



**2023**

**PLUSH TOY  
PRICE GUIDE**

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### What is your toy idea worth?

### How much can you sell your toy idea for?

#### Competitive Market

Over the last 24 years working in the toy industry I kept hearing, why make a toy when I see them sold for so little in those big-box retail stores. In the US and Canada, we have Walmart, Target, and Costco where you can buy a huge stuffed toy for very little money.

#### How can that be?

Well, those big box stores order massive quantities. When I say massive, I mean half a million toys per design or more. As well, since they order so many toys, the shipping cost per toy is very low. The overhead fees like designing the toy, safety testing the toy and quality checking the toy all cost pennies instead of dollars per toy because they order so many. They could not make one thousand toys and hope to sell these so cheaply.



### So how do you compete with that?

#### How To Compete

My best answer is that you don't compete with that. You may think that getting an order from a big box store is a dream come true but for a smaller business, it can be a nightmare. You can work your way up to that level but if you look at the details of working with a big-box store you'll see what a challenge it can be.

When you get an order from a big-box store they will have a very long contract that states if you deliver the toys even one day late they can refuse the shipment at no cost to them. If the toys don't sell at a certain level within a short time period they can return the toys to you at no cost to them.

I've had clients that have sold to big-box stores like Walmart and the small test order that Walmart placed with my client was for 150,000 toys. My client had to pay for the toys, wait a few months for production to be completed, then I delivered them to Walmart and my client had to wait 7 more months to get paid. Basically, they had \$450,000 tied up for almost a year. With no guarantee, that they would get paid.

If you don't want to take that huge risk you can develop a toy that would appeal to a specific market. In my opinion, it's best to pick your audience first and then develop the toy to meet the needs and desires of that market.

This is where your pricing can go up instead of being forced to price match against every other toy.

## Traditional Pricing

Typically you'll find that larger corporations stick to a formula to determine their final selling price. There are three mark-ups on most products you see in a retail store.

- ❑ Manufacturer's Price
- ❑ Wholesale Price
- ❑ Retail Price



**Manufacturers Price** - this is the price which includes the cost to manufacture the product and ship it to the destination. This would be what you'd pay for your toy.

**Wholesale Price** - Typically you would double the manufacturer's price to determine the wholesale price. So if your cost to make the toy and have it on hand to sell is \$9 US then your wholesale price would be \$18. This is the price that a retail store would pay.

**Retail Price** - Typically you would double the Wholesale price to determine the retail price. If the wholesale price was \$18 then the retail price would be \$36 US.

## Knock out the Middle Man

Most of my clients will sell online to start and grow sales from there. There are many benefits to that idea. You can play with your marketing, pricing and sales pitch to determine the most effective way to sell your product. Also, you can sell direct to the end consumer, skipping the retailer which would double your profits. You get to mark up the toy from your price to the wholesale price and again from the wholesale to the retail price and keep all of it. You are getting both the wholesale profit and the retail profit in your pocket leaving out the middle man and going direct to the consumer.

You want to make sure if you decide to go this direction that you don't keep your price so low that it is impossible to sell it at retail because the market now views the value of your toy at that lower price. Meaning, if you're selling great at the \$18 because you didn't mark-up your wholesale price it will be difficult to sell at \$36. If your manufacturing cost is \$9 and you decide to sell online for \$18 then when you try to sell it in a retail store you can't then increase the price to \$36 because the market has already been tested at \$18.



## Custom Plush Toys

### The \$89 Doll

One of my clients made a basic doll and it sold in retail stores and online for \$89 US. She sold over 200,000 dolls at this price. After years of selling the toy at that price, they lowered it to \$79 US and then to \$69 US. It now sells for \$49 US and we ship it to 38 different countries. Would you pay \$89 for a stuffed toy doll? Probably not. But if you had a baby that was waking up through the night interrupting your sleep and this doll promised to fix that problem, would a tired and desperate parent pay \$89 for a stuffed doll? Absolutely!

The doll met a specific need for her market. She had a great message to go along with her marketing and her product hit at the heart of what those parents Had to have Now!



### The \$300 Elephant

There is a computer programming language called PHP which is used online to make website shopping carts work and other cool tools. The people who learn and code PHP have a mascot called the PHP elePHPant. Different groups and companies make their own version of the elePHPant and distribute it to their fans. Some are made in small batches so there aren't many around. At times we've seen one stuffed toy sold on Ebay for \$300 because the fans from that group want one so bad they are willing to pay that to get one toy. It did sell and others did too. At regular price, they can sell for \$20 - \$50 depending on how passionate their group is about the mascot. We often help people set up a Kickstarter and other crowd funding campaigns to raise the funds first before placing a production order. There have been hundreds of thousands of the elePHPants made and my company is the only manufacturer allowed to make them.



## Adding Value

Selling a toy on its own may be a tough sell in some markets, so consider adding value to the toy by including a book, temporary tattoos or a coloring book to increase the perceived value of the toy. A \$5 toy and \$2 book can sell for \$29.99 US when bundled together compared to making \$15 for the toy and \$5 for the book.

With that said I work with people who want a very fancy custom box as well as a function in the toy which would be novel but would not add much value. Most toys state to remove packaging before giving to a child. So if you spend quite a bit on the packaging it may never be seen by the child and the parent may see that as a waste of money. Make sure any packaging will add value to the toy beyond what it will cost. It could be a house for the toy or a pen or cage for the toy.



## What Can Your Toy Sell For

This year we've seen toys sell tremendously for \$40, \$50 and \$80 with the right marketing. Having the right marketing is key. We also have clients who struggle to sell their toy for \$19. It's all in the marketing. That means that your ideal buyer needs to know you, like you and trust you. The quickest way to get that done is by using social media. You can connect with your ideal buyer directly. Connecting for 'free' is possible but it takes a lot of time and know how. Another way to connect directly with your perfect customer is to use paid advertising. When I suggest that to my clients they either get excited or they do not like it at all because they see it as a cost or expense.



### A Funny Story

My wife is a medical doctor and she does not need to advertise at all. She had a full family practice, worked emergency once a week and was on call for the hospital periodically. In the last while, she's been getting into medi-spa treatments. That is where you're injected with solutions that make your wrinkles disappear and your lips more youthful. I suggested that she let me advertise for her since she wasn't growing her sales for the new business. She declined, so I paid for the ads myself. She was flooded with messages and calls for very little money. I told her how much I've spent on advertising for my toy business and she gasped saying that's "too bad" that I lost all of that money. Then I showed her the sales that those ads directly led to and she gasped again. :)

Could you see yourself paying for advertising if it turned it to sales that paid for that advertising?

### Test And Measure

Typically the first try to advertise a product does not go well. That means that you may pay \$100 and get \$20 in sales or even \$0 dollars in sales. It happens. You have to test ads, test images and test your pitch (your marketing message).

You hope that each try at advertising your product does better. As your ads become more successful you'll see a greater return so if you spend \$100 on ads you may get \$500 in sales in return. The only way to know is to test and measure your ad spend with your marketing.

### Where To Go With This Information

I had a lengthy call with a woman recently who was looking for some type of direction. She's had this idea for years and had some help but nobody would believe in her idea and do it for her. I explained that I knew someone who believed in her idea...she asked who...and I said "You". I explained that nobody would believe in her idea more than her. She can find experts to help with the details but the overarching idea and dream was hers alone to push forward.

### Protecting Your Idea

There are three main ways to protect your idea;

- Copyright
- Trademark
- Patent

I would suggest that you keep good records of when you came up with ideas, sketches, photos or story lines and have them dated and witnessed. Keep a journal and signed images of everything you create which will protect you with a copyright. Copyright is immediate and free.

You can register with your country's government but I'd wait until your idea starts to get some traction and you've locked in the design. If you register your idea, go to market and make changes requested by the market (bigger, smaller, different color) then your copyright will be useless and you'll have to file again.

## Trademark

A Trademark protects the stylized brand name, such as such as "Barbie". Barbie is owned by Mattel. You can't create a new product or service called Barbie that would confuse the consumer.



## Patent

I'm negative about patents only because I've seen so many people spend tens-of-thousands of dollars only to have a piece of paper. There are "Invention Help" companies who push patents and say they are critical to an inventor's success. Patents do have their place but for 95% of my clients they are a waste of time and money. I talk at great length about that here;

<https://customplush toys.com/warning-inventor-help/>

## Why You May Want to Listen to Me

In 1992 I was ending University and trying to figure out what to do with my life/career. My Dad had a t-shirt printing business and he just kicked out two partners. It was a very small business. (below \$100K in total sales) My good friend said I should come with him to work in IT / Computers where I'd make 3 great money but I agreed to give my Dad a year to help him out running his t-shirt business.

I turned the \$100K business into a \$500K business within 4 years. It was labor intensive work and we had quite a few staff so there wasn't much left over to pay me a great wage. Neither one of us knew about smart marketing. My Dad knew I wanted more pay, so he bought a broke toy company. He took a big loan to buy materials and make toys. Sales were less than \$90K after a year and he owed over \$200K in high-interest loans. He had a fight with the manager who came with the old company and she left. He didn't know what to do.

He turned to me while I was still running the t-shirt company and he asked if I could help get him out of the huge financial hole. With the small revenue from both companies and low profits left over, the \$200K+ in debt seemed like a bottomless pit to me. And for some reason, I decided to take that responsibility on. That was in 1995. I got started to work.

My friend was working in Australia and we chatted over email which was amazing at that time... is that the internet was just starting. He worked for Digital at the time (bought by HP later on) and he was told how the "Internet" was going to be the next big thing. He told me I should look into this new thing called the "internet". I got to see the building he worked in at their Australian office. Their corporate website had one small picture of the head office in Australia and then a full page of text to describe what Digital could do for its customers. That was their whole website. One page. That was normal in 1995 when that one page could take a minute or two to download because of slow connection speeds.

My point of saying all of that is that the internet was in its infancy. In June 1995 there was 23,500 website online and I had already built my new website from scratch. In 2017 there is 298 million website with a ton being created every day - as a comparison.

I spent years changing my website and re-building it. I won't go on about all of the details about the advanced group I belonged to who were developing the ground roots of what we now know as e-commerce.

In 1999 my website was featured in a book sponsored by Visa titled "Selling Online – How to Become a successful e-commerce merchant." I began getting calls from colleges wanting me to speak to their business classes about this new way of selling.

By 2005 I was doing quite well and the bulk of the debt my Dad built up was paid off. Sales were growing but I knew I wanted more. I was still doing less than 1 million per year and it was frustrating. Profitable but a lot of work.

In 2005 a friend suggested I take a course (challenge) called the 30-Day Challenge. It was run by Ed Dale and Frank Kern. I thought I knew everything I needed to know about selling online, but I wondered if I could learn something. The challenge taught you how to pick a topic. Develop a product and get your first order online within 30 days. It was a race to see who could do it first. I came in 3rd out of a few thousand people which got me a free ticket to a huge conference in California. At that conference, I was privileged to hear some of the greatest marketing minds tell the crowd their spin on how to sell your idea online and offline.

That changed my life. That led me to brilliant minds like Dan Kennedy, Dean Jackson, Joe Polish, Dan Sullivan, Gary Halbert and so many other brilliant minds. I've since sat one-on-one with many of these greats.

My sales easily sailed past a million dollars a year, then two million per year and then more. It's been a fun ride and business got easier as I learned more from these great minds. I'm certainly a lucky guy.

With copyright protection you can move forward and get a really good sketch from an artist (a couple hundred dollars) and a detailed write up from her and go out and sell that idea. Or even better, get a prototype of your idea to photograph and test some marketing.

Start with a higher price because it's much easier to lower your price in the future.

If this guide gave you some answers or questions, let me know either way.

Thanks.

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<https://customplush toys.com>