



Crayola

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Situational Analysis

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Crayola is a well-known name in the children's arts and crafts category. The company has proven itself year after year to be an innovative category leader. Crayola has so much more to offer outside of the crayons and chalk, which is why it is necessary to outline the company and their services and products.

### Overview of Company

In 1864 Joseph Binney founded Peekskill Chemical Works in upstate New York, where he was responsible for producing colors from charcoal to lampblack, and a paint containing red iron oxide (usually used for exterior barn paint). Nearly two decades later Joseph Binney retired leaving the company to his son Edwin and nephew C. Harold Smith. Smith and Edwin formed a partnership and changed the company name to Binney & Smith.

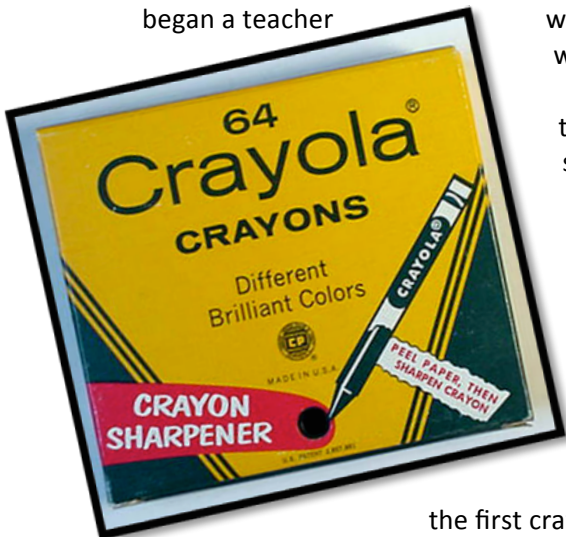


The company began producing slate school pencils in its newly opened Easton, Pennsylvania, mill in 1890. **Binney & Smith began by listening to needs of teachers, introducing its first dustless school chalk two years later.** Because of its success the chalk won a gold medal at the St. Louis World Exposition. Binney & Smith, just one year after the gold, noticed a need for safe, quality,

affordable wax crayons in the classroom and beyond. **In 1903 the company produced the first box of eight Crayola crayons that was sold for a nickel.** The Crayola name, coined by Edwin Binney's wife Alice, comes from "craie," the French word for chalk, and "ola," from "oleaginous." In the 1920's Crayola further expanded its growing product line by adding Rubens crayons for art students, Perma Pressed sharpenable fine art crayons, and Atista brand paints.

<i>The Original Eight Crayon Colors Included:</i>	
Black	Blue
Brown	Green
Orange	Red
Violet	Yellow

In line with the Crayola vision Binney & Smith became a founding member of the Crayon, Watercolor, and Craft Institute, in 1936, promoting product safety in art materials. The company also began a teacher workshop to offer in-school training across the country on the many ways to use the growing number of Crayola products.



In 1955 the company's corporate name was officially changed to "Binney & Smith Inc." In the same year the company decided to sell its Pigment Division to focus on its art materials business.

**Retrospectively this was a smart idea, because in 1958 the innovative 64-color assortment of Crayola crayons - with the built in sharpener - debuted.** Further, Binney & Smith took 100 percent ownership of the Cosmic Crayon Company in England and Canada.

Binney & Smith became a publicly-held company when its stock was first offered for public sale in 1961. It was traded on the New York Stock Exchange with the ticker symbol "BYS."

In 1969 the company opened a much needed additional plant in Easton, Pennsylvania. It was only seven years later that the first crayon rotary molds were introduced to the Crayola manufacturing facilities across the world (U.K. and Mexico), drastically improving the crayon manufacturing process. Binney & Smith acquired the rights to one of the world's best-loved toy classics, Silly Putty, just one year later. In 1978 the company introduced Crayola markers to the Crayola lineup making craft & activity kits a vital part of the company's business.

A year later Binney & Smith introduced a new corporate logo and identity program. A broad range of products that had carried individual brand names were consolidated under the Crayola brand name for several years. Additionally in 1981, the company topped \$100 million in sales for the first time. Further expanding their brand Binney & Smith became a wholly owned subsidiary of Hallmark Cards Inc. of Kansas.

Just 21 years ago Crayola's Washable Markers became an instant hit with children, teachers and mothers by making creativity easier to clean up. Soon after the washable markers hit the coloring scene Crayola colored pencils arrived to the market.

In 1990 the eight traditional crayon colors were retired to the "Crayola Hall of Fame," and sixteen new colors (all named by consumers) were introduced celebrating 90 years of Crayola crayons. In 1996 a colorful and historic milestone was recorded as the 100 billionth Crayola crayon rolled off the production line in Easton, Pa. Also during that year, Binney & Smith opened The Crayola FACTORY, a 20,000 square foot creativity and visitors center as a cornerstone of revitalization for Easton. Even more honors for Binney & Smith in 1998 when the legendary Crayola 64-count box of crayons was added to the Smithsonian Institute's permanent collection.

In 1999 the company announced it would change the name of indian red. This was only the third time that the company has changed a crayon color name; prussian blue was changed to midnight blue, and flesh was changed to peach. The same year Crayola marked the successful launch of ColorWonder No-Mess markers.

In 2000, Silly Putty was included in the Smithsonian Institute's Material World collection. Also in 2000, more than 25,000 Crayola fans recorded their color preferences in the first-ever online Crayola Color Census. The favorite...blue. In March of 2001, Silly Putty was inducted into the Toy Hall of Fame.

Binney & Smith continue to grow their Crayola brand introducing new products to spark the creativity of children of all ages across the world. Crayola has made a successful transition from crayons to markers, and from indoors to outdoors.

### Product Attributes

Binney & Smith has over 20 products under the Crayola brand, everything from crayons and markers, to sidewalk chalk and clay. Crayola has been known for the past century for high quality, safe and non-toxic creative products at an affordable price. Further, they have partnered with Disney and Nickelodeon for the rights to use their characters on packaging/products. Now these products are backed by two influential children's brands making the products even more appealing to the target audience. The brand, as it has for many years, hosts educators' workshops to introduce teachers to the products and their possibilities. By creating relationships with these consumers the teachers will most probably insist on Crayola products in their classroom and their homes. In addition, Crayola donates supplies to schools across the country giving the consumer hands-on experience with their products. The brand strategy focuses on the discovery of imagination for people from infant to adult. Crayola remains consistent in the quality, in the visuals, and in the outreach to teachers and parents encouraging creativity in children of all ages.



## Pricing

In comparison to the competitors' Crayola is the premiere priced brand. However, the difference is minimal. The company offers school discounts and bulk discounts especially for those educators that frequent the Crayola Web site for lesson plans and other ideas, and those who have attended the workshops. Further, they offer bulk discounts to restaurants (usually chains) that give out their crayons to younger patrons. Crayola gives samples of new products to consumers after purchasing \$15 or more online making the consumer feel special, but also getting them to try the product and hopefully, in the end, purchase it.

## Distribution

Crayola products are found at most drug stores (Walgreens, CVS, etc.), larger discount stores (Walmart, Target, K Mart, etc.), art supply stores (Michael's, Franks, etc.), office supply stores (Office Depot, Office Max) and toy stores (Toys R Us) throughout the country and the world. Products can also be found in other not-so-obvious places like convenience stores, gift stops, grocery stores, or travel rest stops where the selection is limited but the brand is present. Usually the more prominent stores have Crayola specific aisles or sections where all of the available products are in one place. Places that consumers frequent for back-to-school shopping (large discount stores, office supply stores) usually have large Crayola point-of-purchase displays during the fall season; creating brand recognition for Crayola. Ideally the company wants to the consumers to think Crayola when they think back-to-school. Crayola produces large displays to help distinguish the back-to-school section in these larger stores.

Purchasing Crayola products online is a popular way to get everything needed. Most products are shipped on ground unless otherwise changed. However, in warm weather, melting crayons is a threat. The Web site does not approach the subject, but shipping crayons to warmer climates should be explained for curious consumers.

For the most part Crayola ground ships and distributes their product.

## Promotion

Currently, Crayola uses mass media advertising to introduce new products to the market. Putting commercials on Nickelodeon, ABC Family, Cartoon Network, and network Saturday morning cartoons gives the target market an opportunity to see new products. Crayola also puts hands-on displays in toy stores, schools, festivals, across the country so that children can learn how to play with the products before purchasing. The previously mentioned workshops for educators give teachers a similar experience teaching them how to use the products before purchasing. Back-to-school is a vital time for Crayola. The company offers manufacturer's coupons and rebates to consumers to make the August shopping seem less threatening.

Crayola supports art education by donating supplies to schools throughout the country. Additionally, they support the improvement of the hometown community of Easton, Pennsylvania. Furthermore, the Crayola Web site has a special site ([www.crayola.com/about/environmental](http://www.crayola.com/about/environmental)) focused specifically on the ways the company is responding to environmental issues, but also recycling and sustainability ideas for the target market too.

## Services Offered

The Crayola Web site is a marvelous tool for children, parents, or teachers. There is a plethora of ideas, lesson plans, crafts, and activities for anyone with step-by-step instructions on how to be creative and encourage the imagination. Further, there are stain removal instructions, coloring pages, and a web TV called creaTiVity. This site goes beyond just the physical products creating a relationship with the customer before and after the sale.

## Current Target Market

The services and products offered defines Crayola as a company, but definition of the target market is key to the success of any campaign.

### Target Market Approach

Crayola uses multiple strategies to reach their target customers. Specifically the company focuses on a **mass market approach for the younger target audiences** with commercials during children's television programming. They aim at interacting with this audience at school by donating supplies and offering lesson plans to teachers. Moreover, **the segmentation to art teachers is pivotal to the success of the Crayola brand**. By offering free workshops on how to encourage creativity in the classroom, Crayola creates and maintains close relationships with teachers. These relationships are, in turn, solidifying the purchasing of Crayola products for classrooms and schools. Finally, **Crayola segment to mothers by maintaining a vigorous media relations campaign and interactive Web site**. Additionally, the company presents large displays in grocery stores and discount centers where the audience spends a good amount of their time. This mothers segment is the company's niche market, and the primary audience who will change the behaviors of the other secondary audiences. Crayola focuses their segmented campaigns on these women.

### Demographics & Psychographics

Crayola markets to two main audiences: children and their mothers.

- **Mothers ages 25-49 years**
  - Mother of one to three children between the ages of 0 and 12
  - Married and nearly **60% are employed**
  - Own their home in suburbs throughout the United States
  - Median dual household income of \$50,000 and above
  - Over 50% have college degrees
  - Spend most money on food and other household amenities
  - Most have relationship with Crayola from childhood
  - **Purchase 94% of Crayola products**
- **Children ages 6-12 years**
  - 52% girls, and 47% boys
  - Live in suburbs and go to school during the school year (August – May)
  - Interested in art and tend to be sporty & creative
  - **Influenced by their peers**
  - Need most Crayola products between **August and October**

## Audience Characteristics

The need for Crayola products skyrockets during the back-to-school months. Children are looking for the hippest brands, and mothers are looking for the most reliable and easiest choice. The benefit of shopping during this period is price reduction. The manufacturer tends to lower its price or give out coupons to combat the overwhelming cost of the back-to-school season.

The secondary audience—the children—use Crayola products the majority of the time. Interestingly this audience tends to have two sets of the product; one for home and one for the classroom. The home products are mostly used for art projects, crafts, and miscellaneous school projects, whereas the school Crayola's are used specifically for school related activities. Further, art teachers are providing Crayola products during their class times as well. Crayola markers and crayons are used and abused in either setting because the audience uses the products so frequently. Crayola has expanded outside just markers and crayons, but the other products (sidewalk chalk, paint, travel kits) are mostly left in the home.

Crayola is number one in the children's arts and crafts category for a reason. The company has been around for over a century and has developed a relationship with the target audience. Senior Project Manager Steve White described Crayola best as a heritage campaign; they encourage mothers to think about using Crayola as a child and then pass that emotion to their children. Essentially Crayola is a nostalgic brand and they market themselves to mothers that way. In the school supply category parents tend to rely heavily on Crayola—they rely on the brand the best choice. Parents are rarely disappointed. Crayola solves the back-to-school headache felt by American mothers by being consistently superior to other brands. The company partners with back-to-school headquarters (Target, Office Depot, etc.) to be the dominant name in school supplies, and successfully achieves positive relationships with mothers.

Overall, the primary purchasing audience for Crayola has high regards for the brand and its product. Mothers across the country are loyal to the art supply giant no matter the price difference. However, during the back-to-school season mothers tend to only focus on the negatives of the supply category, because it reminds them of all the crowds, expense, and lines. Crayola counteracts the negative feelings by making the choice easy to mothers. Further, in this category it is difficult not to fulfill the needs of the consumer, but there could be bad experiences (breaking crayons, eating crayons, or melting crayons). Crayola has combated the negatives by providing ease of mind for the consumer.



## Purchasing Process

Crayola products are not a complicated purchase, because they are relatively inexpensive and are purchased frequently throughout the year. However, during back-to-school the purchasing process involves more thinking, because of supply lists and specific features. During the decision making process mothers look at these lists to determine what supplies can be found within the store and focus only on those sections of the store. While **the process involves more thought it often must be done quicker** because of sales, other customers, screaming children, and so on. Mothers find the needed supplies and purchase them. There is no back-and-forth between stores or sales coupon days; it is usually one day set aside in advance at one store. Further, there is little contemplation on the brand.

Parents' school supply lists, store coupons, and crowds are all taken into affect when shopping for school supplies. The time of day, as well as shopping with or without children can all affect the purchasing of the brand. However, **crowds and brand selection make a huge difference in purchasing behaviors**. However, during a more relaxed purchases mothers read about the products online and at the store before purchasing.

The Crayola brand's main user is the secondary audience or children. However, as previously stated 94% of the products are purchased by women ages 25-49. The party responsible for purchasing tends to be mothers of the children using the products. **Crayola intentionally markets to the mothers because of their purchasing power**. Further, the company maintains close relationships before and after purchase with the mother by offering stain removal tips, activity ideas, and developmental products.

## Market Size

Crayola's main market, children's art supplies, is a multi-million dollar industry that **serves well over 30,000 children**. However, with Crayola's expansion into younger markets with their Beginnings line of products they will increase the size of their market and their market share. Goals for Crayola exceed 5,000 children in the next three years with entering into the toddler market. Moreover, **Crayola is seen in 1,500 different schools each year providing a place for creativity and imagination**.



## Competitive Analysis

The direct and indirect competitors have impact on Crayola and their products. An in depth analysis of the competition and how they serve the target audiences will help Crayola to maintain their competitive advantage.

### Direct Competitors: RoseArt

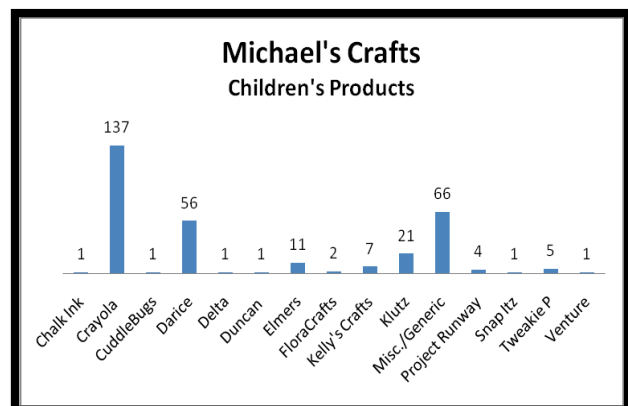
RoseArt Crafts is one of Crayola's direct competitors. They are owned by the branded house Mega Brands, but the products are **not nearly as diverse as Crayola**, they focus on crayons and markers. RoseArt markets to the same audience as Crayola by placing their products adjacent to Crayola. However, **this competitor does not advertise to seek out consumers**, but instead simply offers comparatively lower prices during purchasing process. RoseArt is mostly found in grocery stores, drug stores, convenience stores, and discount stores; places where the selection of crayons is not as extensive as larger stores. Further, RoseArt places their products in the same aisles as Crayola products to offer a cheaper alternative. According to the Target's Web site **a pack of 24 RoseArt crayons is 72¢**, 28¢ less expensive than Crayola's 24 count box of crayons. The consumer saves by purchasing RoseArt and might choose price efficiency over the relationship with Crayola. RoseArt itself does not have its own Web site. Instead the parent company houses information on the brand. This site offers some activities, but they are exponentially less than those offered through Crayola.com. Mega Brands' Web site is a place for information not activity.

### Direct Competitors: Elmer's

Elmer's, known for their packaged glue, has moved their trusted name into the children's arts and crafts category. They have 38 different activity kits, 35 three dimensional and coloring products, and **over 80 different types of painting products**. The brand is well-known and credible, similar to the Crayola brand. Elmer's targets the same audiences as Crayola. However, **they do not advertise their craft products, but they place them as an alternative in the Crayola dominated children's art aisle**. Elmer's focuses less on crayons and markers and more on paints and activity books. Additionally, the company's prices are slightly lower to equal comparatively. Similar to Crayola, Elmer's Web site offers craft ideas, projects, and lesson plans for all their audiences. Further, Elmer's has a special children's section with games and online painting. Finally, these arts and crafts products can mostly be found discount stores and toy stores, but Elmer's glue can be found in grocery stores, convenience stores, drug stores, discount stores, office supply stores, or toy stores.

### Indirect Competitors

Beyond the brand names, all arts and crafts are in competition with Crayola products: glitter, watercolor, teddy bear kits, latch hook rugs, and so on. These projects range in price but tend to stay under \$25. Most of these products come in kits designed for children's use and provide all the necessary needs of that project. These brands do not advertise outside of craft stores where children's craft classes use the products. These products can all be found in one or two "Children's" aisles at craft stores, and sometimes in discount or toy stores. However, **Crayola is still the dominant brand on Michaels.com** (see graph).



## Competitor's Strengths and Weaknesses

RoseArt has many strengths but price is the most prominent. The target audience is looking to save money wherever possible. Even a couple cents can make a difference when buying school supplies for five children or a classroom full of students. Also RoseArt has partnered with many restaurants and hospitals offering them sample sized boxes of crayons forcing consumers to use their brand. RoseArt has weaknesses as well. The quality and the reputation of the products are questionable for the target market. Further, Mega Brands spent less than \$15,000 on research and development for their 10 brands. This does not allow for much expansion of the brand. Mega Brands had negative net earnings in the first quarter of 2007. This could present a problem for RoseArt's future. The price difference between Crayola may lessen if the company does not turn around. If the price increases RoseArt will lose their competitive advantage.

Elmer's has strong brand awareness. Similar to Crayola, consumers have created a relationship with the brand and will purchase because they have a strong connection. Elmer's prices beat out Crayola's similar products. However, the strong brand awareness could work against them in the arts and crafts category. Elmer's is known for glue, but the consumer does not want sticky paint. Putting the Elmer's name on these products could lead to a negative image. Financially the Elmer's Brands are stable, but their research and development budget was about \$5,000 in the first quarter of 2008. This number is strong, but moving into a new category is risky.

Finally, other arts and crafts brands are traditionally the creative medium. The products found in the craft stores are enjoyable and involve the entire family. Crafty mothers prefer to use these for larger projects. Additionally, the audience (mothers) has a relationship with these products from childhood. On the other hand these products tend to create large messes—something the busy target audience is not interested in cleaning. Further, the brands are unknown and therefore are seen as unreliable. Finances might not be the most stable in these brands, because of the lack of distribution.

## Competitive Trends

The future of this category will be reducing the mess and clean-up. Crayola has started to introduce the "No-Mess" line, but develop more to make the target audiences' lives even easier. Further development for moving onto the Internet is crucial. Finding ways to encourage creativity through a monitor will naturally lead to success. Elmer's introduced their line of three dimensional coloring products prior to the launch of Crayola's three dimensional chalk. The idea brings life to everyday creation; hopefully making movies and video games less exciting.

## Challenges & Barriers to Purchase

Evaluating the competition's strengths and weaknesses further develops where Crayola can and cannot grow. Culturally there are events and services that will hinder the targets' purchasing habits. These will focus the direction of the campaign and itemize possible growing strategies.

### Environmental Problems and Opportunities

Crayola's strong reputation will not perpetually hold them at number one in the category. Crayola must combat the barriers to purchase for the target audience. Said challenges include the crumbling economy and increasing interest in technology. **The economic issues are the most potent of these challenges, because when consumers are concerned about bills, purchasing habits will naturally change.** While the target audience works full-time she still has up to three children and her family owns their own home. The target audience will watch their budget during back-to-school even without the economic troubles. Essentially the target will save money every chance they can get now than more before. Further, the target will be less likely to purchase "weekend entertainment" for children instead they will encourage less expensive activities. This could help and hurt Crayola. Crayola products are more economical than amusement parks, swimming pools, or movies. On the other hand, they are more expensive than already purchased items (toys, cable, Internet). To speak to the target Crayola must show how their products are an inexpensive entertainment alternative. Crayola should consider offering discounts for repeat customers, coupons, and lowering prices in general giving other less expensive products less of an advantage over Crayola during this economic crisis.

Crayola must overcome the technology trend for their secondary audience to connect on a level outside the pen and paper. **This generation is fully invested in technological entertainment and rarely focuses their attention outside of these digital activities.** Creativity is still encouraged in the classroom, but at home cable, movies, video games, and the Internet offer more interesting entertainment. Additionally, for parents it is much easier to turn on the television than it is to set up and clean up an art project. To speak to the audience Crayola must offer more an interactive, entertaining experience.

Culturally, the target audience is busy with her full-time job, children, and other after school activities, and does not have extra time. **Generally speaking, when she thinks of arts and crafts for children she thinks "stay-at-home mothers and art class."** She knows that she does not have a lot of time to waste on glue and construction paper. Crayola must combat the stereotype that crafts for children are only for people with a ton of time on their hands, and show that Crayola projects can be simple with easy clean-up, but just as fun as traditional crafts. Crayola must speak to the working mother by offering them craft ideas that do not make a mess, and that do not take all day. **By eliminating this arts and crafts stereotype Crayola will encourage busy families to participate in creativity at any time.**

## Summary of Current Situation

### Strengths:

- Strong Brand Equity – Crayola is known for **high quality, safe and non-toxic** creative products at an affordable price. The company has been in business for over a century and has proven its quality time and again.
- Category Leader – Crayola maintains the top spot in the children’s arts and crafts category. The craft aisles are painted Crayola yellow, because of the amount of products on the shelves. **Crayola holds share of mind for the target market**, because of their dominant presence in culture.
- Strong Reputation – The target market trusts Crayola, because of its long lasting quality product. **Crayola has proven itself as a credible and reliable company.**
- Quality Product – **A good product will bring consumers, and it has for Crayola.** Consumers know what to expect from Crayola and hold their standards high.
- Comparable Price Point – While Crayola is the premiere priced brand in its category, the difference is relatively small. **Consumers pay only slightly more for better, name-brand products with a Crayola promise.**
- Organizational Strength – **Crayola has proven itself in the marketplace** to be a competitive, innovative company. Further, the company is constantly making internal strides in organizational communication and culture.
- High Budget for Research and Development – **Crayola has maintained a high budget for developing their product line.** The company puts large portions of their revenue back into the product so as to never be left behind in their category.
- Partnerships with Disney and Nickelodeon – With the ability to use these characters on and in the products, **Crayola is more appealing to the secondary audience.**

### Weaknesses:

- Premium Price – While Crayola is only slightly more expensive than other brands it still is more expensive. This could affect the target’s purchasing decision when she is on a budget or simply looking to save money in general.
- Complacency – Crayola has adapted little (outside of new products) to the changing environment of the category. **There must be more ways to further develop children’s arts and crafts.** Crayola is the only brand that can afford the research and development time to determine this growth.
- Sustainability – The **company has done little to reduce their paper and garbage consumption.** Additionally, at the plant sites there has been little change in the emission of green-house gasses into the air.
- Chemical Usage – The crayons are non-toxic, but other products have chemicals on their ingredients packaging. **The products should only be made with safe and natural materials.**

## Opportunities

- Developing Online Relationships – Crayola has the ability to create a Web site designed for both children and their mothers specifically **designed towards social interaction with the brand and products.**
- Digital Enterprises – The digital culture is prominent in society. **Crayola should create products that have more digital features.** Encourage creativity on and off paper.
- Advancement in Software and Connection to already popular products – Crayola should give **digital codes to each of their products and encourage product usage and interaction online.**
- Partnerships with Discount and Office Supply Stores – By partnering with retailers Crayola has the ability to create large **point of purchase** displays that remind consumers about the brand, and encourage purchases.
- Crayola Workshops for Teachers – By further developing the relationship with teachers Crayola is encouraging product usage in schools. The company is also maintaining a strong relationship with teachers, which is building credibility and esteem toward the brand.

## Threats:

- Arts & Crafts seen as messy and time-consuming – There is a preconceived notion that arts and crafts is something done by stay-at-home mothers not working mothers, because it takes time and is messy. It is much easier and less time consuming to put in a DVD or turn on cartoons.
- Digital Entertainment is more interactive – Crayola is seen as a paper medium. Other entertainment activities are more stimulating. Art projects do not provide the same interaction as video games or the Internet do, and therefore have little to offer the secondary audience.
- Economy is questionable – Americans will limit their spending during economic crisis. If consumers are concerned about bills there will be little spent on entertainment purposes. Only the basics are important.
- Population Fluxion – The child population is smaller now than ever before as compared to the Baby Boomers and the Millennials.

## Marketing Objectives & Strategies

Crayola must consider all of the barriers and threats to their category, and future categories when expanding the brand. Clear definition of growth objectives and possible strategies speak to all the previous research.

### Market Growth

*Develop an interactive online community that acts as an informational and social Web site for Crayola.*

To continue its success, Crayola must create an interactive online community for both of their target audiences. The site will still have all of the activities and programs it does now, but will allow for interaction with the already purchased tangible product and nationally with other customers within the online community. **They must look at creating a Web site that is an integral part of their sales initiatives;** for example when a customer purchases a set of crayons they will obtain a code this code would be a lifeline or extra points on a game for the children and coupons for mothers. Additionally, this online community would allow Crayola to closely analyze their current target market while further penetrating the relationship with their customers. This would secure the loyalty that the consumer has for Crayola and allow the company to continually expand in their market. A loyal consumer will be consciously choose one brand over another, and **Crayola should be that trusted brand.**

*Develop five more No-Mess products within the next year.*

In addition to the interactive Web site, Crayola should also further their research on their No-Mess line of products. This line should eventually dominate the arts and crafts aisle. **The line speaks to the working mothers that make up the target audience especially since it is an art project that requires little to no clean-up.** Crayola should market this line of products to mothers with a thorough and intensive public relations campaign that includes coverage in national family magazines, samples or presentations in the aisles at stores, and free samples via the Web site. The mothers will be not only interested in trying these new products because they make less-mess, but this product will change the misconception that children's arts and crafts are for stay-at-home mothers with lots of time. Further, the target will be more loyal to a product or brand that made their life easier.

*Enhance growth into different categories, including children's cooking and video games.*

Crayola holds the share-of-mind for the consumer, and they have maintained their number one spot for over a decade. They should take their popular brand into other arenas, and try their success in other markets. Crayola has begun marketing on their expansion into interior design with bed spreads, paint colors, and accessories. They should begin research development for a co-branding campaign with children's cooking products such as the Easy Bake Oven. **This is would allow for hands-on colorful creativity off paper.** A further expansion in this category would be product placement in video games like Cooking Mama for Wii. This expansion would **respond to the secondary targets' digital interests, and allow for interaction outside the arts and crafts arena.**

*Develop line of professional artistic tools.*

Crayola has the ability to expand their product line outside of simply children's arts and crafts. They have developed such a strong reputation for quality products that expansion into professional artistic tools can be successful. However, Crayola should create a different brand name under its branded house. They should market the product with the parent name Crayola until the product is successful under its own name. This product line will seek out the [secondary audience as they mature and expand their creativity in more professional ways](#). Further, there is no age limit for these products so Crayola will be further developing relationships with future mothers, mothers, grandmothers, sisters, and so on.



### Market Stability

*Crayola should lower price of products slightly to limit competitors during economic crisis.*

Crayola must reevaluate their consumer base and determine what changes must be made during this economic crisis. However, the company should consider lowering their prices **to lessen the gap between their products and other brands**. Mainly the price change should be made their primary products (crayons, markers, and colored pencils). This change will decrease the amount of money spent during back-to-school, and maintaining at home supplies of these products (where the primary audience spends most on Crayola products).

*Crayola should distribute coupons and offer discount opportunities to loyal consumer base.*

Further, they should increase the amount of coupons distributed and discounts opportunities offered to the primary audience. **This decrease in price and increase in discounts will prevent other brands from taking Crayola's business merely on cost**. The company should exemplify the fact that quality does not always mean more costly.

*Market Crayola as an inexpensive entertainment alternative in an integrated public relations campaign.*

Crayola should additionally market their products as less expensive entertainment alternatives, and explain why four hours of quality time with the family can cost less than \$15, and does not have to involve high-tech or expensive adventures. The previously stated online community should be free to join, and **allow for unlimited interaction between the brand and the consumer**. This will continually maintain the customer's relationship with Crayola, but allow them economically friendly entertainment.

### Cost Control

As previously stated, Crayola must be mindful of the consumers' reaction to the current economic crisis. However, price cuts on all of their products is not realistic for the bottom line. The company must maintain some sort of revenue mainly to keep out of the red. **Crayola should only lower the prices of certain staple products**. Other products such as craft kits should maintain their price. Crayola is a stable company with many high quality inexpensive products, and the crisis should not hurt them if they budget correctly, and offer reasons that Crayola is an inexpensive way to encourage creativity.

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