

**Metropolitan State University**

**Integrated Marketing Communications Plan**

**Barbie Group:**

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**Industry Analysis-Growth**

Since Barbie's release in 1959, she has been one of the most successful dolls within the toy industry, earning Mattel \$24 billion in sales over the past 30 years (Nash 2005).

The Bratz dolls were launched in 2001, giving Barbie one of her first major competitors. Since the introduction of Bratz dolls, Barbie's market share in the category of "fashion dolls" has dropped from 75 percent in 2000, to 60 percent in 2005 (Nash, 2005).

With the display of strong retail sales growing by 15 percent in China, Mattel launched a flagship Barbie store targeting 24 to 32 year old women. The brand failed to recognize what trends were popular within the particular age group of Chinese women, thus suffering disappointing sales (Rein 2010). This opening for growth within a different market was a great opportunity for the corporation, but Mattel did not thoroughly understand that market, which resulted in missing that chance of gain.

**Industry Analysis-Current Trends/ Developments Affecting the Promotion Program**

Technology has become a major part of the toy industry. Consumers today are expecting toys to respond to them and become more interactive. "Sales for the iconic Barbie fell 1 percent worldwide, the 11th consecutive quarter of decline for the franchise (Gogoi 2006)." Children are showing more interest in interactive toys, replacing the classic doll.

The Bratz dolls, as stated previously were introduced in 2001 as the first major competitor. Since then, other competition has been released such as: Disney's line of princess dolls, Janay and Friends, and Girls on the Go. With the entry of these types of competition in the market created a larger field for

Mattel to play on instead of having mainly their own.

### **Industry Analysis-Macroenvironmental Factors and Issues**

“Tween” girls, ages 8 to 12, have lost interest in the classic Barbie, now looking for edgier dolls with trendy clothing and heavy makeup, found in the Bratz dolls. Barbie launched My Scene dolls to compete with Bratz dolls, but Bratz dolls have gained a strong foothold within the “fashion dolls” category. “Fixing the Barbie franchise won't be easy. Brand and toy experts believe that dolls just don't capture the imagination of young girls anymore (Gogoi 2006).”

Consumer electronics are not only growing in popularity for adults, but children's toys are now becoming more and more interactive as well. Walker (2000) States that now over 60 percent of toys released by Fisher Price have some sort of computer chip in them. Initially, computer chips were relatively expensive to produce, but as they became more cost effective, they also became more prominent in new toys. This shows how the growth of technology has impacted the industry and how classic toys are being affected by it.

### **Company Background-Business Philosophy**

The toy industry giant Mattel has owned Barbie ever since she made her debut in 1959. Mattel's mission and responsibility tells consumers that they want to impact people in a positive manner through the use of their products and ‘planet’ by playing responsibly (Mattel Inc.-Corporate Responsibility, 2011). In all actuality, this mission agreement follows these specific values for the company on a daily basis: play fair, play together, play to grow, and play with passion (Mattel Inc.-Corporate Responsibility, 2011). These values describe Mattel's business philosophy in regards to

making business decisions, creating a good working environment for employees, helping the global environment, and involvement in social responsibilities.

### **Company Background-History/Image**

Ruth Handler is the co-founder of Mattel and inventor of Barbie (Bellis). The first ever Barbie's name was Barbie Millicent Roberts, and her initial job was to be a teenage fashion doll. However, throughout the growth of the doll itself, she has developed over one hundred and twenty-five career options (Bellis). With that being said, she had upheld positions in areas such as politics, different cultures and social norms. The original image Barbie portrayed was a clean-cut image that mothers remember from when they were young girls, along with a motivational female character that could do anything and be anyone (Cook, 2003). This created a very dominant position in the doll market that Mattel intends to keep strong.

### **Company Background-Sales History and Market Share**

As the product line continued to develop, negative images started surfacing in regards to body image, and self-perception. People started to blame Barbie because of how her body presented unrealistic proportions, which created bad publicity for the doll (Open For Business, 2011). But because Barbie herself is such a large mogul, having two dolls sold every second, much of this negative publicity did not affect the overall popularity of Barbie (Open For Business, 2011). For the most part Mattel has stayed quite solid with market share gains since October 2010 (Businessweek.com & Staff, 2010). As a matter of fact, on April 15<sup>th</sup>, 2011, Barbie assisted in Mattel winning the market share. By beating quarterly sales expectations, Mattel's shares increased 5 percent (Best Growth Stock, 2011).

In addition to the quarterly sales exceeding expectations, Mattel's sales also rose 8 percent, along with Barbie's sales that increased 14 percent, which is above analysts' average estimates (Best Growth Stock, 2011).

### **Company Background-Resource History**

Mattel has had some issues with particular manufacturing resources. These issues involve standards which were not implemented to code, resulting in Mattel's 2007 toy recall catastrophe. This recall issue arose when one of Mattel's manufacturing facilities that was outsourced in China produced products contaminated with high levels of lead content from paint, along with flawed product design creating a choking hazard involving magnets that were becoming detached from the product. Certain products such as Barbie were also involved in the choking hazard issue, to be exact there was 675,000 Barbie accessories that were included (Times, 2007). Mattel experienced a slight downfall from the aftershock of all the recalls that occurred, but definitely made the correct changes in order to not only create awareness, but fix the issues.

The large corporation was dealing with manufacturing companies that had under developed infrastructures. After the fact, Mattel made it extremely important to test everything going on in these facilities, and make sure these tests were being implemented to 'Mattel's standards'. "As a world leader in the design, manufacturing and marketing of family products," Mattel stresses that it is their obligation and promise that their employees will implement their jobs in agreement to Mattel's Environmental Health & Safety policy and standards (Mattel Inc.-Corporate Responsibility, 2011)

**Barbie Product Line**

The Barbie product line is a large and diverse collection of dolls along with doll accessories. It began with Barbie and Ken, as the original two dolls. Then the product line grew with the Mattel brand adding Ken, Barbie's friends, family and occasionally celebrity look-a-like dolls.

**Barbie Brand Image and Positioning**

Barbie is one of the most recognizable dolls and names in the doll market. It is the forerunner of the Mattel brand and has provided the sales base for the Mattel Company since the first Barbie Doll was introduced at the American Toy Fair in New York City in 1959 (Johnson, 2003). Barbie's brand name was established in the early 1960's and has remained strong since then. The strength of the Barbie name has helped Barbie and the other dolls in the Barbie collection weather more than one storm.

Barbie has been positioned as a, "a shapely teenage fashion model (Johnson, 2003)." This was the original tagline that described Barbie when she was released, since then she has been repositioned numerous times. Mattel has moved her from a high school girl to a professional on through other professions and lifestyles to appeal to the girls of the time. Mattel has recently repositioned her to better fit the American girl of today, trendy and more realistically shaped.

**Key Benefits**

Barbie has a few key benefits, one of the largest benefits is the amount of advertising that Mattel does. Mattel spends 95<sup>th</sup> most on advertising in the United States. This creates huge opportunities for Mattel to spread the Barbie image and show the changes that Mattel is making to Barbie (Gale, 2010). Mattel is also the second most valuable leisure goods company in the US, leisure goods are made up of

the toys and goods industry. Mattel being so valuable and large can spend huge amounts of money on R&D to keep Barbie how the public wants to perceive her. They can also afford to keep her in the public eye (Financial Times, 2010).

### **Consumer/Buyer Analysis**

The users of Barbie doll toys consist of girls primarily in the 3 to 12 age range. Typically, any girl who likes to play with toys and dolls will be included in this target market. This girl will enjoy typically girly things, such as princesses and the color pink.

The secondary market for Barbie dolls is the mother who buys the Barbie for her child. She is the influencer of the purchase decision. The mother will be between the ages of 25 and 40 and will have played with Barbie's herself as a child.

The child will be looking for a toy that she can "become friends" with. She wants a Barbie who can do everything she can do, plus a little bit more. The little bit more that Barbie can do will be the dreams and goals of the child playing with the Barbie.

The mother will be looking for a toy for her child that will promote health and ambition. She will be looking for a toy that will mean as much to her own childhood as it will to her daughters. The mother would like to see her daughter inspired in positive ways through her Barbie doll, creating the same experience with the product she had as a child.

### **Competition**

Mattel's brand, Barbie, has been facing numerous competitors that are making efforts to get the brand to fall from its "pedestal" in the fashion-doll market. These competitors can be broken down into

indirect and direct competition.

Essentially, in order to be considered an indirect competitor, the company must make a product that satisfies the same needs that a Barbie doll category would. For instance, the Barbie doll falls under the girl toy category for Mattel, so generally speaking any girl toy that involves dress-up and fashion would be an indirect competitor.

In order to be a direct competitor in this market, the other must offer essentially the same good, in this case a doll, which the other does. There are numerous toy companies currently in the marketplace that have their own line of dolls that rival and compete with the well-known Barbie. Currently, there are roughly six different brands of dolls that have created the most competition, with four being key competitors, for Barbie.

The first is the well-known Bratz doll from MGA Entertainment. The Bratz dolls as previously stated, originated in 2001, and was originally for teenage girls. These girls were portrayed as having skinny bodies, much like the Barbie, with a large head along with a large set of eyes. Through the years, due to such great success, the brand was able to create numerous spin-offs of the original Bratz; such spin-offs included: Bratz Kidz, Bratz Babyz, Bratz Boyz, and Bratz inspired characters from well-known media outlets. Although the brand began with a bumpy start, they wound up creating a close race with Barbie; especially in 2006, where it was reported that Bratz and Bratz related products held a forty-percent market share, which was extremely close to Barbie's sixty-percent share. They experienced some legal issues in later years and actually took a break from the market, but came back in 2010 and jumped right back into the competition.

The second competitor would be the Liv dolls from Spin Master. The brand is fairly new, but is

taking the fashion doll marketplace by storm. The Liv dolls are designed to resemble real teenage girls that embody a trendy and cool lifestyle. Spin Master created some unique features for the line of five dolls that has not yet been seen, such as interchangeable wigs for each individual doll and class eyes that help add to a more realistic feel. The five dolls are considered to be best friends and have their own backgrounds and life story in regards to what they like and dislike, along with their personality and certain challenges they have faced.

The third competitor, much like the Liv dolls, is the Moxie Girlz from MGA Entertainment. Just like all the other competition, the Moxie Girlz strives for creating and maintaining friendships. These four dolls are also teenage girls that each has their own individual lifestyle and background. Each girl has a dedicated passion for what she wants to be when she grows up and what kind of hobbies she is into; and of course, it is all about keeping up with fashion and all the latest trends with these dolls.

Lastly, the fourth competitor, is the Princess line from Disney. Although these dolls do not possess the same features as the previous three, nor do they appear to have the same characteristics that would be compared to Barbie, they are most certainly a brand to watch out for. So far Disney has created dolls from nine of their popular movies. The lineup includes classics, such as: Snow White, Cinderella, Ariel, Belle, Jasmine, Pocahontas and Mulan, as well as some more recent ones, such as: Aurora and Tiana. The dolls resemble these characters quite well and have their own line of accessories that go with each of them.

### **Competition-Sales History and Market Share**

For the first quarter of 2011, Mattel brand had U.S gross sales of \$303.8 million, which rose up

seventeen-percent from \$259.3 million in 2010. Overall for 2010, Mattel saw worldwide gross sales increase by seven- percent, with a fourteen-percent increase in domestic gross sales and a two-percent increase in international gross sales. Bratz, in 2006, held a forty-percent market share while Barbie held the other sixty-percent, but due to looming court battles, Bratz and the MGA Entertainment segment has took a big decline in their profit making.

### **Competition-Target market and Positioning**

The target market for all of the competitors is aimed at the same demographics, which are young adolescent girls ranging from three years old to about pre-teen ages. The Disney Princess line is more geared towards the younger spectrum of the target market, whereas the other three are more towards the older spectrum. These are the ages in which young girls are most susceptible to deciding who they want to be like, and how they want to act and dress. So essentially these dolls serve as a representation of which young girls are going to try and model themselves as.

With that being said, there is a definite positioning platform happening that is made clear with the Liv dolls, Moxie Girlz and Disney Princess lines. The Liv dolls and Moxie Girlz are created to show young girls what being a real teenage girl is all about. They create these scenarios in which the dolls have their own challenges that they have faced and what they would like to achieve out of life. All three of them emphasize the good characteristics present in each individual doll and why they are loved by their friends.

The biggest thing that all of four of these competitors have in common is how they are

implementing advertising and promotions to get the awareness of the brand and attention. Each brand has created interactive websites that allow for the young girls to play games, find out more about their doll, and do special things that one can only do by purchasing the product. These interactive websites contain lots of deals on products and accessories, as well as an extra source of entertainment for the girls to get more involved with their doll(s).

### **SWOT Table and Discussion**

#### Strengths

- Mattel toys has a good financial position
- Global awareness
- Over 50 years with Barbie brand
- Classic / Iconic/Motivational

#### Weaknesses

- Mattel has changed the fabrics of Barbie which has been criticized by consumers, being accused as encouraging girls to visualize themselves as sex objects.
- More technology and innovation in the industry has hurt sales domestically

#### Opportunities

- The American toy market has become increasingly more competitive especially with new technology and interactive products. The same Barbie product will struggle domestically;

the opportunity is in the international market.

- A different marketing strategy to aim and gear towards this generation of children who enjoy breakthrough and interactive products.

#### Threats

- Access to other forms of entertainment for children such as video games and computers.
- Disney Princess, Bratz, other dolls.....
- Body image is unrealistic and subjective to more criticism.