

AdAge SPECIAL REPORT KIDS



THEN... NOW

MATTEL CO-FOUNDER RUTH HANDLER said it was her daughter's interest in paper cutout dolls that led to the creation of Barbie, though the girls' toy resembled an adult woman doll made in Europe in the 1950s. Barbie, named after Ms. Handler's daughter, was introduced in 1959 and was unlike the baby dolls favored by American girls at the time.

FAST-FORWARD TO 2001, and Isaac Larian introduces Bratz. A new fashion doll for a new generation, Bratz has removable feet for easy accessorizing. Mr. Larian, founder and CEO of MGA Entertainment, targets Bratz to slightly older girls than those attracted to Barbie. This averts a head-to-head fight between upstart Bratz and the doll queen.

Tech-wise girls open

Traditional toys are fine for little sister, but these youths want their iPod

By HILLARY CHURA

AMERICA'S RECORD 30 million girls, up to age 15, represent boundless opportunity—and uncertainty—for toy marketers.

These junior sophisticates are more jaded than their birthday candles would suggest. Mixing traditional girly pursuits with a newfound devotion to sports, videogames and technology, they're challenging toy makers as never before.

Many pundits contend that traditional toys don't work past the age of 12 because of the getting-older-faster influence called age compression. It's girls 3-8, several years younger than previous generations, who now are the bull's-eye for doll marketers.

"Nine is like 14 was 10 years ago," says trend expert Faith Popcorn. "Children are becoming like mini-adults, especially girls."

Even though moms and dads have lamented truncated childhoods since man first

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walked upright, parents inadvertently facilitate it, says Jane Buckingham, president of Youth Intelligence. "Parents are not going to buy their 8-year-old pretend birth control pills," she says, "but they buy them Barbie cell phones that look very fancy, and they don't feel bad about that."

Toy sales in general have been flat because of age compression, general economic woes

and the demand for iPods, cell phones and video recorders among kids, says NPD Group

With brand life cycles dwindling to the duration of a coat of bubble-gum flavored lip gloss, marketers have a mere 10 to 24 months to make their numbers before this capricious target flips to the next hot thing.

"It's a fashion industry, and often [products] are here today and gone tomorrow," says Jim Silver, editor in chief of *Toy Wishes*.

Doll makers have revived some brands that were popular with girls who are now moms with their own daughters. Recycled brands include Cabbage Patch Kids from Mattel and American Greetings' Strawberry Shortcake. These veteran brands join Barbie in grappling with upstarts like the sassy Bratz from MGA Entertainment and the pricey, personalized American Girl, now part of Mattel.

GIRL SCOUT OR BRATZ

"On one side, you have the wholesome Girl Scout. On the other, you have Bratz, full of attitude and fun, and that probably is where the market is going to succeed—finding different niches and then finding products that work for them," Ms. Buckingham says.

Once indomitable, even Mattel's Barbie is vulnerable. U.S. sales for the 46-year-old plastic bombshell did rise 3% in the fourth quarter of 2004, vs. a year earlier, but for full year '04, sales were down 15%, the fourth consecutive year of declines.

Marc Rosenberg, a toy industry consultant and chief marketing officer at new toy company Zizzle, says: "Barbie was untouchable 20 years ago. That's not the case anymore. I don't know that you can say there are any evergreen brands anymore... It opens a huge window of opportunity to creative marketers."

Traditional Barbie fans used to range from 3-10, but that has shifted as older girls want different dolls than those of their younger sisters. Mattel, the world's largest toy maker, has hired fashion industry veterans from the likes of Calvin Klein to design Barbie's togs. Mattel also is expanding the Barbie brand into cosmetics, perfume, stationery, clothing and



marketer eyes

home décor, as well as employing Hilary Duff as a spokes-teen. The doll closely follows pop culture trends, as with American Idol Barbie.

ROLE PLAYING IMPORTANT

Tim Kilpin, senior VP-girls marketing and design at Mattel, says fantasy and role playing remain pulls for younger girls, fashion and celebrity for the 5-to-7-year-old set, and entertainment and DVDs for 8-to-10-year-olds. Mattel is responding with direct-to-video movies starring Barbie.

Realizing the tech savvy of today's girls, Mattel's everythinggirl.com Web site

features all its girls brands along with games, content and fashion play.

For the girls, if not the toy companies, these changing tastes in toys may be a good thing. Heather Marcozzi, a mother in western Pennsylvania, says today's girl toys encourage self-esteem, self-reliance and independence. A hot ticket with her 6-year-old daughter is the Disney Channel's superheroic Kim Possible.

"When we were kids, boys had Encyclopedia Brown," Ms. Marcozzi says. "We had Nancy Drew, but in the really tough cases, it was like she had to call in the Hardy Boys." ■



FURBY'S REVENGE

THE GANG BEHIND Furby, Giga Pets and Hit Clips are getting the band back together.

Seven years after Tiger Electronics sold to Hasbro for some \$335 million, co-founder Roger Shiffman and at least six of his lieutenants have set up Zizzle. The company, to be unveiled at Toy Fair this week, will focus on electronic toys but will also offer action figures, games and collectibles. It plans to roll out 50 items over a dozen product lines annually, most of which will target 6-to-12-year-old boys and girls.

Mr. Shiffman is Zizzle's president-CEO. His new company will focus on technology innovations as well as retrofitting dusty products for today's kids market. The Zizzle CEO says he aims to create an innovative marketer that's more agile than the more well-established toy competitors.

"We have the skills and the knowledge to create great products at the right price," Mr. Shiffman says. His past best sellers included virtual buddies like Giga Pets and Furby, and the robotic dog Poo-Chi; prices ranged from \$4 for an electronic key chain to \$100 for a robotic dog.

Zizzle's chief marketing officer is Marc Rosenberg, who was senior VP-marketing at Tiger and is folding his PR and promotions company into the new toy marketer. Exec VP-product development at Zizzle is Patricia Jackson, once Tiger's senior VP-marketing and product development.

"There are so many good products and so many great products that aren't being made," Mr. Rosenberg says, adding that too few toy companies understand what kids want—research he conducts at pizza parties with his son and daughter and their friends.

"So many people want to hide behind focus groups and not actually talk to kids," he says. "And sometimes you have to sit on the floor with kids in the family room and ask them what they like."

—HILLARY CHURA

PUTTING ZIZZLE INTO TOYS:

Tiger alums Roger Shiffman, Marc Rosenberg and Patricia Jackson.