



# The Barbie<sup>®</sup> Case

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A Crisis for the World's Largest  
Toy Manufacturer Mattel, Inc.



# Agenda

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- Top Global Toy Manufacturer
- Key Business Issue
- Friedman's Dilemma
- Key Question
- Questions for Discussion
- Activities
- Key Learnings



# Top Global Toy Manufacturers

Top Global Toy Manufacturers Ranked By Sales	
1.	Mattel, Inc. (MAT)
2.	Hasbro, Inc. (HAS)
3.	Bandai Co., Ltd.
4.	Lego Company
5.	Sanrio Company, Ltd.
6.	Ty Inc.
7.	LeapFrog Enterprises, Inc. (LF)
8.	JAKKS Pacific, Inc. (JAKK)
9.	RC2 Corporation (RCRC)



# Key Business Issue

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- Neil B. Friedman promoted President of the Mattel Brands Division in October 2005:
  - Decreasing Barbie® sales
  - Anti-Barbie® campaigns
  - Competitors
  - Parodies
  - Destructive play with Barbie®:  
a *normal* part of childhood development
- Protective Responses by Mattel, Inc: lawsuits



# Friedman's Dilemma

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- Continue on conservative path?
- Offer a more innovative, substantial answer?
- Interpret anti-Barbie<sup>®</sup> climate no longer as a *threat* but rather as an *opportunity* for Mattel, Inc. to create a pro-Barbie<sup>®</sup> climate worldwide.



# Key Question

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- How can corporations like Mattel, Inc. participate in the social dialogue that is at the heart of a democratic society?



# Questions for Discussion

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- What are the key problems that Friedman should focus on in the short & long term?
- How well-prepared was Mattel, Inc.?
- What is your recommendation for Mattel, Inc.'s communications strategy? Refer to the the Strategic Planning Model.
- Could Mattel, Inc. have avoided this crisis?
- What should Friedman do now?



# Activities

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- How would you evaluate this crisis? Refer to the Page Principles.
- What is your recommendation for Mattel, Inc.'s strategy? Refer to the Strategic Planning Model.





# Key Learnings

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- Highly prominent companies and their mainstay products are the most attractive targets for external attacks
- How a corporation's biggest strength can at the same time be the corporation's biggest weakness
- How long-running successes can make managers at large companies near-sighted



# Key Learnings

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- Prior credibility helps you weather a crisis
- Anticipation and preparation before crises occur are critical.
- Corporations need to listen to and anticipate cultural trends even if these do not correspond to current branding strategies



# Key Learnings

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- Do not let others in the industry set the agenda and tone for you
- Stay ahead of your competitors by making sure that your products are most in touch with what lives in people's minds
- It is never too late to take a new direction
- Strategies where others failed might work for you



# Key Learnings

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- Globalization and international markets make participating in and enriching the social dialogue more important than ever
- Local problems quickly take on global significance if handled poorly
- Corporations should not sue artists for parodying their products