



BUILDING INNOVATION

New Ideas Yield Category Growth

by Jackie Breyer

Building sets has consistently grown as a toy category over the past few years. According to The NPD Group, the category was up 26 percent in 2008, 23 percent in 2009, and 13 percent in 2010. As the category grows and major industry players, including Hasbro, enter the category, new trends and innovations emerge, keeping the play pattern novel for young builders. While the concept of building with blocks is tried and true, various new twists on the concept continue to keep the construction aisle fresh, and freshness breeds growth and strength.

Because Lego has long been a top-selling brand in the construction aisle, many newcomers have introduced bricks that are compatible with Lego bricks. This way, they aren't asking parents to "switch" to a new building system; parents can simply buy something new, and add on to the building sets they have at home. One example is Hasbro's new Kre-O system, set to hit stores this fall.

Not only are Kre-O bricks compatible with "most other brick-based construction sets on the market," describes Hasbro, the line is launching with Transformers building sets. While this narrows their target audience mainly to males, it significantly expands the target age range. Each Transformers Kre-O set comes with two types of builds: create a robot and then disassemble to build a vehicle, or disassemble the vehicle to build a robot. Most sets come with themed accessories and a poseable mini figure in robot or human form.

Neat-Oh!, a manufacturer that provides storage solutions for building sets, found that applying the Lego license to its ZipBin line helped them get the recognition they needed to build their own brand. "In 2009, Neat-Oh! began to work with licenses, the first license being the Lego brand," says Dee Farrell, senior vice president at Neat-Oh! International. "A key part of the agreements Neat-Oh! reached with Lego was to keep the ZipBin brand name on licensed items. This set the stage for similar agreements with subsequent licensors Mat-

tel and Lucasfilm. With the ZipBin name on all products, Neat-Oh!'s licensing strategy is helping consumers learn the ZipBin brand and the benefits of ZipBin products."

Neat-Oh!'s innovative storage solutions have helped propel the company and its ZipBin brand forward in the category, and the company has expanded its offerings to include ZipBin play sets and more for a wider demographic of kids.

Innovation is important in any category's growth, and Laser Pegs Ventures has innovated in the construction category. Available at more than 2,000 specialty retailers in the

U.S. alone, Laser Pegs are building bricks that light up, providing kids with an entirely new product to build with, and bringing a new dimension to the concept of building blocks.

"I saw the lighted necklaces that are acrylic at



Laser Pegs

TechEd 2002 and instantly thought to myself, 'Wow, if those were construction set toys, in all different shapes, where each piece fed the next piece a low voltage current, illuminating the LED, those would be a hit!,'" says Jon Capriola, CEO of Laser Pegs Ventures.

The problem with being innovative is that no matter how much time and effort you put in, there's a way for a copycat to steal the idea. According to Capriola, Laser Pegs took five years to make, but it only takes 90 days to copy. To protect itself, Laser Pegs has patented all of its core concepts with utility and method patents. "In this world we live in, all we can do is work hard and work smart, and hopefully, if all the stars align correctly, we can continually build upon our success," says Capriola. ■