing so fast, those products which reflect what kids are into and influenced by, will ensure they have the edge. Using the hottest licensed properties is clearly a major way of achieving this— as long as licensees keep adapting fast within their sector of our evolving marketplace.

**01** With competition for retail space being so tough, having innovative, great quality, high play value products are essential to satisfying both buyers and customers needs - these qualities on with properties which are well matched in age, relevance and values, will be the winners.

**02** Given that our retail arena is shrinking, buyer relationships must be nurtured and their needs

ideally met quicker than ever before. You might think what they're asking for is crazy but are you in a position to not pitch for a property if it's what is being asked of you? Those who rise to their challenges the quickest and deliver best on the brief will always have the advantage - then the fun starts of battling it out on price, terms and exclusivity!

**03** Retailers' increased focus on profitability and pressure on store space, means there's no room to carry the mediocre profit performers which historically might have stayed in the range. The increased customer demand and in turn, higher spend that licensed products carry, can go a long way to easing the profit pressures retailers face. Yes, a licensors royalty restricts intake margins but the greater sales units driven from strong licensed products will deliver a far greater cash profit (assuming stock intake is managed carefully to avoid overstocks later on). Even the hottest of licensed products should still be price competitive versus unlicensed and competing properties available.

**04** Retailers want exciting, innovative, price competitive licensed ranges offering a level of exclusivity to entice consumers throughout the season and which grows their sales, profitability and market share position. Licensing can deliver all of these requirements. It has the power of adding value to the products so that they command a higher premium retail price and add value to brands to enable consumers to experience them across various product categories.

In summary, the way to stay ahead is to lead the market with product design, quality and innovation, remaining true to values of your chosen licensed property and the licensor, licensee and retailer working



closely for mutual benefit. The most successful licensed properties are:

- Relevant** - to our ever-changing marketplace
- Consistent** - in brand image and quality across all means of product, POS, packaging, media
- Diverse** - appeal to a wide spread of consumers and categories
- Unique** - special and worth paying more for
- Inspirational** - in innovation, design, technology, brand values
- Instantly recognised** - within the customer base it appeals to
- Credible** - Giving consumers an emotional connection with the property.



**Wendy is Director of 'Be Inspired Consulting Ltd' who offer expert business advice on all matters involved in trading with retailers, market knowledge, product development and licensing**  
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