



Indian Toy Industry - Overview

Overview

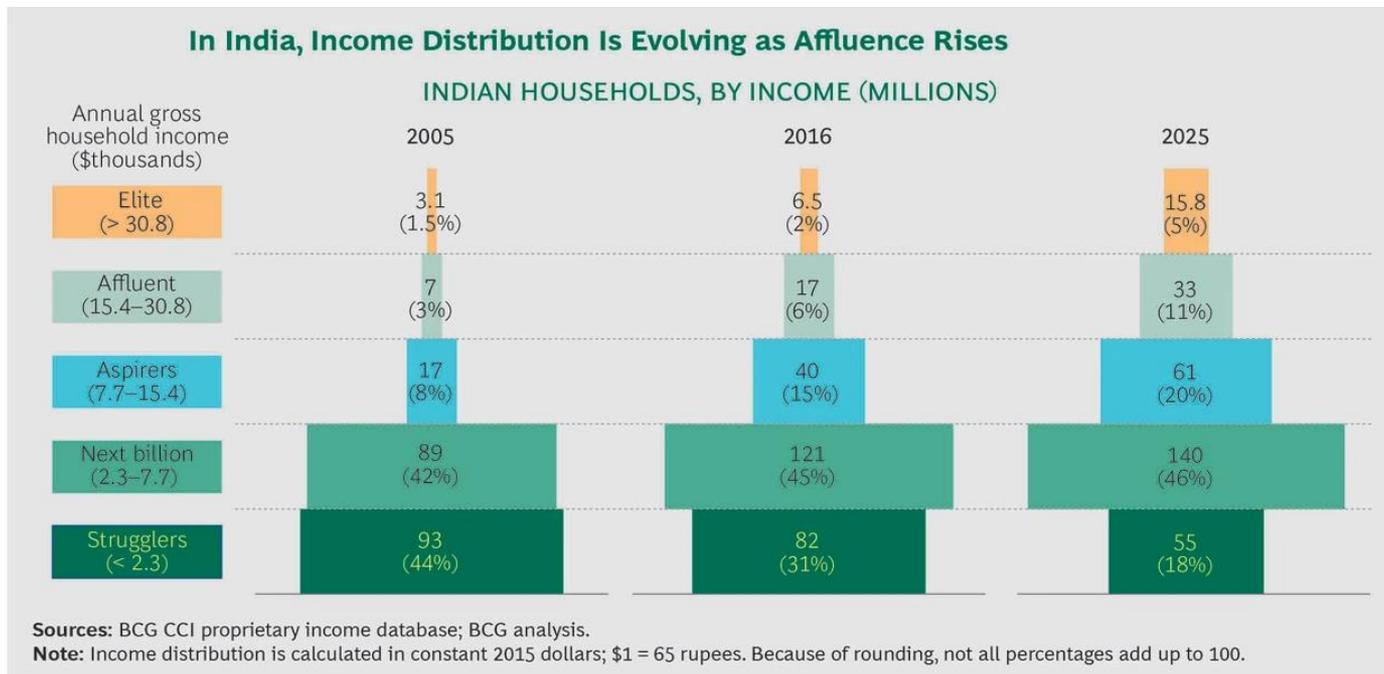
- ▶ The Indian toys market was worth US\$ 1.3 Billion in 2017, registering a CAGR of 15.8% during the year 2010-2017.
- ▶ The market is further projected to cross US\$ 2.9 Billion by 2023, at a CAGR of 13.9% during 2018-2023.
- ▶ On a geographical front, Maharashtra currently represents the largest market. Maharashtra is followed by Tamil Nadu, Karnataka, Gujarat, Delhi and others.
- ▶ Due to the increasing awareness of branded products and the growing popularity of action figures and cartoon characters, the demand for international brands is on the rise.

Market Drivers

- ▶ With a population of around 1.3 Billion, India is the second largest populated country in the world.
- ▶ India's population includes an above-average number of young people. The share of children aged 0-14 is over 27 %.
- ▶ A high birth rate of 19 children per 1,000 people makes India an attractive market for toys.
- ▶ Consumers have more disposable incomes and their spending patterns have also changed.
- ▶ Online sales channels have recently witnessed a boom in India with the evolution of smartphones and other digital media. It has appeared to be one of the fastest growing distribution channels for toys in India.

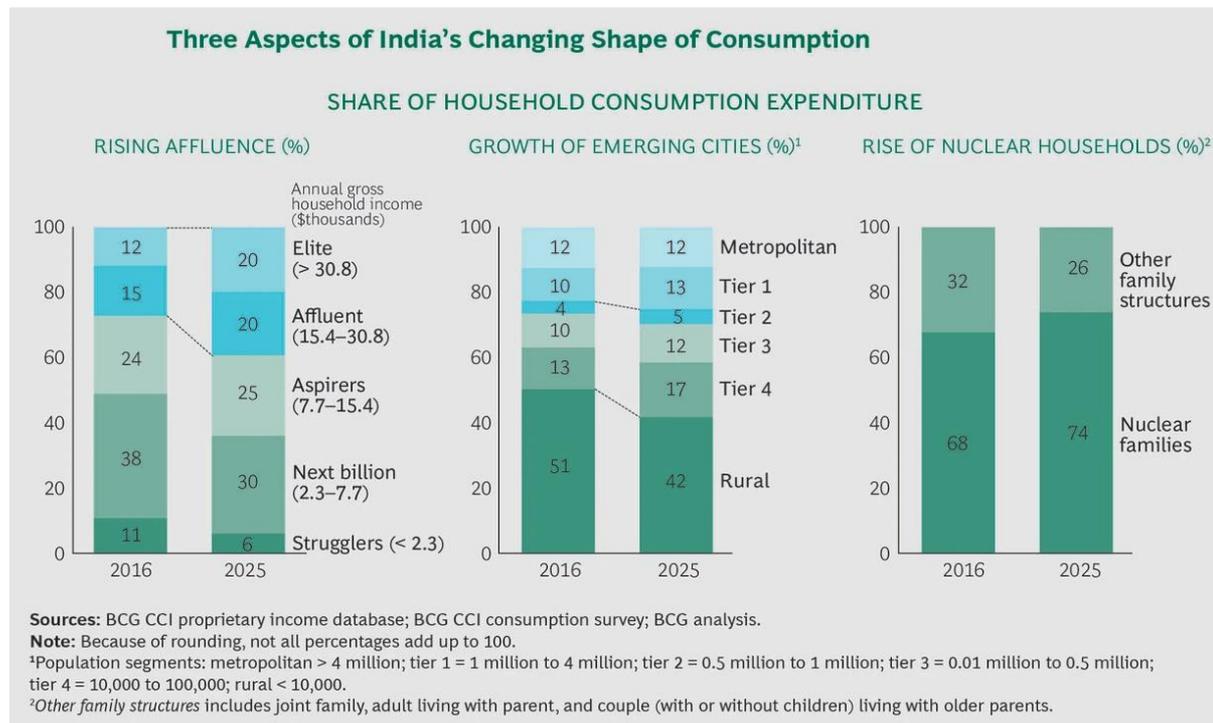
Income Distribution is Evolving

Rising affluence is the biggest driver of increasing consumption. Of India's five household income categories (elite, affluent, aspirers, next billion, and strugglers), the top two income classes are the fastest growing. From 2016 through 2025, the share of elite and affluent households will increase from 8% to 16% of the total while the share of strugglers will drop from 31% to 18%.



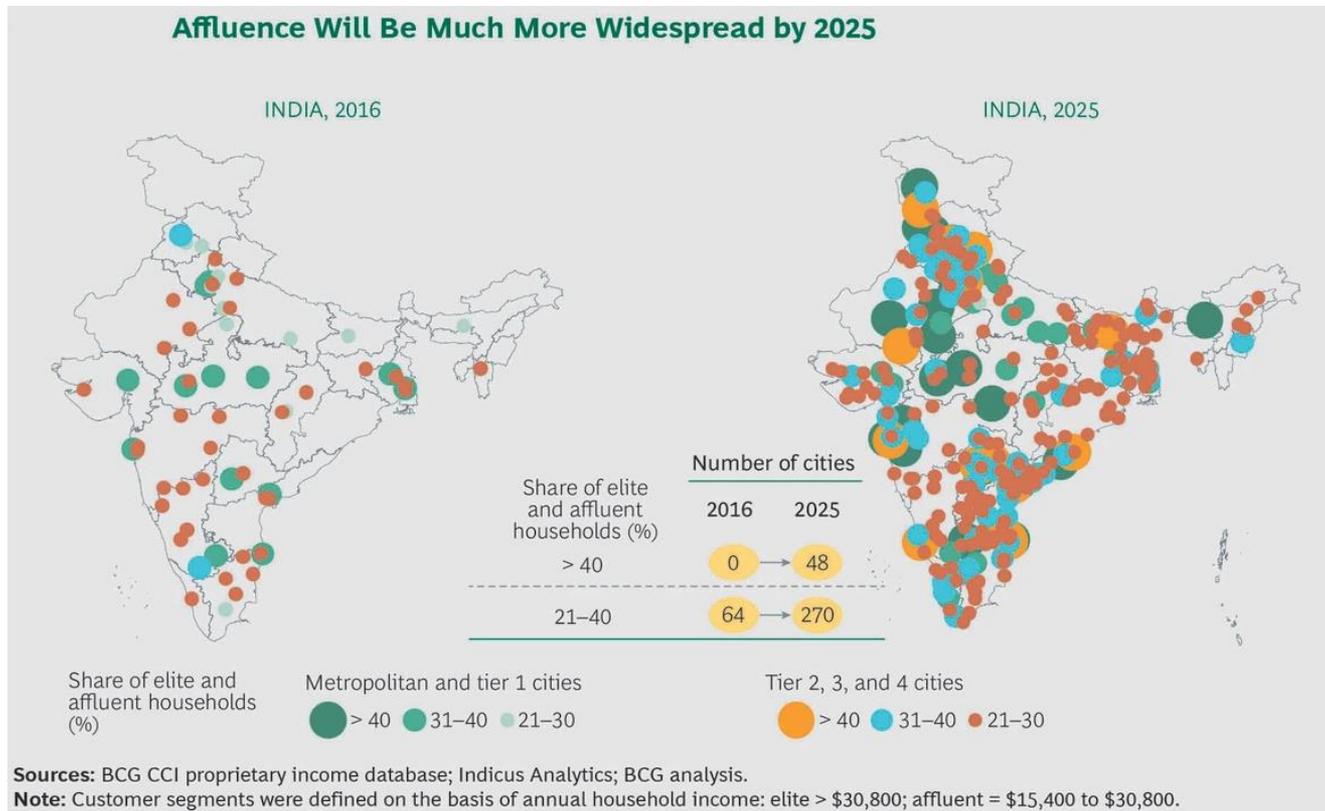
India's Changing Shape of Consumption

Companies today need to focus on three aspects of India's fast-growing consumer market: rising affluence, the country's continuing and unique pattern of urbanization, and fundamental shifts in family structures. Consumer behaviors and spending patterns are shifting as incomes rise and Indian society evolves. These shifts have big implications for how companies position themselves now.



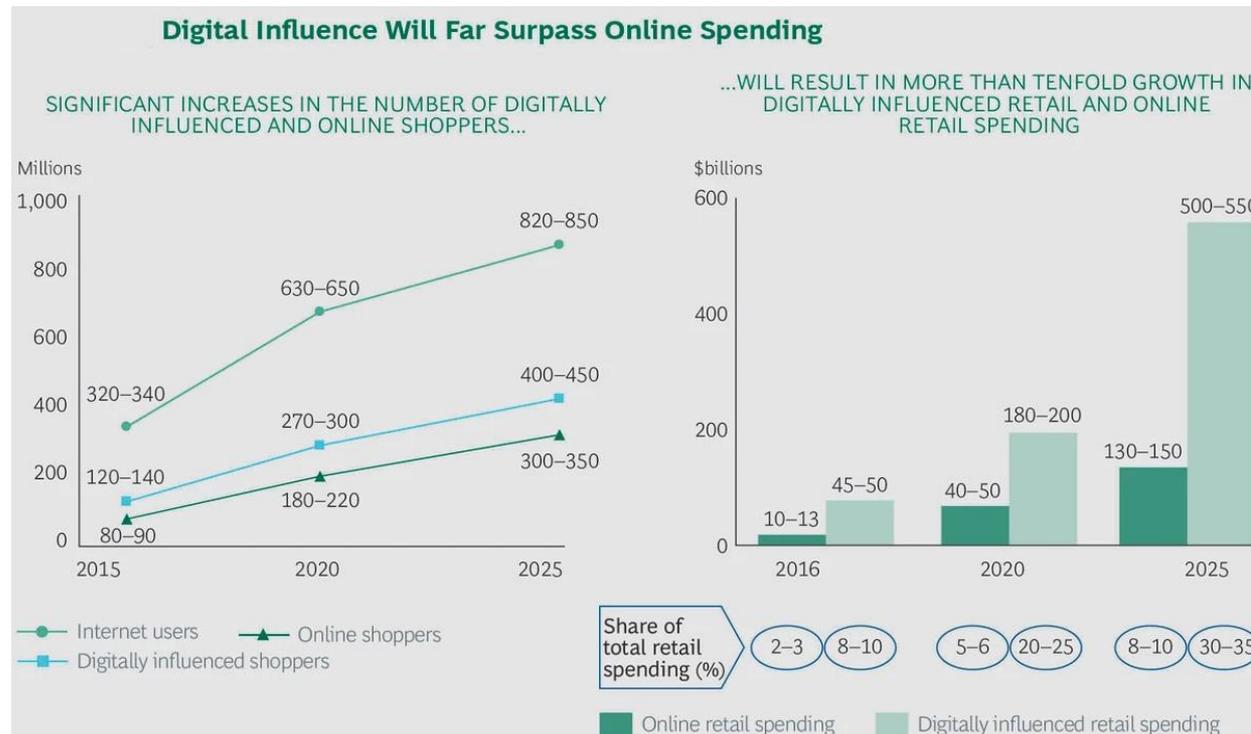
Continuing Urbanization

About 40% of India's population will be living in urban areas by 2025, and these city dwellers will account for more than 60% of consumption. Much of this growth will take place in small towns.



Online spending is taking off

Continued growth in internet penetration and rising e-commerce adoption will drive further growth in the number of online buyers. Multiple factors are behind the rising adoption of e-commerce channels. These include the strong value proposition offered by online merchants, proliferating payment platforms, strengthening delivery logistics, and significant financial investment in the sector.



Edutainment

Toys are no longer viewed as fun elements. Parents increasingly view toys as tools to develop a child's intellect. Toys are designed to develop social, cognitive, physical, linguistic, sensory and motor skills in a child. Leading toy retailers around the world have started to highlight the developmental aspect of toys while displaying it in stores or selling them online. An increasing number of manufacturers are designing and highlighting these aspects in product packaging. These toys are more expensive than most leisure toys.

Similar RC Toys in Indian Market





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