

## Gadget or Plaything? Let a Child Decide



Tony Cenicola/The New York Times The I-Dog (\$25), left, rely on electronics to appeal to children (and their parents). Pixel Chix (\$30), center, responds to the way a child plays. Right, a battery-powered Etch A Sketch (\$20).

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ETCH A SKETCH, a staple of toy chests for over 45 years, has gotten an electronic makeover.

A new battery-powered Etch A Sketch will rely on digital electronics for a speedy interpretation of each knob twist. It is designed, its makers say, to transmit data along a wire plugged into a television set that will display every line and detail in real time, with accompanying sounds and optional color. It will cost \$20, twice the price of the traditional Etch A Sketch.

"I think the kids are becoming more advanced in what they are able to do," said Martin Killgallon, director of marketing for the Ohio Art Company, whose grandfather helped bring the original Etch A Sketch to America. "We need to respond to them with innovative products."

Mr. Killgallon's take on toys and technology is likely to be widely reflected during the four-day American International Toy Fair, which begins on Sunday in New York.

The annual fair, open only to those in the industry, offers early glimpses of toys scheduled for release next holiday season. Classic toys, like dolls and board games, will be on display. But toy industry analysts, and toymakers like Mr. Killgallon, have made note of a major shift to toys that not only incorporate more advanced electronics than before, but also blur the distinction between toys and electronic items typically marketed to older consumers.

David Riley of the NPD Group, a market research firm based in New York, said the shift is part of an effort by the \$20 billion toy industry to reclaim dollars lost in recent years to high-tech products designed mostly for adults yet increasingly coveted by children.

It is no longer surprising, he said, to see a child of grade school age carrying a \$300 iPod, an expensive cellphone or a portable DVD player.

"Children at a much younger age are asking for things they shouldn't be asking for, products not designed for them," Mr. Riley said. "But they are very good at using them, and by God use them better than I can."

**It is a phenomenon often described by toymakers as age compression. Simply put, said Reyne Rice, the toy trend specialist for the Toy Industry Association, a trade group, "kids are just more sophisticated and have more sophisticated tastes."**

To draw children back to toy aisles, where sales have been faltering for years, Fisher-Price, Wow Wee, Hasbro, Razor USA and other toymakers have responded with more high-tech toys that parents can afford.

For example, Tek Nek Toys is releasing a \$30 MP3 player called the CoolP3 for 4- to 8-year-olds. It comes with candy-colored stereo headphones and software for making playlists and downloading up to an hour of music from the Internet or CD's. Unlike digital music players for teenagers and adults, the CoolP3 will include a parental volume control, its makers promise.

Also scheduled for release in the fall is the Blueberry Databank Organizer Phone, from Sakar International, for children not quite ready for a BlackBerry; a hand-held electronic gaming system for toddlers; a battery-powered scooter that can travel at 15 miles an hour; and a pen-based talking computer that can help young people compose music or translate foreign languages.

Consider the I-Dog Interactive Music Companion by Hasbro. At first glance, the palm-size puppy with luminous white contours and shiny metal trim looks like a gene splice of Apple's iPod and Sony's Aibo robot dog. What it does is listen to and respond to music, either from speakers or played through its own earphone jack. It is literally moved by the music it senses. It also displays "learned" musical likes and dislikes through a series of colored L.E.D. lights inside its face. The I-Dog responds to gentle pats on its head and nose; users can admonish it with a light rap on the tail.

The \$25 I-Dog is not expected to be marketed strictly as a toy, said Duncan Billing, the chief marketing officer for Hasbro. "It's for anyone who loves music and loves this as a robotic pet friend," he said.

In much the same way, THQ Wireless recently launched a series of Hello Kitty games, ring tones and wallpaper for cellphones aimed at girls of all ages. Officials of the company noted that those most likely to be Hello Kitty fans increasingly have their own cellphones.

"We are definitely seeing a trend in young girls as young as 8 or 10 years old receiving their first cellphones," said Jeff Nuzzi, director of global marketing for THQ Wireless. "We like to call it the mobile rite of passage."

Mr. Billing said children have always aspired in their play to do what they see their parents or older siblings do. But a significant difference in recent years, he noted, is what they aspire to. **Many, especially those 8 to 12, have migrated away from toys to music, fashion, entertainment and electronics, said Ms. Rice, the Toy Industry Association specialist.**

**In a recently released survey of 1,000 boys and girls 6 to 14, conducted by Funosophy, a research and consulting firm in Long Beach, Calif., 40 percent said electronics were the best kind of present to get last year. That figure was up 3 percentage points from the previous year.**

**The survey also found that video-game systems, cellphones, portable DVD players and MP3 players - none of them counted as toys - were very high on holiday wish lists.**

Meanwhile, newly released sales figures also indicate that toy industry losses slowed last year, showing a 2.7 percent decline compared to a 6 percent decline the previous year, according to the NPD Group. Mr. Riley of NPD attributed the relatively good news to more and better electronic toys. "These are the toys that address the ever-changing desires of children," he said.

So compelling is the desire for high-technology products that some toymakers are not only creating more technologically advanced products, but also giving them a less toylike look. Razor USA's electric-powered bikes and scooters - the Dirt Rocket for boys and the Pocket Mod for girls, each \$229, both scheduled to be in stores in May - look like scaled-down versions of adult-size models.

"Because technology has become smaller and less expensive, it is easier to put it in a variety of widely available toys," said Katherine Mahoney, Razor's vice president for marketing. "What that does for us is to be able to provide the fantasy of a real motocross bike in a toy version."

Even colors of toys, many point out, are being recast to reflect a greater emphasis on technology. There are likely to be more gray, white and silver finishes in this year's Toy Fair, a departure from the traditional bright primary colors.

Julia Fitzgerald, vice president for marketing at VTech Electronics, said, "Toy color is a sensitive thing." The company is releasing a hand-held gaming system, the V.Smile Pocket, with a color scheme that she described as "cautiously chic."

**"Kids are very trendy," Ms. Rice said, so a toy "has to have style, it has to have a techno-feel, look sleek and have the right colors."**

The Fly, billed by its maker, LeapFrog, as a computer in a pen, has attracted a lot of interest in the toy industry since it was introduced early last month. The gray-and-white pen, priced at \$100 and scheduled for release in the fall, manages a variety of tasks, including games, music and foreign language translation, by reading words and symbols its users write on special paper. It speaks rather than displays its data.

The Fly is aimed at children 8 to 12 years old and up, but LeapFrog maintains that it is not a toy.

"This market loves technology," said LeapFrog's president, Jerry Perez. "The idea of having a personal electronic tool that's all their own is very exciting to them."

Kent Savage, the chairman and chief executive of Digital Lifestyles Group in Austin, Tex., has gone a step further, applying the sort of thinking behind cool toys to the design of technology for teenagers. The result is hip-e, a desktop computer designed for teenagers with the help of teenagers, beginning with his sons.

Sleek and modular, the hip-e, which costs about \$1,900, straddles the categories of tech toys for children and tech toys for adults, much the way teenagers themselves straddle childhood and adulthood.

"Ninety percent of the hip-e experience is entertainment and fun," Mr. Savage said.

Taking that cue, Mattel is applying digital technology to one of the oldest toys: a dollhouse. Its \$30 palm-size dollhouse toy called Pixel Chix is filled with tiny furniture, fixtures and a talking, interactive virtual girl. She "lives" in one of three houses - a Miami loft, a country cottage or a Beverly Hills mansion - and reacts to the way a child plays with her.

Buttons on the toy, which is expected to be released this summer, let children interact with the Pixel Chix, encouraging them to eat, sleep or play.

**"Kids are just more savvy to these kinds of things," Ms. Rice said of children's embrace of high technology. "That side of their brain is so much more advanced than ours were at that age."**