

Analysis of Barbie Dolls' Low Sales Volume in China

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Abstract. Barbie dolls are popular in many countries, and this toy brand has made a lot of profits for Mattel, the world's largest toy company that owns a large number of well-known toy brands including Barbie. The USA is the largest market for Barbie dolls, and the sales of Barbie dolls in the USA market account for 56.52% of the total. However, in China, Barbie dolls' sales volume does not live up to expectations. In this paper, by using Hofstede's five dimensions, the author analyzed the cultural differences between China and the USA, which indicates that the cultural diversity between China and the USA, such as power distance and individualism/collectivism, can influence Barbie dolls' sales volume. Based on this analysis, the author suggested that Mattel should change its strategies in localization and advertising, so as to improve the sales volume of Barbie dolls in China's market.

1 Introduction

Mattel is a global toy company which owns a lot of well-known toy brands, including Barbie, Hot Wheels, and American Girl. Debuted in 1959, Barbie has been prevalent for more than sixty years [1]. Barbie dolls have made a lot of profits for Mattel, and these dolls are a

memory for many girls all over the world. As the most popular brand in this company, Barbie, contributing to 26.28% of the total sales volume of Mattel, has made a sales volume of 1.35 billion dollars in this financial year according to the financial report of Mattel [2]. As shown in Figure 1, in 2021 and 2022, Barbie still has a remarkable sales volume and an impressive profit [3].

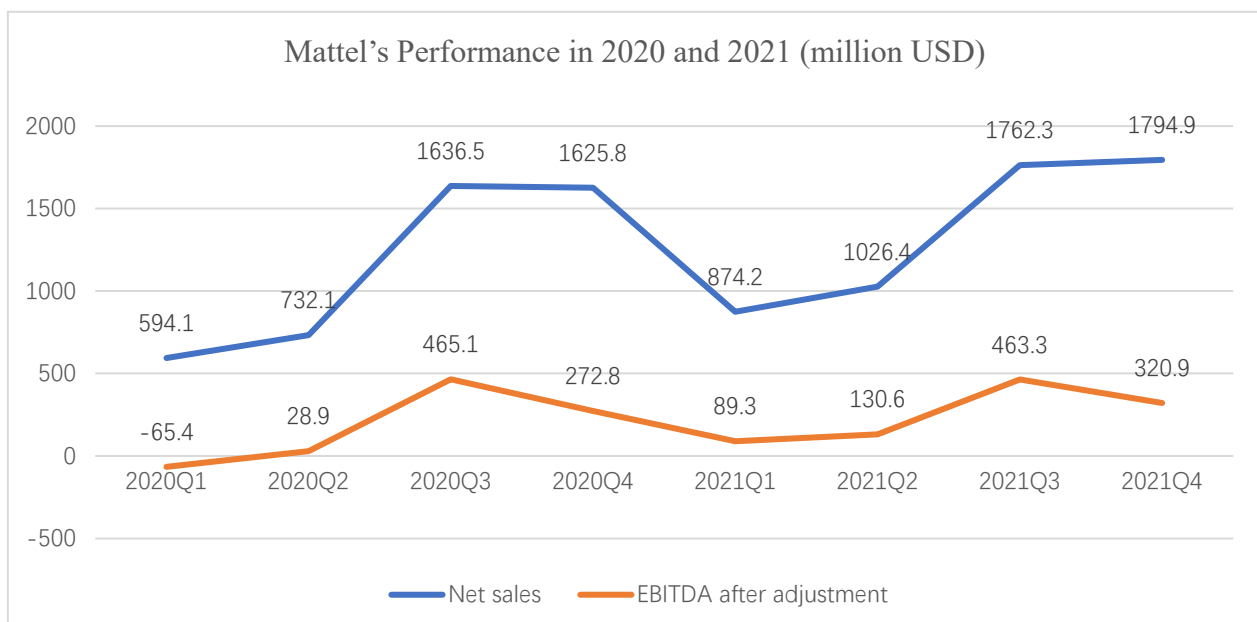


Figure 1. Mattel's performance in 2020 and 2021 [3].

However, compared to the prosperity in other countries, Barbie has met with a challenge in China. Barbie's market share and sales volume are not optimistic in China for decades. To boom the sales of Barbie dolls in China, in 2009, the first and the largest Barbie flagship store in the world was launched in Shanghai, where people

could buy Barbie dolls and experience the life of Barbie style. In this store, SPA treatment, skincare products, and nail services were available during business hours. Nevertheless, this store was closed in 2011 because the earnings of the store did not meet the expectation, and Barbie's sluggish sales in China did not change. In 2011,

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Barbie’s sales volume in China was 2.5% of the whole sales volume of Barbie [4]. Compared the number of children and teenagers in China with other countries which have a sales volume ten times more than that in China, the sales performance was undesirable. From 2020 to 2022, the sales of Barbie dolls increased rapidly in the USA, but in China, the sales volume of Barbie dolls does not make a slight improvement. Based on the sales volume of Barbie dolls, Barbie dolls in China are not as popular as them in the USA. In this paper, the author tries to explore the reasons from the aspect of cultural diversity by using Hofstede’s dimensions, and some advice to improve the sales of Barbie in China is given based on the analysis.

2 Literature Review

Culture is a significant element in human being’s life, and it intertwines with international business in a lot of aspects. However, the definition of culture is often blurred. There is rarely a clear definition of culture that makes a comprehensive abstract of culture’s every aspect. Hofstede, in his paper, defines culture as collective programming of the mind which distinguishes the members of one group from another. His five dimensions will be applied in this paper since the definition reflects an important element—value [5]. Value, like some other elements of culture, such as language, religion, and norms,

can affect the outcomes of international business, but value can be more obscure than other elements.

With the development of globalization, international business has become common all over the world, and cross-culture management plays an important role in it. Hofstede’s five dimensions are an important model in cross-culture management. Although some authors criticize that the applicability of Hofstede’s five dimensions is overvalued, since the survey that Hofstede did to get this model was only focused on one multinational corporate—IBM, Hofstede’s five dimensions are still applied in many fields related to cultural diversity. In this model, five dimensions, which are power distance, individualism, uncertainty avoidance, masculinity/femininity, and short-term orientation/long-term orientation, are applied to describe the one culture, and can be applied in cultural and prescriptive work [6].

3 Analysis on the Cultural Diversity of China and America

According to the annual report of Mattel in 2021, 56.52% of Barbie dolls were sold in America [4]. However, as seen in Table 1, Mattel’s sales performance in Asian-Pacific region in 2021 was not satisfactory. To uncover the reason why Barbie dolls are not popular in China, the author compares Chinese culture with American culture by applying Hofstede’s five dimensions.

Table 1. Mattel’s sales volume in different regions in 2020 and 2021 [3].

Region	Mattel’s sales volume in different regions (million USD)					
	Q4			The whole year		
	2021	2020	Year-on-year change	2021	2020	Year-on-year change
North America	890.8	779.4	14%	2968.3	2426.5	22%
EMEA	496.6	397.1	21%	1375.5	1132.5	21%
Latin America	190.1	187.2	3%	519.6	455.2	12%
Asian-Pacific region	112.0	120.5	-6%	324.1	315.8	-1%

3.1 Power Distance

As a dimension, power distance refers to people’s attitudes to authorities, which is about the degree of inequity people can accept [7]. A low power distance means that what an individual does is more important than his or her position in the hierarchy, his or her age, and family [7]. A high power distance, on the contrary, means that who an individual is can be more important than what an individual does [8].

According to the power distance index (PDI), China is scored as 80, which is high, and the USA is scored as 40, which is relatively low [9]. In China, people tend to obey the authority and accept the inequity in society. In America, this score demonstrates a tendency to pursue equity of opportunity, and people in America expect to enjoy the same privilege.

3.2 Individualism/Collectivism

This dimension is used to describe the relationship between a single person and a group [8]. As shown in Table 2, if a society is described as individualism, it focuses on “I”, and emphasizes more on individual needs and individual achievement. A society which is described as collectivism focuses on “we” and emphasizes more about the interests of a group. Besides, the identity of a member in society is based on the social group that an individual belongs to. According to IDV, China gets a score of 20 in this dimension, which means that this is a society of collectivism [9]. The USA gets a score of 91 in this dimension, which unravels that the USA is a society of individualism [9].

Table 2. Extremes of Hofstede’s “collectivist/individualist” dimension [6].

Collectivist	Individualist
“We” mentality	“I” mentality
Identity is based on one’s social group	Identity is based on the individual
Decisions are primarily made according to what is best for the group	Decisions are based primarily on individual needs
Relationships prevail over task	Tasks prevail over relationships
Focus is on belonging to an organization	Focus is on individual initiative and achievement
Values differ according to the group (particularism)	Value standards apply to all (universalism)

3.3 Uncertainty Avoidance

Uncertainty avoidance is a dimension which uncovers the tolerance degree of uncertainty in society [8]. If the index of uncertainty avoidance is high, people in that society will feel threatened by uncertainty and try to do something to control ambiguity. If the index of uncertainty avoidance is low, people in that society can be more pragmatic, and people always try to find a suitable lifestyle to adapt to the changing world. According to the UAI, China gets a score of 30, and the USA gets a score of 46, which indicates that China can be more flexible and pragmatic than the USA [9].

3.4 Masculinity/Femininity

This dimension is about the characteristics of society, which is mainly about emphasizing competition or caring for others. According to Table 3, if the society is masculine, competition and ambition can be significant in people’s minds. If a society is described as feminine, people emphasize more on relationship and can be less self-centered. According to the MAS, China gets a score of 66, and the USA gets a score of 62, which indicates that both countries are driven by success and ambition [9].

Table 3. Extremes of the “masculine/feminine” dimension [6].

Masculinity	Femininity
Distinct gender roles	Fluid gender roles
Men are assertive, women are nurturing	Men and women in nurturing roles
Stress on competition and performance	Stress on co-operation and environmental awareness
Acquisition of wealth	Quality of life
Ambition motivates	Service motivates
Live to work	Work to live
Sympathy for the successful achiever	Sympathy for the unfortunate

Independence ideal	Interdependence ideal
Managers are expected to be decisive and assertive	Managers use intuition and strive for consensus

3.5 Short-Term Orientation/Long-Term Orientation

This dimension derives from Confucius. If a society is described as a short-term orientation, people in this society respect the tradition and are present-focused. If a society is described as a long-term orientation, people in this society tend to be thrifty and have a sense of shame. In this dimension, China is scored as 87, which indicates that China is a society of long-term orientation [9]. The USA is scored as 26, which unravels that the USA is a society of short-term orientation [9].

4 The Influence of Cultural Diversity on Barbie Dolls’ Sales Volume

According to the data based on Hofstede’s five dimensions, China and the USA have differences in many aspects. When it comes to the popularity of Barbie dolls, these differences will affect Barbie dolls’ sales volume in these two countries.

Compared to American people, Chinese people have an obvious characteristic of a long-term orientation. Saving money, being thrifty, and pragmatism are consensus for most Chinese people. High power distance and collectivism also make China a highly competitive society where people pay much attention to family education. These characteristics influence Barbie dolls’ sales volume in three aspects.

Firstly, Barbie dolls’ cheap copies are substitutions for Barbie dolls. Barbie is priced too high in China, which decreases its sales volume. In China, a Barbie doll is charged normally around 500 yuan. In 2022, the income median in Beijing is 6906 yuan, which is the highest among cities in mainland China [10]. For most Chinese parents living in cities, this price is too high for a toy for their children. To save money, thrifty Chinese parents tend to find cheaper substitutes for their children. Barbie dolls’ cheap copies, which have the same plastic body and beautiful outlook, are priced at around 50 yuan each in supermarkets and local toy stores, and these copies occupy a large amount of market share. Besides, for most Chinese parents and their children, Barbie dolls are not their collection and memory of fancy childhood, making Barbie dolls normal plastic toys rather than a symbol. Therefore, it is not necessary for parents in China to get a Barbie doll from Barbie’s official stores.

Secondly, the emphasis on education affects the sales volume of Barbie dolls. Instead of playing with dolls, parents hope their kids spend more time studying or doing things that can develop intelligence. In China, parents are unstinted in children’s education and intellect improvement, but the income is always limited. Besides, these parents believe that too much entertainment can sap children’s ambition. As a result, Chinese parents must keep down in children’s entertainment. Therefore, toys

like Lego, which is said to be able to improve children's capability, can get an impressive sales volume in China. In 2021, Lego's two-thirds new stores opened in China and got a two-digit growth in this market [11]. However, in the same period, Barbie dolls' sale is not that good.

Thirdly, collectivism in China affects people's aesthetic, which leads to different expectations of children's appearance between China and the USA. Instead of being mature, a lot of Chinese parents believe that their kids should be cute. Barbie dolls, which have a mature look, can be considered bad friends for their children. Therefore, Barbie dolls' appearance is also a reason why these dolls are not popular in China.

5 Suggestions

As a multi-national corporation, Mattel cannot avoid the influence of cultural diversity. When facing the challenge of cultural differences in China, there is something Mattel can do to save this market for Barbie dolls.

Firstly, Barbie dolls should be localized. Mattel has made some Barbie dolls with Chinese traditional costumes, but this is not enough. Barbie dolls with this kind of costume look like mature foreign girls dressed in red, which cannot attract a lot of customers. To pursue a high sales volume in China, a special design of Barbie that makes the doll look cute and modest is necessary.

Secondly, Mattel should advertise Barbie dolls by emphasizing the creation the doll can cultivate in China, which can attract parents to consider Barbie dolls as toys with edutainment. Nowadays, the top management team in Mattel emphasizes advertising by making Barbie movies, but this strategy cannot attract Chinese parents who care more about children's education than their children's entertainment. However, if these parents find that Barbie dolls can cultivate their kids' imagination and creation, they are willing to spend their money on these dolls. Therefore, designing clothes for Barbie dolls and doing Barbie dolls' hair should be the entry point of advertisement.

6 Conclusion

This study sets out to analyze the reason for the low sales volume of Barbie dolls in China from the field of cultural diversity. By applying Hofstede's dimensions, the author compares cultural differences between China and the USA and demonstrates that Mattel should change Barbie dolls' advertising strategies and be more localized to improve Barbie dolls' sales volume in China. However, there are some limitations in this study. Firstly, this study focuses on cultural differences between China and the USA, and strategies to improve Barbie dolls' sales volume in China are based on these cultural issues. Nevertheless, the cost of these strategies is not considered. If these strategies are practiced, they must be approved to be economical and efficient. Therefore, the estimation of cost can be important. In further studies, the cost of advertising and localization in China should be estimated. Secondly, this study focuses on cultural issues, but there are some other

elements that may influence the sales volume of Barbie dolls in China, such as the distribution channel of Barbie dolls and human resources. To explore a more comprehensive strategy to improve the sales volume, these elements should also be further analyzed.

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