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Fads and Children: The Early Culture of Consumption

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in Marketing Management and Finance with Honors

April/2006

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ABSTRACT

Fads have the ability to consume our attention and cause us to defy our better judgments. They have the power to pervade society with an intensity that rivals the infectiousness of an epidemic. Despite the influence of this phenomenon, fads are often overlooked. This thesis, "Fads and Children: The Early Culture of Consumption," was formulated in order to provide fads with the recognition that they scarcely receive.

This project began by highlighting the fundamental characteristics of fads and how fads differ from other products, properties, and concepts. Since a discussion of the entire subject of fads would be overwhelming, I have decided to focus on fads as they pertain to a particular aspect of society. The children's demographic was selected because of its potential as a dynamic market and applicability to society as a whole. This demographic was also chosen because of the increased susceptibility of children to fad activity. Children are notorious for their desires for the newest items and their perception of fads as the key to popularity and increased self worth. Children also possess greater spending power and purchasing influence.

As a result of heightened competition and the potential benefits that can be generated from the children's market, marketers are utilizing ethically questionable activities in order to reach children with their fad items. A social commentary was included in this thesis in order to address this worrisome issue. In addition to highlighting how marketers attempt to reach children, the commentary also discusses how parents attempt to balance their pursuit of financial maintenance with spending time with their children. When parents feel that they have spent insufficient time with their children, they may feel guilty and use fads as a means of compensating their children.

As a consequence of greater purchasing power on the part of children, more invasive marketing tactics, and the potential guilt and indulgence by parents, children are more inclined to exhibit feelings of narcissism, entitlement, and over-indulgence. Recommendations were included in this thesis in order to minimize the likelihood of these consequences. The final section of this project provides a case study of the Cabbage Patch Kids and the relevance of this phenomenon to the fundamental characteristics of fads and the recommendations that were established.

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ADVICE FOR FUTURE HONORS STUDENTS

So, you have decided to take on the task of writing an honors thesis. Congratulations! When I told some of my peers that I was going to write a thesis, “congratulations” was far from the response I received. Many of them pointed out the amount of work and commitment that was required in order to compose a quality thesis and the fact that I would be taking away from the “senior year experience.” I would like to tell you that this is inaccurate. You should be commended for your decision because it is a task that many people shy away from. Your decision shows that you are up for the challenge.

Now that I have gotten that off my chest, please allow me to give you some advice as you create your own thesis. The following are the major points that you should consider as you write your thesis:

1. Topic Selection: Topic selection is extremely important because the topic is the foundation of your entire discussion. Make sure that you select a topic that you are interested in because you will be working with that subject matter for a long period of time. It will be easier to research and write about a topic that you are interested in as opposed to a topic you hate. You should also consider the amount of research that can be acquired with a particular topic. It may be more difficult to write about a subject that has few resources, unless it is a topic for which you can generate your own data. You do not want to realize late in the game that you hate the topic you selected or that there are few resources in relation to that that topic. This might push you to select another topic or stop writing your thesis all together. In some cases, you may be able to adjust your topic so that it is feasible.

2. Thesis Advisor and Second Reader Selection: When selecting a thesis advisor and second reader, it is important to consider their knowledge of and experience with the topic you have chosen. When the advisor and reader are knowledgeable about your thesis topic, they will be able to provide you with insightful feedback that will improve the quality of you thesis. It is also important to evaluate how

much time that the advisor and reader will have to work with you on your thesis. It is important to have individuals who are available for feedback and guidance.

3. Scheduling: When I read the advice sections of previous theses, I could not help but notice how many of them suggested that you start your thesis as early as possible and create a timeline. Although this is sound advice and may alleviate some of the last minute stress, it is not always feasible. For those of you who are discouraged from creating a thesis because you feel that you have too many obligations or because you would like to pursue such activities as studying abroad, I would like to tell you that it is still possible to complete your thesis on time. Although I studied abroad for the spring semester of my junior year (and did nothing for my thesis during that time) and applied for law school during the fall semester of my senior year, I was still able to make time to research and write my thesis. Although I failed to meet the deadlines that I established for myself in my timeline due to my hectic schedule, I was able to overcome this issue by writing portions of the paper in blocks. I think that scheduling is subjective; it is based on how much you can accomplish in a particular period of time.

4. Editing: It is very important to edit and revise your thesis in order to create a presentable and understandable product. Editing should be performed in terms of both content and technical structure (grammar, punctuation, wording, etc.).

5. Balance: As I stated above, one often considers a thesis to imply being consumed with work and having no social life whatsoever. This is not necessarily true. Although it may be difficult at times, finding the balance between your personal and academic lives is possible. Take breaks in order to refresh yourself. In some cases, setting short term schedules can also be effect. Don't let the thesis overwhelm you. You are in control.

My final Words...

I would like to point out that everyone is different and, what may have worked for me, may not necessarily work for you. Don't worry, though, because as you progress through your thesis experience, you will discover what path is right for you.

Good Luck and God Bless!!!

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As I reflect on my thesis experience and overall academic and personal growth, I would like to take a moment to acknowledge the individuals who have assisted me throughout my journey. I am so blessed to have the support of such talented and knowledgeable individuals.

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Fads and Children: The Early Culture of Consumption

Purpose:

It comes quickly, out of nowhere with no warning or explanation, and spreads with contagious tenacity throughout society only to vanish just as swiftly. Although it may sound like a serious disease, it is not a sickness, and though it may appear to be the proverbial “now you see it, now you don’t,” it is not a magic trick. This phenomenon is the fad; it requires no assistance from the supernatural and its infectiousness is derived from various factors including timing, the market environment, and a little bit of luck.

Since fads can be evaluated on various levels, such as source and demographics, a discussion of the entire concept of fads would be quite overwhelming. I have therefore decided to focus on a specific aspect of fads, particularly fads that affect children between the ages of six and twelve. The relationship between fads and children was chosen as the primary focus of this study because of its applicability and importance to both marketers and the average citizen, and the overall social implications of this relationship.

While several marketing publications merely devote a few paragraphs to the topic of fads, this study will provide an in depth analysis with concrete examples. This analysis is multifaceted with emphasis on determining the importance of fads, why they exist, their effect on children, and whether marketing can create fads. The major purpose of this study is to raise issues regarding the justification and consequences of marketing fads to children and the deeper state of affairs surrounding this topic. As marketers employ various lengths to persuade children to participate in fad activities and purchase their fads,

the concepts of ethics and social responsibility become significant issues that should be addressed.

The five major objectives of this analysis are as follows:

1. Inform the reader about the general qualities of fads and how they differ from other types of products
2. Inquire about the ethical nature of marketing methods when promoting fads to children
3. Identify the deeper causes that promote fad activity in children
4. Provide the rationale for marketers' interest in the children's demographic
5. Recommend possible courses of action that could be undertaken to curtail any unethical marketing activities (regarding marketing fads to children)

Before continuing with the analysis of fads, it is important to highlight a particular reference that has significantly contributed to this study and served as the basis for further analysis. The *EPM Fad Study* by Karen Raugust was a report that examined various aspects of fads by researching the history of more than 100 fads from different demographics, decades, and genres. This was the only report that I found that provided a comprehensive analysis of fads.

Section 1: General Overview of Fads

Section 1: General Overview of Fads

1.1 Overall Definition and Characteristics

According to Kotler (1993), “fads are fashions that enter quickly, are adopted with great zeal, peak early, and decline very fast.” Raugust (1998) furthers this definition by highlighting the activities of the fad and its impact on consumers by stating that during the fad’s short life, “it manages to permeate the culture and generate significant expenditures on the part of consumers” (p. xi). The initial definition highlights the main characteristics of fads as being adopted quickly with great enthusiasm and being short lived while the second explanation provides greater basis for the importance fads. Although fads may exist for a brief period of time, they have the potential to generate substantial monetary gains.

Although these definitions highlight the general qualities of fads, they only address fads on a superficial level. In order to gain a greater understanding of what constitutes a fad, the definitive characteristics of fads will be divided into pre-emergent and post-emergent attributes. The division of these qualities will assist in predicting the likelihood of a product becoming a fad and assist in the identification of a product as a fad when it is in its earliest stages (Raugust, 1998).

The pre-emergent characteristics of fads are that they are simple for consumers to grasp and possess some level of uniqueness and oddness. The post-emergent qualities of fads are that they possess a high level of participation, high awareness, quick acceptance, short life span, and are consumer driven.

1.1.1 Pre-emergent Characteristics:

Essentially all fads are inherently simple for consumers to understand and, to some extent, unique or odd (Raugust, 1998). Since these qualities (simplicity, uniqueness, and oddness) are natural to the product, they are easier to identify prior to the product becoming a fad. If a marketer can obtain a better understanding of what items have the potential to develop into fads, they can gain an advantage over their competitors and have a greater chance of reaping any initial benefits that that fad may generate.

▪ ***Simplicity***

Simplicity is a common trait in most fads and assists in propelling a product to fad status. Since the need for a long learning curve is eliminated, the target audience can participate in the fad easily and quickly (Raugust, 1998). The frustration of figuring out how to use a product or the rationale behind the product is reduced. As a result, the simplicity creates an attractive feature that can be endorsed.

Although simplicity is important to all fads, it is particularly significant for children's products. *Getting Smart on Smart Toys: Ten Tips for Spotting the Winners and Losers* (2001) points out the genius of simplicity by stating that "the best designers know that kids don't read or listen to directions. They just want to get started... Ease of use is elegant and a good business practice." Additionally, if the product is difficult to master or use, then the child will be discouraged and disinterested in that particular product. One example is the slinky, which has been described by Reader's Digest as being "a toy for regular people. You pick

one up and instinctively know to part those coils into two halves and rock the Slinky back and forth” (Raugust, 1998, p. 2).

A product can also be simple in terms of its concept. Individuals are more comfortable when they can grasp the basic notion of the product and its fundamental requirements. For example, although the Rubik’s Cube may appear difficult to decipher, its concept and objective are quite easy to understand; you move the parts and try to match the colors.

▪ *Uniqueness and Oddness*

Uniqueness is also a consistent attribute of fads. The product could be unique in general or unique to the target audience. According to Raugust (1998), fads “may be reminiscent of something that has come before, but rarely emulate anything currently available. In other words, they fill an empty niche” (p. 3).

Uniqueness could be an attraction or repulsion depending on how skillfully the product is eventually positioned by the marketer. Uniqueness can also be construed as more of an oddity which may promote negative connotations.

According to Agirre (1988), the fads may “evoke social disapproval because those not involved in them perceive fads as ridiculous, dangerous, immoral [and] bizarre.”

The distinctive or unusual quality of a product can be a unique selling point, particularly to early consumers who usually welcome unique items and desire products that will assist them in differentiating themselves. When a product is (1) different from the other items on the market, (2) has some differentiating quality, or (3) is marketed to an untapped market, it usually

becomes more attractive. Table 1 of Appendix B depicts these three examples of differentiation.

Occasionally, marketers may attempt to build fads on the momentum of a recent success such as blockbuster movie or television show. Although these products can be profitable, they usually are not as successful as the hit items that they imitate (Raugust, 1998). One such example was the Mighty Morphin Power Rangers - a blockbuster children's television show that I am quite familiar with. When I was a young girl, this was a highly popular show and, as its popularity grew, so did the spin-offs and imitator shows. Super Human Samurais and Tattooed Teenage Alien Fighters of Beverly Hills are just two examples of shows that attempted to piggyback off of the success of Power Rangers by using a similar formula. Additionally, sequels or paraphernalia from successful movies usually do not reach fad status regardless of the success of the original film. However, Raugust (1998) points out that there are exceptions such as the Monkees which "closely emulated the Beatles, with each Monkees television program reminiscent of a mini-Beatles film" (p. 4).

1.1.2 Post-emergent Characteristics:

Post-emergent characteristics are those qualities that are not seen until the fad has taken off. According to Raugust (1998), when post-emergent characteristics "are identified quickly, they can provide managers with an early competitive advantage. Not all fads exhibit all of the characteristics, but the majority possess many of them" (p. 5).

▪ ***High level of participation***

A majority of fads are characterized by a high level of participation which means that “a significant percentage of society, or of a segment of society, has a personal connection with the craze. With a commercial fad, participation usually can be measured numerically, such as by ratings or sales” (Raugust, 1998, p. 4).

Graph 1 of Appendix A depicts the difference in sales over time for a fad item and a traditional product. The fad item reaches its sales peak and is in its descent in a shorter time frame than the traditional product. While the traditional product is progressing towards higher sales level, the fad has already experienced its maximum sales potential. Other fads are more difficult to measure because there may not be a way to gauge how many individuals are actually participating in a particular fad; examples of such fads include dance crazes or social phenomena (such as streaking or phone booth stuffing). There are also cases in which participation is significantly higher than sales or retail figures. Board games are an excellent example of such occurrences because several individuals can participate in a particular game while only one unit was purchased. Raugust (1998) also states that “if many marketers are involved in a fad, total participation may also be hard to pinpoint exactly”¹ (p. 5).

High awareness

¹ Interestingly, there is no point of reference which indicates when a product or property transforms into a fad. For instance, two products or properties could accumulate varying sales figures (i.e. a faddish property with sales in the hundreds of thousands and a novelty fad with sales in the millions) and still both be considered legitimate fads. Similarly, fads for children between the ages of six and twelve can generate significantly higher sales than fads for teenagers or adults (Raugust, 1998). Two fads can also occur at the same time but have different levels of participation. Basically, there is no definitive benchmark in terms of sales or participation that defines when a product or property becomes a fad.

Awareness is also a common trait for fads. This quality is distinct from participation because “a person may not purchase products or otherwise personally participate in a fad, but he or she has, in all likelihood, heard of the phenomenon” (Raugust, 1998, p. 5). For example, wristbands have experienced a recent surge in popularity with such items as Lance Armstrong’s Livestrong bracelet; these wristbands have been seen in all walks of life from peers to celebrities to presidential candidates. However, despite knowledge of this fad, many individuals have yet to purchase this yellow accessory.

The quality of awareness may be a defining characteristic for fads, especially since measurements of participation can be unreliable or inaccurate. For example, although few people purchased recordings of the music or performed the dance, “virtually everyone” was aware of the Lambada, whether through news reports, jokes on *The Tonight Show*, or other publicity (Raugust, 1998, p. 5). This was also the case for the Macarena. In such cases, the vast awareness and exposure of the product can create a perception of a phenomenon with a high level of participation when in actuality that is not the case; such an illusion of high participation can assist in propelling an item into fad status.

One can view the progression of a fad’s awareness in two phases with the initial awareness primarily originating with the fad’s core audience, and the second phase consisting of the fad spreading to individuals throughout society with heightened publicity. Basically, the fad emerges from its niche status and expands into the mainstream. For example, hip hop music began with youth in

urban neighborhoods during the 1980's and has evolved into the mainstream music business with the increased popularity of the music, artists, and lifestyle.

Marketers can make efforts to increase the likelihood of a product becoming a fad by attempting to spread its awareness. These efforts include television specials and licensed merchandise or publicity programs that are primarily targeted to the core consumers. According to Raugust (1998), "at some point in the growth stage of a fad's life, media coverage takes on a life of its own and the phenomenon is mentioned in mainstream news reports, books, sitcoms, talk shows and songs. This extends awareness to all segments of society" (p. 6).

▪ ***Suddenness /Quick acceptance***

According to Aguirre (1988), "fads appear suddenly and are unexpected. They are said to be the result of impulse and are perceived as not involving calculated acts or deliberate adoption, but as spontaneous caprice." The suddenness of fads is primarily attributed to their swift acceptance and popularity. This quality can be of particular importance to marketers as they try to time their participation in a particular item. Marketers would like to be able to push their product prior to the surge of acceptance in order to gain increased sales and retail numbers.

▪ ***Rapid Spread***

With an accelerated rate of adoption, fads spread more rapidly in comparison to other forms of products such as basic products, style, fashions, trends, and mega trends (these differences will be highlighted in part 1.4 of this

section). Fads are also limited to a smaller proportion of the population in comparison to other products (Aguirre, 1988); this results in quicker saturation.

▪ ***Short Life Span/ Fast Build and Fast Fall***

The combination of suddenness, quick acceptance, and rapid adoption and spread make fads relatively short-lived and characterized by a swift rise and swift decline. Raugust (1998) states that “not only do fads achieve a high level of participation and/or awareness, they do it quickly. A product may be on the market for some time- even years- before participation starts to spike, but once growth begins, it occurs quickly” (p. 6). There are several examples that show tremendous spikes in sales and market share for fad products in short periods of time. The declines of these fads can occur just as quickly. Examples of such sudden rises and falls are indicated in Table 2 of Appendix B.

Although the speedy rise and fall of fads contributes to the short total life span of a fad, “many fads ultimately become franchises, generating sustained sales or other participation over a long period” (Raugust, 1998, p. 8). For example, while Barney’s faddish period peaked in 1993 and declined during 1994, the Barney franchise lived on through television shows, specials, and merchandise. A graphical depiction of the total life span of fads in terms of years is shown in Chart 1 of Appendix C. The graph is based on fads that were studied by EPM Communications and includes only the faddish period for those fads that ultimately become franchises (Raugust, 1998). According to Chart 1, 50% of the fad life spans were approximately one year or less and over 70% of fads had durations of two years or less; these figures support the characteristic of a short

life span as usually connected to fads. According to Raugust (1998), “the longest duration reached was seven years, which was reached by just 5% of the fads studied; all of these went on to develop into ongoing franchises” (p. 8).

▪ ***Consumer driven***

One of the most basic concepts to comprehend is that fads exist because consumers demand and desire them. Market and fad managers play a significant role in propelling the initial interest of a product but it is “grassroots, word-of-mouth-driven demand- which marketers can create” that can drive a phenomenon into fad status (Raugust, 1998, p. 8).

Despite the actions of consumers, there are gatekeepers who can prevent a fad from reaching its full potential. Gatekeepers are entities that stand between the fad and its fan base such as retailers and reviewers (Raugust, 1998). For instance, if the fad is unable to reach consumers for reasons such as little media coverage, product unavailability, or poor exposure, the product may not reach its full demand potential and not have a chance to develop into a fad. This logic however, does not occur backwards. Despite the restrictions that gatekeepers can place on a fads potential, gatekeepers cannot cause a potential fad to succeed if there is no consumer interest (Raugust, 1998).

1.2 Types of Fads

In addition to understanding the major characteristics of fads, marketers should also remember that one type of fad does not fit all. Although there are general fad qualities, there is no such thing as a cookie cutter fad. Essentially,

there are four major types of fads which marketers examine. According to Raugust (1998), “most commercial fads can be categorized into one of four types- single-item (proprietary), single-item (multiple marketers), property-based and thematic – each with its own distinctive characteristics in terms of total participation, range of life spans, and tie-in activity” (p. 17). Although several commercial fads can be categorized into a particular type, there are some non-commercial fads such as societal fads which may fit into more than one of the aforementioned types or that may not fit neatly into any of the types. Below is a discussion of the major characteristics and examples of the four types of fads.

Chart 2 of Appendix C provides a proportional distribution of the four major fad types that were studied by EPM Communications. This chart shows that property-based fads are the most common with more than half of the distribution. Raugust (1998) states that the major reasons for this occurrence are (1) entertainment-based properties are a lucrative source or potential fads, especially with their tremendous media coverage and (2) proprietary-based maneuvers such as licensing and extending into other entertainment and media vehicles is expanding. Marketers feel more comfortable branching properties out because of their increasing attempts to protect their proprietary rights through such methods as trademarks, patents, and copyrights. One-item (multiple marketers) is slightly higher than one-items (proprietary) with thematic fad types as the least common.

In addition to the four major types of fads, there are two variations called fads-within-franchises and fads-within-fads as well as other, more basic, fad type

methodologies; the additional forms will be discussed in part 1.2.2 of this section. Fads and crazes can be placed in one or more of these categories and types. The four major types of fads as well as the variations will now be discussed in depth.

1.2.1 The Four Major Types of Fads

1. One-item Fads, Proprietary

As the name implies, one-item, proprietary fads revolve around a single product that possesses legally protected proprietary rights. These types of fads have rights that are retained by a single company or individual as a result of the aforementioned protection. Although there may be some line extensions or spin-off products, one-item, proprietary fads are not associated with extensive tie-ins (Raugust, 1998). The fad primarily centers on the product itself. The following is a list of the major traits of fads that fall within this category as noted by Raugust (1998):

- Most frequently originate from toys, novelties, or games. For example, the pet rock or slinky.
- They tend to survive the fad period with more than three-quarters eventually developing into ongoing franchises or brands. This increased inclination towards longevity is attributed to control being in the hands of a single proprietary entity. As a result, this entity controls the strategy surrounding the fad and does not encounter control battles with other entities. It must be noted, however, that while the proprietor does have sole strategic control, the fad must

exhibit certain intangible qualities, such as repeatability, in order to achieve longevity.

- These fads exhibit quicker market saturation because only one product is involved.
- These fads can attract wide audiences from all demographic groups.
- One-item, proprietary fads are relatively inexpensive. Of the fad items studied by Raugust (1998), 50% of the one-item proprietary and multiple marketer fads had dollar amounts between \$1.00 and \$5.00. A detailed pie chart (Chart 3, Appendix C) illustrates the prices for both proprietary and multiple marketer, one-item fads.
- The typical fad period is four months to two years.
- Potential sales for such fads range from \$5 million to \$500 million.
- Examples include the Pet Rock, Super Ball, Slinky, Rubik's Cube, Scrabble, Tickle Me Elmo, and Beanie Babies.

2. One-item Fads, Multiple Marketers

One-item fads with multiple marketers are similar to one-item, proprietary fads in that they are essentially centered on a single product that exhibits little to no tie-in activity. The significant difference, however, is based on the legal protections on the proprietary rights. Unlike single item fads with one entity possessing sole control, one-item, multiple marketer fads involve several marketers in producing the same or similar products (Raugust, 1998); this situation may occur because adequate legal protection was not or could not be

obtained. The following are some typical qualities of single item fads with multiple marketers as noted by the Raugust (1998):

- All of the competing products may be virtually identical in such aspects as appearance, packaging, and functionality. One such example is mood rings.
- Although the items themselves may be similar or identical, they are sold under different trade names. Hula Hoops are an excellent example of this activity.
- Although the products are slightly different from one another and are marketed under different names, their concepts are quite similar. For instance, virtual pets gained significant popularity during the 1990's and were sold by several competitors with slight variation but all of the products possessed the same overall concept. Two such names were Gigapets and Tomagatchi.
- In many cases, one of the product lines retains a larger market share. This product line may not be the originator of the fad item despite its dominant market position.
- Like single-item, proprietary fads, one-item, multiple marketer fads usually originate from games, novelties, and toys.
- These fads are even shorter than single item, proprietary fads because many marketers are pushing the same product on the market thereby creating earlier saturation.
- These fads can appeal to any or all demographic groups.
- One-item, multiple marketers rarely become franchises because, unlike single item, proprietary fads, no single marketer controls the marketing strategy after

the fad period is over. As a result, the fad either disappears initially or returns cyclically.

- The price of single item, multiple marketer fads is also relatively inexpensive.
- These fads have life spans that are usually between four months to a year.
- Retail sales range between \$ 1 million and \$200 million.
- Examples include Hula Hoops, Mood Rings, Yo-yos, Smiley-face Buttons, Virtual Pets, Trolls, Fashion Fads, Baby-on-board Signs, and Ouija Boards.

3. Thematic Fads

According to Raugust (1998), thematic fads originate from multiple sources simultaneously and are manifested through “all walks of life,” including entertainment, merchandise, and media. Although there are several proprietors, no definitive market leader exists, though some items may generate more publicity than others. Some of the major characteristics of thematic fads are as follows:

- Difficult to track in terms of participation due to multiple marketers and manifestations involved.
- Thematic fads can appeal to various groups on one level or another based on their multi-faceted nature. For instance, the popularity of gargoyles during the 1990’s was manifested by children through the Disney show “Gargoyles” and by adults through their purchases of gargoyle statues.
- This type of fad is typically cyclical, usually enduring for one to three years and then returning periodically because people never really lose interest in the general topics and themes.

- Thematic fads are characterized by availability of a themed item, not the success of the individual product line. Occasionally, however, an individual blockbuster will create a thematic fad if enough marketers create spin-offs and enough demand exists for those spin-offs.
- Retail sales can be in the tens to hundreds of millions of dollars.
- Examples can be derived from such themes as dinosaurs, angels, monsters, pop art, space, spies, sports, mermaids, and nostalgia.

4. Proprietary-based Fads

As implied by the type name, proprietary-based fads are based on proprietary property, usually from such sectors as television, film, toys, music, video games, or publishing. Raugust (1998) states that “the crazes are characterized by extensive promotional licensing and entertainment tie-ins, all controlled by a single proprietary owner” (p. 23). Children are usually the primary target of such fads; however, many proprietary-based fads can also appeal to teenagers and adults. The following are some qualities that can be possessed by proprietary-based fads:

- Since the product is often in more than one form (such as film, television show, game, and clothing tie-ins), repeat participation is encouraged and more likely to occur. For instance, a child who likes a particular popular television program, such as *Mighty Morphin Power Rangers* or *Teenage Mutant Ninja Turtles*, will not simply watch the program but see the movie and influence loved ones to purchase merchandise such as pajamas, candies, cards, etc.

- Property-based fads usually have life spans between seven months to seven year; this relative longevity is attributed to the variety of ways to participate in the fad in comparison to other types of fads.
- The combination of repeatability, longevity, and multiple participation practices results in more than half (53%) of such fads becoming franchises.
- Since the product or property is promoted and has participation on various levels, some elements may outlive the more faddish aspects thereby providing the continuity necessary for an item to develop into a franchise. For example, the *Smurfs* television program gained greater success with little, blue Smurf figurines that outlasted the television series.
- Retail sales for property-based fads often exceed \$1 billion for all merchandise. Other examples of property-based fads include Batman, Barney, Pac Man, Star Wars, James Bond and the Twist.

1.2.2 Additional Variations and Methodologies

As previously discussed, some items can also be placed in the additional categories of fads-within-franchises or fads-within-fads and other fad type methodologies.

Additional Variations

- Fads-within-franchises

These items are fads that originate from established franchises with the product at the center of the fad exceeding the already high and enduring popularity of the franchise (Raugh, 1998). Other cases can involve an

individual product within a franchise taking off as a fad. An example of a fad within a franchise would be Tickle-Me-Elmo, which was a plush toy that giggled when tickled. It was inspired by the Elmo character of the longstanding children's television show, Sesame Street.

Raugust (1998) has noted some additional ramifications for marketers that should be considered when dealing with fads-within-franchises. These ramifications include:

- The danger of market over saturation and excess publicity during the fad period, which could hurt the overall franchise and its long term viability.
- Marketers should set a strategic balance in order to ensure the survival of the franchise while maximizing the profits of the fad.
- Managers must make sure that they keep the franchise's core audience happy while the masses gravitate toward the fad.
- The additional exposure from the fad activity can boost the profit of the entire line.

Raugust (1998) points out that this situation occurred twice with Batman with the comic book initially emerging in 1939 and possessing continued popularity for 30 years only to be associated with the Batman television show of the 1960's and then in the 1980's with the release of the first *Batman* film starring Michael Keaton in 1989.

▪ Fads-within-fads

Fads-within-fads occur when one product within a thematic fad becomes so popular that it develops into a fad itself (Raugust, 1998). One such case

occurred with the Batman fad of the 1960's which occurred within the thematic fad period of pop art. The campy Batman television show brought such art to new audiences and appealed to adults and children on different levels with its incorporation of pop art and comic book-like fight scene effects.

Another example of fads-within-fads was Garfield in the 1980's which became faddish and reflected the larger craze for all cat-related merchandise (whether in the form of books, calendars, and merchandise).

Additional Methodology

There is an additional approach to categorizing fad type that utilizes a different methodology. Unlike the aforementioned categories which used such qualities as number of items, number of proprietors, and fad origin, Diana Kendall (2006) identified four other types which are based on the fad itself. These types are as follows:

- *Object Fads*: Just as the name implies, object fads are actual objects that are considered fads that are purchased by individuals despite their lack of intrinsic value or practical use. Some examples include Beanie Babies, hula hoops, Cabbage Patch Kids, Furbies, Tickle Me Elmo, and Pokemon games, toys, trading cards, clothes and snack foods.
- *Activity Fads*: Activity fads are fads in which the activity constitutes the fad. These fads are not centered on a particular object but rather an activity such as streaking, body piercing, tattooing, mosh pits, and eating goldfish.
- *Idea Fads*: Idea fads revolve around a particular ideology rather than an activity or object. Idea fads include astrology, UFOs, and the occult.

- *Personality Fads:* Personality fads are fads that revolve around a certain celebrity personality such as Michael Jordan, Jennifer Lopez, Princess Diana, Tiger Woods, Brad Pitt, and Eminem.

Fads can also be identified with increased specificity. For instance, instead of being as broad as an object or activity, fads could be categorized as food fads, fashion fads, entertainment fads, etc.

It is important to note that categorizing a particular fad can be difficult because there are various methods of classification. In order to alleviate some of the confusion surrounding fad classifications, it would be helpful to identify a particular methodology and then be consistent with its classifications. For instance, if one decides to use the methodology highlighted by Kendall (2006) of object fads, activity fads, idea fads, and personality fads, then he should clearly state that this is the methodology to be used and use it consistently as opposed to oscillating between the classifications of this methodology and another methodology.

1.3 Life Cycle of Fads

Now that the basic definition and characteristics of fads have been identified, the life cycle of a fad will be examined in more detail. The Product Life Cycle (PLC) is a business tool used to track product innovations through the various phases of their existence. All emerging products and industries progress through their life cycles in similar ways, each passing through the phases of product development, product introduction, early growth, late growth, maturity

and decline (Raugust, 1998). This section will examine the various aspects of the PLC as they relate to fads by examining the four major types of life cycles that fads fall into, the characteristics of the fad life cycle, and how the fad spreads through the diffusion of innovation.

As previously established, fads have often been characterized as possessing a relatively short life cycle as a result of their fast rise, quick spread and saturation, and fast fall. According to Raugust (1998), though those statements are generally accepted and valid, they do not account for differences in “life cycle trajectories from fad to fad” (p. 56). Although some similarities exist, fads can often fit into one of four distinct life cycles.

Life Cycle Similarities:

Raugust (1998) has identified the following three traits as common to all fads:

1. Fast rise, fast fall: Once the fad emerges, it spreads quickly and declines swiftly when it has reached its peaked.
2. Extremely short maturity phase
3. Brief total life cycle: The previous two factors contribute to this factor by creating a life cycle that is tremendously compressed when compared to the life cycle of traditional new products.

1.3.1 The Four Major Life Cycle Patterns of Fads

▪ ***True Fads:***

True fads follow the pattern typically associating a fad item with fast rise and fall and little lasting impact. While marketers attempt to create franchises from fads, the true fad pattern remains the most common by accounting for 53% of the fads researched by the EPM study. Graph 2 of Appendix A shows the comparison of a true fad and a traditional product with respect to participation/awareness levels over time. This graph shows how the participations/awareness level of true fads experiences a sharper rise and decline over time while traditional products experience a gradual climb and fall around their peak.

The following traits were identified by the Raugust (1998) as consistent with true fads:

- The major sources for true fads are toys/novelties, television, dance/music, and fashion (in descending order).
- While half of the true fads are considered proprietary-based in type, most single-item, multiple marketer fads are also within this category. Raugust (1998) attributes this to there being no individual proprietor to manage a craze after its peak has passed and also the market fragmentation that causes the fad to fade quickly.
- Short total life spans.
- True fads appear to appeal to all demographic groups equally.

Examples of true fads include the pet rock, mood rings, milk caps, and Baby on Board signs.

▪ ***Cyclical Fads:***

As the name implies, cyclical fads are items that achieve fad status periodically and fade away between spikes, with bumps typically occurring every five to ten years (Raugust, 1998). Although they begin like true fads, cyclical fads do not fade away indefinitely; instead, they remain on the market but with lower activity and participation levels (usually in specialty stores) and then eventually reach fad-like peaks. This activity is illustrated in Graph 3 of Appendix A. The initial fad period is usually the most significant while subsequent spikes attract slightly less participation and/or awareness. Yo-yos are an exception because they were able to achieve fad status before their most lucrative fad period in 1961 (Raugust, 1998). Other examples include hula hoops, angels, and ouija boards.

Thematic fads are basically exclusive to the cyclical life cycle pattern. According to Raugust (1998), cyclical fads virtually always target wide demographics, rather than specific market segments, and their life spans during each peak period generally last one to two years.

▪ ***Generational Fads:***

While generational fads reappear over time just as cyclical fads, generational fads involves a single product, property or phenomenon that recurs after a longer period of time such as 20 to 30 years, allowing it to obtain fans from a different generation; this activity is illustrated in Graph 4 of Appendix A. Though cyclical fads experience lower participation levels, generational fads experience a full-blown hiatus. While nostalgia plays a role in the recurrence of generational fads, marketers have to start from the beginning because many of the

fads are targeted toward children who have little to no previous knowledge of the fad item. Toys and novelties of the single item (both proprietary and multiple marketer) type usually follow the generational pattern. In terms of audience appeal, generational fads usually appeal to all demographic groups, though children are usually the primary target market. Most generational fads last one to two years during each peak phase (Raugust, 1998). Examples of a generational fad would be Trolls which initially gained popularity in 1962 and then took off again in 1992 and Cabbage Patch Kids which possessed fad status in the early 1980's and experienced resurgence with their re-release in 2004.

▪ ***Fads-to-Franchises:***

The fads-to-franchise pattern characterizes those fad items that begin as fads but are also able to develop into franchises and brands over time. Raugust (1998) states that, though some of those fads can occasionally retain participation and/or awareness levels near that of the fads peak, in most cases, “participation- usually measured in sales- attains a sustainable rate no higher than the fads peak” (p. 59). Fads-to-franchises are the second most common fad life cycle pattern after true fads. Graph 5 of Appendix A illustrates how a fad can develop into a franchise over time and the oscillating pattern that is present after the initial peak (solid line). The dotted lines on this graph represent various possible levels of participation after the fad dies down (and sometimes before it rises, in the case of fads-within-franchises) (Raugust, 1998).

Raugust (1998) has identified the fad-to-franchise life cycle patterns:

- Fad-to-franchise fads are usually property-based or single-item, single proprietor types. As previously stated, the likelihood of the fad evolving into a franchise is increased when the fad item is under the control of a single proprietary entity.
- The major source for fads under the fad-to-franchise pattern are toys/novelties (33%), publishing (25%) and television (21%).
- Fads under this pattern usually appeal to any demographic group.
- Fads under this pattern have a peak period that tends to possess a relatively longer life cycle pattern.

Some examples of fad-to-franchises are slinky, Barbie, Mickey Mouse, Peanuts, Beatles, Barney, Ninja Turtles, and the Simpsons.

▪ **Overlap**

It is important to note that not all fads fit neatly into a particular life cycle pattern category. In some cases, overlapping can exist and a particular fad can comply with the characteristics of more than one pattern. In order to give further clarification of the gray area that can exist, Raugust (1998) provides the example of Batman. Raugust (1998) states that “Batman is a franchise, but the two properties within the Batman franchise that became fads (the 1966 television series and the 1989 film) could be viewed as true fads when taken individually” (pg. 60).

1.3.2 Phases of a Fad's Life Cycle

This section will examine the six major phases of the life cycle as they relate to fads. Many of the aspects highlighted in the fad life cycle will be primarily compared to the life cycle of a typical new product.

▪ ***Development:***

Although the length of the development stage can vary, it is usually substantially shorter than that of a traditional new product because fads are often less complicated and require less financial investment (Raugust, 1998). The development phase involves the development of the concept and marketing strategies as well as the acquisition of legal protections.

▪ ***Introduction:***

Raugust (1998) has identified two primary steps in the introduction phase- (1) the fad must be introduced to and accepted by the gatekeepers (e.g., press, licensees, promotional partners, and physical participants) and then (2) introduced to the fad's participants (e.g., consumers, TV viewers, moviegoers, and physical participants). Getting gatekeeper support for a fad can take a considerable amount of time and is sometimes essential in getting the fad introduced to end-users. According to Raugust (1998), "since potential fads are viewed as risky, the trade generally has low expectations for them (despite the owners' deep belief that they will triumph). This perception complicates sell-in and can cause the introductory period to lengthen" (p. 65). The introductory stage is not aimed at attaining immediate profit but establishing a market and building a primary demand for the product class.

Some examples include:

- The surprising popularity of Goosebumps which was not expected to gain attraction as either a television show or book because of its lack of a recurring character.
- Before becoming the licensee of Coleco, the Cabbage Patch Kids were passed on by Mattel and Fisher-Price.
- Toy experts were skeptical about the potential success of Barbie because they believed that parents would object to the doll's shapely figure.

If the fad is successfully introduced and accepted by the gatekeepers, then the efforts to introduce the fad item to potential fans begins. Sometimes the introduction of the fad has already begun due to word of mouth and pre-introduction publicity; these activities can increase the likelihood of the items success as a fad. In other cases, the fad may still be relatively unknown and it may take years before it enters the growth stage. There is no standard length for an introductory period (Raugust, 1998).

▪ ***Early Growth***

The early growth phase begins with a substantial rise in sales. There is no benchmark that signals the transition from the introduction stage to the early growth stage. The early growth stage can vary from one fad item to another. It can also be difficult to determine when the early growth stage develops into the late growth stage. According to the Raugust (1998), "those outside the intimate day-to-day operations of a fad cannot identify exactly when early growth transforms onto late growth, since they do not have access to accurate measurements of participation" (p. 69). Although this distinction maybe difficult

to differentiate, an estimation of total growth can be developed. Raugust (1998) states that the total growth phase generally ranges from a few months to more than five years, with early growth accounting for a majority of the period. The following are some major contributors to the early growth phase:

- Word of Mouth

As briefly mentioned toward the end of the introductory phase section, word of mouth can contribute significantly to the growth of fad awareness and/or participation. Raugust (1998) notes that “during early growth, word of mouth starts to build, without the benefit of advertising and promotion to spur it” (p. 69). The fact that word of mouth does not require any undue financial burden is also beneficial because those funds could be used in other areas to promote the success of the fad item. Such phenomena as Scrabble, smiley face buttons, and Beanie Babies gained success as a result of word of mouth. Instead of utilizing an advertising campaign, Goosebumps was able to reach fad status by being introduced at school which spurred word of mouth among children.

- Product Shortages

One of the fundamental aspects of economics is the concept of supply and demand. Shortages occur when demand for the fad item exceeds the supply. Consumer psychology comes into play with the scarcity principle. As news about the scarcity (including reports about riots among shoppers) spreads, demand is fueled even more (Raugust,

1998). Essentially, individuals view an item as more attractive because they perceive others as viewing the item as desirable.

One example of a shortage was the Cabbage Patch Kids which experienced shortages in several stores including a New Jersey Toys R Us in 1984 which had a waiting list of 10,000 customers; this indicated that the dolls still possessed significant attraction after the initial year of the fad.

- Price Increases

Another aspect of elementary economics is price increases that result from the law of supply and demand. Additionally, black and gray markets start to emerge, which also leads to high prices, since consumers are willing to pay exorbitant amounts for these scarce products (Raugust, 1998).

For Example, Tickle-Me-Elmos were sold for over \$500 in classified advertisements on the newspaper and on the Internet during their popularity in 1996.

- Heavy and Positive Media Coverage

During the early growth stage, media coverage is broad and largely positive. Although marketers may initiate public relations and marketing strategies, the exposure of a fad item can continue its own evolution.

According to Raugust (1998), “the press initiates coverage of the phenomenon, rather than reacting to public relations efforts by marketers (as had occurred during the introductory period)” (p. 71). The publicity

increases through word of mouth. Celebrities can further amplify a fad's progress, popularity, and awareness through their own participation.

For example, Nancy Reagan assisted in creating the media exposure for the Cabbage Patch Kids by giving some of the dolls two Korean children who had undergone surgery in the United States (Raugust, 1998).

- Competition

Once the fad's demand begins to grow, competition quickly escalates. The competition could be derived from copycat products (which are products that are very similar to the original but do not infringe on it) to bootleg items (which illegally reproduce the original, violating copyright, trademark and/or patent law) (Raugust, 1998). Some products could arise that were inspired by the phenomenon. Although these items are not duplicating any fad-related items, they hope to "ride the fad's coattails to success" (Raugust, 1998, p. 73).

Examples of such competition included the introduction of the Super Saturator water gun by Tyco in the 1990's in order to ride on the coattails of the popularity of water guns that was spurred by Larami's Super Soaker and the introduction of over 80 trivia games that attempted to gain success after popularity was achieved with Trivial Pursuit a year earlier.

- Awareness Spreads

The early growth stage is the period in which fad awareness begins to become socially pervasive. The fad is introduced to various media types in order to build awareness and promote its incorporation in daily conversation. Raugust (1998) notes that much of these efforts are by the marketer(s) responsible for the fad. Media efforts such as television shows, films, licensing activities, newspaper publications, songs, and books are excellent ways of enhancing the exposure of a fad beyond that of its core market and extending the fad to new audiences. Books, for example, can serve as a reminder of a fad's existence through their presence in stores; these reminders could be spurred in individuals who have not directly participated in the fad (Raugust, 1998). Third parties, who possess no proprietary rights or ownership, can also capitalize on a fad's popularity; these parties include bootleggers. Examples include individuals who sell imitation products on a black market.

▪ ***Late Growth***

According to Raugust (1998), “the point at which a fad leaves the early growth phase and enters late growth, as in a traditional new product life cycle, is the moment that growth starts to slow” (p. 77). A key distinction is also made between sales, participation and growth rate. During the late growth period, sales and/or participation/awareness can continue to increase, but the rate of growth begins to decline. The late growth phase is also a period where gatekeepers can exert their influence. Gatekeepers can hasten a fad's death by cutting off their support as soon as they see the rate of growth start to lessen (Raugust, 1998). The

following are some major characteristics that define the late growth phase of a fad's product life cycle:

- Market Saturation Approaches

The economics of supply and demand continues during the late growth stage. Raugust (1998) states that “supply begins to catch up with demand during the late growth phase and, while shortages still occur, they are less dramatic than during early growth and often are limited to a few items” (p. 78). For example, Mighty Morphin Power Rangers continued to experience shortages in its second Christmas season even though they had increased production ten-fold; shortages were limited to particular figures and characters such as the white and pink rangers (Raugust, 1998). Considerable market penetration can also indicate that saturation is near. The distinction between the sales of the fad item and its competitors become quite pronounced during this stage. The total sales for fad-related products are very high in comparison to competing products and properties (Raugust, 1998).

Another indicator of market saturation occurs when orders for the fad item begin to decline. Although Power Rangers had experienced shortages, orders of their home videos fell from an average of 100 units to 25 to 40 units (Raugust, 1998). Indicators of market saturation can also be derived from non-sales related measurements such as television ratings. For instance, Raugust (1998) showed that high television rating such as those enjoyed by The Smurfs television series (which held a 39% share

regularly in their time slot and audience category) “were rarely sustainable for more than a few seasons.”

○ Line Extensions

As previously mentioned, by the time a fad has reached the late growth stage, various copycat and bootleg items by proprietors and third parties have been created that attempt to profit from the success of the original fad item. Raugust (1998) notes that while the number of new entrants to the market declines, however, competition and slowing growth in demand raise the barriers to entry.

Line extensions and improvements of the original fad occur during the period of late growth in attempts to prolong the fad’s life. As marketers sense the fad’s end, they begin to look for ways to transform it into a franchise, with line extensions being the primary method (Raugust, 1998). For instance, over the years, Monopoly has offered various renditions of its original product including Monopoly Junior and Deluxe Monopoly.

○ Media Coverage Turns Negative

While media exposure was primarily positive and abundant during the early growth period, the media coverage decreases and is increasingly negative when the fad reaches the late growth stage of a fad’s life cycle. Raugust (1998) notes that the coverage is focused more on controversy and/or consumer backlash than on popularity of the fad and associated product scarcity. Controversies can be in such areas as social grounds,

personal accusations, behavioral controversies, injury allegations, poor/inappropriate content, defects, unfulfilled promises, negative results, and consumer backlash against ubiquity.

While the negative reports that can arise during the early growth phase can affect a fad's life, negative reports have little effect during the late growth stage. Raugust (1998) notes that "if, as is more likely the case, sales subsequently fall, market saturation rather than bad press is the typical case" (p. 81). Examples of negative media coverage can be seen in such fads as Power Rangers, Pokemon, and Super Soakers which were all accused of contributing to violent behavior in children.

▪ ***Maturity***

Unlike other types of products, which identify the maturity stage as a relatively long stage and the most profitable phase, a fad spends little to no time in the maturity phase. In fact, Raugust (1998) notes that most fads make the transition from late growth immediately into decline, without lingering in maturity.

▪ ***Decline***

The final phase of a fad's life cycle is the decline stage. As aforementioned, the decline stage can directly follow the late growth stage in many cases. The average period of decline is usually less than a year (Raugust, 1998). Some fads may have a longer period of decline with slower, steadier decreases. The following are some characteristics of the decline period as noted by Raugust (1998):

- Steep sales decrease. In some cases, retailers can accelerate the decline by discontinuing the fad item.
- The disappearance of most competitive, coattail-riding, copycat and bootleg products.
- Oversupply because of inflated inventories.
- Price markdowns to clear inventories.

The decline period is also significant in terms of determining whether the fad has the potential to grow into a franchise and strategies to attain such a status. According to Raugust (1998), if the transition from fad to franchise is successful, another period of maturity occurs that can last for years or even decades.

1.3.3 How Fads Spread

When marketing a fad, it can also be beneficial to understand how a fad can spread throughout society. By analyzing and observing such academic fields as sociology, psychology, fashion theory, and business theory, several speculative thought doctrines have been formulated. The following are two important theories regarding how fads spread as noted by Raugust (1998):

Diffusion Theory

Diffusion theory describes how innovations spread throughout society. According to this theory, a different type of consumer emerges at each of the five stages of the product life cycle. Just as the overall fad life cycle is condensed in comparison to other products or properties, the adoption process is also shorter but maintains each of the five consumer types. Raugust (1998) identifies the

innovators (2% of population), early adopters (15% of population), early majority (34% of population), late majority (34% of population) and laggards (5% of population). Each consumer type possesses its own unique qualities.

- *Innovators*: Innovators are the first participators in a new phenomenon. They emerge during the introduction phase. Raugust (1998) notes that innovators are known for their willingness to try new things, possession of adequate financial resources, ability to grasp new concepts easily, and their desire to be unique and different. When an innovation becomes commonplace, innovators move to the next new phenomenon or craze.
- *Early Adopters*: Early adopters usually begin participating in a fad when it is in the early growth phase of its life cycle. As “opinion leaders” who have respect and evoke imitation, they have the ability to influence the rest of society to participate in the fad (or at least become aware of the fad). Instead of using word of mouth, early adopters seek out information from media sources when making their purchase decisions and have the financial resources to spend on new products (Raugust, 1998).
- *Early Majority (also known as the Masses)*: Consumers who are within the early majority are slower to try new things; they take more time to decide on purchases and participate only after they see their peers participating in the activity (Raugust, 1998). Unlike early adopters, who look to information from media outlets, the early majority rely heavily on word of mouth to determine their purchase decisions. In terms of life cycle location, the early majority begin

participating in an innovation during the late part of the late growth phase (Raugust, 1998).

- *Late Majority*: The late majority consumers wait until prices fall, rely equally on media coverage and word of mouth, and are highly influenced by peer pressure and the impression of the fad item as socially acceptable (Raugust, 1998). This group of consumers points out an interesting distinction between fad products and other items in the product life cycle. According to Raugust (1998), “the late majority does not get interested in a new idea until the late growth or maturity phase; with fads, many members of this group will never get involved” (p. 84).
- *Laggards*: Laggards are the final consumer group in the diffusion theory. They possess traits that contrast with those of innovators. Unlike innovators who value being different and seek new products, laggards are traditional and habitual. Laggards usually participate during the maturity and decline stages in traditional products and seldom participate in fads unless the fad transitions into a franchise (in which case, they participate during the second period of maturity) (Raugust, 1998).

Raugust (1998) notes two important concepts for marketers when analyzing the diffusion of fads:

- Members of each of the five diffusion groups exist within each demographic; one demographic group may act as innovators and early adopters when looking at fads.

- It is important for marketers to identify and monitor which demographic group is acting as early adopters and their activities because their actions can reflect the activities of future participants.

Cascade Theory

The cascade theory essentially states that individuals observe the actions of those ahead of them and imitate their behavior, without regard to their own information, even when that information suggests that the behavior is not beneficial (Raugust, 1998). This theory is quite appropriate in terms of fads because it offers a reasonable explanation for why fads spread so quickly even when there is no justification or obvious benefits for purchasing the item. Just as with diffusion theory, individuals who participate in an innovation early in its life heavily rely on media coverage and other forms of information and have tremendous influence on the fate of the new product or property. According to Raugust (1998), “cascades come into play when consumers lack the time or resources to think through their options” (p. 86).

1.4 Differentiating Fads from Other Products, Properties, and Concepts

With the definition of a fad, the fad characteristics, and properties of the fad life cycle all identified, it would now be beneficial to differentiate the fad from other products, properties, and concepts. Through fad differentiation, marketers can better identify items and phenomenon and make improved and early judgments about a new development. Letscherer (1990) points out that there are several benefits in identifying a fad as a fad because a company can

make a lot of money by moving quickly to reap the rewards of a fad and get out before the crest is reached. The qualities of fads will be compared to basic product, fashion, trends, megatrends, franchises and brands.

As previously noted, all fads have fundamental qualities; fads are taken up with great enthusiasm, usually appeal to various demographic groups, are short lived (peaks quickly and declines rapidly), and are a fleeting change (unless they develop into franchises or brands). Fads are also somewhat unpredictable and tend to be followed by individuals who have a desire to stand out (at least in the initial stages of a fad). *Incorporating BOSS into MWR Programming* (2004) supports this by pointing out the “minimal staying power” of fads.

1.4.1 Trends

Marketers can gain tremendous benefits from learning how to identify trends and fads. According to *Incorporating BOSS into MWR Programming* (2004), there are three important reasons for identifying trends and fads: (1) identifying and acting upon them can gain competitive advantage, (2) miss them and they force marketers to play catch up with the competition, and (3) if a fad is identified early enough, the potential for short term rewards are increased. A trend is a direction or sequence of events that has some momentum and durability (Kotler, 2005). Trends also possess various identifiable qualities. A trend, according to futurist, Faith Popcorn, “has longevity, is observable across several market areas and consumer activities, and is consistent with other significant indicators occurring or emerging at the same time” (Kotler, 2005).

Unlike fads which are short-lived and usually have relatively little staying power, trends are more credible and durable (lasting impact) and can also have the potential to reveal the shape of the future. Letscherer (1990) supports this statement by asserting that “a new development is more likely to be a fad.” Letscherer (1990) continues by pointing out two ways for looking for such relationships: (1) identifying whether the trends are related to each other (if corresponding changes have been made in other areas that relate to the activities being studied, there is additional reason to believe that those activities will have a lasting impact) and (2) identifying whether there are carry-over effects (if changes in one area have had a profound impact on others).

The inflexibility of fads versus the flexibility of trends can also contribute to the increased longevity of trends in comparison to fads. Letscherer (1990) notes that a new development can increase its chances for long-term impact if it can be modified to meet individual needs or be expressed in different ways by different people.

Incorporating BOSS into MWR Programming (2004) also examined fads and trends as they relate to basic lifestyle changes, their benefit, ability to be personalized, and side effects; it concluded that trends support and compliment lifestyle changes, possess more diverse benefits, are more adaptable and are enduring while fads conflict with lifestyle changes, and are exaggerated, extreme and perhaps impractical.

Another aspect of fads and trends is based on their ability to permeate throughout society. According to *Trend vs. Fad is a Marketing Question* (1999),

“trends have deeper cultural roots than fads. Fads cross borders with greater ease than ever before and the U.S. has picked up on many recent fads imported from other regions.... Trends, on the other hand, don’t cross borders as easily as fads and products do.”

In order to shed additional light and clarity on the comparison between trends and fads, the following examples have been provided by Wells (2005):

- Fad: Flowers pinned to lapels; Trend: Feminine and glamorous.

The flower pins and broaches worn by women during the 2000’s have been used as a symbol of women’s desire to exude a more delicate and sophisticated appearance. The accents were added to suits, sweaters, coats and other clothing items.

- Fad: Atkins diet; Trend: Healthy living

1.4.2 Megatrends

Megatrends are another area that merits close attention. Kotler (2005) defines megatrends as “large social, economic, political, and technological changes that are slow to form, and once in place, they influence us for some time-between seven and ten years, or longer.” One method of spotting megatrends involves counting the number of times hard-news items on various topics appear in major news media. Examples of megatrends include the Rise of the Pacific Rim, the Age of Biology, and Global Lifestyles and Cultural Nationalism.

1.4.3 Traditional Products

When fads are compared to traditional products, the major differences stem from life cycle duration, adoption rationale, and predictability. The total life cycle of a fad is compressed in comparison to traditional products since several stages within the fad life cycle are significantly shorter. While traditional products may possess some practical benefits, fads do not necessarily have to serve a purpose. As previously noted, individuals may look to fads as a means to stand out. Kotler (1993) adds that “fads appeal to people who are looking for excitement, a way to set themselves apart, or something to talk about to others. Fads do not survive for long because they do not normally satisfy a strong need or satisfy it well.” The practicality of products can contribute to predicting success. Since consumer tastes are continuously fluctuating, fads can be more unpredictable than traditional products that serve practical uses.

1.4.4 Fashions

Although fads are sometimes characterized as fashions, some distinctions should be made between the two groups. Kotler (1993) defines fashions as “a currently accepted or popular style in a given field.” The primary difference between fads and fashions lies in their development. Though they both have similar life cycle formations (with the initial interest coming from fashion leaders (or innovators), then being adopted to consumers who desire to copy the fashion leaders, then popularity spreads to the mass market and finally fading away as consumers move to other fashions), fashions grow slower and decline slower than

fads (Kotler, 1993). Additionally, instead of possessing a sharp peak as fads, fashions remain popular for a while before progressively decreasing.

Some examples of fashions are the “preppie look” in the 1980’s and “boho chic” around the mid-2000’s.

1.4.5 Franchises

From the marketers’ perspective, the longevity and ongoing opportunities of a franchise are favored over the brevity of a fad (though a successful and lucrative fad opportunity is not discouraged). Although fads and franchises may differ in this respect, they are not completely separate. Fads can ultimately evolve into franchises; developing a fad into a franchise involves creating an ongoing entity that extends into several products and entertainment sectors. Raugust (1998) defines a franchise as developing over time and ultimately having an indefinite life span; “it maintains a presence through various media and entertainment venues all of which are linked to the central property.” In fact, Raugust (1998) notes that almost 40% of the fads studied in the EPM report eventually became franchises.

There are certain qualities that must be possessed by a fad in order for it to develop into a franchise. Although Raugust (1998) states that these qualities include repeat participation and individual expression. She notes that sources are unlikely to generate fads that transform into long-term businesses since the products that originate there do not exhibit the necessary traits. There are three typical ways that a fad can become a franchise as noted by the Raugust (1998):

- *They can disappear completely after the fad period, only to be relaunched after a break (19%):* When a product has generated a significant amount of consumer exposure and or has oversaturated the market, owners of the proprietary rights to the fad may feel it best to temporarily take the product off the market. After a few years away from the market, during which stores can clear any excess inventory of the fad and allow for any consumer backlash surrounding the fad to subside, the fad item is relaunched as a potential franchise (Raugust, 1998). Although it can still potentially enjoy high levels of awareness, the negative association will have been largely eliminated. After the relaunch, marketers usually focus on a few core products and then expand gradually from there. An example of the break and relaunch of a fad into a franchise can be seen with *The Simpsons* television show which continued to air but placed many of the products based on the show on hiatus.
- *Fads can narrow their activity significantly, focusing only on the core product categories, and then gradually expand (43%):* According to Raugust (1998), “the most common strategy for extending a fad into a franchise is to weed out unproductive lines while continuing to market, without a break, the core entertainment vehicles and/or product categories associated with the property or product” (p. 122). The franchise may eventually broaden to target new audiences and generate new lines. Examples of fads that have used this option include the Teenage Mutant Ninja Turtles which narrowed its focus to action figures, comic books, and television, and Barney which concentrated on home video, books, audio and television.

- *Fads can continue essentially unabated, although participation usually declines from peak levels (38%):* These franchises evolve from fads that continue their business without a break. They are usually single-product, single-proprietor fads such as Barbie, Slinky, and Trivial Pursuit or proprietary-based fads such as Mickey Mouse. Although these fads continue unabated, their participation levels can still be susceptible to fluctuations. With the exception of such phenomena as Mickey Mouse and Barbie, most fads settle at a “lower, more sustainable plateau” (Raugust, 1998, p. 122).

Chart 4 of Appendix C clearly identifies the relative proportion of each method of turning a fad into a franchise.

1.4.6 Brands

Creating a brand is the ultimate goal of marketers. Marketers want to create brands because they understand that consumers are loyal to a particular brand and associate brands with a consistent image or symbol (Raugust, 1998). Brands also involve products that are linked to one owner. Just as franchises, brands develop over an extended period of time and have an indefinite life span. Although a product can develop into a franchise, it is quite difficult to create and manage a brand. Although more than a third of the fads studied by the EPM succeeded in becoming franchises, only a few could truly be called brands. Some examples of brands include Disney and Barbie. Raugust (1998) points out that “many properties are positioned as brands, but whether they are brands is endlessly debated” (p. 124). This debate continues because of the question of

whether particular items are perceived as brands or franchises in the eyes of the consumer.

Identifying which fads have the greatest potential to become franchises and/or brands is important in the development of effective marketing strategies.

The earlier this is determined, the greater the chance to act upon it.

Section 2: Fads and Children

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2.1 Introduction and Rationale

Just like Rodney Dangerfield, fads “get no respect” or at least not the respect they deserve. Oftentimes, marketing texts and scholarly periodicals devote merely a few paragraphs to describe the concept of fads. However, the subject of fads is far more interesting and complex than its previous depictions and deserves thorough consideration and discussion. Although fads can be short-lived, they can be quite influential while they are in the spotlight. Fads are also multifaceted in their ability to affect society. Skolnik (1978) points out America’s apparent affection for and embrace of fads through awareness and/or participation by stating “it’s a rare citizen who has never been caught up in the frenzied whirl of a new craze. We are a nation of faddists. We wear fads and eat fads, play fads and go to fad events.” Consequently, fads can affect all members of society, adults and children, alike. In this section, the discussion of fads becomes more focused on the children’s demographic and how children’s fads have affected society.

As stated in the purpose section of this study, fads that are related to children will be the primary focal point of this discussion. The rationale for this particular demographic was based on applicability to marketers, citizens, and society in general, as it pertains to the ethical ramifications of marketers’ actions when promoting fads. In order to provide a thorough analysis of this topic, the appeal and justification for the marketer’s pursuit of the children’s demographics will be identified as well as the applicability of the children’s demographic to the

average citizen. Once this foundation has been established, the overall social issues regarding the ethics of marketing fads to children and how society assists in the susceptibility of children to these fads will be evaluated (in section 3).

2.2 Marketers' Justification for the Pursuit of the Children's Demographic

Marketers are increasingly focusing on the children's demographic because of the potential short-term monetary gains (particularly in the form of sales) and the long-term benefits (in terms of consumer loyalty). *How Marketers Target Kids* (2005) supports this assertion by stating that "kids represent an important demographic to marketers because they have their own purchasing power, they influence their parents' buying decisions and they're the adult consumer of the future." In addition to examining the points of justification in depth, this section will explore reasons for children's participation in fads, the applicability of this discussion to society, and the origins of children's fads.

Children are a particularly important demographic to study because of their ability to promote consumption on various levels. Mullinger (n.d) has even gone so far as to proclaim today's children "the most wanted generation in history" because "they have more money to spend and are better educated than any generation before." It is important to point out that it is the interplay between the increased amount of purchasing power and knowledge that enhances the child's ability to influence spending situations. Children do not simply have the monetary capability but an increased understanding of what they "want" and "need" to buy and where they want to spend that money.

As aforementioned, children possess considerable spending power.

Consuming Kids (1999) asserts that “children’s aggregate spending has recently increased exponentially.” Children are spending more than ever. For example, when examining tweens, which is the segment of the children’s market aged eight to twelve, they spent \$21.7 billion of their own money (Mullinger, n.d.).

Raugust (1998) also incorporates another component to the equation of child consumption by pointing out that several of the products targeted to children are “property-based and heavily supported by licensing, promotional tie-ins and entertainment vehicles of all types. As a result, crazes that arise in this age group tend to generate the highest participation levels, particularly when measured in retail sales” (p. 33). This point was illustrated in the EPM’s study as 33% of the fads that were targeted to children generated more than \$41 billion in retail sales of all merchandise in the United States while another 40 % generated sales in the hundreds of millions of dollars.

In conjunction with the money possessed by children is the increased knowledge of what to do with it. Mullinger (n.d) proclaims that children are becoming smarter consumers, at a younger age than ever before. They are becoming more aware of marketers efforts to gain their attention and the importance of finding a brand that they can connect with. *Consuming Kids* (1999) furthers this assertion by stating that “long before children know how to read and write, they are learning the ABCs of consumption... Stuff is good, more is better, too much is just enough.” Not only do children want more but they want the hottest and newest items on the market; this is where fads can significantly

capitalize because of their ability to create an image of mass appeal and acceptance.

In addition to having control over their own purchases, children exert considerable influence over the spending habits of their parents. *How Marketers Target Kids* (2005) states that “today’s kids have more autonomy and decision-making power within their family than previous generations, so it follows that kids are more vocal about what they want their parents to buy.” According to *Consuming Kids* (1999), children directly influenced parental spending of \$188 billion in 1997 and indirectly influenced \$300 billion more. Children have so much influence that they can also contribute to major purchases such as houses and cars. *How Marketers Target Kids* (2005) discussed the concept of “pester power” which refers to “children’s ability to nag their parents into purchasing items they may not otherwise buy.” To marketers and advertisers, pester power is a major factor because they understand how powerful it can be in influencing the purchase and creating sales. According to *Understanding Toy Trends* (n.d), pester power consists of two categories, persistence and importance. Persistence nagging is not as effective as importance nagging because persistence nagging is merely a repetitive plea while importance nagging appeals to parent’s desire to provide the best for their children and any parental guilt.

Not only do children influence parental spending, but they are doing it at an earlier age. Rice (2002) states that as children grow older and as they are exposed to more advertising, their requests from parents become more specific.

For example, a four-year-old may ask for a doll while a five- or six- year- old may demand a Phoebe Bratz doll with matching accessories.

In addition to the short term potential for monetary gain for marketers, they also understand the importance of creating long term brand loyalty. With evidence stating that children possess the ability to identify particular brands at earlier ages and with a large percentage of fads developing into franchises, marketers see the potential benefit of reaching children at an early age.

Understanding Toy Trends (n.d) supports this assertion by stating that “marketers plant the seeds of brand recognition in very young children, in the hopes that the seeds will grow into a lifetime relationships.” In fact, the Center for a New American Dream found that babies can recognize and form corporate logos and mascots at as young as six months of age and can establish brand loyalty by as young as two years old; by the time these children enter school they can recognize hundreds of logos and brands *How Marketers Target Kids* (2005). This is incredibly important because by the time they are six years of age, they would have been exposed to various product stimuli.

Marketers can use this to their advantage and attempt to create fads around a particular concept in order to create an imprint in the child’s memory and persuade the child to desire that particular fad product. Interestingly enough, while this recognition of brands and logos has been established, the children are still too young to fully comprehend what such things actually are. According to Jones (2006), children do not really care about what they are playing with, wearing or even eating and oftentimes view the product as something they like

and are comfortable with. The marketing begins earlier and with a more subtle approach.

2.3 Reasons for Children's Participation in Fads

Childhood is often characterized as the time in which children desire to be accepted. This need for acceptance is instrumental in a child's reasoning for participation in fads. Raugust (1998) states that "children are highly influenced by peer pressure and word of mouth" (p. 32). In addition to those forces, there is also the concept of a child's self esteem. These factors considerably contribute to the temperamental tastes of children and the swift rise and demise of fads.

Peer Pressure is extremely evident during childhood as children desire acceptance and feel that the solution is to follow the crowd. These children see fads as a way to bring them closer to their peers and give them a sense of belonging to something greater than themselves. According to *Understanding Toy Trends* (n.d), "peer pressure is an extremely strong force which begins once a child starts to mix with other children. The more time youngsters spend away from home and with other children, the more they experience peer pressure. Today's children have greater awareness of new products than previous generations because they socialize with children at a much earlier age."

Self esteem and self worth are also forces that contribute to the success of fads and are major reasons why children participate. Children believe that participating in fads will not only increase their status in the eyes of their peers but will also help to enhance their feeling about themselves. Rice (2002) supports

this assertion by stating that children “base self-esteem on being stylish” and as a result “clamor for the latest look.”

Fads for children transcend the boundaries of possessions and playthings and delve into the hierarchy of youth culture. Raugust (1998) point out that “children view their participation in a fad as a status symbol- a trait that is present in most age groups, but even more for this group” (p. 32). This contributes tremendously to licensed merchandise and commercial tie-ins that are associated with a particular fad. According to *Selling America's Kids: Commercial Pressures on Kids of the 90's* (1998), “the purpose of licensing and cross-selling is to forge powerful links in the minds of young consumers between a favorite movie, TV show, or character and some product they might not want or notice otherwise...Licensing encourages kids to keep on buying, to get the latest fad, and chuck it when a newer one comes along.” With all of these marketing and retail mechanisms, “crazes from this group tend to generate the highest participation levels particularly when measured in retail sales” (Raugust, 1998, p. 33).

2.4 The Applicability of the Discussion of Children’s Fad to All Citizens and Society as a Whole

Although it may be overlooked or unrealized, most individuals can relate to children’s fads in some form or another, whether it be as a child wanting a particular fad or an adult purchasing the fad for a youth or as a teenager whose fashions may trickle down to a younger demographic.

2.5 Sources of Fads for Children: Where Do They Come From?

Fads can originate from various sources. Each of these fad sources has its own impact on the buying behavior of children. The pervasive need to participate in a particular fad activity can range from mass media and entertainment to the household or schoolyard environment.

Fads can be derived from entertainment and publishing. More specifically, fads can come from television and comic books (Raugust, 1998). This is one of the most basic sources in that it has the capacity to attract the attention of children and, if successful, attract licensing and tie-ins by marketers and advertisers. Although many individuals may view advertisers and marketers as the root of all fads, this is not necessarily true. *Understanding Toy Trends* (n.d) points out that the popularity of such fads as Cabbage Patch Kids dolls, Mighty Morphin Power Rangers, and Teenage Mutant Ninja Turtles “was established long before any promotional advertising appeared for these products. Advertisers (and marketers) later capitalize on youth fads but they are not necessarily responsible for creating them.”

Another element that has been looked to as contributing to the emergence of fads is the influence of celebrities and athletes. In the past, a particular product would be elevated to fad status because children would see a certain celebrity participating in the activity and desired to emulate that (especially if the fad was affordable). In fact, Bear (2004) points out that “the majority of tweens (94 percent) admit that seeing their favorite cartoon characters, movie star, singer, athlete or personality using a certain product brand makes them want to use that

brand at least some of the time.” The realization of the connection between celebrities and athletes and children, particularly tweens, can be seen with the emergence of such child/tween/teen oriented publications such as Teen People, Sports Illustrated for Kids, and Time for Kids. It is easier for the tween (ages 8-12) segment of the overall children demographic to follow such figures because of their increased ability to recognize brands, need for acceptance, and increased disposable funds.

Despite the previous success of celebrities and athletes to influence the purchasing habits of children, their present ability has begun to wane. According to Lee (2005), children view celebrities as less exciting than ever before and desire celebrities to be more multi-faceted and multi-dimensional. Additionally, celebrities have to work harder to earn the respect of the children. This may be particularly significant for tweens who are likely to demand more from the celebrities and who may understand that a product worn or endorsed by a celebrity is not enough to make it cool or encourage them to purchase it. Basically, these children are becoming more sophisticated.

With all of the previous factors contributing to a fad's popularity and emergence, the most important factors are the ones closest to the child. There are two levels of this proximity influence: (1) the trickle down fads from teenagers, particularly older siblings or babysitters and (2) peers. Interestingly, on both levels, the influence usually occurs between peers or siblings of the same gender. Therefore, an older brother is more likely to influence the fad activity of his

younger male sibling or a group of girls will rely on each other for information on the latest crazes.

Children have often wanted to feel older and one of the best ways to do this was to imitate the activities of their older siblings or other older individuals, particularly teenagers. Hymowitz (1999) admits that “young kids have always emulated their teenage babysitters and high school sports stars” Raugust (1998) notes that, in many cases, a fad may begin with teens (for example Pac-Man, the Twist, and the Spice Girls) and ultimately move down to younger children.

Interestingly enough, the increased commercial tie-ins that arise from the fad once it reaches a larger audience can help to drive the teen away. While these tie-ins and licensing mechanism may suck children deeper into the sphere of the fad’s influence, it deters teenagers “who want to be associated with the ‘in’ group among other teens, but prefer to be different from the rest of the population (especially their younger siblings)” (Raugust, 1998, p. 34).

Peers are considered the major influencer of what will emerge as a fad. According to *Understanding Toy Trends* (n.d), “youngsters create these fads amongst themselves.” As aforementioned, peer pressure is a major force in this as children desire to be popular and liked among their peers. *Understanding Toy Trends* (n.d) notes that “the urge to be liked, to belong to a desirable group of age-mates, is present in most of us whatever our age but is particularly strong in the young, who are, as yet, too inexperienced to strike out on their own, be judged on their own accomplishments and risk alienation from the crowd.” As a result, children seek a safe way to be accepted in the form of imitating more popular

peers. The clothing, musical tastes, and playthings of the popular children are usually the latest on the market; other children will emulate these possessions and activity of the popular kids and help to propel products to fad status, which may start at the local level and sometime spread nationally (*Understanding Toy Trends*, n.d).

Section 3: Social Commentary

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3.1 Introduction

When I decided to pursue a thesis on the topic of children and fads, I never imagined how many issues would be raised or how closely this subject could relate to current social conditions. As I continued my research and examined the topic on various levels, it became increasingly important for me to address certain issues based on the knowledge that I have accumulated and analyzed. With the foundation of identifying and defining a fad and its qualities in a general sense, then, specifically highlighting the children's demographic, and, finally, identifying why marketers have targeted the child demographic, it is now time for me to address the deeper social reasons and ramifications. In giving my two cents on this subject, I will highlight the major issues- the causation and contribution of parents to the pervasiveness of fads, the ethical issues surrounding marketer's attempts to target the youth demographic, and the overall consequences of these activities on children.

Now, before continuing with this commentary, I believe that it is important to address potential points of contention which would probably go something like this:

“So what's the big deal about fads and children? Isn't it a natural part of a child's development to want to participate in fads? Every generation has had their share of fads and has done fine. What makes now any different? Also, what makes marketing fads to children more of an issue than marketing any product to children? Don't you think you are blowing this out of proportion?”

This sequence of statements and questions brings up integral points in the justification and need for a social commentary. I will break these points down as they were presented. So, here we go:

- So what's the big deal about fads and children; why is this particular demographic so important to study?:

The examination of fads with regard to children is a “big deal” because of its potential effects on society. The interaction between fads and children is deeply rooted in the current social state of affairs (i.e. the increasing time that parents spend away from children and the increased influence of technology) and has the potential for consequences that last far into the future. Additionally, the causes and ramifications are not limited to marketers and children but include other groups such as parents, teachers, the media, and even the government. These issues will be discussed later (in parts 3.1.1-3.1.3 of this section) for the sake of the structure of this paper and because they can also clarify some of the other potential questions that were posed.

- Every generation has had their share of fads and the children of those generations are fine (for the most part). What makes now any different?

I agree that fads have always been around and are not a new phenomenon and that most of the children who participated in those fads have become good citizens as adults *BUT* the difference today is in the level of consumption that children are exposed to and engaged in and the aggressive efforts that have been undertaken by marketers to get their desires met. *Understanding Toy Trends* (n.d) corroborates with this assertion by stating “the attachment by the young to

a certain style of music or dress is often what defines that generation... The difference today is that the increase in the availability of consumer goods and the widespread use of the media to promote these goods (which) has made us far more aware of these fads. The pressure to adopt a certain lifestyle or possess a specific product starts at a younger age than ever before.”

Additionally, with parents spending more time away from home, their children are increasingly searching for new sources of influence and support, particularly individuals within the child’s peer group. Haley (2004) states that “According to the U.S. Department of Health and Human Services, it is estimated that approximately one out of every 10 children in grades 4 through 12 is or has been a latchkey kid (a child who returns to empty homes and are responsible for his/her well-being and entertainment until their parents arrive). The average amount of time a child is home alone either before or after school is approximately two to three hours.” She continues on to say that these children often experience some level of internal conflict such as self-esteem issues and resentment towards parents and younger siblings.

These factors (marketers’ activities, peer pressure and self-esteem issues, and household conditions) create a youth culture that is far more susceptible to fads and promotes the creation of an early culture not only of consumption but consumerism, entitlement, and over-indulgence. These consequences can even continue into negative activities such as sexual promiscuity and violence.

What makes marketing fads to children more of an issue than marketing any product to children?

The difference between the marketing of a fad to children as opposed to a regular product is rooted in the perceptions of the child and the consequent economic ramifications on the parent. Unlike regular products, the fad promotes a desire within a child to get the latest item. It is not a matter of a shoe that protects the foot but a shoe that was endorsed by a particular athlete and has certain features. To a child, it is about having something new and the need to use this possession to heighten their status among their peers and in their own eyes. It is more about fashion than function or style over substance. It is about the want not the need, which is often skewed in the mind of a child.

It is the short life span of the product and the child's continuous desire for something new which affect the parents. The economic situation of the parents and the desire to keep their children happy come to a head as parents ask whether the fad is worth it, can they afford to keep up such activity, and is it really making the child happy.

In terms of marketers, they understand the importance of the youth demographic and attempt to capitalize on a child's desire for fads. Marketers understand the consequences of being left behind and are resorting to extreme measures to get the attention of children.

- Don't you think you are blowing this out of proportion?

I hope that the culmination of my previous answers will be more than sufficient in answering this question. *Growing Up in a Consumer Culture ...* (2000) supports this assertion by recommending that we should examine "children's culture in the context of: socio-economic changes in the household,

the work that mothers and fathers do, attitudes toward child rearing through the years (what experts and marketers say about children), the influence of the media, and developmental psychology.” However, if there are still some lingering doubts, the following discussion should provide further answers.

3.1.1 Parental Factors:

Smith (2001) makes an assertion that is valid in almost every household situation, “parents want to give their child every advantage that they can possibly afford.” These advantages go far beyond merely financial advantages and delves into the arena of social and emotional advantages. Parents want the best for their children...even if it includes buying fads. The following paragraphs will take you on a journey through the rationale of parents in indulging their children in their desires to participate in fad activity. Each of the factors identified provides the momentum for a fad. The journey begins with the financial factors (ex. working more hours), which affect the household dynamic (ex. parents spend less time in the house and less time with their children) thereby creating social and emotional factors outside of the home (ex. more exposure and reliance to peer pressure on the part of the children and the potential for guilt on the part of the parents), which subsequently leads the parent to fulfill the child’s desire for fads.

Socioeconomic trends have contributed tremendously to a parent’s ability to afford fads. According to *How Marketers Target Kids* (2005), “parents today are willing to buy more for their kids because trends such as smaller family size, dual incomes and postponing children until later in life mean that families have

more disposable income.” Basically, since some parents can afford more, they are willing to spend more.

Some parents may work to maintain their level of income while others such as single parents may work to survive or make ends meet. In both cases, this usually means that the parents are working more and are spending less time in the home. According to Hymowitz (1999), children around age 8 or 9 are “left alone for several hours a day. This is exactly the age when more kids are left to their own devices.” As a result of the parent’s absence in the home, children increasingly rely on and are influenced by their peers. Hymowitz (1999) states that it is the peers who move in to “fill the void.” This brings into play the issue of peer pressure and desire for peer acceptance which was mentioned earlier (in part 2.3 of section 2).

The parental absence from the home, for whatever reason, contributes significantly to parent’s support of their child’s fad activity. Parents indulge their children’s fad activity because of their own guilt, desire to help their child make friends, and because they have lost track of their children’s activity.

Parent may feel tremendous guilt for their absence from the home. These parents will use financial means as a way to make up for their deficiencies in other areas. *How Marketers Target Kids* (2005) supports this affirmation by stating, “guilt can play a role in spending decisions as time-stressed parents substitute material goods for time spent with their kids.” Children are often aware of this notion and can take advantage of this in terms of getting the fad item they desire.

Additionally, since parents are not around their children, there is a greater likelihood that they are unaware of their child's activities. Macapagal Latupan (1996) asserts that many parents have simply lost track of what's happening in their children's entertainment, namely music, TV, movies, video games and clothes. As a result, parents are often reluctant to take a stand against fads. Because they are "unsure about what other kids are up to or what is really going on at school, many parents end up accepting their children's judgment. Others are unwilling to squander what little time they have with their kids on battles about clothing or movies (Hymowitz, 1999)." Parents want the time that they do spend with their children to be pleasant and conflict free.

Parents also desire to assist their children in their socialization. With the realization of children tying self-worth and peer approval to possession of the latest product, parents help to promote their child's participation in a particular fad. According to a poll conducted by the Center for a New American Dream, more than half of the parents admitted to buying their children a particular item (even if they disapproved of it) "because their child wanted it in order to fit in with his or her friends" (*Consuming Kids*, 1999). In fact, Rauch (2005) rationalizes the need for parents to embrace a few fads by stating that "allowing your child to play with popular toys and watch popular television shows or videos can give her a way to communicate with peers. It helps them to have something to talk about." Despite this assertion, there is still some literature which claims that parents should stay away from fads because "if your child really wants it, buy a smaller version and invest in toys that last longer (*Child Birthday Gifts*, 2005)."

3.1.2 Marketer's Influence:

As was established in part 2.2 of section 2, there is tremendous potential for marketers in targeting the youth demographic. Although I understand marketers' desire for both the short term and long term benefits that this demographic can provide, I believe that marketers are going too far. With the increased sophistication and influence of today's children, the variety of media outlets and noise that attempts to influence the desires of children and susceptibility of parents, marketers view this demographic as ripe for the taking by any means necessary. This is the problem... The means that marketers are using raise several ethical issues.

Although marketers are not considered the creator of fads and may not have the majority of the influence, they still possess a significant ability to persuade the youth culture and manipulate its environment. It is this power that concerns me because with such great power and influence comes great responsibility. However, marketers are not taking accountability for their actions nor are they looking at the ethical ramifications on the demographic they are targeting and society as a whole.

How Marketers Target Kids (2005) points out that "the challenge for marketers is to cut through the intense advertising clutter in young people's lives." More than ever before, marketers are engaging in extreme and often questionable activities to get the attention of children. In some cases, marketers

view children as mere statistics or dollars that contribute to the bottom line, or the latest area to compete over.

Now, please do not misunderstand me, not all marketers have this mentality; however, it is important to identify the aspect of that population that does because of the implications of their actions. According to Rice (2002), “youth-targeting firms are not merely in the business of supplying the ‘needs’ of their young customers; they are engaged in molding their wants and desires, of creating artificial appetites and false necessities.”

Marketers are now recruiting psychologists in order to get a better understanding of the mentality of children. *How Marketers Target Kids* (2005) comments on “the marriage of psychology and marketing” by declaring that “to effectively market to children, advertisers need to know what makes kids tick.” Rice (2002) supports this assertion by noting that “young people are exposed to some 30,000 ads—print, broadcast and otherwise. But marketers do more than bombard kids with ads: Billboards, print ads, radio and television commercials, product placements, even movie trailers on home videos are all cleverly presented to appeal to their young psyches. In other words, the relentless manipulation of our children has become an art and a science, involving well-heeled research firms and the insights of experts in children and adolescent psychology.”

With the help of well-paid researchers and psychologists, advertisers now have access to in-depth knowledge about children’s development, emotional and social needs at different ages. Using research that analyzes children’s behavior,

fantasy lives, art work, even their dreams, companies are able to craft sophisticated marketing strategies to reach young people.”

Utilizing the sensitive issues of child development and psychology for capital gains is ethically questionable. Rice (2002) has gone so far as to say that “marketers often understand children’s psyches better than parents and teachers do, thanks in part to the research they buy, and thanks in part to the consultants trained in child and adolescent psychology.” Rice (2002) continues that marketers use the information that they accumulated for “simple manipulation, appealing to the fears and appetites of those passing through the most vulnerable and impressionable phase of their lives.”

The issues of using child psychology to help researchers and the increased amount of psychologists who have participated in this activity have been quite controversial. The behavior has become so flagrant that on September 30, 1999, approximately sixty teaching and practicing psychologists wrote a letter to the President of the American Psychological Association (APA) in which “the signers expressed their disgust at the degradation of their profession, one intended ‘to mitigate the causes of human suffering,’ not help corporations” (Rice, 2002). These signers also called for an amendment to the organization’s ethical code in order to limit what psychologists can do with their knowledge. Basically, they called for a curb on the abilities of psychologists to sell themselves to advertisers and marketers. Currently, the APA is examining the issue. Marketer’s ability to acquire this information has also made it easier for them to market to children at even younger ages.

In response to the idea of the peers and peer pressure being the primary influencer on children's purchasing decisions, some marketers have attempted to get within the walls of the school and reach children in their own element. This is primarily undertaken through access to schools and buzz (or street) marketing. The Internet is also used to gain further understanding of children.

With the current financial problems faced by schools, schools provide less protection from the influences of consumerism and consumption. According to *How Marketers Target Kids* (2005), "budget shortfalls are forcing school boards to allow corporations access to students in exchange for badly needed cash, computers and educational materials." Marketers attempt to get their brands, products and properties to reach young students by surrounding them with advertisements through such activities as sponsorship, incentive programs, and classroom publications. With marketers' knowledge of the increased recognition and receptiveness of children to advertising and the importance of exposure to youth in order to propel children's fads, placing advertisements in schools is an aggressive strategy to get closer to children in an environment in which they spend a considerable amount of their time.

In order to cut through the clutter that is constantly present in the lives of young people, marketers are using buzz marketing. Rice (2002) defines buzz marketing as "as a new twist on the tried-and-true 'word of mouth' method. The idea is to find the coolest kids in the community and have them use or wear your products to create a buzz around it." As a result, marketers are not only able to break into the world of youths and the hierarchy of popularity but manipulate it.

By understanding that it may not be the product but rather the person who is wearing it, they have taken advantage of the peer situation. Therefore, marketers are able to use this method to promote the latest fad items.

The Internet is another area that marketers use to target children.

According to *How Marketers Target Kids* (2005) the Internet is “an extremely desirable medium” for marketers to target children because:

- It is part of youth culture. This generation of young people is growing up with the Internet as a daily and routine part of their lives.
- Parents generally do not understand the extent to which kids are being marketed to online.
- Kids are often online alone, without parental supervision.
- Unlike broadcasting media, which have codes regarding advertising to kids, the Internet is unregulated.
- Sophisticated technologies make it easy to collect information from young people for marketing research, and to target individual children with personalized advertising.
- By creating engaging, interactive environments based on products and brand names, companies can build brand loyalties from an early age.
- Additionally, buzz marketing is also well suited for the Internet. Marketers can utilize young “Net Promoters” who use newsgroups, chat rooms and blogs to spread the word about the latest fads regarding music, clothes and other products among unsuspecting users.

These points bring up three very troubling issues regarding the aggressive and sometimes questionable marketing tactics utilized by marketers to spread fads among children. The first involves the lack of Internet regulation in terms of advertising. With the amount of exposure and interaction that children have with the Internet, shouldn't there be certain mandatory regulations in place? The second issue involves some marketers taking advantage of the lack of parental supervision or comprehension of Internet activity. It is as if marketers are attempting to reach children behind the backs of parent because the parent is unaware or unable to comprehend Internet marketing activities. Lastly, it is the idea of deceiving children by using the anonymity of the Internet to reach out to children and be ever-present in their environment.

The final issue is the most upsetting because children are somewhat naïve and trusting regarding Internet activity. Oftentimes, children consider Internet messages to be truthful and the Internet to be a harmless means of creating and maintaining relationships with peers. This overly trusting perception can be seen with the emergence of such social networks as Myspace.com and Facebook.com (which allow youths to post personal information about themselves) as well as in academia where students utilize information from various Internet sites and fail to consider the credibility of the source. When marketers attempt to contact children on the Internet, children often assume the messages they encounter to be honest and legitimate rather than a mere marketing ploy.

3.1.3 Children's Consequences:

The ramifications to children as a result of invasive marketing of fads to youths, peer pressure, and parental activities serve as the culmination of this discussion. Although it is natural for children to express their desires for particular products, the mentalities of children are being more adversely affected than ever before. Hymowitz (1999) comments on the situation and the variety of contributing factors by stating that “it’s a vicious cycle. Rather than having any single cause, the widespread curtailment of youth innocence can be attributed to a whole host of them, each reinforcing the other. With less time from family life, 8 to 12 year olds look to their peers for companionship and behavioral cues. The peer group in turn looks to the media. And the media spy a robust new market group that revels in being treated as savvy, independent-from-adults consumers. In the meantime, parents, declined to fight either forces, watch helplessly.” Fads come into play as a means of entertainment and status for children and a purchase on the part of the parents to relieve guilty feelings.

The effects of materialism are becoming more prominent. *Special Issues for Young Children* (2006) points out that “parents should be concerned about the effect excessive materialism can have on the development of their children’s self image and values... (O)ur consumer-saturated culture may be breeding feelings of ‘narcissism, entitlement and dissatisfaction’ in today’s kids.” Children are moving away from giving and into the mindset that believes everyone is there to serve them and give them all of their wants and desires. Oftentimes, their desires are focused on new and unique products such as fads. When children are able to receive all of their desired fad items, regardless of their conduct, and not as a

means of positive reinforcement, parents are inadvertently (and in some cases consciously) contributing to their children's materialistic attitude.

So where do marketers and fads come in? Well, Kirgiss (2002) has aptly identified their role in the current situation of today's children. Kirgiss (2002) asserts, "the focus and purpose of trends (and fads) have significantly shifted over the past 50 years." In the past, value was emphasized, while now it is image that is being sold. Kirgiss (2002) uses an example of blue jeans and says that "today, fashion is marketed with a clearly narcissistic message that says 'Because of who you are, you deserve these pants. You should have the best...' Most of today's commercial childhood trends involve selling 'wants' that have been slyly disguised as 'needs.'" Children are being led to believe that fads are necessary; the messages to children say you need fads to be popular, you need fads to feel good about yourself, and you need fads to be happy; fads are necessary and without them, you will suffer. Kirgiss (2002) asserts that these are the messages that parents must combat.

Another issue is the rabid franchising and the possibility that marketers want parents to feel their own sense of entitlement. In order to highlight this concept, I will use an example from Kirgiss (2002) about Pikachu, a favorite character from the fad cartoon, Pokemon. This character has been featured on several products as marketers attempt to use the fad's momentum and popularity to sell other goods such as cereal, plastic bags, milk, and vitamins. According to Kirgiss (2002), apparently, advertisers want parents to feel that, "I am entitled to have a child who is willing to take vitamins without whining, and if Pikachu and

his Pokemon pals can accomplish it, then I deserve their help.” Additionally, there is also the exposure of these faddish items on unhealthy products, particularly junk food. Children may desire food that is bad for them because of a lovable fad character that graces the label. Again, this is an issue that parents must examine.

Children are also exhibiting habits of over-indulgence as they desire more and, as aforementioned, parents and other loved ones provide these wants, even if they are fads. I have observed this situation recently with my seven year old niece, Chyanne. Since I would be visiting her in a few weeks, I asked her if there was any toy that she really wanted. Her response began with one Bratz doll and quickly moved to two dolls, one male and one female, and then she finally declared that she “needed” four Bratz dolls, two males and two females. She reached this conclusion in less than a minute. It was now up to me to see if I would oblige. Although this example primarily shows a child’s desire for more, it leaves out the idea of indulging those desires in order to point out that parents and loved ones still have influence and that they have the option (1) to purchase, (2) not purchase, (3) to purchase less or (4) to purchase something different. As for this example, I decided to purchase less, she will get one Bratz doll, and maybe purchase something different, some type of educational tool (toy, book, etc.).²

Another major issue with marketing fads to children is the concept of creating a culture not only of consumption but of over-sexualization. Fresco (2005) comments on the growing concern in America about what critics regard as

² Although I had made this decision, my niece and I ultimately decided to purchase a completely different fad toy- a doll from Build a Bear. The final purchase decision also highlights how a child’s desire for a particular fad can shift to another item.

the “sexualization” of some toys. It attests that fad toys, Bratz dolls in particular, are on “the cutting edge of a worrisome trend: the increasing use of sexual imagery in products marketed to young children” (Macpherson, 2005). The products can be marketed specifically to children, like Bratz, or through the trickle down effect as the product is marketed to teenagers but attracts their younger counterparts. Macpherson (2005) points out that “child development experts worry that such sex-saturated culture encourages children and young adults to define themselves mainly by how sexy they are, and to see sex as the most important quality in a successful relationship.” This assertion, along with the research regarding the amount of influence these products have on a child’s self esteem and peer approval, creates a situation in which children are increasingly susceptible.

According to Macpherson (2005), marketers respond to such allegations by contending that “today’s kids are growing up in a different world than their parents did and are savvier at younger ages. Some also complain that adults read too much into products that kids see merely as ‘fashion forward’ or ‘cool.’ They point to data showing a decline in teen pregnancies and an increase in the number of kids who wait longer to have sexual intercourse for the first time.” Ultimately, marketers place the onus on the parents to decide what is appropriate for their children to consume and watch.

With the burden of such effects on children being placed on the parents by the marketers, there are three primary issues to discuss:

The first is how effectively parents can combat the constant bombarding of consumerism directed to their children. Child development experts contend that the battle is uneven as parents are usually working and are unable to continuously monitor their children against the effects of companies who spend more than \$15 billion a year on marketing to children (Macpherson, 2005).

Secondly, as aforementioned, parents may not be as proactive as they could be in curtailing any potential negative situations. Macpherson (2005) supports this assertion by stating that “the ubiquitous nature of sexual imagery and content has ‘de-sensitized parents’ to its impact on children...Parents ‘have come to accept such sexualized content as Britney Spears, Bratz dolls and professional wrestling females as a regular part of even young children’s environment.” Basically, some parents have just become complacent with the current events and refrain from any actions to reduce or regulate these activities.

Finally, there is the idea that marketers do not fully understand the consequences of their actions. Macpherson (2005) points out that “a lot of marketers are young themselves, and don’t really have the values perspective that is needed.”

As stated in the beginning of this section (part 3.1.2 of section 3), this thesis is not about bashing marketers or portraying them as bloodsucking business people focused on the bottom line. This is merely a collection of my observations and a commentary regarding the situation from my perspective. I am not attempting to place blame but rather ask the questions of whether the activities of these markets are ethical and what can be done to prevent or reduce the negative

consequences. My intention was to elicit thoughts and enlighten people about an important issue in order to allow you, the reader, to ask your own questions and draw your own conclusion. This topic is applicable to all, and everyone should contribute to the discussion. Fads are ever-present and touch us all at some level. Children's fads are particularly significant in terms of their effect on children, who are quite vulnerable to the marketing ploys and serve as the future of our society. The following section will provide a conclusion of this discussion, recommendations to such groups as marketers, parents, schools and teachers, and the government, and a case study on the Cabbage Patch Kids.

Section 4: Conclusion and Recommendations

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4.1 Conclusion

In summation, various concepts have been highlighted throughout this examination. By providing information on assorted aspects of fads as well as focusing on fads in relation to a particular demographic, this study has surpassed the usual minimal attention that is paid to the subject. The analysis of the relationship between fads and children also highlights various social situations and implications with regard to children, parents, marketers, schools, and the government.

The initial section of this report provided an overview of fads in general through identification of fad characteristics, types, and life cycles as well as its distinction from other product forms.

The second aspect of this study dove into the specific relationship between fads and children. This section identified the reasons why marketers find the children's demographic particularly desirable and children's influence on purchases and desire for fad items.

The third section provided a social commentary that discussed how parental factors such as lack of time spent at home (and subsequent guilt felt on the part of the parent) as well as aggressive marketing tactics have had unfavorable consequences on children. The social commentary raised the issues of whether the intrusive activities of marketers were ethical even through they were legal and the idea that marketers have a social responsibility as a result of the influence and resources that they possess.

In order to address how to alleviate potential ethical issues, I have composed suggestions for potential courses of action. These recommendations are directed not only to marketers and parents but to schools, teachers, and the government. These suggestions are not meant to completely prohibit the marketing of fads to children but provide coping mechanisms and efficient regulatory measures.

After researching and composing this study on fads, I have learned a tremendous amount not only about fads in general and fads and their connection to children, but also the deeper social issues surrounding these general topics such as the increased influence of children on the purchasing behaviors of their family, the parental dilemma of balancing the pursuit of economic goals with the time spent with children, the disparity of schools as they struggle to maintain appropriate funding, and the behavioral and social effects on children as a result of these elements.

Now that the subject has been researched and examined, it is up to you, the reader, to draw your own conclusion with regard to the ethics of the activities of marketers and the consequences on children. Additionally, it is important to realize the influence of fads on children does not end with marketers and parents but extends to the schools, government, and society in general. We all play a part in these activities on one level or another, what is your contribution?

4.2 Recommendations

4.2.1 Parents:

Parents are usually considered the first line of defense against aggressive marketing tactics. However, as we have seen, parents are at a disadvantage against resourceful marketers with large budgets. Despite the uneven battle, parents can still gain the upper hand when it comes to fads and their children. The following suggestions will help parents to deal with their children and the influence of fads:

- *Learn to say “no”*: Although some parents may feel the desire to indulge the desires of their children for fad items, parents must draw the line. By doing so, they can assist in curbing the child’s sense of entitlement and expectation of influence over purchase decisions. Although declining to purchase a particular fad may cause the child to become angry, it is helpful to remember one of the defining qualities of a fad is its fleeting nature. As a result, eventually the fad will pass and so will the child’s anger. It would also be helpful if parents explained to their children that fads are short-lived and that not participating in a particular fad is not the end of the world.
- *Use fads as positive reinforcement*: Parents should also consider purchasing fads as positive reinforcement for good behavior and not as a result of their own personal guilt. Consequently, parents will be using fads as a way to reward and promote positive behavior in the child. For instance, parents could use a particular fad item as incentive for getting good grades, doing chores, or some other form of good behavior. When the child has completed this task, the child can be rewarded with the fad purchase that he or she desires. As a result,

children will want to engage in positive activities as a way to earn the fad item instead of feeling that they are entitled to it.

- *Communication is key:* Since peer pressure is also a major influence on children, parents must attempt to be open to communication with their children. Panaccione (2005) suggests teaching children “from an early age to make good decisions.” Parents can also help by educating their children about their status as consumers and encourage them to talk about the topic. According to Goldstein (1998), there is evidence that is consistent in showing that “the effects of media are minimized when parents talk to children about them;” although consumer education does not prevent succumbing to persuasion, it will help parents to show children “the role that advertising plays in the economy” and “make informed choices.” Communication between parents and children will also help children to differentiate between reality and advertising.
- *Designate parent-child time:* Although parents have several obligations, it is important that they designate time to spend with children. This will foster the lines of communication, help the child parent relationship, and hopefully reduce the influence of fad items.
- *Be more aware of what children are watching or doing on the Internet:* Although some parents may not fully understand the intricacies of the Internet or have time to supervise what their children are doing when they are online, it is important to have some knowledge of their children’s activities on the Internet. The communication between the parent and child will also make it easier for children to identify marketing activities occurring on the Internet. If

parents are able to supervise their children's activities on the Internet or have open communication with their children regarding the content that they are exposed to, children will be more willing to discuss the messages that they encounter while on the Internet. The ability to have knowledge of the content of messages that children are exposed to while surfing the net will allow parents to help children to make sense of such marketing communications, particularly messages related to fad items or activity.

- *Enroll children into more extracurricular activities:* Extracurricular activities can help students to gain self esteem and allow them to engage in constructive activities. If children can feel better about themselves through such activities then they may place less reliance on the purchase and possession of fads. They may come to realize that the possession of fads does not define who they are.
- *Familiarize yourself with the current FTC and Children's Online Privacy Protection Act (COOPA) laws and regulations:* Parents should try to gain more knowledge regarding the appropriate methods of marketing and advertising to children. Now, I am not saying that parents should memorize all of the intricate details of privacy laws and regulations but rather gain enough understanding of these policies to recognize when marketers are overstepping their boundaries as well as identify what action they should be taken if this situation occurs.

4.2.2 Marketers:

Marketers have a responsibility when it comes to reaching consumers, especially children. The American Marketing Association clearly indicates what

it believes should be the generally accepted marketing guidelines: marketers must do no harm, marketers must foster truth in the marketing system, and marketers must practice the fundamentally ethical values including honesty, responsibility, fairness, openness and citizenship (*Ethical Norms and Values for Marketers*, 2006). Organizations such as the Children's Advertising Review Unit (CARU) and the Word of Mouth Marketing Association (WOMMA) code of ethics are attempting to assist in regulatory guidelines and protect consumers from unethical marketing activities. The 1998 Children's Online Privacy Protection Act (COPPA) law guards those under 13 from marketers who would use their personal information for commercial purposes (Collins, 2005).

Despite initiatives by these organizations, self- policing is the current rule for marketers. As a result, the final decision as to what is ethical or not and the enforcement of those activities is left to the marketers themselves. Consequently, as marketers compete on the fad level to promote their latest fad items above the competition, they can use legal yet questionable means to reach children and need only to satisfy their own self-regulatory standards. The following recommendations were developed to help marketers to engage in ethical activities:

- *Think before you act:* Since marketers are primarily self-regulated, they must try to think about the long term effects of their actions. If marketers use questionable tactics to get more bang for their buck when promoting fad items (and products and services in general) to children, they put their long term credibility at risk, which can result in less business and financial success in the

long run. Credibility and trust are very significant when attempting to market to children. In a way, parents are placing trust in marketers and the messages that they send to children. Once this trust is mistreated, it will be difficult to regain. As a result, it is important for marketers to uphold ethical standards and act in a responsible manner. Marketers must realize that fads may fade but relationships can last for a lifetime.

- *Familiarize yourself with the FTC and COPPA regulations:* Just as parents should familiarize themselves with the FTC and COPPA regulations, marketers should also make sure that they have an understanding of what are considered to be reputable marketing practices, especially with regard to children and the Internet. Aftab (2005) points out the dire consequences that can come about from ignorance of regulations by stating “the failure to understand what information can be collected from children, how it can be used and what needs to be accurately disclosed to parents has cost many companies dearly.” This is important to note as marketers attempt to reach children regarding the latest fads as well as while marketers attempt to gain information about the next big fad.

4.2.3 Schools and Teachers:

With children spending approximately 20 percent of their time in school and schools facing increasing financial constraints, marketers have found a unique opportunity to reach children in one of their primary environments and are “eager to pursue school-based marketing in many forms” (Aidman, 2005). As aforementioned, children view fads as a way to gain status and popularity within

the school environment. Marketers can use the financial crises faced by several academic institutions to promote the latest fads as well as the overall brand, and subsequently increase the desire of children to participate in a particular fad activity. These actions have caused many consumer and education groups to call for guidelines on in-school advertising. The following are some suggestions in reaction to the in-school advertising controversy:

- *Make schools commercial-free zones:* Schools can restrict all commercial marketing activity within school grounds. Aidman (2005) suggests that schools pursue “noncommercial partnerships with businesses” and reject “the notion that it is ethical to bring advertising into schools to provide materials or funds to bolster dwindling budgets.” If schools are able to prevent commercial messages within the school, children will be less attacked by messages to purchase a particular fad and have more time to focus on being a student.
- *Restrict certain advertising activities in schools:* If complete restriction of commercial advertising in schools sounds too stringent, then schools could maintain certain advertising activities if all sponsored materials and activities are reviewed and held to the same standards as other curriculum items by using under the Society of Consumer Affairs Professionals (SOCAP) and Consumers International guidelines (Aidman, 2005). Another way to curb marketing activities is to restrict corporate recognition to “adult-oriented thank-you celebrations” (Woodward, 2005). As in the previous recommendation, this would diminish the power and influence of fad messages during school hours.

- *Lobby for more school funding:* It is important for schools to remember the importance of public funding and the potential impression that is left when school search for funding elsewhere. Andrews (1999) points out that “in the long run, commercialism could cost schools more” because turning to commercial resources could backfire and “legislature might begin to expect schools to raise their own funds.” Thomaselli (2005) continues this sentiment by stating that “the more we turn to corporations, the more it compromises children’s education and tells people we don’t need public money for public education.” By utilizing other means to gain funding, schools will be less reliant on corporate sponsorship and subsequently have increased power over the messages within the school environment (less fad messages).
- *Begin to teach media literacy:* Just as parents can help to educate children on advertising and marketing activities, schools can also assist students in gaining media literacy. According to Aidman (1995), teaching media literacy in elementary schools can “help educate children to be critical readers of advertising, propaganda, and other mass-marketed messages, while helping them gain the skills to be intelligent, aware consumers.” By becoming wiser consumers, children will be better equipped to handle fads.

4.2.4 Government:

Although marketers mainly regulate themselves, certain federal and state regulations have been in effect. According to Stockwell (2005), the Federal Trade Commission (FTC) has traditionally been the regulatory entity to prohibit “unfair”

or “deceptive” commercial practices but in 1980 the Congress “explicitly stripped the commission of the power to regulate unfair advertising to children.” Although the authority of such agencies as the FTC has been restricted, the government should consider the following suggestions in light of the current issues with regard to increasingly questionable and intrusive marketing activities and potential negative effects that these activities can have on children, particularly regarding the pressures that marketers place on children to participate in the latest fads.

- *Reinstate FTC regulations:* Congress should consider reinstating the regulatory authority of the FTC in order for the entity to investigate the various forms of marketing activities aimed at children and possibly set up guidelines for all marketers. This recommendation would be quite helpful as marketers attempt to reach and elicit information from children for the purposes of current fads or potential fads.
- *More State Regulations: Childhood for sale* (n.d) asserts that “only 19 states currently have statues or regulations that address school-related commercial activities, but in 14 of these states, statues and regulations are not comprehensive.” As with the previous recommendation, additional regulations (on both the state and federal levels) will assist in curbing the questionable activities of marketers as they pertain to children in particular.

Section 5: Case Study: The Cabbage Patch
Kids

Section 5: Case Study: The Cabbage Patch Kids

5.1 Introduction:

After examining the general qualities of fads and then analyzing their relationship to children, I thought that it would be helpful to highlight a particular fad item that correlates to several of the fad qualities that I have identified and continues to have a tremendous relationship with children (and several adults).

In addition to being a major fad of the 1980's, the Cabbage Patch Kids (CPK) is still considered to be one of the most successful dolls introduced in the history of the toy industry (Babyland General Hospital, 2005). Patten (2006) has even gone so far as to say that "Cabbage Patch Kids defined the word 'fad' in the 1980's." This case study will provide background on the origin of the Cabbage Patch Kids, its relevance as fads, its contribution to popular culture, fun facts, and the current status of the dolls. Additionally, I will attempt gauge the applicability of the recommendations suggested in section 4 to the Cabbage Patch Kids and other fads of that time.

5.2 Background:

The story of the Cabbage Patch Kids began in the late 1970's with a 21 year old college art student from Georgia named Xavier Roberts. Roberts came up with the idea for the dolls while studying the early 19th century German folk art of "fabric sculpture" (Mondout, n.d). Roberts branded the dolls as the Little People and began selling the dolls in gift shows and placed them in his art exhibit. By 1978, Roberts' concept began to flourish and he and five of his classmates

formed Original Appalachian Artwork (OAA) to market to a wider audience. They renovated a sixty year old facility in Cleveland, Georgia and named it Babyland General Hospital (Mondout, n.d). Roberts' brainchild was becoming increasingly successful and profitable. According to Raugust (1998), from 1978 to 1983, Roberts sold 350,000 dolls at up to \$250, generating revenues as high as \$5 million per year.

With such tremendous initial success, large toy companies began to notice Roberts' operation. In June 1983, Roberts signed a merchandising agreement with a toy company named Coleco to begin mass production of the dolls under the name of the Cabbage Patch Kids (Patten, *Cabbage Patch Kids...New Generation*, n.d). Although the dolls produced by Coleco were lower-priced, they still retained the original quality of being unique and adoptable. Raugust (1998) notes the sales of the dolls after the agreement by stating that "the Coleco products were the fastest-selling toy introduced up to that time, accounting for 3 million units in the first year despite a slow start. Prices were initially about \$20, but rose to as high as \$50 in some stores by the end of 1983 (with secondary-market dolls commanding as much as \$150). Coleco also raised whole sale prices to retailers at the beginning of 1984" (p. 180).

5.3 Relevance to Fads:

As aforementioned, my decision to discuss the Cabbage Patch Kids was based on its ability to compliment many of the fundamental qualities of a fad. In

order to highlight its relevance of Cabbage Patch Kids to fads, I will list the characteristics of fads and show how they correspond to CPK.

- Simplicity

One of the primary qualities of the Cabbage Patch Kids dolls was its simplicity. Unlike the increasingly popular complex electronic toys of the time (such as video games), Cabbage Patch Kids were the opposite extreme. Raugust (1998) notes that the Cabbage Patch Kids' emergence during the dominance of the electronic toys led leading analysts to theorize that their back-to-basics quality played a role in their rise. The homely allure that these dolls possessed was identified by *Cabbage Patch Kids Dolls* (Bad Fads Museum, n.d.) as not only distinguishing the dolls from the electronic toys but also the "traditional cute baby doll" because of their pudgy faces, stumpy arms, small closed set eyes, and round cheeks. These features were not only distinct and refreshing but also created a physiological appeal. According to Brandeis University psychologist, Malcolm Watson, the baby characteristics of the dolls constituted a "releasing mechanism" that triggered a nurturing instinct vital to the perseverance of our species (Wilhite, 2003).

- Uniqueness

Not only was the composition of the doll distinctive but the dolls themselves and the purchasing concept of the dolls were unique. Raugust (1998) states that the Cabbage Patch Kids was the first individualized, adoptable doll. The dolls themselves were unique and individualized because no two dolls were the same. *Cabbage Patch Kids* (BookRags.com, n.d) states that "unlike most

other toys, each one is ‘humanized.’ Each has its very own first and middle name, as well as a unique combination of hairstyle, hair coloring, clothing, skin tone, and facial characteristics, all the way down to placement of freckles.” The dolls even had belly buttons. The Cabbage Patch Kids’ possession of unique features and names helped the dolls to make the transition from object to family member.

What added to the concept of the dolls as family members was that they were adoptable. *Visiting the Cabbage Patch* (2004) clarifies this statement by asserting that the Cabbage Patch Kids “weren’t for sale, they were available for adoption” and that the dolls were not found in any stores but only “Official Adoption Agencies.” Wilhite (2003) continues this assertion by stating that “the paperwork with each Kid included adoption papers which the ‘parent’ could register via mail. A year later Coleco sent the doll a birthday card. Consumers were not just buying the Kids to be a part of the crowd. They were buying individuality and family. They were buying love.”

▪ High Levels of Participation and Awareness

Cabbage Patch Kids dolls also possessed high levels of participation and awareness. Practically everyone during the 80’s was aware of the phenomenon. *Cabbage Patch Dolls & Kids Message Board* (2005) even went so far as to say that “people fell into two schools – they either loved the dolls or loathed them; it seemed that there was no middle of the road.” *All I Want for the Holidays* (2005) takes a more positive approach by saying that “it seemed as if there were only two kinds of people in 1982-’83, those who owned a Cabbage Patch Kid or those that wanted one.” In either event, the dolls were able to catch people’s attention.

The dolls were so popular during the early 1980's that there was seemingly a doll for every child. Raugust (1998) highlighted the popularity and high participatory activity surrounding the dolls by stating "by the end of 1984, Coleco had sold 20 million toys, the equivalent of one for every child ages 3-8 in America" (p. 181).

The power of publicity was important as consumers became aware of the Cabbage Patch Kids dolls and enhanced their desire to purchase them. According to Raugust (1998), "Coleco enlisted Dr. Joyce Brothers to endorse the toys, introduced them at the Boston Children's Museum with a mass adoption ceremony and sent samples to Jane Pauley, then of the *Today* show, who featured the product extensively during one program" (p. 180).

When media publicity began to take on a life of its own, awareness grew even more. With former first lady, Nancy Reagan giving the dolls to South Korean children, appearances on late night talk shows and various publications, injuries and the riots among shoppers that occurred as a result of the doll which were highlighted through press coverage, the image of Cabbage Patch Kids as the elusive, must-have toy fueled demand even further. In response to such priceless publicity and subsequent shortages, Coleco cut its budget by 60% and tried to encourage purchases of licensed merchandise (produced by 50 companies at the time) as a temporary replacement for the dolls (Raugust, 1998).

As a result of the continued undersupply of the dolls in its second year, piracy and counterfeit dolls were rampant. In one incident, enforcement officers seized 20,000 fake dolls (Raugust, 1998). Despite actions to curb the presence of

imitation dolls, several knockoffs survived infringement suits by Coleco and remained on the market. Raugust (1998) points out that one particular counterfeit doll called Blue Box's Flower Kids which were very similar to Cabbage Patch Kids but at a lower price.

- Fast Build, Fast Fall and Short Life Span

Once awareness of the Cabbage Patch Kids spread, there was a tremendous shift as customers began purchasing the dolls, allowing the fad to build. According to Raugust (1998), "wholesale sales of Cabbage Patch Kids grew from \$69 million in 1983 to \$540 million in 1984, a more than seven-fold increase."

Despite its fast emergence, "the period of decline was slow for the faddish property, mirroring the longer than expected growth phase" (Raugust, 1998). This decline was seen as wholesale of the dolls in 1986 was only \$210 million in comparison to 1985 sales of \$600 million; the decline went even further with sales of \$125 million in 1987 (Raugust, 1998). The dolls still retained some success in through 1990 and were considered the second best-selling doll of the year.

After the Cabbage Patch Kids phenomenon passed, Coleco suffered because the CPK fad had absorbed most of the company's resources and subsequent lines could not fill the void (Raugust, 1998). Though Coleco ultimately went bankrupt, the dolls have remained on the market. Raugust (1998) points out that "Hasbro assumed the brand after Coleco and Mattel holds the license."

- Consumer-Driven

Consumers were the driving force behind the Cabbage Patch Kids phenomenon during the 1980's. The dolls were very attractive to children who then influenced their parents and loved ones to purchase the dolls. Some parents were also influenced by various parenting and women magazines that proclaimed the Cabbage Patch Kids dolls as the suggested Christmas purchases. Word of mouth spread about the dolls as the ideal gift and spurred the demand. This demand caused the dolls to fly off store shelves and created violent scenes of rioting parents.

5.4 The Next Generation of CPK

In 2003 and 2004, toymakers tried to make the old new again by creating a comeback for the Cabbage Patch Kids. According to Patten (*Cabbage Patch... New Generation*, n.d), "Play Along Toys and 4Kids Entertainment are re-introducing the Cabbage Patch Kids for a new generation of children, and also for Gen-X parents who fondly remember the dolls from their childhood. The company hopes that the doll will be an antidote to the 'bratty dolls' which are all the rage today, as well as a break for children from our overly plugged-in electronic world." The dolls were made in the image of the original Cabbage Patch Kids dolls. Bhatnagar (2006) points out that the dolls will have the same plastic head, the same vinyl-covered soft body, and each has its own outfit and comes with adoption papers.

The new dolls will also retain the characteristic quality of uniqueness that was posse by the original dolls. According to Bhatnagar (2006), “the company, which acquired the license for the toy, has created a matrix of six different hair colors, six different skin tones, 12 different outfits and four different eye colors, a ‘dimple’ or no ‘dimple’ option, and other characteristics” which are estimated to create as many as 17 to 18 million unique Cabbage Patch Kids combinations. The dolls even retain the birthday card concept, however instead of receiving a card through the mail, the card is now sent via e-mail. Patten (2006) asserts that “although the new Cabbage Patch Kids haven’t quite reached the ‘fad’ stage in their latest incarnation, they have gotten a fair amount of press and only time will tell if they will again be a lasting and influential presence on the doll scene.” It is true that we will have to watch and wait to see if these dolls regain their fad status by capturing the hearts of a new generation.

5.5 CPK Fun Facts

Mondout (n.d) provides the following CPK fun facts that are interesting, amusing, and in some cases absolutely unbelievable:

- The Social Security Administration alerted state agencies to be on the lookout for Cabbage Patch Kids who were applying for welfare
- According to Coleco, 20% of the dolls were purchased by boys
- At the height of the 1983 Christmas season, demand outstripped supply by so much that a postman named Edward Pennington of Kansas City went to London just to get his daughter Leanna one

- The New York Times ran an article about a department store names Vincent Berger who regularly explained the economic concept of supply versus demand to disappointed and probably bewildered children
- The owner of at least one department store hired an armored car to deliver the dolls to discourage the kind of disturbances that were seen elsewhere
- The demand at Christmas also led Coleco to pull its television advertising because it was overselling the product
- Stores ran lotteries among those on waiting lists for dolls
- A sarcastic radio deejay announced during the Christmas of 1983 hysteria that they would be dropping dolls from an airplane at a local stadium and to make sure to head down there with a baseball glove and a credit card
- There was another shortage during the Christmas of 1984 that left individual stores with thousands of customers on the waiting lists
- The shortages actually led some stores to buy back the dolls from customers for \$40 and sell them again for \$60
- The population of Cabbage Patch Kids reached and estimated 75 million by 1989. The United States population did not pass that number until 1900
- In order to recognize the tremendous influence of the Cabbage Patch Kids, a United States postage stamp in their honor went on sale in January 2000 (Highlights from Our History, 2006)

5.6 Applicability of Recommendations to CPK:

In this section, I will try to connect the recommendations that I have formulated to the Cabbage Patch Kids. Although CPK did have some controversial areas in terms of the department store fiascos by parents and the chord that they stuck with the adoption movement, the CPK fad could be considered a “good” fad overall. As a result, the recommendations will be more appropriate in some situations more than others. This section will be divided according to the groups that received recommendations in part 4.2 of section 4.

5.6.1 Parents:

The parents who participated in the Cabbage Patch Kids fad could have utilized some of the recommendations that were established. This statement is particularly appropriate in terms of the “learn to say ‘no’” and “use fads as positive reinforcement” recommendations because the parents of that time did quite the opposite. Instead of using the dolls to encourage and reward positive behavior or just refuse to participate in this particular fad, parents were at the forefront of the CPK frenzy. In fact, it was the parents who set a bad example for their children as they frantically ransacked stores for the pudgy dolls. This sent the message to children that when you want something, physical aggressiveness is acceptable. If parents heeded the recommendations, then this message would not have been as pervasive.

Regardless of the generation, the recommendations that calls for parents to communicate with their children, designate parent-child time, and enroll children in more extracurricular activities are essential. The concept of informing children

of the difference between reality and advertising, the exaggerations of the media, and their place as consumers will also be important in the relationship between parents and children. Although parents may have spent less time away from the home during the time of CPK, increasing the time spent with children and enrolling them in extracurricular activities would still be applicable recommendations because they would assist in decreasing the influences of fads.

The need for parent to be aware of their children's activities on the Internet as well as Internet regulations would be less applicable during the peak of the CPK craze because the Internet itself was not as popular or widespread as it is today. Despite this, some understanding of the appropriate advertising and marketing regulations when dealing with children would still be beneficial in order to identify any unsuitable marketing activities.

5.6.2 Marketers:

The recommendations that were established for marketers are still applicable to a certain extent. Marketers should always consider the consequences of their actions before pursuing a particular marketing activity. In the case of the CPK, the marketing activities were not as questionable as some of the current actions that markets utilize in order to invade the environment of children.

Personally, I believe that the marketers of the Cabbage Patch Kids were clever in their approach to marketing to children by feeding into the adoption fantasy (i.e. adoption letter, the inception of the Babyland General Hospital, etc.).

The birthday cards that were sent to the children were also ingenious ways of forging a longer term, after-purchase relationship.

Although marketers should always be familiar with regulations and guidelines regarding appropriate marketing practices, the Internet applicability is again not as substantial because the public had not yet fully adopted the Internet at that time.

5.6.3 Schools and Teachers:

Although there may have been a difference in the financial disparity of schools during the time of the CPK fad, many of the recommendations regarding schools and teachers could still be applied at that time. Even if the practice of commercial activity on school grounds was not as pervasive as it is today, complete or partial restriction of commercial advertisements could still be instituted to assist in the prevention of those activities in the future. Lobbying for funding would also come into play here in decreasing any future need to rely on corporate sponsorship as a means of funding school programs. All of these actions on the part of the schools and teachers could help to decrease the influence that marketers have on controlling the popularity of a fad within the academic environment.

Teaching media literacy to student would be applicable during the CPK craze. Teachers could have assisted in promoting understanding of the media images that chronicled the evolution of the Cabbage Patch Kids fad, particularly

the negative media surrounding belligerent parents who were consumed by the “need” to purchase the dolls for their children.

5.6.4 Government:

The recommendations that pertained to potential government actions that could assist in curbing the marketing of fads to children could still be applicable at the time of the CPK fad. As previously mentioned, Congress stripped the FTC of their ability to prohibit unfair or deceptive commercial practices in 1980, which was just prior to the explosion of the Cabbage Patch Kids fad. Although the marketing activities surrounding the CPK fad were not particularly unfair or deceptive, the recommendation to reinstate those powers to the FTC would have assisted in any unforeseeable issues regarding questionable marketing practices. With few states currently possessing comprehensive regulations regarding in-school commercial activities, the increase in state regulations could still be recommended.

5.7 Conclusion:

In summation, though several of the recommendations could be applicable to fads during the time of the Cabbage Patch Kids craze, excluding those that involved the Internet, many of them are still not relevant when used specifically for the CPK fad. Additionally, when one looks at the future of the next generation of Cabbage Patch Kids, the dolls may have somewhat of an advantage

with respect to convincing parents that they are good purchases for children because of the parent's own relationship to the initial generation of the dolls.

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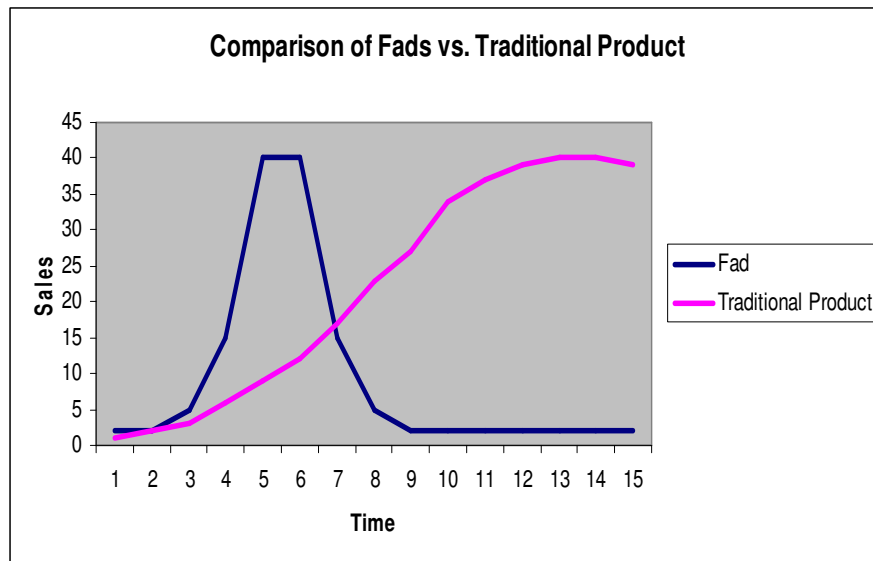
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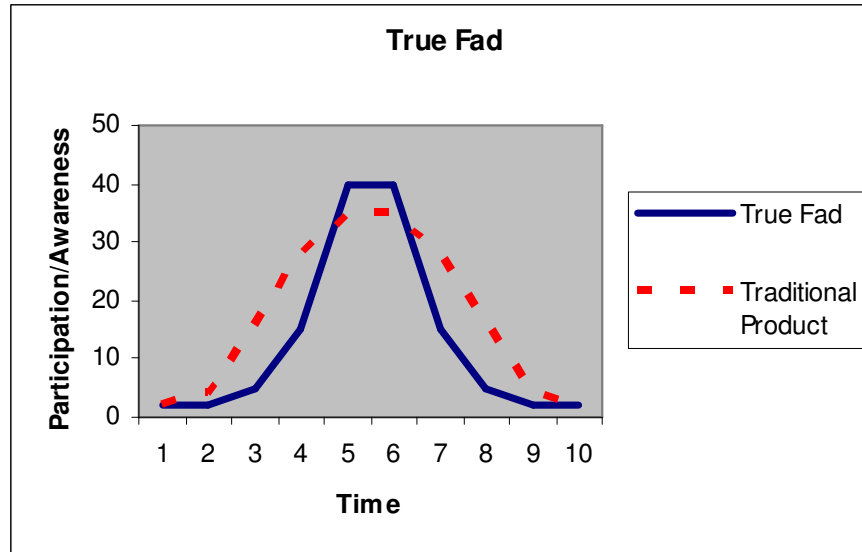
Appendices

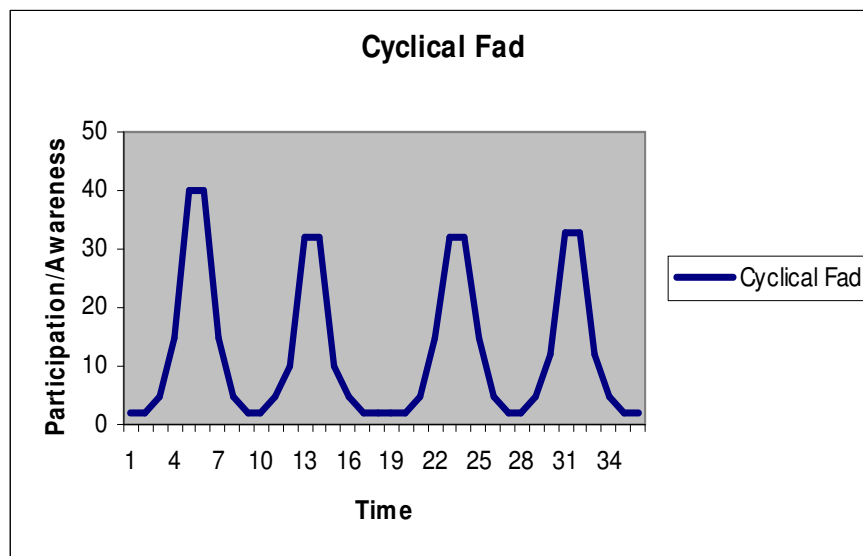
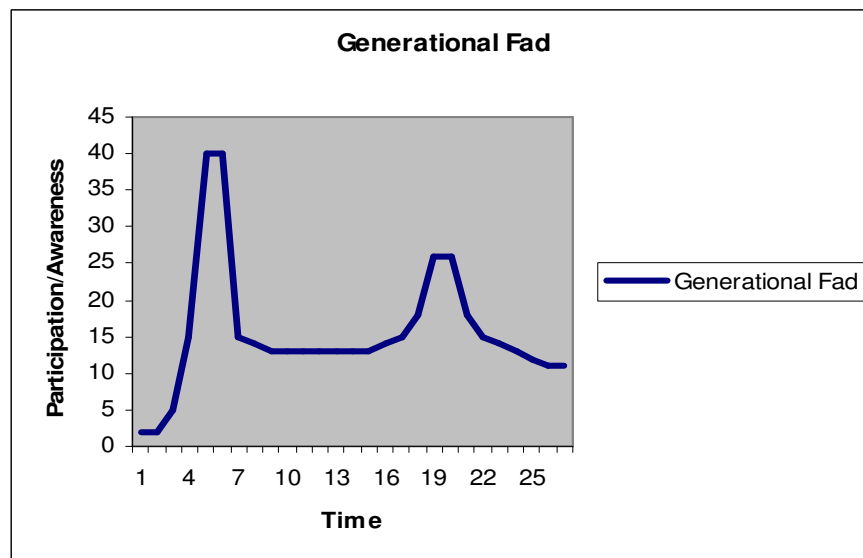
Appendix A: Graphs

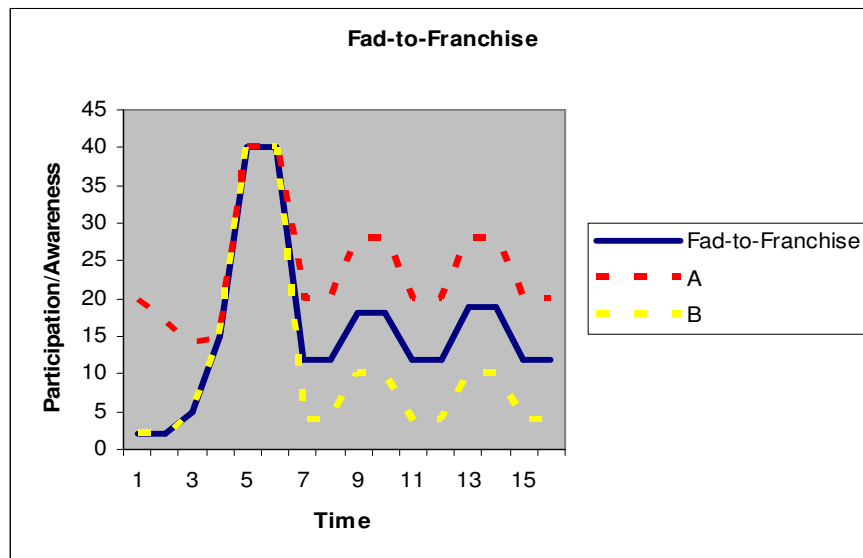
Graph 1: Comparison of Fads vs. Traditional Product



Graph 2: True Fad



Graph 3: Cyclical Fad**Graph 4: Generational Fad**

Graph 5: Fad-to-Franchise

Appendix B: Tables

Table 1: Examples of Fads Distinctions

| Table 1 | | |
|---------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------|
| Examples of Fads Distinctions | | |
| <i>Different from Products Currently on the Market</i> | <i>Possession of Some Differentiating Quality</i> | <i>Marketed to an Untapped Market</i> |
| - Strawberry Shortcake dolls smelled like fruit, which was “a point of difference” from other dolls on the market at that time | -Each Care Bear had a distinct symbol on its tummy to represent a particular emotion, which made each bear somewhat unique and unlike the teddy bears that were being sold | - New Kids On The Block was initially targeted toward preteen girls, a market that was rarely targeted at the time |
| Source: EPM | | |

Table 2: Examples of Fast Build and Fast Fall in Fads

| Table 2 | |
|--------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Examples of Fast Build and Fast Fall in Fads | |
| <i>Fast Build</i> | <i>Fast Fall</i> |
| -Barney video sales were nine times higher in 1993 than in 1992 | -Hasbro’s Barney line dropped from between \$125 million and \$130 million in 1993 to between \$25 million and \$30 million in 1994, a decline of about 75% |
| -Retail sales of Teenage Mutant Ninja Turtles merchandise in 1989 totaled \$600 million, 30 times the level of the year before | -Sales of Teenage Mutant Ninja Turtles toys dropped 40% in 1991 compared to 1990 |
| Source: EPM | |

Table 3: Total Life Span of Fads

| Table 3 | | | | | | |
|--------------------------------|---------------|----------------|----------------|----------------|----------------|--------------------------|
| Total Life Span of Fads | | | | | | |
| <i>Less Than 1 Year</i> | <i>1 Year</i> | <i>2 Years</i> | <i>3 Years</i> | <i>4 Years</i> | <i>5 Years</i> | <i>More Than 5 Years</i> |
| 14% | 36% | 21% | 11% | 5% | 6% | 7% |
| Source: EPM | | | | | | |

Table 4: Commercial Fads, by Type

| Table 4 | | | |
|---------------------------------|--------------------------------------|-------------------------------|-----------------|
| Commercial Fads, by Type | | | |
| Property-Based | One-item (Multiple Marketers) | One-item (Proprietary) | Thematic |
| 52% | 20% | 18% | 10% |
| Source: EPM | | | |

Table 5: Prices for One-Item Fads (Both Proprietary and Multiple Marketer)

| Table 5 | | | | | |
|--------------------------------------------------------------------------|----------------------|----------------------|------------------------|------------------------|--------------------|
| Prices for One-Item Fads (Both Proprietary and Multiple Marketer) | | | | | |
| Less than \$1 | \$1 to \$4.99 | \$5 to \$9.99 | \$10 to \$14.99 | \$15 to \$19.99 | \$20 and up |
| 9% | 50% | 9% | 9% | 12% | 11% |
| Source: EPM | | | | | |

Table 6: Fads That Turn Into Franchises, by Method

| Table 6 | | |
|--------------------------------------------------|--------------------------------------|--------------------------|
| Fads That Turn Into Franchises, by Method | | |
| Take a Break and Relaunch | Continue with Core Categories | Continue Unabated |
| 19% | 43% | 38% |
| Source: EPM | | |

Appendix C: Charts

Chart 1: Total Life Span of Fads

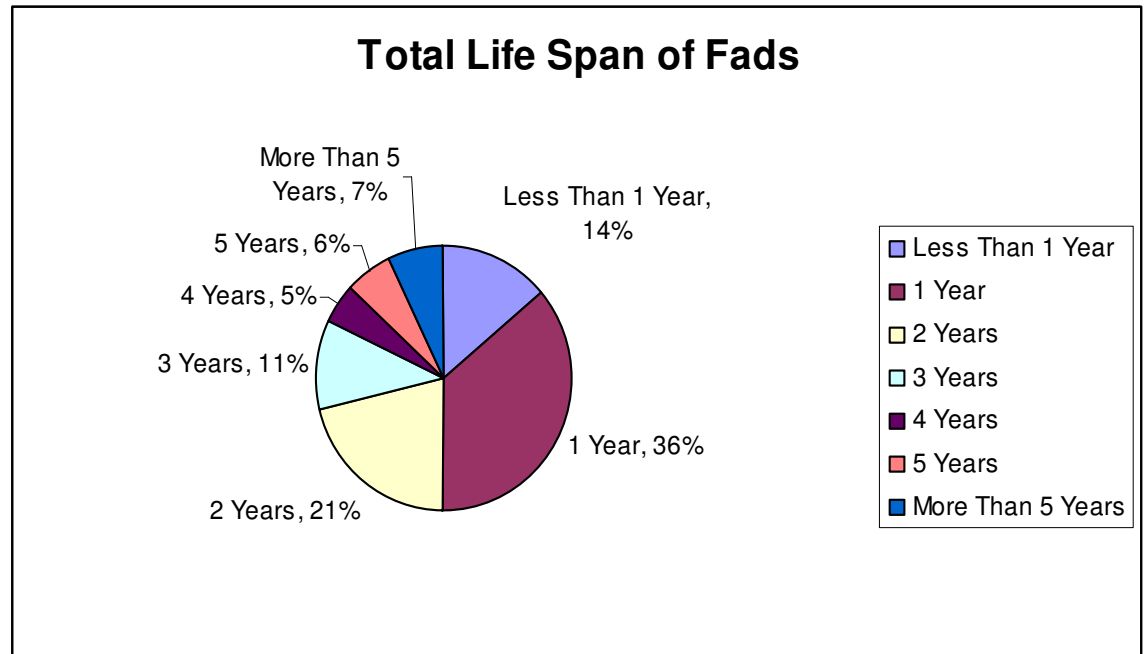


Chart 2: Commercial Fads, by Type

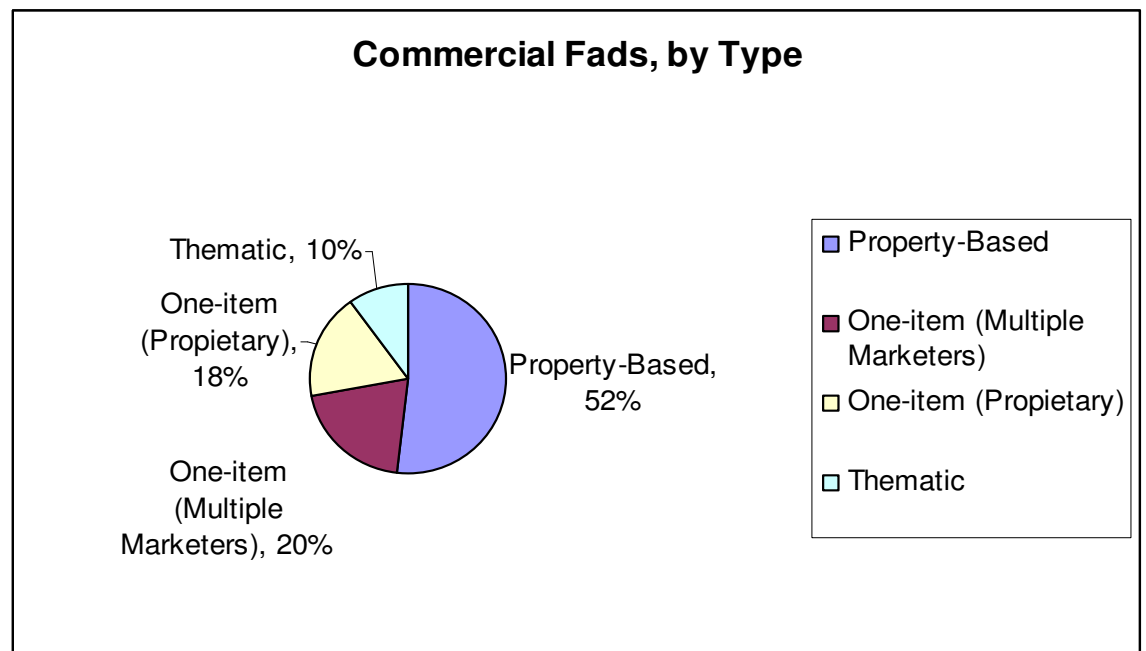


Chart 3: Prices for One-Item Fads (Both Proprietary and Multiple Marketer)

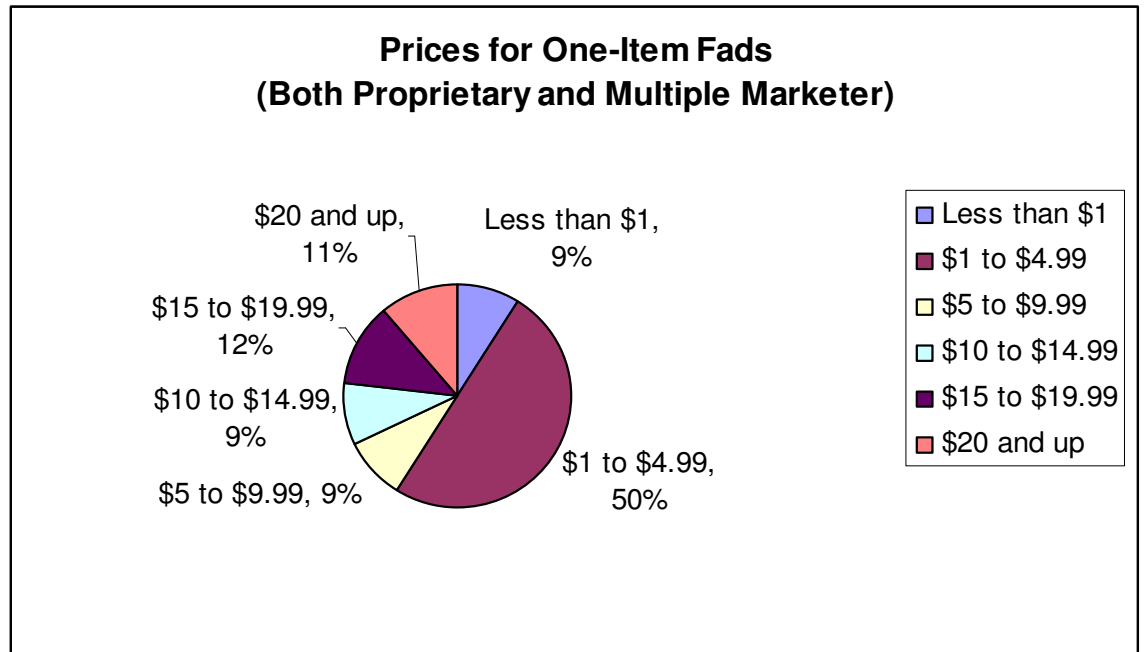


Chart 4: Fads That Turn into Franchises, by Method

