

Case Study **Private and Public Companies**

*Distribution Management /
Toy Market in China*



Devising a Route to Market (RTM) Strategy for the Toys Category of a Multinational Company in China

BACKGROUND

In 2013, leading toy brands were looking to further expand and consolidate their business in large lucrative markets such as China. However, for multinational companies, the Chinese market was different and much more complex in its distribution infrastructure than other countries, which made it difficult to tackle for such companies.

EXECUTIVE SUMMARY

Client Challenges

A multinational client needed to expand its toys market share in China all while effectively tapping local distributors, by city by channel.

Our Solution

We performed a glide path on channel and city expansion based on the proper handling of current distributors and ways to optimize it according to each channel's and city's needs.

Our Intervention's Impact

The development and implementation of a three-year based plan helped the client strengthen its business in current cities, and further expand into new cities using key partners per channel.

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IN FOCUS

Key Client Challenge

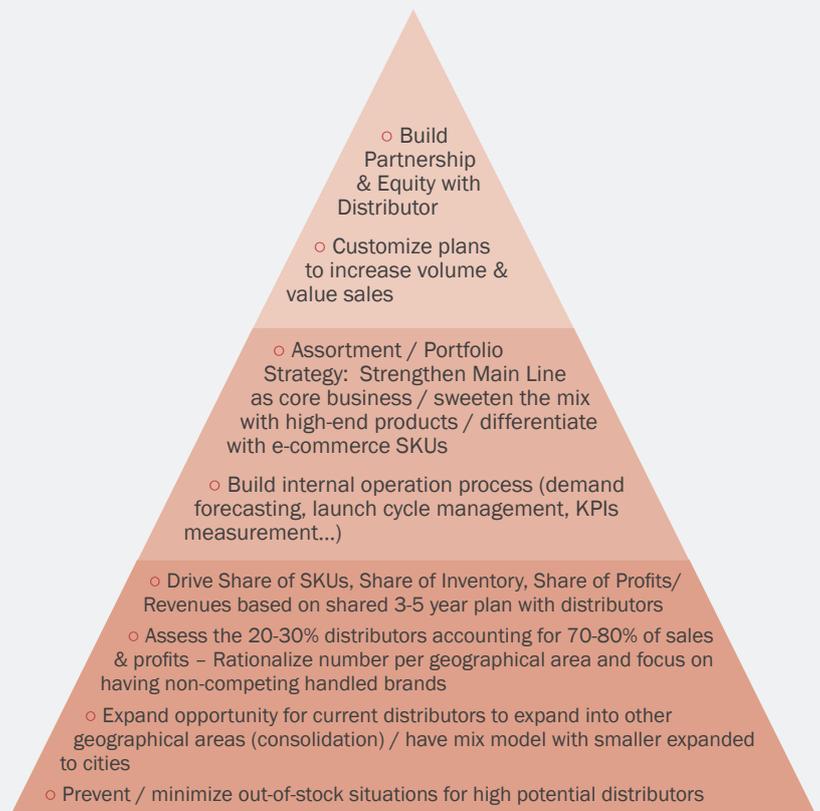
Our multinational client needed to explore different ways to accelerate its expansion and market share growth in China and to achieve incremental growth through advanced distributors management.

Our Solution

Based on city and channel assessment, we identified a huge growth potential through two fundamental drivers:

- Improving sales yield within existing cities
- Rolling-out into more key cities

Considering the client's current set-up and scope, four key channels were set as priority: Department Stores, Online, Hyper & School Shops. Accordingly, the suggested approach was as follows:



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