

GENERATOR POV · THE FUTURE OF PLAY

Marketing Toys & Games In The New Family + Fan Ecosystem

October 2026

Key Takeaways: The Future Of Play In 30 Seconds

Five numbers that explain where toy and game growth is coming from, and who it’s coming from.

+17%	US toy sales in H1 2026, the strongest first half in six years	**Toys are growing again**
~60%	of H1 2026 toy gains came from teens and adults	**Play has aged up**
39%	of US toy sales are licensed, and growing +24%	**Fandom drives demand**
#1	Bluey was 2025’s most-streamed US title, with 45.2B minutes	**Streaming builds preschool franchises**
3-digit	growth in squishy and sensory toy sales through April 2026	**Kids want to touch, collect and share**

The bottom line: one plan for every audience no longer works. Brands need distinct growth engines for preschoolers and parents, kids, teens, and adult fans.

Source: Circana (Jun & Aug 2026), Nielsen via Variety (Jan 2026)

Turning Complexity Into Growth: Generator’s POV



At Generator, we approach every brief with a simple goal: **turn complexity into growth.**

This perspective explores how toy and game brands can unlock growth in a rapidly shifting ecosystem—one where kids discover through creators and streaming, parents guide decisions, and teens and adult fans are among the fastest-growing buyers.

Three areas of opportunity stand out:

Audience Dynamics: How influence shifts from preschoolers and parents to kids, teens, and adult fans, and what that means for brands.

Spaces & Places: The age-appropriate places where families and fans discover toys and games, both digital and physical.

Opportunities for the Category: How brands can build distinct growth engines for each age group, from preschool to adult fans.

Our POV is not just about where toys are marketed, it’s about how brands can **lead the category forward** by connecting play, culture, and commerce in new ways.

Turning Complexity Into Growth

We apply Generator's growth philosophy to toy marketing.

Begin & End with BI – Insights and analytics drive smarter targeting and activation.

Brand as the Growth Driver – Toys fuel identity, imagination, and collectability.

WOAS (Waste of Ad Spend) – Eliminate wasted impressions by focusing on incremental growth channels.

Disruption – Challenge toy category norms with hybrid play, cultural storytelling, and AR/VR.

Tech Infused – Leverage AI, dynamic retail media, and creator ecosystems to keep brands ahead.

The New Rules Of Play: Four Shifts Redefining the Category



01

Fandom And Games Lead The Growth

Growth is concentrated in games, licensed products and collectibles, while plush and preschool soften.

02

Reach Every Age Where It Plays, Safely

Kids under 13 through YouTube Kids, kid-safe CTV and co-viewing with parents; teens and adults through TikTok, Instagram and creators.

03

Teens & Adults Are the Growth Engine — Not a Side Audience

Older buyers now drive most of the category's gains. Brands should make sure their marketing connects with teen fans and adult buyers.

04

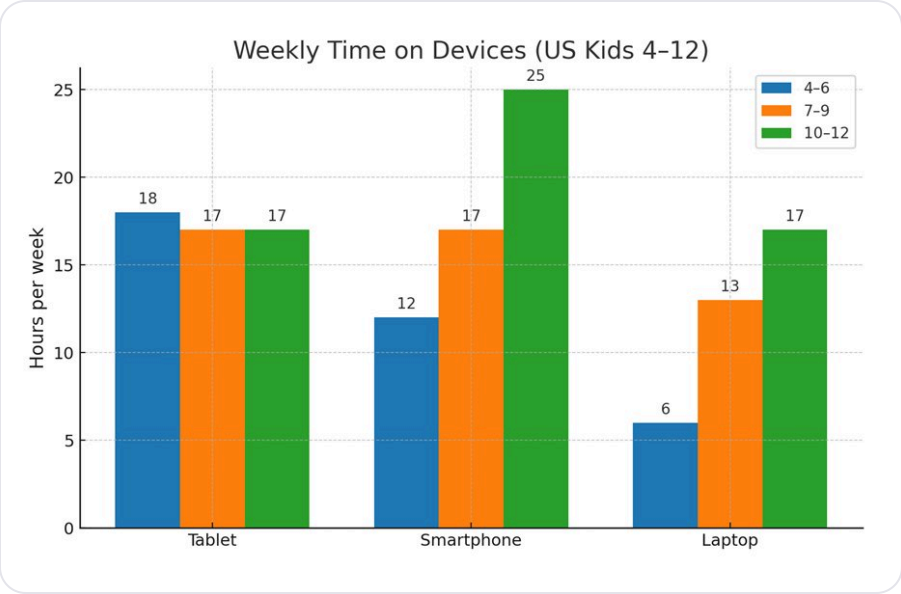
Fandom Fuels the New Collector Economy And Passion Is The New Currency

Creators, drops and collecting turn products into fandoms. Winners keep fans engaged between launches, with the right channel for every age of collector.

The New Reality of Kids and Play Is Digital-First



- Gen Alpha is **curious, imaginative, and playful**, but also the first generation of true **tech natives**. By age five, most can already navigate smartphones, and by age ten they spend **20–25 hours per week on devices**.
- Their play mixes physical and digital, which makes the tabletop a rare moment when the whole family plays together, screen-free.
- Their digital immersion brings **shorter attention spans and multi-screen habits**, with YouTube Kids, family streaming and Roblox shaping how they learn and play.
- Older Gen Alpha (13+) are **social natives**: about 9 in 10 teens use YouTube, and 6 in 10+ use TikTok and Instagram.



Why This Matters

Reach kids under 13 only in kid-safe, COPPA-compliant spaces and through their parents, and older Gen Alpha (13–16) on TikTok, Instagram and YouTube with teen-appropriate content and creators.

Source: Playwire, SuperAwesome, Mintel, Roblox (Q2 2026), FTC, Pew Research Center (Dec 2025), Circana (Aug 2026)

52% of parents say their child's input is the biggest factor in what they buy

Kids Inspire, Parents Approve

Market Drivers:

- Kids' influence is strong: 52% of parents say child's input is the biggest factor, rising to 75% when combined with learning
- Kids spark the wish list: 55% of parents buy the specific toy or game their child asks for
- Parents remain key gatekeepers, especially for kids under 5, where growth + education drive purchases
- Nostalgia drives purchases: 84% of parents want to pass on toys and games from their childhood

Implications:

- Win with both audiences: kids (humor, creators and collecting) and parents (trust, value and screen-free play).
- Build kid excitement through kid-safe video and family co-viewing, reach teens through creators, and win parents at retail.

Source: Playwire, SuperAwesome, Mintel, Exploding Topics, Circana (H1 2026)

Kidult Kingdom: Nostalgic Fans Fuel Franchise Power



Adult Homes: 55% of US Toy Sales

- **Nostalgia and Identity Fuel Purchases:** Millennials and Gen Z adults treat collectibles, retro characters, and premium merchandise as expressions of self and comfort, not just novelty
  - More than half of 2026 toy growth through April came from female recipients, led by adult women
- **Social Media & Fandom Culture Amplify Demand:** Collecting has become a social experience, with limited-edition drops and fandom communities making collectibles into cultural status symbols
- **Psychological Drivers at Play:** Beyond nostalgia, motivations include stress relief, escapism, and a desire for emotional connection making collecting a form of self-care

Why This Matters:

The collector wave is real, and it is aging up. Brands must lean into limited drops, collector communities and adult play to tap into loyalty and premium demand.

Where Brands Can Play In The Kidult Wave

Fan & Party Games

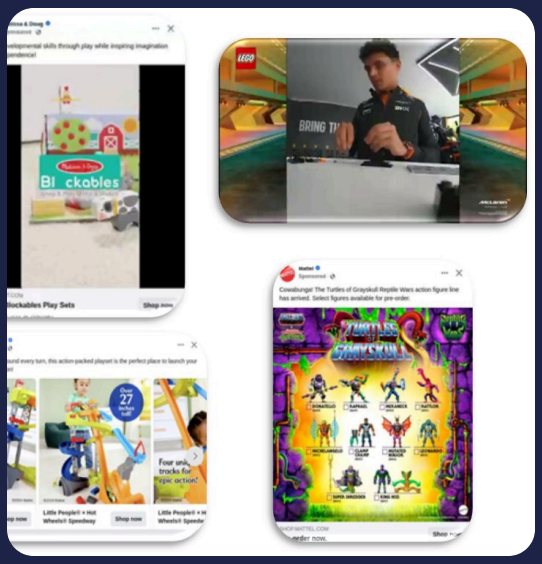
Nostalgia Classics

Pop-Culture Licenses

Collectible Drops

Source: Circana, eMarketer, Exploding Topics

The Future of Toy Advertising: Smarter, Faster, More Diverse



Fandom and trading cards capture most of the category's buzz, leaving many family, preschool and owned brands under-represented on TikTok Shop, Roblox, retail media, and in off-peak windows.

Channel Focus: Digital is a must

- **CTV, YouTube Kids & Streaming:** Linear still anchors holiday; kid-safe CTV and family co-viewing reach young families more efficiently
- **Social (13+):** TikTok and TikTok Shop reach teens, adult fans and parents, not kids under 13; the US joint venture (Jan 2026) removed ban risk
- **Retail Media:** Amazon, Walmart, Target, and Five Below networks close the loop from discovery to cart
- **Search:** Protect brand names and capture high-intent holiday gifting queries

Messaging Strategies

- Brands are blending storytelling, humor, and ASMR-style sensory content, focusing on the moment of play and the reactions it creates

> **Why This Matters:**
>
> Brands must build a connected ecosystem with the right storytelling for each age (kid-safe for under-13s, creator-led for teens and adults) tied to retail conversion.

Source: Circana, eMarketer, Generator analysis

Kid-Safe Advertising: The Rules Have Tightened

Apr ’26

compliance deadline for the FTC’s updated COPPA rule

Opt-in

separate parental consent now required before kids’ data is shared for targeted ads

15+

states with children’s online privacy or social media laws

- **COPPA is now enforced:** since April 22, 2026, sites and apps covered by COPPA must get separate parental consent before sharing a child’s data for targeted advertising.
- **Stricter data rules:** the updated rule adds limits on how long children’s data can be kept and broadens what counts as personal information.
- **States are going further:** at least 15 states now have children’s online privacy or social media laws, and several restrict targeted ads to minors.
- **Age checks are spreading:** Texas’s app-store age-verification law is in effect, Utah, Louisiana and Alabama have passed similar laws, and California’s device-level age signals begin in 2027.

Why This Matters:

Kid-safe isn’t a constraint, it’s the plan: contextual and co-viewing media, kid-safe platforms, first-party parent relationships, and creator content with clear ad disclosures.

Source: FTC COPPA Rule amendments via Kirkland & Ellis (Apr 2025) and Hunton (Apr 2026); Keller and Heckman (2026); Mayer Brown (Jan 2026); RecordingLaw (Aug 2026). Not legal advice.

What Does This All Mean For The Category?

Toy and game brands shouldn’t market one portfolio to one audience. They should build distinct growth engines around how each age group discovers, desires and buys.

01

WIN THE HOUSEHOLD, NOT JUST THE PRESCHOOLER

Earn parent and grandparent trust with screen-free benefits, proof points, co-viewing moments and retail.

02

BUILD KID FANDOM THAT’S SAFE TO SHARE

Fuel collecting, creators, humor and drops for 5–12s through kid-safe video, gaming and retail, with parents in the loop.

03

TREAT TEENS AS FANS, NOT KIDS

Reach 13+ through creators, social and drops that let them collect, trade and show off.

04

MAKE ADULT PLAY A SEPARATE GROWTH BUSINESS

Reach adults around fandoms, nostalgia, game night and gifting, not as an extension of children’s toy media.

The opportunity isn’t to spread media dollars across more channels. It’s to build the right ecosystem for each audience and then connect discovery, fandom and commerce all the way to purchase.



The future of play belongs to brands that outsmart, not outspend, by bringing kids, parents, and fans to the same table through one seamless ecosystem where age-right storytelling, fandom, and real-world play collide.