

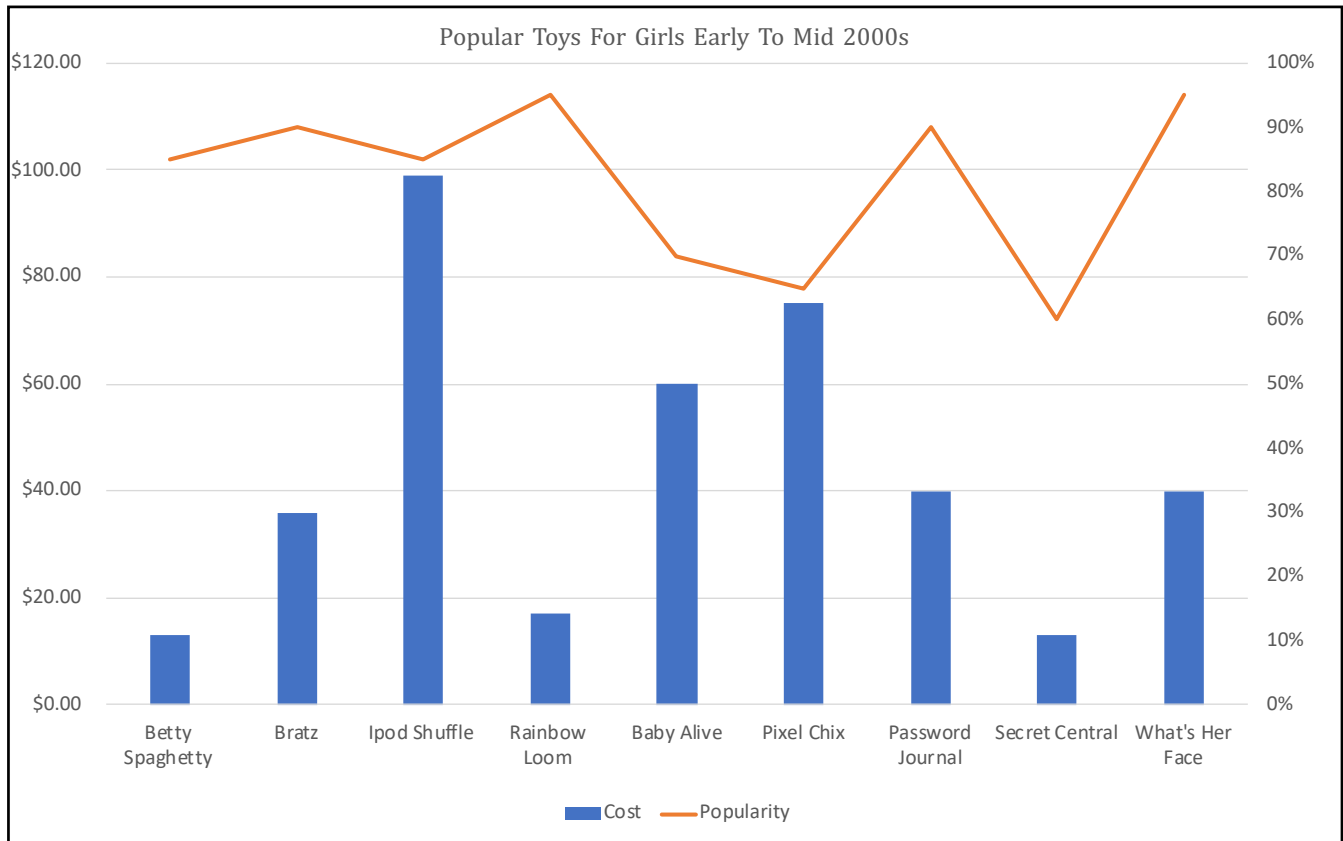
Proposal Report:
Ello Creation System Toy App As Entertainment and Educational Tool

From 2002-to 2004, the Ello Creation System toy from Mattel Inc.'s won three times the Oppenheim platinum best toy award. Project Platypus, known initially as 'think tank,' was created by Mattel's Girls-Division President Adrienne Fontanella and Senior VP of Worldwide Girls Design Ivy Ross as a creative strategy to introduce girl toys in the world of construction games.

The short-lived toy was invented by Barbie's Packaging Creative Director Richard Manville and engineered by top toy developers focused on making the collection appealing to girls aged 5 to 14. The set's core was a step beyond crafting, such as beading and customization, as it combined building elements with different, colorful, and flexible shapes and patterns. Available in dynamic ranges of color palettes, the game allowed players to create jewelry, buildings, characters, and decorative accessories.

A carefully crafted analysis of a potential relaunch for Ello has to take into consideration the patterns and trends in toy manufacturing history is taken into consideration. The pioneers were the fashion dolls leading with the Barbie collections, the Baby Alive dolls, and Polly Pocket for girls. For boys, it was Pokemon Cards, Beyblades, and G.I. Joe. Over the decades, the shift in toy trends has taken significant turns as children are introduced to technology at earlier stages of their lives. The early to mid-2000s shifted the toy industry as many toys were incorporating digital and more advanced technology into their development. With a wave of technological toys such as early designs of robots like the iDog and a broader scope of demographics for newer Apple products, toy companies realized that technology was the new way of playing. The critical difference in technological toys was slowly becoming gender-neutral. Whether robots like RoboSapiens were still considered boy toys, girls started to pick up the pace with Pixel Chix, Girl Tech Journal, and Barbie Fashion Designer DVD.

To understand the concept of why Ello was discontinued despite being a leading revenue stream in 2004 for Mattel in the Girls Department, it is important to analyze the trend that dominated girls toys in the early to mid 2000s.

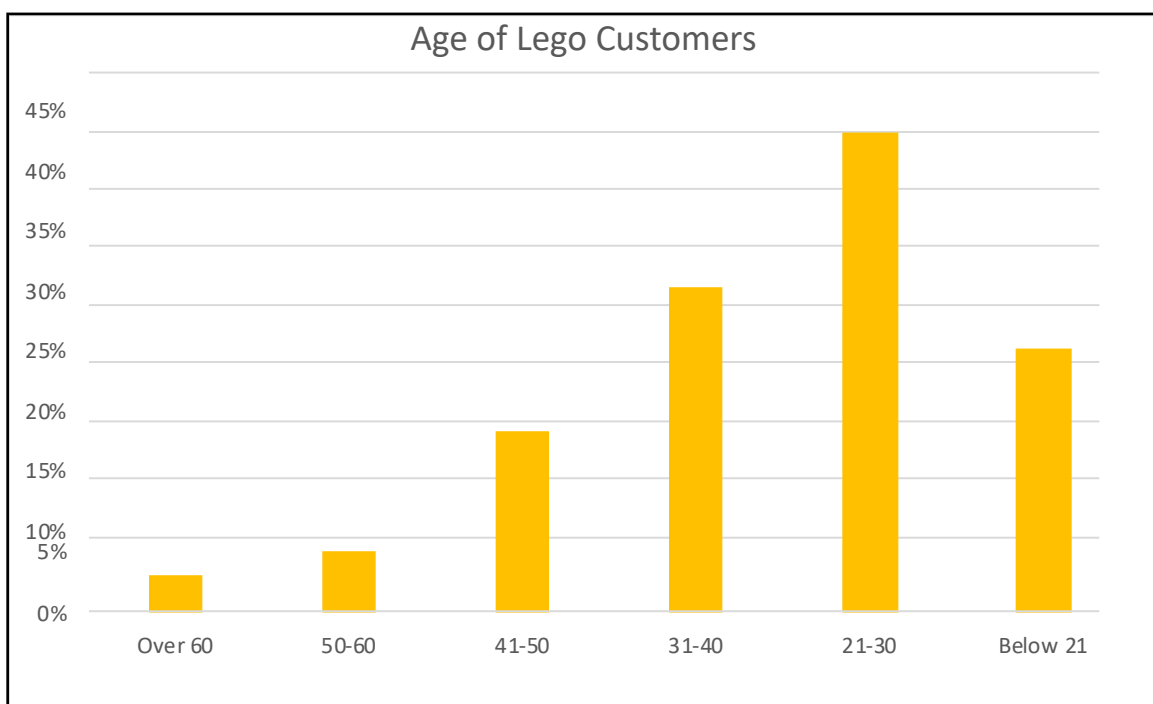
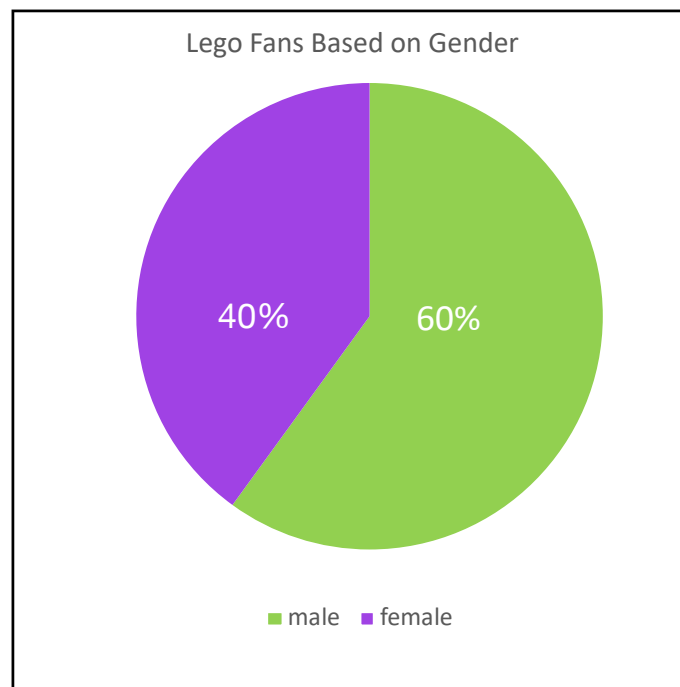


In this chart, it is evident in the data that there is a spike in technological toys for girls. Around the time these toys began their marketing campaigns, Ello and other construction games started to be considered too fussy and complicated for a simple play date. As the trend for simpler toys declined, technological toys became all the rave. Webkinz, Tamagotchis, and GameCube overpowered the market with a large target demographic. Including boys and girls, now Barbie became a video game, and the My Scene dolls were online games. But besides the technological advancements in toy manufacturing, a new mindset crept inside children's minds. Toy blocks were out, and excellent graphics were in. So, how did these companies stay relevant with their construction toys? Mattel continued the battle with Tog'l and Mega Blocks and finally hit their blockbuster, Minecraft.

Although Minecraft and other similar platforms like Roblox dominate the market, one factor breaks through in the construction game industry, and it still is the Danish company, Lego.

One of the most recent shifts in toy companies is Toys R Us going bankrupt in 2017. The iconic store closing clearly showed that the toy trends were shifting again, but where? Even though Mattel and Hasbro contributed to the bankruptcy by selling their products in big-box retailers like Walmart and Target, shelf space became tighter. The competition was more fierce than ever, and Lego was at the forefront.

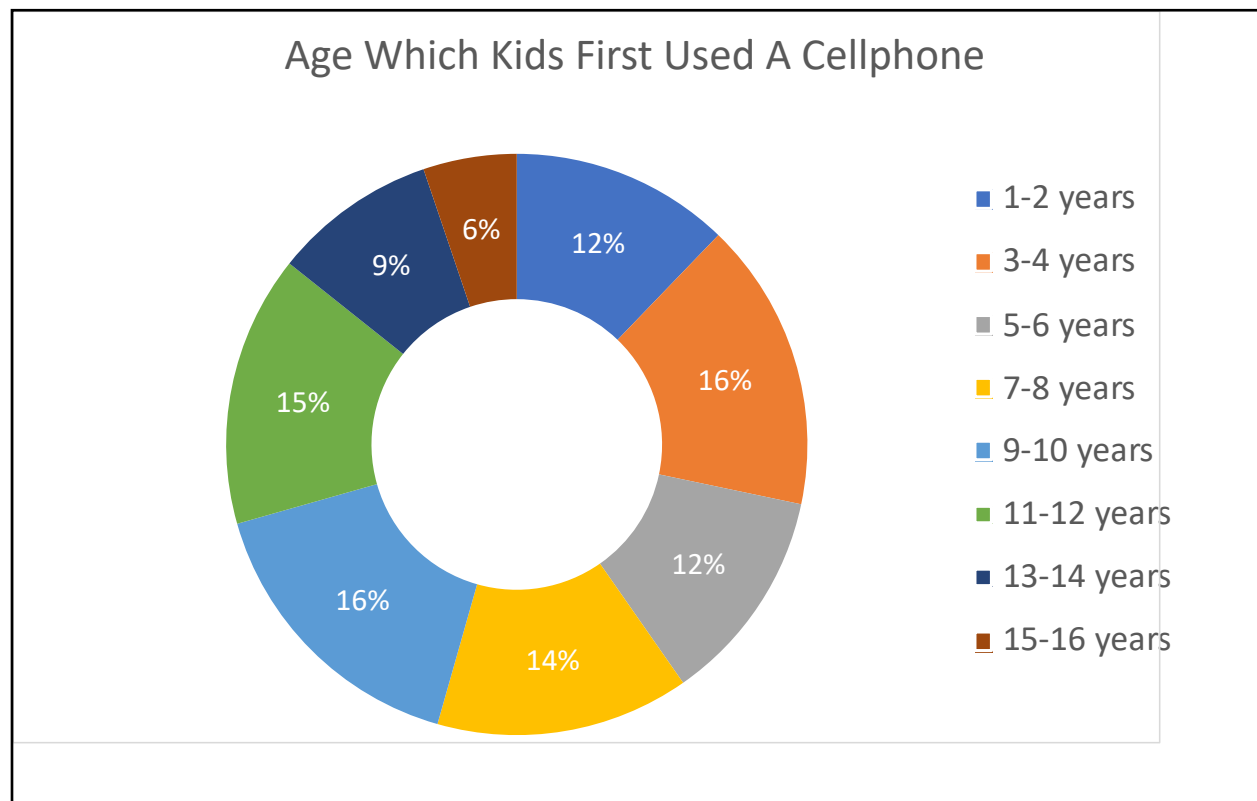
Despite Mattel's billion-dollar revenue with big-box retailers, it has become increasingly harder to retain children's attention with non-technological toys. So, how does Lego remain relevant? A closer look at their target demographics might explain their marketing strategies.



Based on the information above, Lego's customers and fans are older than Ello Creation System's targeted demographics of 5 to 14-year-olds girls. The only connection Lego and Ello have is that they are construction games. I want to focus on entertaining the idea of relaunching Ello, not as a competitor of Lego, but as an extension of the construction game market targeted to younger audiences.

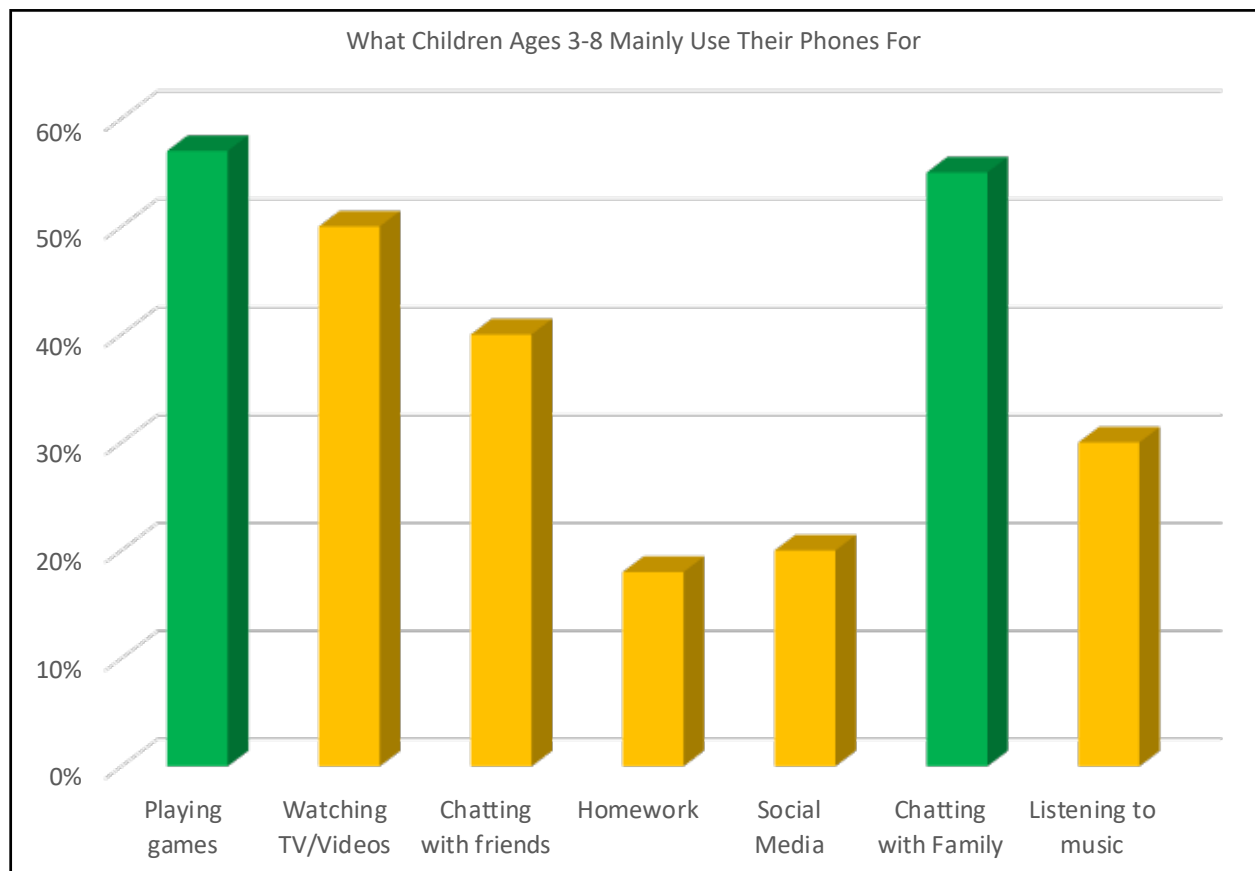
In order to capture the fast-paced app market for children, research has to be focused on successful apps for kids and parents' views of technology for their children.

In 2019, SellCell did a survey of 1135 parents in the U.S., asking them at what age they introduced a cellphone to their children. The most popular ages were 3-4 year-olds with sixteen percent and 9-10 year-olds with sixteen percent. The survey went beyond technology introduction and explored why parents gave their children access to technology.



The graphs hits the perfect target demographic for Ello Creation System because at 3-4 years old, children develop reading and creative skills that nurture their playtime and feed their emotional development. Then, from 5-6 years, children express their need for independence through small simple chores and practical classroom behavior. Finally, at 7-8 years old, children know simple math and read fluidly. All these behavioral milestones directly relate to what children are exposed to. If the Ello App hits all these crucial development skills and shows parents how it improves their child's creative thinking, the target market will be secured as a pre-Lego, customer.

There is also a clear advantage that children are first exposed to technology at such an early age that their brains can be malleable towards developing skills much faster. The Ello App should consult with experts and parents to create a brand around educating small children. If you add that SellCell found out that 43% of children spend +30 hours a week on their cellphone and 68% of parents in the survey agree that cellphone usage has a positive impact on their child's development skills; there is a clear pave the way for the Ello App to gain traction among parents and entertain children for hours. Because 57% of kids mainly use their phones for gaming, the Ello App has to be interactive and engaging enough to allow the child to build and re-build structures from their imagination.



Another popular thing for children aged 3-8 was the 'chatting with family' aspect, which is why getting into core app development, a key element is that it has to have a safe, parental monitored ability to communicate and share creations within the growing Ello Community. The communication aspect of the app has to feel safe enough for parents to let their children play freely because it is estimated that 88.3% of parents secretly snoop on their kids' cellphones. Safety must be a guarantee for parents so that the Ello App can be seen as a safe, creative tool for children. The double-edged sword with incorporating a communication feature in the app is that it has to keep children entertained and keep parents worry-free.

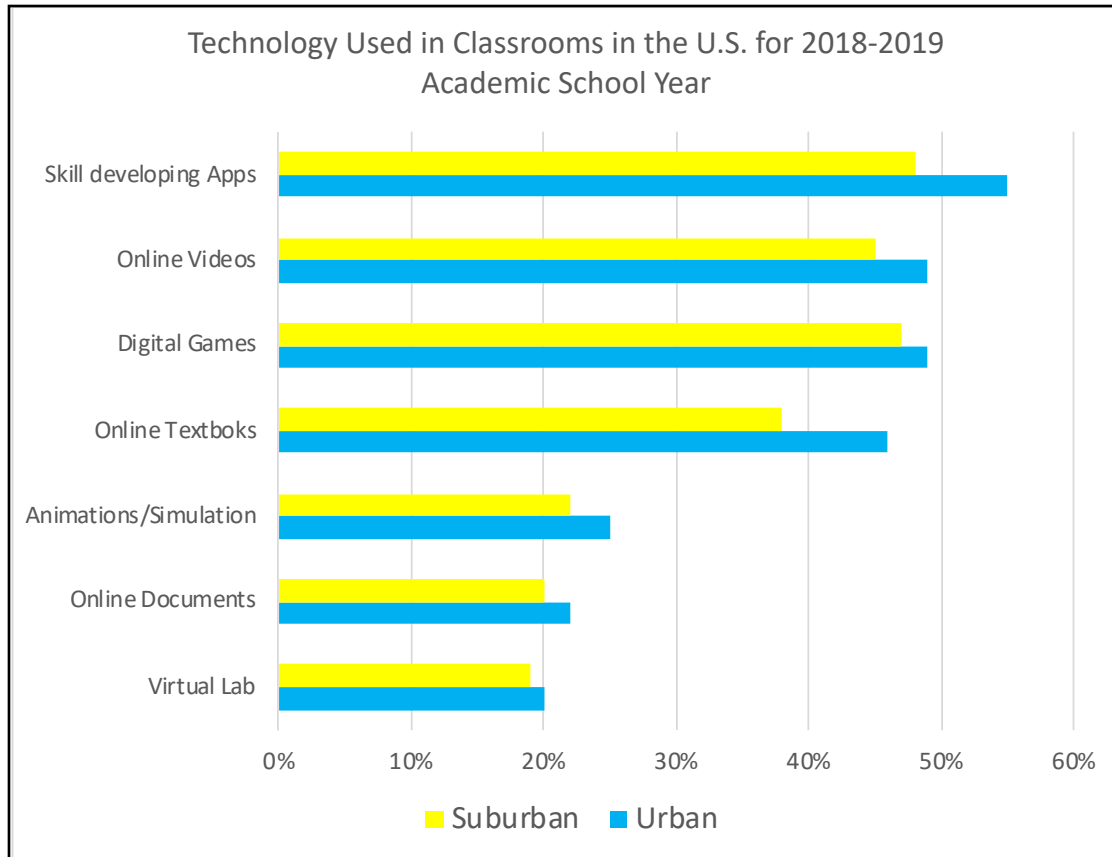
One of the main reasons the Ello App must create a safe environment for children is the inherent risk of online predators purchasing the game and infiltrating the community. The app has to have iron-clad regulations and constant monitoring to avoid this.

In 2008, the American Psychologists Journal released an article on online predators and their victims, debunking the myth surrounding the subject and its implications for prevention and treatment. One of the article's myths was that releasing personal information online and engaging in social networks didn't affect the increase in online predators. However, what did make children more vulnerable was the psychological repercussions of talking to strangers online and having access to a stream of information that could potentially pique a child's interest and lure them into engaging with strangers. That is why the Ello App must develop a safety-encrypted method that doesn't allow children to tap into a contact list of strangers but instead talk to their friends by using a unique code given with the purchase of the game that must be accepted and revised first by a parent. This would work because a child's friend got the game and wants to share its creation. For both kids to connect, parents must insert the 'friendship code' into the app and accept the invitation with a passcode known only to the parent. This is an extra safety measure for parents to understand that the Ello App is being used by children they are vouching for.

Although research suggests that only 3.9% of online predators use online games to groom children under the age of ten, parents must know that their children are safe while they use the Ello App. The National Sex Assault Hotline has extensive information available to the public that states that 34% of all victims reported in a calendar year are under the age of 12 and that 7% of those predators are strangers. One of the primary missions for the Ello brand should be to guarantee a safety net because even though online predators groom children outside of the app's target demographics, the possibility still exists. The Ello App must focus on creating a trusting relationship between consumer and company and offering itself a safe alternative to gaming apps where uncensored contact is allowed between its users.

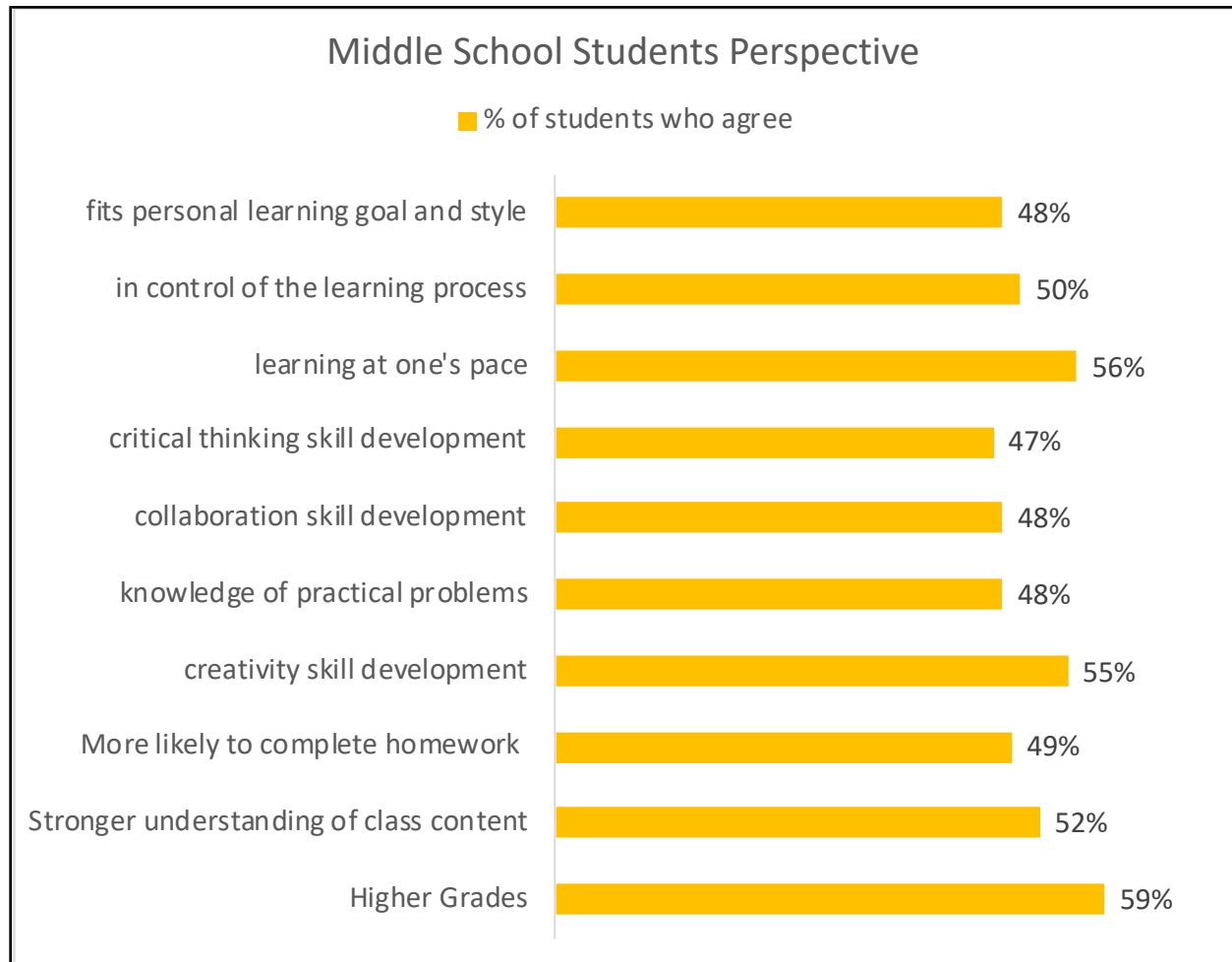
Once the app has gained an exemplary reputation amongst parents, the brand can extend itself into schools. In 2015, The National Association for the Education of Young Children published an article that explained how building blocks were necessary toys for children to understand where STEAM programs in the 21st Century were headed. STEAM is an acronym for Science, Technology, Engineering, Art, and Math. The article explained how construction play nurtured all areas of a child's brain and helped educators teach them new skills such as model language and literacy skills, work in context, extended thinking, and meaningful experiences. This is an area that the Ello App can exploit and coin as its brand while combining building blocks and technology. There is also a possibility of extending into partnerships with STEAM-certified curriculum schools where unique apps and toy designs are introduced in the industrialized market.

In 2019, the Transforming Education Through Technology Journal, did a research of over 343,500 students, parents and teachers in the U.S. for the 2018-2019 school year where it was reported just how much technology is used in classrooms for children grades 6 to 8 in urban and suburban schools.



It was reported that in urban middle schools, the use of skill developing apps was 55%. This widens the scope of the Ello brand and allows multiple revenue streams for the app to solidify itself as a successful educational tool for homes and for schools. Besides an app, with all the research collected it would be an added bonus to create content that directly correlates with the need for educational tools. Expanding into these areas would create an entire new subset of Ello and allow it to infiltrate the education market.

Project Tomorrow, is a national, educational nonprofit organization that released in 2019 a research that explores the impacts of digital media in middle schools. One area of the report showed the benefits of digital learning from the perspective of a middle school child.



The market for the Ello App and brand to expand is a possibility that would benefit children inside the app's target market. Before the Ello App is grown into a program for schools and learning centers, the app must have solid proof of concept in the commercial market. Developing the app for education through creativity while enriching a child's mind is the perfect way to relaunch Ello Creative Systems.

Overall, Ello Creative System's relaunch holds many successful possibilities when studied with the correct data. The early days of Ello can be designed to sustain the test of time as they evolve into the digital world and become a staple for parents and educators.

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