

CHINA TOYS & GAMES MARKET – A growing segment offering attractive opportunities

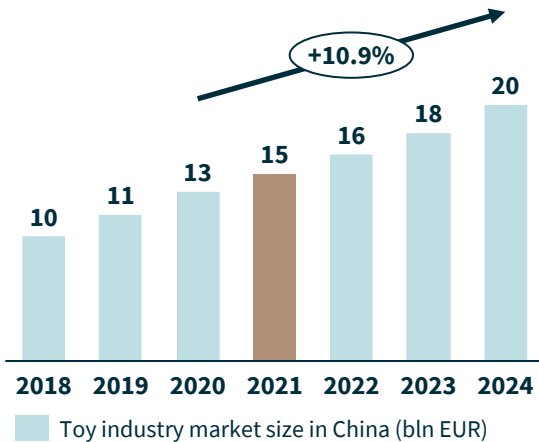


How T&G companies master the Chinese e-commerce market

The adoption of digital technology and the creation of platform business models helps companies to get closer to their customers and derive data-driven decisions



Toys & Games Market China – an opportunity you shouldn't miss



The **global toys and games market** reached a value of **242 bln EUR in 2020** growing with **5% CAGR** between 2021 and 2024.

China, which is one of the **leading toy markets** in the world, is expected to reach **15 bln EUR in 2021**, and grow further at double the global rate providing attractive business opportunities for domestic and international toy manufacturers.

Drivers to the growth of Toys and Games segment in China

Economic Growth

Sustained economic growth has led to a rise in the middle class with disposable income who are willing to provide for non-essentials to their kids



Relaxation of one-child policy

The government's policy push to encouraging young couples to have more kids will mean that toys companies are looking at a significant increase in the market pie size



Shift towards electronic toys

Tech advancement and adoption is catalyzing the shift of kids (as well as their parents) towards increased adoption of electronic toys



E-commerce adoption

The accelerated **adoption of digital technologies** and digital platforms is fueling the growth of the Toys & Games industry in China



Double reduction policy

The government is trying to reduce the academic burden on kids so that they can spend more time for all round development leading to a possible increase in demand for toys and games

Demand is fuelled by the country's **economic growth**, **rising disposal income** and **strong e-commerce adoption amongst others**. There has been a change in the mindset of people towards all round development of their kids by means of games; the industry is expected to boom.

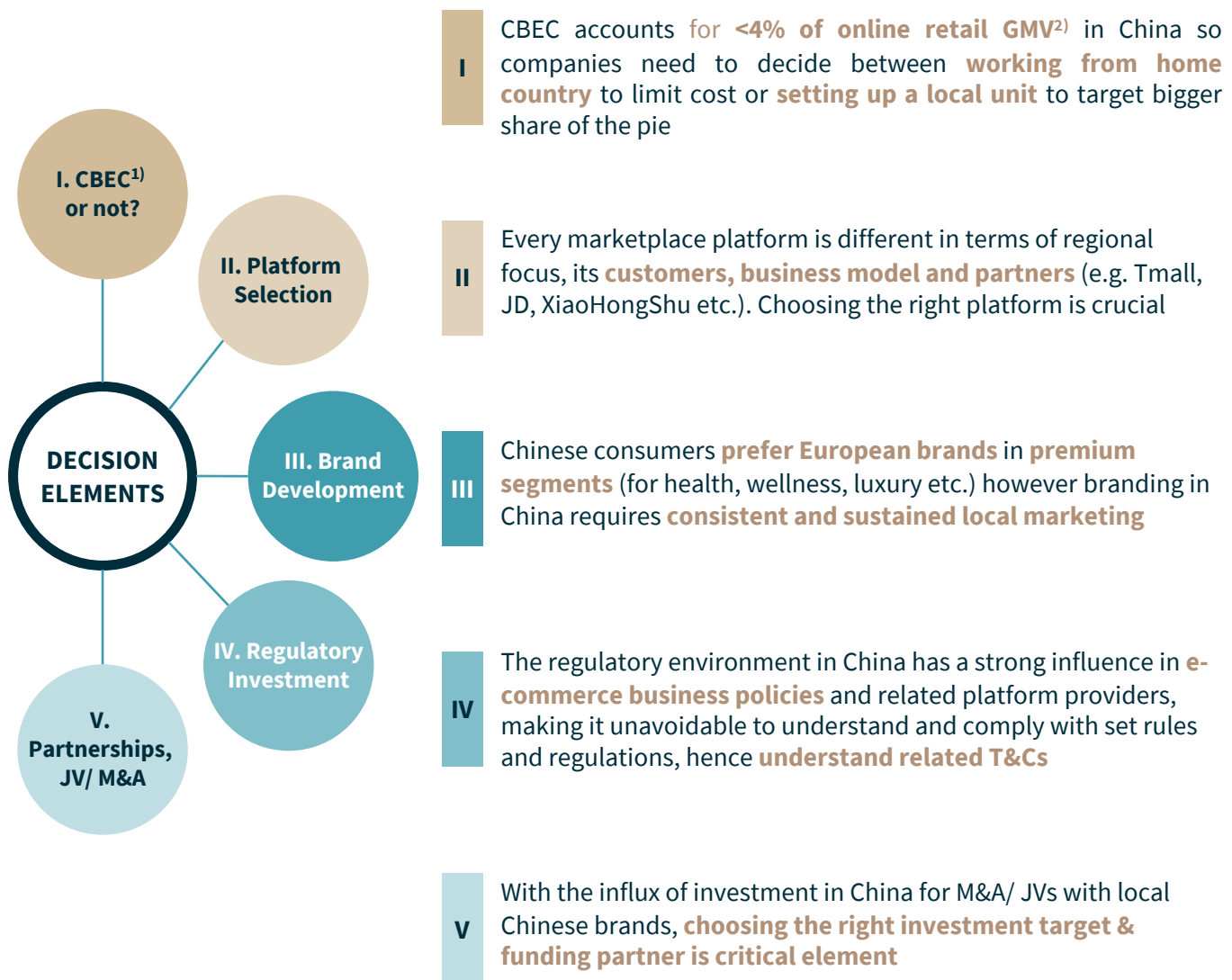


GAMES AND TOYS SALES - facilitated by strong e-commerce focus

E-commerce sales in China is **growing at >24% CAGR, almost 2 times the global average**. Rising AI and high-tech innovations and increased interest in educational toys, paired with social-cultural shifts, stimulate increased **growth of 5% CAGR** for toys & games sales in China. **Direct-to-customer digital channels** are the dominant way engaging with consumers in China, making it imperative for companies to be present on relevant online platforms.

Challenges faced by Toys & Games companies seeking to grow in China

The e-commerce landscape in China **although attractive** is **difficult to comprehend and navigate** for new companies, **especially for foreign entities** without the expertise and knowledge of ideal channels and partners



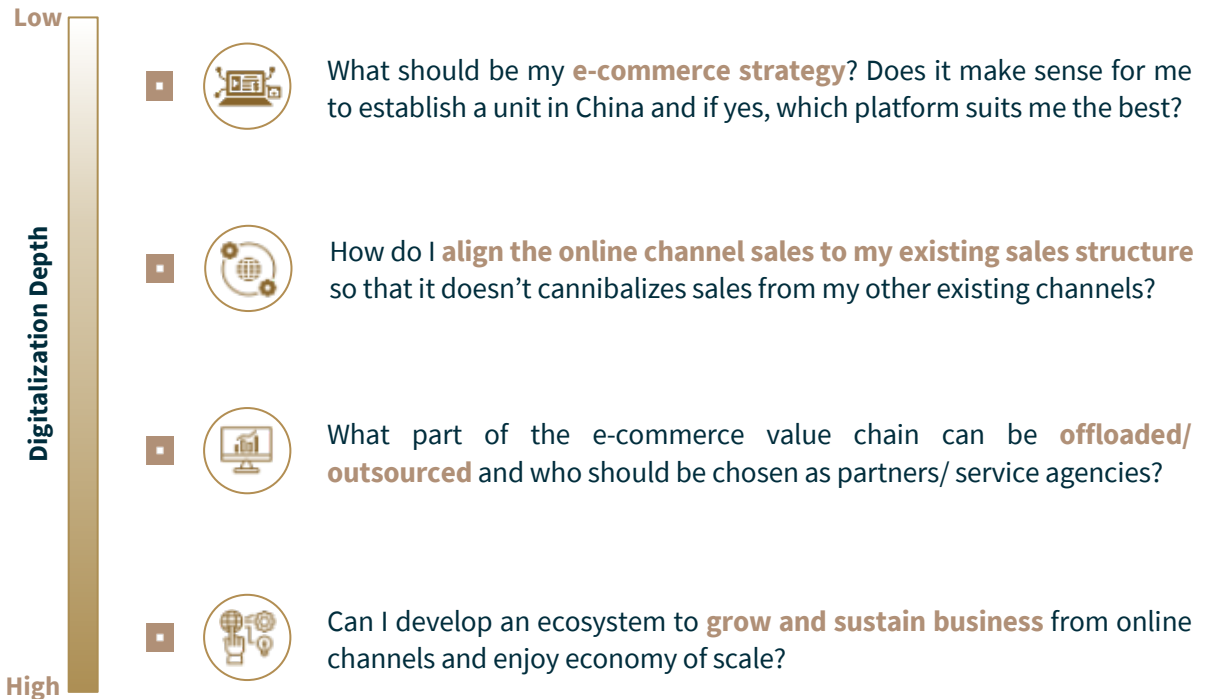
¹⁾ Cross Border e-commerce

²⁾ Gross Merchandise Value



E-COMMERCE IN CHINA – EAC will assist you to become successful

If you have one or more of the below questions for which you have not reached satisfactory answers yet, EAC can assist you sharpening your roadmap to become successful in the Chinese market.



MARKET ANALYSIS



- Addressable and obtainable market
- Competitive landscape analysis
 - key players, operating models, engagements
- Partnership and operational eco-system

PLATFORM SELECTION



- Selection of best fit platform/s
 - CBEC or local e-commerce
 - use of own website vs. third party platforms
 - marketplace vs. e-retailers
- Business Modelling

BRAND DEVELOPMENT



- Product landscape
 - product characterization, USPs, pricing etc
- Digital touch points and success measurement
- Sustainability conceptualization (ESG)

PARTNERSHIP ECOSYSTEM



- Supply Chain/ marketing partners
 - vertical integration vs. outsourcing
- Strategic/ tactical co-operation and partner/s
- M&A, JV, investment target selection support



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> 25 years of consulting experience in

> 50 countries with

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