



Yla Eason (A)

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Driving through the Lincoln Tunnel on a crisp fall afternoon in 1988, Yla Eason, founder and president of Olmec Toys, recalled her meeting with the retail buyers. She had pitched to them her company's line of ethnically correct dolls and toys and encountered familiar resistance. "But blacks are buying the white dolls," the buyers had insisted. Eason had patiently responded that white dolls were the only dolls available to customers. She had conducted enough market research and informal interviews to confirm that the customer base for ethnically correct toys existed, but the retail toy industry remained unconvinced. Eason was determined to open their eyes.

The inspiration to start Olmec Toys in 1985 had come from her three-year-old son, Menelik, who told his mother that he couldn't be like the super hero "He-man" because "He-man" was white. Eason was shocked and concerned — if he was already limiting his imagination, he might also be limiting his aspirations. She scoured New York for an African-American super hero but came up empty. Certain of the positive impact an ethnically correct toy could have on her son's self-image, she decided to create one herself.

Working full-time as a financial publications editor, Eason managed to raise enough capital to launch Olmec Toys and to finance the prototype for her first toy, an African-American super hero doll. For Olmec to succeed, Eason would have to develop new strategies to enter this highly competitive industry. Most importantly, she would have to prove the purchasing power of the expanding ethnic market to skeptical retail buyers.

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Eason's Background

Eason grew up in Tulsa, Oklahoma at a time when public schools were still segregated. The names of her schools engendered pride in Eason and the African-American community: Ralph Bunch Elementary, Marian Anderson Junior High and Booker T. Washington High School. Family and church instilled in Eason the belief that all children were equal, though the society around her often framed a different picture. Confident that her professional opportunities were limitless, Eason graduated from Fitchburg State College in Massachusetts and landed her first of several reporting jobs at the *Tulsa Tribune*.

After several years as a journalist, Eason entered Harvard Business School. Armed with her MBA, she returned to journalism, lending her skills to Dow Jones, Knight Ridder and eventually *The New York Times*. As a business reporter, Eason never imagined starting her own venture. She changed direction only briefly to market ethnic products for Clairol.

Seeking more time to care for her young son, she took a "nine-to-five" position as an editor for Standard and Poor's in 1984. Soon after, Menelik's disappointment over the lack of African-American dolls prompted more than maternal concern in Eason. She saw a significant market segment whose needs — and pocketbooks — had long been ignored.

The Toy Industry

In the mid-1980s, the toy industry was dominated by a few major players; a trend toward consolidation only enhanced the positions of giants like Mattel, Hasbro (which had recently acquired Milton Bradley) and Kenner. With 12 percent of the market share, and sales of \$880 million in 1984, Mattel was enjoying its most successful year ever, thanks primarily to top-sellers like the ever-popular Barbie doll and the Masters of the Universe action figures. GI Joes and Transformer toys pushed Hasbro's sales figures to \$714 million. The action figure market alone had catapulted from \$216 million to \$597 million in just one year, putting Eason's black super hero concept in one of the hottest segments of the industry. And although several Afri-

can-American and Hispanic dolls were already on the market, these products were simply the original Caucasian dolls dipped in darker paint, and did not reflect the physical traits of different ethnicities.

The vast majority of new toys that entered the market were created by the large manufacturers. Independent toy inventors displayed their prototypes at events such as the annual Toy Fair in New York, hoping that established manufacturers would purchase their concepts. Occasionally, inventors contacted toy companies directly to pitch their ideas. It was rare that a toy inventor would launch a new company with dreams of competing for market share.

The Importance of Toys to Children

From her own son's experience, Eason realized the impact dolls and toys could have on young children. To confirm those ideas, she interviewed parents at her son's nursery school, as well as dozens of friends and family members. They all wanted affordable, quality toys that would instill pride and build self-esteem in their children. Most notably, they wanted dolls with the same facial features and skin tones as their children.

Eason's informal research was borne out by child psychologists Dr. James Comer and Dr. Alvin Poussaint. Their book, Raising Black Children (Plume, 1975), acknowledged the important role that ethnically correct toys could have in strengthening a child's identity. They felt that children who played with dolls of different colors had a better understanding of diversity in the real world. Moreover, becoming comfortable with the variety of physical features of different ethnic groups at an early age gave children more confidence. According to Comer and Poussaint,

"There is good evidence that children who have a positive self-concept and are accepting of themselves are more tolerant and accepting of others and of change. You can see that a positive personal and/or racial identity is a must in order for your child to deal more effectively with other blacks and whites."

The Growing Minority Market

Eason needed to demonstrate the purchasing power of African-American, Hispanic and Asian-American customers. To build her case, she collected extensive demographic research. She found that 30 percent of Americans age ten and younger were non-white, and the number was growing. The National Census Bureau projected the following shifts in ethnic populations for the year 2000:

	<u>1985</u>	<u>2000</u>
Asian	2%	4%
Black	12%	12%
Hispanic	8%	11%
White	78%	72%

Launching the Business

Eason founded Olmec Toys in May of 1985, after raising \$60,000 from supportive friends and family in just one weekend. This was enough to launch the business and create her first prototype, Sun-Man, which she took from sketch to model in only five months (Exhibit 1: Sun-Man packaging). She then had to find a way to get Sun-Man on the shelves of big retailers like Kmart and Toys "R" Us.

Eason had tenacity and determination, traits vital to an entrepreneur. Even with an MBA, competing directly with the "big boys" would be extremely difficult, but catering to a segment of the market they neglected might prove quite profitable.

David Miller, President of the Toy Manufacturers Association, described Olmec Toys as a "crevice" business. His analogy: ants survive by staying in the cracks or "crevices" of the sidewalk. The giants walking above may not even be aware of the ants. Crevice businesses run smoothly in their niche unless they need greater visibility and credibility with important retail buyers.

Challenging Industry Perspectives

Eason arranged meetings with several retail buyers but quickly learned that getting buyers to acknowledge the minority market did not guarantee success. What surprised her most was the inherent bias of some individuals. One buyer told her

he was glad he wouldn't be alive when the ethnic market grew to such an extent. Others reasoned that since black children were buying white toys, there was no need to "disrupt the status quo." She found that few retail buyers had ever talked with African-American children to explore what kinds of toys they wanted.

A financial analyst told her that if a market truly existed for toys reflecting America's diversity, major toy companies already would have addressed the opportunity. But David Miller suggested that it was more a case of "benign neglect" by the larger toy manufacturers. He felt that, prior to Eason's research, the ethnic market had never been clearly defined.

Eason realized she was asking toy buyers to embrace a concept not yet proven in the marketplace — ethnically correct toys with different hair styles and textures, subtle differences in facial features and clothing that would appeal to children from different ethnic backgrounds (Exhibit 2: excerpts from Olmec catalog). Olmec needed these buyers to sign key contracts and generate capital. But meeting after meeting only brought frustration. Eason had to find a new strategy to awaken buyers to the long-term viability of this expanding minority market and to the potentially significant revenues.



Kea

This beautiful baby doll comes dressed in a sleeper, matching headband, baby bottle, family tree, birth certificate and pillow.

Item# 9060

Pack: 6 Cube: 1.8



Giselle
Beautiful Hispanic
Baby Giselle comes
dressed in a sleeper,
matching headband,
baby bottle, family tree,
birth certificate and
pillow.
Item# 42020
Pack: 6 Cube: 1.8



Mai
Beautiful Asian Baby
doll Mai comes dressed
in a sleeper, matching
headband, baby bottle,
family tree, birth
certificate and pillow.
Item# 8001
Pack: 6 Cube: 1.8