



WORLD OF TOYS

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BUSINESS GUIDE

New York

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Sources: All information is based on the cited sources as of Monday, 29 July 2024

1. General market

1.1 Demographics

With a population of almost 342 million people, the United States of America rank third in worldwide comparison.

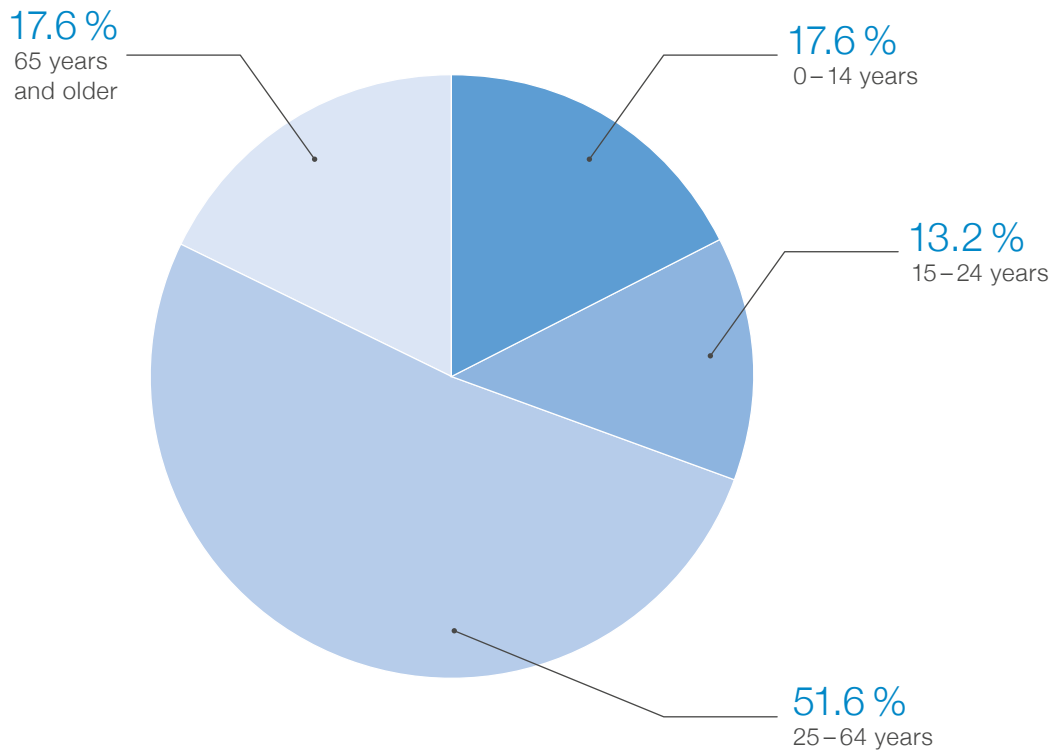
Especially throughout the eastern half and the western tier states, large urban clusters can be found. The major areas of denser population are New York-Newark, Los Angeles, Chicago, Houston, Dallas-Fort Worth and Washington D.C. The overall population density lies at 37.2 people/km².

Sources: United States – The World Factbook (cia.gov)
Wirtschaftsdaten kompakt – USA (gtai.de)
Current World Population (worldometers.info)



Population structure – 2023

Source: United States – The World Factbook (cia.gov)



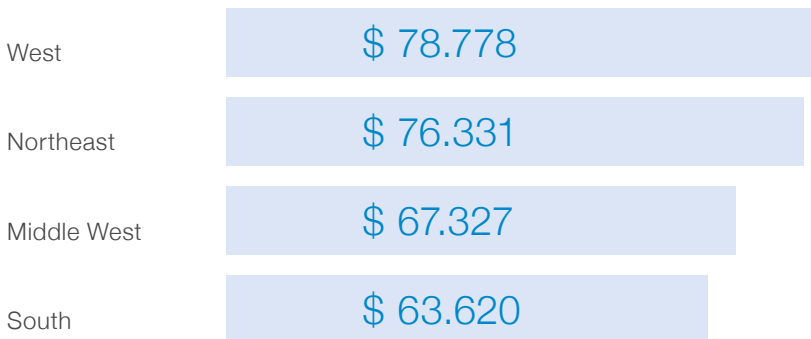
1. General market

1.2 GDP and consumer behavior

- Total GDP: \$ 27.358 bn
- GDP per capita: \$ 81.632

Americans only save 18.1 % of their GDP per capita. The rest is available for spending.

Spent amount on consumer goods per region per capita per year



- The more the population consumes, the faster the economy grows and vice versa. Therefore, the share of private consumption of the GDP is 67.5 %.
- US consumers often behave impulsively. 70 % of the participants of a study stated that they buy consumer goods fast and without much thought. Special Offers or other visual features (such as “NEW!”) can be particularly effective in sales.

Sources: Consumer unit characteristics and average annual characteristics for the U.S. and regions, 2020-21 (www.bls.gov)
United States Private Consumption: % of GDP (ceicdata.com)



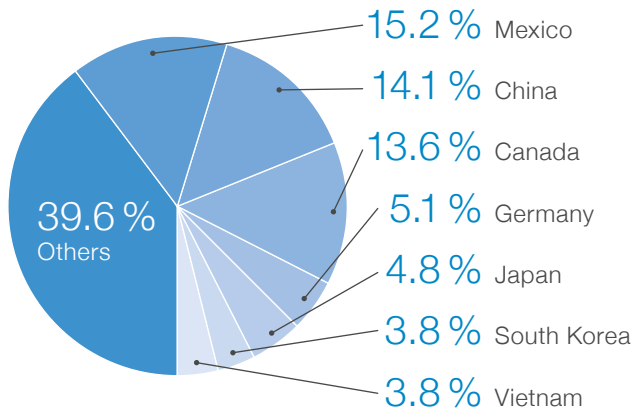
1. General market

1.3 USA trading partners

The United States imports and exports goods on a large scale. Two of their largest trading partners are Mexico and Canada as they share borders with the USA. China is the largest supplying country of the US while only placing third in the buying countries. Germany is the largest supplier of the US from Europe.

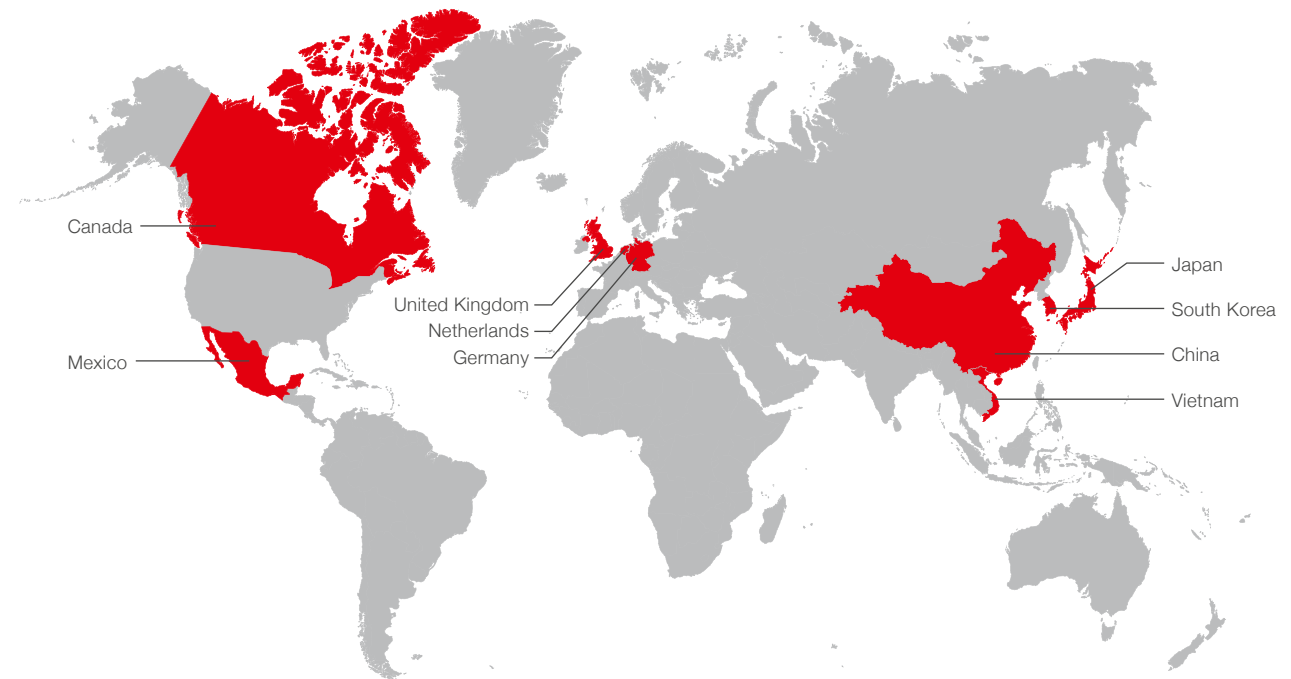
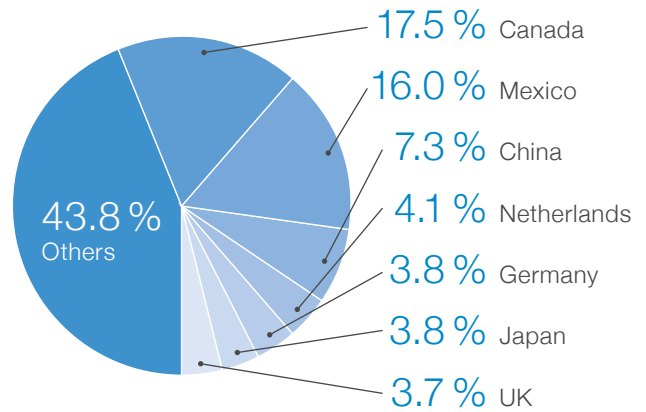
Main supplying countries – 2023

Source: Source: Wirtschaftsdaten kompakt – USA (gtai.de)



Main buying countries – 2023

Source: Source: Wirtschaftsdaten kompakt – USA (gtai.de)



2. The American toy market

2.1 General information

The United States is the worldwide leader in the import of toys, games and sports requisites, with a total import value of approximately \$50.9 billion. This allows for a great opportunity to enter the market for international toy manufacturers.

- The annual total economic impact of the toy industry in the USA adds up to \$102.8 billion making it the largest toy market in the world.
- It is estimated that **around \$3 billion** in toys are sold annually. These generate \$32.6 billion in retail sales.
- The toy industry in the US provides about 573.379 jobs and produces more than \$33.8 billion in wages.

Source: Economic Impact Data (toyassociation.org)



2.2 Consumer behavior

Consumer behavior in the US market is shaped by a range of cultural, social, and economic factors. The US has a diverse population with varying preferences based on age, income, and location. However, there are some common trends that foreign investors should note when entering the market.

The US market is known for its high standards of quality. Consumers are willing to pay more for products that meet their quality expectations, though price remains a crucial consideration, especially during economic downturns.

Brand loyalty is significant in the US. Many consumers stick to specific brands, making it challenging for new businesses to break into the market.

Convenience is highly valued by US consumers, which has led to the rise of online shopping. People prefer shopping online because it saves time and is more convenient. More consumers are using smartphones to make purchases.

Source: Understanding the US Consumer Market: Key Trends and Insights (researchfdi.com)

2. The American toy market

2.3 Sales channels

The success of sales channels varies based on the product. Despite the rise of digitalization, online shopping is not always the dominant sales channel. For example, 75 % of Americans buy toys from regular retail stores, making it the most popular channel. Meanwhile, 58 % purchase toys online, and this channel continues to expand. Additionally, 25 % of Americans buy toys from specialty toy stores. This channel should not be overlooked as interest in specialty toys, including those from international manufacturers or brands, is growing.

Source: Where do you shop most often for toys? (statista.com)

2.4 Toy categories

Trending Categories with the highest growth are as follows:

Traditional toy categories	2021	2022	2023	2022 vs 2021 % change	2023 vs 2022 % change
Grand total (US POS – 71 % coverage)	\$30.10	\$30.30	\$28.00	1.0 %	–8.0 %
Action figures & accessories	\$2.20	\$2.30	\$2.00	5.0 %	–13.0 %
Arts & crafts	\$1.30	\$1.30	\$1.20	2.0 %	–8.0 %
Building sets	\$2.70	\$2.90	\$3.10	8.0 %	8.0 %
Dolls	\$3.90	\$3.40	\$2.90	–11.0 %	–16.0 %
Explorative & other toys	\$2.50	\$2.80	\$2.50	14.0 %	–12.0 %
Games/Puzzles	\$3.50	\$3.60	\$3.50	1.0 %	–2.0 %
Infant/Toddler/Preschool toys	\$3.80	\$3.70	\$3.40	–2.0 %	–9.0 %
Outdoor & sports toys	\$6.00	\$5.40	\$4.50	–10.0 %	–16.0 %
Plush	\$1.90	\$2.50	\$2.60	–34.0 %	1.0 %
Vehicles	\$1.80	\$1.80	\$1.80	–0.0 %	0.0 %
Youth electronics	\$0.50	\$0.50	\$0.40	–9.0 %	–11.0 %

Source: U.S. Sales Data (toyassociation.org)

2. The American toy market

2.5 New trends

Eco-lasting Play

45 % of parents under 40 consider a toy's environmental impact when buying. Toymakers emphasize sustainability, using eco-friendly materials and focusing on durability, craftsmanship, and extended play value. Most consumers prioritize durability over quantity when considering sustainability. This trend not only supports environmental friendliness but also values toys that adapt and grow with children, offering long-lasting quality and heirloom potential.



Anime & Friends

Anime's popularity is soaring in 2024, significantly impacting the toy industry. Teens and adults engage deeply with the anime community through conventions, online forums, and social media, participating in discussions, fan art, and cosplay. Streaming services like Crunchyroll, Netflix, and Max have made anime more accessible, shifting it from niche to mainstream. This enthusiasm influences various product categories, including children's toys. Notably, Bandai's Tamashii Nations store in Times Square and crossover promotions like Spy X Family in Japan and Disney's films highlight this trend.

Eerie Enchantment

Mystical and magical toys are captivating both children and adults by merging fantasy with reality. This trend is fueled by a renewed cultural interest in spooky, mystery, and horror genres in movies, TV, and literature. Expect toys with new technologies, hidden features, secret codes, and evolving narratives that engage curiosity and the thrill of discovery. A key driver is the 2024 license for "Wednesday," a top-viewed English-language Netflix series that broke records with 341 million hours watched in its first week.



3. American etiquette

Greeting

When doing business in America, it is polite to stand and give a brief and firm handshake with eye contact. This should be done regardless of age, gender or seniority. “How are you” is considered a standard greeting and “Fine thanks, how are you?” is an appropriate reply.

In the US you usually address others by their first name. If you are uncertain, you may ask how the other person would like to be addressed or otherwise play it safe by using the last name.

Communication

It is not considered appropriate to discuss income, age, politics or religion or to voice a strong opinion on these topics during small talk. It is best to remain with neutral topics such as hobbies, entertainment or sports.

The communication style in USA is considered direct and to-the-point. Being straightforward is seen as trustworthy and efficient. However, disagreement should ideally be non-confrontational.

Meetings

Being punctual is of high significance when meeting. You are expected to listen actively and participate in the meeting's conversation. Using your electronic device or staying silent can be interpreted as having no interest.

Business cards may be exchanged. Do not be surprised when this is done with little formality. Quickly tucking away a business card for future reference is not considered a sign of disrespect.





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