

# Games Marketers Play

By Charles M. Madigan



**The Real Toy Story**  
Inside the Ruthless Battle for  
America's Youngest Consumers  
By Eric Clark  
Free Press, \$26.00



In my memory, the grandest toy of all was the Lionel steam engine with the nine freight cars, which included a vibrating cattle car with tiny rubber steers, a helicopter-launching car that could shoot a grey 'copter with enough force to shatter vintage Christmas tree ornaments, a black Baltimore & Ohio gondola car full of wood barrels, and a red Pennsylvania Railroad caboose with a light that flickered.

It was a toy for the ages from my generation, the '50s kids who had American-made toys in abundance, all of them purchased from friendly local department stores or toy shops, almost all made here in the homeland by well-paid craftsmen lining the workbenches of dependable old factories.

This is a world that has disappeared forever, although the production of toys, dolls, and games is still a big business. You can still buy a nice train, but it has made a very long journey.

Today's toy business retains little of the charm that defined its ancestor companies. These days, toys flow from concepts, from themes, from media synergies and tie-ins with TV characters and movie plots. Perhaps more important than that, toys generally flow from China

into big-box stores in America. The remaining small toy stores are in constant battle with them.

To slash production costs, the place to be is China, a nation as facile at popping out dolls, cars, and the components of the latest trendy tech toy as it is at popping out hammers and Christmas ornaments. The trail leads from places you can't even pronounce right into the living rooms of America, where an eager army of target-market tots seems to get pretty much whatever it is conditioned to desire.

There is a collection of uncomfortable realities at the heart of Eric Clark's *The Real Toy Story* that should be boiled down and shipped to parents and parental wannabes. The first would go something like this: *There are no Christmas elves, and what happens in the toy business has only the most passing connection to jolly old St. Nicholas.*

In reality, Clark tells us in this well-researched and compelling book, kids are the targets of an industry that has

an unlimited capacity for shilling and few scruples about the target toy audience. It will do whatever it takes to create demand for the toys it presents.

It would be wrong to suggest that this is the only theme that runs through the book, but it does, indeed, surface with some frequency. In the British tradition that has long delighted in poking at America, Clark is a great finger-waggler and not at all shy. A former reporter for *The London Observer* and the *Manchester Guardian*, Clark's book seems a natural follow-up to *The Want Makers*, his 1988 study of the advertising business.

He spent three years on this effort and, his publicist says, conducted some two hundred interviews with toy-industry insiders. To his credit, it shows. This is a good read for people interested in tracking the development of an industry

## The Corporate Blogging Book

Absolutely Everything You Need to Know to Get It Right

By Debbie Weil  
Portfolio, \$23.95

This is one case in which a book's subtitle has got it right. "Everything" sounds hyperbolic, but it's actually hard to think of anything left out of Weil's book, which is both an overview of the blogging phenomenon and a manual for bloggers and would-be bloggers.

Blog, as (mostly) everyone knows, is short for "Web log," which is an easy-to-publish website—easy meaning that anybody who can write a sentence can establish a blog. Consequently, there are a lot of blogs in this world, many, many more than are actually read by anybody but the blogger himself. But most blogs aim to reach as large an audience as possible, and that is certainly true of corporate blogs, which is what Weil's book is all about. This type of blog is intended to communicate to employees and customers and any other constituencies that a company or executive is interested in reaching.

If you're ignorant about blogging—and don't want to show it—then this is the book for you. It confronts the fears about blogging (legal issues, losing control, time expenditure), sets out blogging guidelines, describes the tools and technology needed, examines the ROB (Return on Blog), and addresses the ultimate question: Are you—as a senior executive—ready to blog? If you're on the cusp of an answer, Weil may make you a believer. She offers many examples of executives who've successfully used blogs as a bully pulpit. Think of it: You can tell the world what you're doing without worrying whether that newspaper interviewer "got it right." But as she points out, there's a price that the executive blogger must pay: To be interesting (and widely read), he's got to take risks and avoid B.S. —A.J. VOGL

that, while it has no great impact on gross national product, has learned to translate stuffed animals, plastic booby dolls, toy soldiers, and space gizmos into vast fortunes for their inventors and marketers.

It's all here, from the fabulous dream story of the Canadian journalists Chris Haney and Scott Abbott, who invented Trivial Pursuit and then pushed it until the world realized it could not live without it, to the long reign of the Barbie doll, to the dominance of Scrabble, probably a game that would not succeed were it invented today. It makes a person want to sit down and come up with something clever to slice a juicy slab off of this \$20 billion industry.

Dream on.

Clark devotes a good deal of attention to grand ideas that crashed and burned. It is not easy to be a toy inventor. You would have more luck working on kitchen-table cold fusion. That's not to say there isn't a fortune to be made—it's

But that isn't what's interesting. It's the marketing.

Barbie has been a lifestyle option for years, changing with the times (and changing her whole line of accessories, too). I put Barbie into my sorority-girl-who-is-going-to-have-nothing-to-do-with-you category a long time ago. I am no Ken, after all. (Thank God, because Ken is sexless, having only a bump where the rest of us men have . . . well, never mind.) Bratz dolls aren't like that. I can imagine a Bratz working overnight at a donut shop, and I can imagine waiting until dawn to pick her up after work. I can't see Barbie eating salsa; I can see a Bratz putting salsa on everything. Clark spends a couple of good pages talking with MGA CEO Isaac Larian, a bold character who is in no way buttoned down. It is the one chapter of the book you should read twice.

I wish I could report that Clark's book left me feeling optimistic. It didn't. Someday someone will look back on

It is not easy to be a toy inventor. You would have more luck working on kitchen-table cold fusion.

just a fortune that is very well protected. Like something in a cave guarded by dragons!

Haney and Abbott are the case in point. No one is going to invent Trivial Pursuit again. It was the board game that taught the toy business that adults could be a huge market, given the right game. But it was a big challenge from its inception, and for several years it survived on faith and little more than air. When it hit, it hit huge.

Perhaps my favorite chapter in *Toy Story* recounts the battle of the booby-doll behemoths, Mattel's Barbie and her earthy challenger, MGA Entertainment's Bratz. Barbie is a \$3.5 billion property for Mattel, and Bratz has been coming on fast, with about \$1 billion of the doll market.

children in this generation and note, quite sadly, that they had so much and so little at the same time. Thank indulgent parents and relentless marketers for that.

My greatest hope at the end of Clark's book was that somewhere in China, a Joe Hill was rising to inspire the workers to mutiny, take control of their own lives, and stop being ground into the dusty streets of an industrial world by a few people who are making a fortune by controlling the means of production.

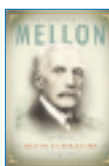
Oh, wait! That already happened, roughly at the same time my Lionel electric train was being produced somewhere on the East Coast. Chairman Mao and Marx were not the answer (unless you're talking about Marx Toys).

But it should be recognized that, despite improvements in China's labor laws and monitoring programs endorsed by big American toy companies, conditions are still terrible in many factories. Comparisons to millwork in New England in the early nineteenth century come to

mind, but on a much bigger scale. The toy industry has consolidated into the hands of a couple of huge companies. The elves are gone. Santa is a ghost. And what you see on the shelf has invisible ties to conditions halfway around the world that are not at all jolly. 🍪

# Mr. Mellon Goes To Washington

By Peter Krass



**Mellon**  
An American Life  
By David Cannadine  
Knopf, \$35.00

In late 1919, the year both Henry Clay Frick and Andrew Carnegie died, there remained alive one Pittsburgh tycoon from the city's industrial golden age: banker and financier Andrew Mellon. Yet another flawed and contradictory character who made millions, Mellon is described by biographer David Cannadine as alternately withdrawn, aloof, detached, poker-faced, and a staunch Republican. "So I was not at the outset exactly well disposed toward Andrew Mellon," Cannadine writes. "I found him a fascinating biographical subject but an unsympathetic person with unappealing politics."

Although no biographer should have unconditional love for his subject, this statement is not an ideal preface for Cannadine's 779-page tome, in which he assiduously tracks Mellon's rise to become one of the nation's most powerful bankers. How can a biographer tackle a subject for whom he has no empathy and produce an engaging biography? Cannadine generally succeeds in doing just that, and the persevering reader will readily understand how Mellon's life story remains pertinent today.

The reader will discover that many of Mellon's business practices, while forward-thinking for his time, are now self-evident: investing in well-managed companies, grooming executives, building a diversified portfolio, and achieving vertical integration to gain efficiencies. Although there is marginal value in dissecting his business experiences, the reader can take away more worthwhile lessons from how Mellon conducted his personal life and from his dozen years as secretary of the U.S. Treasury.

The story begins with Mellon's Scotch-Irish heritage and, in particular, his father, Thomas Mellon, whose own parents immigrated to the United States in 1818 and settled on a farm near Pittsburgh. Thomas, who would exert great influence over all of his children, went into law practice and was eventually appointed a judge. As the Pittsburgh economy boomed during the Civil War and Reconstruction, political-industrial cronyism provided ample opportunity for him to become wealthy in coal, real estate, and banking.

A strong-willed, self-made man, the judge was determined to bring his six

## Andy Grove The Life and Times Of an American

By Richard S. Tedlow  
Portfolio, \$29.95

In this weighty volume, Harvard historian Tedlow tracks Andy Grove's rise from "penniless refugee" to "arguably the most admired and influential businessperson in the United States." Grove joined Intel in 1968 as its third employee and eventually served a dozen "spectacularly successful" years as CEO, along the way introducing "strategic inflection point" and "only the paranoid survive" to the American business vocabulary. Tedlow's account is highly readable but moves forward deliberately, slowed by its year-by-year account of Intel's doings, punctuated with excerpts from Grove's contemporaneous musings about technology, business, and corporate decision-making, drawn from his private notebooks.

The result is a fine, authoritative biography of Intel as well as a primer on Grove's writings and management philosophy. Granted, Tedlow goes deeper into Intel's workings—technical, financial, managerial—than many readers will care to go. We learn about semiconductors and microprocessors, about Intel's 1990s marketing push to make its PC chips famous, about the "life-and-death struggle to establish the standard for the 16-bit microprocessor market." Tedlow devotes twenty pages to the 1994 Pentium "floating point flaw" debacle, which got big headlines at the time but seems almost trivial today.

As if to emphasize the book's scope and depth, Tedlow follows the Pentium saga with fully fifteen pages on Grove's battle with prostate cancer. The thoroughness is part of an effort to penetrate what he calls "an irreducible element of mystery about Andy Grove." There's an awful lot of space spent on seeking clues in Grove's Jewish and Hungarian heritage, and in every scrap

of information about his childhood; we even learn a good deal about Hungary's twentieth-century political history, quite apart from Grove's 1956 "escape to freedom."

Excess verbiage aside, Grove does come alive in these pages. Intel's "indispensable man" is an inspiring figure, and an appealingly human one: quick, ridiculously bright, grouchy, impatient, a terrific writer, a genuine thinker, a demanding boss. At the end, Tedlow compares Grove to Odysseus and Benjamin Franklin, and even if the CEO's life doesn't rise to that level of historical importance or deserve quite that much scrutiny, he's worth the hours that *Andy Grove* demands.

—MATTHEW BUDMAN

## Wikinomics How Mass Collaboration Changes Everything

By Don Tapscott and Anthony D. Williams  
Portfolio, \$25.95

You've heard of Malcolm Gladwell's "tipping point." And you've probably heard about James Surowiecki's "wisdom of crowds." The titles of such books have already become part of our language. Tapscott and Williams should be so lucky with their *wikinomics*, the latest would-be buzzword to adopt the *wiki*-prefix (see: Wikipedia).

Wikinomics refers to what the authors call "weapons of mass collaboration," which include such infrastructures as the Internet, open-source software, and global outsourcing platforms that allow people to participate in the economy as never before. The phenomenon is occurring now in media and entertainment, but Tapscott and Williams argue that these industries are like the canaries in a coal mine—"the first casualties in a revolution that is sweeping across all industries."

There are good things about wikinomics, which will allow billions of peo-



children into the burgeoning family empire; he filled an autobiography, *Thomas Mellon and His Times*, with aphorisms along the lines of, "Industry and thrift, with reasonable judgment to guide, will always prosper." Carnegie extolled the book as a manifest for living well, and the judge's numerous maxims concerning thrift, character, and self-reliance—worthy of our attention in an age marked with self-absorption and executive excess—certainly influenced his son.

In boiling down Andrew Mellon's character to its essence, Cannadine argues that it reflects a childhood home run by dour Presbyterians: "Although surrounded by a lush and bountiful garden, the house at 401 Negley was gloomy and forbidding inside," he writes. "For Thomas Mellon disdained the vulgar ostentation which he feared was 'common among those grown suddenly rich,' whom he dismissed as the 'shoddyocracy,' and his house was devoid of the elaborate ornamentation, both inside and out, that would become popular among the local plutocracy in subsequent decades."

In adulthood, Andrew Mellon, who never made money for money's sake,

brought this cold, austere, calculating attitude to business with great success; he demonstrated such aptitude that his overbearing father relinquished the reins of T. Mellon & Sons in 1882. The 26-year-old Andrew took his father's modest bank and created a fortune that diversified into oil, steel, aluminum, and streetcars—and in 1930 reached a book value of over \$120 million. In analyzing how Mellon created such a prodigious fortune, Cannadine points to the "Mellon system." The crux of the system was Mellon's "extraordinary gift for spotting and nurturing outstanding individuals with promising ideas." In other words, he was the Warren Buffett of his day. (One wonders if there are so few Mellons or Buffetts because there are so few executives selfless enough to nurture rising stars.)

A primary example involving Mellon was his loan to and subsequent investment in the Pittsburgh Reduction Co., which pioneered the making of aluminum and would later be called Alcoa. Mellon recognized the commercial value of aluminum and, more importantly, the leadership qualities of Arthur Vining Davis, the young but brilliant man behind the

---

PETER KRASS is the author of biographies of Andrew Carnegie and Jack Daniel as well as the forthcoming *Ignorance, Confidence, and Filthy Rich Friends: The Business Adventures of Mark Twain*. He wrote "The Master's Voice" in the Nov/Dec 2006 issue of TCB Review.

company. Though often cold and calculating, Mellon understood the importance of personable mentoring, and he took Davis under his wing.

Also integral to the “Mellon system” was finding or building businesses that were vertically integrated and therefore self-reliant, a precept preached by Thomas Mellon. This philosophy paid dividends when it came to an investment the family firm made in Pennsylvania oil wells, consolidated under the name of the Crescent Oil Co. The Mellon family built a refinery a dozen miles outside of Pittsburgh, started making petroleum products, and in 1891 decided to build its own pipeline to the Delaware River to circumnavigate the Standard Oil juggernaut. Self-reliance triumphed—the Mellons were one of the few to survive Rockefeller’s onslaught.

Every move Mellon made was calculated; he was never a speculator—until an ill-fated marriage. At 45, he married a beautiful Englishwoman less than half his age and then took a businesslike attitude toward their relationship, extolling his wife’s ability to manage the household and pay the bills. Indeed, business always came first for Mellon, with his family a distant second, and the result will be familiar to any reader who has struggled with work/family balance—though with perhaps larger headlines. To cut an entangled drama short, Mellon’s wife had an affair with an English confidence man, and the marriage ended in a scandalous, public divorce.

It was hardly Mellon’s last bout with unflattering press. During the 1920 presidential election, he loaned the Republicans \$150,000, personally gave \$56,000, and raised another \$400,000—yes, lobbyists and special interests were alive and well a century ago. A grateful President Harding named Mellon secretary of the U.S. Treasury, a position he held for eleven years.

After initiating interest-rate cuts, lowering taxes, and overseeing the booming 1920s—which, not coincidentally, generated incredible personal wealth for himself—Mellon faced his greatest obsta-

cle with the onset of the Depression. With all his power to set policy, Mellon proved unimaginative and out of touch. He did not believe in “surrendering the management of business and industry to government”—a philosophy that was conveniently self-serving. In addressing this period, Cannadine’s comparisons and contrasts between Mellon’s times and ours, which share many remarkable similarities, are particularly striking and make his occasionally tedious story worth reading. (It’s hard to avoid thinking about the Bush administration, which makes similar arguments, cuts taxes, and provides incentives for business, at an unspecified long-term cost. Is the administration setting us up for another Great Depression even as the Dow Jones average has achieved new highs?)

Incidentally, shortly after Franklin D. Roosevelt was elected president in 1934, tycoons became fair game for a depressed nation. Mellon was an obvious and immediate target: When he accepted his government post, he was supposed to have disengaged from business but instead sold his shares to his brother Dick. Public outrage over this arrogant conflict of interest had barely waned and was quickly rekindled. The Roosevelt administration made Mellon a target, twice accusing him of tax evasion. Although he would eventually be exonerated on all charges, Mellon’s reputation was forever tarnished; not even his donation of both \$10 million and his remarkable art collection to found the National Gallery of Art cleansed his image.

There are poignant, implicit life lessons, as well as instructive social issues that echo today, to be garnered from Mellon’s story. As for Mellon himself, however, there is good reason he is a largely forgotten tycoon: While capable, he lacked the creative genius, color, and dynamic dimensions of Carnegie, Morgan, and Rockefeller. Mellon was a larger-than-life figure, and it’s worth remembering the man behind the bank, university, and academic scholarships that bear his name. But his contemporaries’ life stories make for much better reads. 📖

ple to be active participants in their workplaces and elsewhere, but it also holds the potential for bad consequences: “online collectivism” that will lead to “mass mediocrity.”

The authors are optimists about the impending “collaboration economy.” The business model, they say, is being turned upside down, and if you don’t turn with it, you’ll fall out of the picture. Whether wikinomics is as imminent or will be quite as pervasive as the authors believe is an open question, but they make a convincing case supported by many examples. —A.J.V.

## The Lure of Gold An Artistic and Cultural History

By Hans-Gert Bachmann  
Abbeville, \$75.00

The perfect gift for, well, anyone who appreciates precious metals, this massive book surveys the history of gold from all angles: its historical importance, role in art and design, and continuing fascination for everyone who’s ever fondled a bracelet or gazed in wonder at a photo of Tutankhamun’s treasure. Bachmann’s story begins more than six thousand years ago and takes the reader—or, more likely, browser—through four epochs and into the modern age. Gold’s unique properties and scarcity have made the metal ideal for use in jewelry and fine art, as a component in nanoresearch technology, as a conservative investment, and, until the Bretton Woods Agreement in 1944, as an international currency standard.

Bachmann’s prose (translated from the German by Steven Lindberg) is straightforward, staying out of the way of his research, and the gorgeous full-page photos—which, understandably, get a little monochromatic after a couple hundred pages—are deep and rich. After gazing at so much gold, it’s hard not to feel covetous. —M.B.