

Web sites help toys come to life

From Pleo the robotic dinosaur, right, to stuffed animals, companies are trying to revive the industry by infusing traditional toys with the latest technologies and linking them to the Internet

By **Mary Ellen Podmolik**

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This dinosaur has one up on its forefathers, who didn't have the savvy to save themselves from extinction.

It can wag its tail, play tug of war, walk without falling off a table and even sneeze.



This dinosaur is Pleo, a \$349 robotic baby Camarasaurus that is among the latest high-tech toys headed to the shelves of electronics and toys stores in coming months. Free of external wires or a remote control, Pleo, available in October, can show emotion, interact with its owner and respond with a variety of "dinosaur" sounds. Owners will be able to download new sounds and behaviors from a Web site.

Can playthings along the lines of Rosie the Robot be far behind?

Not at all, say companies that are trying to breathe new life into the industry by taking traditional toys -- stuffed animals, dolls and action figures -- and infusing them with the latest robotic and Internet technologies. The result is a variety of products, at a wide range of prices, aimed at tech-savvy tykes who increasingly are putting down traditional toys at an earlier age and playing with video games, iPods and laptops.

"Kids are evolving in the way they play," said **Nancy Zwiers**, founder and chief executive of Funosophy, a Long Beach, Calif.-based brand consulting firm in the toy industry. "Kids over 7 are really migrating to a more gaming kind of play."

Zwiers and others point to the runaway success of Webkinz -- small, \$10 to \$13 stuffed animals introduced by Ganz Corp. two years ago. The plush toy is the 21st Century answer to another viral-marketing phenomenon, Ty Inc.'s Beanie Babies, which were introduced in 1993 and quickly became collectibles.

But with Webkinz, the stuffed animals do more than sit on a shelf or lounge on a child's bed. Each one comes with a secret code on a hang tag that enables owners to enter Webkinz World, www.webkinz.com, and give each toy a gender and a name. There they can spend "kinz cash" to buy food, clothes and furniture for their pet, play games and interact with the animal avatars of friends.

The code is good for one year, after which owners have to buy another Webkinz to obtain

access to the site.

Katherine Nguyen, owner of Building Blocks, a Chicago toy store, took a chance by ordering Webkinz for her store when they were first introduced, reasoning that children like stuffed animals. Since last fall she hasn't been able to keep them in stock and has a standing order from Ganz. Her last shipment of 100 Webkinz sold out in less than a day.

Parents approve

"Kids like them and parents approve of them," Nguyen said. "There's a lot of play value and parents approve because they're cheap. It's also parent-approved because it's a safe online community."

Store owners say youngsters are scooping up handfuls of the plush pets. After learning about them from a friend, Lexi Reich received her first Webkinz, a polar bear, on her 9th birthday in January. Today she has 15 -- only a pittance compared to another friend's stable of 31 animals -- and Reich goes to the site every day to feed and play with them in their virtual environment.

She is hoping to add one or two more to her collection, but she isn't picky. "All the Webkinz are so fun and stuff, and I just really like them so I don't care which ones I get," said Reich, of Vernon Hills.

Yet Reich, who has a bed filled with other stuffed animals, admits she wouldn't be so enthralled with the toys if it were strictly offline entertainment. "I wouldn't be interested," Reich said. "Then they'd be plain stuffed animals."

That enthusiasm for online play has fueled phenomenal growth at the Webkinz site. In May, WebKinz.com received 3.7 million unique visitors, compared with 334,000 unique site visitors in May 2006, according to ComScore Media Metrix.

Now other toymakers are trying to replicate Webkinz's success. In late March, Russ Berrie and Co. introduced Shining Stars, a collection of plush animals marketed with the International Star Registry that also come with a secret code and online component. Kids who buy the toy can register and name an actual star on the Web site and play games there.

Ty Inc., makers of Beanie Babies, launched a line of plush dolls this spring, called Ty-Girlz. Aimed at tweens, the dolls come with a secret code that lets owners enter a world where their doll can earn money at games to spend at a virtual mall or put in a virtual bank.

The formula also is working in reverse, as virtual communities create physical products linked to their Web sites.

Mattel Inc., which introduced an online community for Barbie fans in April that allows girls to create their own characters and try on clothes at a cyber mall, now is following it up with products that meld the real and virtual worlds.

Nickelodeon's Neopets characters now appear as stuffed animals and action figures and on board games and trading cards. Toy industry watchers say it's a matter of time before Club Penguin, a virtual world for kids, begins offering some kind of toy to buy.

Industry sales flat

Toymakers' move toward tying real toys with virtual worlds comes at a time when industry sales are fairly flat and a key demographic shift, dubbed "age compression" or "KGOY" (kids getting older younger) is tightening its grip on today's youth. Toy sales totaled \$22.3 billion last year, but the only industry segment to record a gain of more than 5 percent was youth electronics, where sales rose 22 percent, according to research by the Toy Industry Association Inc., a New York City-based trade group. In fact, several segments saw decreases, including action figures and accessories, down 9 percent, and plush, down 4 percent.

Electronic toys that blend personality and smarts, like Tiger Electronics Ltd.'s Furby, first hit it big in the 1990s and provided a glimpse into the future. Introduced for Christmas 1998, the plush toy with the big eyes and even larger ears could make facial movements and giggle. More than 40 million of the electronic pets were sold.

Caleb Chung, Furby's co-creator and now Pleo's inventor, thinks it took almost a decade for toy companies to introduce jazzed-up toys because of the longer research and development cycle, the costs involved and the need to keep the product visually appealing to the target audience.

The newest hit toys manage to combine the nurturing of a stuffed animal or doll with gaming concepts. Kids can cuddle with toys at bedtime yet interact with them on the Internet, discovering their online personas.

"Technology is like a firework," said Chung, co-founder of Ugobe Inc. in Emeryville, Calif. "It goes off and you go 'Oohh, ahhh' and then it's over. You need lasting play. You need to hook into the emotional connection with the person. If you fall in love with something you accept it like a companion."

Richard Yanofsky, president of WowWee Ltd., the company behind Robosapiens and later this year, Robopanda, agreed: "We're not selling a toy or a widget. We're selling an amigo for a kid."

That sentiment might raise some eyebrows, and Chung acknowledged that toymakers have a responsibility to use robotics and artificial intelligence responsibly. "[Toymakers] don't realize the social impact they have as these things become more realistic," he said.

However, Jon Korfmacher, an associate professor at the Chicago-based Erikson Institute, said the impact of tech-laden toys may be overrated. Children will continue to find imaginative ways to play with their belongings, regardless of how technologically advanced they are.

"There's always going to be a concern about the trade-offs between simple toys that let children use their imagination and a toy that does everything for you," Korfmacher said. "It's the job of the parents to be the guard or the stopgap or the filter to make sure it really doesn't overwhelm the child. These toys will never replace friends."

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More toys on way

In addition to Pleo, a number of other toys that put a high-tech touch on low-tech toy concepts are headed to U.S. retailers.

Barbie Girls, Mattel

\$60 and \$80, July

An MP3 player that also lets girls unlock doors at a virtual world, BarbieGirls.com, where they can create an avatar, decorate a room, go shopping and interact with friends.

Squawkers McCaw, Hasbro

\$69.99, late September/early October

The parrot can give kisses, dance and repeat words you have taught it.

Robopanda, WowWee Ltd.

\$149, late August

To appeal to young children, the makers of Robosapiens have created an interactive panda that talks, plays games and tells stories.

Baby's First Knows Your Name, Fisher-Price

\$19.99, July

Mom and Dad can download their baby's name from a computer into the vocabulary of this plush teddy bear, which also will say several phrases and sing songs and nursery rhymes.

Puppy Grows & Knows Your Name, Fisher-Price

\$49.99, July

During the first four days of consecutive play, the dog grows and learns more words, including the child's name, with help from a CD-ROM. Children also can turn the dog back into a puppy.

-- Mary Ellen Podmolik

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