



Personalizing Toys: From Digital to IRL

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What is this session about?

- Gen Alpha and Gen Z expectations from brands, products and experiences
- What are some of the emerging trends and technologies fueling the personalization opportunity?
- How to use personalization in toys and gaming to achieve loyalty, relevance, profitability and growth?

Why is Personalization More Important Than Ever?

Gen Alpha (2010+)

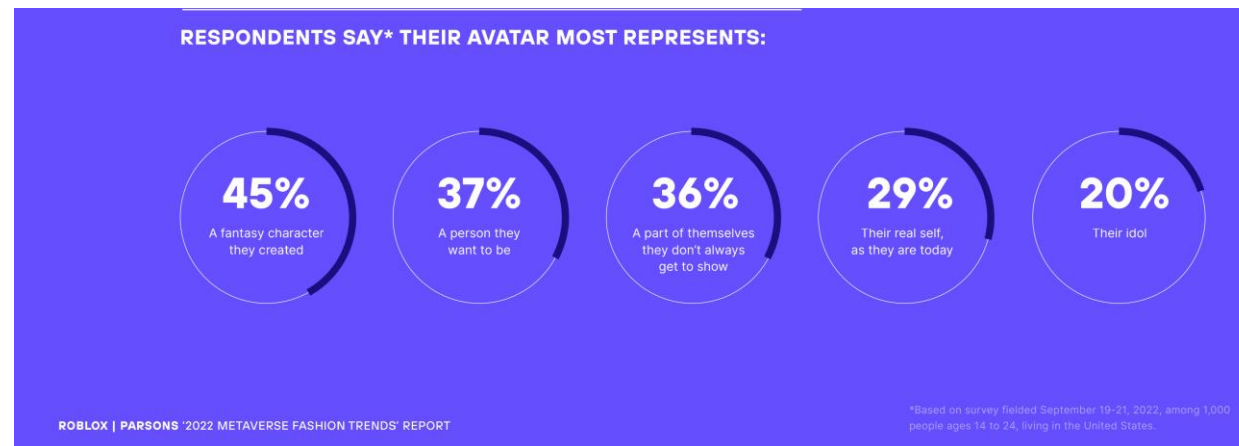
“We can no longer design products for (Gen Alpha) and push the products at them. They want a seat at the table”

Marc McCrindle, Founder, McCrindle Research

Gen Z (1995-2010)

- **92% of Gen Z consumers** say that being authentic and true to oneself is extremely or very important. (E&Y, 2022)
- **52% of Gen Z** feel “more like themselves” in the Metaverse than in real life (Razorfish)

Personalization
helps them show
up as their true,
authentic selves



Personal = Authentic Self

- 94% of Gen Z Roblox users have done at least some customization of their avatars
- 47% of Gen Z consumers say they dress their avatars to express individuality
- 43% say it helps them feel good about themselves
- 1.8 B avatar items sold in 2022



Parsons school of design, 2022

What makes a product Personal?

...What makes a product Personal?

- Created for me
- Created by me
- Created with me

What makes a product Personal?

- Created for me: based on data I provided / collected by the company: content, product, retail/digital environment, curation
- Created by me: enabled by 3D printing/ on demand, use of AR/VR tools, “metaverse”: avatars, virtually unlimited customization
- Created with me: co-creation – fandom, consumer-to-consumer/brand/creator, limited customization, UGC

“Me” = including my “alter ego” or my favorite creators as an extension of me

For me a perfect day often includes _____.

Select one to proceed.

BLACK COFFEE

FLAVORED COFFEE

DECAF COFFEE



To line the cup with caramel or mocha sauce: Can't get enough caramel?
Request to line the cup with caramel sauce by selecting your favorite drink,
click "customize" and click "add line the cup" under the Add-ins category.

"With more than 170,000 ways to customize beverages at Starbucks, customers have always shown and celebrated their creativity"
60% of drinks in Q3, 2023 were customized; 9% increase in average check



Fan favorites like Pink Drink began as customer creations. Pink Drink became a viral sensation in 2016 – and was added to the permanent menu the following year. It continues to be a top favorite Starbucks Refreshers beverage.
The #pinkdrink hashtag on TikTok has 286M views

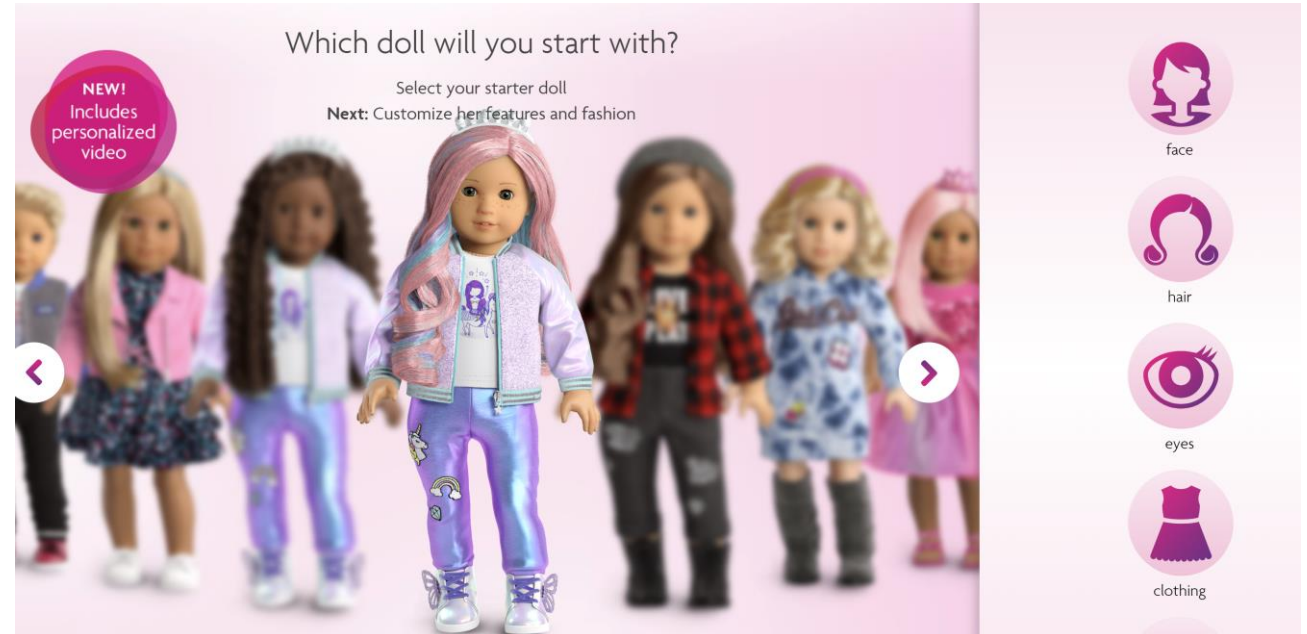
The Personalization Premium

American Girl
Truly Me™ Doll #92

\$115.00



American Girl Create Your Own Doll - \$220




More Customization Options = increased DPT



Build-a-Bear


1 Choose A Furry Friend



Birthday Treat Bear
\$14.00

Clothes & Shoes		Edit
	Disney Tim Burton's The Nightmare Before Christmas Jack Skellington Suit Remove	\$18.00

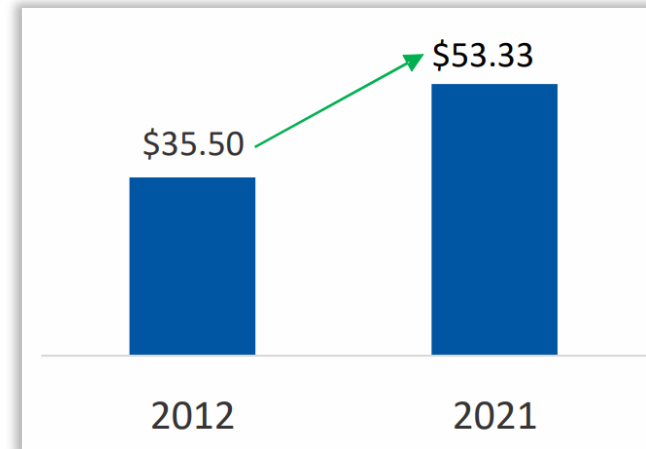
Sounds & Scents		Edit
	Cow Sound Remove	\$6.50
	SCENTiments™ Birthday Cake Scent Remove	\$4.50

Accessories		Edit
	Barbie™ Cupcake Wristie Remove	\$6.00

Total: \$ 49.00

[Add to Bag](#)
[Save to Wish List](#)

AVERAGE DOLLARS PER TRANSACTION
Over 50% appreciation in Avg DPT



Personalization = Engagement

- LEGO's Minifigure Factory lets you customize your own minifigure in-store; an online version was launched in 2022 for a limited time



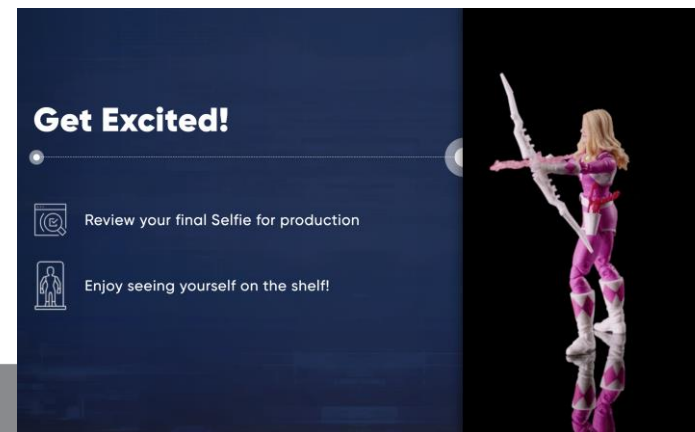
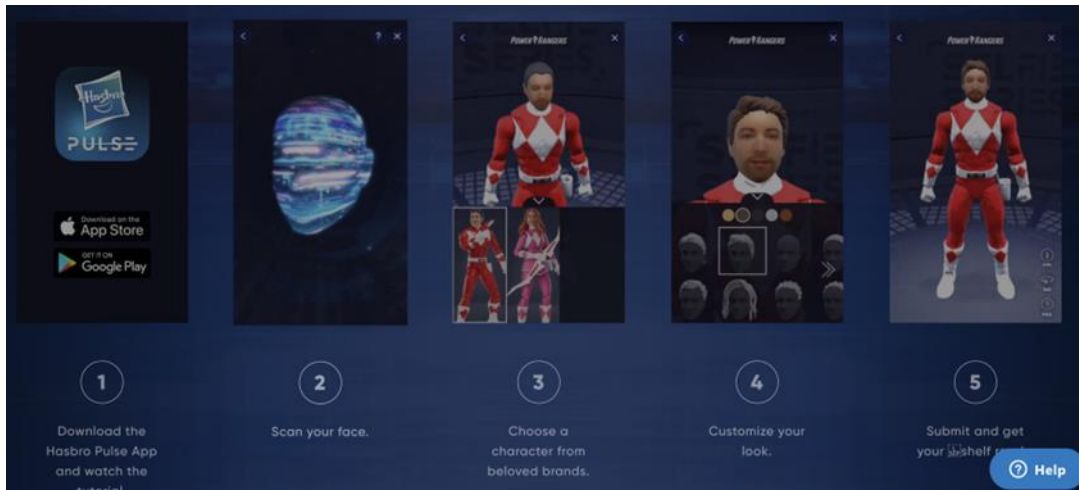
What makes Personalization more Available than before?

New Technologies and Platforms

- **Create:**
 - On demand and 3D printing
 - Augmented Reality for measurements, visualization
 - Virtual Reality and Metaverse experiences
- **Understand:**
 - Social media trend informed variety
 - AI and ML
 - Big Data
- **Interact:**
 - In-store media
 - Online, mobile and e-commerce
 - Consumer-to-consumer, creators-to-fans platforms

AR to On-Demand

- Launched on the Hasbro Pulse Mobile App, the **Hasbro Selfie Series** lets fans imagine themselves as their favorite G.I. JOE, Ghostbusters, Power Rangers, Marvel, and Star Wars heroes



The Web3 Opportunity

- Digital twins — virtual replicas of people, objects, and places that are programmed to have the same physical properties as the real thing — will play a key role in this physical-virtual fusion.

Lego launched a collaboration with Epic Games to enable consumers to “access to a whole new universe of opportunities, including the ability to engage with other players in a virtual world and access their products virtually.”

This creates an opportunity for customization and “digital twins”.



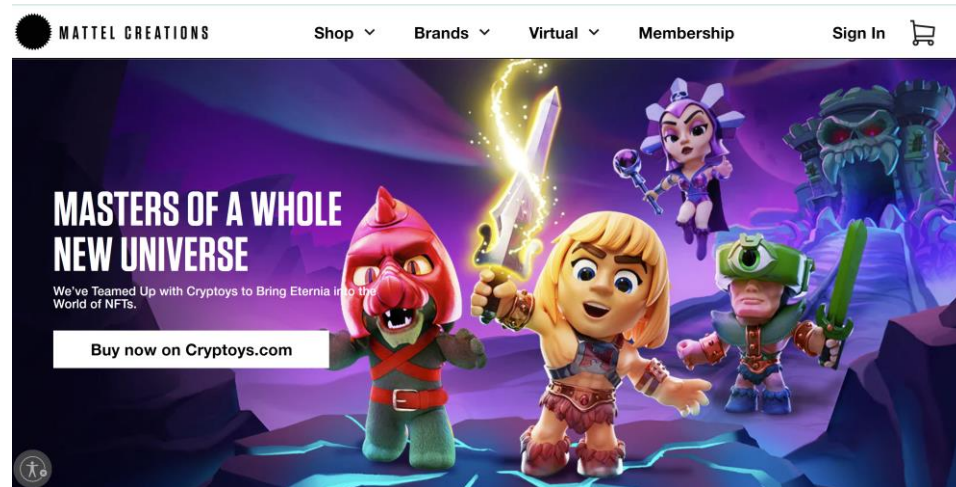
The Web3 Opportunity

- Build-A-Bear Workshop launched the Build-A-Bear Tycoon virtual community space on Roblox (2022).
- “By offering a “phygital” space that blends the physical and digital, Build-A-Bear continues to drive community, relevancy and brand love in stores, online and beyond.”



The Web3 Opportunity

- Mattel announced it's partnering with the NFT platform "Cryptoys" to create playable, customizable NFTs. Those Cryptoys can then be personalized with NFT hats, shoes, and other accessories as well as upgraded with talents and abilities.
- The company is now offering a C2C platform for NFT creations, thus catering to Gen Z and Alpha entrepreneurship through Co-Creation



In Conclusion...

- Personalization Goals
 - Increase loyalty
 - Empower consumers
 - Increase relevance
 - Increase revenue and profit
- Consider the type of personalization most available to you
 - For me
 - By me
 - With me
- Consider new engines & technology
 - Data-based digital offering
 - Digital and phygital “twins”
 - AI and ML-based toys
 - 3D printing



Thank You!

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