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THE BUSINESS OF PLAY

During a social event in 2025, Román Gael noticed how the inflatables had caught the attention of dozens of families: the kids were playing non-stop and their parents seemed watchful but calm. Beyond people having fun, Román saw a sign: inflatables could be a great business idea.

Román had always been an entrepreneur at heart. Ever since he was kid, he'd been buying and selling items, experimenting with small businesses that enabled him to learn about sales, customer service, and managing money. Years later, with a solid career and a management position at a tech company, he hadn't lost his knack for spotting opportunities.

After doing a bit more digging, he was surprised to find that many inflatable rental companies had similar problems: they didn't answer their phones, they were untrustworthy, or they racked up bad ratings online. Instead of being discouraged, he saw this as a clear opportunity to offer a trustworthy, safe, and professional alternative.

Image: Freepik, 2025.

Although there were high levels of demand in the inflatable rentals market, it also had low standards of service.



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Bearing that in mind and taking advantage of the fact that the business model didn't require an excessive initial investment, he decided to launch Inflables Lilo (Lilo Inflatables) as a side project, inviting along Ariel Ríos, an enthusiastic entrepreneur with a great capacity for operational execution and attention to detail even though he didn't have as much executive experience as Román. However, his energy and willingness to solve problems and form close relationships with customers have been key to keeping up the pace.

Today, while Román provides strategic vision, planning, and structure, Ariel represents flexibility, immediate action, and direct contact with customers. Although they complement each other, the differences in their profiles and leadership styles could influence the decisions they make for the future, especially when defining roles, delegating duties, and growing the team.

The idea was simple yet powerful: to offer quality inflatables with formal procedures, excellent customer services, and a focus on the user experience.

Image: Freepik, 2025.



What began as a side hustle soon became an interesting example of how detecting needs in apparently flooded markets can open the door to viable and differentiated business models.



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UNDERSTANDING THE SIZE OF THE GAME

According to *Fortune Business Insights* (2025), the global inflatables market reached 853 million dollars in 2024, with a projection to reach 901.7 million dollars in 2025 and 1.4057 billion dollars in 2032, with a compound annual growth rate (CAGR) of 6.6 percent.

Moreover, the report *Global Inflatable Toys Market 2025–2029*, published by Technavio (2024), indicates that the global inflatable toys market in 2024 was led by the commercial sector, with a growth rate of 6.8% and estimates of reaching 7.2% in 2029. This trend is due to the rising use of inflatable toys in commercial spaces such as hotels, parks, and education centers thanks

to their ease of installation, portability, and low maintenance. Another important factor is the safety offered by these products, as they reduce the risk of injuries to children during their use, which has driven demand for them in schools. Collectively, these elements have consolidated this commercial segment as a key driver for growth in the global market of inflatable toys.

Furthermore, the report mentions that South America held fourth place among the regions with the greatest share of the global market for inflatable toys in 2024 and is expected to maintain that position until 2029; however, it is estimated that the region will continue to grow at a slower pace

than others, at an average annual growth rate of 3.7 percent.

In terms of economic value, the South American market will rise from 254.2 million dollars in 2024 to 304.8 million in 2029, which represents 4% of total growth in the global market; this figure confirms the trend in which South America will be the region with the least growth in this sector in the coming years (Technavio, 2024).

It is important to note that the South American region includes Mexico for the purposes of this study. This grouping responds to commercial criteria used for analysis and not a geographical division.



According to data from Statista (2025), it is estimated that income from the Toys and Games segment will rise by 4.2 million dollars from 2025 to 2029 in Mexico's toys and hobbies market, which represents compound growth of 0.23 percent. However, this increase will not be sustained, as no significant growth is predicted in 2027 and 2029. Despite this, the total value of the market is expected to reach approximately 1.8 billion dollars in 2029.

For Román Gael, the Mexican market for inflatable rentals represents a clear and growing business opportunity. Although inflatables are a fraction of the global figure, their added value in service, experience, and price make the segment a niche with a considerable margin and low barrier to entry.

There are no studies that determine exactly how much the inflatable rental segment represents within the national Toys and Games market, the value of which was 780.5 million dollars in 2024 according to the Mexico Toys and Games Market Overview from Imarc (2024). However, if we estimate conservatively that the subsegment could represent between 5% and 10%, this would be an annual opportunity of 90-180 million dollars.

Images: Freepik and Gravisio in Flaticon, 2025.

REASONS TO CONSIDER
MARKET GROWTH



Constant demand for in-person entertainment at children's events (birthdays, schools, fairs, and activations).



The proportion that tends to be represented by rental services (inflatables and furniture for events) versus product retail.



Surveys in large cities where between 55% and 70% of families hire some type of entertainment for children's parties.

A MARKET THAT KEEPS BLOWING UP

The inflatable rentals market has grown in popularity across the country. From children's parties to school events, inflatables have become a recurring option for those seeking safe, fun entertainment. However, this very popularity has generated an environment full of challenges for Inflables Lilo. On the one hand, customers have multiple options when organizing an event: from entertainers and magic shows to play areas or interactive experiences. Any alternative that meets the objective of entertaining children can easily displace inflatables if these don't offer a clear and differentiated value.

On the other hand, more and more people are deciding to enter the business due to the ease of starting up with a relatively low investment without the need for

premises or complex paperwork, which has motivated entrepreneurs seeking additional income. Social networks are flooded with advertisements promising to recoup investments in under three months, which contributes to new competitors cropping up almost every day.

For their part, those who manufacture and sell inflatables have multiplied, which has led to fragmentation of this sector. It's now possible to buy inflatables online, at specialized markets, or even import them directly; this means that many are exempt from payment of taxes under NOM-015 on the labeling of toys (Diario Oficial de la Federación, 2008).

This wealth of options allows entrepreneurs to compare prices, quality, and de-

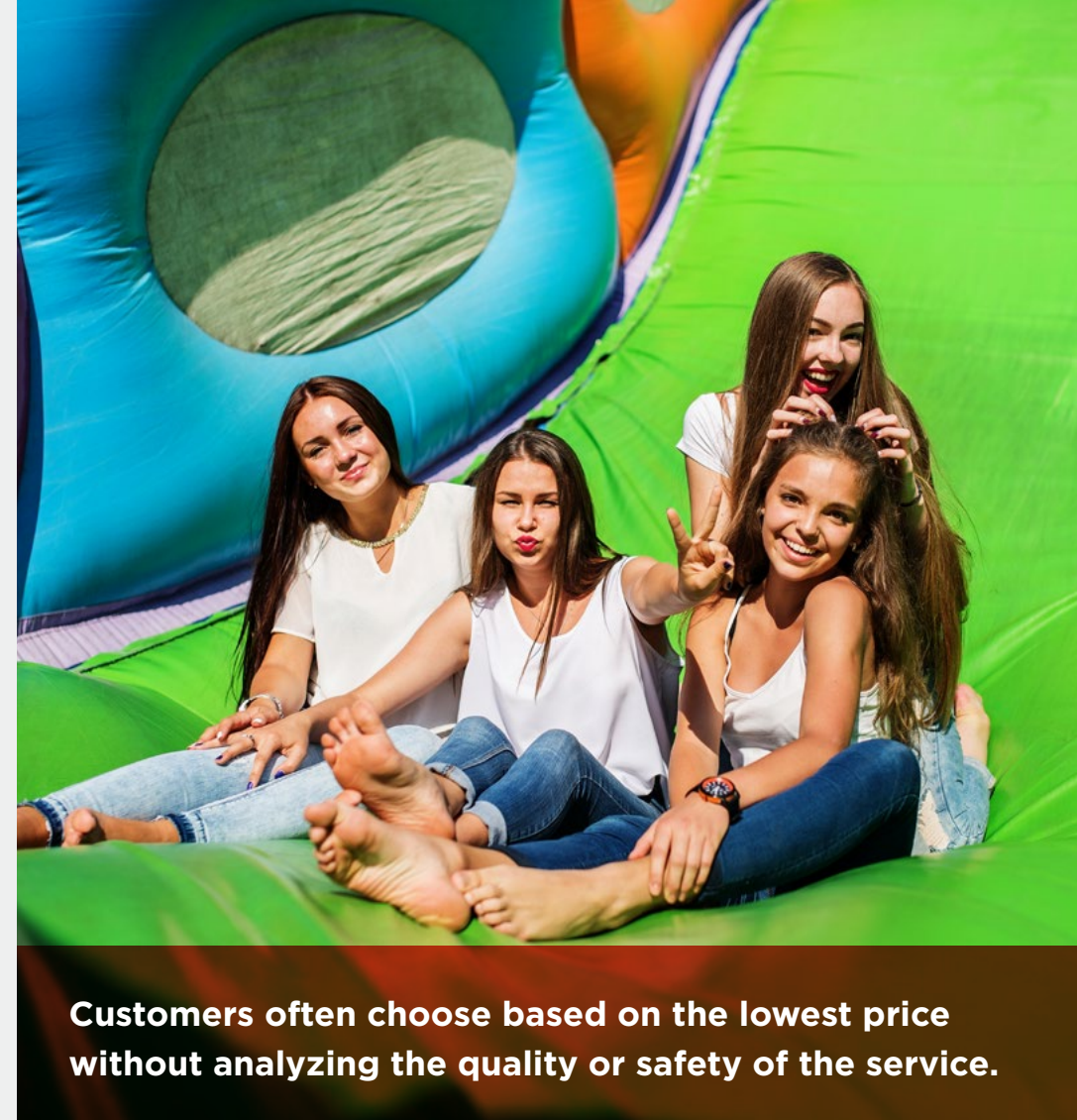


Image. ASphotofamily in Freepik, 2025.

Customers often choose based on the lowest price without analyzing the quality or safety of the service.

signs, which means they don't have to rely on a single supplier to run their business. However, this diversity has also generated another effect: customers have become very demanding and price sensitive. Most of them compare options on digital platforms and expect immediate replies, promotions, and full flexibility.

Moreover, the British Inflatable Hirers Alliance (BIHA) recommends considering factors such as adequate storage space for equipment, taking out civil liability insurance, and performing regular safety tests. It also mentions the importance of an effective digital marketing strategy that combines professional presence on social media with an optimized website, as well as constant maintenance of the inflatables and complementary equipment, together with a strategy for gradual growth to ensure the business's long-term sustainability. Finally, the BIHA emphasizes the personal commitment that operating in this sector implies, especially on weekends and during high season, which demands discipline, persistence, and a proactive attitude to customer service (British Inflatable Hirers Alliance, 2025).

Additionally, the number of businesses operating in the same segment is going up, which leads to many entrepreneurs competing while offering similar services (occasionally, even the inflatable models are the same). In this environment, it's essential to stand out by differentiating oneself from the competition through visible actions, credible messages, and an integrated experience for the customer, elements that constitute the only way to survive without joining the race to the bottom.

On the supplier side, although most inflatables available on the Mexican market are manufactured locally, some producers use cheaper materials that reduce the resistance of inflatables to rough and constant use in order to offer more competitive prices. This could lead to products being

less durable, more frequent repairs, or even risks to user safety if there is no adequate control of maintenance. These decisions, taken at the start of the value chain, end up directly affecting the end customer experience and the business's reputation. That's why, for companies such as Inflables Lilo, choosing suppliers also implies assuming an ethical and responsible position; they are evaluated not only on cost but also on quality, safety, and the sustainability of the materials used.



THE CHALLENGE OF BOUNCING HIGHER

Although Inflables Lilo was born as a side project, it has exceeded expectations in a few months: the business recovered its initial investment in just three months thanks to a proposal based on customer service, punctuality, and formality in a sector that is typically informal.

This success has brought new challenges. Every week, they receive more requests, and the agency is starting to get booked up days in advance. But there's a problem: Román and Ariel can't keep up anymore. They're both loading, transporting, installing, cleaning, disinfecting, answering messages, sending quotes, signing contracts, providing follow-up, charging, and collecting the inflatables. What began as a sustainable, self-executed model is beginning to show signs of stress.

Images. Adrien Coquet, Freepik, Monkik, Xnimrodx and Those Icons in Flaticon 2025.

The key to this rapid growth lies in six strategic differentiators that Román and Ariel have implemented rigorously:



1. Guaranteed punctuality: they arrive several minutes before or at the exact time of the event, without excuses.



2. Inflatables are always clean and disinfected, to standards that exceed practices in the sector.



3. Professional and safe assembly that gives parents peace of mind.



4. Flexible delivery and collection times, tailored to the customer.



5. Immediate replies via WhatsApp, without bots or long delays.



6. Formal backing by a contract to provide certainty at each event.

At the same time, the growth of the business is making the need to diversify apparent. They've noticed that some customers are asking for obstacle inflatables, aquatic inflatables, themed ones, with roofs, with slides, or even options for corporate events. The variety of options is huge, and each inflatable can cost between 10,000 and 60,000 pesos; one bad investment could take years to recover or, in the worst case, never be rented.

Besides the financial impact a bad choice represents, there is also an environmental impact that is rarely considered: as inflatables are mostly made from plastic materials such as PVC or vinyl, they generate waste that's hard to recycle once they stop being used. Some models that are not very profitable or fall out of favor end up being stored for years or thrown away, which poses an ethical question about responsibility in purchasing decisions.

Román needs to make a key decision about the capital fund he has recovered: How to take the next step in the growth of Inflatables Lilo without losing the values that make it stand out?

Choosing with long-term vision implies not only considering profitability but also the product's life cycle and its environmental impact.



Image. Standret in Freepik, 2025.

THE DECISIONS

Román and Ariel know that they must make key decisions to keep up the pace without compromising the quality that sets them apart. The first big dilemma revolves around diversification of the inflatable catalogue: what will the next big acquisition be? A big, eye-catching inflatable that makes more of an impression and becomes a social media favorite? A compact and versatile one that can be used in small spaces and is easy to transport? Or a themed one, designed for a specific niche such as children's parties or school events based on popular characters, with the risk that it has limited demand?

The challenge doesn't end there. With increasingly busy days, both founders are wondering who their next hire should be. Should they employ an operator who helps them with assembly, disassembly, and cleaning,

releasing them from the more physical and repetitive tasks? Or would it be more valuable to hire someone who answers WhatsApp messages, sends quotes, schedules events, and turns prospects into customers, improving sales conversion? They're also considering a third option: hiring someone with a mixed profile, possibly less specialized, who can help them on several critical fronts such as maintenance, post-sales service, or even social media management.

Finally, an even more complex question emerges: how can they continue to differentiate themselves in a market where more and more competitors are only competing on price? Is it time to raise prices to cover operational growth, even though this implies losing price-sensitive customers? Or should they optimize processes and focus on volume while continuing to meet their standards of service?

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