GoldieBlox: Marketing Analysis

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1. **What is GoldieBlox?**

 Goldieblox was created and established by Debbie Sterling in 2012. Debbie Sterling had become frustrated by the lack of women in engineering fields in the US (Wainwright, 2012). According to Sterling, “The scary truth is that only 11% of engineers are women and girls start losing interest in science as young as age eight. This is our chance to change that statistic” (Wainwright, 2012). Sterling launched her idea on Kickstarter.com, a popular crowdfunding website. She sought $150,000 for the start –up of her company (Burnett III, 2013). In less than five days, her Kickstarter campaign had raised the money she sought and within 3 weeks, she had raised almost double (Burnett III, 2013).

 The first GoldieBlox kit, entitled “GoldieBlox and the Spinning Machine” is marketed towards girls ages 4-9 and features a set of dolls, and illustrated book and a board game with a tool set. GoldieBlox is a little girl engineer who goes on adventures in her community with her friends and solves problems by building contraptions (Burnett III, 2013). GoldieBlox has since released two more kits, “GoldieBlox and the Parade Float” and “GoldieBox and the Dunk Tank”. The kits sell from $19.99 to $29.99.

1. **Competitors**

 GoldieBlox faces competition from several other companies that produce educational products aimed at girls. Most of these companies pre-date GoldieBlox. GoldieBlox faces stiff competition from strongly-established companies like Lego and Mega Bloks, both featuring products that put girls in builder and engineering roles (Burnett III, 2013).

 Lego released a line of play sets in late 2011 that were directed towards girls. These play sets were marketed as Lego Friends. At the end of 2011, girls only contributed to 9% of Lego sales but by early 2013, the Lego Friends line for girls now represented 27% of all Lego sets sold (Vega, 2013). Lego Friends sets sell for between $8 and $60.

 Similarly, Mattel started marketing new dolls in its Barbie line that featured science and math themes before GoldieBlox emerged in 2012. Barbie has been presented as an architect in 2011 and a Computer Engineer in 2010 (Wainwright, 2012). Architect Barbie sells on Amazon.com for $15.99 and Computer Engineer Barbie sells for $99.98 since she has been discontinued.

 Other competitor products include:

* Magnatiles: magnetic tiles for building; $35-$120
* Straws and Connectors: building kits with straws and connectors; $15-$40
* Mega Bloks, building block sets in various colors and themes; $10-50
* Roominate- a dollhouse that girls design and build with electricity and working elevators; $23.99- $39.99
1. **Distribution and Stage in Product Life Cycle**

 GoldieBlox is now sold in about 500 independent stores in the United States and Canada. Their kits are now available at Toys R Us and Amazon.com as well (Vega, 2013). Target also carries the kits. However, GoldieBlox’s products are not available at Walmart or Kmart.

 GoldieBlox seems to be developing into an intensive distribution, in which they seem to be aiming for maximum market coverage. However, at this time, this is difficult to verify. GoldieBlox is still in the introductory stage of the product life cycle. They have just begun the full-scale launch of their products into the marketplace. Presently, there is limited distribution and little newly-developed competition. Its main competition is from products that already existed before GoldieBlox’s emergence. Financial and stock information for GoldieBlox is not readily available but it is clear that the company did suffer a setback in the form of a lawsuit from the Beastie Boys over the use of their song in a GoldieBlox advertisement (Wee, 2014).

1. **Promotion**

 GoldieBlox’s primary form of advertising has been in the form of news and periodical articles. The company began through crowdsourcing site, Kickstarter.com, and gained notoriety for its active campaigning for engineering toys directed towards young girls (Burnett III, 2013). The company has maintained a heavy presence in the press with its aim to provide educational, engineering toys to girls to help establish a lifelong and potential career-oriented interest in engineering and the sciences. The company states that they are determined to “change the equation” by leveling the playing field between boys and girls “in every sense of the phrase” (About US). This is an example of their promotion strategy.

 Other than press, GoldieBlox has also created two commercials. The first was uploaded to their Facebook page and on their YouTube account. The first commercial was marked by controversy through a lawsuit from the Beastie Boys (Burnett III, 2013). Their second commercial aired during the Super Bowl in 2014 after GoldieBlox won a competition through Intuit for a Super Bowl ad (O'Connor, 2014). GoldieBlox runs a Youtube page , a Facebook page and also GoldieBlox.com where is also sells its products. Presently, GoldieBlox does not offer any coupons, offer codes or sales promotions (About US).

1. **SWOT Analysis**

**Strengths:**

 GoldieBlox benefits from a strong concept that gets consumers “fired up”. Their news presence has attributed greatly to the promotion of their products at very little cost to the company. Their idea of creating engineering kits that guide young girls through engineering processes with the help of stories is one that has not been seen in the industry. GoldieBlox also benefits from the distribution channels it has developed. Amazon is a large and very popular retailer online and Toys R Us is one of the top retailers for children’s products. The startup costs for the company were largely funded through crowdsourcing on Kickstarter.com, leaving the company with little to no debt from early development.

**Weaknesses:**

 GoldieBlox has not participated very actively in promoting its company and its products. Besides two commercials and a significant news presence, there are no active advertising campaigns at this time. Also, the company currently only features three kits in its product line. This will hurt the company as its target audience completes these kits and starts seeking more. Its competitors are strongly-developed within their markets and offer vast product lines as very similar, sometimes cheaper, prices. GoldieBlox is new to its industry and has already faced a lawsuit.

 Complaints about its product quality have begun to emerge online. One Facebook post from a member of the New York City Department of Education reacted to his daughter’s disappointment with GoldieBlox by stating that his purchase was “sort of a cautionary tale; it is very unlikely that we will be able to buy our way to equality. The owner of GoldieBlox is cynically enlisting us in a feel-good marketing scheme” (Davis Smith, 2013). Another mother detailed in a news article how her daughter lost interest quickly in GoldieBlox and that the kits were flimsy (Davis Smith, 2013).

 Another weakness to consider is replay-value. Parents seek toys that will have a lot of replay value. They do not want to purchase a toy that will only be played with once. Lego sets allow children to be creative and build hundreds of different things. It is not clear that GoldieBlox kits have the same ability.

**External Opportunities:**

 GoldieBlox has benefitted from social opportunities that have emerged as women seek greater equality with men in the workforce. Their goal to help young girls develop an interest in engineering sits right in line with the surging desire for women to be equally represented in currently male-dominated fields, particularly in the sciences. Marketing educational engineering toys to young girls also provides a strong demographic opportunity since there are not as many similar toys for girls as there are for boys. The kits are not overly expensive so they also fit into the current economic situation within our nation, where many parents’ budgets cannot include expensive toys.

**Threats:**

 GoldieBlox faces strong threat from current, strongly-established competitors in the target market. Shortly before the emergence of GoldieBlox, Lego had already launched a line of girl-oriented building sets. Other companies with firm standing within the market are also developing toy lines directed towards young girls that promote science and math skills. GoldieBlox is not as well-developed and has less product offerings.

1. **Conclusion**

 GoldieBlox is a fairly new company in its introductory stage in the product development life cycle. It benefits greatly from a new social movement towards gender equality and interesting young girls in careers in the sciences. It has been widely featured in news and social media. The company faces stiff competition from more strongly-situated competitors in its market that have also begun marketing to young girls. The price of GoldieBlox is very closely aligned with the prices of its competitors and it is now sold by some large, popular retailers. It is not currently carried by Walmart which could be concerning.

 GoldieBlox has a very limited marketing mix with only three kits in its product line. It has also not been advertising very strongly and is not offering any promotions. It has already faced a lawsuit in its first two years of business. It remains to be seen if GoldieBlox will surge into success but presently, it appears that the company may not be strong enough to make it to the Growth Stage of the product life cycle.

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