Press Release

Spielwarenmesse eG
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Spielwarenmesse eG asks trade and industry about the crisis

Current mood among visitors and exhibitors

Creating new work models and communication channels

The Spielwarenmesse in Nuremberg attracts around 65,000 buyers and retailers and 2,800 manufacturers every year. To gauge how they are dealing with the global Covid-19 pandemic and its consequences, Spielwarenmesse eG, who organises the leading industry event, has conducted a representative survey among both visitors and exhibitors. 1,810 trade visitors from 42 countries and 548 companies from 48 countries took part in the survey which was carried out in spring.

On the visitor side, the questionnaire was completed by the management of various trading formats, the majority of whom operate both a bricks-and-mortar shop and an online store. Many of them have succeeded in creating new sales channels, ensuring continued access for their customers despite the Covid-19 pandemic. These include existing online stores (43.9%), newly created online stores (9.1%), delivery services (22.8%), collection from the store (14.4%), initiatives by local shops (7.1%) and new forms of customer communication (18.3%), such as telephone and email, Messenger services, social media and online advertising.

Despite the ingenuity and creativity of the retail trade, the crisis has had a significantly negative impact on business. The current situation has forced 45.6% of shop owners to implement reduced working hours, whilst 18.6% have had to make staff redundant. The toy manufacturers participating in the survey are likewise feeling the effects of the crisis, with 52.6% enforcing reduced working hours, 43.4% asking employees to work from home and 22.7% having to let staff go. At the same time, the companies are supporting their retail partners by extending payment deadlines and granting discounts, or by helping them to set up an online store or by sending products directly to their customers.

The measures introduced to soften the impact of the crisis are also giving rise to positive aspects. Manufacturers and retailers have created new methods of customer communication, launched digital offerings earlier than originally planned or discovered

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them for the first time. They have seized the opportunity to modify their business models, trialled new working models, improved in-house crisis management, or strengthened team spirit. Respondents are consequently relatively optimistic about the year ahead: 25.8% of retailers and 32% of manufacturers expect to make up for the dramatic fall in sales through new sales channels, whereas 49.7% and 45.5% respectively believe their businesses will recover.

Analysing the situation, Ernst Kick, CEO of Spielwarenmesse eG, states: "The findings of the survey reflect the current mood in the toy industry. While the crisis is posing a huge challenge for trade and industry, it is also accelerating the implementation of new, forward-looking measures."

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Note for editors: Reprint free of charge. Images are available at <u>www.spielwarenmesseeq.de/media</u>. Please provide us with a voucher copy on publication.

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Spielwarenmesse eG

Spielwarenmesse eG is the fair organizer and marketing services provider for the toy sector and other consumer goods markets. The Nuremberg company organizes the world-leading **Spielwarenmesse** in Nuremberg, **Kids India** in Mumbai and **Insights-X** in Nuremberg. The range of services provided by the cooperative also includes industry campaigns and the international fair programme, **World of Toys by Spielwarenmesse eG**, which enables manufacturers to exhibit at pavilions featured at trade fairs in Asia and Russia. Spielwarenmesse eG operates a worldwide network of representatives in over 90 countries. It also has several subsidiaries, including Spielwarenmesse Shanghai Co., Ltd., responsible for the People's Republic of China and Spielwarenmesse India Pvt. Ltd., covering the Indian market. The cooperative holds a majority stake in the Russian exhibition company Grand Expo, which organizes **Kids Russia** in Moscow. **Die roten Reiter GmbH** subsidiary with headquarters in Nuremberg works as communication agency for the consumer and capital goods industry. The complete company profile of Spielwarenmesse eG can be seen on the Internet at www.spielwarenmesse-eg.com.

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