

Where Consumers Shop for Toys and Games

January 2023

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INTRODUCTION

Scope

Key findings

INDUSTRY SNAPSHOT

Global growth rate remains elevated

Traditional toys and games returns to positive growth in real value terms

US remains ahead of South Korea with the highest per capita spend on toys and games

Pandemic boosts demand in construction, the most popular toy category

New-generation game consoles help drive demand

Supply chain constraints and inflation impacting the toy industry

CHANNEL SHIFTS

Non-store retailing now accounts for almost two thirds of retail value sales

Store-based retailing still dominates sales in Middle East and Africa

E-commerce expected to continue eating into physical stores' sales globally

Ongoing switch from physical to digital gaming

STORE-BASED CHANNELS

Modern grocery retailers generate the most store-based sales in toys and games

Specialist retailers losing share, but still have a role to play

Traditional toys and games stores channel records strong sales growth in 2021

Tru Kids ensures that Toys "R" Us remains at the head of the rankings

Toy stores offer an experience for children that cannot necessarily be replicated online

Reliance Retail putting its faith in its Hamleys and Rowan store network

Private label only really operates in traditional toys and games

Western Europe and Asia Pacific account for the bulk of private label sales

NON-STORE CHANNELS

E-commerce dominates video games sales

E-commerce continues gaining share in toys and games

E-commerce growth slows in 2021 for traditional products after 2020's demand spike

Livestreaming and virtual reality will help drive digitalisation of toys and games

Latin America and Eastern Europe record the strongest CAGRs

Amazon continues to dominate global online sales

FUTURE DEVELOPMENTS

Dolls and accessories sales to more than double in China over 2021-2026

Sustainability will be increasingly to the fore in the coming years

AR/VR headsets sales rise as interest in the metaverse intensifies

No kidding – adults buying toys and games represent a growing consumer segment

Key takeaways

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