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Global
Marketing
Report

2020 Q1

Hape's
Global Tour

To You and Every Warrior
in the Battle

EASTER AND HAPE TOYS

Donation to Battle
COVID-19

2020 the Toy Industry Should Know

*Beat the quarantine blues by
catching beautiful butterflies in your back garden!*



(Photo Source: Hape Image)

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Love Play Learn

Never Stop!

Hape's Global Tour Takes in 3 International Toy Fairs

Due to the unexpected outbreak of COVID-19 in the first quarter of 2020, many global gatherings have been cancelled or postponed for the sake of people's safety. Three important international toy fairs, however, have been held as scheduled, offering a precious opportunity for global buyers to discover new products and trends in the industry during this special period.

Hape Group participated in three top-level toy "feasts", along with its eponymous toy brand Hape®, its sub-brands, German 100-plus-year-old handmade doll brand Käthe Kruse®, German creative building brick PolyM®, and its strategic partners, Europe's leading parenting magazine Eltern, and American infant and toddler products manufacturer Kids2's sub-brand Baby Einstein®.

This year is doomed to be a special one. Owing to the pandemic, the traffic at the three above mentioned international fairs was lower than usual, while Hape still welcomed a lot of visitors at its stand, including potential customers and orders, with Pepe still proving to be a hit onsite. In the light of the buyers' feedback, Hape is still a relative sought-after toy brand for most customers. For instance, customers from different regions gave high-praise to PolyM's new selling strategy - bucket selling - for its novelty and innovation. With the STREAM (Science, Technology, Robotics, Engineering, Art, Mathematics) trend becoming more and more prevalent, parents are seeking out educational and innovative toys like never before - which mirrors the development direction for Hape toys. The three international fairs concluded successfully, proving to be as meaningful as previous occasions, and Hape will, as always, continue to develop original and educational toys to meet its consumers' needs, delivering more and more happiness to every child around the world.



Spielwarenmesse

International Toy Fair

Date: 29th January to 2nd February

Location: Nuremberg Exhibition Center

This year, the Spielwarenmesse International Toy Fair marked its 71st birthday. More than 62,000 independent retailers and buyers from across the world attended the fair in spite of the pandemic. Pepe, as Hape's mascot, attended the Press Preview (a sneak-peek show for exhibitors showcasing their latest product ideas, a day before the official opening of the fair) with other exhibitors, presenting many of Hape's hot and new products like *Magic Touch Piano* (a product with good sales and high praise), *Pepe Pull Along* and much more. Furthermore, Hape also appeared in many prestigious and popular toy magazines at the fair, such as *Spirit of Play* and *Das Spielzeug*.

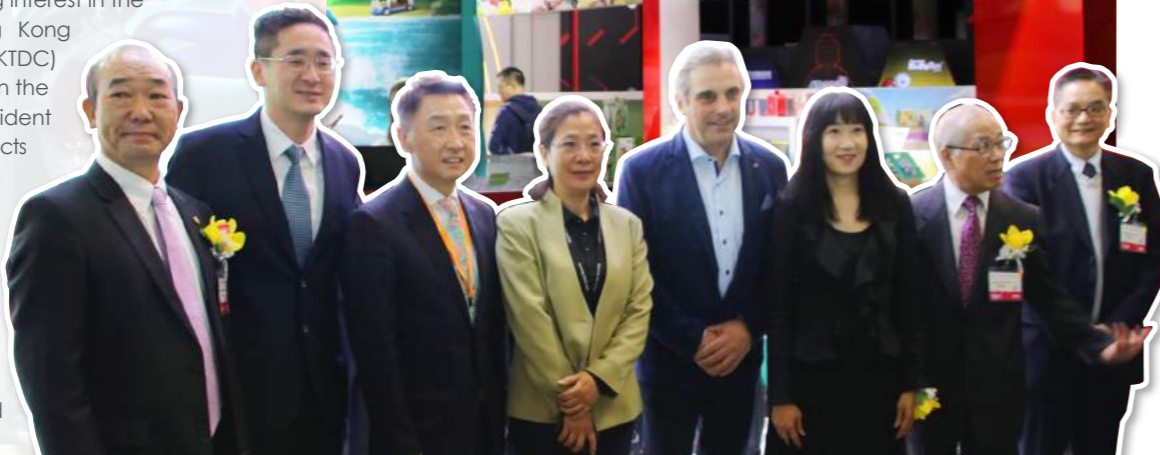


Hong Kong Toys & Games Fair

Date: 6th to 9th January

Location: Hong Kong Convention and Exhibition Center

The 46th session welcomed 2100+ exhibitors and more than 40,000 global buyers to the "toy world". Showcasing new elements for 2020 in the *Dollhouse* category - including a layered background with 3D design in the entrance - the striking visuals lured plenty of visitors into the Hape booth, with many buyers showing strong interest in the brand. Furthermore, the Hong Kong Trade Development Council (HKTDC) took a tour of the Hape booth on the first day of the fair. Also, the President of China Toy & Juvenile Products Association (CTJPA), met and had an in-depth communication with Mr. Peter Handstein, the founder and CEO of Hape Group during the fair. In addition, Hape appeared in an article about STEAM and STREAM education on *South China Morning Post* that aired during the fair.



Peter and the HKTDC
(Right side of Peter from Left: Margaret Fong, Executive Director, HKTDC)

North American International Toy Fair

Date: 22nd to 25th February

Location: Jacob K. Javits Convention Center

Held by The Toy Association, the 117th toy fair welcomed around 30,000 professionals from all over the world. An innovative rectangle stand displayed *Railway's* special features at the entrance, attracted many visitors to come inside, where they would discover even more interesting and special items, like the XXL version of *Monster Math Scale* demo. Aside from the regular visitors, Hape also drew the media's attention, with XINHUANET interviewing Peter again this year, attaching great importance to his ideas and thoughts.



Just in Time, Fairs Ahead of Covid-19 Intrusion

The first season of 2020 was severely hampered by the Covid-19 outbreak that attacked China first, then popped up in other parts of the world. Despite this, people's enthusiasm for toys has not waned. And several toy fairs went ahead as usual just before borders were locked down.



The United States enjoyed quite a few toy fairs over the past three months in destinations like Las Vegas, Dallas and Atlanta. In Dallas, the Gift Show saw nearly 200,000 customers from all 50 states and 85 countries unite to seek industry trends, business education and new products between Jan 8th -14th. Similar scenes occurred in Atlanta five days later, with more than 8,000 brands made their presence felt. Las Vegas meanwhile has showcased exciting cross-category shopping environments for exhibitors, designers and buyers from January 26th to 30th in its own signature, high-end style. Shortly afterwards, the Toy Fest West - the second oldest and second largest toy trade show of its kind in the US - pulled in the crowds. At all the fairs, Hape products shone brightly, securing dozens of potential orders.



USA

(Photo Source: Hape Image & Fair Websites of Dallas Market Center, Atlanta Market, Las Vegas Market and Toyfest)

In Argentina, from March 9th to March 12th, the wholesale design and quality boutique fair, La Pre, was held in Buenos Aires. This fair is a hotbed for brands and wholesalers wishing to nurture new ties. Unlike regular exhibitions, La Pre takes place in a quiet and pleasant space, free of the rush and tumble of other major fairs. It was the sixth edition of this fair, and the third time Hape has participated in it. Our local distributor Alparamis presented Hape and Beleduc as the only two toy brands on show, with Hape's Learning Toys, Music series, Infant Toys, Railway, Outdoor gears, Puzzles and Baby Einstein sets earning much acclaim. As our exclusive distributor, Alparamis' position in local communities is quite unique and, though it owns only two bricks and mortar stores, it's Christmas displays in Buenos Aires bring crowds of visitors each year.

Let's turn our camera to Europe, where London's Toy Fair roared into life on January 22nd. More than 260 exhibiting companies showcased thousands of brand-new toys, games and hobbies at what is the UK's largest gathering of toy industry professionals. The fair provides visitors with a real overview and insight into a fun, innovative and exciting industry, as well as an offering a great opportunity to touch, feel and experiment with the products of the future. Hape's Baby Einstein and Remote Control Train proved popular thanks to their multi-play value and cutting-edge techniques, and Hape Playland garnered a lot of interest. Another spring fair was held in Birmingham, when the UK's No.1 trade show for gift and home products, the Spring Fair Birmingham 2020, burst into life. Our local office Toynamics presented Hape's latest products to the happy visitors.



(Photo Source: Hape Image)



In Oman, the popular Muscat International Book Fair, launched in 1992, has become a culturally and intellectually significant project that taps into people's need for cultural knowledge in Middle East. At this year's edition commencing in late February, 946 publishers and agents from 32 countries attended the fair with 184 more pavilions showcased than last year's. Hape's loaded toy booth attracted lots of children who needed some respite from a busy day of reading and book shopping.



Hape Clinches Back-To-Back Awards in the UAE

Great news once again from the UAE, where Hape has been awarded the bronze prize at the 2019 "Toy Brand of the Year" awards! Appearing on the winners roll-call for three consecutive years, Hape clearly occupies a significant position in the hearts of consumers in the region.

Voted by UAE mothers, the continued recognition will no doubt further increase the confidence and appreciation on Hape on the market and, in turn, Hape is bound to develop and produce more innovative toys in order to live up to its loyal customer's expectations in the future!

The Mother, Baby & Child Awards acknowledge the enormous contribution that brands, educational establishments, healthcare providers and other entities make towards shaping the future for families in the UAE, through their role in helping mothers and nurturing children. The MBC awards comprise a lot of categories, while only three winners will be on the list for each category.

Read more at: <https://www.motherbabychild.com/awards/2020/>



New Products Are a Big Hit in the US

During this year's North American international Toy Fair, Hape toys garnered lots of attention - even under these special circumstances - with two new toys being awarded the "Best of Toy Fair 2020" prize by prestigious magazines in the industry.



Monster Math Scale - Parents "Best New Early-Learning Toy"
<https://www.parents.com/fun/toys/toy-fair/best-of-toy-fair-2020/>

Silly Spaghetti - Fatherly "The Best Toys From Toy Fair New York 2020"
<https://www.fatherly.com/gear/best-toys-from-toy-fair-2020-bricks-scooters-capes/>



Silly Spaghetti - Good Housekeeping "The Best Toys From Toy Fair New York 2020"
<https://www.goodhousekeeping.com/childrens-products/toy-reviews/g31132134/best-toy-fair-winners-2020/?slide=7>

The three above-mentioned magazines highly recommended Hape's new items *Monster Math Scale* and *Silly Spaghetti* to the public. Parents, an important platform that helps moms and dads navigate every aspect of parenthood from pregnancy through to the school years, gave high-praise to *Monster Math Scale*: "It's a colourful larger-than-life scale that lets kids get an easy visual cue for how weighty things are." Likewise, *Silly Spaghetti* was selected by both *Fatherly*, the leading digital media brand for dads, and *Good Housekeeping*, an iconic brand in the US. Bestowed with praise and recognition from professionals in the industry, Hape's new items look set to cause a stir in the US market, becoming highly sought-after toys. We're hopeful that Hape can ease the tension in the world a little bit and deliver happiness to as many families as possible during this difficult time.

(Photo Source: Hape Image)

More Than Just a Piano!

Have you ever witnessed a magic toy? The *Magic Touch Piano*, the wonderful collaboration between Hape and Baby Einstein, has attained worldwide recognition since its release in 2018, winning a host of prestigious and influential awards including the Spielwarenmesse ToyAward 2019 in Germany, the Toy of the Year 2019 in Finland, Grand Prix du Jouet 2018 in France and many more!



Fresh from such accolades, this quarter, the *Magic Touch Piano* won an award in the Play Category at the Cribbie Award, which is another grand prize in the US! Founded in 2010, the Cribbie Awards are hosted by StrollerTraffic.com (a well-known parenting website in the US). Chosen by the general public, Cribbie Award winners represent the best brands and products for babies and toddlers on the market. In the seven sub-categories, only six toys were ranked in the Play Category winners-list, which provides yet more ironclad proof that the *Magic Touch Piano* is recognised and appreciated by many American parents.



With the endorsement and acclaim of dozens of influential worldwide award bodies under its belt, the *Magic Touch Piano* has become the most awarded Hape toy in its catalogue. The piano not only contains the basic elements of any Hape toy - high-quality, great play-value, educational elements etc - but also marks a big step in the blending of wooden toys and technology. In addition, the widespread recognition also shines a light on the grand success between Hape and Baby Einstein, spurring everyone on towards a brighter and even more successful future.

This year, to fulfill and enrich "My First Mini Band" - the concept that the inspired and innovative toy designer Adam Shillito has developed to help children explore their possibilities and talent in music - different animal voices and selected sounds have been added which benefit children's cognitive abilities. Moreover, our new "instruments" are perfectly suited for children aged under three years, empowering them to be young musical geniuses! Additionally, the newly introduced colourful lights are highly appealing to little ones, and offer a great stimulus for learning. As Adam attests, we endeavour to offer world-class play experiences for children through our products. Therefore, the sound of our toy instruments is very close to real thing, providing children with a realistic musical experience they will fall in love with instantly!

A great band should constitute many types of instruments and, of course, "My First Mini Band" is no exception, and a professional keyboard, magic touch guitar and even a mixed music play table are coming soon for all the little musicians out there! All of these novelties improve the functions and play experience of the toy, whilst incorporating unique magic touch technology and maintaining a competitive price. We believe and hope that the product will be a hit on the market!

Hard to hang out in the tough time? Let's play music at home!



Notes & Keys™
Make beautiful music with a light touch of the wood - no keys or buttons!



Strum Along Songs™
Magic Strum technology allows little hands to easily play electric guitar, without strings or buttons.



Cal's Smart Sounds Symphony™
From colors and to instruments in three different languages, this musical toy makes you an awesome little conductor!



Clever Composer Tune Table™
Create musical compositions with different instruments!

(Photo Source: Hape Image)

To You and Every Warrior in the Battle – Hape Toys

It is said that the breeze of spring brings sweetness - can you feel it? I guess you are now more than eager to resume work and normal life. After all, hardworking as you are, you deserve safeguarding by the frontline white angels. In any case, every one of you is a warrior in the battle!

Hearing that, having witnessed so many selfless angels in white, Then, seeing one or two styming the rescue effort or causing disorder, Seemingly as mediocre as you are, Also, will choose life on top.

Hearing that you haven't met your beloved ones for a long time, Perhaps you already forgot me? But no worries, I will always be by your side, With my friends (Hape toys) and great warmth and enthusiasms.

Believe that, with my company, Joy will invade every house; Warmth will shine in every pair of eyes; Love will take root in every heart; And me, I will support every little angel and lovely family as always.

Lack of companionship for your baby whilst working? Want more fun while playing with your baby at home? Hape toys are always by your side, no matter what happens!



*Rainy days will pass,
Sunlight will shine again,
Brave kids shall hold umbrellas through
wind and rain.*



*Stuck at home for too long?
Cheer yourself up with the Hape Adventure Van!
"Surf" at home and laugh with your family.*



None of your favourite restaurants open outside? Then cook by yourself! Do the children also want to try? Try the Hape Kitchen & Food set! Cook and play with your family!

(Photo Source: Hape Image)

Isolate the Virus, Spread Love - Hape Group Makes Donation to Battle COVID-19

This quarter, with the outbreak of COVID-19 spreading around the globe, countries are working hard and taking a series of effective measures to battle against the pandemic. Every country, every government, every enterprise, and even every person in the world are joining hands to do their utmost to battle the common enemy.

Hape Group, as a responsible corporate enterprise, has acted decisively to make donations to help better tackle the current health crisis and overcome the pandemic.

January 30th, China

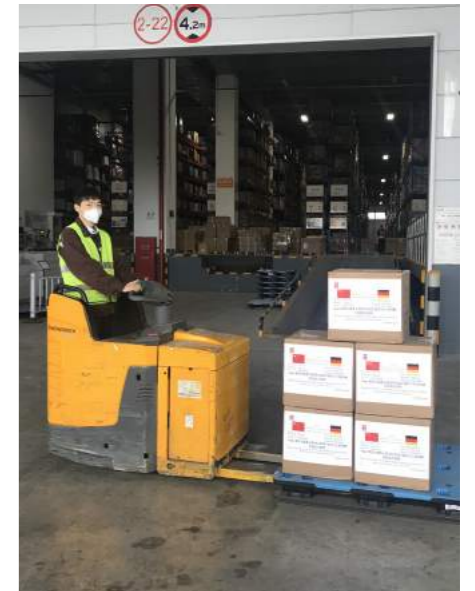
Early in the COVID-19 outbreak in China, Hape acted promptly, making contributions to the frontlines of Wuhan, Hubei, even during the Spring Festival holiday. On January 30th, Hape designated a certain amount of its 5-million charity fund to purchase medical equipment or compensate medical workers in an attempt to help ease the surging demand for protective equipment. The donations arrived at the account of Ningbo Beilun Charity Federation on that day and were put to good use.



(Photo Source: Hape Image)

February 28th, China

After the peak of the crisis had passed in China, the number of remaining patients still posed a great challenge to many hospitals, especially to the ones in Wuhan. Many designated hospitals for pediatric patients developed with NCP (Novel Coronavirus Pneumonia) had been gradually saturated. What's worse, the large quantity of infected children, the lack of relief supplies and absence of companionship from the ill children's parents made the situation even tougher for the people of Wuhan. Under the circumstance, Hape Group (China), in cooperation with many other enterprises (China Parenting Network, Giving, Smart Games, etc.), donated 200 Hape puzzle toys to the infected children, helping to divert their attention and ease the tension felt by the families. Hape will always accompany and protect children in any way it can.



31st March, Germany

With the COVID-19 global pandemic continuing to spread all over the world, the situation is becoming severe, especially in European countries that face a lack of medical supplies. After a call from the German Chamber of Commerce in China (GCC), announcing the German government's urgent transportation of relief supplies from China to Germany by air, Hape acted promptly, collecting 10,000 medical masks within two days, and quickly transported them to Fieger, the logistics company handling the operation. The masks were then swiftly distributed throughout the country by the German Federal Ministry of Health.



As a German enterprise deeply rooted in China, Hape Group's development cannot be split from the support and empowerment of the local community. Therefore, Hape has made contributions promptly to help China and Germany tackle the health crisis - and will do so for all countries and people in need in the future. As the common battle for humanity unfolds, Hape will maintain its commitment to society and to the next generation, doing what it can to help regain a safe and beautiful society for all.



Always Here with You Something Hape China Did During this Difficult Time

Aside from the donations Hape has made to aid the battle against COVID-19 - and its ongoing corporate aim to bring quality toys as well as joy and happiness to more and more families around the world - Hape has done much more during this special and difficult time.

For the Public:

In February, the most difficult time in China during the crisis, Hape China did not sit idly, even though most staff worked at home. Aware that the enforced break could be a great chance for parents to spend quality time playing with their children, Hape provided parents with many parent-child playing tips via the brand's official WeChat account and held an online activity, encouraging parents to shoot short videos with their children using Hape toys in order to enter a lucky draw and win prizes. The best videos were shared via Hape's official WeChat account, inspiring its followers to engage in similarly happy activities with their children. In addition, Hape - in cooperation with Friso - made a live stream on 28th February, March. With great feedbacks, Hape conducted another 9 live streams until 27th March on Tmall, JD.com, Suning, and Weibo, showcasing great toys and suggestions to all.



For Staff:

Although no-one went to work during February, Hape's staff never truly slacked-off, with online training sessions organised that enabled staff to learn more about our products and thusly better serving our customers moving forward.

Since resuming work at the end of February, Hape has worked closely with the local government and community, strictly following the epi-control policies and keeping close track of the health and travel conditions of its staff in China. With these measures, Hape has built a solid supervision system to guarantee a safe path during this difficult period. Hape will remain on high alert during this period, cooperating with local authorities and deploying the published regulations in order to fulfil our commitment to the safety of our society. We will always stay with you, because you are Hape's family - every parent, child, and member of Hape's staff.



(Photo Source: Hape Image)



The Fight Against COVID-19 What Should We Do?



The number of infected patients is raising day by day, reminding every one of us of the current severe and acute circumstance we are facing. The battle against the coronavirus disease is far from over, and everyone, regardless of their nationality, race, or skin colour, need to stick together, repelling the common enemy to regain our normal lives. But what should we do in the battle? Here is some advice.

Basic protective measures against the new coronavirus

Stay aware of the latest information on the COVID-19 outbreak, available on the WHO (World Health Organization) website and through your national and local public health authority. Most people who become infected experience mild illness and recover, but it can be more severe for others. Take care of your health and protect others by doing the following:

1. Regularly and thoroughly clean your hands with an alcohol-based hand rub or wash them with soap and water.
2. Maintain at least 1 metre (3 feet) distance between yourself and anyone who is coughing or sneezing.
3. Do not touch your eyes, nose or mouth with your hands in case of any infection.
4. Make sure you, and the people around you, follow good respiratory hygiene. This means covering your mouth and nose with your bent elbow or tissue when you cough or sneeze. Then dispose of the used tissue immediately.
5. Stay home if you feel unwell. If you have a fever, cough and difficulty breathing, seek medical attention and call in advance. Follow the directions of your local health authority.
6. Stay informed on the latest developments about COVID-19. Follow advice given by your healthcare provider, your national and local public health authority or your employer on how to protect yourself and others from COVID-19.

Protection measures for persons who are in or have recently visited (past 14 days) areas where COVID-19 is spreading

1. Follow the guidance outlined above.
2. Stay at home if you begin to feel unwell, even with mild symptoms such as headache and slight runny nose, until you recover.
3. If you develop fever, cough and difficulty breathing, seek medical advice promptly as this may be due to a respiratory infection or other serious condition. Call in advance and tell your provider of any recent travel or contact with travellers.

See more information and suggestions at World Health Organisation (WHO)'s official website, <https://www.who.int/>

Virus knows no borders, but the worst of times can reveal the best in people, and only if every one of us works in unison to defeat the virus, can we resume our normal life. Do not underestimate yourself. No matter how tiny one person is, our strength is magnified if we all pull together. Let's mourn for the lost, fight for the suffering, and unite for the future.

(Photo Source: Hape Image)



As the largest wooden-based toy manufacturer in the world and a leader in the educational toy segment, Hape is planning to upgrade its factory located in Ningbo, China. To enable this, DEG (German Investment and Development Company) has granted 10 million USD to the initiative, which includes updating the current production facilities and further optimising the production processes.

Photo credits: Spielwarenmesse eG / Lennart Preiss

Investment in the Future 10 million USD from DEG Injected Into the Production of Sustainable Toys

The contract was signed by both parties at the toy fair in Nuremberg on January 31st, 2020, symbolising the dawn of the bilateral cooperation.

Peter Handstein, founder & CEO of Hape, spoke highly of this new relationship: "The investment to our factory in Ningbo aims to build a better future for our children. With DEG joining the efforts, we are able to plan for a longer-term expansion of our production capacities, especially the production line of eco-friendly toys. We shall not only repay DEG with profit but also bring children all over the world

a greener place to live in and support them in their personal development."

Monika Beck, a member of the DEG management board, also gives complimentary comments after the signing of the contract: "We are pleased to deepen cooperation with our long-standing customer Hape. We feel obliged to support companies that seek to produce sustainable products with environmental and social responsibilities."

Referred from <https://hapetoy.eu/de-de/nachrichten>, Monday, February 3rd, 2020.

Let's Salute Spring

Just as spring began to approach our doors, the Covid-19 outbreak intruded unwelcomely. But, we can all take solace from the belief that spring will finally find everyone and brighten our days...

Easter Candles and Hape toys

Place: Greece

Type: B2B & B2C

Organizer: Moustakas

With Easter approaching, our distributor in Greece prepared exquisite Easter candles for the local children. The candle sticks were entangled with ribbons and small toys like *Jungle Journey Train*, *Baby's Wild Animal Book*, *Cheer-along Noisemakers* and more. According to Moustakas, the products would be available in their retail stores and included in the seasonal products section in order to strengthen sales and increase brand recognition.

With many European countries under lockdown, Moustakas still updated their banner to promote Hape on their B2B platform, supporting Hape through these difficult circumstances.



Green Recess in Primary School

Place: Israel

Type: B2C

Organizer: Eskimos

Brande's Primary School in Hertzelya, Israel, hosted a *Flexistix* building activity that featured Hape's *Creative Construction Kit* and *Multi-tower Kit*.

Pupils were grouped in the classroom discussing with the owner of our distributor about sustainable lifestyle and the amazing growth of bamboo. Then the participants replicated the classic ball and wheel structures, following instructions before inventing works of their own. The kids enjoyed themselves and were eager to know where they could buy these "chopsticks" afterwards.



Show You're Happy @Hape

Place: Sri Lanka

Date: 10th January & 4th February, 2020

Type: B2C

Organizer: Brands in Style

Hape's distributor in Sri Lanka, Brands in Style, deepened their online promotions and broke through another threshold in terms of its online campaigns recently.

In January, Brands in Style gave away a couple of Hape items to some Facebook and Instagram users and invited them to share their images and experiences on their personal accounts. The lucky users picked through a draw were rewarded with great surprises.

Later, in February, Brands in Style invited social influencer "Blissberry Life" to post Hape's 101 pcs of Wonderful Blocks on her social media pages. Many followers were mobilised to buy the toy and shared positive comments afterwards. The activity marked Brands in Style's first collaboration with social media influencers, and it is sure to do so again in the future.

← Visitor posts

Deep Kariyapperuma ► Blissberry Life
24 Jan at 13:15

Thank you Blissberry Life
My Cutie loves it



You and 1 other 1 Comment • 1 share

Four Billboards in Querétaro, Mexico

Place: Mexico

Date: 12th December, 2019 to 6th February, 2020

Type: B2C

Organizer: Almacén Didáico

To celebrate Christmas and Los Reyes (the Three Kings Festival), our retailer in Mexico took over four billboards to promote Hape's best seller, *Magic Touch Piano*, co-developed with Kids2.

(Photo Source: Hape Image)



UAE in Bloom!



The United Arab Emirates kept up their robust marketing vitality last season, with various activities blossoming both online and offline.

Blossom Nursery



A highly modernised country, social media leads trends among young families in the region, and Hape's local distributor has invited influencers and experts in the pregnancy and parenting fields to help expand Hape's brand awareness. For example, Mumzworld recently launched an online promotion in which customers could enjoy a 10% discount when purchasing the newest Kitchen set. Benefitting Hape, Mumzworld and the customers, the promotion was welcomed and went viral.

Bumps and Babies



At the beginning of 2020, Babico(distributor) worked with Blossom, the country's leading nursery chain, to introduce the Hape brand. Pleasingly, Blossom's Triple P approach (people, planet, prosperity) and modern British curriculum (EYFS) resonated with Hape's "Love Play Learn" philosophy, and both parties saw the possibility of further cooperation in the future. The Hape toys displayed in the nurseries attracted many curious children.

Almost simultaneously, *Real Mumz of Dubai*, an online village established in 2016, organised a one-stop-shop event (Bumps and Babies) for pregnant and newborn "Real Mums" that aimed to make finding products that live-up to adverts and hype easier than ever. Hape joined the event alongside other qualified brands. Over 200 young mums, walking outside the gorgeous venue and enjoying beautiful coastal views whilst their children played with Hape toys, enjoyed a relaxing day, catching up on gossip and shopping for what they need.

Meanwhile, a Pop Up market lit-up Dubai, with over 1000 visitors coming through. Parents and children wandered happily among the Pop-up booths, viewing and trying-out the products on display. *Cloudhoods*, who brought Hape to the event, prepared a table of secret giveaway bags.

Pop Up Market



(Photo Source: Hape Image)

Rise Amid Crisis

Last season in Asia was hampered by the Covid-19 outbreak. Marketers had to find new outlets online as cities were locked down. Though it was hard - and may it last still - we should and will march forward through the thistles and thorns.

China: Budding with Friso and flowering in March

Date: 5th to 8th March, 2020

Place: Tmall

Type: B2B

Hape China has reached a strategic partnership with Friso, the dairy brand owned by Royal Friesland Campina N.V., one of world's top dairy groups. The pursuit of natural materials and dedication to the healthy growth of children formed the cornerstones for the relationship. In 2020, both parties promised to celebrate one another's merits and boost sales via cross marketing exercises. One such endeavour already debuted in Tmall, where milk powder consumers received coupons that could be exchanged for Hape toys. Furthermore, both parties have conducted a series of co-broadcasting and online community promotions.



Hape's Flagship Store in Tmall joined the special promotion for the Goddess Festival (International Working Women's Day). According to data, the number of visitors increased by a quarter and intended buyers have surged around 40% year on year.

HK SAR: Small gatherings...for now

Date: 10th to 25th March, 2020

Place: HK SAR

Type: B2C

As the outbreak became more stable, Yata Department Store organised a small Baby Items Fair in March. Visitors wearing masks flocked into the shop to enjoy the event, with the department store taking the necessary protective measures before opening their doors.



(Photo Source: Hape Image)

Korea: Online = Frontline

Date: 10th to 22nd March, 2020

Place: Instagram

Type: B2C

Handicapped by the outbreak, Hape's exclusive distributor in Korea, Toynstore, turned its focus on digital marketing. During March 10th to 22nd, @hapekorea on Instagram launched an activity to promote the *Toddler Fruit Basket*. Anyone who clicked "like", reposted and then left a comment would have the chance to be gifted one such basket for free.

This proved to be an efficient way to promote such products, with @hapekorea acquiring many new followers.



JPN

Meet Hape Outside the Toy Stores

Do you think toys should only be presented in toy stores or supermarkets?

Well, a number of Hape toys appeared at Hoken Minaoshi Honpo - a famous Japanese insurance agent - recently, breaking the mould in a fun way. In March, Hoken Minaoshi Honpo set up two kid spaces (named "Aso-Labo") in Koshigaya Lake Town KAZE and MARK IS Minatomirai respectively, equipping each location with various Hape toys. The kid's space provides a perfect place for children to play whilst their parents focus on business with their insurance brokers.

As the first time for Hape to conduct cross-border cooperation with Hoken Minaoshi Honpo in Japan, the result and feedback has been quite positive. On one hand, it allows the parents to focus on their business without being distracted by their children, and on the other hand, it provides children with a smorgasbord of quality Hape toys to enjoy. With both sides satisfied, Hape toys looks forward to gaining more and more popularity among its Japanese consumers. Much like the cross-border cooperation enjoyed with the JinKe Realty Group last year in China, Hape hopes to capture more consumers' hearts in the future through effective, productive and innovative collaborations with different industries.

Following on from the Hoken Minaoshi Honpo's kid's space, Hape has long-term development and cooperation plans with other businesses and stores, and since March, Hape toys can be found in a host of different stores and spaces in Japan. Just get out and find more surprise once the pandemic over and it is safe to do so!



Look! Hape Railway Trains!

USA

Since February, Hape Railway trains have been on display at "Tom's Toys", lending the store's window spaces a new sense of vibrancy. The presence of Hape's quality toys will be felt throughout 2020, welcoming consumers and enticing passers-by alike. The Hape Railway train toys have replaced "Thomas trains" at the store, garnering much attention and appreciation among local consumers.

Tom's Toys is a Specialty Retail Store located in Beverly Hills, the most luxurious residential area in Los Angeles, California.



Hape Await You in the Window!

GER

Hape toys (Pepe & Friends, Toddler Music, Toddler Toys, Walkers / Ride-ons, Baby Einstein) have been on display in the window of "Spielwaren Faix" since March, conveying a warm and cozy sensation to all consumers and introducing them to the "Love Play Learn" philosophy. The visual treat has helped the brand gain more followers in return

The store "Spielwaren Faix" belongs to Vedes, a specialised trade organisation for toys and leisure that is also one of the top three retail groups in Germany. Hape Germany has maintained a long-term cooperation relationship with Vedes for many years.



5 PREDICTIONS FOR 2020 The Toy Industry Should Know!

Public life has ground to a halt and shops have closed due to the current COVID-19 pandemic. It is not possible to say at this stage what impact the virus will have on business and society – but the consequences will be immense. Against the backdrop of all of this, what will be the trends for the decade ahead and what effect will they have on toys and how they are marketed with respect to manufacturers and retailers?

Kids Insights, the global leader in kids market intelligence, issued the 2020 Future Forecast report, which predicts some of the key trends to watch out for this year, and throughout the course of the new decade.

1. NOW IS THE TIME TO REDEFINE AUDIENCE

Children are constantly connected but unlike older audiences, they have an expectation to not just consume content, they expect to be able to co-create, co-distribute and even co-commercialise content. The social media platform is the most popular newly downloaded app for kids aged 6-12 in the last 6 months. Whilst gaming companies and social media platforms have been successful in incorporating co-creation strategies, more traditional industries sectors have been slower to recognise and adopt such strategies which appeal and resonate with this audience. In 2020 brands need to develop an ecosystem which is agile - which not only attracts but continues to evolve with their audience to build engagement and experiences.

2. GENERATION SPEAK TO MISTRUST RETAILS

Kids Insights data shows that 17% of the children surveyed (internet users) in India prefer to control their devices by voice. This is considerably higher than other markets such as the US or UK, where only 12% of kids say the same. A growing voice-first generation (Generation Speak) is something brands need to consider when creating products, content or marketing to Gen Z, as well as retailers when designing their product range. Because online shopping via smart speakers such as Alexa are becoming increasingly popular among teenagers.

3. PROVIDING ENVIRONMENTALLY AND SOCIALLY RESPONSIBLE PRODUCTS

Far from being passive observers, kids and teens are now eco-advocates and spearheading action against the climate crisis. The survey also shows that 34 % of UK parents hope to teach their children to take care of the environment before they've reached their 5th birthday. In France, Germany, Italy and Spain, the number of teenagers concerned about the environment is even higher, peaking amongst German teens at 47 % (Jul-Dec 2019). So the eco-friendly credentials are of growing importance to this generation of families and will increasingly affect their purchasing habits. Companies now also understand that a clear transparent environmental strategy can put them at a competitive advantage. They not only have the power to positively influence kids and teens; they can also strategically benefit from the awareness of serious issues that is building among the next generation of consumers.

4. THE FUTURE OF ADVERTISING TO KIDS

Advertising and marketing budgets are facing increasing pressure as we enter the new decade. For instance, YouTube are set to end targeted advertising on videos children are likely to be watching. These changes will potentially cause disruption to both the business model of creators on the platform and the brands who advertise with YouTube. The absence of targeted ads will mean brands are either forced to face a reduction in revenue from media spend, or possibly allocate their budget elsewhere.

Brands are going to have to seek out innovative ways to achieve a better return on investment. One of the ways they are doing this is through utilising content as advertising. For example toy company Mattel decide to invest in films and realising live action versions of Barbie Hot Wheels and Masters of the Universe. The biggest growth areas over the next 5 years are expected to be eSports, gaming and virtual reality, which are already engaging high numbers of children across the world. Maybe brands have a way of utilising these platforms for advertising in the future to get their brands in front of children.

5. WHERE WILL INXP (IN-EXPERIENCE) SPENDING GO NEXT?

The kids app market continues to grow at a significant rate and since the beginning of 2018, the number of kids in the UK who pay for apps (or make in-app purchases) has increased from 52% to 60%. Over the same period, the number of kids spending at least £1 per month has increased by 71%. Many popular apps and games operate on a "freemium" model, where players are encouraged to purchase additional in-game content and perks. This area is, so far, considered relatively unregulated – children are making in-experience purchases (INXP), and there have been some links made between children's spending and gambling. A report from the UK's Digital, Culture, Media and Sport Committee has recommended to restrict their sale to children, a move which could shake up the business model of free-to-play games and apps.

Referred from Spielwarenmesse "5 predictions for 2020 the toy industry should know", March 23rd, 2020.
<https://www.spielwarenmesse.de/magazine/article-detail/toy-industry-5-forecast-for-2020/language/1/>



Xinhua Interview:

Infrastructure and technology underpin China's manufacturing superiority

-- Hape Group CEO



NEW YORK, March 2nd (Xinhua), Hape Group Founder & CEO Peter Handstein was interviewed by a Xinhua Journalist, where he talked about the superiority of China's manufacturing industry, Hape's new strategic toy retail steps in China, and also the sustainable principles of Hape.

"China over the last 20 years has built very strong infrastructure. I cannot see any country around the world who can match it, especially when you talk about the toy industry. Whatever spare part I need for my products, I find a supplier (there)," said Peter Handstein.

Being one of the beneficiaries of the development of China's manufacturing industry, the toy group aims to share the value of education through products and communication to Chinese customers amid fierce market competition.

"We plan to open some physical experience centres in China where children can go and use our products to play," said Peter. "I think that retail has to change to benefit the customers - we need to give them a reason to come to our places."

Hape Group has focused on ecological-friendly, innovative and educational wooden and bamboo toys since its establishment. As Peter said, "Sustainability has been a big principle of Hape from day one".

Referred from 'Interview: Infrastructure, technology underpin China's manufacturing superiority -- Hape Group CEO', 2020-03-03, www.xinhuanet.com.

Read more on: http://www.xinhuanet.com/english/2020-03/03/c_138836951.htm

At the beginning of January, a special live interview on Autism Live, a unique website for Autistic Children with a community covering more than 102 countries, was held by Shannon, the host, who interviewed Cassidy Smith, Hape North America's Sales & Marketing Manager.

Last year, two Hape toys, *Walk Along Snail* and *Shake & Match Shape Sorter*, were recognised as notable toys for autistic children. In the interview, Cassidy introduced in detail how Hape toys benefit children's mental development and open the hearts of autistic kids.

The live interview was broadcast on the Autism Live website, attracting numerous viewers who care about the subject. The full video is available here: <https://youtu.be/cZFyz4AK-ts>

Hape's Live Show on Autism Live

(Photo Source: Hape Image)

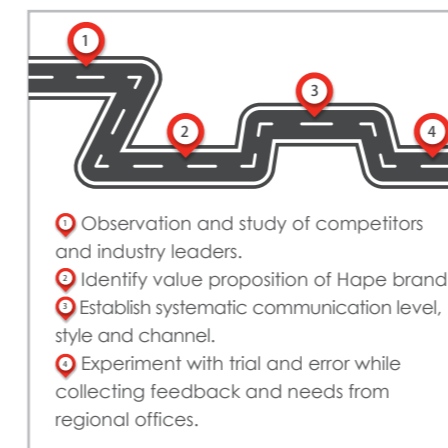
2019 Online Marketing Overview

Communicating with end-users online is becoming one of the most important marketing strategies for brands, especially during this quarantine time, when people are paying more attention to online information than ever before. Hape began B2C online marketing years ago, and has seen a remarkable improvement in its performance since last year's co-operation between Hape Global Marketing and Studio Case Stagioni SA.

The Target and Method

When we stand on the starting line, the first thing we need to know is where we are and where we want to be. In other words, what's our target? Here we clarified three targets in general – improving brand awareness, increasing user interaction and engagement and boosting value-added content. With these clear goals, the next step is how to achieve them.

Lead generation is the major online marketing method we have chosen to implement. What we need to do is inspire consumer's interest on our products or services. When the consuming demand is constantly accumulating, it will finally transfer to the behaviour of buying.



BEFORE		AFTER
Mainly products post	Communication level	Brand level: eco-friendly topics, educational knowledge, international festivals, etc. Parenting level: parenting tips, fun facts, emotional posts, etc. Product level: new products launch, features introduction, etc.
Little interaction	Online Interactive	Organise campaign to attract interests and participation, encourage users to generate content.
Out of touching with life	Approachability & Relevance	Maintain the account with value-added content, with emotional touch, with interactive communication, with fun.
Each social media channel works independently	Multi-channels	Synergy collaboration among website, blog, email newsletter, social media and apps.

Four Measures to Improve

To know our end consumers better and communicate with them better, we improved four aspects of our social media platform: defining the communication level; being more interactive; being more approachable and relevant with end users; and multi-channel synergy. For a better understanding, above is a simple before-after comparison table.

During that period, we created a variety of value-added content. Besides posters for different topics, we also provided parenting and early-education knowledge/tips in the Hape blog, released sales brochures and newsletters, organised campaigns offering digital giveaways and more. For instance, there was a *Quadrilla* Challenge Campaign in the back-to-school season last year, which was quite a success. As we announced the top three craziest works to be collected into the 2019 Winners Hall of Fame, the campaign attracted numerous of *Quadrilla* fans in many different nations. More importantly, the campaign also brought lots of user generated content, which benefits further communication and spread-out from the consumer end. These are invisible assets that brands scramble for.

The Qualitative Results

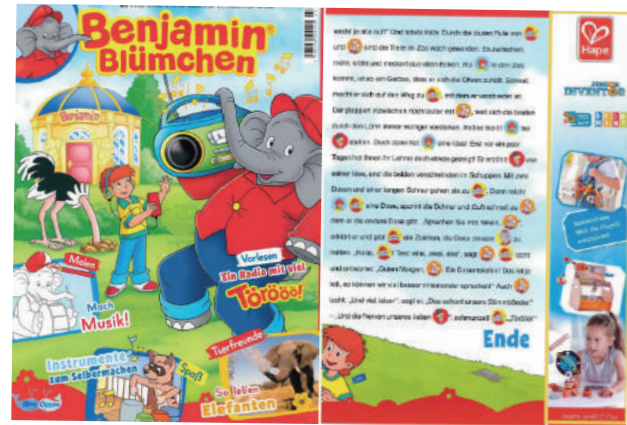
So now comes the last question, what's the final result after all the hard work? To answer that question, let's show the qualitative results. The USA's online performance is a suitable representative to compare the before and after findings. Hape toys' official Facebook account has been running for years, obtaining thousands of followers, but seems to have been slowing recently, until some new changes appeared last year and improved things greatly. An interesting point is the number of new followers on the account after we whittled the audience down to those only located only in North America. Along with the improvement of the page's online communication, user impressions on the brand increased over 90%, the content reach range increased more than 94%, and post interactions rose to 81%. And how do these positive data results translate into sales? Hape's toy sales on USA Amazon achieved an increase of nearly a quarter percent over last year. Accordingly, we've started to acknowledge that the indirect contribution from social media to online sales is non-negligible. The data tells us that the number of followers does not lead to heightened brand awareness alone, as only quality communication and good online marketing and see a rise in purchasing power. Furthermore, we've also witnessed promising growth in other regions, such as Italy, the UK and Latam.

Overviewing Hape's online marketing activities over the past year, it can be said that we improved in different aspects and harvested some delightful result. In the meantime however, we still have long way to go. Obviously, 2020 will not be an easy year, but it could be a new dawn for our brand's online marketing strategy. In any case, we will keep working with our global partners to extend the influence of Hape's online marketing and increase sales accordingly as the final target of our endeavours.

MAGAZINE

MAGAZINE

Publication Time: March 2020
Distribution Area: Germany
Name of Magazine: Benjamin Blümchen
Distribution Channel: B2C
Circulation: 90,000 copies per month
Product: Scientific Tool Belt, Discovery Scientific Workbench, Magnet Science Lab
Placement: 1/3 of one page
Brief Introduction: Benjamin Blümchen was a German radio play for children first published in 1988. It has been a publication since 1992. Benjamin, the talking elephant who lives in a zoo, is the main character.



Publication Time: March 2020
Distribution Area: USA
Name of Magazine: Style Magazine
Distribution Channel: B2C
Circulation: /
Product: Walk-A-Long Crock, Butterfly
Placement: 1/6 of one page
Brief Introduction: Style Magazine is a publication from Style Media Group, which primarily produces a number of successful local and regional magazine titles. These magazines are noted for their 100% original and geographically targeted editorials.



Publication Time: January 2020
Distribution Area: UK
Name of Magazine: ToyWorld
Distribution Channels: B2B
Circulation: 5,100
Products: Emergency Services HQ, Magnet Science Lab, Pound and Tap Bench, Magic Touch Piano (from Hape x Baby Einstein co-brand line)
Placement: Two pages
Brief Introduction: ToyWorld magazine is the biggest and best trade publication for the UK toy trade and was launched in September 2011.



Publication Time: March 2020
Distribution Area: UK
Name of Magazine: Mummy and Me
Distribution Channels: B2C
Circulation: 20,000
Products: One full inner page, 1/2 of one page
Placement: Four-Stage Rocket Ship, Fun Fan Fryer, Hand-Powered Flashlight, Magic Touch Piano (from Hape x Baby Einstein co-brand line), Pepe Pull Along, Rattle & Teether Collection
Brief Introduction: Mummy and Me Magazine, a luxury parenting publication, is available free to all parents and parents-to-be in the UK.



MAGAZINE

Publication Time: March 2020
Distribution Area: China
Name of Magazine: Parenting Science
Distribution Channels: B2C
Circulation: 360,000 per month
Products: Flower Power Guitar, Magic Touch Xylophone
Placement: Two 1/5 pages
Brief Introduction: Established in 1980, Parenting Science is a very well-known and popular parenting magazine in China. The title "Parenting Science" was inscribed by Soong Ching-ling, wife of Sun Yat-sen. It covers topics about childcare, teaching and parenting which is both useful and interesting, providing parents with many suggestions about childcare in a fun way. It also has wonderful columns which discuss all kinds of problems during the process of childcare.



Publication Time: January 2020
Distribution Area: Germany
Name of Magazine: Spielzeug International
Distribution Channel: B2B
Circulation: 10,167 copies per month
Product: Discovery Scientific Workbench, Deluxe Scientific Workbench
Placement: 2/3 of one page
Brief Introduction: The aim of the international trade journal Spielzeug International is to promote and facilitate communication between trade and industry on an international level, with particular focus and commentary on novelties and developments in the trade and sales market. The publication's core readership are decision-makers in the toy industry and its related segments.



MAGAZINE

Publication Time: January 2020
Distribution Area: Georgia
Name of Magazine: OK! First For Celebrity News
Distribution Channels: B2B & B2C
Circulation: 18,000
Products: Introduction about Hape brand
Placement: Two pages
Brief Introduction: OK! First For Celebrity News is a British Premium Business magazine in Georgia.



Publication Time: 25th February 2020
Distribution Area: Greece
Name of Magazine: Toys News
Distribution Channels: B2B
Circulation: /
Products: Pound and Tap Bench, Mighty Mini Band, Pyramid of Play, All-in-1 Easel, Pepe Pull Along
Placement: One full inner-page
Brief Introduction: Toys News is a newsletter issued by the Greek association of toy retailers (SEVPA), released to all trade members (toy businesses) in Greece and Cyprus, as well as to all visitors to the annual toy trade fair.



MAGAZINE

MAGAZINE