Toys and Games in the US

Contributed by Euromonitor
Tuesday, 15 October 2013

Overall toys and video game sales continue to fall in 2012. The traditional toy and games market was able to find growth after a previous year of declines, due in large part to the growth of pre-school and construction toys.

However, video games had one of its steepest declines in years, offsetting these increases. Much of this is due to the continuing growth of free-to-play games as well as the lowering of current console prices as the next generation of consoles approaches. Smartphones and tablets continue to have a serious impact With an incredible amount of growth in tablets and smartphones, the toys and game market is being radically overhauled by this large consumer base. Many traditional toy and video game manufacturers have attempted to put forward products that utilise tablets. In addition, the video game market is facing steady declines due to the migration towards free-to-play tablet and smartphone mobile games. Companies find tremendous growth in both new and retro brands New introductions into the toy and video game market have started to find tremendous growth. In video games, Skylanders Giants, introduced in October 2011, was one of the fastest growing products of the year. In toys and games, Monster High dolls are slowly becoming a major part of the doll market after being introduced in 2010. At the same time, some brands are seeing growth due to resurgence in retro toys in traditional toys and games. LEGO, Teenage Mutant Ninja Turtles and Magic: The Gathering are brands that have started to see incredibly strong growth amongst younger and older consumers. Online retailing continues to lead channel growth Online sales continue to grow incredibly fast in both traditional toys and games and video games. In traditional toys and games, much of this growth comes from many consumers opting to look in stores and compare online on their smartphones to get the best price, also known as showrooming. In video games, every area of the category, hardware, software, and digital gaming, are seeing large increases in the online channel. The majority of this, however, is coming from digital gaming, as online distributors such as Valve Corpâ€™s Steam are witnessing an incredible amount of growth due to their ability to rapidly lower costs to adjust to current consumer demand. Next generation consoles will lift sales Although video games were the main reason for the current declines in toys and games, it will likely also be the main reason for its growth during the forecast period. The next generation of consoles is slated to come out by the holiday season of 2013, as Sony and Microsoft release the PS4 and Xbox One, respectively. Both consoles will boast much stronger processors as well as much higher capability of online connectivity and distribution. The consoles will be able to quickly download games onto incredibly large hard drives, even while a person is playing another game.Republished with permission from Euromonitor Market Research Blog , originally posted on October 2013 Follow Market Research World on Twitter or join in the conversation with our LinkedIn Group