

OzToys ATA Report

Australia Toys

June 2015 Issue

AUTOMOTIVE

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ENTERTAINMENT

FASHION

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HOME

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SPORTS AND LEISURE TRENDS

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TOYS

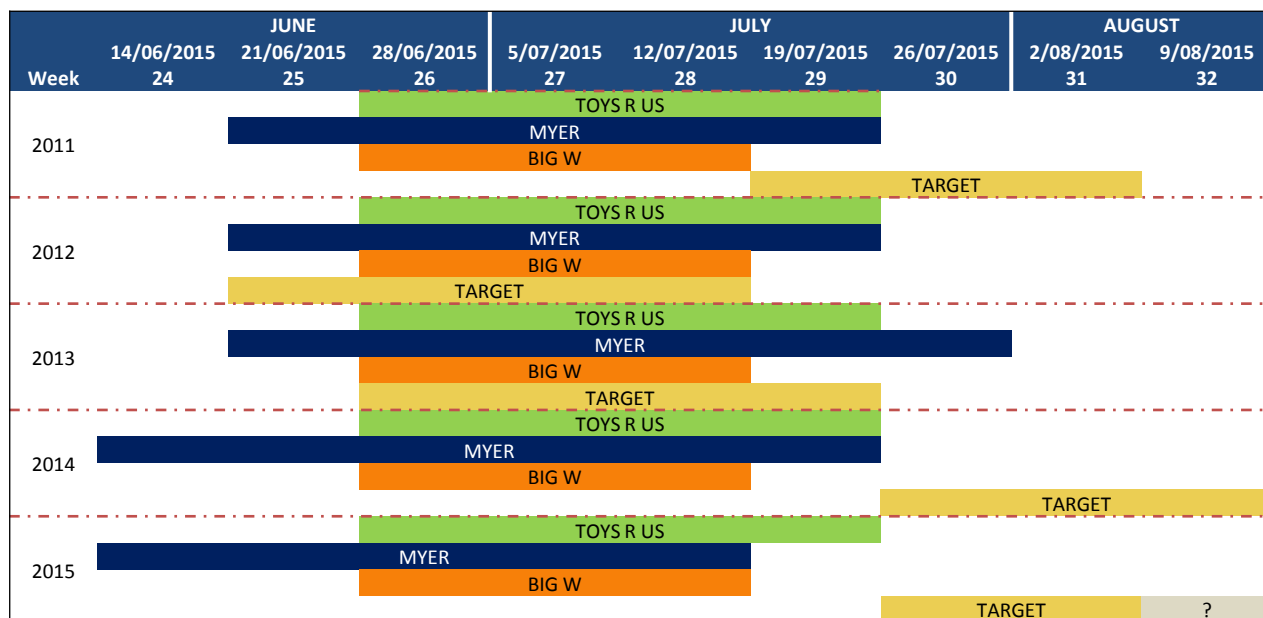
VIDEO GAMES

Industry Trends

Toy Catalogue is now well underway, with Myer, Toys R Us and Big W all having launched their mid-year sales. All of the retailers have adopted similar strategies to 2014. Target has now announced that they will launch their Toy Catalogue from the 22 July 2015, but they are yet to announce when this will end. If they decide to adopt the same strategy as last year, we can expect this to finish in the week ending 9 August 2015.

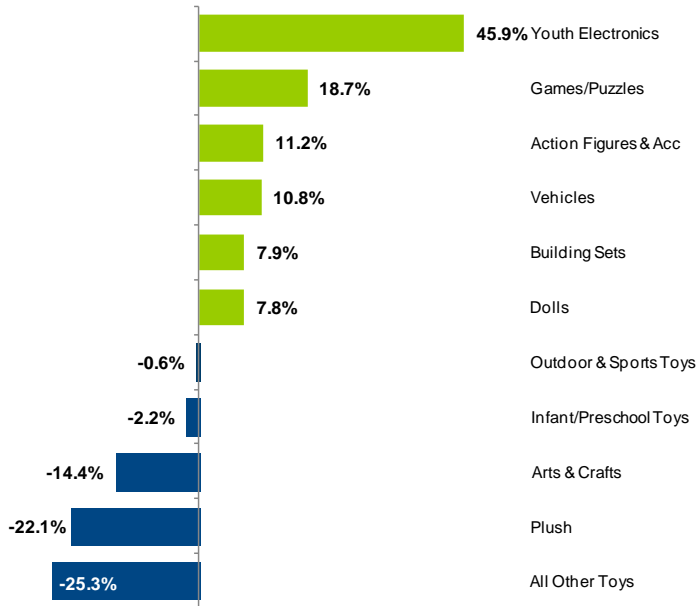
In terms of performance, June 2015 is lower both in value and in units compared with June 2014, declining 2.4% and 1.3% respectively. By contrast, in the YTD, both value and units have increased, with value increasing more quickly than units. They have recorded an increase of 1.6% and 0.4% respectively. This implies that 2015 has experienced a rise in the sale of higher priced toys compared with 2014, which is a direct impact from the looms fad last year which dragged the ARP down.

Toy Catalogue schedule by Retailer

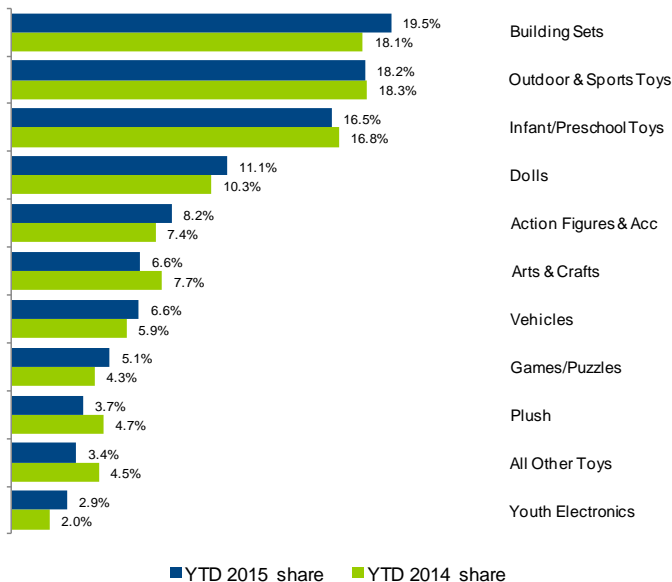


Category Trends

Value Change YTD

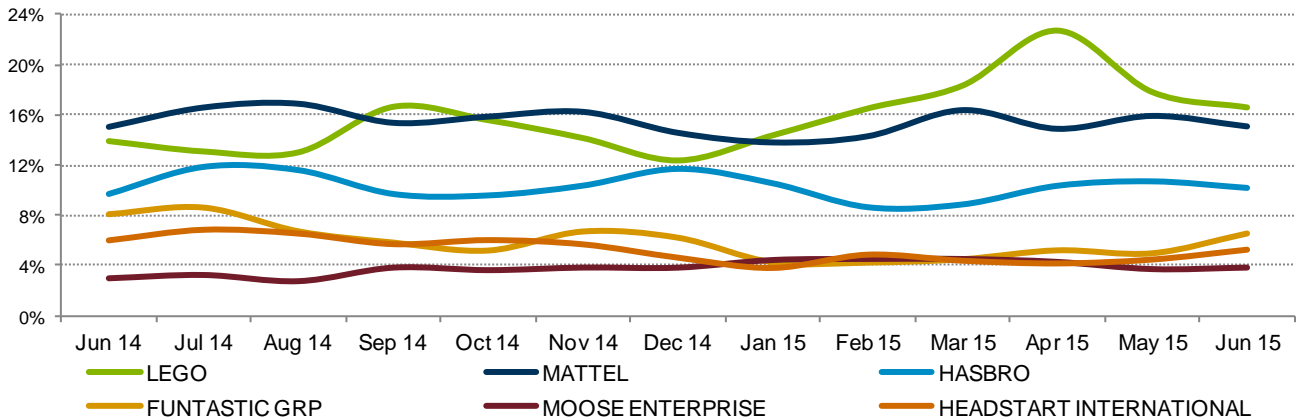


Category Share YTD



- 6 out of the 11 categories in the toys market have grown in the YTD while 5 have been in decline.
- Youth Electronics* continues to be the leading growth category in the toy industry, growing by 45.9% in the YTD, which continues to be driven by the widely popular Little Live Pets, Zoomer & Digibirds .
- The *Games & Puzzles* category also continues to perform strongly with 18.7% growth YTD, with Monopoly and Pokémon driving this growth. Last year, the category was the second smallest in the market but now *Games & Puzzles* has also overtaken both *Plush* and *All Other Toys* with 5.1% of the market.
- Action Figures & Vehicles* have both recorded around 11% growth in the YTD. The *Action Figures & Accessories* category growth has been driven by the Avengers property, which alone has added \$3 million worth of value. For the *Vehicles* category, the Monster Jam and Hot Wheels properties have been top value-adders, recording 64% and 39% growth respectively.
- As of April 2015, *Building Sets* continues to be the largest category having overtaken *Outdoor & Sports Toys* (a category where growth has flat-lined this year), and is dominated by Lego. Both the *Building Sets & Dolls* categories have recorded growth of approximately 8% YTD, with Shopkins the top property, overtaking Barbie. Shopkins has added \$6.5 million of value in the year to 30 June.
- All Other Toys, Plush, Arts & Crafts* and *I&P* categories are all in decline. The reversal of last years loom band effect continues to impact the *Arts & Crafts* category, while the decline in the Peppa Pig & Pillow Pets properties are dragging on the *Plush* category.

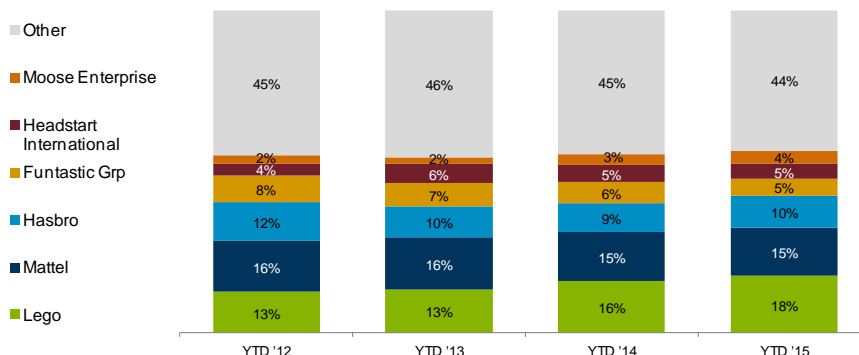
Distributor Trends



Whilst Lego remains the top distributor in the Australian toy industry, it has come off its peak in April 2015, where the company had enjoyed 22.8% market share. Lego currently holds 16.6% of the market, followed by Mattel at 15.0%. In the YTD, the top 6 distributors account for 56% of the market.

Looking at a snapshot of the month of June from 2012 to 2015, several players have been successful at gaining market share from some of the larger distributors. Key performers have included Lego, Moose, Big Balloon and VTECH, who have all gained significant market share. However, it should be noted that VTECH overtook the distribution of their own range from Modern Brands at the start of this year, and this has been reflected accordingly in the fall of Modern Brands market share. Some of the smaller companies making solid headway over the past 4 years include Rubies Deerfield, Croftminster & Global Discovery.

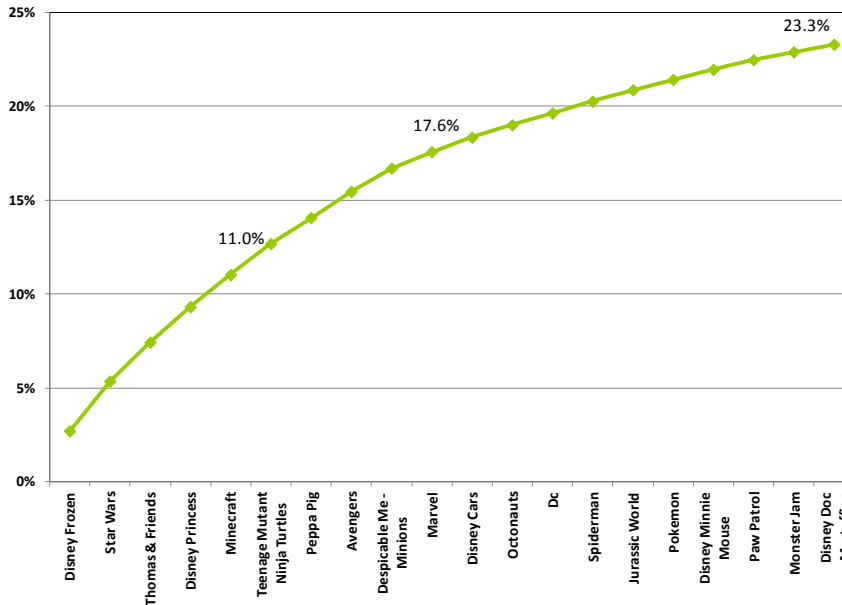
Toy industry market share by value				
Distributor	Jun 12	Jun 13	Jun 14	Jun 15
Lego	11.5%	12.8%	13.9%	16.6%
Mattel	17.9%	17.7%	15.0%	15.0%
Hasbro	13.0%	10.5%	9.7%	10.1%
Funtastic Grp	9.6%	8.2%	8.1%	6.6%
Headstart International	4.8%	8.5%	6.0%	5.2%
Moose Enterprise	2.3%	2.1%	2.9%	3.8%
Hunter Leisure	4.8%	4.8%	4.1%	3.7%
Big Balloon	1.1%	2.6%	3.7%	3.7%
Hunter Products	2.9%	3.1%	4.4%	2.0%
Vtech	0.0%	0.0%	0.0%	1.3%
Tomy	2.6%	1.7%	1.2%	1.2%
Action Sports	1.6%	1.7%	0.9%	1.2%
Crayola	1.1%	1.0%	0.9%	1.1%
Modern Brands	1.9%	2.0%	1.9%	1.1%
Rubies Deerfield	0.6%	0.7%	0.9%	0.9%
Croftminster	0.2%	0.3%	1.0%	0.8%
Kids II Australia	0.6%	0.7%	0.6%	0.7%
Global Discovery	0.1%	0.3%	0.2%	0.7%
Smart Trike	0.8%	0.3%	0.7%	0.6%
Swiftech	0.6%	0.4%	0.5%	0.6%
Other	22.0%	20.5%	23.5%	23.2%



Comparing the year to 30 June across the previous 4 years, Lego, Moose & other smaller toy distributors have been gaining market share at the expense of Mattel, Hasbro, Funtastic & Headstart

Licensing Trends

YTD Licensed Properties Cumulative Share (Total Toys)



- Top 5 licensed properties represent more than 10% of the total toys.
- Top 10 licenses contributed with more than 17.5% of total toys sales.
- Top 20 licensed toys are more than 23% of the sales in the toys industry.

Rank	Licensor	Share % of Licensed	YTD Val Chg %
1	Walt Disney	26.0%	6.3%
2	Marvel	11.8%	41.4%
3	Lucas Films	11.3%	12.2%
4	Nickelodeon	12.3%	10.9%
5	Hit Entertainment	11.4%	32.3%
6	Microsoft	12.4%	103.2%
7	Astley Baker Davies Ltd	9.7%	-30.2%
8	Universal	9.3%	135.8%
9	Dc Comics	8.7%	0.4%
10	4Kids Entertainment	6.8%	7.6%

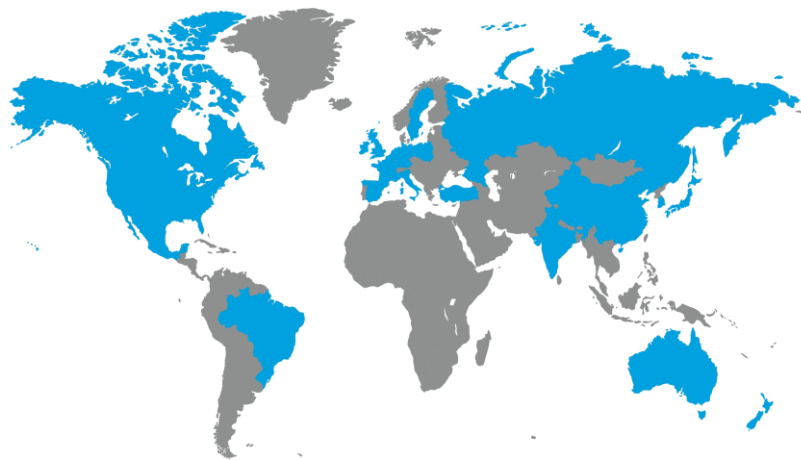
Walt Disney continues to be the top licensor, taking over a quarter of the market for all licensed toys in Australia. In the YTD, Walt Disney has grown by 6.3%, with Disney Frozen being the main contributor to this growth.

Marvel's significant growth can be entirely attributed to the Avengers property, which has grown 483% in the YTD compared with 2014. No doubt the upcoming releases of Ant-Man and Fantastic 4 will add further value still.

Lucas Films' Star Wars continues to drive growth, and we can expect this to continue to grow in the lead up to the new Star Wars film in December 2015.

Nickelodeon's growth can be attributed to the Paw Patrol license, which has been widely successful this year.

Thank You



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Entertainment
Fashion
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Office Supplies
Sports and Leisure
Trends
Technology
Toys
Video Games

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Brazil
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