

DOLLS' publisher looks to the future of the doll business. • By Joe Jones

As we complete 25 years of *DOLLS* magazine publishing, we'd like to take a look forward to anticipate what the future will hold. What will the next 25 years bring? How will the market change? What trends do we see? How will the demographics change? To answer these and other questions and look into the future of doll collecting, it is important to look back, understand the collector, the final customer, the person served by the market.

Why Collect

Nostalgia is a great catalyst in the creation of new collectors. Many collect to remember the past. Their first collector piece may be one of their own original play dolls, a copy of a doll previously owned or one that was coveted but never acquired. Appreciation of artistry and individual appeal are two other major

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motivations for purchasing a collectible doll. Expanding an existing collection, complementing another collectible, decorating and displaying are some—but far from all—additional motivational factors affecting collectors.

The Greed Factor

Some individuals purchase collectibles only with the idea of making money. When investors enter a collectible market as they did in the late '80s and early '90s in the doll business, they can create a frenzied atmosphere, driving sales and

saturation of a market. Collectors stock up to the point of running out of room and cash and they become discouraged as they discover the lack of a strong secondary market. When the bubble bursts, investors stop investing and interest rapidly wanes. The Beanie Babies obsession is a good example of the effects of the greed factor.

The Bubble Bursts

As the doll market reached over-saturation in the early '90s, an entire generation of collectors and investors experienced collective opposition to the purchase of additional dolls. This forced some manufacturers to close, the number of individual doll shops to shrink and mass marketers such as Danbury

Forecast

Mint and Home Shopping Network to focus on other markets.

The baseball-card market illustrates the repercussions of the greed factor. As investor interest rapidly grew, card shops sprang up all over the nation, creating new collectors and investors, which created more business, which created additional shops, etc. When that bubble burst, shop closings were rapid and dramatic. In a very short period of time, baseball-card shops, which had been prominent in nearly every city in America, soon became difficult to find. This resulted in speculator disillusionment and a lack of face-to-face ability to create new collectors. Although true collectors have never gone away, the closing of doll shops had the same effect of failing to create additional collectors for the future.

This combination of the greed factor, market over-saturation, manufacturer mergers, closings and lack of participation by mass marketers resulted in a shrinking choice of new material, the lack of opportunity to create new collectors and a loss of enthusiasm from the current collector base.

During this waning period, all was not gloom and doom, however. In fact, the mature collector continued to be stimulated by quality work from recognized artists. High-end collectible pieces continued to remain collectible and saleable. Certain fashion doll companies experienced brisk sales of specialty pieces as well and they continued to grow and prosper, although the market generally continued its slow downward slide.

Market Trends

Although no one can absolutely predict the future, there are signs that indicate market direction and growth potential. Serious collectors have not gone away. In fact, people have been collecting dolls for thousands of years and it's likely they'll continue to collect dolls for thousands of years to come. This is an indication that

doll collecting is not just a passing fad, but also a stable industry with dedicated, loyal collectors who create a solid base from which to expand.

A New Generation

Today's market, however, is a different group from that of 15 years ago. The generation of the early '90s that became the victim of the greed factor is largely being replaced. This new group of collectors is comprised of an expanding market segment, consisting of baby boomers, generation X-ers and young adults with a whole new appreciation for the artistry of today and the nostalgia of another decade.

How Manufacturers See the Future

In a survey recently compiled by Jones Publishing, nearly 20 percent of the manufacturers responding felt the market will be slightly up in the next ten years and a whopping 80 percent felt the market will dramatically rise in the next ten years. What are their reasons for such optimism? Many have been through it before. They recognize the trends, monitor the reception of new products and hear firsthand the enthusiasm of the new collector base.

To reach this new market, manufacturers are creating new products, updating their flagship pieces and expanding their lines to create new collectors. Recent appearances of diverse creations such as *Wizard of Oz* dolls, *Desperate Housewives* dolls and *Harry Potter* dolls introduce today's generation to tomorrow's collectibles. Unique concepts, nostalgia marketing, exclusive pieces and special events are proven efforts that have increased sales for many of these established marketers. Utilizing these techniques, Mattel's Barbie collectible division sales, for example, is up a dynamic 250 percent above last year, same period.

Renewed Consumer Marketing

National marketers who target the general public with various collectibles have recently increased their offerings of dolls. Franklin Mint has just announced its return to the collectible doll market, TV shopping networks are either expanding their doll air-time or considering a return to on-air doll marketing and print advertising in general-interest publications has recently shown a steady increase, indicating increased interest in doll collecting by the general public.

Creation of New Companies

Another interesting trend is the recent expansion of the number of manufacturers in existence today. In the past two years, more than 20 new manufacturers entered the doll market, producing new doll designs, marketed in innovative ways, which have attracted fresh sources of collectors. Manufacturers who previously relied on a single artist are expanding their lines to include several new talents. Ball-jointed dolls have become the dolls of choice for the twentysomethings, and dolls of every ethnicity are more prevalent than ever before.

A new generation of collectors, fresh marketing ideas, unique designs, an expanding manufacturing base and a renewed proliferation of general-interest marketing are all positive factors that indicate a bright future for doll enthusiasts.

There is much reason for optimism in the doll business. These strong indicators point to a positive future and provide assurance that the dolls we love and cherish will continue to be produced. We can anticipate new concepts and designs that can be added to our collections and maybe even create entire new areas of interest for us.

As the voice of the industry, *DOLLS* magazine will be here too. We're in the information business and we're pledged to stay in the information business to make certain you are aware of what's hot, what's new and how the market is changing. But we'll also walk together down the memory-lane path, keeping you connected with the past of 200 years ago and reuniting you to your personal doll memories.

Best of all, 25 years from now, we'll be reflecting on the memories being created today. Stay with us as we cover the present, the past and the future. Let's make some wonderful memories together. ■

