

UNITED STATES: MARKET STUDY



Funded by
the European Union



INDEX

Country Profile
Trends
Consumer Behaviour
Import and Exports

Distribution Channels
Ecommerce
Best Locations for Marketing

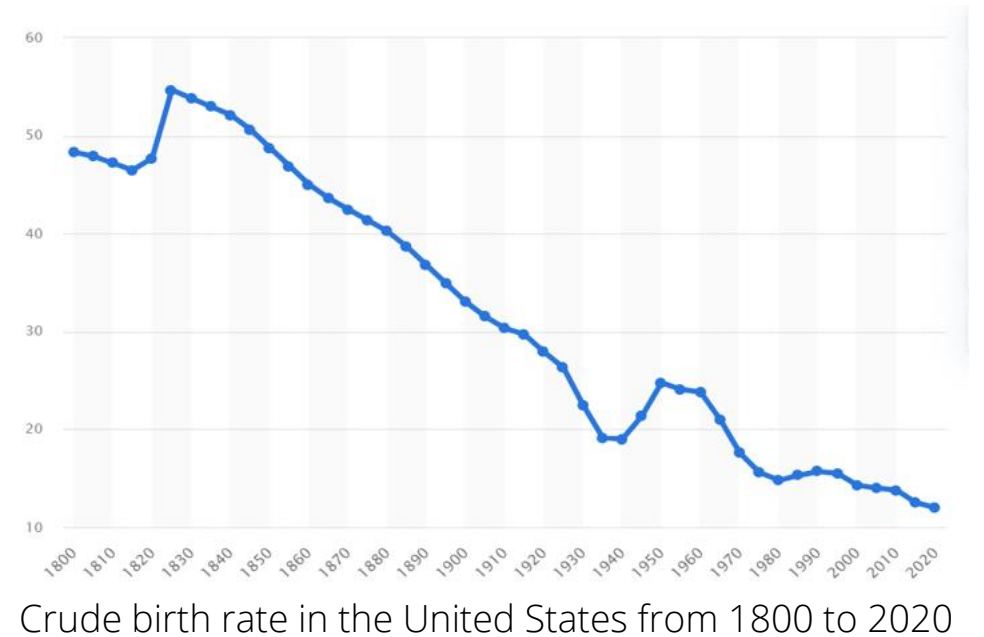
Commercial Obstacles
Circular Economy
Sustainability
Gender
SDG
Digitisation

Main Aspects to enter the market



COUNTRY PROFILE

- Area : 9,834,000 km²
- Population:331,9 million
- Median Age: 38,5 years
- Decline of birth rate
- Real GDP per capita: \$70,480 PPA (2021).
- National currency is United States Dollar (USD) (1USD=0,93 €)
- GDP growth rate: 2.6% (annualised rate, third quarter of 2022)
- Gross national income \$23.4 trillion (2021)



TRENDS IN THE SECTORS

TOYS

- Toy industry sales have increased 2%, reaching 36,7 billion USD.
- The sales revenues have increased 30% in comparison to 28.300 billion USD generated in 2019 after the pandemic.
- Plush toys experienced the biggest growth of 32%, followed by action figures, construction sets and accessories with 12%, exploratory toys and other toys at 10%.
- Outdoor and sports toys and dolls had the biggest decrease in sales, falling down to 7% and 8%, respectively.
- Pokémon was the one that achieved most sales, followed by Star Wars, Barbie, Marvel Universe and Hot Wheels.
- Average American family spends around \$581 a year on toys.

APPAREL MARKET

- Uni-sex clothing is gaining in popularity, as it recorded a 27% increase in 2020.
- Trends are driven by: fashion, popular culture and technological advancements.
- Growing of sustainable fashion.
- Challenges include increasing competition, easily changing preferences and rising costs of production.
- 46% of fast fashion retailers reported a drop since 2020, whilst 55% consumers show interest in sustainable brands.

TRENDS IN THE SECTORS

FOOD

- According to a study the US child food market was valued at around \$70 billion in 2020 and is expected to reach nearly \$90 billion by 2026.
- The most popular brands of children's food in the United States are Gerber, Beech-Nut, Ella's Kitchen or Happy baby. These brands focus on healthy, organic products for children, as well as gluten-free vegetarian options.
- Growing concerns about the sugar, salt, and fat content of children's foods, as well as the use of artificial food colours and additives.
- Organic food is gaining market share as it accounts for about 50% of total baby food sales in the US.

BOOKS, FURNITURE & LINENS

- Leading brands in the furniture market are: HomeStore, Ikea, Rooms to go...
- Adoption of smart home technology.
- Book sector is a highly competitive market.
- Growing trend in children's book to show a bigger diversity and representation.

CONSUMER BEHAVIOUR AND MARKETING

- Toy industry can find a niche among adults, who are nostalgic for their childhood = kidult (example: adults welcome campaign launched by Lego (2020).
- US children's product consumers are very price sensitive.
- A quicker pace of brand changing, compared to the pre-Covid period. 36% consumers have tried different brands and 73% intent to continue to incorporate new brands (2020).

Regarding MARKETING:

- Growth of online shopping.
- Concern and more interest around environmental issues.
- 17% of people rely on Instagram when making a fashion choice, doubling the figure shown five years ago.
- Study conducted in 2018 showed 81% of parents allowed their children <11 to watch YouTube.



IMPORT POTENTIAL

Imports realized by the US represent 13,1% of total world imports and its ranking in world imports is 1.

The most in-demand goods for final consumption are cars, clothing, medicaments, furniture and toys.

- Main providers: China, Germany, Hong Kong, Taiwan and Italy.

The following graph shows the main providers of a series of products of interest

Product	Main Provider	Quantity (USD) (2021)
Clothing (HS 6111)	China	2.172.213.000
Toys (HS 9503)	China	19.680.481.000
Books (HS 490300)	China	683.893.000
Bedlinen, table linen (HS 6302)	India, China and Pakistan	7.568.371

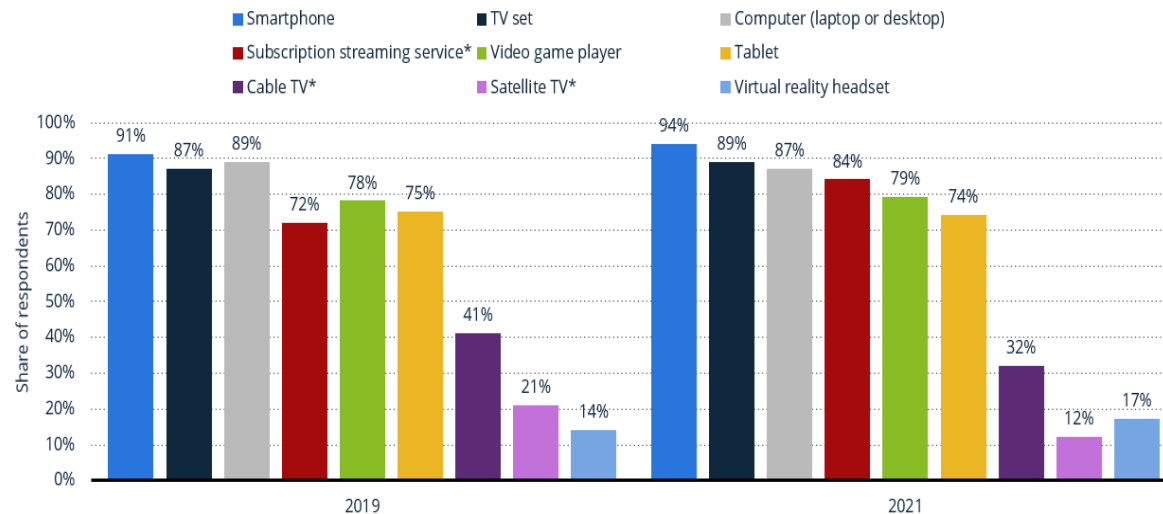


DISTRIBUTION CHANNELS

For the older customer, the **physical channels** are to be preferred since the opportunity to touch and even try the products before purchasing is very important. Walmart is the leader of offline retail, followed by Target.

Younger consumers tend to be more comfortable with technology, so they can enjoy customising **the online shopping** experience.

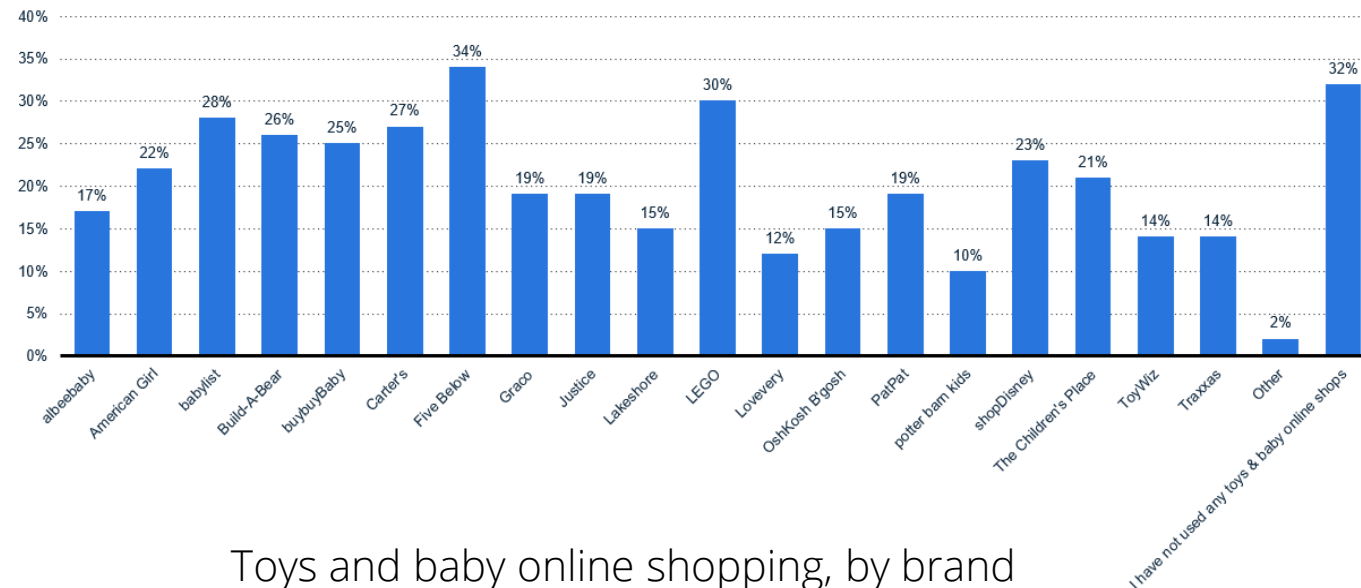
A third of American parents (34%) purchase toys and games exclusively online, while the proportion of those, purchasing toys and games exclusively offline is estimated around one fourth of all customers (24%).

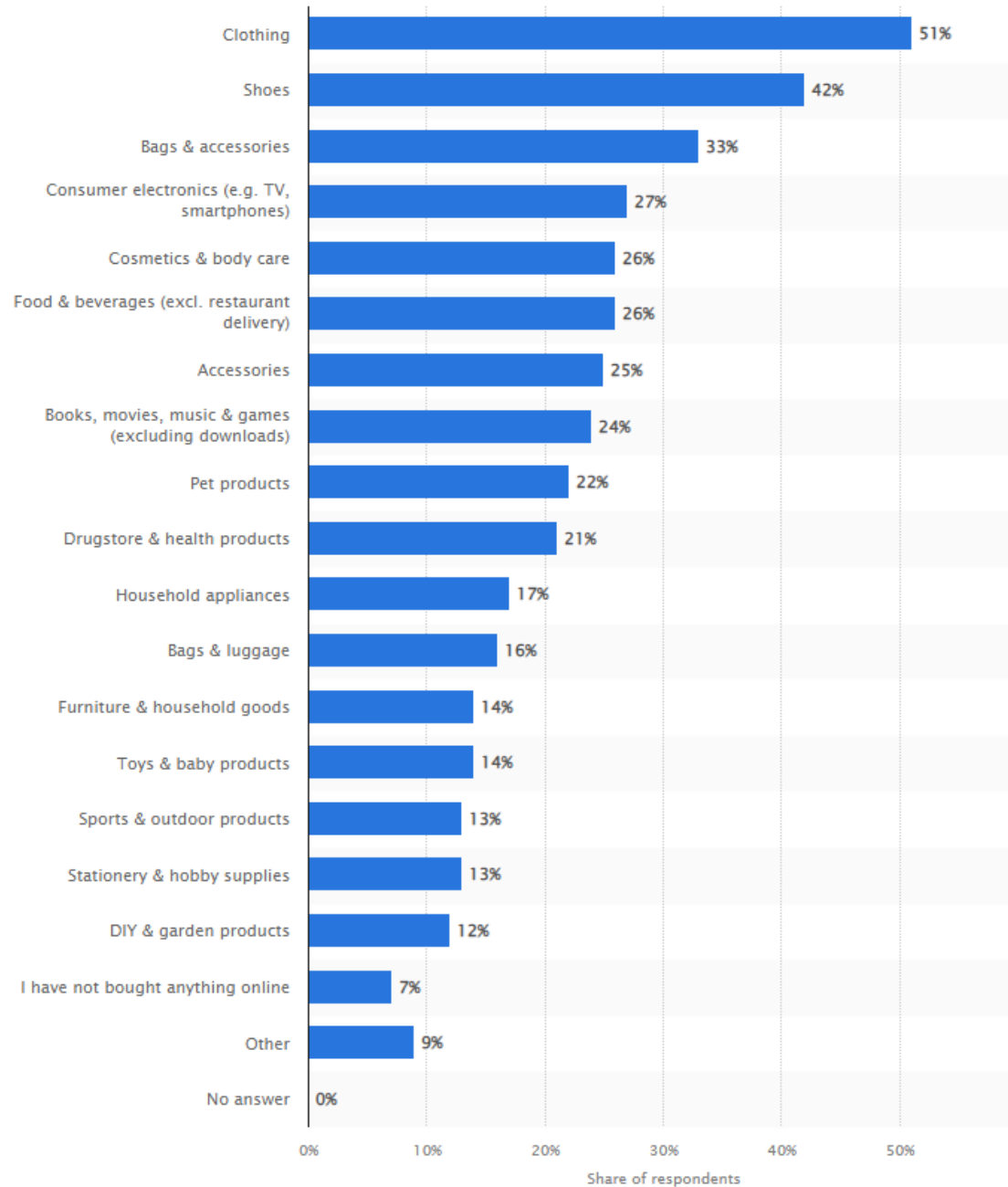


Share of children with an electronic device in their home in the US, in 2019 and 2021

E-COMMERCE

- 2nd largest market for eCommerce: generating revenue of 862.4 billion USD in 2021.
- Increase of 22% in 2021. Yearly estimated growth of 14% between 2021 and 2025.
- When buying online, the average purchase is around 3 items at a time.
- The leader in the U.S. eCommerce market is amazon.com.





Most common online purchases, by category

COMMERCIAL OBSTACLES

 Some commercial obstacles a foreign company might be submitted to:

- Importers must notify the CBP (Customs and Border Protection) Agency of any characteristics of imported goods. The CBP will examine the items and assess estimated tariffs based on their worth, they might also impose additional taxes for imported goods sold at an unusually low price. Objective: safeguard local market.
- US ranks 16th in contract enforcement. It takes aprox. 370 days to file and serve documents and conduct a trial.
- To be lawfully imported and sold in America, toys and children's products need to have a Children's Product Certificate, or CPC.
- Highly competitive market (example: local players such as Amazon, toys r Us, Disney, etc.).
- Other barriers: regulations, intellectual property rights, high import costs, etc.

CIRCULAR ECONOMY



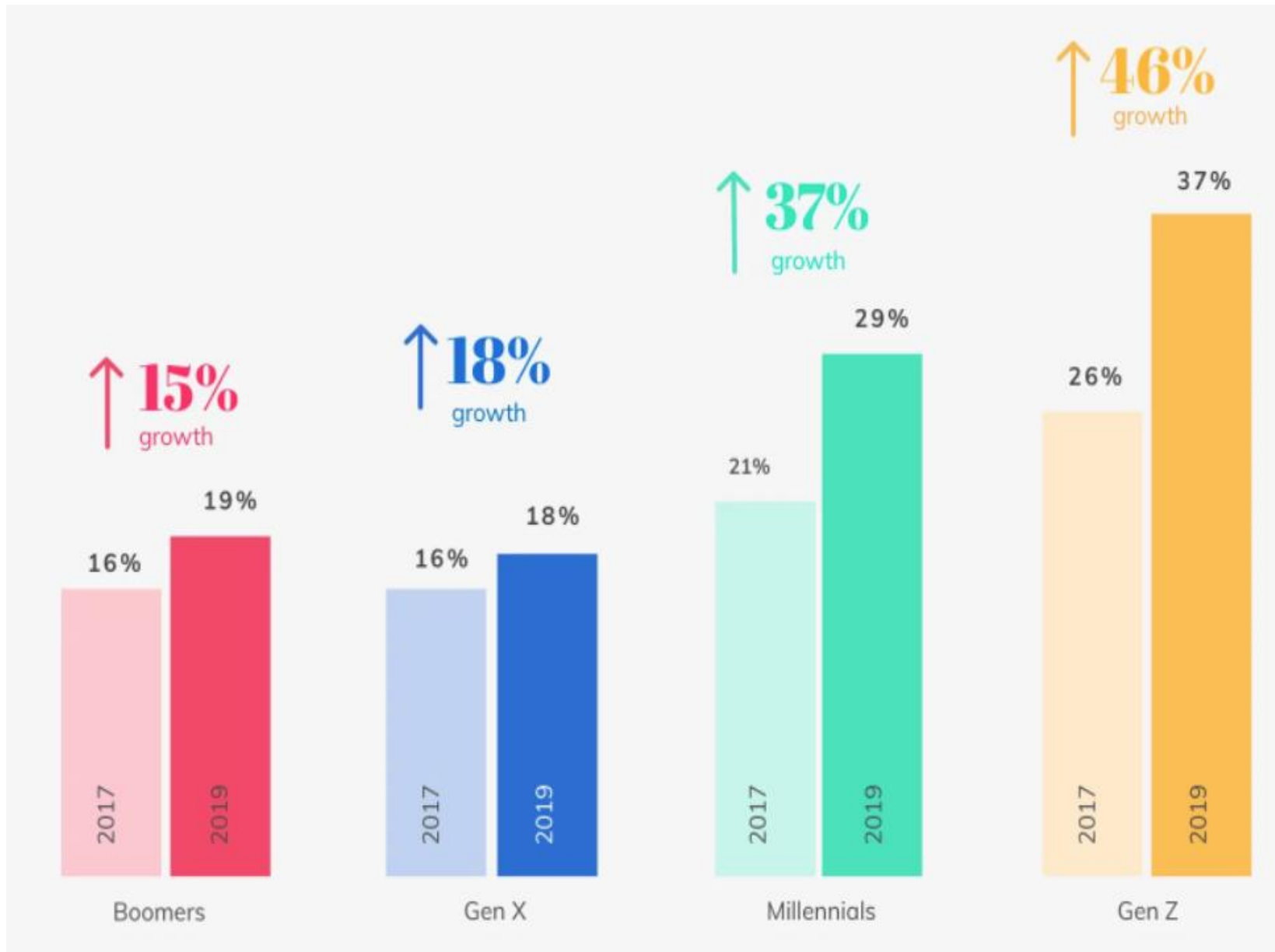
The United States has promoted certain actions at a national level to reduce waste, organized in these categories:

- Improve Markets for Recycling Commodities.
- Increase Collection and Improve Materials Management Infrastructure.
- Reduce Contamination in the Recycled Materials Stream.
- Enhance Policies to Support Recycling.
- Standardize Measurement and Increase Data Collection.



SUSTAINABILITY

- The use of new sustainable materials is being investigated and implemented.
- Nearly two-thirds (64%) of Americans are prepared to pay more for sustainable products, and 78% of individuals are more likely to purchase a product that is explicitly marked as environmentally friendly.
- Men aged 25-34 are the most likely population segment to buy sustainable fashion.
- Women under 35 are the largest target for fast fashion.
- 73% of millennials are willing to pay more for sustainable brands and 55% of consumers are interested in buying sustainable fashion.



Percentage, per age group, that bought second hand apparel, footwear or accessories in 2017 and 2019

GENDER

- In 2017: 61% of people in the US considered themselves to be a feminist, even though the fact that it was the 48th country in the world in terms of gender equality in 2021.
- Children begin to conform gender stereotypes as early as age 2.
- Importance of advertisers: children are exposed to aprox. 13 advertisements a day.
- 60% of American mothers prefer to buy products without gender stereotypes for their children.
- Unisex clothing is gaining popularity.



SDG

US hasn't shown much interest, slightly lacking and in any case rating behind Korea and Chile. Many of the goals are stagnated and very few are getting better, in addition to the government having shown very little effort for their implementation.



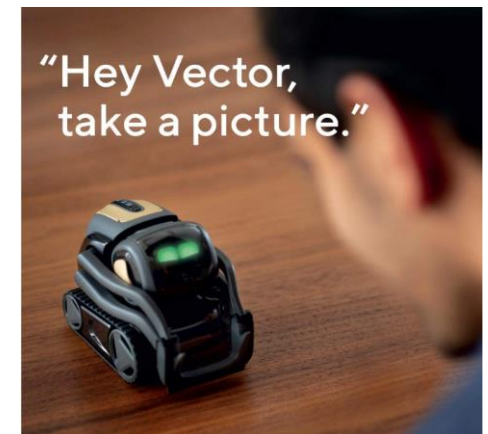
DIGITISATION

- As more kids are exposed to digital technology at an earlier age and want interactive and engaging experiences from their toys, digitisation has grown more prevalent in the toy industry.
- Creation of digital versions of traditional toys (example: monopoly and scrabble).
- Several innovative companies such as: WowWee (interactive robotic toys, like MIP), Lego Boost (children create and program their own robots) and Mattel (augmented reality).

MIP

Winner of the TOTY 2015 Innovative Toy of the Year, MIP packs a ton of gameplay into a tiny package. In addition to 7 built-in play modes, download the free iOS or Android™ MIP app to unleash even more!

[LEARN MORE](#)



MAIN ASPECTS RELATED TO ENTER THE MARKET

<p style="text-align: center;">STRENGTHS</p> <ul style="list-style-type: none"> - Can offer a different experience and atmosphere for American customers who are looking for something new and exciting. - European culture is popular in the U.S., so the group can capitalise on this interest in European products. - Superior product quality, quality materials and great attention to detail. - Innovative and unique design that could stand out from traditional American brands. 	<p style="text-align: center;">WEAKNESSES</p> <ul style="list-style-type: none"> - may be unknown in the U.S. and will need a significant marketing campaign to gain exposure. - They may face strong competition from established U.S. brands in the children's toy/clothing/furniture industry. - Production costs in Europe may be higher than those of U.S. competitors, which could affect pricing and profitability. - Cultural differences may lead to marketing mistakes and misunderstandings with U.S. consumers.
<p style="text-align: center;">OPPORTUNITIES</p> <ul style="list-style-type: none"> - There is a growing demand for quality and design products in the U.S. children's toy/clothing/furniture industry. - The brand can capitalise on the increased spending on children in the U.S. - Partnerships with U.S. retailers can help increase brand awareness and expand the customer base. - Events and trade shows can help promote the brand to US consumers and distributors. 	<p style="text-align: center;">THREATS</p> <ul style="list-style-type: none"> - Intense competition from already established U.S. brands in the children's toy/clothing/furniture industry. - International trade restrictions can increase import costs and affect profitability. - Cultural differences can lead to marketing mistakes and misunderstandings with U.S. consumers. - Exchange rate volatility can affect the Spanish brand's costs and profitability.





Thank you!



www.wearekidseu.com



[/wearekidsEU](https://www.linkedin.com/company/wearekidsEU)



[@wearekidsEU](https://twitter.com/wearekidsEU)



info@wearekidseu.com



KIDS Project Consortium is formed by:



Lifestyle & Design Cluster.

The content of this publication represents the views of the author only and is their sole responsibility it cannot be considered to reflect the views of the European Commission and/or the European Innovation Council and SMEs Executive Agency (EISMEA) or any other body of the European Union. The European Commission and the Agency do not accept any responsibility for use that may be made of the information it contains.



Funded by
the European Union