



Sourcing Wholesale Toys

Toys and games as a category is one of the tougher sources to find wholesale opportunities. Children generally want well-known characters and franchises manufactured by very large and established corporations. These manufacturers already have massive contracts in place with all big box retailers, as well as Amazon, who aggressively compete with each other and accept thin margins, and in some cases, even losses, in an attempt to gain market share. This makes purchasing from these manufacturers a losing proposition.

With that said, wholesale opportunities do exist and can be quite lucrative, but know upfront that items manufactured by Hasbro, Mattel, Spin Master, and other major toy manufacturers will not be able to be purchased for resale on Amazon. Further, non-closeout items from toy distributors manufactured by the conglomerate corporations is often the fool's errand as well. Success in wholesaling toys comes from exploring products, brands, and manufacturers that do not have the large production capacity and distribution infrastructure of the mega corporations. Finding unusual or niche products is generally key.

However, simply finding one of these types of toys does not put you in the clear. It is advisable that you do product research on CamelCamelCamel and PriceZombie to see if Amazon has ever carried that product in the past, because you'll often find that there are several smaller brands that Amazon has and does restock, and there is absolutely no future in competing with Amazon.

This product is an easy example of major manufacturer and Amazon competition. The product is made by Hasbro, carried by Amazon, has an MSRP of \$14.99, currently selling at \$7.99. This all adds up to a product you don't want to be associated with.

This product is an example of a smaller manufacturer that has a great sales rank and Amazon is currently not carrying it. However, when you do research, you can see that Amazon has consistently carried this particular product in the past, which indicates they are likely to return on the listing, and they also currently have multiple Plan Toys items in stock. With that information, I would definitely avoid this item. If you had made a large purchase of this product without doing your homework, you would likely be looking at suffering a significant loss by the time you were able to get the product for sale on Amazon.

The point being is that like all other aspects of wholesale, you have to dig deeper and constantly be looking for niche brands. They do exist. However, they aren't going to come in the form of something that you see everyday. In all likelihood, they will take some intensive

research to find and be relegated to a niche, a lower price point product, or come from a company that simply refuses a deal with Amazon directly. To be successful in the toys category, you have to look beyond what you know and see everyday and source from smaller manufacturers. The odd thing about this category is all of the advertising dollars spent marketing becomes the toys that you know and we seem to forget the rules when it comes to this category and only focus on things we have seen.

Beyond the fact that they are likely competing with Amazon in terms of the mega accounts and major toy brands, there's another problem that arises. These items are often produced on a pre-order status, generally months ahead of when you will receive the product. You have to understand that ordering under these scenarios is very difficult as you don't know what the market conditions will be once the product arrives. We have moved away from that model because it's more difficult. We realize that our efforts were better spent on searching for lower competition products and more niche lines and setting up direct accounts. Dollar for dollar, if you focus on the methods we teach here and move beyond this method of sourcing for toys, you will have a far better experience with wholesale.