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Toys and cartoons: the correlation between animated properties and toy products

John Diego Hernandez
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TOYS AND CARTOONS: THE CORRELATION BETWEEN ANIMATED PROPERTIES AND TOY PRODUCTS

by
John Diego Hernandez

A Thesis

Submitted in partial fulfillment of the requirements of the Master of Arts Degree of The Graduate School at ROWAN UNIVERSITY

AUGUST 15, 2003

Approved by

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CHAPTER 1
INTRODUCTION

In 1969 the Federal Communication Commission passed a landmark decision effectively banning any and all television programming that was associated with a toy line. The bill was instated under the concern that programming for children should be educational, and that toy related tie-ins degraded children's programming to the status of half-hour commercials.

This study will prove that toy lines and cartoons are created primarily for the express purpose of promotion of both these enterprises. Working on a quid pro quo system of give and take, both industries use one another for the investment in characters and themes the other produces.

These concerns were brought to the table when toy giant Mattel attempted to establish an animated series based on their extremely successful *Hotwheels* cars. Mattel's rival Tonka, who viewed a potential *Hotwheels* animated series as an unfair marketing advantage, complained to the FCC attacking the credibility and legality of the airing of such a show. The FCC took Tonka's declaration to heart.

In the fall of 1969, the FCC, finding no merit to permit such a show, passed restrictions on all television programming having any connection with toy counterparts. These broad restrictions all but eradicated children's programming in the 1970s. *Sesame Street, Romper Room,* and *Captain Kangaroo* were the only appropriate and legitimate shows – dedicated to instilling the values and morals necessary for young children to survive. The FCC had all but denied toy companies the right to advertise on the air.

Without a means of televised marketing, toy companies became forced to locate alternatives for the promotion of their consumer goods. Even before the invention of television, "the Communications Act of 1934 was expressly designed to stress the importance of considering the public's needs in broadcasting decisions. Stations must be operated "*in the public interest, convenience and necessity,"* (Kaye 33)…leaving it to broadcasting to be responsive to the needs and wants of the audience they serve.
Television’s responsive marketing had been a predominant staple for advertising toys since its creation. *The Mickey Mouse Club, Davy Crockett* and others became a positive medium and recognizable influence in the sales of toys and related televised prop-merchandise such as hats, shirts, and lunch boxes. Toy companies were therefore reduced to focus on traditional merchandise with no particular television tie-ins such as puzzles, board games, balls, dolls, and robots. Toys had, for the most part, returned to their traditional roots, that is, until marketers found a new medium to promote child-geared merchandise – movies.

In the spring of 1977, *Star Wars* was released in theaters to worldwide fame and fortune. *Star Wars* is the story of a young man named Luke Skywalker and his adventures in a galaxy ruled by a corrupt empire headed by the dreaded alien-despot Darth Vader. A little known toy company called Kenner (later acquired by Hasbro) had managed to secure the rights to the *Star Wars* toy franchise in late 1976. After viewing the compelling story and breakthrough special effects on the big screen, both kids and their parents soon became hungry for *Star Wars* merchandise to saturate their consumer appetites. Kenner was all too happy, making toys that satisfied all niches in the toy market: action figures, dolls, posters, pistols, light-sabers, headphone sets, puzzles, toothbrushes, movie viewers, projectors, play-doh, and board games to name a few. The extremely successful movie and toy line not only brought Kenner to prominence in the toy industry, but served as a wake-up call to all toy executives – the only way to guarantee a successful toy line was to have a successful marketing and licensing campaign backing it up.

However a lack of action movies and a stifling 1969 ruling passed by the FCC still loomed over the toy industry. Toys could be advertised on television, but there was no specific outlet permitted where toys would have the advertising capability to promote to the masses, especially children. It would be another six years until the toy industry, particularly Mattel, would finally be able to grab a piece of the lucrative licensing pie.
Star Wars toys proved to be successful even after all three initial films were released. Disney had tried to compete with the Star Wars rush by creating their own space movie in conjunction with a toy line - The Black Hole. The film did terribly at the box-office leading to a flop in merchandise sales as well. The envy of the toy industry, Kenner and Star Wars became the inspiration where all toy companies and their creative design staffs began to focus their innovative marketing strategies. It wasn't until the early 1980s when Mattel, whose main sellers at the time were Hotwheels and Barbie, would decide to compete with their “galactic foes” and delve head first into the licensing arena changing the way toys were viewed and promoted for all toy makers to come.

In 1981, Conan the Barbarian, starring body-builder and former Mr. Universe Arnold Schwarzenegger, became a box-office smash. Mattel, hoping for a recreation of Kenner’s action figure success with Star Wars and looking to bank on Conan’s success, quickly started in the development stages of a “Conanesque” toy line. Mattel was looking for a fantasy-driven toy line for boys, appealing to their aggressive nature, that consisted of heroes, monsters, wizards, warlocks and dragons. They test-marketed several early versions of their warrior figures to children. After extensive research and designing, Mattel decided that a lead-hero figure should not be a barbarian, but a strong, compassionate individual capable of defeating his enemies with his mind as well as his muscles. A deal was made, a figure was sculpted, a contract was signed – and He-Man, “The Most Powerful Man in the Universe,” was born.

Mattel’s creation of He-Man couldn’t have happened at a better time. Just prior to Christmas 1983, the FCC lifted many of their 1969 restrictions on children’s programming. Among the restrictions lifted was one concerning children’s programming based on toys. The FCC found that their 1969 restrictions were too broad, and that children’s programming based on toys could still have educational merit. Mattel, looking for an avenue in which to market He-Man, took advantage of this reversal.
Mattel quickly teamed up with Filmation Associates, a subsidiary of Westinghouse, and created two seasons, each consisting of 65 half-hour animated episodes, of *He-Man and the Masters of the Universe*. There was difficulty, however, in getting major networks and syndicated stations to pick up a cartoon so blatantly based on a toy line. Filmation found out that they couldn’t sell the series to the networks. “Instead of selling the show, they traded the animated sequences for a portion of the air time, allowing local stations to keep the advertising revenues” (“Action Figure Digest” 39). He-Man was a success with kids and networks, and Mattel’s means of marketing and promoting a toy line were quickly copied by other struggling toy manufacturers.

He-Man had opened the floodgates for cartoon/toy products. By the mid 1980s there were over a dozen shows airing on all major networks with significant toy tie-ins. “The new 30 minute animation program turned out to be essentially a commercial with its development costs subsidized by a toy manufacture’s promotion budgets so that it could be sold more cheaply to networks or station syndicates” (Kline 222).

A plethora of cartoons based on toy lines — *Transformers, Care Bears, and G.I. Joe* to name a few — became weekday afternoon staples for children across America. In 1982, there had only been one television show that had a toy tie-in. By 1986, “six of the seven animated shows broadcast in New York each weekday between 3 and 5 P.M., a prime viewing time for children, [were] based on toys, among them *Transformers,* *G.I. Joe* and *He-Man and the Masters of the Universe*” (Boyer 1). That same year, 30 toy-based shows were offered by producers at a television trade convention in New Orleans. Children’s programming would never be the same again.

Though faced with increased competition, Mattel decided that one good show deserves another. Mattel had researched the viewing habits and demographics of their He-Man audience and discovered that “approximately one third of the He-Man fans were girls. Armed with this sort of marketing ordnance they decided to give little girls a
heroine to identify with…” (“Action Figure News and Toy Review” 19). Determined to cash in, Mattel went to work on a new He-Man spin-off series. In 1985, Mattel launched their second toy-based cartoon, He-Man's twin sister She-Ra, “The Most Powerful Woman in the Universe.”

She-Ra enjoyed a three-year run from 1985 through 1987, and saw the creation of 97 episodes. Though moderately successful, She-Ra: Princess of Power never reached the ratings that her brother He-Man had produced several years earlier. The She-Ra doll line also never came close to reaching the sales level of He-Man. Two series of She-Ra cartoons and toys were made, but it was apparent at the beginning of 1987 that the He-Man engine that had run for nearly six years was quickly running out of steam.

At its peak, He-Man and the Masters of the Universe consisted of over 100 different action figures and accessories, 130 animated cartoons for He-Man, 97 episodes of She-Ra, one live-action movie, and was present in every industrialized nation. The producers at Filmation and executives at Mattel were even considering doing a third He-Man spin-off entitled The Power of Grayskull, a prequel to Masters of the Universe. The story’s lead was to be a new character named He-Ro, “The Most Powerful Wizard in the Universe.” The new series was even promoted on the packages of some of the final accessories to the He-Man toy line. The TV show and toys, however, were canceled due to lack luster sales in He-Man merchandise.

In truth, He-Man was actually a failure of its own success. By the mid 1980s, nearly every cartoon and children’s program produced had either an action figure or doll tie-in. He-Man clones popped up everywhere.

Thundercats, Silverhawks, and Inhumanoids were a few of the copycat cartoon shows and toy lines that gave He-Man a run for his money. Rainbow Brite, Strawberry Shortcake, and Care Bears never quite let She-Ra reign supreme in doll aisles. Most every animated serial produced in the mid-80s revolved around some sort of fantasy / warrior theme. The genre was popular, thanks impart to He-Man, but like all fads, this
trend was quick to cease. Though never quite toppling He-Man, related fantasy and action cartoons did leave a heavy blow to both ratings and sales of Masters of the Universe.

Toys change and children grow up, as 1987 was quick to prove. The year was fruitful in the toy industry, but not for Mattel. The Teenage Mutant Ninja Turtles, four animated, ninjitsu fighting, mutated teens, were He-Man’s heaviest foes. Even the most powerful man in the universe could not defeat the let-loose antics of four karate-chopping reptiles. The He-Man powerhouse was coming to a close.

Mattel had overproduced their He-Man action figures and accessories, overcrowding shelves with He-Man merchandise that would remain in clearance bins and aisles for two years after He-Man was gone for good. Filmation studios, creators of the He-Man cartoon, was sold in 1989 to L’Oreal, a French cosmetics firm. L’Oreal had no interest in making cartoons, only in the acquisition of the studio and it’s animated archives.

Mattel lost its battle in the world of action figures, but not in the world of toys. Their most successful toy lines, Hotwheels and Barbie, never had cartoons. They were created solely for the purposes of play – not promotion. But Mattel made its mark loud and clear in 1983, changing toys and cartoons forever. There are very few cartoons produced today that aren’t based on either a toy line or have a toy line promoting it. The merit of these cartoons has been attacked by critics on all sides, and their agenda and reasons behind their decisions are of up-most importance for both the toy and animation industry.
DEFINITIONS

Aaronian, Karl: Vice president of marketing at Playmates Toys

Autobots: The good robots in the animated serial and action figure line Transformers

Barbie: Fashion doll distributed by Mattel toy company

Batman: Comic book character; extremely lucrative career in comic books, television and movies due to successful characterization

Brown, Buster: First licensed comic strip character

Care Bears: Cartoon and plush animal toy line about magical bears, each one possessing their nom de guerre insignia on their chest

Channel One Network: Television show that airs exclusively in schools across the country with issues relating to contemporary young-person concerns

Children's Television Act (CTA): Act that required the FCC to ensure the educational and informational merit of programming aimed at children

Cobra Commander: Lead villain in animated serial G.I. Joe

Conan the Barbarian: Fantasy-action movie that inspired Mattel toys to create a toy-line reminiscent of the movie’s theme and hero

Crockett, Davy: Television show, depicting the exploits of a pioneering frontiersman, that inspired a generation of young boys to buy the coonskin caps worn by their hero

Cybertron: The Transformers home world populated by other intelligent mechanisms

Decepticons: The bad robots in the animated serial and action figure line Transformers

Detective Comics (DC): Comic book publishing company responsible for such characters as Superman, Batman and Robin

Disney, Walt: Founder of Disney Studios and creator of Mickey Mouse

Earth Corps: Band of scientists dressed in exo-suits who do battle with monsters in the animated serial Inhumanoids

Eastman, Kevin: Co-creator of Teenage Mutant Ninja Turtles

Eternia: Home world of He-Man; backdrop for animated serial Masters of the Universe

Etheria: Home world for She-Ra; backdrop for animated serial She-Ra: Princess of Power
FCC: Federal Communications Commission; Government agency that regulates the airwaves for content and material of both television and radio

Freedman, Mark: Licensing executive who brought Teenage Mutant Ninja Turtles to world-wide acclaim and fortune

FTC: Federal Trade Commission; Government agency that ensures that the nation’s markets function competitively and are free of undue restrictions

Gargoyles: Animated serial and action figure line based on the exploits of several 10th century gargoyles and their adventures in modern day Manhattan

Ghostbusters: Movie that became animated serial and action figure toy line; based on the exploits of four paranormal investigators and their adventures in ghost zapping and trapping

G.I. Joe: Animated serial and action figure toy line based on the exploits of an elite group of military men and women as they do battle with their arch-enemy – Cobra

Hasbro: Toy company that produces board games, dolls, action figures and various play miscellaneous that includes Milton Bradley, Transformers and Star Wars

He-Man: The most powerful man in the universe; Lead hero and character of animated serial and action figure toy line called Masters of the Universe

He-Ro: The most powerful wizard in the universe; Lead character of proposed third spin-off of the successful He-man and the Masters of the Universe

Hordak: Arch-nemesis and lead villain of She-Ra on the animated serial She-Ra: Princess of Power

Hotwheels: Miniature die-cast toy car line developed by Mattel

Inhumanoids: Animated serial and toy line based on the exploits of three monsters who live in the center of the earth and their exploits in their quest for world domination

Jaga: Mentor of lead character Lion-O in animated serial Thundercats

Kenner: Action figure division of Hasbro toys; first company to acquire the rights to produce Star Wars toys

Laird, Peter: Co-creator of Teenage Mutant Ninja Turtles

Lion-O: Lead hero and character of animated serial and toy line called Thundercats

Lucas, George: Creator of the Star Wars movie franchise
**Masters of the Universe:** Animated serial and action figure toy line based on the exploits of He-man and his adventures within the fantasy kingdom of Eternia

**Mattel:** Toy company that produces board games, dolls, action figures and various play miscellaneous that included Barbie, Hotwheels, Masters of the Universe and She-Ra

**Megatron:** Lead villain in the animated serial and action figure toy line Transformers

**Mickey Mouse:** Walt Disney's character that inspired a generation of licensed character merchandise

**The Mickey Mouse Club:** Weekday afternoon live-action sing-a-long that helped to pioneer children's advertising on television

**Mr. Potato Head:** First toy advertised on television

**My Little Pony:** Hasbro toy-line for girls depicting ponies with various colors, styles and magical abilities

**Optimus Prime:** Lead hero and character of animated serial and action figure toy line call Transformers

**Oswald, the Lucky Rabbit:** Disney Studio's first successful animated character

**Pac-Man:** popular video-game character of the early 1980s

**Parti Quebecois:** Legislative ruling which banned children's advertising in Quebec

**Powers of Grayskull:** Proposed title for the second spin-off of the successful animated serial and action figure line He-man and the Masters of the Universe

**Rainbow Brite:** Leader of cartoon inspired doll line of characters who reside in a magical world called Rainbowland

**Robin:** Comic book character created as a sidekick for Batman in order to boost comic sales among children

**She-Ra:** The most powerful woman in the universe; Lead heroine and character of animated serial and action figure toy line call She-Ra: Princess of Power

**She-Ra: Princess of Power:** Animated serial and action figure toy line aimed at girls, based on the exploits of She-Ra and her adventures in the fantasy kingdom of Etheria

**Silverhawks:** Moderately successful toy line and animated serial depicting cybernetic warriors who do battle in space
Skeletor: Lead villain and arch-enemy of He-man on the animated serial Masters of the Universe

Star Wars: Movie and action figure toy line that became a world-wide phenomenon; monumental in its influence in both television and toys; based on the exploits of Luke Skywalker and his collisions with the alien despot Darth Vader.

Teenage Mutant Ninja Turtles: Animated serial and action figure toy line based on the exploits of four mutated turtle teens as they do battle to save the world against the Shredder and his notorious Foot Clan

Thundercats: Animated serial and toy line based on the exploits of several cat people as they struggle to understand their world – New Thundera

Toxic Crusaders: Animated serial and toy line depicting a group of radioactively deformed mutants who defend the earth from pollution producing tyrants.

Toyetic: The play value of a licensed property

Toy Manufacturers of America (TMA): Organization composed of more than three hundred toy manufacturers dedicated to the advancement, safety, education and security of toy products

Transformers: Animated serial and action figure toy line based on the exploits of robots that can transform into various machines, animals and structures

Weisman, Greg: Writer and lead supervisor of the animated serial Gargoyles
CHAPTER 2

THE PSYCHOLOGY OF TOY PROMOTION

It is neither a simple nor inexpensive task to research the impact that television has on children. Television plays a significant role in the ideals, interests and habits that its young audience undertakes. Television can be tedious, redundant, and many times fails in its attempt to both educate and entertain youth. By the mid 1970s, only about 20 years after its invention, “…commercial television aired 370 hours of cartoons, 350 hours of general / preschool programs, and no formal educational programs” (Kaye 49).

A factor forgotten by many critics is that television was not created to entertain. It is created, run, and funded by advertising revenue and product endorsement – entertainment is simply the added benefit to attract an audience. So long as an audience is present, be it child or parent, the television show will remain present on the airwaves for a substantial period of time.

Children are not the consumers of magazines and newspapers. Advertising in these forms of media are solely for the parents. A U.S. study estimated “the average parent spends only 30 seconds a day in ‘meaningful’ conversation with the child” (Kline 17). An indirect route must therefore be taken for the consumption of their products that are intended for a youth market. “American Children have viewed an estimated 360,000 advertisements on television before graduating from high school” (aap.org). This significant amount of exposure most assuredly leaves a strong and lasting impression on the child. In the Code of Hammurabi of 1750 BC, the Babylonian king made it a crime, punishable by death, to sell anything to a child without attaining the proper authorization. There are no laws today governing against the proposition of merchandise to children.

Exposed at an early age, children are repeatedly bombarded by advertising – radio, magazines, television, billboards. It makes no difference how the information comes across, so long as the message is translated – buy the product. None is more prevalent than the exposure children face from cartoons.

Even in the safe confines of the halls of academia have advertisers found ways to lure kids into their web of commercial seduction. Banners fly proudly on hall bulletin boards with pamphlets promoting the joys of independence in receiving your very first
credit card. Commercials enter classrooms daily on programs like the Channel One Network. This network, aired during mornings before classes begin, relates current event issues to students across the nation, and its advertising is geared to the 13 to 18 age bracket. Advertisers of movies, music, sports, and food thrive on this large and crucial segment of the spending population. The advertisers plan on hopefully luring young people to a lifetime commitment to their product that will result in continuous income revenue from that consumer throughout their lifespan.

One of the most important factors to weigh when reviewing this matter is the amount of disposable income. Disposable income is the money used for items other than those deemed as necessities by any given spending population. This income is most commonly wasted on items whose value is strictly ornamental or desired. Much research has delved into the significance of disposable income among youth. Whether it be accumulated through allowances, newspaper delivery or baby sitting, disposable income plays a vital role in the economy.

“The principal goal of commercial children’s television is to sell products to children, with food and toys being the two most frequently advertised product categories” (aap.org). There are two main avenues that advertisers use to sell products. The most common are placing commercials in television shows unrelated to the product in the advertisement. Under the FCC, the cartoon, as is usually the case, cannot advertise a product that is familiar with the show airing at that time. This is done so that younger children, who find it difficult to differentiate between programs and commercials, will not confuse the two forms exposed to them.

The second approach to advertising products for children is to create a television show based around the products you are selling. This began in 1982 when the FCC reversed its 1969 ruling that prohibited the creation of such a show. Action figures are the primary products that have a show based around their exploits. Cartoons based on toys are most often targeted by child consumer advocates who monitor the airwaves for just such a program. Though it is not precisely clear as to who approaches whom first, cartoon producers or toy makers, it is clear that the benefit is mutual. These half hour cartoons/advertisements are most commonly referred to as “program-length commercials.”
In the 1980s, there was tremendous fear that toys would become too commercial and that emphasis had shifted from the play value of a toy to its connection in an animated serial. Around this time, public relations began speaking with the marketing department and came to the realization that if the word “educational” was labeled on products, that parents might not be so unwilling to purchase an item. No parent would want to buy a toy for their child that was uneducational, but an educational toy was something that would be welcomed, for such a toy would help the child learn.

At the same time, aware of the trends, the Toy Manufacturers of America developed a campaign whose main purpose was to promote the beneficial value of toys and play. The main message delivered during this campaign was that play was the work of childhood. Such “work” was necessary for the appropriate development of the child as they entered the real world. Play is usually based around the environment and society that the child is aware of, though the “environment” is frequently corrupted by the story lines presented on television. Be it child-imagined or commercialized, this type of role-playing is crucial as children develop necessary skills for later life.

Lego must be aware of the indisputable fact that children grow. They created Duplo, a larger building block that would be a preschool predecessor to Lego. By introducing children to their products at an early age, Lego could thus begin the process of solidification in a child’s mind and consciousness. Such input is most beneficial for the ingraining of brand identity.

The child does not know who makes Masters of the Universe. The child might not even be able to say Masters of the Universe. The child, however, can say... “Buy me He-Man.” It is a small phrase, easy to understand and easy to remember for both child and parent. The child knows that He-Man is the main character of the show and can translate this through clear, coherent language that the parent can understand. If the parent knows that the child wants Item A, then the parent will obviously purchase Item A over Item B, which the parent knows little about. The young child, therefore, becomes the unwitting pawn of both the cartoon and the toy line that inspires it.

This leads to the continuing moral debate over whether it is right to advertise to children who are so young. Though many find advertising to be misleading when aimed at
the young, they do not find it objectionable. However, there are those who believe that certain types of advertising should not occur, especially when airing on television.

A study released by the FTC in 1978 stated that television advertising did indeed mislead many of its younger viewers. Finding it difficult to differentiate between reality and fantasy, many toddlers viewed the commercial with the same eagerness and fervor as they would the actual show. The FTC study showed that many children:

1. have difficulty differentiating television commercials from programming;
2. show little understanding that the purpose of commercials is to create product demand; and
3. repose indiscriminate trust in commercial messages, particularly if they are among the group that fails to recognize the selling purpose, or otherwise understand or evaluate, the commercial (Kaye 100).

Since the early 1970s, the FTC was receiving complaints from individuals within the communities of child psychology and well-being. Dr. Richard I. Feinbloom, medical director of the Family Health Care Program of Harvard Medical School, submitted a letter to the FTC for their November 1971 meeting on advertising directed at children. In his letter, Feinbloom stated that...

To children, normally impulsive, advertisements for appealing things demand immediate gratification. An advertisement to a child has the quality of an order, not a suggestion. The child lacks the ability to set priorities, to determine relative importance, and to reject some directives as inappropriate. It is no wonder that children are unable to make a mental correction for the distortion of a piece of merchandise as presented on television, particularly when it is dramatically portrayed with booming voices of announcers, excited child participants, and rousing musical background (Kaye 99).

Not wishing to let such a statement from a noted doctor make an impact into their business, the Toy Manufacturers of America (TMA) released their own statement to the FTC stating that...
Children's attitudes toward commercials are different from the established beliefs of adults. They are more open-minded, more attracted to them. In fact small children have as much interest and warmth for the commercial as for the show (Kaye 99).

It is obvious that the moral debate between TV/Toy promotions will continue for as long as there are cartoons inspired by toy lines. Though the Federal Communications Commission has passed legislation prohibiting certain types of solicitation on television, their regulations have had little effect on cartoons and the toys they induce. “The current F.C.C., however, holds that the marketplace, not government regulations is the broadcaster’s proper guide as to what constitutes the public interest. ‘The public’s interest,’ Mark Fowler, chairman at the F.C.C. has said, ‘determines the public interest.’” (Boyer 1).
LEGISLATION

"The Children's Television Act (CTA) of 1990 mandates that all broadcasters carry children’s educational or instructional programming as a condition of license renewal" (aap.org). There are problems, however, with this current law. One of the problems is that children’s television can use public service announcements in order to comply with the CTA. These announcements, which usually refer to drug prevention or refraining from smoking, are used as the “educational merit” of the program that is airing at the time of the commercial.

*He-Man and the Masters of the Universe* used this type of legislation to their advantage. At the end of every episode, they would have a “moral of the show” in which one of the characters would discuss the events that occurred, why the actions were taken, and how to resolve the matter in a “real-world” situation. The violence which was taking place on the show was usually condemned by a character, later stating a more positive solution to solve the problem. These loopholes were not illegal, did not go against any federal regulation, and in fact, complied with the legislation at the time.

The Children’s Television Act of 1990 also limits “…the amount of commercials to 10 and a half minutes on weekends and 12 minutes on weekday children’s television and provided an impetus for ‘pro-social’ and educational programming on a local level” (Kline 218). Under the current rules of the FCC, only cartoons that contain commercials which advertise or promote toys based on the cartoon, during the airing of the cartoon itself, can be considered a half-hour commercial. In other words, Show X is not a half-hour commercial so long as Show X does not contain commercials promoting Show X toys during Show X airtime.

The effects that TV viewing has on children has been a debate since the creation of the television. Research indicates that television and television based advertising does have a profound effect on children under the age of eight. These concerns have spilled over into the legislative arena.

Research shows that children under eight years of age cannot differentiate between a television show and a commercial. Both entities are one in the same to a small child. In
1978, Irwin toys brought suit against the Quebec government over the Parti Quebecois, a legislative ruling that banned children's advertising in Quebec. The Supreme Court of Canada upheld the ruling stating:

“In sum, the objective of regulating commercial advertising directed at children accords with a general goal of consumer protection legislation, was to protect a group that is most vulnerable to commercial manipulation. Indeed, that goal is reflected in general contractive doctrine...Children are not as equipped as adults to evaluate the persuasive force of advertising and advertisements directed at children would take advantage of this. The legislature reasonably concluded that advertisers should be precluded from taking advantage of children both by inciting them to make purchases and by inciting them to have their parents make purchases. Either way the advertiser would not be able to capitalize upon children’s credulity...materials demonstrate, on the balance of probabilities, that children grow up to the age of thirteen manipulated by commercial advertising and that the objective of protecting all children in this age group is predicated on a pressing and substantial concern” (Kline 216-217).

US laws are more liberal when it comes to matters pertaining to children’s advertising. The FCC ruling of 1969, which blocked any programming that had a toy line attached to it, was repealed in the early 1980s because the current administration felt as though it stifled free trade and was against the democratic ideals of innovation and entrepreneurship. “The US Court of Appeals recognized in the FCC’s action a fundamental shift in ideology: ‘The Commission has suddenly embraced what had theretofore been an unthinkable bureaucratic conclusion that the market did in fact operate to restrain the commercial content of children’s television’” (Kline 217).

Commercial content, be it positive or negative, must be careful to not purposely dissuade any child in its attempts to sell the good. Commercials pertaining to food and toys are the two top advertisements that air during cartoons, and are also the most dissuasive. Many health experts claim that cartoons not only promote illiteracy and violence among children, but have created a nation of obese kids. Commercials for McDonald’s, Burger King, Hershey, and various other food distributors, all promote high fat, high calorie food that could lead a child to an unhealthy dietary pattern. “The American Academy of Pediatrics believes advertising directed toward children is inherently deceptive and exploits children under age 8 years of age” (aap.org).
Government legislation and regulation can only go so far. In the end, U.S. governmental administration leaves it up to the networks and television stations to regulate the content on their airwaves. Though held to certain guidelines and boundaries that they cannot cross, less they face a hefty fine, networks have agreed to self-regulation leaving the burden of responsibility solely on executives and producers. “Commercial television was ‘deregulated’ on the singular idea that all matters of popular culture - even children’s culture - are best determined through the marketplace mechanisms of consumer choice and unfettered commercial media. The FCC position was justified on the grounds that the children’s cultural marketplace should only be restricted if there is proof of harm done to children, placing the burden of proof on children’s researchers and advocates to demonstrate such harm” (Kline 278).

In the long run, the toy companies and animation studios they subsidize win because their goal and purpose is to create, promote and sell. It is the mission of the child psychologist to analyze, evaluate, and determine the proof, if any, the effects that a specific child program has on children. Coined the Strawberry Shortcake strategy (for the character who inspired it) this new wave of unregulated legislation of the 1980s allowed for the free-flow of commerce for both the toy industry and the networks that their products were promoted on - be it advertisement or cartoon.

Legislation aside, “the marketers of children’s toys do not set out to produce banal, repetitive, empty, violent programming and advertising that distorts children’s values and sense of reality. Their intentions are simply those of business: to increase the profitability of their firms through the expansion of the market share for toys. But business goals must be translated into marketing strategies” (Kline 236). It is the interpretation of these market strategies (planning, design, and execution) that determines which characters will elevate to the status of pop-cultural icons; embraced in the hearts, minds, and wallets of parents, fans, and kids for perpetuity.
CHARACTERIZATION

Every cartoon has characters. Every toy line has characters. The marketplace is saturated with these characters. Some will obviously succeed and some will fail. The success of each and every toy line and cartoon show is dependent on the child for both verbal and monetary support. Those cartoon shows that succeed on television usually had toy lines that succeeded in the stores. Success stories in the worlds of toys and cartoons are there because they each possessed a key ingredient in the conception of their properties: successful characterization.

Characterization is the process by which a character is created to be marketed and sold to the audience through extensive designs in character style, function, personality and history. This process gives the characters an identity, one that the child can usually relate to or understand. Understanding the character is the first step in understanding the world in which the character is marketed. “If entertainment creators anticipate a television show or movie is going to succeed with children, the show’s creators almost always design elements in the entertainment that they can later license for manufacturing” (Kline 279). Thereby, characterization does not just pertain to the character solely. The world in which the character lives is also subjected to this process of development and marketing.

*Masters of the Universe* was an extremely successful television cartoon and action figure toy line of the early to mid 1980s. One of the main reasons for its success was effective characterization. *Masters of the Universe* is the story of a prince named Adam, who is able to transform into He-Man, a muscle bound hero, whenever he raises his magical sword above his head and says “By the Power of Grayskull!” Prince Adam is the son of King Randor and Queen Marlena. His mother and father met when his mother’s rocket ship from Earth crash-landed on a distant planet called Eternia. He-Man’s arch nemesis is Skeletor, an evil warlord who seeks only to conquer Eternia and to gain possession of He-Man’s magical sword. Skeletor is helped by his various henchmen: Mer-Man, Beastman, Webstor,

"By the Power of Grayskull!" Prince Adam transforms into He-Man.
Whiplash, and Spikor — whose names are self explanatory of their physical attributes and warrior abilities.

*Transformers* was another extremely successful cartoon created for boys that had with it a highly detailed, and pricey, toy line of transforming robots. *Transformers* is the story of the Autobots, robots from the planet Cybertron, and their battle against the bad robots, the Decepticons. Optimus Prime, leader of the Autobots, is in a never-ending battle to protect Earth and his home world Cybertron from Megatron, leader of the Decepticons. Every character in the series has the ability to transform from their recognizable vehicle or animal state into their more elaborate robot persona. Such characters are:

Star Scream: Megatron’s right-hand man; can transform from a robot into fighter jet
Grimlock: brute force of the Autobots; can transform from robot into dinosaur
Bumble Bee: comic relief of the Autobots; can transform from robot into love-bug car
Soundwave: Decepticon lackey; can transform from robot into cassette player

The characters above are just a few of the countless characters created for the *Transformers* cartoon and action toy line. All of their traits and special abilities were unique to each character. There was little, if any, overlap in style and design. Every character was meticulously planned and characterized. Their transforming capabilities not only led to a unique and memorable toy line, but gave writers of the animated series the ability to refresh each and every season with bigger and better characters. New characters in the TV show meant new toys on the store shelf. The number of robots to make, and the number of objects they could turn into, was endless.

*She-Ra: Princess of Power* was a doll line created for girls but consisted of much of the same formula that made action-cartoons for boys so successful in both ratings and sales. *She-Ra: Princess of Power* is the story of Princess Adora, who, in possession of a magical sword, can transform into She-Ra, “The Most Powerful Woman in the Universe.”
As an infant, Princess Adora was stolen from her parents, robbed of her noble birthright, and transported from her home world of Eternia to the distant planet Etheria. There she worked under the tutelage of Hordak, monstrous despot intent on destroying the rebel alliance of Etheria. After a series of circumstances, Princess Adora was eventually convinced of Hordak’s wicked ways and freed from his evil clutches. Adora quickly came into possession of a magical sword. By holding the sword over her head and chanting “For the Honor of Grayskull” Princess Adora magically turns into She-Ra, defender of Etheria and leader of the rebel alliance against Hordak and his minions.

This type of detailed characterization continued throughout all 130 episodes of Masters of the Universe, 97 episodes of She-Ra: Princess of Power, and 98 episodes of Transformers. As a result of this in-depth characterization, the series were highly successful and so were the toy lines. By creating a world for their characters, both the writers of the series and the toy line were able to assist one another. Writers could add characters into the stories that could be produced as figures, and toy makers could make toys that were both imaginative and conceptual for both animators and television producers.

Characterization is much the role of the marketer as it is an essential element for producers to hide the subliminal marketing techniques added in every action-packed episode. “The narrativisation of toys developed along with the increasingly important concept of ‘total’ or multi-media marketing aimed at children” (Fleming 103). Characters must be believable. They must have genuine feelings for other characters that they interact with: be it good or bad. Story lines must be simple but express the imaginative reality that many children want to live in.

He-Man’s success story is one of only a few cartoon and toy success stories. Characterization was well planned, and extensive work had been done in collaboration with the toy company so that color schemes, weapons, and design features were synonymous with the animation. In order to keep uniformity among the characters, their personas and wardrobe, briefing books are created. A briefing book… “defines the
precise colors, clothing and facial expressions... that can be used by advertisers, T-shirt printers, animators and toy designers” (Kline 219). Briefing books are established early on in the creation of a licensed property so that there is no confusion between who a character is, what he looks like, and what his facial expressions are when the character’s likeness is sent off to be plastered on a particular consumer good.

Much of the production for toys and apparel is done in China. Manufacturers and laborers in foreign countries usually have no conceivable concept as to the character’s likeness and physical traits. These briefing books ease the confusion and clutter by presenting, in clear simple language and pictures, exactly what the licensor hopes for his product.

Many child-geared product lines are extensive and consist of a plethora of characters. “The basic strategy of character-marketing was to create a children’s television series that would provide the overarching means of promoting a whole range of licensed products. An integral part of the goal was media saturation” (Kline 196). Every new episode of an animated serial usually consists of at least one new character, increasing the pot of potential applicants to be produced on licensed paraphernalia. Licensed consumer goods require extensive research and development before they are implemented into the marketplace.

The Masters of the Universe mega-hit was only a very large drop in a very big pond of potential mega-hit applicants. Far more cartoons would attempt to follow this successful concept but would fail miserably due to a lack of effective marketing and ineffective characterization. One such cartoon that was to befall such a fate was the extremely unsuccessful Inhumanoids.

High on its horse with successes such as Star Wars and Transformers, Hasbro released the Inhumanoids in 1986 to the disappointment of Hasbro executives, toy stores, and advertisers alike. The venture was a miserable flop and led to a re-evaluation of the toy industry and how toys are promoted. The failure of the cartoon led to the failure of the toy line due to weak characterization and story development.
The story was based around the Inhumanoids, a group of giant evil monsters who lived in the center of the earth. Their leader Metlar wanted to enslave all humanity and destroy human civilization. The Inhumanoids were fought by the Earth Corps, a group of scientists and military men who were designated to stop this threat to humanity.

Problems plagued this concept from the beginning. Though inventive, a key focal point to the failure of the television show was the fact that the title, Inhumanoids, gave credits to the villains, not the heroes. No child wants to (or is supposed to) root for the villain. Adults did not like the cartoon because of its nightmarish qualities and sinister monsters; one gruesome character would devour people and then give them the ultimatum—fess up or get digested. The plot was weak, the stories not well written, and the characterization poor. If a child can’t relate, a child won’t watch. If a child doesn’t watch, then a child usually doesn’t buy the product.

Shabby production on the toys didn’t help either. The heads of the Earth Corps soldiers were small and not to proportion with their bulky exo-suits. The three main monsters - Metlar, Tendril, and D’Compose - were well made and were popular among kids for their thirteen-inch height and unique monstrous design. But three well-made monsters didn’t help the Inhumanoids since the rest of the line was of poor play quality and lacked creative pizzazz. “Hasbro’s Inhumanoids used horror themes to strengthen the emotional roots of fantasy, but the product turned into a merchandising nightmare... Inhumanoids aroused children’s fear and parental anger... and although horror toys have long been part of the market, the Inhumanoids revealed how difficult it was to get the emotional tone of fantasy right” (Kline 268 - 269).

All characterization follows certain themes and guidelines. Though there is no express rulebook, characterization is, in itself, the development of the personality of the
characters and the environment in which they thrive. Toy makers conducted studies with
cchildren and learned about the added benefits a successful personality lends to a character.
“Personalities were easily remembered and therefore circumvented young children’s
inability to remember the functional attributes or characteristics of the products. More
importantly, personality provided a way to involve children emotionally in the product”
(Kline 194). Simple names and simple personalities help the youngest of children ask for
specific characters without the overburden of having to memorize the name of the
company that made it. A child who feels a connection to the character, is a child who will
be more inclined to buy the product.

![Animated He-Man vs. action figure He-Man](image)

Every animated serial that displays effective characterization predominantly centers
around a hero. This hero or team of heroes must always be fighting on the side of good.
If the show contains one hero, it is usually a white, blond-haired, blue-eyed male who is
both physically fit and level headed. His demeanor should not be too aggressive, nor his
decor too gaudy. His simplicity, thoughtfulness and sound mind are what make him the
leader, displaying patience and clear view when placed in stressful situations.

The hero is not a hero, however, unless he has something to fight for; so the hero
needs a cause in which to belong. The causes have varied over the years. He-Man fought
for the protection of his kingdom. She-Ra fought to save her people from oppression.
Captain Planet fought to save the environment from pollution. The Ninja Turtles fought
to save the world from the onslaught of the criminal syndicate The Foot. Causes can be anything from peace on earth to a cleaner environment, so long as the cause is valid, prosocial, and promotes proequality.

Most every hero needs a sidekick. Sometimes comical and sometimes serious, this sidekick provides both moral support and objective reassurance to the hero. Usually younger than the hero, the sidekick knows the hero's strengths, weaknesses, personal traits and foibles. The sidekick idolizes the hero, and is himself, a mirror image of the hero from his younger and more inexperienced years. Sidekicks fulfill their purpose with the deliverance of imaginative presence, comic relief and refreshed naivety. Sales were slipping for Detective Comics Batman stories in 1940. In response, the writers created Robin, Batman's 12-year-old sidekick, so that kids could have a character they can relate to. Sales increased for Detective Comics, nearly doubling, and Robin has been a staple in Batman comics ever since. A viewing child sees the sidekick and brings himself into the story. The child can relate to the sidekick's inexperience, and therefore shares in the adventures alongside his favorite hero.

As well as a sidekick, every great hero needs a mentor. This mentor is always older, fulfilling the role of surrogate parent and teacher. The mentor serves as a father figure for the hero, giving wisdom, guidance, and advice when warranted. Mentors appear and reappear when they are most needed in a cartoon, and are usually visible during the hero's most desperate moments. A sense of semblance and balance is maintained with the presence of mentors; their age providing patience and experience that gives them knowledge of all things. The last remnants of a bygone era, mentor's are flame carriers, passing the torch from one generation to the next, proving to children that even the mightiest heroes need parental comfort some times.
Heroes also get lonely, therefore all heroes need a companion. Though rarely a vested love interest, this companion provides emotional support for the hero, and at times, serves as a focal point for his affection and the enemy’s plots and schemes. This companion many times fills the role of the “damsel in distress” by making themselves vulnerable to the enemy’s strength and power. The companion’s relationship with the hero is a subplot to the episode and the series, and provides a sense of realism to the hero that would otherwise not be there. This realism is crucial to the hero and the cartoon; without it, the show would collapse under a series of action sequences serving little purpose but to provide passing entertainment for the short-attention child. Realism is the life-blood of all children’s television series; a world has been created that the child can enter for one half-hour every day. It is this sense of realism that facilitates a child’s commitment to the show, and thereby commitment to the toy line as well.

No children’s cartoon would be complete however, without the arch-nemesis. When it comes to evil, any and all rules apply, so long as it is made visually clear to the child that the villain is a bad guy. Visual clarity is crucial to young children when it comes to villains. Foreboding masks, dark clothing and associations with skulls and snakes are the calling cards for these Machiavellian characters. The villain must have some sort of troubled history with the hero; a battle lost, a stolen love, the burning desire for control are all possible explanations for the villain’s decision to turn to evil. Villains live in dark, cold places with little light, and are surrounded by an ambitionless yet loyal group of brute force lackeys who are usually the perpetrators of any mischief that occurs throughout the course of the stories. The villain need not be moral nor righteous, nor need he be generous or forth-coming. His mission is solely to disrupt, takeover, destroy and be thwarted time and again by the hero. It is this characterization of history and redundant

(l-r) Skeletor, Evil-Lynn, and Cobra Commander; three villains wearing obvious ‘bad guy’ apparel.
story telling that breathes life into the characters of the show, creating a simple yet memorable plot for the child with a toy line that is never outdated.

Effective memorization of the characters and their interplay remains one of the simplest yet most painstaking activities a cartoon producer can undertake. Catch phrases and slogans are hard to create. A hero’s “battle cry” must be carefully crafted and simplistically written. The team’s battle gear donning gestures and actions must be meticulously synchronized. “These elements are not consecutively deployed within an audiovisual space organized around conventional narrative development and its supporting spatial continuities. Instead they are piled on top of each other, the space is fragmented (it is hard to know where people and objects actually are in relation to each other except in very general terms) and the organization of elements in much more a choreography of visual and oral ‘hooks’” (Fleming 25).

Visual and oral “hooks” ingrain a cartoon’s dominating presence on a child’s subconscious. A character’s movements, gestures, and repetitive slogans are there so that the child will have a relatively easy time at imitating his favorite hero. Visual and oral “hooks” remain long after the cartoon has ended for the day, and long after the individual has grown and all but forgotten his childhood fantasies. These “battle cries” become the very essence of a character’s description and life-long tribute in the crowded hallways of pop-culture Americana. A child’s imitation signifies that his identification with the character is synonymous with his own fantastic aspirations. “Identification demands a transformation in the child’s whole sense of self, ... the essential act of pretending is therefore a relocation of the subject totally within the imaginarium of the toy” (Kline 253).

The child does not view the hero and the world in which he lives as a fantasy, but its own separate universe that is parallel in many ways to the universe in which the child lives. A study conducted on three and five year-olds by British psychologists Adrienne Samuels and Marjorie Taylor found that “younger children had much more difficulty than older children in recognizing that, for instance, a moose cooking in a kitchen could not happen in real life” (Davies 12). Children at these age levels have difficulty in separating the universes of fantasy and reality, but the older child can differentiate, and though he
may know that he is only watching a made up cartoon, he is fully unaware of the subtle marketing techniques that are used to grab both his personal attention and parent’s money.

Subtle marketing techniques are difficult to identify, but easy to spot once pointed out. Secondary characters don’t often get top billing or promotion when it comes to merchandising, so licensors must be able to employ certain marketing techniques into their property so that all aspects reflect the relative success of their venture. Though insignificant to the buying public, secondary characters (sidekicks, friends, minor villains) are essential to the child who views the television show as a part of reality. Karl Aaronian, Playmates Toys vice-president of marketing, knows how important secondary characters are to the child who is both viewer and consumer of his company’s product — Teenage Mutant Ninja Turtles. Playmates must work in conjunction with the writers of the televised show so that their marketing techniques can be fully utilized. Aaronian states that:

“…most of the secondary characters have appeared on the Turtles show. But really, the show itself is important just in terms of developing some of these characters, and that’s what’s really been interesting. I think what’s true about most action figures, especially for Turtles, is that it isn’t the little features that Playmates adds to the characters that make them popular, and it’s not the marketing that makes them popular, it’s the characters themselves! The creators infused these guys with so much personality, and these are such strong characters; not just the four Turtles, but Splinter and Shredder…that’s what made this work. Otherwise they’re just four green turtles” (Main 19).

One final important element of characterization is that characters must stay true to their personalities and marketable roots. “Character fiction must serve the marketing functions of introducing a new range of personalities into children’s culture, orientating children to this product line, creating a sense of excitement about these characters, and ultimately leading children to want to use those characters in play” (Kline 280). There have been far too many slip-ups in toy and animation design that changed a character’s appearance or story of origin. Children are extremely observant, aware of even the slightest change in color and design, and will reject the product if the character is not properly depicted.
Network executives are aware of the discerning tastes of young people and are frugal about what children's programming is put on the air. Visible airtime on television is proportionate to a character's notoriety and popular use, leading to higher or lower sales of that character's licensed property. Property perception by the masses affects how much money executives and the public are willing to invest in that property. "Because it is essential, for maximum profits, to claim a maximum audience at all times, programming aimed at children of a specific age is likely to be quickly replaced by cartoons which can attract the broadest span of the available child audience" (Kaye 31).
LICENSING

The birth of television, movies, and animated characters as marketable entities started early on in the 20th century. Since the creation of the moving picture, audiences have always been fascinated by the characters they see on the big screen, particularly if those characters are animated. Characters such as Mickey Mouse, Betty Boop, and Bosko captivated audiences young and old with their wild antics, illustrious designs and exaggerated style of movement. Though primitive by today’s standards, this form of entertainment became profitable not only for the movie houses that showed them but for the producers that made them in the 1930s. Content with their notoriety and consistent earnings, producers were still not yet aware of a market which was far more acquisitive—licensed merchandise.

“Licensing is the business of leasing the right to use a legally protected name, graphic, logo, saying or likeness, in conjunction with a product, promotion or service. Basically, when a toy is licensed, the actual product and the property it represents are joined together and displayed on that product. Generally, the license is sealed by a formal agreement between the owner or agent of the copyright, trademark or patent (the licensor) and the prospective licensee who is either a manufacturer, supplier of services or an agent on behalf of them” (toy-tia.org).
HISTORY OF LICENSED CHARACTER PRODUCTS

In 1902, Buster Brown became the first licensed comic strip character after his image appeared on merchandise consisting of a few toys and games. Buster’s likeness on those products started a trend which was followed by companies such as Chevrolet, Ford and Pepsi which also began to place their emblems and symbols on various products. Though the industrial revolution made these companies world famous, there was yet another venue that would prove more lucrative in the genre of licensed merchandise – cartoons.

Before there was Mickey Mouse, animation producers at Disney Studios had Oswald the Lucky Rabbit. Oswald appeared in 26 silent cartoons between the year 1927 and 1928. He was the first significant character to create merchandise, having appeared on a candy bar, stencil set and button. Though Oswald was marketed, his public promotion was not consistent since the studio viewed such licensing arrangements as minor financial incentives. In the depths of a depression, executives gave Walt Disney, founder of Disney studios, the ultimatum: continue making Oswald cartoons at a reduced pay, or give up all rights to Oswald the Lucky Rabbit. As it turned out, Oswald really wasn’t that lucky and Disney wound up turning his attention to a wide-eyed, big eared rodent wearing red shorts.

Walt Disney created Mickey Mouse in 1928. His character was extremely popular, and led to the creation of the very first cartoon with sound – Steamboat Willie. After Steamboat Willie came a slew of characters inspired by Walt’s own imagination; Donald Duck, Goofy, Minnie, Pluto, and other cartoon characters would become successes for Disney. But the successes that Disney inspired would pale in comparison to Disney greatest innovation – licensed merchandising.

Herman Kamen, an advertising executive, showed Walt Disney, founder of Disney Studios, that his characters could be used for much more lucrative endeavors than just movie theater ticket sales. Kamen explained to Disney that a child’s imagination was active not only during play, but while they were eating, sleeping, and at school. Kids related to the goofy characters that Disney had created, and kids wanted these characters
as a daily part of their lives. Disney took Kamen’s advice to heart, and... “by 1933 Disney was selling over $10 million of its merchandise including models of all Disney’s famous characters” (Kline 136). Disney, in effect, gave new meaning to a phrase that he invented – Imagineering: the engineering of imagination.

One of Disney’s first television / toy tie-ins was The Mickey Mouse Club. The Mickey Mouse Club was the first show of its kind on television, and though it featured sporadic appearances of famous Disney characters, its major stars were its live-action Mouseketeers. This band of young boys and girls would parade around on television every weekday afternoon singing songs and playing games, all while sporting their mouse-eared caps. Before long, many American boys and girls were wearing mouse ears on their heads, proving to the world that they were both Mouseketeer and loyal supporter of Disney’s enterprises.

One of the first toy companies to notice that television was more than a medium of information distribution was Mattel toys. Mattel had been producing a mouse-eared guitar (a guitar the child could wind up and hear music) and saw sales rise steadily when it became a staple prop on the set of The Mickey Mouse Club. “Mattel...had become fascinated with the potential of television...and now found that its Mouse Guitar... benefited enormously from the association with the club” (Kline 167). Coonskin caps were quick to follow as Disney’s Adventures of Davy Crockett saw young fans across the country brandishing raccoon-tailed hats. Children’s television slowly began to change; shifting focus from educational entertainment towards licensed products. “Prior to The Mickey Mouse Club, children’s television advertising totaled only about $1 million” (Kline 166).

Over the years, companies would follow in negotiations that would rival what Mattel and Disney had at the peak of The Mickey Mouse Club. However, a 1969 ruling from the FCC, forbidding the creation of toy-inspired programs, dampened the spirits of many networks, child-show producers, and the toy companies they were courting. It would not be until 1977, and the release of the greatest licensed merchandise endeavor
ever undertaken, that the FCC would begin to reconsider the rulings made a decade earlier.

The *Star Wars* trilogy created a monumental shift in the ideology of toy companies and television and movie producers alike. The first movie opened in 1977 on 2,100 movie screens grossing $36 million on its first weekend. Toys, however, had not even been produced for the release of the film. Demand for *Star Wars* products was astronomical, but there were no *Star Wars* toys on the shelf. Since manufacturer Kenner had not finished production of their *Star Wars* action figures, a *Star Wars Early Bird Certificate Package* was created. The package was essentially an empty box sold at stores that ensured the consumer that their *Star Wars* toys were in production and soon to be released. Though toys were slow to follow, production eventually met up with the overwhelming consumer demand. “The *Star Wars* licensing program earned more than $2.5 billion in retail sales and is considered by many to be the beginning of the modern day licensing business” (toy-tia.org).

![Star Wars Early Bird Certificate Package](image)

*Star Wars Early Bird Certificate Package; Kenner produced box that gave both parents and kids the chance to pre-order their Star Wars figures before they were even produced.*

George Lucas, director and producer, was given only $65,000 plus a $100,000 director’s fee to create the first *Star Wars* movie, “*A New Hope,*” budgeted at around $12 million. “He turned down a higher fee from Twentieth Century Fox and held on to rights to the soundtrack, any sequel and character licensing” (Pappas 53). The movie was a colossal success for both the box office and toy aisles. Lucas, in fact, had not even planned for the onslaught of merchandising his film would create. “‘I figured if I got
posters and T-shirts and things with the name of the movie on it, it would help promote the movie,’ says Lucas” (cnn.com/SHOWBIZ).

By 1984, *Star Wars* was over and the FCC reversed its 1969 ruling giving television producers and toy manufacturers a stab at the lucrative character licensing pie. Mattel toy group and Filmation animation studios were quick to strike up a deal that would result in an animated series that would help promote Mattel’s *Masters of the Universe* action-toy line. “The program was put together by finding twenty advertisers willing to buy at least $500,000 of time for the first series. Mattel was the only toy company to partake of this outrageous gamble, and was rewarded by pride of place among the cereal, toothpaste and sweet ads” (Kline 166). Though the toy line was released three years earlier in 1981, Mattel, in the midst of financial turmoil, was hoping that investments in animated programs based around their toys would give them a turnaround.

“He-Man soared to the top of the ratings, and Mattel sold in excess of 55 million figures worldwide in 1984 alone” (Middaugh). Licensed characters proved successful for Mattel, and made its executives and shareholders very happy. The trend continued for several years, with various toy lines and cartoons achieving monumental success in sales and television ratings. “By 1987, toy makers were spending over $350 million on television advertising” (Kline 238).

Licensing merchandise was successful. Licensing characters, however, is not exclusive to the “millionaires club.” By the late 1980s, entrepreneurs and independents began sneaking into the realm of licensed character merchandise. After the demise of He-Man, an obvious void was missing in the aisles of toy stores across the nation. Without a hit character license, toy companies and television producers had little to profit from in the arena of children’s television. The “hit” toy stores and TV stations were waiting for was about to emerge – from the sewer.

The *Teenage Mutant Ninja Turtles* were created by two little known comic book artists named Peter Laird and Kevin Eastman. Conceived on a night of brainstorming and booze, the *Teenage Mutant Ninja Turtles* would quickly rise to take the toy and animation industry by storm. Considered by many to be the ultimate “spoof” of toy
generated cartoons, TMNT was a monumental blockbuster in an era of toys that needed a booster shot in the arm of creativity.

After the conception of TMNT, Laird and Eastman set out to put their newly created characters in a comic book, designing an elaborate story arch around four mutated turtles, their martial-arts practicing sensei, and an underground Japanese mob gang called The Foot. Characterization was not a problem for the two New England bred entrepreneurs. The only problem was finding the $1200 that would allow them to create the 3,000 black-and-white comics that would bring them both fame and fortune.

Eastman and Laird managed to scrimp together the money, produced 3,000 comics, and waited as little happened to both them and their absurdly wonderful idea. TMNT began its journey to greatness when it was eventually discovered by licensing executive Mark Freedman. Freedman, a self-employed independent who had worked for Hanna-Barbera animation studios, had discovered the comic was instantly drawn to the characters’ marketable potential.

Freedman eventually met with Eastman and Laird to iron out a licensing deal (a contract was written up on an ice cream napkin). The two men handed Freedman the first issue of TMNT and a homemade foam-rubber figure of one of the turtles. Freedman shipped the figure overnight express to Richard Sallis, president of Playmates Toys. Sallis liked the figure and TMNT was on its way to global domination.

Before long, the turtles were plastered on everything the likeness of a character could be put. In 1990, Playmates stock, which is sold exclusively on the Hong Kong stock exchange, “rose 700 percent…more than any other listing” (Patton 102). Not unlike the Star Wars licensing that had occurred almost a decade earlier, TMNT saturated the marketplace with its logos and reptilian visage. T-shirts, underwear, bed sheets, sports equipment and toy aisles, made a strong impression that these “heroes in a half-shell” were here to stay.
However, the establishment of a licensing venture is not easy. The original TMNT comics were dark, gritty and ultra-violent – a highly unlikely candidate for children’s programming. So the executives at Playmates took it upon themselves to make the karate-chopping reptiles more “kid friendly.” Playmates took many creative liberties in the establishment of TMNT as a marketable entity:

“The first was to sharpen the differences among the Turtles, giving them color-coded belts (with initials on the buckles) and individual weapons. [Playmates] also poured $2.5 million into the production of the first five TV shows, produced by Murakami, Wolf, Swenson. The cartoon softened the [ninja turtles] for the toys by explaining the story behind the Turtles and defining their characters: Leonardo, the leader; Michaelangelo, the party-loving jokester; Raphael, the angry one; and Donatello, the gadget guy. At the toy fair in February 1988, Surge Licensing and Playmates introduced the Turtles” (Patton 104).

By the time they were introduced to the public, the Turtles barely resembled their dark and gritty counterparts in the comics. Though still “ninja turtles,” the new TMNT was more colorful, more lively, and less threatening. Purists might declare this reversal in style and texture to be purely commercial. Those in the industry simply called it “toyetic” - the play value of a licensed property. Play value translates into toys, which translates into sales, which thereby translates into profit.
SMALL TOYS, BIG MONEY

The influence that television and cartoons have had over the last 50 years has been astounding, particularly in the realm of children's programming. With two income families and a lack of parental supervision, children born in the last 25 years have been thoroughly trained to be "good little consumers" by television's fanciful tapestry of merchandising messages. Like Pavlov's dog, a young child is quite respondent and eager to spend his parents' money when the ringing jingle of endorsed products flashes across the screen.

"By graduation from high school the average child will have spent over 20,000 hours watching television and only 11,000 in the classroom. A child will be exposed each year to 18,000 - 21,000 commercial messages" (Kline 17). Plenty of time for marketers to reap the benefits of a youth filled marketplace, ripe with ample young minds raised in a generation of commercialized commerce.

The early days of television promotion saw little on the end of sales and marketing. Toy companies and children's programming saw little incentive to invest time and resources into capitalizing on their marketable entities. Though brand names and logos had been around for over 50 years, extreme promotion in the avenue of toys and child products seemed frivolous and time-consuming. "Mr. Potato Head might have been the first toy advertised on television in 1952, but generally toy manufacturers were on record as believing that they would thrive without mass market advertising" (Kline 166).

And toy companies did thrive. But 1977 changed all that when Kenner Products broke "...the $200 million sales mark, doubling its sales in just three years, due in large part to the enormous success of Star Wars" (kennertoys.com). Kenner Toys acquired the rights to Star Wars for only $100,000 and by 1983 had sold more than 300 million Star Wars related toys. Toy companies, no longer oblivious to the trend, now knew that licensed merchandise was the key to marketplace gold.
By the early 1980s, toy manufacturers and cartoon producers were fully aware of the statistics and knew that advertising, be it commercials or cartoons, did in fact affect the sales of their toys. Toy companies and cartoon producers were quick to form alliances. When Mattel toy group created *Masters of the Universe*, the action toy-line featured “…its own television series [and] brought in an estimated $350 million in sales [in 1985]. The producers of the show shared in the toy profits, and the toy company shared in the program’s revenues” (Boyer 1).

![Masters of the Universe action figures](image)

(1-5) Battle Armor He-Man, Clawful, Zodiac, Moss Man, and Battle Armor Skeletor; just a few of the thousands of *Masters of the Universe* action figures sold in 1985.

Imitators appeared on practically every station that would carry them. The airwaves became inundated with toy-endorsed shows. Producers, syndicated TV stations and advertisers were not complaining. “Television advertising to children rose quickly, from about $25 million a year by 1956 to about $750 million by 1987” (Kline, 167).

Copy-cat formula shows appeared in toy aisles and TV sets across the nation. It didn’t matter whether they were barbarians fighting warlords, space rangers fighting aliens, or big robots fighting bigger robots – the numbers didn’t lie. Kids were watching and were also buying the toys. “In 1986 Hasbro had 34 of the top 100 sellers in the toy market largely because of its faith in character-marketing and its investment in advertising and promotion, which rose quickly from $81 million in 1984 to $170 million in 1985” (Kline 200).

The toy-boom of the mid-80s was significant in that, in the midst of a supposed recession, the toy economy was flourishing. *Transformers, G.I. Joe, My Little Pony, Rainbow Brite* and *Thundercats*, to name a few, all became memorable cartoon shows and toy lines that made their manufacturers and producers inordinately wealthy. “Indeed,
between 1982 and 1986, US toy sales zoomed from $4.2 billion to $12.6 billion, an increase partly due to the general boom in license merchandising” (Kline 199).

Cartoon based brands and licensed characters became the norm of nearly every toy company and cartoon producer. “The licensing of toys accounted for over 15 per cent of the $54 billion industry in 1987” (Kline 220). This elevation in consumption led to the increase of imported toys from overseas nations. Factories sprang up in third-world nations churning out American toy products as quickly as possible. “By 1988, imports of toys into the USA accounted for $2.4 billion of retail sales” (Kline 231). This inflow of cash was essential for the continuation of toy lines and production of the cartoons that promoted them.

A significant portion of toy profits are allocated to producers of programs that make shows based on the company products. Cartoons are expensive to make and producers need some way to defray the costs. “The $14 million development costs of the He-Man and Masters of the Universe animation, one of the first syndications, were split between Mattel (the toy company), Filmation (the producers) and a licensing agency” (Kline 220). Many manufacturers have discovered that having a television show attached to your toy line is essential for profit to be witnessed.

The animated series Galaxy Rangers, produced by Gaylord Productions, was developed for $21 million. Tonka toys had also simultaneously planned to launch a toy line of figures based in conjunction with the show. According to Alan Courtney, president of Gaylord Productions, the financial incentives were prosperous. “If the show is tremendously successful, from all areas of revenue we could double our money... We could end up with revenue of $40 million to $60 million” (Boyer 1). These profit margins allow the companies to offset costs in both production and promotion of the licensed property.

In 1993, “half an hour of animation cost from $250,000 to $300,000 to produce, and a network advertising spot, at about $26,000 for a Saturday morning screening... represented a significant expenditure for children’s advertisers” (Kline 222). Expenditures such as these are inherently huge gambles taken jointly by the toy manufacturer and cartoon studio. It is thereby crucial that licensed characters don’t fail.
In order to make sure that licensed characters don’t fail, the writers and producers of cartoon shows must be able to establish a coherent identity for their characters. Shows must possess “toyetic” qualities making them more accessible to marketers within toy companies. In an effort to make cartoon shows more marketable, creative liberties can sometimes be stifled by corporate margins.

The demands of the toy industry can be a great strain on animation studios and their writers. Greg Weisman, creator and storyboard editor for Disney’s action cartoon Gargoyles, was one of many individuals in the animation field who felt the strain to live up to toy company executives. He faced continued pressure from toy manufacturers to input characters and vehicles into the animated serial that could also be produced as toys.

Gargoyles is the story of six 10th century gargoyles from Scotland who awaken in modern day New York after being frozen in stone for 1000 years. Though action figures were produced for the series by Kenner toys, there were no vehicles that could be produced for the toy line since the gargoyles did not use any in the cartoon. The gargoyles did not require any transportation since each character had the ability to glide on currents of wind. And, staying true to story, since the gargoyles were from the 10th century, they had no concept of what an automobile was, let alone how to use it.

However, despite the efforts of the writers of the series to stay true to their characters and theme, the toy company demanded that some sort of vehicle or car be added into the animated serial so that it could be made into a toy. The producers had no choice but to give in, and created a helicopter that the gargoyles used in only one episode. Weisman stated: “Kenner insisted [the writers] include it because they wanted to make a toy out of it... Once that episode was past, the Gargoyles production crew quietly ignored it from that point on” (station8.org).
SATURATED MARKETS

By the late 1980s, toy companies realized that parents’ wallets were not limitless when it came to expenditures on toys. Extensive work takes place in the research and development fields of toy companies. In 1986, Hasbro doubled its research and development staff to 550 people to ensure the company would not only beat the competition but overtake them. However, flops such as the *Inhumanoids* and the *Transformers* and *My Little Pony* movies proved to Hasbro that advertising was not necessarily the key to a successful property. Hasbro lost $10 million in its movie investments, bringing to light the reality of fast falls from fast fad toys.

Market penetration had reached capacity, and market saturation began to infest the children’s aisles of department stores everywhere. There was too much of the same thing. *Masters of the Universe, Thundercats, G.I. Joe* and *Transformers* had all drowned out the competition. When there was no more competition left, the toy lines cannibalized themselves, cutting into their company’s profits with high inventories still left in overseas warehouses. Demand shrank, supply was abundant, and the toys sat on store shelves for many years after the cancellation of their cartoons and product lines. By the late 1980s, companies started to lose money.

“In 1982, the *G.I. Joe* sales of $49 million represented a full 36 per cent of Hasbro’s revenues, but by 1986, with gross sales of $185 million, the toy accounted for only 14 percent of the company’s revenues... Transformers outsold all other toy lines, with $214 million in sales by 1986, although this was down from its 1985 sales of $337 million” (Kline 200). Even though revenues were down, profits were still significant enough for companies to continue with their brands for a few more years. These profits helped continue animated toy-serials as well.

Producers of cartoons were not looking forward to the decline in toys inspired from their drawings. Much of the revenue intake that producers received was from toy sales, once again, helping animation studios offset the costs of their production.

“Typically a toy company will share the costs of making an animated series (the average cost is $12 million to $15 million for 65 programs, which run daily for 13 weeks and then...
are repeated)” (Boyer 1). But interest decline in cartoon-related merchandise was on the rise. Television stations would not carry a show if ratings were not significantly profitable for them. Producers and toy companies needed to create an incentive for show purchase. The incentive “…is low-cost programming, and sometimes something more. One producer’s syndicator, Lorimar-Telepictures,… offered stations a piece of the toy profits, an incentive to air its program *Thundercats*” (Boye 1).

*Thundercats* became successful for a few more months and brought the manufacturers of its toys, Lorimar-Telepictures, and the TV stations that aired *Thundercats* significant revenue.
CHAPTER 3

Survey data will be collected from top ranked individuals within the toy industry. Companies that will be targeted for survey questioning are Mattel, Hasbro, and Buena Vista. The 10-question survey will be gathered via e-mail, mail, or phone interviews.

Primary survey results will be compared to secondary data. The data needed for this thesis is primarily provided by books and internet resources. The research for this thesis revolves around the industries of animation and toy products, and the extent to which each field is involved in the other’s marketing and product development.

No children will be surveyed or studied for this thesis research. Information will be gathered through an in-depth study of both the toy industry and animation studios. The goal of this thesis is to prove there is a direct link between the creation of a toy line and the creation of an animated property. Whether intended for televised or theatrical release, this thesis expects to prove that the majority of animated properties that have been created since the 1980s were primarily produced with the intention of also establishing a thoroughly extensive toy line.

Company representatives will answer a set of questions pertaining to the selection and creation of toy lines based on animated properties. The goal of this survey is to know the who, what, where, when, why and how of a toy line’s creation and development:

- Which field initiates contact first – the animation studio or the toy company?
- Are toy lines only created if they have an animated tie-in?
- Does a successful animated television show or movie guarantee a hit toy line?

These and other questions will be the basis for data inquiry. It is expected that not all companies will want to respond. It is also speculated that not all questions will be answered for fear of the exposure of confidential information or sensitive legal issues. Such conflicts will be stated in data tabulation and noted accordingly.

Once collected, data will be recorded and responses analyzed.
CHAPTER 4

RESEARCH DATA

Data used in this research was acquired through survey. Responses were gathered from two individuals within the toy industry, and one individual within the animation industry. All surveys were e-mailed before personal contact was made:

SURVEY 1:

1. Do toys affect what cartoons you make?

Yes. The profit margins on children's programming are so slim these days (largely because of misguided government regulation coupled -- ironically -- with the deregulation that has allowed entertainment companies to vertically integrate) that potential money from consumer products (including but not limited to toys) has become a greater factor than when I started in the business in 1989. Toy companies can help fund programming -- for better and for worse -- that might not otherwise get made. And even original properties benefit if there are multiple forces (e.g. a toy line) that maintain incentives to keep a show alive.

2. Do you choose what toys are made?

Never.

3. How significant is a hit animated show to sales of toys?

It can be very significant, in that an animated series can virtually act as a 30 minute daily commercial for the toy -- a commercial that establishes play patterns and allows the
audience to invest in both characters and the property as a whole.

4. How many cartoons a year are related to toy lines?

I have no idea.

5. Must the toy manufacturer pay royalties to cartoon producers?

Depends on the origin of the property.

6. Does a successful cartoon guarantee a hit toy line?

No. Some shows are not considered 'toyetic'.

7. Does a successful toy line guarantee a hit cartoon?

Never. But it doesn't hurt.

8. When your company is in search of a new animated serial, where do they look first - current toy lines or creative innovators?

There's no one place. (And that either/or you just gave me is ridiculously simplistic. Implicitly biased even. There are plenty of creative innovators working at toy companies, for example. And there are more than just two places where you might look for inspiration or series springboards.)

9. Approximately how much do cartoon producers allocate to the funding of toy lines?

Doesn't work that way. Toys help fund cartoons (in simplistic terms) not the other way around.
10. Which usually comes first - the toy line or the cartoon?

Again, there's no one rule. In certain countries, like England, if a toy line exists already then you CAN'T air the property at all. But here in the U.S. it can go either way. Though often the cartoon will appear first to help promote the toy line.

11. May I attribute your responses? Yes / No

Yes.

12. If yes, please list name and/or title and company name:

Greg Weisman
Freelance Writer/Producer

Responses found at http://www.s8.org/cgi-bin/ag_read.cgi?ANSWERS_2002-03_(Mar)

SURVEY 2:

SURVEY 2 was e-mailed to Wayne Charness, senior vice-president of Hasbro toys. Unfortunately, Mr. Charness was unable to answer any survey questions. The following is Mr. Charness' e-mail response:

Thanks for thinking of Hasbro. Unfortunately due to the high number of requests we get to participate in student projects we have made it a policy to not take part in any. For that reason, we will not be able to help out. Best of luck with your thesis.
SURVEY 3:

The following survey was conducted via telephone. Responses are paraphrased.

1. **Do cartoons affect what toys you make?**

   Entertainment on television, animated or not, will definitely affect whether a toy is made. However, if toys are made, it is usually the characters that are made first, with vehicles and accessories coming along as the toy line evolves.

2. **How do you choose what toys you make?**

   Every toy company varies in how they choose what toys to make. At Mattel, toy ideas are generated from independent outside toy inventors or from Mattel’s in-house design team. Licensed product is also a means by which toys are made. Depending on the popularity, toy companies may choose to use characters that are already recognizable by the mainstream audience. There are even instances where small companies will approach big companies in the hopes of solidifying a deal that will benefit both parties and their respected properties.

3. **How significant is a hit animated show to sales of toys?**

   A hit animated show is very significant to the sales of toys. There is definitely a high correlation between the popularity of a cartoon and the popularity of a toy. But a hit animated show doesn’t guarantee great toys, or even if toys are produced. An animated show must first be toyetic, thereby possessing the qualities within character layout and storyboard design that would produce a successful toy line.

4. **How many toy lines a year are related to cartoons?**

   Off the top of my head, I would estimate between ten and twenty, but that is just an estimate of the overall domestic market.
5. **Must the toy manufacturer pay royalties to cartoon producers?**

Depends on the deal that is made. The cartoon producers usually have the ownership right to the cartoon and its characters, though ownership rights may belong to the individual who created the idea for the cartoon.

6. **Does a successful cartoon guarantee a hit toy line?**

No. A successful cartoon can definitely help a toy line, but the toy line could still fail.

7. **Does a successful toy line guarantee a hit cartoon?**

No, not at all. Toy manufacturers must think about the consumer. Cartoon producers must think about the audience and how they can reach their property to the greatest number of people.

8. **When your company is in search of a new toy line, where do you look first – current children’s programming or creative innovators?**

Mattel looks toward all areas of media and popular culture when searching for new ideas. There are many agencies that have trend reports that can be quite useful. There are also ‘point of sale’ reports with information regarding sales statistics. Mattel also has in-house designers whose creative input can lead to innovative new toys.

9. **Approximately how much do toy manufacturers allocate to the funding of cartoons?**

Depends on the licensing agreement. Outside producers are brought to the table with toy makers, a negotiation is established, a contract is signed, and a deal has just been made.
10. Which usually comes first – the toy line or the cartoon?
The cartoon usually comes first. Unlike girls’ toys, retailers usually don’t order boys action figures if there is no entertainment backing it up. Entertainment drives the toy industry, especially for properties that will appeal to boys.

11. May I attribute your responses? Yes or No
Yes.

12. If yes, please list name and/or title and company name:
Jeremy Padawer
Product Manager – Masters of the Universe
Mattel
CHAPTER 5
SURVEY INTERPRETATION

The responses to the questions in the survey show both the importance and necessity of animated properties to the toy industry. In reverse, animation studios thrive significantly better when their characters and story lines are immortalized within molded plastic. Toys and cartoons are indeed dependent upon one another for survival.

Cartoons absolutely affect what toys are made. Popular cartoons are the leading motivators to toy designers and their staff. Cartoons that have a large audience, are cartoons that inevitably have a large fan base. This fan base, if willing to spend the time in front of the television to watch the program, will more than likely take the time to travel to the toy store to purchase the cartoon-related item.

The surveys were quick to note, however, that success on television or in the toy aisles does not guarantee that this success will definitely be translated to the other medium. A cartoon show must first be determined by the toy manufacturers as to whether or not it is toyetic (possessing qualities that are toy-like in action and appearance). Toyetic cartoons, provided that they are successful, will more than likely lead to toys.

The third survey question, however, was synonymous with both respondents. Both agreed that there was indeed a high correlation between the success of a cartoon and the success of a toy line. Popular cartoons, more often than not, lead to popular toy lines. The reason for this is because the viewer of the program can easily associate with the characters displayed on the screen. Association with animated characters leads to a desire of acquirement for those same characters from store shelves. Cartoons do not intentionally institute characters onto their show because of toy company pressure, but can definitely be motivated by market factors. Unfortunately, many animated serials that are geared toward the young child often turn out to be no more than 30-minute commercials for the toys they inspire.

Survey responses were also very clear in that there is no one way in which a studio or a toy company picks their ideas. Ideas for new characters, storyboards, or themes can be generated from any area of society. Usually, when searching for new ideas, producers and marketers will focus primarily on popular culture, sighting trends, fads or potentially
untapped market niches. Though both television studios and toy companies have inside writers, designers, and innovators who are in charge of mainstream production and development, many firms seek and encourage outside inspiration.

The creators of the property, be it the toy company, animation studio, or freelance innovator, are entitled to some sort of compensation or recognition for their input. Depending on the deal and negotiations, toy companies and animation studios can indeed share in the profits if contracts and licensing agreements prohibit them to do so. Though finalized deals sometimes take months or years to solidify, finalized deals must result in an agreement on all areas of the character design – physical appearance, accessories, garments and personal profile – so as to standardize the property.

Survey responses were also very conclusive in that both participants agreed that it is the cartoon that usually comes first – not the toy line. Cartoons are created earlier than the toy line so that, if and when, a toy line is produced, it already has an entertainment property that can promote it. The production of a toy line requires a greater amount of resources resulting in a greater amount of investment. If toy companies are going to produce a toy line, they want the guarantee that there will also be another means of promoting their product other than mainstream advertising.

Toy products that predominantly have a television product association are boys toys – specifically action figures. Cartoons influence the sales of toys, just as popularity of a toy line can influence viewership of a cartoon. But the market for animation and toys is fickle, never quite as predictable as research and data may indicate. The surveys provided in this thesis have generated a more defined understanding of the two mediums and their relationship to one another. Indeed, there is a cause and effect of toy consumption and ratings, but there is no guarantee recipe for success in a kid-driven marketplace. The responsibility of success rests completely in the hands of the child – be he consumer or television viewer. Survey participants clearly noted that toys and cartoons are two separate entities – each one responsible for its own destiny.
CONCLUSION

Market burnout is inevitable, especially on character toys. The toy and animation industry have changed considerably in the years between 1980 and 2002. Children’s television, though always an influential venue for toy products, is no longer saturated with the “half-hour commercials” that so dominated the airwaves in the early 1980s. Children’s programming has actually shifted away from kid-focused cartoons and has been catering more toward pre-teen (or “tweens” as they’re commonly called) programming that relies less on animation and more on live-action serials. These serials focus more on school, relationships, and real-life issues than on imagination, fantasy, and magical genres.

The reason for this current shift in demographic interests is because young children are starting to acquaint toys with being “juvenile,” “immature,” and “kid-like.” Playground influence is a monumental factor when weighing the decisions that children make on the consumer market. Fads fade and change from generation to generation, but the basic link that ties all licensing successes together is that it can relate to the concerns and issues facing contemporary children. Children today, between the ages of seven and 12, view toys as items for little kids, kids who are six and under. No more than 10 years ago, the demographic for toy collection and play was from about three to 13. This dramatic decline has significantly affected both the toy industry and producers of children’s programming, effectively changing the way they handle their products and who they are specifically geared towards.

Video games have been a major impact on this mindset. The video game market has grown steadily and substantially since 1983 with the introduction of Atari, and the Nintendo boom of the early 1990s. Increased graphics, animation and play quality have led children away from channel surfing the stations and more towards button pushing the controller of their favorite electronic adventure. Licensing agents have gotten wind of this trend, and are making sure that every major television and theatrical release geared toward kids has at least one video game associated with it.
"The sales of gross $12.5 billion in 1986 appeared to flatten when compared with $12 in 1985 and the rapid gains of previous years. By 1990 merchandise-licensing and animation production had both stabilized as Nintendo took a $2.6 billion annual bite out of the US toy market. Indeed, by 1991, the US toy industry grossed $13.4 billion, but it was video games at $4 billion that enjoyed all the growth" (Kline, 228).

Toy companies have been slow to follow, but are moderately catching up, making toy lines such as *Street Fighter, Mortal Kombat, Resident Evil* and *War Craft* - all major video game titles with loyal fan followings. With a trend shifting toward more hi-tech toys, licensing agreements have added video games to the list, leading to the acquisition and mergers of many electronic and toy companies in the hopes of joint ventures in child-targeted marketing. Toy insiders are hoping that these fans will bring their disposable income to the toy store as well as the electronic store in the hopes of cashing in on this latest pop-culture craze.

But toys have not, or will they ever, disappear from store shelves. Licensing agreements for toy and movie related merchandise still dominate the marketplace. There has been such success in the licensing of merchandise based on characters that many current executives and promoters are looking toward history, taking characters from prior ventures and reinventing them for today.

The *Star Wars* franchise continues to be a dominating force, licensing its characters to Hasbro and any other company's product it can place its logo on. The most successful licensing venture ever, *Star Wars* remains the gem in the galaxy of toy-licensed merchandise. With a total of six full-length movies by 2005, comic books, toys and video games, *Star Wars* merchandise will continue to be a staple on department store shelves for years to come.

Mattel Toys, with no significant "boys action toy" property since the fall of He-Man in 1987, decided to re-launch *Masters of the Universe* in Summer 2002, nearly 20 years after He-Man's first introduction onto the market. The hypothesis at Mattel is that the success of licensing ventures for current fantasy movies such as *Harry Potter* and *Lord of the Rings* will net them a windfall once the formers are gone from the theaters and toy aisles. Mattel had planned for a winter 2001 release for *Masters of the Universe*, but decided to push the toys back to the summer of 2002 so that it would coincide with a
brand-new animated series. With a resurgence in 1980's television and movie properties, and the revival of such successful toy lines as *G.I. Joe*, *Transformers*, and *Teenage Mutant Ninja Turtles*, Mattel believes that it was the perfect time to bring back He-Man to a new generation of children.

Generations and toy aisles change, as well as the children who populate them. But the relationship between a child and his toy has been forever altered by the introductions of movies and television into mainstream society. Cartoons have become, and will forever be, the breeding ground for many of the new toy products that dangle on store pegs and fill the small fists of children throughout the world. Intertwined and inseparable, cartoons and toys march forward into a bold new world of licensing ventures, characters and profits that have yet to be discovered.
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