

Barbie



**ASSIGN
BUSTER**

Barbie®: Mattel Corporation ‘ I’m a blonde bimbo girl, in a fantasy world..... Life in plastic. It’s fantastic. ’ (Aqua) Barbie was born in 1959 but she has never aged because she is a doll. To date over 1 billion Barbies have been sold by the US company that own her - Mattel Corporation. Ruth Handler, who founded the company along with her husband, Elliot, modelled the doll on an 11? inch plastic German toy called Lilli sold to adult men. She named the adapted doll after her daughter, Barbara.

It is estimated that the average girl aged between three and 11 in the US owns 10 Barbies, in Britain or Italy she owns seven and in France or Germany she owns five. With annual sales of over \$1. 6 billion, it is little wonder that the Barbie brand is valued at some \$2 billion making it the most valuable toy brand in the world. But how has this plastic doll endured for so long in an industry notorious for its susceptibility to fickleness and fashion? Surly it must have come to the end of its life cycle? The answer lies in innovative marketing and product extension.

When originally introduced into the market Barbie was competing with dolls that were based on babies and designed to be cradled and cared for. By way of contrast, Barbie, with her adult looks, exaggerated female figure, normally with blonde hair and pouting lips, was seen as adult and independent - a child of ‘ liberated’ times, one that could become anything or anyone the child wanted. But Mattel describe Barbie as a ‘ lifestyle, not just a toy.... a fashion statement, a way of life’. Barbie was not only innovative, it was intended to be more than just a doll.

Every year Mattel devises some 150 different Barbie dolls and 120 new outfits. She has always been trendy and continues to reinvent herself. She was a ‘ mod’ in the 1960s and a hippie in the 1970s. Her hair style has changed from ponytail, bubblecut, page boy, swirl to side-part flip. She has various role in life - from holidaying in Malibu, to being an astronaut, soldier, air force pilot, surgeon, vet, doctor, dentist, engineer, fire fighter, diplomat, fashion model, Olympic athlete, skier, scuba diver, ball player, TV news reporter, aerobics instructor, rock star, rap musician to presidential candidate.

Each role has numerous accessories to go with it - from cars to horse and carriage, from jewellery box to lunch box - and including a partner called Ken. You can even buy a ‘ Make-me-pretty talking styling head’ play set. By 2006 the company had produced the sixth Barbie movie, The 12 Dancing Princesses, each accompanied by specials dolls. By wearing a motion-sensor bracelet and shoe clip, the latest Let’s Dance Barbie! Barbie allows the doll to follow a child’s dance steps. A previous video based on Barbie in the Nutcracker grossed \$150 million in sales, including associated products. In addition, Mattel licence production of hundreds of different Barbie products: including makeup, pyjamas, bed clothes, and furniture and wall papers. © 2008 Professor Pal Burns. Extract from: Corporate Entrepreneurship: Building the Entrepreneurial Organization (2nd Edition), Paul Burns, Palgrave Macmillan, 2008. Dressing and undressing, grooming and making-up is what Barbie is made for. And Mattel has worked hard to generate brand extension - more add-ons to the basic Barbie doll.

The 2002/03 Rapunzel Barbie comes with a handsome prince not to mention a computer animated video and 14 product tie-ins. Mattel also continue to segment the market - trying to find new markets to sell the doll and its accessories to. The product extensions attempt this. But selling beyond the basic market, for example to older girls, is problematic. The main problem is that 'age compression' - girls getting older sooner - means that it is increasingly hard hanging on to the basic market, let alone trying to extend it.

One recent variation called My Scene attempts to sell three Barbie variants, with an older, more 'hip' look, together with perfume, cosmetics and music to this older group. This doll has a movable face feature that allows girls to create expressions on the dolls' face like frowns, pouts, smirks and smiles. Over the years Barbie has become a cult. There are Barbie conventions, fan clubs, magazines, web sites and exhibitions. She is seen by many as the ideal vision of an American woman. In 1976 the USA included Barbie in the bicentennial time capsule.

There are sociology courses in the USA based upon her, speculating on this image and what it implies. Mattel has cultivated these images. They have also worked hard defending Barbie's image (or reputation). In 1997 they prosecuted (unsuccessfully) the pop group Aqua who produced the satirical song ' Barbie Girl', some of whose lyrics are reproduced at the head of this case. Nevertheless, Barbie seems now to have become something of a gay icon. Whether gay or not, collectors have been known to pay up to \$10, 000 for a vintage model.

The question is whether young girls will continue to want the Barbie fantasy world. However, the problem remains that Barbie is getting old and must be nearing the end of her product life cycle. Sales peaked at \$1.8 billion in 1997. Since then they have fallen continuously every year. World-wide sales remained 'flat' in 2006, and this included a 1% benefit from changes in currency exchange rates. So the question is how long can innovations sustain Barbie? And how much longer can life stay fantastic?

Up-to-date information on the Mattel Corporation can be found on their web site: www.mattel.com Questions 1. 2. 3. Why has Barbie been so successful? Barbie is hardly a high-tech product, but has Mattel been innovative in how they have developed the product and extended its life cycle? What are the lessons for product innovation? © 2008 Professor Paul Burns. Extract from: Corporate Entrepreneurship: Building the Entrepreneurial Organization (2nd Edition), Paul Burns, Palgrave Macmillan, 2008.