

# CORPORATE BRAND MANAGEMENT AND REPUTATION

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## MASTER CASES

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Am I a *Barbie* girl?

**Mattel's fight for Barbie's reputation**

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## **Corporate Brand Management and Reputation: Master's Cases**

The "Corporate Brand Management and Reputation: Master's cases" is a case series for applying the case method of teaching and learning in higher education. The cases are relevant to brand strategists in private and public sector organizations, as well as academics and students at universities, business schools, and executive education.

The cases are written by groups of master's students as a course project. The specially developed case format is defined as: *"A management decision case describes a real business situation leading up to a question(s) that requires assessment, analysis, and a decision reached by discussion in class. The alternative approaches and recommendations from the class discussion are followed by a description of the choices made by the case company. This description is then discussed by the class."*

The student groups select the topics of their case providing updated and relevant insights into the corporate brand management. The cases can be used as "written cases" (handed out and read in advance, later to be discussed in class) and/or as "live case" (presented by the teacher following a discussion in class). Each case includes teaching notes, visuals with speaker's notes, learning objectives, board plans, and references.

The mission of the series is *"to develop cases for discussion providing insights into the theory and practice of corporate brand management and reputation, with the intent of bridging the gap between academic teaching and managerial practice."*

The series is a result of co-creation between students and teachers at the elective course Corporate Brand Management (BUSN35 – five-credit course/eight-week half-time studies), part of the master's program International Marketing and Brand Management at Lund School of Economics and Management, Sweden. The cases represent the result of the intellectual work of students under the supervision of the head of course.

Although based on real events and despite references to actual companies, the cases are solely intended to be a basis for class discussion, not as an endorsement, a source of primary data, or an illustration of effective or ineffective management. The cases are free to be used and are to be cited following international conventions.

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### WRITTEN CASE

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## MANAGEMENT DECISION CASE

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### Hello Mattel!

The US-American concern Mattel is the second biggest toy manufacturer in the world and the organisation behind the worldwide known plastic doll named Barbie. Besides from Barbie, Mattel offers a broad and diverse brand-portfolio. Following the house of brands structure, the Mattel group consists of 24 sub-brands, including the core best-seller brands of Barbie, Hot Wheels, Monster High, Max Steel and Ever After High. In addition to that Mattel owns the toy brands Fisher Price (1993), American Girls (1998) and HIT entertainment (2011) each incorporating several sub-brands. The company’s vision consists of the slogan: “ Creating the future of play”. This vision is strongly connected to the company’s culture of “Fair play”. The core values branch out in four different pillars: “play with passion”, “play together”, “play fair” and “play to grow ”. These values lead into the company’s mission to positively impact children and their parents, their products and the world.

Mattel’s corporate headquarter is located in El Segundo, California and operates with approximately 30.000 employees Mattel in 40 different countries and territories including North and Central America, South America, Europe, Asia and Oceania. The complex corporation as described above started within a family garage workshop in Southern California and was founded in 1945 by Ruth and Elliot Handler and Harold “Matt” Matson. With the success of selling dollhouse furniture the company’s focus quickly turned towards the production of toys. In 1959, inspired by the paper doll play of her daughter Barbara, the idea of developing a three-dimensional doll, named after her daughter's nickname “Barbie” was born. “ They would sit and carry on conversations, making the dolls real people. I used to watch that over and over and think: If only we could take this play pattern and three-dimensionalize it, we would have something very special”.

## Case Background

### *Barbie mirroring the stereotypes of society - 60s*

When talking about the evolution of Barbie over time, an important change in society is the second wave of feminism in the 1960s. This movement radically stands for women's liberation, equal rights, opportunities concerning economic activities, personal lives and politics. While society is teaching females about independence and equal rights, Barbie at the same time "projects every little girl's dream of the future". An example for this is the launch of the astronaut Barbie in 1965, which was even four years before Neil Armstrong has been to the moon. Mattel enables girls to become "anything they want" by applying current trends of the American society. Huge controversy arose when Barbie launches the "Slumber Party Barbie" which came with a small book, saying, "don't eat". Naomi Wolf suggests in her concept of the "myth of beauty" that "women must embody it (beauty) and men must want to possess women who embody it (beauty)" explaining the design for Barbie in the 1960s. When these young naive girls play with their doll, their brain is "registering everything about that doll" which makes them want to achieve Barbie's beauty as well.

### *Changing but still the same -70s*

It is clear to see that during the 1950s and early 1960s Barbie was predominantly put in the context of taking care of the home. This can be seen as a reflection of the society at that time. A transformation can be seen in the late 1960s and early 1970s, when an increasing emphasis on ambiguous leisure activities was reflected in the material culture within Barbie. As the 1970's progressed, job choices and careers incorporated by Barbie, reflect gender stereotypes shown in the society. In conclusion, Barbie went from having the stereotypical female role as domesticated woman in the 50-60s, to a more fashionable and sociable Barbie. This is expressed for example through the "Malibu Barbie" taking on a casual Californian lifestyle and characterized with a new skin tone, as well as a beach buggy and camper that suggested an active, outdoor lifestyle and made everyone "wish they could all be California girls...".

### *Barbie becomes diverse – 80s*

Following a similar direction as in previous decades, Barbie tries to capture the 80s' trends and movements in order to attract consumers' attention and make a difference. In the 1980s, Barbie celebrates her 21st birthday. The proceeding years include numerous product launches, reacting to the critics against the doll for

promoting a stereotype for women’s image and body. The company engages in enhancing young girls’ confidence and supporting diversity resulting in one of the most important decisions and product launches of Barbie; the introduction of the “African American and Hispanic Barbie dolls” as well as the “Eskimo and Hawaiian Barbie”. Moreover, the increased popularity of supermodels that starred in the advertisements, leads Barbie to launch the “Angel Face Barbie” that looks like a supermodel with delicate characteristics.

In 1986, “Jem” fashion dolls are introduced to the market by Hasbro and pose a severe competition for Barbie. The profile of the “Jem” doll is contradictory to Barbie’s, since they describe the doll as a working, independent, strong and active woman. Barbie quickly decides to react upon Hasbro’s move by launching the “Barbie and the Rockers” band, later the same year. With this, Barbie taps into the increasing popularity of music channel such as MTV in the music field. During the 80’s Barbies’ appearance is inspired by this decade’s style and adopts the gigantic hair and bright colour sophisticated look. Through these various actions, “Jem” dolls are eventually withdrawn from the shelves in 1988 and Barbie wins again the lead in the market.

### *Still in the spotlight - 90s*

The political situation in East Germany (Berlin) in 1991, leads Mattel to the strategic and diplomatic decision to introduce the “Friendship Barbie” in order to celebrate the demolition of the wall. This local version of Barbie represents a more simple way of living that little girls practiced during the communism years. Nonetheless, European girls seem to prefer the traditional American doll rather than the regional adaptations. Barbie faces intense competition during the same year by a new doll entrant named “Happy to be me” by Miss America dolls. In contrast to the image of Barbie, the new competitor enters the market with the claim to be like a normal everyday woman. This way they want to promote and inspire young girls to be proud of the bodies they have. In the 90s, Barbie responds to issues that concern the world. In 1992 a new doll looking like a presidential woman is presented to the market, capturing “The Year of Women” as more women are elected to political positions. In the same year Barbie introduces the best selling doll in the history of the brand the so-called “Totally Hair Barbie” with the longest hair Barbie ever had. Furthermore, in 1992 “The American Association of University Women” criticized Mattel and Barbie for launching a talking Barbie who said, “Math class is tough”. This was seen as communicating a wrong message to little girls and creating a negative association to maths. Finally, to cope with the technological advancements, in 1996, Mattel creates Barbies’ company website. In 1998, the company’s website is

enhanced with the “My Design” feature which inspires girls to virtually customize their Barbie.

To conclude the 80s and 90s, Barbie faced numerous challenges. They encountered intense competition due to the appearance of rivals who dynamically entered the market with the intention to compete the perception and the beauty stereotype Barbie represented. Moreover, the company had to face critics claiming that Barbie is a wrong role model for little girls. Even though Barbie’s launch of the African American Barbie can be seen as a movement towards equality, the white and blond Barbie is what people perceived as the ideal and original Barbie doll.

The history of the brand in combination with their product offerings, Barbie’s characteristics and company’s communication messages, created the perception that Barbie is all about a glamorous, trendy and stylish model alike girl. It is important to mention that Barbie was accused alongside with newspapers and magazines of promoting a supermodel look that every girl should have in order to be accepted and liked. For that reason, Barbie was accused of creating wrong body images and for lowering girls’ self esteem about their weight and shape. According to Lisa German, Mattel’s delegate, the body of Barbie was not meant to represent the body of a real woman but dolls’. Moreover, she pointed out that Barbie represented women’s different roles in society and the workplace. Finally, she commented that when little girls play, they use their imagination and Barbie is part of it.

### *New Millennium Downfall*

Barbie starts the new Millennium on the same path as she ended the last one: The “Celebration of Barbie 2000” is girls toy of the year. Mattel saw no reason to believe that something had changed and kept on following a strategy they had proceeded with over the last decades. However something was changing. A new market called “tweens” developed without Mattel realising it. Tweens are in between being a child and being a teenager. They no longer play with traditional child toys, but are also not yet ready to stop playing with toys at all and enter the teenagers’ world. Toy manufacturer MGA recognised this societal shift and acted upon it in June 2001 launching Bratz (**see Exhibit 1**). Bratz dolls look like girls dressed in teenage clothes with large amounts of Make-up, piercings, tattoos and come in various different ethnical styles. After six months on shelf, MGA had sold \$20 million worth of Bratz and was elected Toy of the Year in the same year.

It took Mattel 14 months to realise they were facing a serious competitor and to respond to the threat MGA had put out on the market. Mattel’s reaction was the launch of My Scene (**see Exhibit 2**), four dolls looking very similar to MGA’s Bratz dolls. However, the reaction came too late. Bratz had already grown steadily and

Barbie’s share on the fashion doll market decreased from 75% to 60% by 2005. Mattel clearly made a strategic mistake by not listening to customers needs and was trapped in inertia of change even though all necessary information was brought to them by their market intelligence department. “One of the great paradoxes of branding is that you must keep changing to remain consistent” says Derrick Daye, consultant at The Blake Project, “and Mattel appears to be losing the struggle to keep Barbie contemporary”. The result of that can be seen in the decline of gross sales during 2004 and 2005.

As an attempt to regain attention, Mattel announces the break-up of Barbie and Ken and introduces “California Barbie” with a new look, new lifestyle and a new surfer-boy boyfriend. In 2006 Mattel introduces “let’s dance Barbie” together with a new online community “BarbieGirls.com” where girls could customize their own Barbie and chat with friends. The community is a great success but did not help to push sales of Barbie dolls. In 2009 Mattel celebrates Barbie’s 50th Birthday and starts the year with an extraordinary media campaign that gains great penetration. "Barbie had the doll aisle to herself in the first half while riding a 50th-anniversary wave, yet could not produce overall sales growth," says Gerrick Johnson, a toy analyst at BMO Capital Markets in New York.

In 2010 however Barbie succeeds to create sales growth due to a strong holiday season. In the same year Mattel creates a new brand, Monster High that shall target older girls. The new brand is a great success. At the same time Mattel rolls out a campaign where young girls were involved choosing Barbie’s next career. In 2011 Mattel launches another successful digital campaign trying to reunite Barbie and Ken. Just in time for Valentine’s Day users following on Twitter and Facebook could see the effort Ken made to fight back Barbie’s heart. Barbie herself asked her fans to share their opinion if the two should be back together. Mattel did an excellent job in terms of customer involvement and of course, they were back together as a result of the campaign.

However even though things were looking better for Barbie in 2010 and 2011 when dealing and accepting the success of Bratz; from 2012 onwards sales drop steadily and drastically. One main challenge Barbie regularly faces is the critique of being a bad and wrong role model for children, incorporating a stereotype of women parents did not approve of. This is not a new problem for Barbie, but as competition is rising and children have a diverse range of dolls to play with, parents prefer to buy other dolls for their daughters. In the past, Mattel reacted to it and tried to introduce Barbie dolls in all kinds of different careers, however the main stereotypical look remained the same and the core message and the look of the doll did not change.



In 2012 Mattel introduces the “See what happens when you play with Barbie” campaign, showing a pink, fluffy and artificial dream world where girls see themselves in different dresses and styles. Even if the campaign intends to show the girls imagination, it goes along with the traditional Barbie communication with a high focus on fashion and gives unrealistic pictures.

In 2014 Barbie is on the cover of “Sports Illustrated” as part of the #unapologetic campaign facing the critique and negative press over the last years and sending the message “if you can dream it, you can be it”. The intention is to show Barbie in all kinds of professions and show a feministic view on the dolls. Barbie had to face a lot of negative responses to that campaign. Parents saw Barbie as being a sex object when they saw her on the cover of “Sports Illustrated”. Mattel however not only has to face even more negative critique but also faces a major competition due to the successful Disney movie “Frozen” and the success of the “Frozen Princess Doll”. This and the great challenge of children more and more playing with electronic toys contributes to Mattel no longer being the world's leading toy maker, which is now the Lego Group. As a result of that and the negative performance of the Barbie brand over the last years CEO Bryan Stockton had to leave Mattel in the beginning of 2015. Mattel is now facing three consecutive years of radical sales drop and the question is: “What’s next?”.

**Exhibit 1** MGA Bratz dolls (2001)



**Exhibit 2** Mattel My Scene dolls (2002)

