

# kidscreen®

engaging the global children's entertainment industry

Q2 2025

The Most Viewed Kids  
Channel in the World!

pocket.watch



Toys and Colors

26 x 7 minutes  
Animated series  
4 to 6 years olds

Based on the  
bestselling  
book series



**Sometimes you just need a  
LITTLE help from your FRIENDS**

**kidscreen**Summit

mip london

ANNÉCY  
FESTIVAL

BRAND  
LICENSING  
EUROPE

mipjunior

mipcom  
CANNES

Schedule a meeting: [Simona@njworld.com](mailto:Simona@njworld.com) [Martin@3megos.com](mailto:Martin@3megos.com)



# kidscreen®



engaging the global children's entertainment industry

Q2 2025

## ***FAST TRACK TO FANDOM***

Webtoons are building global IPs  
and unlocking major licensing deals

### **TOYING WITH AI**

As AI enters playtime, most  
toycos are treading carefully

### **BIG-SCREEN BET**

Studios pivot to film  
while TV deals dry up



Disney





Happy Anniversary





# CONTENTS



## kidscreen

Q2 2025

**14 MOVES**  
Kids IPs could supercharge the next generation of AI—but not without raising some serious questions.

**22 SCREEN**  
As the TV market cools, studios are finding more upside—and faster deals—on the big screen.

**32 CONSUMER PRODUCTS**  
Micro-collectibles are winning over kids and adults alike with low prices, cute designs and lots of nostalgia.

**36 KID INSIGHT**  
Twens want more positivity in their content, according to a new study by Children's Media Lab.

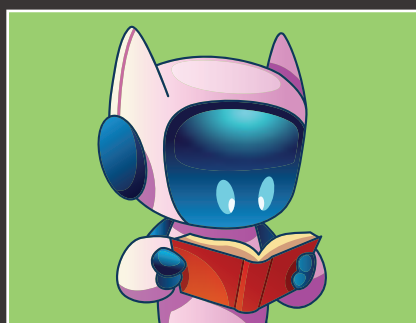
**40 TECH**  
Popular kids shows are helping SEL app Lingokids teach two to eights about their emotions.

**30** Mattel and Jazwares are moving in on LEGO's turf with new building sets, competitive pricing and fan-favorite licenses, aiming to disrupt the construction toy space.

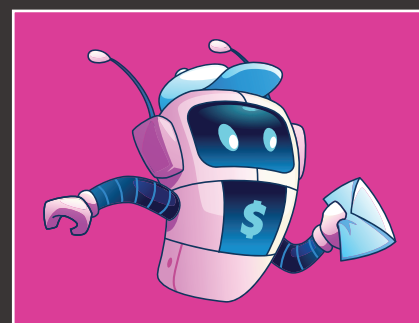
### SPECIAL REPORT



**43** How toycos are using AI today...and how they could use it in the future.



**46** Best practices for navigating the laws and regulations around AI.



**48** Toy retailers are looking to AI to cut costs and retain market share.

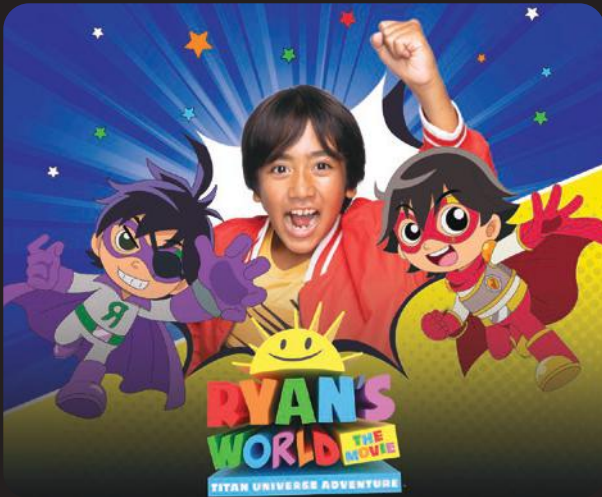
**OUR SOLD COVER** sports an ad for pocket.watch's Toys and Colors channel, while our editorial cover features Rachel Smythe's webcomic *Lore Olympus*, available on WEBTOON.





# HIT SHOWS WITH THE STARS KIDS LOVE

Premium quality that parents trust.



## Ryan's World the Movie: Titan Universe Adventure

Join Ryan in his trailblazing theatrical motion picture debut! (1 x 83')



## Ballpark Blast! presented by MLB and pocket.watch

Step up to the plate for kids' favorite stars and baseball's biggest events! (1 x 27' & 10 x 11' series for '25)



## Love, Diana Musical Mysteries

Sing, solve and dance with the most followed girl on YouTube (5 x 22' or 10 x 11')



## Toys and Colors Kaleidoscope City

Enter a magical world with the most popular YouTube kids on the planet! (5 x 22' or 10 x 11')

100s of  
Shows

Built-in  
Audiences

Popular  
Genres

Contact [content@pocket.watch](mailto:content@pocket.watch)





## The high price of play today

**T**he global children's entertainment industry is facing mounting pressure as trade tariffs—particularly those imposed between the US and China—reshape the economics of toy manufacturing and distribution. With more than 80% of toys sold in the US being produced in China, recent tariff hikes have sent shockwaves through the industry. In 2025, the US government raised tariffs on certain Chinese imports to as high as 145%, a move aimed at broader geopolitical and economic objectives but one that has left toy companies scrambling to mitigate rising costs.

Major players like Hasbro and Mattel have acknowledged the difficulty of absorbing such dramatic increases in production costs. While large corporations may have the flexibility to relocate operations or diversify supply chains, many smaller toy companies do not. For small and mid-sized businesses, the sudden cost hikes can be devastating. Some have already warned of potential layoffs, price hikes, or even shuttering entirely if relief is not granted.

US-based educational toy company Learning Resources is projecting a tariff bill increase from US\$2.3 million to more than US\$100 million in 2025. And CEO Rick Woldenberg described the tariff hike as “the end of days” for the company. In the UK, Peppa Pig licensee The Character Group manufactures 95% of its products in China.

The company has recently withdrawn its annual market guidance due to uncertainty surrounding US sales, which account for approximately 20% of its revenue.

Tariffs also complicate logistics and sourcing strategies. While some companies are exploring production moves to countries like Vietnam, India or Mexico, the process of shifting manufacturing is not instantaneous and comes with its own set of challenges, from rising labor costs to inconsistent production quality and logistical hurdles. Domestic production, while attractive in theory, often proves too expensive and impractical in practice for an industry driven by slim margins and mass retail pricing structures.

Consumers are beginning to feel the effects as well. Industry analysts estimate that toy prices could rise by 15% to 20%, especially in the lead-up to key shopping seasons like back-to-school and Christmas. Such price hikes may curb consumer spending and reduce the affordability of quality toys for lower-income families. Since toys play a critical role in early childhood development, this outcome carries implications far beyond the retail aisle.

Industry advocacy groups are sounding the alarm. The Toy Association, which represents more than 900 businesses, is actively lobbying policymakers to exempt toys from the current trade restrictions. The group argues that toys are not only essential to children's growth and learning; they're also uniquely vulnerable to disruption due to the globalized nature of their production pipelines.

As the industry navigates this new reality, some companies are exploring innovative solutions, including reshoring select product lines, investing in automation and forging new international partnerships. However, the short-term impact remains significant, and the long-term effects are still unfolding. For an industry built on creativity, play and imagination, these trade dynamics introduce a sobering element of uncertainty.

The coming years will require coordinated action across the industry, from manufacturers and distributors to retailers and advocacy organizations. Whether the result is a restructured supply chain, revised trade policy, or a combination of both, one thing is clear: The business of play is no longer immune to the politics of trade.

—Jocelyn Christie

# kidscreen

Q2 2025 • VOLUME 29 • ISSUE 2

#### SVP & PUBLISHER

Jocelyn Christie [jchristie@brunico.com](mailto:jchristie@brunico.com)

#### EDITORIAL

##### ASSOCIATE EDITOR

Janet Lees [jlees@brunico.com](mailto:jlees@brunico.com)

##### SENIOR REPORTER

Ryan Tuchow [rtuchow@brunico.com](mailto:rtuchow@brunico.com)

##### STAFF WRITERS

Sadhana Bharanidharan [sbharanidharan@brunico.com](mailto:sbharanidharan@brunico.com)

Cole Watson [cwatson@brunico.com](mailto:cwatson@brunico.com)

##### CONTRIBUTORS

Cyrine Amor, Brendan Christie, Olivia Deane, Kim Wilson

#### BUSINESS DEVELOPMENT & ADVERTISING SALES

(416) 408-2300 or 1-800-KID-4512

##### ASSOCIATE PUBLISHER

Maggie Wilkins-Hobbs [mwilkins@brunico.com](mailto:mwilkins@brunico.com)

##### ACCOUNT MANAGER

Negin Davood [ndavood@brunico.com](mailto:ndavood@brunico.com)

#### CREATIVE

##### CREATIVE MANAGER & ART DIRECTOR

Taylee Buttigieg [tbuttigieg@brunico.com](mailto:tbuttigieg@brunico.com)

#### AUDIENCE SERVICES

##### DATA INTEGRITY & CUSTOMER SUPPORT SUPERVISOR

Christine McNalley [kidscreencustomer@brunico.com](mailto:kidscreencustomer@brunico.com)

#### CORPORATE

##### PRESIDENT & CEO

Russell Goldstein [rgoldstein@brunico.com](mailto:rgoldstein@brunico.com)

##### EVP, CANADIAN MEDIA BRANDS

##### & EDITORIAL DIRECTOR

Mary Maddever [mmaddever@brunico.com](mailto:mmaddever@brunico.com)

##### SVP & EXECUTIVE DIRECTOR, NATPE GLOBAL

Claire Macdonald [cmacdonald@brunico.com](mailto:cmacdonald@brunico.com)

#### SUBSCRIPTIONS

To order, visit [www.kidscreen.com/subscribe](http://www.kidscreen.com/subscribe). To make a change to an existing subscription, please contact us by email ([support.kidscreen.com](mailto:support.kidscreen.com)). Fax: 416.408.0249 Tel: 416.408.2448.

Kidscreen is published five times per year by Brunico Communications Ltd. Subscription rates in the US are US\$89 for one year and US\$159 for two years, and single copies are US\$7.95. Please allow four weeks for new subscriptions and address changes.

**REPRODUCING & SUBMISSIONS** Nothing in Kidscreen may be reproduced in whole or in part without the written permission of the Publisher. All letters sent to Kidscreen or its editorial team are assumed to be intended for publication. Kidscreen invites editorial comment, but accepts no responsibility for its loss, damage or destruction, howsoever arising, while in its office or in transit. All material to be returned must be accompanied by a stamped, self-addressed envelope.

**POSTMASTER NOTIFICATION** US Postmaster: Send address changes to Kidscreen, PO Box 1103, Niagara Falls, NY, 14304. Canadian Postmaster: Send undeliverables and address changes to Kidscreen, 8799 Highway 89, Alliston, ON, L9R 1V1. Canada Post Publication Agreement number 40050265 (printed in Canada)

ISSN number 1205-7746 - ©Brunico Communications Ltd. (2025) Kidscreen® is a registered trademark of Brunico Communications Ltd.

Watch for our next issue!

Street Date: September 9





We will be  
attending **MIFA**

Contact: [content\\_sales@mattel.com](mailto:content_sales@mattel.com)

©2025 Mattel. ©2025 Gullane (Thomas) Limited.  
©2025 Lyons Partnership, L.P.







## 1 Tariff tensions

As this issue of *Kidscreen* went to press, US President Donald Trump had just announced a 90-day pause on his reciprocal trade tariffs affecting 60-plus countries, while also hitting China with a 125% to 145% hike in duties—marking yet another chapter in this ongoing global trade war. Regardless of how everything eventually shakes out, it looks like the strain and uncertainties will continue for some time.

Toycos are already seeing a bottom-line impact as they evaluate potential price increases on core products, lobby for exemptions, and scramble to shift their manufacturing hubs from China to Vietnam, India and Mexico. And while major players such as Mattel, Hasbro and Jazwares may be better able to weather the economic storm, smaller manufacturers are at risk of being driven out of business if their profit margins shrink too much.

And the film biz isn't in the clear, either. China—the world's second-largest theatrical market—has said it will slash its Hollywood film imports as a tariff countermeasure, which could significantly impair the global box-office earning potential of upcoming kids & family titles produced in the US.

# THE LIST

10 things on our radar this month



## 6

### The new face of upfronts

Major YouTubers with kids & family audiences, including MrBeast and Dude Perfect, gathered at the end of March to show off their upcoming content to advertisers at the first upfront-style Spotter Showcase. As streamers and advertisers partner with more YouTubers, similar events could become a new norm.



## 7

### It's a bouncing baby...?

*Peppa Pig's* upcoming sibling birth storyline has growth potential for Hasbro's tentpole preschool brand. As families await the piglet's gender reveal, Hasbro has signed a gaming app deal with Netflix and is developing a cinema experience with Trafalgar Releasing to build more hype around the new piggy's arrival.





## 2 Quality time

YouTube made headlines in March when it collaborated with a dozen well-known kids studios, broadcasters and educational orgs to prioritize high-quality videos for children—while limiting access to low-quality ones. At press time, the streamer still hadn't shared many details about this Youth Digital Wellbeing Initiative, but it could have major implications for any kids content that calls YouTube home.



## 3 Disney's new chapter

The Mouse House recently canceled a long-planned *Tiana* series (part of Disney Animation's shift away from long-form streaming content) and paused its *Tangled* live-action remake after *Snow White* underperformed at the box office. We're curious to see what's next in kids strategy for the media giant, including new interactive tools Disney+ is developing to better engage with young viewers.



## 4 DEI dismantled

With the Trump administration cracking down on DEI programs, many US companies have pared back their initiatives on this front. And the kids industry is no exception, with PBS closing its diversity office, Disney softening content warnings on its older films, and Mattel scaling back DEI disclosures to investors, to name a few. What these rollbacks will mean in the long run remains to be seen.



## 5 Eastern toon boom

This is shaping up to be a landmark year for Asian animation, starting with Chinese feature *Ne Zha 2* earning more than US\$2 billion to become the highest-grossing animated film of all time (beating Disney's *Inside Out 2*). Then in April, *Jumbo* was next to break records, selling a million tickets in its first week and becoming Southeast Asia's highest-grossing animated feature ever.



8

### GO mobile

*Monopoly GO!* developer Scopely has picked up Niantic's games division and library in a US\$3.5-billion acquisition that brings flagship title *Pokémon GO* under Scopely's umbrella, along with signature AR and social gaming systems that have helped Niantic's games reach more than 55 million active users to date.



9

### Back to Cali

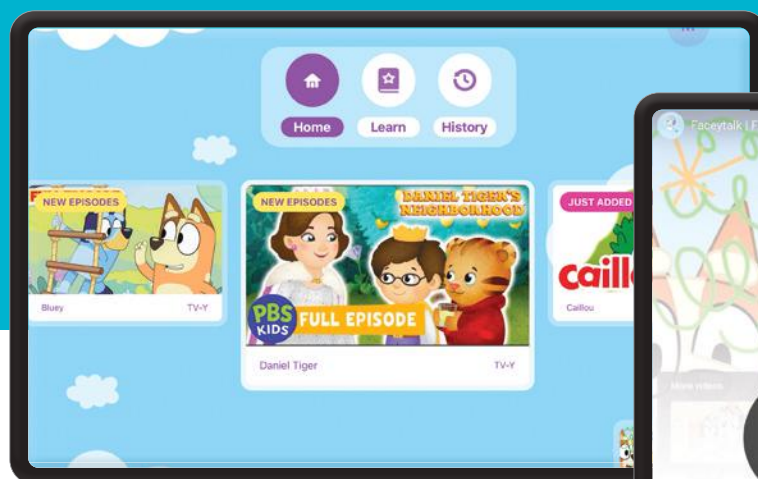
California's animation industry could get a much-needed lift if Senate Bill 630 passes. This proposal seeks to increase the state's tax credit for local film and TV productions to 35%, as well as opening it up to animated films, series and shorts for the first time. A decision on the bill is expected by July.



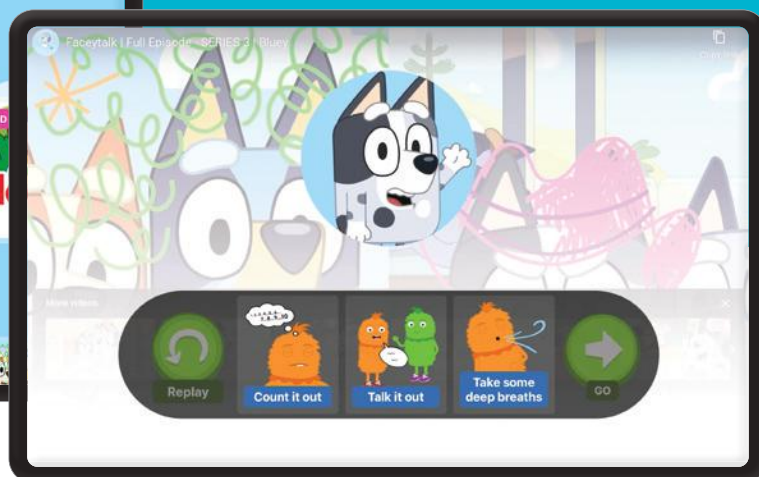
10

### Window win?

A major topic of discussion at CinemaCon last month was a push for studios to commit to a universal 45-day theatrical window to boost attendance. This would be a welcome change, as inconsistent post-pandemic windowing has caused many films to land on digital platforms mere weeks after their theatrical premieres.



ThinkHumanJr helps kids navigate their emotions as they watch scenes from their favorite shows, including *Bluey* and *Daniel Tiger's Neighborhood*



# In the feels

Kids app *ThinkHumanJr* teaches social-emotional lessons by weaving itself into scenes from popular TV shows.

BY: SADHANA BHARANIDHARAN

What if kids could sharpen their emotional literacy skills while watching the shows they love? That's the general idea behind a new app called *ThinkHumanJr* that's soft-launching this month, right before summer break.

The brainchild of cognitive scientists Ilya Lyashevsky and Melissa Cesarano—adjunct professors at Columbia University's Teachers College and co-founders of New York-based techco Affectifi—*ThinkHumanJr*'s user experience goes something like this: Kids stream scenes from some of their favorite TV shows, with playback pausing at key moments to

pose questions that encourage them to consider what the characters on screen are feeling.

For instance, during a *Bluey* clip in which cousin Muffin huffs impatiently, the app briefly presents a multiple-choice question asking kids whether Muffin is grateful, hopeful, excited or annoyed.

Other questions and activities include associating facial expressions with emotions, estimating emotional intensity during a scene, identifying causes of emotions, and even selecting emotion-management strategies. In other words, it's SEL that's been gamified with some high-profile entertainment faces.

"We're taking what is traditionally a passive media-watching experience and turning it into an active emotional-learning experience," says Cesarano. Instead of spending the money and effort to create SEL-based content from scratch, this research-backed alternative seamlessly blends the learning with existing entertainment. "You can look at every single scene of a TV show, and there's emotional content there in the interactions of the characters," notes Lyashevsky.

The team partnered with a US-based kids entertainment company that prefers to remain uncredited (but trust us, it's a biggie) on an R&D phase that included conducting a randomized control study of four- to five-year-olds in May/June 2024. Three-quarters of their parents (75%) said these

kids developed a better understanding of emotions from playing on the app.

Lyashevsky and Cesarano have also tested this media-based learning model on their tech platform, ThinkHumanTV—a web-based K-12 version geared towards older learners that works with streaming services as a browser extension.

By contrast, *ThinkHumanJr* is a mobile app that directly embeds videos of popular YouTube kids content. It's a win-win that allows the app-makers to bypass having to license content, while also providing a YouTube viewership boost to the IP owners.

At launch, *ThinkHumanJr* will offer scenes from 10 to 12 shows (including *Bluey*, *Daniel Tiger's Neighborhood*, *Octonauts*, *Molly of Denali*, *Rosie's Rules*, *Arthur*, *Phineas and Ferb* and *Caillou*), with new titles added regularly.

While the app could be free for a limited beta period, the long-term plan is to offer a number of subscription tiers. And an upcoming expanded offering will include access to the Netflix and Disney+ web extensions.

While directly licensing content isn't part of the team's short-term plan, Lyashevsky and Cesarano are looking to partner with kids content studios on cross-promotional strategies and revenue-sharing (they've already finalized one such deal with STEM-focused prodco Global Tinker). And longer term, the goal is to collaborate on original content. **K**





Teatrical



Music



Production



Advertising  
(On/Offline)



Licensing



App



Gaming



Connected  
TV



Distribution



Editorial

# el reino infantil★

## BUSINESS OPPORTUNITIES

Your strategic partner to led  
you to family audiences

**+260M  
SUBSCRIBERS**

**#1 SPANISH  
KID'S NETWORK  
WORLDWIDE!**



## CONTACT US

[ylka.tapia@puro.studio](mailto:ylka.tapia@puro.studio)

Using custom AI tools, Sinking Ship was able to pull from its 11 seasons of animated dinosaur programming to create concepts for a new dino movie while saving time, money and the environment



# Feeding the beast

A new market opportunity is opening up as AI companies seek kids content for training data—but rights holders will need to decide if the short-term gains outweigh the long-term unknowns.

BY: BRENDAN CHRISTIE

**D**espite what science fiction might tell you, artificial intelligence doesn't just spring into existence fully formed. It needs to be trained, taught and shown the world—what a horse or camel looks like, what Tokyo looks like, what a princess looks like. And only by analyzing countless examples and vast amounts of data can it gain the ability to generate accurate representations.

The source of that data represents both a challenge and an opportunity for the kids TV industry.

Until recently, most AI models were trained using—let's call it what it is—stolen content scraped from the web. After all, nearly everything can be found online if you know where to look. But that's not the way it has to be. AI training could be a huge boon for content owners. The tech's voracious need for data represents a potential new revenue stream—in other words, a market is springing up where there wasn't one before.

## Rise of the data brokers

Dave Davis is GM of media at New York-based data provider Protege, which bought up his data company Calliope Networks in December. Protege works with hundreds of AI clients, providing the data they need to train models. The company's video catalogue has grown to 300,000 hours of movies, TV series, news, sports, YouTube content and more in the last few months, and Davis predicts that it should top a million hours by year's end.

Like many members of his team, Davis comes from Hollywood studios—the content world—and says one of the main motivators for starting Calliope was his concern over copyright infringement. AI presents a stark choice for content owners, he adds. "They can ignore it, which doesn't seem like a very good idea. They can litigate, which is OK for some, but that's not the path we're taking. Or they can engage. We're in the engagement business."

Davis sees engagement as the best way to ensure that content owners get paid and have some influence over how AI develops. "It's going to be disruptive," he acknowledges, "but whether they share their catalogues or not isn't going to have any material impact on how disruptive it's going to be."

He compares it to trying to stop the massive boulder in *Indiana Jones*. "The question is: 'Should I license my content to the boulder coming towards me?' Licensing the content isn't going to change the fact that the boulder is still coming, but at least you can get paid for it—and maybe, through engagement, you can alter the boulder's course ever so slightly."

The exact nature of the need varies depending on the client, Davis adds. For example, some AI models are designed for Hollywood and focus on lighting and camera angles, while others prioritize social media, robotics training or even autonomous driving. "There are a lot of companies that you wouldn't think of, or that you might not have heard of, that are building AI models."



While early conversations were often about picking up 50,000 to 100,000 hours of footage—big-volume deals meant to train general models—Davis foresees more specific requests characterizing the future, such as people talking to camera or moving in specific ways, locations, etc. He sees the market starting to specialize, and expects that trend to continue.

### Do the dollars make sense?

While Davis declined to share specific pricing, Bloomberg reported last year that Adobe was paying around US\$3 a minute for video content, which falls in line with average industry rates.

Live action and animation are generally priced differently—live-action footage starts at US\$1 to US\$2 per usable minute, while animation typically ranges from US\$2 to US\$3 per minute. The premium paid for animation reflects two realities—first, that fewer animation libraries have been willing to participate to date; and second, that the rights are simpler to clear.

And rights are a concern. The biggest challenge when it comes to AI training isn't about money—it's about trust.

Of course, there are safeguards for those who choose to engage. Agreements usually include restrictions—no exact frame or scene duplication, no output of character likenesses, and no access to music rights for training, for example. But while AI companies aren't repurposing entire shows, they are absorbing the content's DNA—and that's a concern for rights holders.

"Initially, there was a lot of excitement, thinking this is the new gold rush," says Sinking Ship partner Matt Bishop. "For people sitting on catalogues in a time and place when there are fewer broadcast pickups, this could be very beneficial."

But he sees red flags. "Our content [features] kids. We feel like we need to do right by the people who were in our shows," he explains. "Something you will probably hear me talk about a lot is Name, Image and Likeness rights, [which the AI companies are] not interested in. But at the end of the day, these are our actors. These are our kids. These are our individuals who are on our shows. And so, as a custodian of that, it's incredibly important for us to make sure that if our content is ever used, it's done in an ethical way."

With these concerns in mind, Sinking Ship is taking a cautious approach. "I want to know where those models are going," says Bishop. "Are they open source? Are they closed source? What safety rails are in place? Without those assurances, I don't know what our material is being trained for. Maybe we're control freaks, but we want to know. We want to ensure that we don't have any regrets about a decision, just to get a paycheck."

After all, the decision is bigger than a single payday, because there's no going back once that cheque gets cashed.

"The way I look at it, evolutions like 4K and HD were new costs imposed on all of us that we had to figure out," says CAKE Entertainment CEO Ed Galton, adding that his company has been approached by a number of intermediaries offering small payouts for its content.

"At least with this evolution, there's a revenue stream that comes with it, so that's a positive. But I worry that the market is going to be damaged by people who work with middlemen who are going to be selling their content really cheap. For me, that is the biggest issue, because if you're selling this stuff, you can't put a term limit

on it. Once it's learned, it's learned. So it needs to be at a price point that makes sense for us to do it."

As a distributor, Galton says CAKE has to balance the rewards against its responsibility to its production partners, but the landscape just isn't resolved enough yet. "We have to find a comfortable way of explaining to the people we work with how this could be an interesting opportunity, and that it doesn't really

## Studio Ghibli, AI and the ethics of imitation

A controversy erupted around the use of artificial intelligence when OpenAI's image generator started producing visuals that closely mimicked the Studio Ghibli aesthetic. The situation struck a nerve with fans and artists alike—especially because Ghibli's co-founder, Hayao Miyazaki, has been outspoken in his criticism of AI-generated art. (In a widely circulated 2016 NHK documentary, Miyazaki dismissed the use of the technology, saying, "I am utterly disgusted...I strongly feel that this is an insult to life itself.")

The backlash prompted OpenAI to tweak its free-tier access and restrict prompts referencing the Japanese studio's style. According to Business Insider, OpenAI CEO Sam Altman defended the tool, arguing that AI-generated art represents a "net win" for society. Altman also suggested that AI increases creative access and lowers barriers for those who might not have the traditional skills to produce visual work.

This debate has led to a broader conversation about consent, ownership and the future of creative industries in an age where machines can convincingly imitate the world's most beloved artists. **BC**



AI users quickly jumped on the Ghibli-style image train—including Glitch Art Gallery founder Jon Cates, who used it to show how Hayao Miyazaki might feel about this trend, based on previous comments regarding the tech

CAKE Entertainment has been approached by third parties looking to train AI from its library, but the company has refused because too many questions about rights and usage remain unanswered



damage what they're doing as a business. We're still in that exploratory phase."

### You can't stop progress

Hundreds of entertainment industry creatives recently voiced their concerns over AI and copyright to the highest levels of the US government, submitting an open letter to the White House Office of Science and Technology Policy (OSTP) as part of the US AI Action Plan, in response to claims by OpenAI and Google that US law allows AI training on copyrighted works without permission or compensation.

Prominent figures from film, television and music signed the letter, which argued for stronger protections for creators in the face of AI's rapid expansion. Signatories included Guillermo del Toro, Phil Lord and Chris Miller (*The LEGO Movie*, *Clone High*), Paul McCartney, Aubrey Plaza, Ron Howard, Taika Waititi and many more. Their message was clear: AI should not be allowed to exploit creative works without proper acknowledgment and compensation.

But while the debate continues, time is passing, and the technology is progressing. Like it or not, the time to act is now.

Galton wonders, "If I don't end up doing these deals, are we going to be left out of the race?" Surprisingly, he says his producers haven't raised the issue—at least not yet—but that's sure to change, and the market will have to adapt. Regardless of where individual producers stand, however, rights negotiations are always evolving, and licenses and agreements will change as AI continues to reshape the industry.

Similarly, Bishop is also looking at the bigger picture, noting that the recent industry downturn has helped push this latest evolution. While the downturn is "incredibly unfortunate," the rise of AI has aligned perfectly with the industry's latest lull. So Bishop decided to seize the opportunity.

"We had more and more systems that were idle," he recalls. "So we thought, 'How do we make the best of a bad situation?'"

With 150 high-powered workstations sitting unused, Sinking Ship pivoted, leveraging its own infrastructure to train models using its existing library.

The results have been striking. The company developed two productions this year using AI for concept creation, which cut costs by 40% and reduced the carbon footprints of both by 60%, says Bishop. While AI's environmental impact has raised concerns—especially the carbon footprint of the large-scale data centers it requires—he argues that properly trained, industry-specific models can be incredibly efficient.

"For example, we're doing a dinosaur movie. We've done 11 seasons of dinosaur animation, so we had a plethora of information to pull from," says Bishop. This allowed the studio's custom AI to generate images directly in the established style of the franchise, accelerating the entire process.

"Each progressive element got faster and faster. Normally, the computer has to process everything. Now the AI was processing everything, and we were getting phenomenal results in a fraction of the time, and at a fraction of the cost."

While AI may not be a perfect fit for brand-new concepts, Bishop sees its impact growing. And with budgets continuing to shrink—even as audience expectations remain high—efficiency isn't just an advantage; it's a necessity. "We have to continue to create innovative content and also develop new workflows that are better for the world and better for production," says Bishop. "That's what excites me about this phase more than just getting a cheque tomorrow."

Regardless of how the technology progresses and how the rights issues are resolved, the boulder that Davis describes is already rolling. It's up to the industry to decide how to react.

CAKE's Galton concurs: "I think the worst thing for us to do would be to stick our heads in the sand and just say, 'AI doesn't exist and we're going to resist it.' We've got to figure out how to work with AI and use it to our advantage." **K**





# BIG GIG

## ROZ NOWICKI

**THE BIG GIG:** Global head of consumer products at Miraculous Corp

**PREVIOUSLY:** Head of global consumer products and franchise marketing at Mattel

**LASTING LEGACY:** Nowicki has spent her career expertly steering consumer products and brand strategy for the likes of Universal Studios (VP of softlines licensing) and 20th Century Fox (EVP of global licensing sales and retail). Her kids industry experience dates back to 1987, when she joined Disney to oversee softlines for its film and TV brands. “The first property I licensed was The Little Mermaid. After that, I was hooked—pun intended!” she recalls. In her most recent gig at Mattel from 2020 to 2022, she closed many major deals, including one that put Barbie in a Super Bowl commercial.

**FRESH PROSPECTS:** With her high-profile track record, it’s no surprise that Nowicki is now spearheading one of the biggest kids brands of the last decade. Since October 2024, she has been leading a global team overseeing all commercial aspects of the Miraculous consumer products program and helping the brand extend its reach.

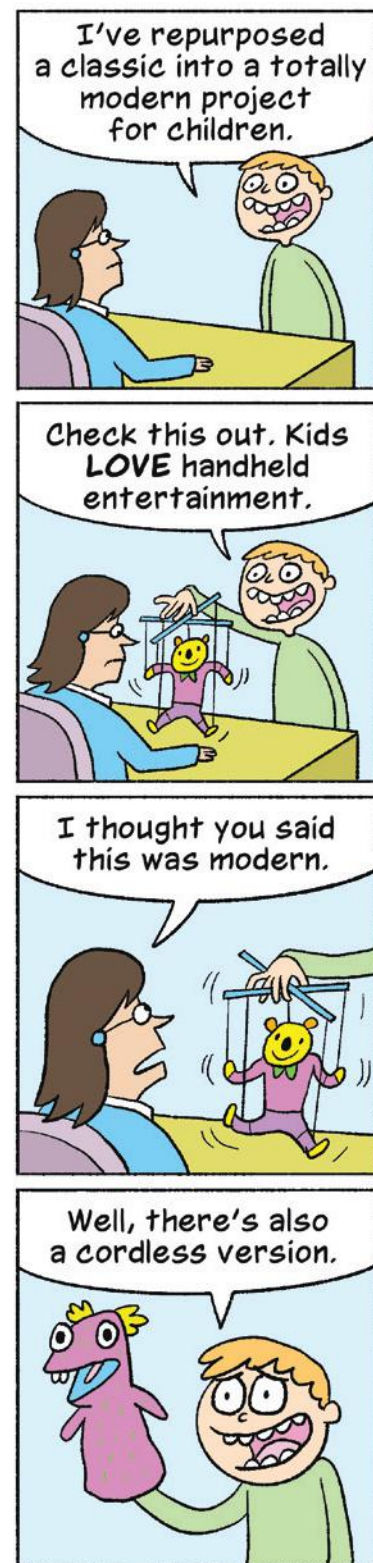
The IP turns 10 this year, and Nowicki is busy finding untapped markets and opportunities that could shape the next decade of its licensing business, which already encompasses more than 400 partners. One possibility is the Asian market, where Nowicki sees limited CP penetration for Miraculous, despite the content performing well there. To address this gap, she and her team are making a regional push in publishing, digital games, apparel and accessories.

**MINING MIRACULOUS:** While working on the Peanuts brand as an EVP from 2017 to 2020, Nowicki developed expertise in location-based entertainment, and now she’s hoping to leverage the adventurous themes and romantic appeal of Miraculous to attract partnerships in the LBE space. “We are exploring touring shows, as well as 4D and VR attractions, to highlight the stunning animation and bring the magic of Miraculous to life,” she says.

She’s also taking a two-pronged approach to Miraculous marketing and consumer products. “[The show’s earliest audiences] are now older teens and young adults who still love the brand. We believe it’s important to satiate older fans, while continuing to introduce the franchise to our youngest demographic segment of kids.” Nowicki sees fashion as a key licensing avenue to reach this wider audience, since the show’s protagonist is an aspiring fashion designer. —Sadhana Bharanidharan

## Know your audience

BY: JIM BENTON



© JimBenton.com





# Scrolling towards success

With massive audiences and untapped licensing potential, webtoons are a cost-effective way to test and build out IPs.

BY: RYAN TUCHOW

**A** 21st-century innovation in kids storytelling is starting to attract huge audiences, big-fish brands and recognition for its ability to incubate great content.

For the uninitiated, webtoons are episodic digital comics formatted to let readers easily scroll through graphic panels on their smartphones. Since originating in South Korea in 2000, they have ballooned into a thriving global industry that's expected to hit US\$10.8 billion this year, on its way to a whopping US\$31.2 billion by 2029, according to The Business Research Company.

At the heart of this market is a South Korean content platform called WEBTOON, which reached 160 million active monthly users in 150-plus countries in December. It features more than 55 million webtoon titles spanning 23 genres—900 of which have already been adapted into streamable series and films. And WEBTOON predicts that many more adaptations are on the way.

Readers in North America, Korea and Japan spend an average of 30 minutes a day reading stories on WEBTOON, according to the company. And this presents a potentially lucrative IP development route for indie creators and studios, since the platform is free to join and monetized through ads and viewer purchases of "Super Likes" for individual stories, with creators getting a cut of both.

Between 2017 and 2023, WEBTOON paid a total of US\$2.8 billion to content



Miriam Bonastre Tur's witchy fantasy title *Hooky* has conjured up more than 112 million views on WEBTOON and expanded into consumer products through WATTPAD Webtoon Studios



creators featured on its platform. The average webtoon creator can earn up to US\$48,000 a year, with the top 100 making as much as US\$1 million.

And webtoons are drawing attention from more traditional animation producers and buyers, too—anime SVOD Crunchyroll premiered season two of its webtoon-inspired teen series *Solo Leveling* in January, and last year it ordered adaptations of YA-skewing titles *Omniscient Reader* and *Dark Moon: The Blood Altar*.

For producers, there are two main approaches when it comes to capitalizing on the reach and appeal of webtoons. They can launch a new IP in this format to test the waters and cultivate a following before expanding into other types of content. Or they can mine the most popular webtoon titles for adaptations and tap into their already significant fandoms. Each strategy offers some distinct advantages.

### Building an audience

Johannesburg's Cabbow Studios is currently going down the webtoon-first road with its new YA-skewing title *Rorisang & The Gurlz*, a mental health-focused story that revolves around a South African girl who starts a K-pop band with her friends. Cabbow released the first installment on WEBTOON in March 2023 and regularly

updates the series with new episodes. To date, this webcomic has surpassed 10,000 views.

As a small South African studio, Cabbow found that TV buyers and distributors were less willing to take a chance on its IPs. So the studio had to find a cost-effective way to introduce and build an audience for them, says founder and creative director Kabelo Maaka.

There have been several side benefits to launching *Rorisang & The Gurlz* as a webtoon. For one, creating the art for its episodes gives the studio plenty of assets for social posts on TikTok and Instagram, including recaps and humorous videos in which Rorisang shares her interests in voice-overs paired with visuals from the webtoon.

Once the studio's followers on WEBTOON and social media started asking questions and engaging with its content, Cabbow self-financed a 22-minute 2D-animated TV series pilot, with the webtoon functioning as a storyboard and providing most of the art assets.

Working on the comic at the same time also let the team test visuals, refine character designs and get audience feedback, adjusting the pilot accordingly. For example, fans liked the webtoon visuals of thought bubbles popping up on screen and

the word "transition" flashing when the scene shifts, so those elements have been added to the pilot.

The animation on *Rorisang* is 90% complete, and the team is now at the compositing and coloring stage. The plan is to complete the pilot in Q2, and then go looking for distributors and broadcast partners.

"We had to make our property sellable, and a pitch deck just isn't enough to stand out," says Maaka. "This is a new way to build an animated character, and it's uncharted territory because it's a model we haven't seen before."

### Going the partnership route

Taking a different approach to embracing the webtoon market, The Jim Henson Company has teamed up with Wattpad WEBTOON Studios to turn *Lore Olympus*—the platform's most popular title, with roughly 1.4 billion views—into a 2D-animated series for young adults. The 2018 webtoon is a modern retelling of the Greek myth about the goddess Persephone, who becomes Queen of the Underworld after she's abducted by Hades.

Henson is prepared to go into production on the series as soon as it's greenlit, says executive producer Halle Stanford, and the company already has a writer on board and several animation tests in the can.



## BOOKING IT

Random House jumps on the webtoons bandwagon

**R**andom House Graphic (an imprint of Random House Children's Books) is starting its own chapter in the webtoon market this year with Ink Pop—a new line that includes print editions of webtoons aimed at kids and teens, as well as translated graphic novels.

Ink Pop will bring popular international titles to the US, in English and book form for the first time, says Random House Graphic executive editor Whitney Leopard. First up on July 1 is an English-language printing of YA webtoon-turned-manga series *I Wanna Be Your Girl*, followed closely by YA romance *My Life As An Internet Novel* on September 2.

But the publisher has also identified an underserved kids market for webtoons (which tend to be dominated by YA titles), and plans to fill it with middle-grade and chapter books touching on genres such as fantasy, mystery and humor. Random House is gearing up to announce its first kids titles later this year, and it's also in discussions with other potential partners, says Leopard.

"Every studio and publisher we've talked to has been excited about putting their foot in the door of the US [webtoon] market," she says. "I'm also excited to bring webtoons into the children's space as a recognized story format that can be entered for awards and recognized as an art form." **RT**

# BEHIND THE BUILD

The making of *Rorisang & The Gurlz*



**B**ecause webtoons don't require animation or printing, they're a lot cheaper to produce and release than other content formats. But companies need to treat them as a long-term investment and have a plan for taking them to market that will deliver results consistently, says Kabelo Maaka, founder of Cabbrow Studios.

It costs the Johannesburg-based studio US\$7,000 to US\$9,000 a month to produce 1.5 to three episodes. Typically, webtoon creators work as solo artists or in small teams, whereas Cabbrow has eight of its 12 team members assigned to *Rorisang & The Gurlz*—the story of a South African girl who starts a K-pop band with her friends.

The studio waited until it had three or four episodes fully illustrated before launching the title, says Maaka. And while it took two months to complete the first 23-page installment, the team can now deliver an episode in three to four weeks, depending on scene complexity.

The webtoon audience is so hungry for new episodes that Cabbrow is aiming to eventually post new ones weekly (this is the typical frequency of original webtoons). The company currently has a monthly release schedule, but publishes two or three episodes at a time to keep *Rorisang*'s readers satisfied until the next batch launches.

This hard work has been paying off, says Maaka. *Rorisang* now has roughly 2,000 subscribers and around 10,000 views on WEBTOON. Its social media presence has also grown, generating more than 30,000 views on TikTok and Instagram in March.

In terms of expansion into other types of entertainment, Cabbrow is currently developing episodes two and three of an animated series based on the webtoon. And it took a live experience called *Rorisang's ColourToon Café* to Comic Con Africa and the Menlyn Park Shopping Centre in Pretoria late last year. The walls and floor of this travelling booth are completely filled with line drawings from the webtoon that kids can color in. **RT**

With its massive audience and a darkly edgy but fun art style, *Lore Olympus* is an obvious choice for a screen adaptation, says Stanford. And it's also similar in tone to one of Henson's most popular existing IPs—*Labyrinth*, a fairytale romance feature film starring David Bowie, circa 1986. "The story of Greek gods [and] the retold Persephone and Hades [myth] could propel us into this primetime fantasy-romance space," she adds.

The challenge, of course, is to turn this successful webcomic into something that works for TV. "We needed to tease out the overarching story that's unfolding on Mount Olympus, and how Persephone and Hades are a part of it," says Stanford. "But also, [*Lore Olympus* creator] Rachel Smythe's art and design were really made for the web and scrolling, so we had an opportunity to [reimagine] the world, the backgrounds and the details."

Wattpad WEBTOON Studios has already built a strong licensing business around the *Lore Olympus* IP, with deals in place for apparel, figures, postcards and physical books (volume nine will launch at Barnes & Noble in October).

"I think we're in a good position because of the success of the franchise in the webcomic space," says Stanford. "We have really great material and two really strong companies. We love collaborating with Wattpad WEBTOON Studios. Together, we have the power to make this happen."

## France's webtoon ambitions

Historically quick to adopt other breakout storytelling formats from the east, like anime and manga, French companies are leading the charge when it comes to building a local industry around webtoons.

There are roughly five million daily webtoon readers in France, estimates Caroline Duvochel, head of audiovisual & innovation for French media conglomerate Média-Participations. Reaching such a large local readership is compelling—and other points of appeal include the format's ability to tell strong visual stories, its accessibility on mobile devices, and the freemium model of the platforms that distribute this content.

Média-Participations—which owns multiple publishing houses, as well as the production studio Ellipse Animation—is



This is a new way to build an animated character, and it's uncharted territory because it's a model we haven't seen before.

—Kabelo Maaka, Cabblo



Romance webtoon *Night Owls and Summer Skies* is based on a web-first novel—one of many books that are finding new audiences as digital comics

making a company-wide push into webtoons. Last year, it launched the first Webtoon Academy, a free training program in Angoulême that teaches French producers how to make and monetize webtoons.

In partnership with Korean webtoon producer Kenaz and French webtoon platform ONO (a Média-Participations subsidiary), the program also sends selected participants to South Korea to network and further develop their IPs.

“The Academy addresses the [challenges] of getting know-how and reaching the worldwide market,” says Duvochel. “France alone is not big enough to be the right scale for webtoon production, so international scale is a must.”

It helps that webtoons have a pipeline that’s similar to animation (including bibles, storyboarding, character design, coloring, etc.) and similar terminology (webtoons have seasons and episodes, rather than chapters), making them familiar and appealing to animation producers, Duvochel adds.

At the heart of Média-Participations’ interest in webtoons is a broader desire to tap into the Korean business approach of OSMU (one source, multiple use), which perfectly sums up the company’s goals for its own IPs, says Duvochel.

“Through webtoons, we test stories and can adjust them. We create a strong audience, and then we are able to license them to create books, video games, movies and TV series. This is exciting and very complementary to what we can do in animation, which is expensive and doesn’t have the same agility.”

In addition to developing its own original animated series, Ellipse is also expanding into webtoons to provide production services for third-party content.

Meanwhile, ONO is well on its way to proving that there’s strong demand for webtoons in the French market—the platform has racked up more than half a million downloads since it launched in 2023.

### An untapped licensing opportunity

The merch potential of webtoons has been quietly developing over the past few years, and the licensing industry is now primed to start delivering consumer products based on these titles at scale, says Elan Freedman, SVP of business development at Surge Licensing, an agent for WEBTOON. The key

Team Weird Enough’s *The UnCommons* is a fantasy/superhero story that follows a group of kids trying to save the world from ending



to a successful licensing business is finding IPs with audience-building capability, and webtoons have plenty of that, he adds.

In 2023, Surge and Genuine Entertainment signed WEBTOON’s first-ever US licensing deals for popular titles including *Lore Olympus* and *Tower of God*, with companies such as Bioworld (backpacks/apparel), Walter Foster Publishing (instructional art and craft books and kits) and FiGPiN (collectible pins) among the first wave of partners.

And these days, Freedman says licensees and retailers alike see the potential of webtoon fan communities as markets for significant consumer products pushes.

For both groups, the ultimate appeal of webtoons is that creators can tap into their direct audience relationships to tell fans about new products and encourage them to buy. Plus, there’s plenty of webtoon audience data available, which takes the guesswork out of product planning and purchasing decisions.

For its part, WEBTOON opened its own e-commerce hub called WEBTOON Shop in late 2024, hiring former Spin Master licensing director Shane Mang to run it as head of licensing & merchandising. **K**

# Lights, camera, pivot!

Studios weigh in on the upsides of turning to feature-length projects while the market for kids TV remains challenging.

BY: SADHANA BHARANIDHARAN



With a precipitous decline in TV commissioning, kids execs have been on the lookout for alternate strategies to stay afloat until the market recovers—and the movie business has emerged as a worthy wager. After all, feature films have been a bright spot over the past year, with players at all levels reaping rewards.

On the big screen, there was *Flow*, an indie feature that beat out big studio contenders to win the 2025 Oscar for Best Animated Feature. But it wasn't alone: *Inside Out 2*, *Despicable Me 4*, *Wicked* and *Moana 2* all landed in 2024's list of top-five US domestic grossers. In fact, PG-rated pics accounted for roughly 34% of all stateside box-office ticket sales in 2024, according to The Numbers online database—the first time they have surpassed 30% since the platform began compiling data in 1995.

On the streaming front, acquired third-party films are currently generating the best ROI for Netflix. A March 2025 Ampere Analysis study estimated their cost-per-view at US\$0.12—which is less than original features (US\$0.13), and far below licensed (US\$0.55) and original (US\$0.68) TV series. The same report also found that kids & family movies have the best shelf life when it comes to viewership,

averaging twice as many views as other genres even a year after release.

"I think we've largely dispelled any belief that kids are not interested in a theatrical experience," says Spin Master Entertainment president Jennifer Dodge.

Even preschool films, which might seem to have a more limited audience, are seeing more greenlights. Consider DreamWorks Animation's *Gabby's Dollhouse: The Movie* (September 2025); *Kiri and Lou Rararara!* from New Zealand's Stretchy (March 2026); and, of course, Ludo Studio's *Bluey* feature (slated for 2027).

The growing trend of preschool series heading to the movies is one that Dodge strongly credits to the PAW Patrol IP leaping onto celluloid with lucrative results—and in a shaky post-pandemic landscape at that.

*PAW Patrol: The Movie* (2021) earned US\$151.4 million on a budget of US\$26 million, despite a simultaneous theatrical-streaming release. And its sequel, *The Mighty Movie* (2023), grossed US\$205 million against a price tag of US\$30 million. This franchise has proven to be so successful on the big screen that Spin Master got underway on its upcoming *PAW Patrol: The Dino Movie* threequel even before the second film had hit theaters.

## Encouraging market conditions

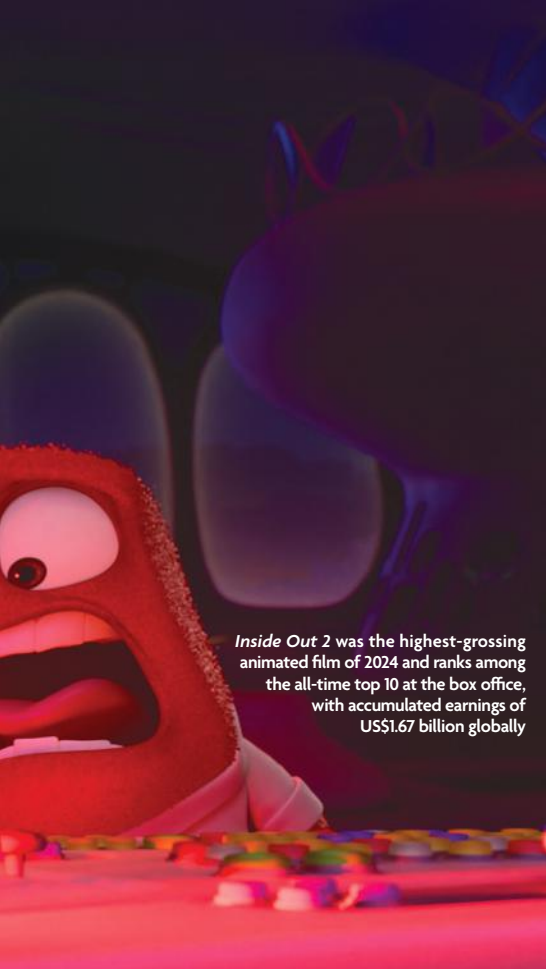
To take advantage of the demand for more unique family-viewing options at the box office, Australia's Like A Photon Creative has begun prioritizing a theatrical-first strategy for all of its films. "People want fun, premium-quality family content at cinemas all year round, and this can't always be serviced by the big studios," says co-founder Kristen Souvlis, noting that LAPC sells its films into roughly 150 territories on average.

"It's hard to fill a variety of territorial broadcasters' needs with one show. [But] from the film perspective, we're generally selling to sales agents, who have a broad mandate for multiple territories."

Buoyed by a slate deal with Universal Content Group that has been in place since 2019, LAPC has increased its film budget from US\$1.8 million (AU\$3 million) to US\$6 million (AU\$10 million) for all of its IPs except *Tales from Sanctuary City*, with roughly 50% of the financing coming from incentives and rebates, according to co-founder Nadine Bates.

When Australia axed its kids TV content quotas in 2020, the Brisbane-based studio responded with a conscious shift to the film world, where it was relatively faster





*Inside Out 2* was the highest-grossing animated film of 2024 and ranks among the all-time top 10 at the box office, with accumulated earnings of US\$1.67 billion globally



Low-budget indie film *Flow* beat out blockbusters *Inside Out 2* and *The Wild Robot* to take home this year's Oscar for Best Animated Feature



Proving that family films are more popular than ever, *Moana 2* outperformed its predecessor to be the third highest-grossing film of 2024

and easier to secure financing and “get the per-minute cost from fewer sources than television,” explains Souvlis.

From its slate of 10 planned features, LAPC kicked off this strategy by releasing three films from its Tales from Sanctuary City franchise—*The Wishmas Tree* (2020), *Combat Wombat* (2020) and *Daisy Quokka: World’s Scariest Animal* (2021). Next to hit Australian theaters were 2024’s *The Sloth Lane* and *Combat Wombat: Back 2 Back*, followed by *The Lost Tiger* in February 2025.

It’s still a puzzle getting the financing to work in the case of features—that hasn’t changed. But the big-screen opportunities are there for those who have run into walls on the TV front and can thread the feature-funding needle.

“Getting presales has become very difficult, leaving a hole in the kids TV financing picture,” says Andrew Fitzpatrick, who started his entertainment career setting up financing for animated movies, but has more recently worked in kids TV for many years as chairman of distributor Monster Entertainment (*Noodle and Bun*).

Last fall, Fitzpatrick returned to his roots to launch *Outfoxed!* Films after producer/director Paul Bolger pitched him a same-name

CG-animated film treatment. Production on *Outfoxed!*—which follows a family of city-dwelling foxes who visit the countryside—kicks off this year. Fitzpatrick was able to cover the movie’s US\$8.6-million budget with the help of co-producers Walking The Dog (Belgium) and Doghouse Films (Luxembourg), along with incentives like Screen Ireland’s tax credit, which increased from 32% to 40% last year in response to hard times in the industry.

Under a robust financing plan, each co-pro partner should ideally kick in a similar percentage of the big-screen budget, Fitzpatrick recommends, as this tends to make it easier to get a minimum guarantee for a film versus a TV show.

He adds that TV buyers usually go through a much longer approval process compared to their film counterparts, who habitually sign deals more speedily at markets, spurred on by movie distributors keen to secure regional rights.

In addition, feature films often offer longtail opportunities in alternative markets ranging from in-flight entertainment to museums. Canada’s Sinking Ship Entertainment explored the latter in 2023 when it premiered a new cut of *Dino Dana*:

*The Movie* exclusively in museums and science centers.

The licenses for the museum market typically range from six to 12 months, says Sinking Ship’s head of sales and distribution Kate Sanagan. “[This additional market] extended the lifecycle of the film well beyond what we’d typically see in a theatrical or streaming release.”

Designed to appeal to families and school groups, this ancillary educational distribution program mines Dino Dana’s STEM themes while also diversifying the IP’s revenue stream. “Some museums have kept the film in rotation for years, and that kind of sustained visibility and engagement is rare in today’s fast-moving content landscape.”

But the ultimate treasure trove for many companies is the consumer products windfall that film releases often generate.

“Movies [helped] elevate the PAW Patrol franchise through high-profile promotions in areas like quick-service restaurants (Burger King) and plush and accessories (Build-A-Bear),” says Paramount Global’s EVP of consumer products and experiences Jamie Drew, who also points to additional film-derived category opportunities like costumes and publishing.



Australia's Like A Photon Creative has consciously shifted to a theatrical-first strategy for films including last year's *Combat Wombat: Back 2 Back*, from its popular franchise *The Tales From Sanctuary City*

### Creative refresh and other factors

A film release is what Dodge calls the “big franchise moment” for any IP looking to grow—especially once audiences have already become familiar with a world and its characters on the small screen.

For Spin Master, *PAW Patrol* specials were a crucial stepping stone between 11-minute episodes and feature-length theatrical releases, getting kids to used to longer stories while also providing the company's entertainment team with a solid testing ground for longer content strategies.

While Toronto's Guru Studio continued to work on the *PAW Patrol* series, Spin Master recruited Montreal-based theatrical specialist Mikros Animation for all of the *PAW Patrol* films in order to tap into a more cinematic animation pipeline—one that gives the pups a more detailed look to differentiate them from their TV iterations.

Creatively, the films provide a canvas to dive deeper into the backstory of a character (Chase in the first film, Skye in the second), while also trading the humble Adventure Bay setting for a big city with skyscrapers and subways that would naturally lead to more action sequences.

In a fresh swing into the live-action format, Spin Master is also taking the popular anime property *Bakugan* to the big screen for the first time, with writer/director Brad Peyton (*San Andreas*) attached to this film project.

Banking on an established TV hit or a beloved kids book for a movie adaptation is one thing. But with an abundance of film-fueled optimism, Spin Master is now also bullish about using its movie slate as a playground for brand-new storytelling—the studio has been quietly developing a feature film based on an original IP that was originally pitched as a series, says Dodge.

For a series that's transitioning to film, it's key to have a unique storytelling hook that justifies the change. For example, the upcoming *Gabby's Dollhouse* movie came about as a result of asking what's next in the playbook to increase awareness and sustain success for the brand, which has already built up a considerable presence in TV, digital, consumer products and live tours.

The hook that DreamWorks Animation came up with for *Gabby's Dollhouse: The Movie* was to include live-action segments of the protagonist leaving her home for the first time—which is a big departure from

the series, where she only moves within her bedroom/dollhouse world.

Such tweaks by Spin Master and DreamWorks help to build excitement for a film's release, making it a can't-miss event for fans. There's also an opportunity to challenge kids with more emotional material than might be typical in a TV series, where episodes tend to operate within a tried-and-true template.

Another fresh-take strategy for features based on kids series is to introduce some fandom-fueling lore. This will likely be the case for prequel movie *Kiri and Lou Rarararara!*, a one-hour pic exploring how the two leads of the BAFTA-nominated stop-motion toon *Kiri & Lou* first met.

“We'd made 104 episodes of [the show], but we weren't done with the storytelling, and we also saw an opportunity to utilize public film finance for a kids audience [that is] underserved in New Zealand film,” says Fiona Copland, a producer at *Stretchy*, *Kiri and Lou*'s production banner.

She notes that her team spent five years developing the project and raising financing, during which time the animators relocated to a space at University of Canterbury's Koawa Creative Technologies Precinct in a partnership that was announced last October.

“We're talking with the university about [developing] digital games and play equipment,” Copland teases, highlighting the other creative expansions that can accompany a film project. “It's fun to be doing these things in a creative, independent way, with collaborators who are less affected by the market downturn.”

### The cinematic road ahead

Beyond the box office, Netflix has made a strong case for the viewership value of animation and family movies on streamers. Looking to get in on the action, Future Today-owned AVOD HappyKids is plotting a new strategy to become more of a co-viewing destination rather than a kid-only one—and buying more movies will play an important role in achieving that goal, says SVP of kids & family David Di Lorenzo.

“Whether they're animated or live-action, movies [encourage] families to sit down and watch content together,” he says. “I think that's an important piece of our business [going forward] in terms of extending beyond the zero to 12 audience and bringing the family together for a viewing experience.” **K**





Louise Bucknole, SVP of kids & family  
for Paramount UK/Ireland

# THE HOOKUP

Kidscreen checks in with new, established and evolving kids content buyers to find out what they're looking for right now.

BY: SADHANA BHARANIDHARAN

**AS** Paramount Global gears up for new ownership under a Skydance Media merger deal, its UK subsidiary Channel 5 is envisioning a new era for all of its platforms, including the Milkshake! strand that targets two- to five-year-olds (occasionally skewing up to age seven). Since launching in 1997, this programming block has been a UK preschool favorite—and its reach has only broadened since Louise Bucknole took charge in 2018. She became SVP of kids & family at Paramount UK/Ireland in January.

Last year, Milkshake! cornered an 11.3% average share of the UK's four- to 15-year-old audience (Barb/TechEdge), and viewing for its content on the My5 platform increased by 24% compared to 2023. In order to capitalize on this growth, Channel 5 revamped the streamer this year as part of a rebrand to simply 5—with expanded offerings including a Milkshake! FAST channel and a recent strategy of uploading select full-length episodes on YouTube. “Kids now watch content in more places than before and don't necessarily have brand loyalty, so we've become more agile in sharing our content,” says Bucknole. “We make sure it's available everywhere kids are.”

## What is Milkshake! looking for?

Bucknole is currently seeking slapstick comedy concepts and nature-inspired edutainment—an evergreen category for the block that includes her recent commission of *Aneeshwar's Outdoor Adventures* (20 x 11 minutes) from MCC Media. “We aim to be flexible with rights and work with [nimble] funding models,” she adds. “This includes co-productions, accessing regional funding and collaborating with multiple partners.”

Milkshake! typically allocates 80% of its annual spend to commissions and 20% to pick-ups, though this split can vary from year to year. To diversify its acquisitions, Bucknole is looking to license more international shows (on average, 30% are UK-produced), noting that titles like *Oggy Oggy* from France and Ukrainian/Spanish co-pro *Brave Bunnies* are strong performers.

Five-, seven- and 11-minute episodes are ideal, and in terms of volume, Milkshake! prefers 20 to 25 live-action eps per season, and either 26 or 52 animated ones. Bucknole cautions that she's not seeking shorts that are under three minutes long, since Milkshake!'s in-house team produces those. She's also not looking to buy original movies due to their “low repeatability” on a linear schedule, but she's open to this format if it's based on an existing title in the Milkshake! catalogue.

PAW Patrol ranked as the top-performing IP on Milkshake! last year (with the flagship series and spinoff *Rubble and Crew* together driving a quarter of all annual viewership), followed by *Peppa Pig*, *Milo*, *The Adventures of Paddington* and *Pip and Posy*.

## Coming up next

A 2D-animated family series is in early development and will be announced later this year, Bucknole teases. In the meantime, Mint Copenhagen's 2D-animated *Tim Rex in Space* (60 x eight minutes) is set to launch in May. Also joining the lineup that month is *Treehouse* (30 x seven minutes) from RD Content. And then Jellyfish Originals/Jollywise Media's CG-animated series *Stan & Gran* (52 x 11 minutes) is slated to premiere in July, coinciding with the release of *Aneeshwar's Outdoor Adventures*. **k**



British comedytoon *Milo* is one of  
Milkshake!'s top performers



*Treehouse* is set to launch on the preschool block in May



*Tim Rex in Space* is the first global co-pro from  
Milkshake! and Nickelodeon—and Bucknole is  
looking to replicate this collaborative model

NORMAAL PVP MEDIA★ france•tv tvo kids RADIO-CANADA Knowledge:kids

Pôle Image  
Magelis  
Aquitaine

CHARENTE  
LE DÉPARTEMENT

REGION  
Nouvelle-  
Aquitaine



PROCIREP  
ANGOA



QUEBECOR  
Fund



# WOOLLY WOOLLY

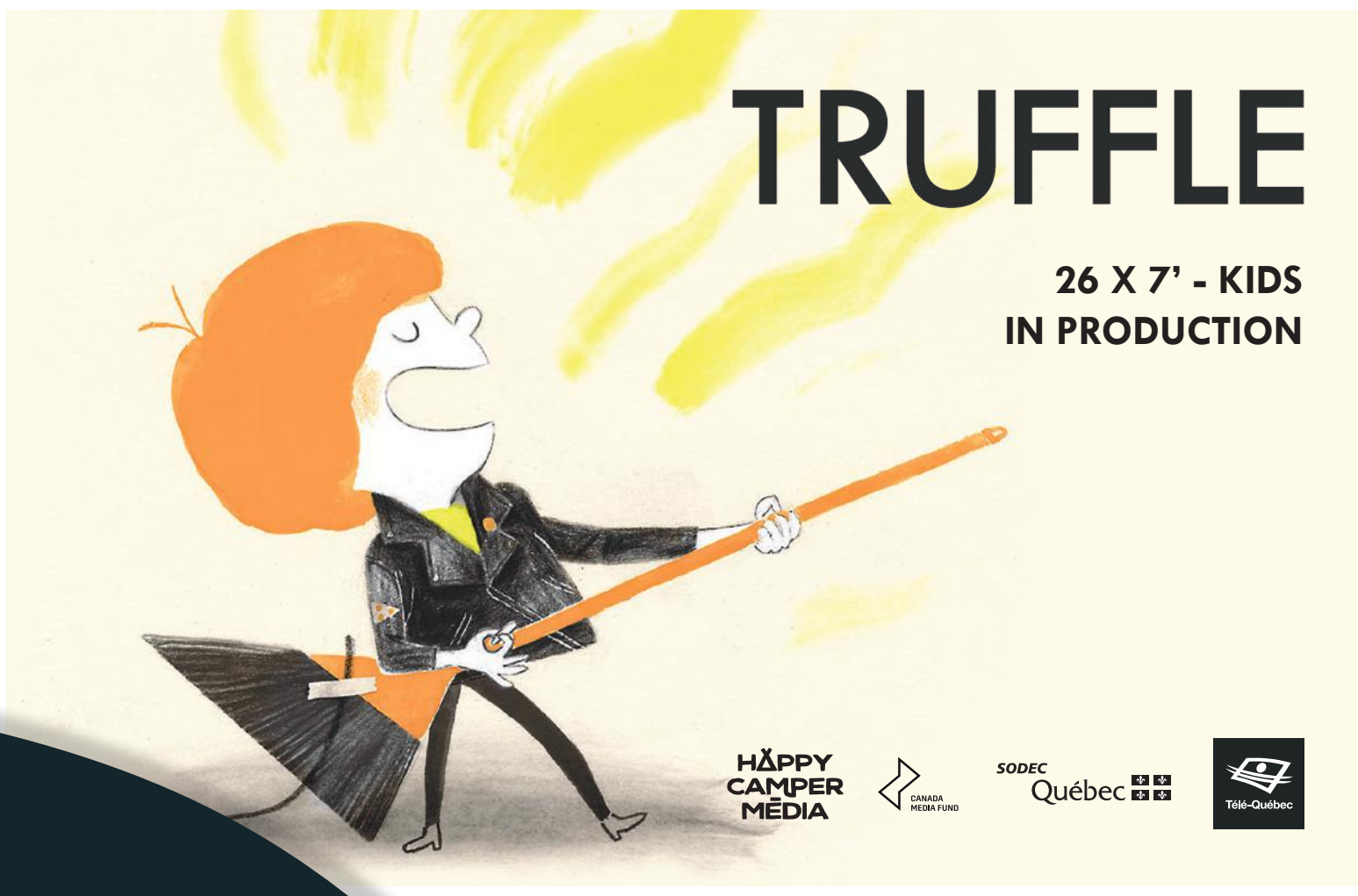


52 x 11' - PRESCHOOL  
AVAILABLE NOW!

PVP  
DISTRIBUTION

For more information, please contact:  
[johanna.veysset@pvpdistribution.com](mailto:johanna.veysset@pvpdistribution.com)







# Made to order

Key trends in kids TV commissioning show a slight uptick in new orders last year, buoyed by public broadcasters.

BY: CYRINE AMOR & OLIVIA DEANE

**T**he kids content commissioning market is undergoing a profound transformation, driven by shifting audience behavior, evolving business models and changing investment priorities among key industry players.

At the heart of this overhaul is a fundamental change in how young audiences consume content. Traditional linear TV continues to lose ground as kids increasingly favor on-demand viewing, social media and gaming platforms over scheduled programming. This shift has forced content providers to rethink their strategies, with some significantly scaling back their investment in original children's programming.

Streaming platforms and pay-TV operators—once dominant forces when it came to commissioning kids content—have dramatically reduced their order volumes in lockstep with prioritizing profitability and focusing instead on bulking up their libraries with more licensed content. Meanwhile, public broadcasters have stepped in as a stabilizing force,

maintaining—and in some cases even increasing—their commissioning activity, particularly in North America and Asia Pacific.

## A year of recovery

Following a sharp kids TV commissioning contraction in 2023, the landscape showed modest recovery last year, with new orders up by 2% (compared to a 13% drop in 2023). Kids & family was one of just five content genres that grew last year (out of 12 total). And the more expensive scripted genres declined significantly, with crime & thriller down by 10% and sci-fi & fantasy by 19%.

North America—the region that was most affected by studio and streamer retrenchment—saw order volumes stabilize at around 200 per year, but this is still nearly 35% below peak levels. US kids & family orders have declined by 56% since 2021, with Canada experiencing a much more dramatic 46% year-over-year drop.

Western European orders slid by 6% in 2024 after a 7% drop the previous year.

However, public broadcasters helped sustain this market, commissioning 247 titles last year—just six fewer than in 2023.

Kids & family commissions across Asia Pacific were up by 24% in 2024. This was driven by a major push from ABC Australia, which more than doubled its kids & family orders to 24 titles, including new animated series and *Bluey* spin-offs.

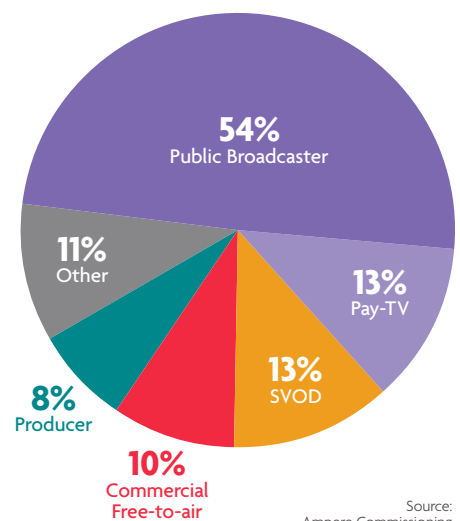
## So who's investing?

As global streaming platforms focus on profitability, their investment in content has dropped sharply since 2022 across all genres, by about a third in North and South America. But cuts have been more severe for kids & family content—to the tune of 44% in North America and 50% in Western Europe in the same timeframe.

Looking at Netflix alone, orders for this audience plummeted from 66 titles in 2022 to 29 in 2024, with studio-backed pay-TV networks in the US cutting their kids commissioning in half over the same two years.

Amid industry cutbacks, public broadcasters have emerged as a stabilizing force. Despite budget pressures, their overall commissioning slightly increased in 2024, driven by growth in North America and Asia Pacific, while Europe's public broadcasters maintained steady output. And children's programming remains key to their public remit, enabling them to partially fund production and support new IPs.

## Kids & family TV titles announced in 2024 (by commissioner type)

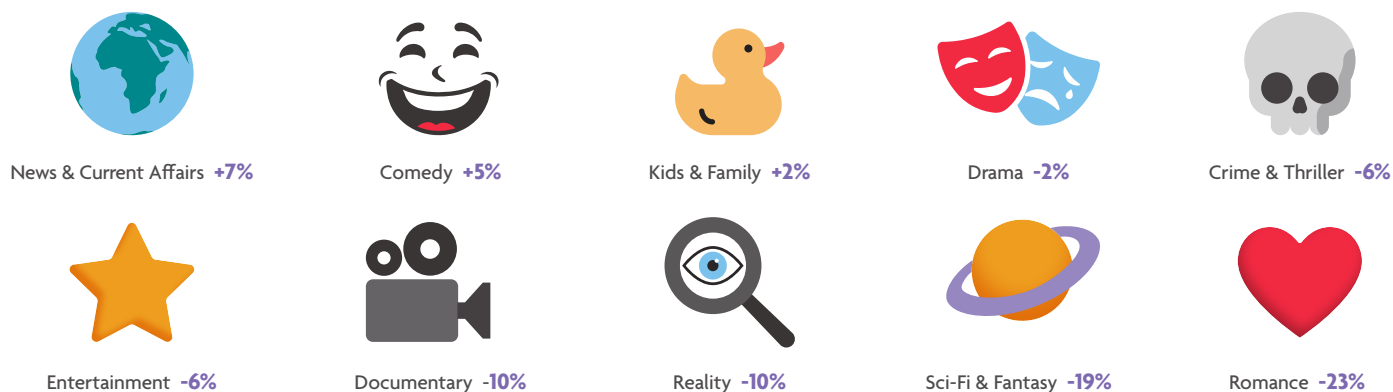


Source:  
Ampere Commissioning



## Percentage change in TV commissions globally

(number of titles by genre, 2023 to 2024)



Source: Ampere Commissioning

Public-service channels accounted for 54% of all first-run kids TV commissions in 2024—up from around 49% in the previous five years. Leading the pack was the BBC, which commissioned 56 kids & family titles, followed by France Télévisions at 38.

Budget constraints have also fuelled a rise in co-productions, which reached their highest level in five years, and public broadcasters played a major role by partnering on 66% of all co-commissions.

### Animation takes the lead

Hard times have also had an impact on the type of children's programming being commissioned. In 2024, the number of live-action kids & family titles that moved forward reached a four-year low, with animated content—which is cheaper to produce and easier to dub into other languages—representing half of the total commissions for this audience.

Interestingly, the proportion of scripted live-action titles increased last year compared to 2023, after remaining more or less consistent for the previous three years. Asia Pacific drove this lift, commissioning 6% more of this kind of kids & family content than in 2023.

### Playing it safe?

In 2023, kids & family commissioners were increasingly risk-averse, announcing an almost equal split of new (51%) and returning (49%) TV commissions and a 5% overall reduction in new titles compared to 2021.

And this trend showed very little change in 2024, when returning titles

represented 48% of all new children's television announcements.

While the volume of renewals declined by 2% between 2023 and 2024, new content showed signs of conservative growth, increasing by 5% in the same period. Similarly, commissioners exhibited a greater appetite for kids content based on existing multimedia franchises. These types of orders increased by 4% between 2023 and 2024, and notable projects included a currently untitled Bluey movie from BBC Studios and Walt Disney Studios.

The bottom line: With limited budgets and audience retention challenges, kids & family commissioners are more likely to invest in already popular titles and known IPs than to gamble on completely new content in 2025.

### Social media & gaming influence

Ampere's consumer service shows that households with children are watching more free social media videos than ever before, with the daily time spent on this activity increasing by 6% between Q3 2022 and Q3 2024—making it the second fastest-growing type of viewing globally.

While some buyers have moved into YouTube-style content (including the BBC's gaming series *Game on Grandparents*, which features prominent YouTubers), the social video market is highly saturated, making it difficult for more traditional content to stand out.

Commissioners also have yet to make the most of powerful gaming IPs. While YouTube is rife with titles related to popular games and platforms like *Minecraft*

and Roblox, game-based content represented just 1% of all kids & family titles announced in 2024.

### Looking ahead

The kids TV commissioning landscape is stabilizing after a sharp decline in 2023, but structural shifts persist. Streaming platforms and pay-TV operators continue to cut back, while public broadcasters play a crucial role in sustaining the sector, driving co-productions and supporting new IPs.

Trends that reflect industry-wide budget constraints include the dominance of animation, a reliance on established franchises and a cautious approach to new content. However, modest growth in scripted titles and new commissions signals a slow return to innovation.

As children's viewing habits shift towards social media and gaming, broadcasters and streaming platforms must adapt, exploring new formats and leveraging powerful entertainment brands to stay relevant in an increasingly fragmented market. **K**

**CYRINE AMOR** is a research manager at Ampere Analysis, where she leads the team's editorial output and provides in-depth analysis of global TV commissioning trends, with a focus on the European market and children's programming.

**OLIVIA DEANE** is a research manager for Ampere's Commissioning service, which tracks the commissioning and production of new original content globally. She was recently instrumental in expanding the service to include intellectual property information for both scripted and unscripted content.



Jazwares has designed entirely new bricks for its BLDR system, including SquishBriks that mimic the feel of its iconic Squishmallows plush toys

# Competition is building

Jazwares and Mattel are both taking aim at LEGO and its cornered market with new construction toy brands.

BY: COLE WATSON

**B**uilding bricks and construction sets are staples in every child's toy box. Parents appreciate the role they play in fostering creativity, problem-solving and engineering skills. And kids fall in love with the endless possibilities for building their own toys and playsets, making for one of the most addictive play patterns in the market today.

The LEGO Group's iconic building bricks have been the unchallenged leader in the construction toy category for more than 75 years, decimating every other competitor—from classics like Tinkertoy, Meccano and building blocks, to entirely new building systems including K'Nex, Magna-Tiles, Nanoblock and KRE-O. And this leads to one big question: Is the construction toy category monopolized?

"That's an understatement," says Circana VP and US Toys advisor Juli Lennett. "LEGO has a 90% share of all building set revenue worldwide, which is unprecedented. There's no other category where a single company has that kind of market share."

To put this into perspective, LEGO generated US\$10.85 billion in global revenue last year—a 13% increase from 2023 (US\$9.65 billion). That only left about US\$1 billion in category revenue on the table for the competition to fight over, with no single company gaining enough ground to pose a threat to LEGO's seemingly untouchable empire.

What hurts even more for these other toyco's is that LEGO's hold on the category continues to grow; astoundingly, the Danish brick-maker has achieved double-digit annual revenue growth in each of the last five years.

"The pandemic was the kick-off point where LEGO sets just started [selling] like gangbusters because a lot of consumers were staying at home and looking for things to do away from their screens," says Lennett.

Newer products that are keeping this momentum going include the LEGO Botanicals line of buildable flowers, primarily targeted at adult women—a whitespace for the company until this brand launched in 2021—along with several fresh licensed assortments for 2025. This year, LEGO is adding new SKUs for Formula 1 race cars, along with the first sets based on BBC Studios' preschool megahit *Bluey*. And the company will also launch its first Pokémon licensed range in 2026.

Despite the overwhelming challenge of taking on such a dominant and entrenched incumbent, two major toyco's—Jazwares with BLDR, and Mattel with Mattel Brick Shop—are aiming to disrupt the construction toy category this year. Lennett sees this as an exciting time for new LEGO alternatives to emerge, but she recognizes it will be a tall order for either manufacturer to carve out a slice of the market for themselves, let alone steal points away from the category's leader.

## Building a foundation

First to go toe-to-toe with LEGO in the brick-building ring is Jazwares, which launched its construction brand BLDR in January. The Florida-based toyco dropped 15 SKUs at Target and Amazon in the US to start, and this distribution has since expanded to include GameStop and Walgreens.



BLDR's journey to market, which took just over two years, began when Jazwares brought former Mattel senior director of global brand marketing and communications Nicolas Allaire on board as VP of the brand.

"The brief was that Jazwares wanted to make construction sets that LEGO hadn't done," says Allaire. "The market opportunity we saw was that [LEGO] may have the top 20 properties locked up in their portfolio, but if you do some social [media] listening, you'll see that there are a lot of fandoms and communities interested in getting into construction that haven't made the jump yet because their favorite IPs are not in the category."

From the outset, Jazwares has leveraged IPs in BLDR's licensed portfolio that have never been featured in construction sets before, including Hello Kitty and Friends (five SKUs); Adopt Me! (three SKUs); and two Crunchyroll anime series, *Chainsaw Man* (one SKU) and *Jujutsu Kaisen* (two SKUs). The brand's other four lead products feature Squishmallow characters from Jazwares' tentpole plush franchise.

While licensing plays a critical role in getting consumers to try out BLDR products, the team also focused on developing a unique building experience for customers currently in the LEGO ecosystem, says Allaire. With this objective in mind, Jazwares created a broader range of bricks, including rounder shapes to convey the kawaii aesthetic of Hello Kitty, new Squishbriks that mimic the feel of plush, and Quickbriks that let kids build up an action figure frame.

"It was essential for us to take the DNA of [a particular] brand or license and directly infuse it into our sets," explains Allaire. "We're trying to capture the influx of new builders in construction, and innovation like this shows that we're not just trying to follow the same formula or building system established by competitors."

With product development well underway, Jazwares turned its attention to pricing next. During the market-research phase, BLDR's team discovered that LEGO is charging approximately US\$1 for every 10 bricks in a set, and this price point has been steadily rising since the pandemic, according to Circana's data. By comparison, Jazwares is aiming to offer 12 to 15 pieces for the same price.

"Construction toys have become a very expensive hobby," says Allaire. "To compete here, you have to look at how to add more value while maintaining the same level of quality as your main competitor. Our core strategy at launch is to establish our foundation as an alternative toy option, and then grow from there."

Sanrio's Hello Kitty brand has finally made the jump into buildable toys with help from partner Jazwares



Each Hot Wheels Brick Shop set comes bundled with a smaller toy replica that kids can display alongside their newly built vehicle



### From teardown to rebuild

While Mattel isn't a total newcomer to the construction toy category, its upcoming Mattel Brick Shop launch signals that the company is now using a different playbook to win some market share in this space.

The toyco established an initial foothold when it acquired MEGA BLOKS for US\$460 million in 2014. Since this purchase, the MEGA brand has focused on producing licensed building sets based on video game franchises including Pokémon, *The Elder Scrolls*, *Fallout* and *Halo*. But losing its tentpole Pokémon license to LEGO after its five-year deal term ended this year presented a new opportunity for Mattel to switch things up strategically.

"Moving forward, MEGA BLOKS will continue to be our preschool building system, while Mattel Brick Shop will spearhead our expansion into the rest of the category," says Roberto Stanichi, head of vehicles and building sets. "Since this is different from the approach we had before, it was clear that we needed a new brand for a new era."

The company unveiled Mattel Brick Shop at the Nuremberg International Toy Fair in January, following up with an announcement this month that the brand's initial seven building sets will leverage its iconic Hot Wheels franchise—including a Custom '68 Camaro, a Maserati MC20 and a Mercedes-Benz 300 SL—in a bid to appeal to a wide audience of multigenerational car fanatics.

Similar to Jazwares' approach, Mattel is also experimenting with new types of materials to elevate its building experience, such as die-cast metal parts to replicate the chrome exhausts and engines commonly found on Hot Wheels vehicles. Each set will also include a matching Hot Wheels car, interchangeable tires, a sheet of decals and additional rebuild instructions to help builders customize the brick vehicle to their liking.

"Customization is a trend across not only the building sets category, but the toy industry altogether," says Stanichi. "Collectors young and old are purchasing products to build and display at home, and they want it to feel like their own. This is core to our new brand."

Lennett sees the two new construction category entrants as worthy competitors for LEGO, given that they're entering the field with a wide array of evergreen brands to please every demographic possible. She also notes that LEGO's grip on the preschool space has started to slip as the company refocuses its efforts on appealing to the growing kidult market with new sets costing more than US\$100.

"It'll be interesting to watch and see what happens in the category a year from now," says Lennett. "Both Mattel and Jazwares are looking to face off against LEGO across all demos, but they're also on the lookout for whitespace areas where LEGO isn't present—such as anime and plush—as new avenues to build up an audience and secure sales." 

# Size matters

How tiny collectibles are generating huge fanbases and retail sales with multigenerational appeal and affordable price points.

BY: COLE WATSON

One of the most appealing aspects of collectibles has always been that they come in so many shapes and sizes, ranging from towering superhero statues to holographic trading cards. But against a backdrop of sharp inflation, a rising cost of living and potential tariffs, most toycoos are turning to a “smaller” subcategory to help them weather the economic storm and keep growing.

Micro-collectibles are miniature toys that max out at three inches tall, according to market research firm Circana. First popularized in 2010 with Blip Toys’ introductory line of Squinkies mini-figures, this subcategory has since expanded to include L.O.L. Surprise blindboxes from MGA Entertainment, surprise eggs from ZURU’s Mini Brands, and Spin Master’s Micro Magical Moments range of Harry Potter figures.

“In fact, there’s not a single major toy manufacturer I know of that isn’t creating micro-collectibles,” says Circana VP and US Toys advisor Juli Lennett. “There are always consumers looking for low-priced options, and that is the perfect audience for micro-toys.”

The global market for micro-collectibles grew by 9% last year, outperforming both core collectibles (up 5%) and the overall toy industry (down 0.6%), Lennett notes.

Key drivers working in the category’s favor include the multigenerational appeal of these products with kids, tweens/teens and adults, and the fact that many of them are priced below the average toy MSRP of US\$12.12.

The UK is a particularly strong market for these products, perhaps because of the rough economic conditions British families are experiencing right now. Notably, one in five toys sold in the UK last year was a collectible with an average price of US\$9.81 (or £7.59), says Melissa Symonds, Circana’s UK Toys executive director. And for the second year in a row, Jazwares’ smallest Squishmallows plush assortment was the best-selling toy in that market.

“Parents are definitely susceptible to buying and having a few low-priced collectibles stashed away to reward and motivate



Disney Doorables, Just Play’s flagship collectibles brand, spans 13 waves of at least 40 characters each

their children when they do something good,” notes Lennett. “There’s also the adrenaline rush that comes into play when kids are hunting for a [limited-edition item] or when they manage to obtain the last piece they need to complete their set or collection.”

## Smaller is better

One major micro-collectibles player is Florida-based Basic Fun!, which has been expanding on its mini-toy assortments for more than a decade. Key properties in this part of its portfolio include Micro Teenies plush, Mash’ems squishy blind bags and the Littlest Pet Shop range licensed from brand owner Hasbro.

When Basic Fun! relaunched LPS in April 2024, it was a huge hit, and eventually ended the year as the fastest-growing line in the dolls, playsets and accessories category across all markets that Circana tracks. The company’s global brand marketing VP Maureen Dilger attributes these strong early results to the work Basic Fun! put into reimagining the IP for a younger generation, including creating a new range of more than 120 pets and dipping into



Aiming to bring boys into the collectibles craze, Just Play released Doorables Star Wars mini-figures last year





other markets that are highly relevant to kids—such as trading cards and Roblox experiences—to support its core products.

While an accessible price point is one of the mini-collectible category's defining features, keeping up with key social trends (like kawaii, for example) and providing a fun unboxing experience are just as critical to success, says Dilger.

Last year, LPS's social and marketing channels generated more than 15 billion impressions worldwide, with influencer toy unboxings helping to convert viewers into new customers. By comparison, the *Littlest Pet Shop* Roblox experience from Misfits Gaming has generated 12.7 million plays since it launched in December 2023.

Basic Fun! also aims to drive collectibility by introducing “chase” figures into the product mix, promoting community engagement as consumers show off their latest purchases and rarest pulls online, says global brand marketing VP Lisa Doiron. This active community also serves as the toyco's core research group for seeking constructive feedback to learn where its toy line can expand next.

“A great advantage of making smaller collectibles, as opposed to larger-scale ones, is that they provide an opportunity for on-the-go fun,” says Doiron. “With a smaller scale, there's more opportunity and appetite for consumers to take their collectibles on the road and show them off in person with friends and other collectors.”

There are always consumers looking for low-priced options, and that is the perfect audience for micro-toys.

—Juli Lennett, Circana

### Short and sweet

Just Play has pretty much always had a stake in the micro-collectibles game, going all the way back to its relaunch of MEG Toys' popular '90s line *Puppy in My Pocket* in 2011, just a year after opening its doors. But the Miami-based toyco's real claim to fame in micro-toys is its licensed Disney Doorables brand, which ranked as the top-performing licensed collectible doll range and the number-two licensed collectibles range in Circana's global rankings for 2024.

This Disney-branded toy range rolled out to retailers worldwide in 2018 and now spans more than 13 series of collectibles, with each new wave adding a minimum of 40 characters, ranging from nostalgic ones like Snow White and Belle, to current favorites such as Moana and Judy Hopps from *Zootopia*.

“Every season, our team levels up the collectibility of our lines with new features and new ways to collect,” says Sunny Lauridsen, Just Play's SVP of brand strategy and marketing. “With Disney Doorables, we're always trying to introduce a new trend segment every year and challenge ourselves to up the surprise-and-delight elements to continue building fandom and keep our [community] engaged.”

What has kept the brand going strong for seven years is its broad multigenerational audience, and Just Play looks for trends that appeal to each demo, Lauridsen adds. Kids love the unboxing experience and imaginative play; tweens are drawn into the distinct chibi style of their favorite characters; and even adults are jumping into collecting because of their deep Disney nostalgia and the ability to share an experience with their children.

By leveraging this active audience, Just Play has used Disney Doorables as a gateway product to expand into a broad range

of trending toy categories over the years, such as Japanese Gashapon (vending) machines, surprise eggs, buildable movie scene playsets and even vehicles. Its next series of mini-figures is slated to roll out to retailers worldwide this fall, but the toyco is keeping the theme under wraps until July.

“The smaller scale of Doorables allows us to introduce more characters and themes with each new series, giving fans countless ways to build and expand their collections, regardless of the space they have to display or store them,” says Lauridsen. “Beyond affordability, there's something undeniably adorable and fun about micro-collectibles. Everything is just cuter in micro size.” **K**



# ON TREND

## Playing to win

Last year's top-selling US toy brand and licensed toy lists are indicative of several wider market trends, according to Circana VP and US Toys advisor Juli Lennett. First off, licensed toys are doing great at a time when other toys are struggling at retail. Second, adults are driving a lot of growth for the toy industry at large. And third, LEGO is making a mint in the construction toy category, where there's probably room for more players to play.

*Circana is a leader in providing technology, AI and data to fast-moving consumer packaged goods companies, durables manufacturers and retailers seeking to optimize their businesses.*

### Did you know...

Licensed toys represented 36% of total US toy sales in 2024, growing by 9% while the rest of the market declined by 5%.

Propelled by building sets and trading cards, toys purchased for adults (ages 18-plus) made up US\$7.6 billion of total US toy sales last year—an increase of 12% compared to 2023.

Construction toys and building sets accounted for 13% of global toy sales in 2024, only surpassed by outdoor toys and sports at 15%.

The collectibles category has doubled its global sales revenue since 2019, outpacing the industry's total growth by 3.5 times.

## TOP 10 TOY BRANDS IN THE US (2024)



## Top 10 licensed toys in the US (2024)

Source: Circana, Retail Tracking Service, US Toys, based on dollar sales in 2024

- |   |   |    |   |
|---|---|----|---|
| 1 | Pokémon Sleeping Plush 18" Asst. (Jazwares)                   | 6  | Disney Up House (The LEGO Group)                          |
| 2 | Disney Classics – Lilo & Stitch (The LEGO Group)              | 7  | Aphmau MeeMeows Mystery 6" Asst. (Bonkers Toys)           |
| 3 | Squishmallows Disney Plush 8" Asst. (Jazwares)                | 8  | Super Mario Piranha Plant (The LEGO Group)                |
| 4 | Star Wars Millennium Falcon (The LEGO Group)                  | 9  | Harry Potter Hogwarts Castle and Grounds (The LEGO Group) |
| 5 | Squishmallows Hello Kitty & Friends Plush 8" Asst. (Jazwares) | 10 | Star Wars R2-D2 25th Anniversary (The LEGO Group)         |





## Dropping anchor at a new venue!

Join us at the Sheraton San Diego Resort, a newly transformed waterfront property with spectacular views of the marina and downtown skyline.

**EVENT REGISTRATION OPENS IN JULY**



# Beyond capes and courage

Why tweens need more positive media.

BY: KIM WILSON

**IN** a critical phase of emotional and cognitive development, 10- to 14-year-olds are transitioning between childhood and adolescence, forming social identities and becoming more independent. And today's tweens are also navigating an unprecedented media landscape. Born into a digital-first world, they're constantly and deeply engaging with content across streaming platforms, social media and gaming.

Ironically, despite their highly active role in it, the media landscape doesn't fully reflect this stage of life. While preschool content often emphasizes social-emotional skill development, that focus fades as kids enter their double digits. And our research has found that tweens are craving content that reflects and reinforces positive character strengths.

Taking a closer look at this white space, the Children's Media Lab collaborated with Toronto Metropolitan University's Media Innovation Research Lab and OneFish TwoFish Consulting to explore the role of positive psychology in kids media. In addition to engaging parent groups on social media, we held extensive Zoom group sessions (75 to 90 minutes long) with 18 kids from across Canada representing a variety of ethnic groups and genders, as well as LGBTQ+ youth and those with a physical disability.

It turns out that tweens don't just want good media; they need it. And there's a solid business case for giving it to them, too. Here are our findings.

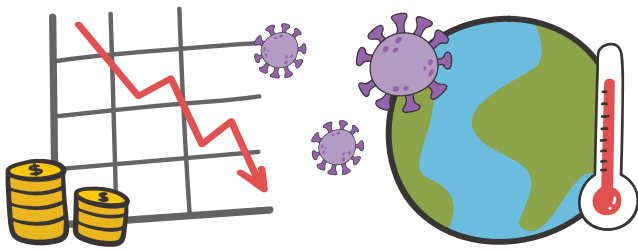


## INSIGHTS

### Tweens see fewer character strengths on screen

In our focus testing, 10- to 14-year-olds said that positive traits such as kindness, fairness, self-control and hope are not portrayed enough. “If we don’t watch younger kids shows, we don’t see those traits to inspire us. We need it in older shows, too,” said one 12-year-old. When positive traits *are* represented, they tend to be limited to courage, teamwork and bravery—often in traditional “good-versus-evil” narratives. And while hero-and-villain stories certainly have their place, studies show that kids connect more deeply with morally complex characters.

A good example from the 2000s is Dr. Doofenshmirtz from *Phineas and Ferb*, a comedic antagonist who often exhibited moments of vulnerability, humor and kindness. This character’s complexity helped tween viewers explore deeper moral reasoning and empathy.



### Critical strengths are underrepresented

Traits like gratitude, self-control and perseverance—which are essential for navigating real-world challenges—are much less visible in content for this age group.

Gen Alpha faces some pretty unique challenges—a hyper-connected world, earlier exposure to social media, global crises like climate change and economic instability, and the lingering effects of the COVID-19 pandemic. These experiences have made them more socially aware, but also more anxious. They need media that entertains them, but that also supports their mental health and helps model positive behaviors.



### Tweens are turning to adult content

Without strong, relatable characters demonstrating positive values in the content that’s made for them, many 10- to 14-year-olds are turning to more mature content designed for adults. This shift influences their worldview in ways that aren’t always beneficial. Offering nuanced storytelling that celebrates a wider range of character strengths can keep them engaged while also promoting moral development.

### Character strengths are needed across platforms, but especially on YouTube

Our focus group participants noted that character strengths like wisdom and creativity appear in some YouTube content, while teamwork is common in gaming. However, social media was largely seen as a negative space.

They identified TV and YouTube as platforms where positive change could have the most impact. As one 14-year-old noted, “If I saw more of this on YouTube, it would make me feel good, but also like I could accomplish more in real life.”

### Gen Alpha wants to be involved

Unlike previous generations, Alphas have grown up with platforms like TikTok, Minecraft and Roblox, where co-creation is the norm. They already feel involved in content creation and believe they should have a greater role—whether through jam sessions, focus testing or interactive storytelling.

### Tweens are craving hopeful, inspiring content

When asked about the impact of more positive media, the kids we spoke to responded enthusiastically. “If I saw more hopeful people, it would motivate me and others, too,” said one 12-year-old.



## Which character strengths do you see the most in your media?

### RARELY

- Hope
- Forgiveness
- Temperance
- Gratitude
- Self-Control
- Transcendence

### SOMETIMES

- Creativity
- Fairness
- Humanity
- Judgment
- Kindness
- Love
- Wisdom

### FREQUENTLY

- Bravery
- Courage
- Justice
- Teamwork

## USING THESE INSIGHTS

Overall, the message was clear: This age group wants uplifting, inspiring and relatable content that equips them for the challenges they face. So then the question becomes, how can content creators make an impact? Here are three key takeaways that may be worth focusing on.

### Expand the range of character strengths in stories

Tweens connect deeply with morally complex characters. This presents an opportunity to weave in a wider array of character strengths, such as:

#### Self-control and forgiveness

How often do protagonists model these traits?

#### Hope and gratitude

Stories highlighting perseverance and optimism resonate strongly.

#### Humility and fairness

Gen Alpha is highly attuned to social justice—these themes matter to them.

By diversifying character strengths, we can create content that is both engaging and beneficial to their development.

### Leverage co-creation with this audience

Our study found that Gen Alpha—also known as the co-creator generation—is eager to contribute. Opportunities for this might include:

#### Interactive storytelling

Enabling kids to influence narrative decisions.

#### Focus testing and design jams

Engaging them in content development.

#### User-generated content challenges

Encouraging kids to create media that embodies the character strengths they want to see.

### Prioritize authentic representation

Tweens want content that reflects their lives, struggles and identities. They want to see peers who look and sound like them, dealing with relatable challenges in ways that feel real—not sanitized or overly simplistic. Research from the Joan Ganz Cooney Center and CPB (2021) supports this, showing that tweens prefer:

#### Content featuring peers rather than adults playing kids

#### Authentic language and scenarios that mirror their experiences

#### Stories that balance maturity with optimism



## THE BUSINESS CASE

Beyond these important social and developmental benefits, there's also a strong economic argument for creating positive, character-driven content.

- A study of 734 Walt Disney films found that movies featuring pro-social behaviors performed better financially and received higher ratings (Hahn et al., 2022).
- Films tagged with character strengths—meaning those that depict “moral character values and social-emotional skills that underscore ethical behavior and qualities needed for thriving within social institutions”—earned an average of US\$87 million globally, compared to US\$34 million for those without (Center for Scholars & Storytellers, 2023).
- Diverse and inclusive films consistently outperform less representative content (CSS, 2023).

In short, positive content doesn't just shape better media—it drives engagement and profitability.

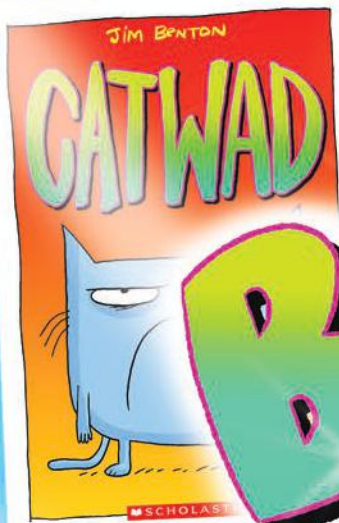
## FINAL THOUGHTS

Tweens are at a pivotal developmental stage, yet their media landscape often overlooks their need for positive representation. Our research underscores the demand for content that fosters resilience, moral complexity and hope. By broadening character strengths, involving this age group in content creation and prioritizing authentic representation, creators can craft impactful media that entertains and also empowers them. **k**

*Funded by a grant to Toronto Metropolitan University's Dr Charles Davis from the Social Sciences and Humanities Research Council, this research was presented at TMU's Catalyst research hub by Children's Media Lab co-director Kim Wilson and Anna Cabildo, a CML member and PhD student at the University of Toronto..*

**KIM WILSON** is the director of OneFish TwoFish Consulting and the co-director of Toronto Metropolitan University's Children's Media Lab, where she leads research on inclusion, diverse storytelling, media literacy and innovative research projects to support children's media-makers.



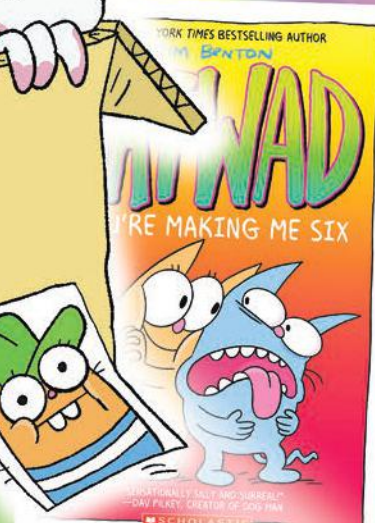
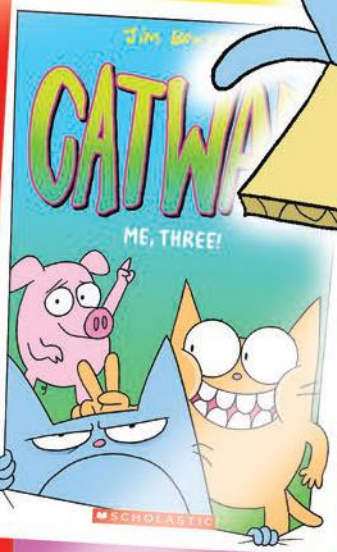
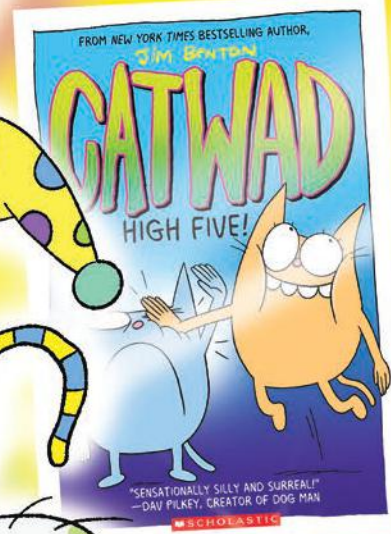
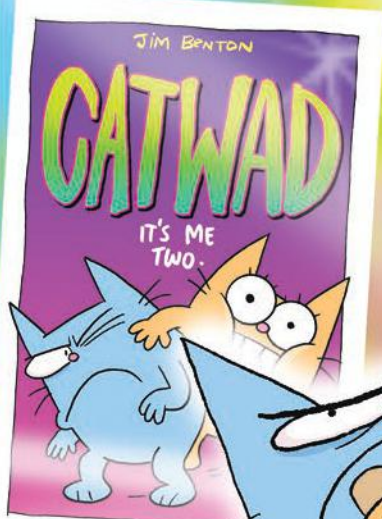


"SENSATIONALLY SILLY AND SURREAL."  
-DAV PILKEY, CREATOR OF DOG MAN

CATWAD'S FRIEND

# BLURMP

STARRING IN



## A BLURMP IN TIME

JKBenton@aol.com • [www.jimbenton.com](http://www.jimbenton.com)





*Baby Bot's Backyard Tales, a Lingokids original cartoon that's available on the app and on YouTube, teaches kindness, compassion and creativity as the characters explore their world*

# Speaking a new brand language

With 168 million downloads so far, Lingokids is looking to boost its business model by bringing in third-party brands and expanding into long-form animation.

BY: RYAN TUCHOW

**A** group of friendly animals teaches kids to count and recite the alphabet through a series of games, before moving on to lessons about life skills like hygiene and problem-solving. When they're finished, the kids are invited to help Blippi clean up after his return from a dinosaur excavation.

No, this isn't a dream elementary school—it's the experience kids can have these days in the Lingokids learning app.

This 10-year-old platform offers a mix of educational games and entertainment content in an ad-free format with free and subscription tiers. Aimed at two- to eight-year-olds, Lingokids encompasses more than 3,000 educational activities—including games, videos and songs—that teach literacy, STEAM and social skills.

Since launching in 2015, the app has racked up more than 168 million downloads and raised around US\$65 million in capital from investors including HV Capital and puzzle-maker Ravensburger.

Now, the Madrid-based company behind Lingokids is on a new mission to expand its business model by bringing third-party brands into the app, rather than relying solely on its own characters to engage young users. And it's also moving into creating original long-form animated series.

## Learning and growing

Founder and CEO Cristobal Viedma launched the app in 2015 to fill a need for educational learning platforms that go beyond basic literacy and numeracy to also

teach physical and emotional well-being. Usage grew steadily but modestly until the pandemic, when the company saw a huge surge in demand.

But once lockdowns were over and kids were back in school, Lingokids needed to evolve, so it added a freemium model in 2023 that gives kids limited access to a select number of games. (Paid subscribers can access the full game catalogue.)

This approach has helped the app grow to a million daily active users, says Viedma, adding that its top markets are the US, Brazil, Mexico, the UK, Australia and Singapore.

The company's next growth strategy is all about bringing third-party brands into the mix. Pointing to the need for this, Lingokids looked at internal data to see what kids were searching for in the app—and Moonbug Entertainment's Blippi was in the top 10.

The team then turned to parents with a simple question. "We asked, 'If we had different characters, who would [your] kids want to see?' And Blippi was again in the top 10," says director of content strategy Vladimir Klimov. "So we approached Moonbug with this data showing the demand among kids and parents."

Fast-forward to December 2024, when Lingokids launched 15 exclusive games with Moonbug. They're all versions of the app's existing learning games, such as drawing and matching, but reflavored with Blippi assets.



Lingokids can either work closely with brand owners on the content's look in the app, or do more of that work if an IP owner prefers to delegate, says Klimov. In the case of Blippi, the company worked with Moonbug to polish the look of the character in 2D animation, and then produced all of the Blippi content in-house.

From concept to release, the entire process took just three months—likely the fastest track to making high-quality art and games to satisfy this audience, says Klimov.

Brand partnerships are a monetization opportunity, too. Lingokids is pretty flexible on the shape of its deals with IP owners, which could take the form of fixed fees or a revenue-sharing model, depending on what the partner is interested in, says Viedma. And discoverability isn't a problem, because the app can highlight brands with individual sections so users can easily find the new content.

Since launching four months ago, Lingokids' Blippi games have been played more than 100 million times and are now hitting a million plays per day, notes Klimov, adding that this level of reach is hard to achieve anywhere else, even on Roblox.

In one striking example, Moonbug's *Find the Blippis* game on Roblox has generated 14 million visits since its October release, says Viedma. "We did four times that in two months on Lingokids."

The app can also cross-promote physical merchandise by creating notifications that appear when kids finish a lesson, nudging them to continue learning outside the app using a brand's real-life toys and products.



The Lingokids app teaches kids literacy, STEAM and social skills

Based on the success of its Blippi suite of games, Lingokids is in the process of approaching other companies that own educational IPs aimed at the app's target audience of two- to eight-year-olds. "More brands are coming," says Viedma. "If you want exposure to this audience, we are the perfect place to be."

### Talking the animation talk

While focusing on building its own brand and platform has allowed the company to grow at an impressive pace, there are downsides to this approach. For instance, Lingokids has heard from parents that their kids don't know its characters as well as those from TV or YouTube, says Klimov.


To try and change that, the company has been working to build up its popularity on YouTube—its Lingokids Songs and Playlearning channel currently has 2.8 million subscribers.

Now, the natural next step is to push into long-form animation in order to re-use series assets and generate longer-term value for the company's content, says Viedma.

Lingokids has tapped former CAKE CEO and creative director Tom van Waveren as an executive producer to help navigate this move. Van Waveren took the 2D-animated preschool series *Cow & B* (formerly titled *Lingokids Adventures with Baby Bot*) to Cartoon Forum in 2023, and it's now in development with character designs from creator Guillermo García-Carsí. In each episode, these characters help a robot understand emotions and other human realities. Lingokids is fully funding the 52 x 11-minute series and will launch it on both the app and YouTube when it's completed.

Van Waveren and Lingokids are also producing the short-form series *Baby Bot's Backyard Tales*, which targets kids ages four to seven. This concept focuses on a calf and a baby robot who have fun in silly situations while learning life lessons about sharing and regulating emotions. Like *Cow & B*, the show's 2.5-minute episodes will roll out on YouTube and the Lingokids app.

Van Waveren also connected Lingokids with Bianca Rodriguez, the former head of sales at CAKE, who is now distributing the app's catalogue of more than 30 hours of content in formats ranging from original songs and nursery rhymes, to hybrid live-action/animated videos that feature real actors alongside the animated characters.

"In a world where the market is asking for brands, we can demonstrate our personal relationship with millions of preschoolers and their caregivers around the world," says van Waveren. 

Lingokids and Moonbug teamed up on 15 exclusive games that update the app's existing ones with Blippi characters



# AI in TOY LAND

**A**rtificial intelligence is making its way into the toy industry, but it's not happening quickly or haphazardly. While some toycos are already using the tech in their retail, e-commerce, logistics, administrative and back-end operations, most are proceeding cautiously when it comes to AI-assisted toy design and development.

With serious potential pitfalls to consider—including interrupted play patterns, copyright infringement and running afoul of government regulations—companies are drafting in-house policies and exploring how AI can best serve them and their young customers.

In this special report, *Kidscreen* examines the toyetic applications—and legal implications—of AI in Toyland.

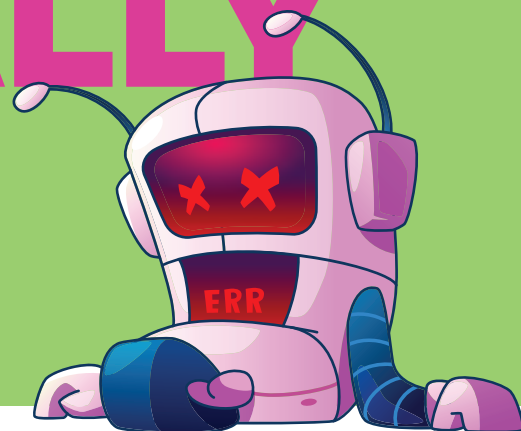




# AI toys could change the game... **EVENTUALLY**

From smart dice to self-updating rulebooks, toymakers are starting to explore what AI can do—but for now, most are stuck in testing mode.

BY: COLE WATSON



**C**hatGPT's 2022 launch brought AI into the mainstream, sparking widespread conversations among consumers and businesses alike about its potential in everyday life. Now, what was once a novelty is quickly becoming a foundational tool for innovation and efficiency.

For toycoos, the tech offers a ton of efficiencies throughout the pipeline, from sourcing key materials, to protecting brands from fraudulent listings, to ultimately implementing AI into the products themselves. That potential is already starting to play out in one category, with board game manufacturers reimagining classics for today's digital-first consumers.

"The big trend that AI can leverage is the ongoing gamification and digitization of traditional board games," says Arpine Kocharian, executive director and analyst for leisure, gaming and lodging at UBS Investment Bank. "For example, it's hard to find a household that doesn't know what *Monopoly* is. Then [Scopely and Hasbro] introduced the mobile entry *Monopoly GO!* and it broke countless records. No one expected it to be that successful."

Hasbro CEO Chris Cocks is particularly bullish on AI's potential, and the company is already using it to help designers develop new gameplay systems in its Wizards of the Coast gaming franchises *Magic: The Gathering* and *Dungeons & Dragons*.

As one example, the company partnered with Italian game studio Xplored in 2023 to develop new hybrid editions of its board games featuring AI systems, sensors and smart dice that can keep track of a game's many elements and tell players how to play by the rules.

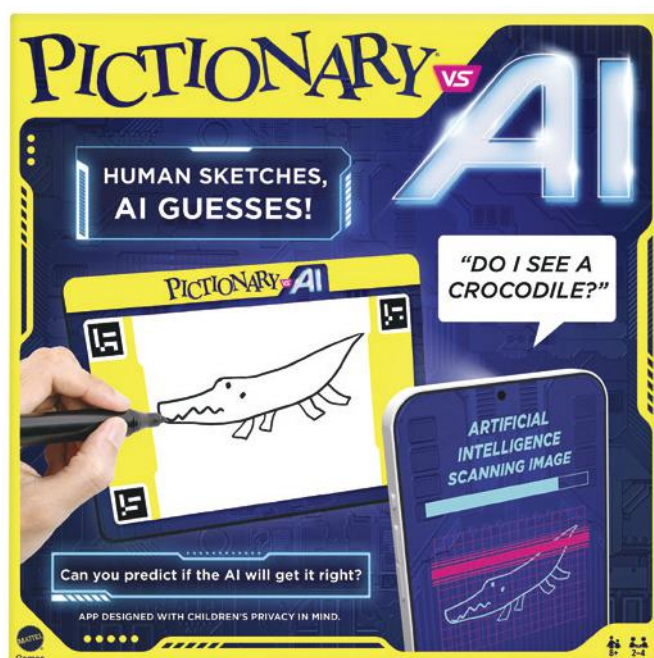
These systems are a great way to automate gameplay and keep players engaged, says toy analyst Chris Byrne. "Depending on the title, rule books can run more than 100 pages, so developers usually have to introduce different progression levels before players can play the game the way they originally intended," he explains. "Not only does this help simplify the game's state, but

AI can even be used to generate new boards or test new mechanics before they roll out to the end user."

Also in 2023, Mattel published its first AI-driven board game, *Pictionary Vs. AI*. Putting a new twist on the traditional *Pictionary* formula, players still draw cards and sketch out the words on them; but then they use a mobile device to scan the image and predict whether AI will guess the drawings correctly.

This product initially fell flat due to the app's inability to accurately recognize drawings, prompting the development team

Mattel's first stab at a *Pictionary Vs. AI* game was a dud with players, so the toyco released an updated version the following year with better AI recognition capabilities



to release an updated version the following year with a more reliable scanning system.

Aside from these two early efforts in the board game space, the reality is that AI is still in its infancy when it comes to design and development, and many toycos are just starting to evaluate where it might have the most benefit without harming the quality or enjoyment of existing brands. Most have yet to hit their stride in AI-assisted product development, says Kocharian.

Byrne agrees, noting that one of the major limiting factors right now is whether toy companies can even afford to invest in their own AI systems. “Pure AI that’s not attached to an app or tethered to an existing piece of tech is going to run companies millions of dollars to make and train,” he says. “Toycos need to evaluate if there’s enough of a benefit to warrant those costs, or if there are potential partnerships they can form to alleviate this overhead.”

Another concern is that AI is running up against child safety laws, policies and regulations, he adds. “When it comes to actually integrating AI into play patterns, it remains a contentious issue in the toy industry. There are too many unknowns at this point for parents [regarding] how this integration could potentially impact their child’s early development skills.”

Because of this, Kocharian expects AI toys and games to resonate first in the booming kidult market. With its hunger for

items that trigger nostalgia or iterate on an existing play pattern, this older demo has become a primary customer base for many toycos over the past 10 years, she says. And this audience also loves to collect—according to UBS, 40% of toys that launched in 2024 cater to adults, compared to just 10% in 2014, prior to the industry’s shift to serve older consumers.

Byrne adds that since the pandemic, many parents place a higher value on physical toys than they do on digital games, which they feel only contribute to more screen time. Not only are parents more comfortable participating with their kids when they play with physical toys, but these toys also serve as blank slates for kids to use their imaginations and create their own stories.

“One of the big questions for toy designers today is how do you enhance the interaction between the child and the toy?” says Byrne. “While AI is one potential solution, I think there’s more to be learned about how to apply it effectively before we will start to see widespread adoption. It’s all going to come down to how it enhances the child’s play experience, and how it can be delivered at a reasonable cost.”

While early experiments point to exciting new formats and experiences, full-scale adoption hinges on consumer trust, regulatory clarity and a clear return on investment. For now, toycos are still in the exploratory phase—but the potential for AI to reshape how we play is too big to ignore. **K**



## More HORSEPOWER

One toyco looking to prove that AI toys can appeal to a younger demographic as well as the older kidult market is European toy vehicle manufacturer Carrera Revell. Founded in 1963 and best known for its iconic range of slot cars and vehicle model kits, this company is bringing innovation into

the hobbyist category with its new AI-infused racing system, Carrera Hybrid.

Rolling out to US retailers in September, this racing system uses an AI-driven mobile app to help users control 1:50 scale vehicles and create life-like race scenarios that authentically replicate things like the number of laps, road conditions, gas levels and

tire wear for up to 16 players at a time. And instead of being limited to a single slot, the smart-sensor cars are free to move anywhere on the modular racing tracks.

“Carrera Hybrid felt like the natural next step to build upon our slot car business,” says Frank Tiessen, president and CEO of Carrera Revell of Americas. “While it will never replace that core hobbyist model, we wanted to [appeal] to consumers who enjoy video games and marry that [gaming experience] with physical play elements.” **CW**



# Hiding in **PLAIN SIGHT**



Obviously is using AI to uncover counterfeit toys and games before they hit your shopping cart.

BY: BRENDAN CHRISTIE

**I**N the endless scroll of online marketplaces, counterfeit products often hide in plain sight—with their slick images, familiar names and suspiciously low prices. For consumers, the line between real and fake is often hard to spot. For brands, it's a growing threat to trust, revenue and reputation.

That's where Obviously comes in. Launched in May 2024, this London-based company is taking on the global counterfeit economy with a mix of AI, automation and experience, starting with toys and games—two of the most vulnerable categories in the online retail world.

"It's a cat-and-mouse game," explains Mo Ali, chief of brand and content protection at Obviously. "[Counterfeiters have] the opportunity. They don't follow the rules. They can do what they want. The e-commerce platforms obviously want to drive business and sell as many items as possible, so we've got to work just as hard to be able to find the fakes."

Counterfeiters have become increasingly savvy of late, using tactics like alternate spellings, hidden keywords and misleading product names to bypass standard detection systems. And because most of these systems are still largely text-based, counterfeit listings often slip

through the cracks. But now, Obviously is able to detect counterfeit products using AI models that have been trained to recognize specific logos, characters and product designs.

It's a process that involves compiling large image sets to teach the system how to identify products from multiple angles and in different contexts. Beyond visual recognition, the company also uses vector image matching to track down duplicate or near-identical product images.

"We work with our clients to come up with a set of guidelines or characteristics," says Ali. "They're the experts. They know what the counterfeits are."

These guidelines form the foundation for training both the AI systems and Obviously's internal team, helping to flag products that meet specific counterfeit risk markers. The process starts with AI-driven detection, using computer vision to scan vast amounts of content.

When thousands of potential matches surface, speed becomes essential. "If you can take something down as quickly as possible, you'll stop someone making revenue from that particular product," says Ali, adding that a recent internal audit demonstrated that the tools can detect infringing content within minutes of it being streamed or uploaded.

Often, there are tells that help the process. "Game companies and record labels do not sell things in MP3, ZIP or raw file formats," Ali offers by way of example. That kind of red flag, combined

with automation, helps the company act fast. "Our takedown rate in the first 24 hours is about 75%."

By searching multiple times a day, Obviously is reducing the window in which a counterfeiter can sell a fake product, says Ali. On platforms that cooperate, the team "can get most of the listings we find—probably about 85%—taken down within the first 48 hours."

Some of Obviously's AI capabilities come from its 2023 acquisition of Snap Vision—a company that was established more than a decade ago and that has since developed deep expertise in visual search. Initially created to serve the fashion industry, the technology was built to recognize products in real-world scenarios (such as user photos) and compare them to polished stock images.

That early focus laid the groundwork for more advanced AI tools, giving the company valuable experience in detecting subtle visual differences at scale.

"It's been a case of developing the tool over years [through] a combination of learning and adapting," says Ali, adding that his team's knowledge of how counterfeiters and infringing sellers operate has grown alongside the technology. "I think that is the key. If you stand still, the counterfeiters will have the advantage over you."

Looking ahead, the company's focus is on expanding automation and improving how it anticipates emerging threats. "It's [about continuing] to build the service and learn more by working with our clients, the brands and the challenges we see," says Ali. And a big part of that is connecting the AI with IP portfolios to better understand where trademarks and design rights apply—and what can be enforced.

Obviously is also working to streamline takedowns using APIs and web forms built into e-commerce platforms, the goal being to get ahead of infringement patterns—especially around key events or product launches.

"We want to predict what the next issue is going to be," says Ali. "Let's focus on those products. Let's clean house." **K**

# Playing by the RULES

Legal experts share best practices to help toymakers navigate regulations and copyright risks.

BY: RYAN TUCHOW



**T**oy companies are taking a cautious approach when it comes to artificial intelligence, but developing an official policy is quickly becoming a priority.

The toy industry's slow move into AI has put it a bit behind the curve compared to other sectors. In the animation industry, for example, producers including Brown Bag Films have already published public policies on AI. And last year, The Animation Guild outlined how studios are expected to use the technology, as well as its potential effects on business.

But the toy sector's delay might turn out to be an advantage. Toycos now have the opportunity to learn from other industries' early mistakes, not to mention their own history with internet-connected smart toys that sparked a ton of interest but also netted a few hefty FTC fines.

While the risks and benefits have yet to be comprehensively explored, the desire to be among the first to capitalize on AI is now growing. But toycos exploring it need to do so with care. Roughly 30 lawsuits are already on the books in the US, with creatives suing model-makers who based their work on data scraped from the internet, says Stobbs founding partner J. Scott Evans.

Before joining the US law firm, Evans worked with Adobe on policy and was the head of global brand, domains & copyright at Yahoo. He drafted the Federal Anti-Impersonation Right (FAIR) Act and the Preventing Abuse of Digital Replicas Act proposals for the US Congress, both of which aim to protect creatives from AI copyright infringement.

Toy manufacturers developing AI policies can draw valuable insights from the FAIR Act's emphasis on ethical AI practices and the protection of creators' rights. As AI becomes increasingly integrated into toy design and production, companies must ensure that their AI systems don't infringe on the IP or the unique styles of artists and designers. Implementing clear guidelines that prevent the intentional replication of existing

designs without permission can help mitigate legal risks and promote fair competition.

In fact, governments are already considering new regulations around AI, and if companies don't start formalizing their own policies for its use, they risk landing on the wrong side of emerging legislation. One such law is the EU AI Act, which comes into full effect on August 1 (with additional provisions expected in August 2026) and includes transparency stipulations such as requiring information about the content used for training models.

## The time is NOW

AI is coming to the toy industry, and having a policy in place could make the difference between being first to market with a hit toy or getting slapped with a lawsuit, advises Armin Ghiam, an IP law strategist and partner at Hunton Andrews Kurth in the US.

"There's a clear business incentive to learn more about AI," he says. "If you can make products with AI, so can your competitors."

The key is to make the most out of the technology while still staying on the right side of copyright. Ghiam's clients include toy companies such as Mattel, Horizon Group USA and ORB Toys, many of which have begun asking questions about the implications of using AI in the design process.

He points to two main areas an AI policy should cover—output and disclosure. Output sets out what the company can do internally with what it makes using AI. (For example, can you even use the output, or is it just for ideation?) Disclosure involves telling stakeholders how you are using—or how you have used—the tech.

Toycos need to be wary of AI trained on content that might be stolen from other sources. It could infringe on a content owner's copyright, which means that if a company goes to market with a toy based on that output, the original IP owner could sue.

One legal solution to this is to draw up a contract with the model maker or software company that protects the toy company



from third-party infringement claims—indemnification, in legal parlance. In this case, instead of the toy company being liable, the service provider would be held responsible if its tech or software infringed on the IP of a third party who files a legal claim.

It's also important to remember that, in the US at least, AI-generated art can't be protected by copyright. In order to qualify for copyright protection, humans need to have played a meaningful role in the creation of the content. So it's a good idea to use AI-generated content only as a starting point, and keep records of the work humans have done on the project to prove that people contributed to the final result.

Similarly, the EU Copyright Directive states that a work has to be original and the “author's own intellectual creation” in order to qualify for copyright protection.

In the EU, countries are racing to figure out their own regulations and synergize with the EU AI Act. Italy's senate, for example, approved its own artificial intelligence bill in March that's similar to that of the US, dictating that a work made with AI tools can be copyright-protected if it “results from the intellectual effort of the author.” That legislation still needs final approval from the Italian Chamber of Deputies before it can be enacted.

Content Credentials are one way to track human input and communicate it to consumers. This new metadata technology lets creators add information about the content's history. Adobe, Microsoft and Nikon are among the companies adopting these tools so creators can add Content Credentials to their work.

“You can opt into it right now on a Leica camera, and it's like a nutrition label for the image or video,” says Evans. “It'll show you when it was originally taken, when it was edited, and what was done. It's tamper-proof, and it travels with the image wherever it goes.”

## Prepare for the UNEXPECTED

Toy companies should also be ready to deal with unexpected and unintended consequences that could arise from using AI, adds Evans, who served as a senior director of IP, advertising and AI policy law at Adobe until March. His work there included overseeing the policy around a text-to-image program.

In one example, Adobe's software—trained using licensed and copyright-free material—displayed mainly white people in its early days. Evans formed an ethics review board to make sure the AI offered diversity in both ethnicity and ability, and he urges toy companies to do the same. He suggests creating an internal group to check the AI's output to ensure the tools don't make these kinds of potentially brand-damaging mistakes.

“Toy companies are very focused on product liability, but you also don't want to get your reputation sullied because you didn't think ahead to look at what the AI was [capable] of doing.”

When crafting an AI policy, be prepared to go into the weeds in terms of safety and privacy, and be sure to adequately educate your workforce, adds Ghiam. This means making it crystal clear that AI trains its models using whatever info it's fed—so the policy should contain clear guidelines to prevent sharing confidential company information with it, for example.

Toy businesses are currently drafting AI policies on a company-by-company basis, but Ghiam suggests that the sector might benefit from an industry body—such as The Toy Association

or a coalition of toy companies—creating a framework that all companies can adopt.

It's no secret that AI will play an important role in the future. Toy companies will be adding it into the pipeline more and more as time goes on. So they need to start drafting policies now to prepare for that reality. After all, a staffer could easily ask ChatGPT, “What's a good toy for 2025?” and use the result to create a hit product, Ghiam warns. The response you get “might be bullshit,” he warns, but the process itself “is something to consider.” **K**

The Content Credentials pin (at right) is a minimalist icon that can be etched into images and video, providing a transparent view into what changes were made to a media asset



## Show your CREDENTIALS

**A**uthentication with Content Credentials is the new gold standard for creatives looking to share information about their content and whether or not generative AI was used to make it.

When this small “CR” pin is attached to images and videos, viewers can hover over the label to reveal information such as who made it, when and where was it created, what tools were used, and what edits were implemented.

Major companies including Adobe, Microsoft, Nikon and Leica are already integrating this open-source tech into their tools and products. For example, when consumers use Photoshop or Nikon cameras, they can automatically provide this info for the content they make. And end users can check the image's Content Credentials on the [contentcredentials.org](https://contentcredentials.org) website.

Content Credentials let creators build transparency into their work from the earliest steps, while consumers can easily spot content they can trust.

“This is an open standard that anyone can use, and there's no charge,” says AI policy attorney J. Scott Evans. **RT**



# Retail's little **HELPER**

In an effort to cut costs and improve efficiency, retailers are turning to AI developers to solve critical problems in today's marketplace.

BY: COLE WATSON

**T**he retail sector is experiencing a historic shift, with store closures outpacing openings for the first time in decades. And it's not just mom-and-pop shops or specialty storefronts that are boarding up for good, according to commercial real estate firm JLL. Brand-name retail outlets such as Party City, Walgreens, Big Lots and Macy's are closing hundreds of stores worldwide to lower costs and put their businesses back on a path towards growth.

Faced with a flurry of new e-commerce competitors, rising lease prices and unfavorable macroeconomic conditions, one thing is certain—retailers must adapt and use every tool at their disposal to cut costs and hold onto their market share. And many are looking to emerging AI developers for the next solution.

## Retail **BENEFITS**

“AI has been around in retail for about 10 years, but its adoption has skyrocketed since ChatGPT became a household name in 2023,” says retail analyst and advisor Bruce Winder. “Now everyone's got it, and everyone's using it. It has become a must-have tool for every retail business.”

Amazon was the earliest to adopt AI more than a decade ago, and it has set the industry standard for incorporating this tech across the retail sector, says Winder. The e-commerce giant has developed several tools to automate tasks and improve efficiency, and now it's even licensing out its AI web service tools to high-profile clients including Slack, TurboTax, Carrier and the New York Stock Exchange.

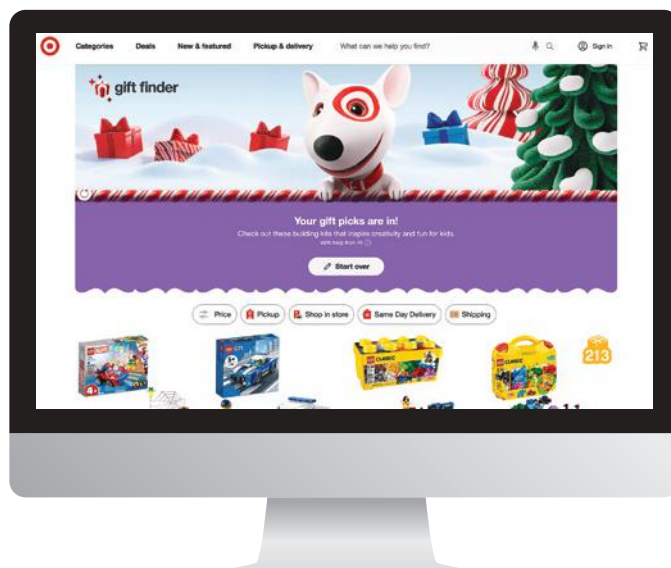
This has left big-box retailers like Walmart and Target playing catch-up as they build new departments to develop internal AI tools, while also signing deals with emerging tech companies to speed up the process.

“Retailers are always thinking of ways to lower costs, grow revenue and grow profits,” explains Winder. “Where AI comes into the

fold is that it can take literally billions of lines of data and identify key problem areas for these companies in a short amount of time, which takes out a lot of the heavy lifting when it comes to making critical business decisions.”

In one example, Walmart has rolled out three AI-powered tools within a year that have saved the retailer more than four million work hours to date, according to CEO Doug McMillon. These include a forecasting tool (developed in partnership with Helios AI) that can predict the risk and availability of agricultural products, along with an interactive sales agent and sales report generator called Wally, and an AI shopping assistant designed to help consumers discover products and learn about new sales.

Target's AI-powered Bullseye Gift Finder helps customers find the perfect holiday toys for kids on their list





Not to be outdone, Target has focused on improving the search experience for consumers by rolling out its own AI shopping assistant, along with a Bullseye Gift Finder to help guests brainstorm new gift ideas for birthdays and holidays. Meanwhile, the retailer's unique Store Companion app for workers can coach new team members, support store management and help staff answer consumers' questions in-store.

"Everyone is time-starved," says Winder. "The whole idea of implementing these search tools is so that retailers can be more relevant to consumers and increase engagement, which gives them a new driver for increasing sales and margins."

Supply chains are another critical link where this technology can shine, especially with a global trade war in the mix, Winder adds. This is because AI is proficient at scenario analysis—which helps retailers source specific products from specific countries—as well as choosing transportation methods and predicting prices. Not only does AI remove the human error element, but it also significantly reduces the time analysts need to determine how viable a country is when it comes to manufacturing various types of goods.

While incorporating AI offers significant benefits to retailers, Winder is cautious that leveraging the tech could also allow them to take advantage of consumer data and preferences when it comes to pricing.

"Implementing something like dynamic pricing can be very spooky for consumers, because if a store's AI tools can analyze your searches, your social media feed or other personal accounts, then retailers could charge you more for a product that you want," he says. "It works in the airline and hotel industries, but no rules or regulations are preventing it from making its way into the consumer products space as well."

## AI in ACTION

One major retailer that's toying around with AI is WHP Global, which owns the iconic Toys "R" Us and Babies "R" Us brands. The company, which operates more than 1,450 physical stores and e-commerce sites worldwide, began evaluating and implementing AI tools last year to see how the tech could strengthen its business, says e-commerce VP Gary Haas.

"When ChatGPT emerged, [AI] was focused on simple tasks such as writing formulas and correcting grammar, but the tech has evolved since then," says Haas. "In response to how many new developments we were seeing, we launched two AI task forces in early 2024 to learn how to integrate the tech cost-effectively and [use it to] drive efficiency."

WHP's first task force focuses primarily on finding creative uses for AI, including developing store concepts, building displays, creating presentations and speeding up product development. While most of these use-cases are kept under wraps, Haas notes that this group worked closely with TRU's marketing team to launch the retail brand's first-ever AI ad in June 2024.

Titled *The Origin of Toys "R" Us*, this one-minute spot is set in the early 1930s and depicts company founder Charles Lazarus as a young boy in his father's bike shop, dreaming of building his first toy store and creating its mascot, Geoffrey the Giraffe. All of the visual effects and characters were generated from text instructions using OpenAI's Sora technology. To date, the video has been



Toys "R" Us launched its first AI-generated ad last summer, featuring a young Charles Lazarus dreaming of creating a toy store

viewed more than 250,000 times on YouTube, and it served as WHP's first foot in the door with respect to AI tools.

Following up on this initial experiment, WHP's second task force has inked deals with several emerging AI partners to bolster its e-commerce platforms. Last year, Haas's team connected with the company behind an app called *NoFraud*, which monitors whether a consumer purchasing products is human or a bot by following their behavior on the site. And newer to the mix is Spangle, which functions as a search engine but also serves up AI prompts and searches related to social media display ads to keep consumers engaged in the product discovery process.

Haas says both partnerships have been positive in different ways. "In the case of *NoFraud*, it was as simple as downloading the app, and then it was immediately working on confirming a customer's ID," he explains. "But when it came to Spangle, we were just one of two clients the company had at that point. So it was a much more involved process of working together on the proof of concept, building this self-learning tool to fit our needs, and doing a lot of trial and error."

Haas credits Spangle with WHP's success this year in generating a 50% improvement in return on ad spend compared to the same period last year. Historically, customers would leave WHP's websites as soon as they saw something they didn't want, heading back to Google to start a new search. But this tech solution has alleviated that problem, says Haas, because Spangle's ads encourage shoppers to stay in WHP's ecosystem longer and engage with more landing pages.

When it comes to evaluating new AI partnerships, Haas says retailers need to ask one key question: Is this tool going to drive more efficiency within the business, or does it provide a solution for delivering what customers are looking for? And for the time being, external tools might be the way to go.

"While we're entertaining building bespoke AI solutions from the ground up, we haven't come across a problem that we haven't been able to solve with something that's already out there and being developed in the market. There's a fine balance we have to strike by offering our customers the best solution possible, but still maintaining that critical element of human oversight to ensure we can work together with our partners to iron out any kinks discovered along the way." **K**

# BACK TO THE DRAWING BOARD

## A RICH HISTORY

Hasbro's iconic board game *Monopoly* is “passing GO” into its 90th year in the market, with more than half a billion purchases made around the world since its retail launch in 1935.

Philadelphia heater salesman Charles Darrow initially developed *Monopoly* in 1929 during the Great Depression. After losing his job and witnessing widespread financial hardship in his community, Darrow felt that he and his neighbors needed an aspirational escape from their day-to-day distress, and this ironically inspired him to create a game about making money, building houses and collecting rent.

Darrow constructed the first prototype of the game by repurposing his wife's oilcloth table covering as the board, sketching out the real estate properties, whittling houses and hotels out of scraps of wood, and using charms from a bracelet belonging to his niece as gamepieces. But without realizing how deeply *Monopoly* would eventually penetrate the market (it currently has 99% brand awareness worldwide), now-defunct toyco Parker Brothers initially turned down Darrow's pitch for the game, identifying more than 45 design flaws.

“People believe that *Monopoly* takes a long time to play today, but in its original form, it was even longer,” says Brian Baker, Hasbro's SVP of board games. “[Parker Brothers] felt like a lot of work had to be done to speed up the gameplay, [such as] standardizing the property prices, game pieces and graphic design to make sure that *Monopoly* had mass-market appeal, and that people didn't necessarily require experience in real estate or property trading to be able to play.”

Another roadblock cropped up when Darrow admitted—after *Monopoly* launched—that he had stolen some rules and repurposed existing mechanics from other property-style games of the era, including Lizzie Magie's *The Landlord's Game* (1906). As a result, Parker Brothers had to pay an additional US\$500 (approximately US\$9,450 today) to acquire Magie's 1924 game patent in order to avoid potentially harmful lawsuits.

Since acquiring Parker Brothers in 1991, Hasbro has produced a wealth of new *Monopoly* editions, including licensed versions featuring Pokémon, Nintendo, Dragon Ball, Harry Potter and Hello Kitty. The brand has also expanded to include life-sized escape-room activations and Scopely's free-to-play *Monopoly GO!* mobile game, which has generated more than US\$3 billion in revenue through ads and in-game purchases since it launched in April 2023.

The franchise's next evolution is on the horizon as Hasbro Entertainment prepares to bring the legendary game to the big screen, with a live-action feature film in early development at Lionsgate and LuckyChap (Margo Robbie's production banner). —Cole Watson

Charles Darrow's original oilcloth *Monopoly* boards repurposed several elements from *The Landlord's Game*, including misspelling the real-life New Jersey neighborhood Marven Gardens as “Marvin Gardens”



## FUN FACT

Rich Uncle Pennybags (a.k.a. Mr. Monopoly) didn't appear in the game until 1936, when he made his debut as a mascot character on the Chance and Community Chest cards in the middle of the board





# CARTOON FORUM

**15-18 SEPT. 2025**  
**TOULOUSE - OCCITANIE**

©ANNA KATALIN

[WWW.CARTOON-MEDIA.EU](http://WWW.CARTOON-MEDIA.EU)

**EUROPEAN CO-PRODUCTION FORUM FOR ANIMATION TV SERIES**



Creative  
Europe  
MEDIA



centre national  
du cinéma et de  
l'image animée



toulouse  
métropole

france.tv



**156x11'**

© Peyo Productions – Dupuis Edition & Audiovisuel – Dargaud Media – KIKI – KETNET – RTBF.be – 2021



**BOOTH G.23**  
**BOOTH M214**

