

TRENDS IN LICENSED GOODS MARKET AND THE FACTORS OF SUCCESS OF THE LICENSED BRAND

YULIA BYCHENKO

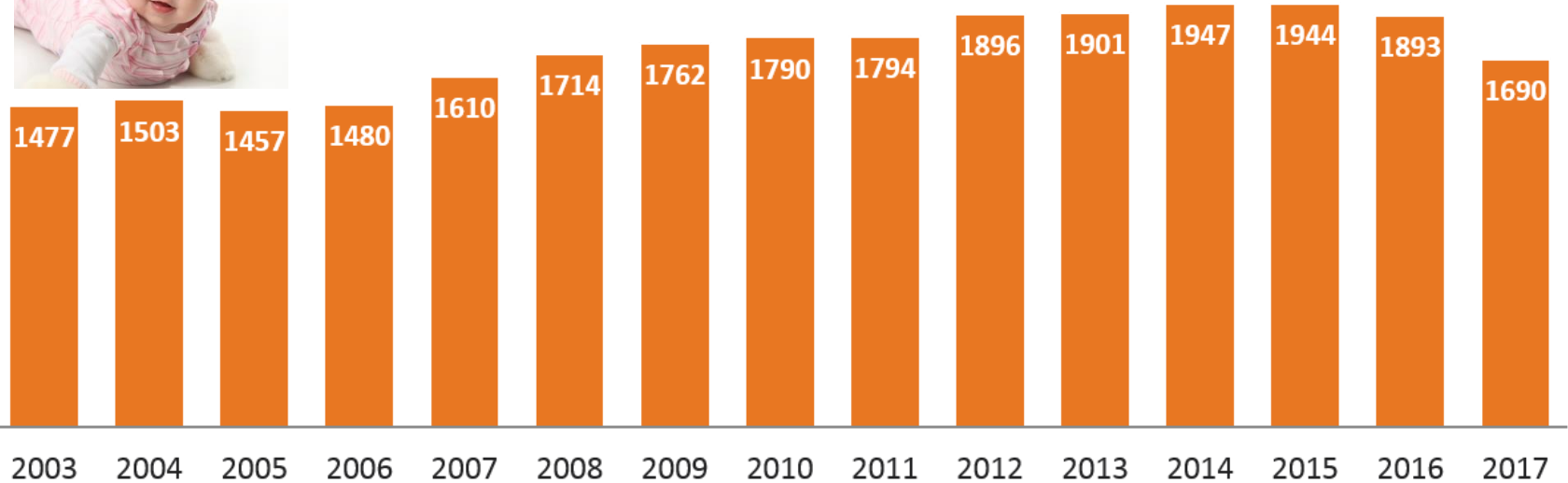
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The number of newborns declines



2017 to 2016 = **-11%**

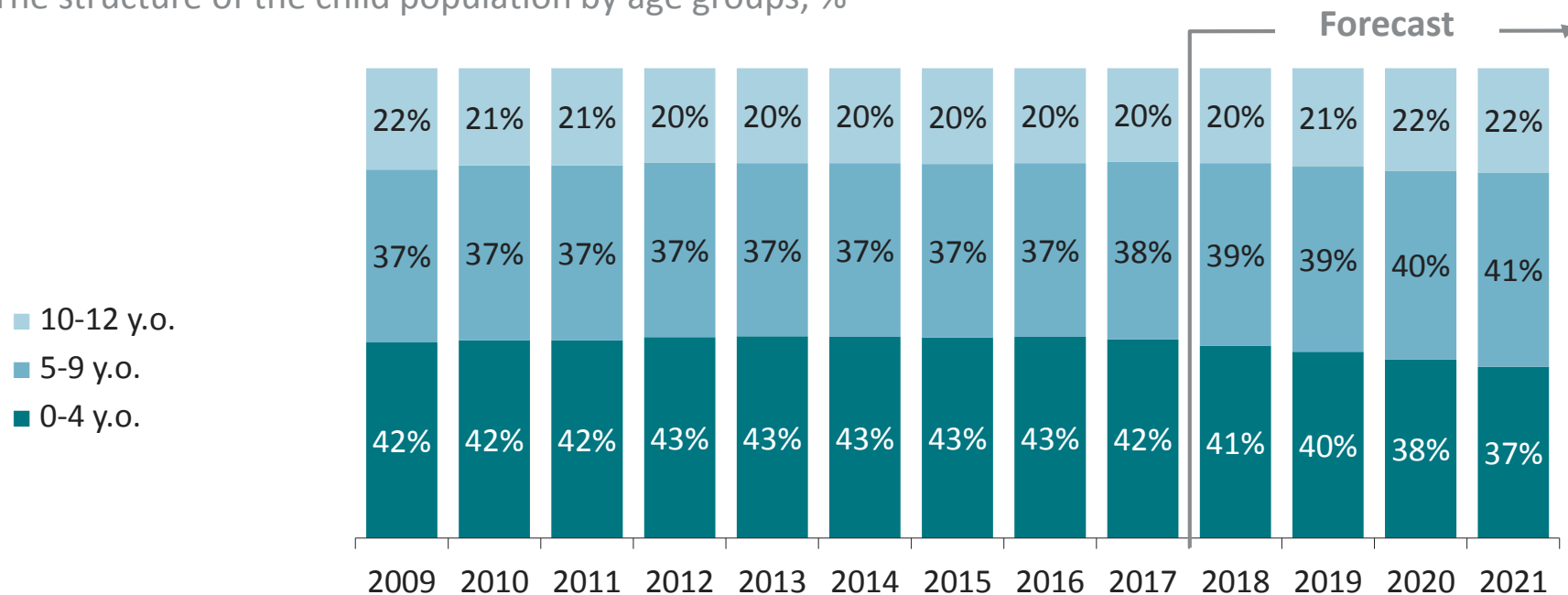


Number of newborns

Sample: All population of Russia
Source: Russian Federal State Statistics Service

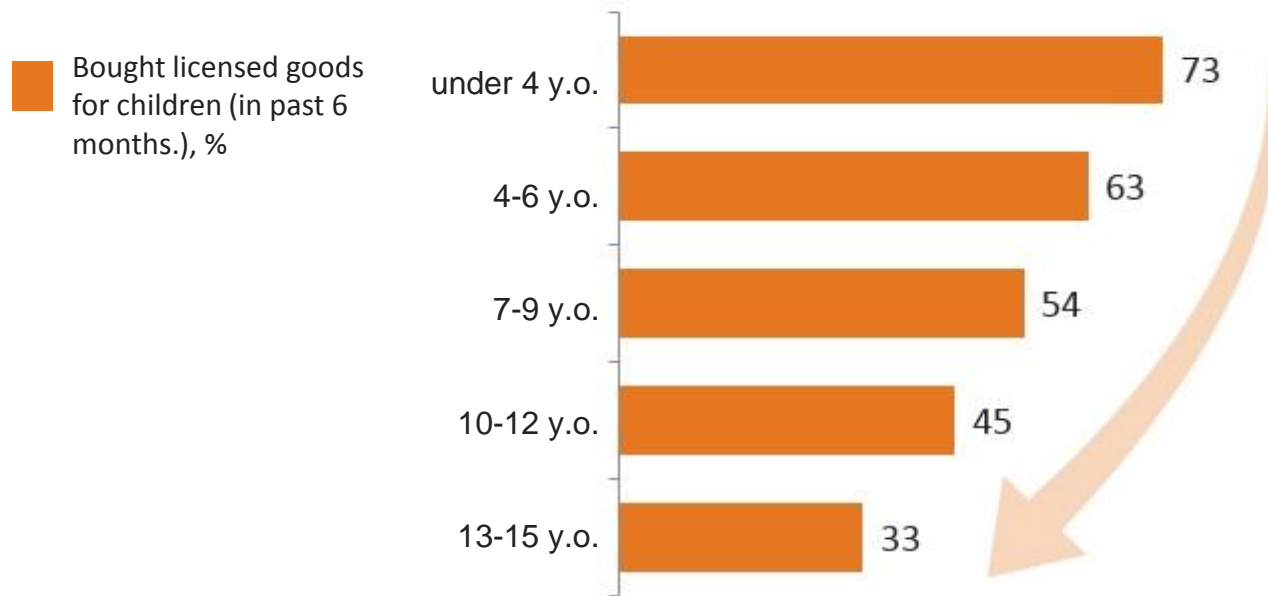
The structure of the child population

The structure of the child population by age groups, %



Sample: All population of Russia
Source: Russian Federal State Statistics Service

Purchases of licensed goods by age groups



Source: New Generation, BabyIndex 2017, parents with children

Drivers and barriers


LICENSED GOODS MARKET

NUMBER OF CHILDREN AND PURCHASING POWER OF THE POPULATION





SHARE OF SPENDING ON LICENSED GOODS
IN THE FAMILY BUDGET

 **The birth rate declines, total child population is in stagnation**


 **The stagnation of real income**
Stagnation of real income in the mid-term

 **Frugal, “pessimistic” purchasing behavior**

 **The stabilization of the ruble**
Stabilization of the exchange rates and inflation,
stabilization of import prices

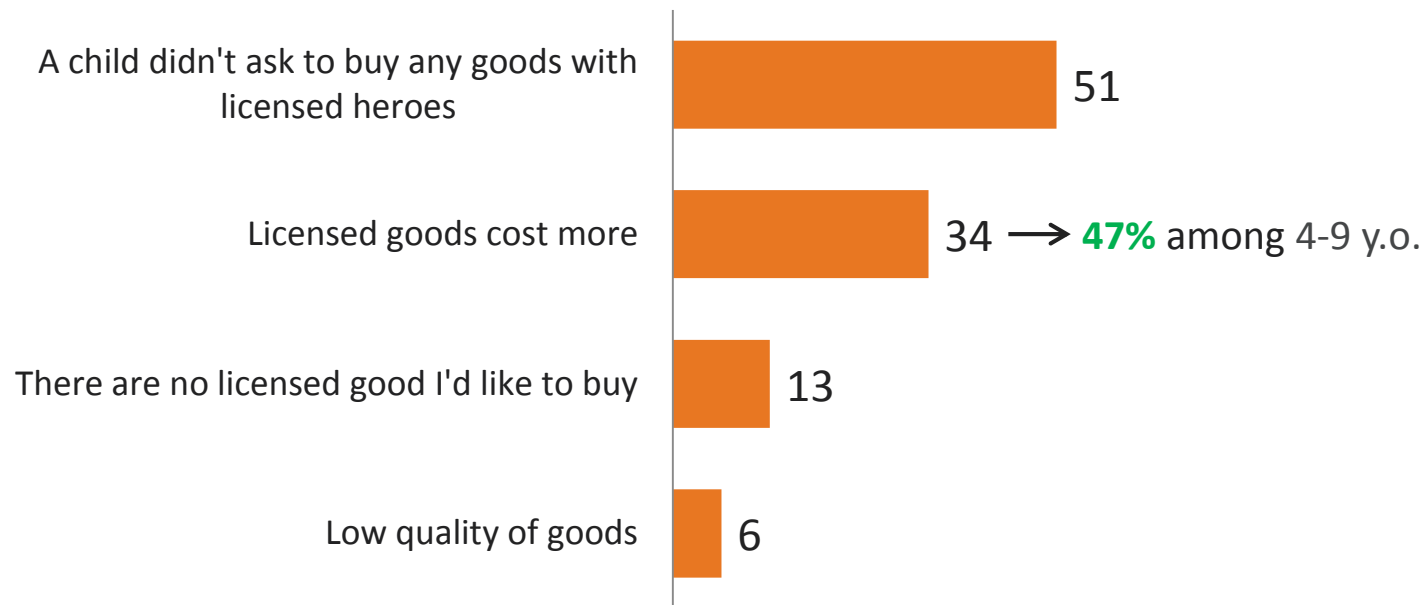
 **Children’s influence. Children stimulate purchases of licensed goods**

 **Parents lose the desire to pay more for licensed products**

 **Development of licensed goods proposal, diversity of franchises**

 **Development of the specialized retail**

Reasons NOT to buy licensed goods



Source: New Generation 2017, parents with children

Threats and opportunities

LICENSED GOODS MARKET

THREATS

- Frugal and pessimistic parents are not willing to pay more for licensed goods. The rationality of a frugal buyer contradicts the emotional, impulsive nature of the licensed goods market
- The novelty effect has passed and buyers have become more demanding to the quality and design of the licensed goods
- The decline of the toy market, "disappointment" in toys, the demand for usefulness, educational functions of the toy
- The erosion of loyalty, a growth of tolerance to counterfeit goods

OPPORTUNITIES

- Children are the initiators of licensed goods purchases. Maintain their love for the character, don't disappoint the audience
- Parents are willing to pay for child education and development => focus on edutainment
- Pay more attention to relatively less occupied teen segment
- Use specialized retail to add emotional benefits and influence «pessimistic» purchaser

The most favorite characters



The focus on edutainment

Child education + franchise



Accent on quality, design, brand

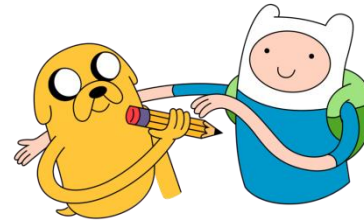
Quality, design + franchise



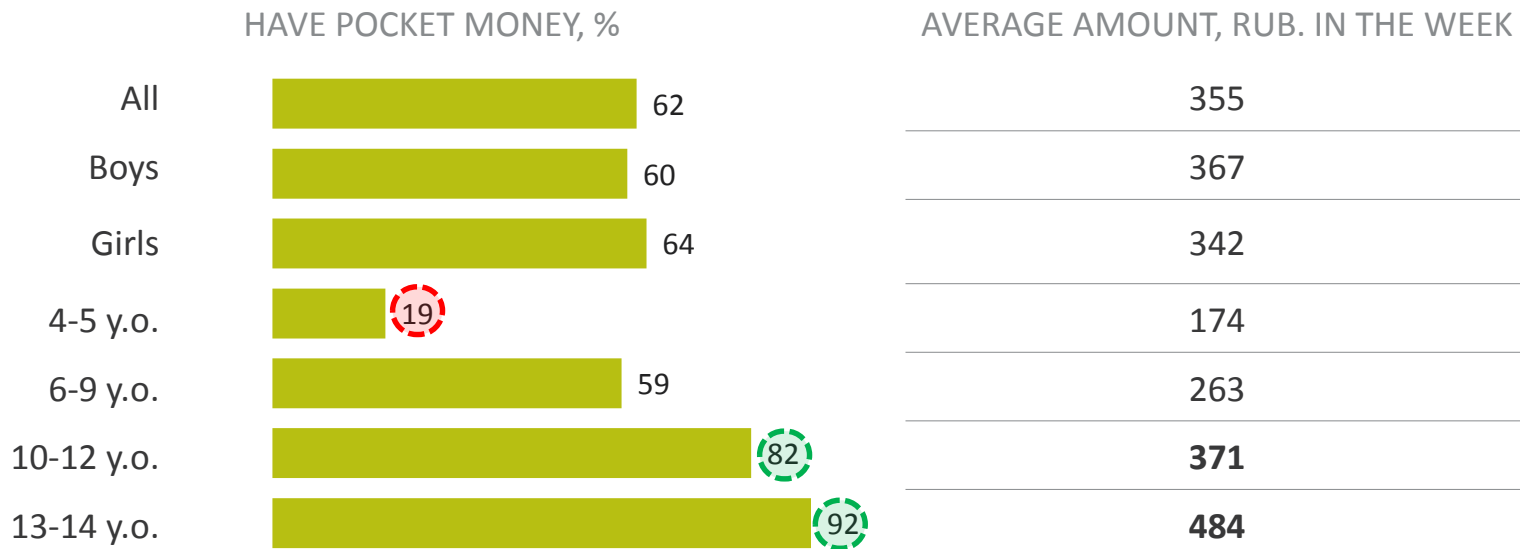
Brand loyalty + franchise



Emphasis on teenagers (10 y.o. to ∞)



Children as purchasers: pocket money



Source: New Generation 2017

New trend of specialized retail



Factors of success of the licensed character

Target audience

- Meet the needs and moods of the target audience
- Consider the severity of competition with other characters in the target audience
- Consider compliance with local cultural codes

Media support

- Consider the scale and volume of advertising campaign, promotion
- Consider the success of the film or series
- Use multimedia to promote the character: movies, TV, Internet, games
- Consider if the character is «evergreen» or short-term

Franchise

- Consider the level of distribution, presence on the store shelves
- Consider the variety, quality and design of the licensed goods

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