

Subarna Nandy  
Dharminder Kumar Batra  
Vinod Kumar

# Hasbro's Easy-Bake Oven: Pink vs. Blue

## Introduction

A 13-year-old New Jersey resident, McKenna Pope, had filed a petition against Hasbro questioning its gender-bias marketing policy for the Easy-Bake Oven, a hugely successful toy in the American market.<sup>1</sup> The oven, with its pink and purple color and product design, was marketed targeting only young girls. Pope filed the petition when Gavin, her younger brother, pestered her to give him a new Easy-Bake Oven but did not want “girliness” associated with it. The campaign called for an Easy-Bake Oven for boys as well. The petition spread like wildfire and drove public sentiment, making it a national campaign.

Hasbro, swamped with consumer feedback, had to decide whether the brand should change its marketing strategy or redevelop a product brand line and also reposition it as gender neutral to its ardent fan base. The flood of petitions required the company to take remedial steps. Hasbro had to decide how to manage the situation using existing corporate reputation management tools without creating dissatisfaction among their customers. Should Hasbro apologize and accept it as a mistake? Or should the company ignore the customer uproar and defend the product signals like color choice and overall design of the oven? Or would it be smarter, instead, to design a new product range specially focused on boys as a new target segment? Hasbro's marketing team, led by Daniel Benkwitt (Senior Manager, Brand PR and Communications), was tasked with finding a solution to the problem.

The product in question was a 50-year-old American icon which was still among the most popular toys on the market. The task at hand was to prepare a strategic marketing plan in order to protect the strong image of the brand and appease its consumers.

## The U.S. Toy Industry

In 2012, the size of the global toy industry was estimated to be at \$84 billion with the U.S market share at \$22 billion.<sup>2</sup> The global sales growth for all traditional games and toys was just 5%.<sup>3,4</sup> Standalone toys lacked scale and versatility. Rather, franchises, from cartoons to video games to films and physical toys, were considered to be successful. Consumer preferences were changing. Children were being exposed to web-based gaming at a very young age. The emerging trend was a trans-media storytelling experience. To expand their audience, brands were strategizing to add more adults to their customer base.

<sup>1</sup> Change.org. “Hasbro: Feature Boys in the Packaging of the Easy-Bake Oven,” Change.org, accessed January 15, 2018, <https://www.change.org/p/hasbro-feature-boys-in-the-packaging-of-the-easy-bake-oven>.

<sup>2</sup> Sumit Roy. “US Toy Industry Forms 25% of Global Toy Industry Revenue of \$84 Billion,” OnlineMarketing-Trends, November 2014. Accessed January 11, 2018, <http://www.onlinemarketing-trends.com/2014/11/us-toy-industry-forms-25-of-global-toy.html>.

<sup>3</sup> *The Economist*. “Child's Play—The Toy Industry,” September 9, 2013. Accessed January 11, 2018, <https://www.economist.com/schumpeter/2013/09/09/childs-play>.

<sup>4</sup> Hasbro, Inc. “2012 Annual Report,” Hasbro.com. Accessed January 12, 2018.

---

*Copyright © 2019 Thunderbird School of Global Management, a unit of the Arizona State University Knowledge Enterprise. This case was written by Professors Dharminder Kumar Batra and Vinod Kumar with research assistance from Subarna Nandy, all at International Management Institute, New Delhi, India, for the sole purpose of providing material for class discussion. It is not intended to illustrate either effective or ineffective handling of a managerial situation. Any reproduction, in any form, of the material in this case is prohibited unless permission is obtained from the copyright holder. This case study has been written on the basis of published sources only. Consequently, the interpretation and the various perspectives are not necessarily those of Hasbro, Inc. or any of its employees.*

---

Within the toy and games industry, Mattel, Inc. (MAT) was Hasbro's core competitor, comprising Fisher-Price, American Girl, and Mattel Girls and Boys as the three main brand portfolios.<sup>5</sup> Mickey Mouse Clubhouse, Power Wheels, Bubble Guppies®, Dora the Explorer, Mike The Knight® and more, were included in Fisher-Price. The American Girl brand was a direct marketer, children's publisher, and retailer, with a flagship line of historical dolls, books, and accessories, as well as the My American Girl and Bitty Baby brands. Lastly, the company's iconic Barbie doll line included related items and accessories. Toys like Polly Pocket, Little Mommy, Disney Classics, and Monster High were included within Other Girls brands. Wheels included Hot Wheels, Matchbox, and Tyco R/C vehicles and play sets. Entertainment included Toy Story, WWE Wrestling, Batman, and Superman®, as well as games and puzzles. Hasbro's other competitors included LEGO, LeapFrog Enterprises (LF), and VTech.<sup>6</sup>

In this competitive environment, the Easy-Bake Oven faced stiff competition from Mattel's Barbie, Monster High, American Girl, LEGO products, and its own brands such as My Little Pony, movie-based series like Transformers, Star Wars, Nerf Blasters, and Furby, to name a few.

## Hasbro Company Background<sup>7,8</sup>

### *The Initial Years*

The company was founded in 1923, in Providence, Rhode Island, by brothers Henry, Herman, and Hillel Hassenfeld. It began by selling textile remnants which were later used to make hat linings and covers for pencil boxes. In 1926, they incorporated as Hassenfeld Brothers and Henry took over the business. The company flourished, and even during the Great Depression recorded \$500,000 in sales from pencil boxes and cloth zipper pouches filled with school supplies. The company also began toy manufacturing in the late 1930s, with medical sets for junior nurses and doctors, and modeling clay. By 1942, the demand for school supplies tapered off and the company established itself primarily as a toy manufacturer. In 1952, they introduced Mr. Potato Head, which also became the first toy to be advertised on television. To increase their foothold, in 1954, Hassenfeld became a major licensee for Disney characters. The efforts paid off and, by 1960, Hasbro recorded \$12 million in revenues. This clinched their position as one of the largest private toy companies in North America.

### *Global Expansion Phase*

In 1960, Henry died and his son, Merrill, took over the family business as its CEO. In 1961, as a part of his expansion plan, Hassenfeld Brothers (Canada) Ltd., now Hasbro Canada Inc., was founded. In 1964, Hassenfeld Brothers produced the action figure G.I. Joe, which was marketed to boys who did not want to play with girl dolls. The toy was instantly successful, and within two years of launch it accounted for two-thirds of the company's total sales with revenue of about \$40 million. In 1968, Hassenfeld Brothers was renamed Hasbro Industries. In 1969, the company acquired The Burt Claster Enterprises, a television production company, which produced *Romper Room* for the preschool audience. It began to manufacture toys using characters from the show. But due to unsettled market conditions, the company declared a \$1 million loss for the same year.

### *Diversification Phase*

Market conditions in the 1960s convinced Hasbro to diversify its business in order to protect revenue streams. The company launched a chain of nursery schools in 1970, franchised under the *Romper Room* name, to provide subsidized day care for working mothers. Hasbro also launched a second venture, the Galloping Gourmet cookware range, which sought to benefit from its television cooking show. Both these businesses were only remotely connected to its core business. The diversification into strategic business units failed, and it was widely believed within the company that they had erred by overextending its product lines to regain profitability.

### *Turnaround Strategy*

Between 1978 and 1981, in an attempt to turn the business around, the company slashed its product line by one-third. The primary aim was to refocus on simpler toys, such as Mr. Potato Head, which were low in

<sup>5</sup> Ibid., 5.

<sup>6</sup> Mattel Inc. "2012 Annual Report." Accessed January 11, 2018.

<sup>7</sup> Hasbro, Inc. "Hasbro, Inc. History," Funding Universe. Accessed January 10, 2018.

<sup>8</sup> [https://corporate.hasbro.com/images/Hasbro\\_Timeline.pdf](https://corporate.hasbro.com/images/Hasbro_Timeline.pdf). Accessed January 10, 2018.

manufacturing costs and had a longer life cycle. The business demonstrated positive signs and gave Hasbro the opportunity to acquire Milton Bradley, then the fifth bestselling toymaker, and its Playskool division. It also launched the Transformers series and established the Hasbro Children's Foundation. This culminated in another rebranding exercise when the company changed its name, yet again, to Hasbro, Inc. Nonetheless, the story of its growth continued and, in 1991, it acquired the Tonka Corporation, including its Kenner and Parker Brothers division. This led to the addition of popular brands like Monopoly, Star Wars, Tonka, NERF, Play-Doh, and the Easy-Bake Oven to Hasbro's portfolio.

### *Growth Phase*

The decade ended with more acquisitions and, by 2001, the company established a corporate strategy which focused on leveraging its brand portfolio. In 2006, a licensing agreement was signed with MARVEL and, in 2007, the first movie in the hugely popular Transformers series premiered. Two years later, the company partnered with Sesame Workshop to manufacture and market toys and co-branded games based on their beloved characters, including Elmo and Big Bird. This was followed by a series of successful ventures such as Hasbro Studios, the Hub Network (now Discovery Family) in 2010 as a joint venture with Discovery Communications, and the Hasbro Gaming Centre of Excellence in 2011.<sup>9</sup> Due to its growing popularity, the toy giant termed itself as a "branded play company" with special focus on customer experience.<sup>10</sup> This meant that consumer behavior was going to drive their brand strategy with a new brand mantra of reimagining, reinventing, and reigning.

### *The Changing Role of Women in American Culture*

The 1960s was a decade of extreme transformational change in American society. For the post-World War II baby boomer generation, it was a remarkable era, especially for women. The women's liberation movement peaked and more women entered the paid workforce.<sup>11</sup> However, they were still shouldering major household responsibilities. A large part of America still continued to believe that cooking and baking were a sign of femininity. Men, on the contrary, were viewed as the bread earners and not bakers. Gradually, the feminist trends of the 1960s proliferated, and gender became an important issue in American culture with more and more women seeking opportunities for self-expression.<sup>12</sup>

### **Gender Divide and Marketing of Products**

During the 1960s and 1970s, goods and services were not generally segregated based on gender, and the 1980s and 1990s brought a backlash against feminism, which created a divide between products, attaching specific colors to a specific gender. This distinction was reflected in the category of children's toys and games as even they became gender conformed. Previously, children were shown playing with toys of varied colors such as red, green, or yellow. Eventually, due to the change in customer perception, the entire industry divided into blue and pink, attached to boys and girls, respectively.<sup>13</sup>

### **The Easy-Bake Oven: Symbol of American Pride**

In spite of the continuing gender divide, children across the globe were demonstrating their love for cooking from ancient sunbaked mud pies to modern mobile-phone-driven cooking games.

Keeping in mind this growing interest, the first version of the Easy-Bake Oven was launched in 1963 by Kenner, one of the leading toy manufacturers in the United States. The idea was to market a product for children who wanted to experiment with their culinary skills, especially cakes and cookies. Just in time for the Christmas shopping season, a bright teal-colored oven debuted in the market. Although the initial product did not conform

<sup>9</sup> Hasbro, Inc. "Investor Factsheet," Hasbro.com. Accessed December 15, 2017.

<sup>10</sup> Hasbro, Inc. "Hasbro\_Timeline," Hasbro.com. Accessed December 15, 2017.

<sup>11</sup> Linda Napikoski. "1960s Feminism Timeline," ThoughtCo., February 28, 2018. Accessed March 2, 2018, <https://www.thoughtco.com/1960s-feminism-timeline-3528910>.

<sup>12</sup> Lisa Hix. "Easy-Bake Evolution: 50 Years of Cakes, Cookies, and Gender Politics," *Collectors Weekly*, February 11, 2014. Accessed December 1, 2017, <https://www.collectorsweekly.com/articles/easy-bake-evolution/>.

<sup>13</sup> Olga Okzman. "Are Gendered Toys Harming Childhood Development?" *The Guardian*, May 28, 2016. Accessed November 29, 2017, <https://www.theguardian.com/lifeandstyle/2016/may/28/toys-kids-girls-boys-childhood-development-gender-research>.

to the basic design of a typical oven, it became the “must-have” toy of the season. American consumers were rapidly adopting new technologies, particularly in their appliances, and the manufactured 500,000 units were immediately bought by consumers for their children. To maximize growth, 25 different cake mixes and mix sets were also launched, which effectively helped shorten preparation time. Over the years, the design of the oven adapted to suit changing customer demands.

The turning point in the oven’s design came with its inclusion in the Hasbro family. In 1993, around Easy-Bake’s 30th anniversary, Hasbro made tactical changes with the Snack Centre, which featured a new, sleeker design and more recipe options. They co-branded the oven sets with options like McDonald’s fruit pie or the Scooby-Doo themed cake or pizza. Over the years, various models were upgraded from basic abilities to ovens with more sophisticated options.<sup>14</sup>

In early 2006, Hasbro launched an advanced version of the oven during the American International Toy Fair in New York City. This was a smaller front-loading model, with a heating element. Tongs were provided for pulling cakes out of the oven. Soon after its debut, parents reported their children getting their fingers caught in the oven, leading to burns and partial amputation. Hasbro immediately issued retrofit safety kits. Despite this measure, in April 2007, Hasbro and the Consumer Product Safety Commission recalled about one million units as the problem still persisted. This design was replaced in 2011 by a new bright purple model called the Easy-Bake Ultimate Oven.<sup>15</sup>

## The Easy-Bake Oven and American Society

The Easy-Bake oven was deeply embedded in the American psyche and had become a rite of passage from one generation to the next. Over the years, the popularity of the oven had grown as it allowed children to bake tasty treats for their family and friends. With their efforts appreciated, it satisfied their need for self-expression, entertainment, and exploration. This, in turn, helped them establish an emotional bond with the product. Its consumers were true loyalists who voluntarily advocated for Easy-Bake on all platforms, creating a strong brand community of followers and product lovers.<sup>16</sup>

The Easy-Bake Oven made *TIME Magazine’s* list of “All-time 100 greatest toys.”<sup>17</sup> In 2003, it was voted as Toy of the Year by the *Best Toy Parenting Magazine*. In 2006, the oven was also inducted into the National Toy Hall of Fame. It also featured in primetime shows like *Friends*, *Fringe*, and *Queer Folks*. Moreover, on its 40th anniversary in 2003, a compilation of the memories of top chefs of the country playing with the oven was released. Recipes using the oven, including some from the chefs, were also published in a book, *The Easy-Bake Oven Gourmet*. Ten years later, on its 50th anniversary, award-winning author Todd Coopee released his famous book, *Light Bulb Baking: A History of the Easy-Bake Oven*.<sup>18</sup>

## Product Strategy

The gender coloring of American society was reflected in the oven’s product strategy as well. Its early versions modelled colors such as avocado green, deep red, and yellow. But later on, the color palette moved to shades of pink and purple. From the target audience perspective, the original product was primarily marketed to children above the age of eight. But to capture a larger market share, products such as the Warm Bake oven, which used hot water for baking, were introduced to target children as young as four. Also, during its introductory years, the product was meant for both boys and girls. But over the years, it had formed an image of being a “girls only” product.

<sup>14</sup> Lauren Smith. “A Look Back at the History of Easy-Bake Ovens,” *Good Housekeeping*, September 18, 2015. Accessed December 5, 2017, <https://www.goodhousekeeping.com/life/parenting/a34493/easy-bake-oven-history/>.

<sup>15</sup> *Ibid.*, 6.

<sup>16</sup> Mayukh Sen. “How the Easy-Bake Oven Has Endured 53 Years and 11 Designs,” *Food52*, September 29, 2016. Accessed December 14, 2017, <https://food52.com/blog/18007-how-the-easy-bake-oven-has-endured-53-years-and-11-designs>.

<sup>17</sup> Allie Townsend. “All-Time 100 Greatest Toys,” *TIME*. Accessed January 5, 2018, <http://content.time.com/time/specials/packages/completelist/0,29569,2049243,00.html>.

<sup>18</sup> *Ibid.*, 6.



In 2002, an exclusive variant for boys was launched called the Easy-Bake Cookerator.<sup>19</sup> This model offered recipes like Mud 'n' Crud, Worms 'n' Bugs, Dip 'n' Drool Dog Bones, or Delicious Dirt. To the company's surprise, this product failed to make an impact on its target audience.

## Easy-Bake Oven and Marketing Communication

The product's marketing communication was an apt representation of how gender roles had become assimilated into American society. It cued children to understand the differences between masculine and feminine gender constructions. It was reflected in the use of bright "girly" colors, female protagonists, and pop music. The product communication encouraged young girls to start their journey of becoming good cooks and help their mothers in the kitchen. This established women's traditional role as a homemaker.<sup>20,21</sup>

Right after its launch in 1963, Easy-Bake made its advertising debut with taglines like "*just like Mom's—bake your cake and eat it, too!*" The advertisements were placed in women's magazines and *Archie* comics, along with television appearances in morning cartoons and prime time shows. In 1965, a television commercial featuring a boy and a girl was released which focused on the girl baking and the boy enjoying the cakes and cookies. Eventually, the advertisements started only featuring girls. A popular 1972 television spot showcased a girl happily stating that it was the most beautiful oven she had ever seen. In the same year, during Christmas, an advertisement by Kenner positioned the oven as the second-best toy for girls, after a doll.<sup>22</sup> In 1989, a New York City toy store released a print advertisement which reiterated that using the Easy-Bake Oven helped young girls realize their dreams of baking delicious treats.<sup>23</sup>

This stereotype continued for decades. The 21st century did not bring any changes in marketing strategy. Well into the 2010s, Easy-Bake ads showed only girls playing with the toy and featured them on its packaging. Boys appeared in the ads only when Easy-Bake introduced a special attachment like the popcorn popper or the Cookerator.

## The Incident

In November 2012, McKenna Pope, a current user of the product, used a well-known portal for online activism ([www.change.org](http://www.change.org)) to file a petition against Hasbro (Exhibit 1). In her petition, Pope wrote:<sup>24</sup>

*I feel that this sends a clear message: women cook, men work. I want my brother to know that it's not "wrong" for him to want to be a chef, that it's okay to go against what society believes to be appropriate.*

She used her mother's YouTube channel (<https://www.youtube.com/watch?v=zHESKyxrJm>) to post an interaction with her brother, Gavin. In the video, her brother expressed his desire to cook using the oven but assumed that it was only meant for girls. It garnered over 1,090,000 views and was one of the most popular video searches the week of December 16, 2012. Moreover, at the height of the controversy, the Easy-Bake Oven itself peaked with news and image searches on Google. Most of the searches were geo-located from the United States. "Gender-neutral easy bake oven" and "EZ bake oven for boys" became the break-out search terms. Related queries for the product increased by more than 5,000%. This meant that more and more consumers were automatically searching for an Easy-Bake Oven for boys when searching for the toy in general. The entire country was engaged. It gained national media attention with debates being conducted on popular media outlets like CNN, The Associated Press, and *The LA Times*.

<sup>19</sup> Ibid., 6.

<sup>20</sup> Lisa Hix, February 11, 2014.

<sup>21</sup> Gooney Bird. "Kenner 1972, Easy-Bake Oven Magazine Advertisement," Kenner Collector, December 13, 2014. Accessed

<sup>22</sup> November 2017, <http://www.kennercollector.com/2014/12/kenner-1972-easy-bake-oven-magazine-advertisement/>.

<sup>23</sup> Ibid.

<sup>24</sup> Claudia A. Mitchell and Jacqueline Reid-Walsh. *Girl Culture: An Encyclopaedia*, 1st ed. (United States of America: Greenwood Press, 2008), 276.

<sup>25</sup> Ibid. 2.

## Exhibit 1. The Online Petition Filed by McKenna Pope

Hasbro: Feature boys in the packaging of the Easy-Bake Oven

My little brother has always loved cooking. Being in the kitchen is his favorite out-of-school activity, and he yearns to have the opportunity to cook on his own, or at least with limited help.

Imagine my surprise when I walked into his room to find him “cooking” tortillas by placing them on top of his lamp’s light bulb! Obviously, this is not a very safe way for him to be a chef, so when he asked Santa for his very own Easy-Bake Ultimate Oven, produced by the Hasbro company, for me to help him be the cook he’s always wanted to be, my parents and I were immediately convinced it was the truly perfect present.

However, we soon found it quite appalling that boys are not featured in packaging or promotional materials for Easy-Bake Ovens—this toy my brother’s always dreamed about. And the oven comes in gender-specific hues: purple and pink.

I feel that this sends a clear message: women cook, men work.

I have always been adamantly against anything that promotes specific roles in society for men and women, and having grown up with toys produced by the Hasbro corporation, it truly saddens me that such a successful business would resort to conforming to society’s views on what boys do and what girls do.

I want my brother to know that it’s not “wrong” for him to want to be a chef, that it’s okay to go against what society believes to be appropriate. There are, as a matter of fact, a multitude of very talented and successful male culinary geniuses, i.e., Emeril, Gordon Ramsey, etc. Unfortunately, Hasbro has made going against the societal norm that girls are the ones in the kitchen even more difficult.

Please join me to ask Hasbro to feature males on the packaging and in promotional materials for the Easy-Bake Ultimate Oven, as well as offering the product in different, non-gender-specific colors, i.e., primary colors. Please, sign this petition, help me in creating gender equality, and help the children of today become what they’re destined to be tomorrow.

## Crisis Resolution by Hasbro

During the same time in December 2012, to mitigate the situation, the company responded with a letter to Pope stating that during the earlier years, both boys and girls were used in its commercials. The response further noted that in 2009, the finalists of “The Baker of the Year” award had included a brother-sister pair. Along with this, it also included childhood stories of popular brand evangelists such as famous chef, Bobby Flay.<sup>25</sup>

## Campaign Success

But even Flay supported Pope’s campaign and released a nearly three-minute video (<https://www.youtube.com/watch?v=s1hB0S7u06U&t=33s>) with messages from renowned chefs who spoke against gender bias. Culinary expert Michael Lomonaco, along with his team, cheered for Pope: “*We signed your petition, McKenna! You get Hasbro to change that packaging! Little boys and little girls can all be chefs.*” The video also quoted Joshua Whigham, of chef José Andrés’ Los Angeles restaurant, The Bazaar: “*I can understand not wanting to cook on a pink oven.*” Parents and users from across the globe signed the petition advocating their support for gender neutrality in toys. Brand advocates openly expressed their views on social platforms such as YouTube and Twitter. Apart from these, many expressed their emotions via various blog posts.<sup>26</sup> Also, when signing the petition, users explicitly shared their reasons for lending their support.

Finally, the petition, which had amassed 30,000 signatures in its first week, was declared a success by Change.org with 45,350 consumers supporting it with their signatures. As a result, the online portal delivered Pope’s letter to five top officials at Hasbro, including the CEO of the organization.

<sup>25</sup> *The Associated Press*. “Controversy Over Easy-Bake Oven for Boys Heats Up,” *Portland Press Herald*, December 7, 2012. Accessed January 11, 2018, [https://www.pressherald.com/2012/12/07/controversy-over-easy-bake-oven-for-boys-heats-up\\_2012-12-08/](https://www.pressherald.com/2012/12/07/controversy-over-easy-bake-oven-for-boys-heats-up_2012-12-08/).

<sup>26</sup> *The Associated Press*. “Top Chefs Back Gender-Neutral Easy-Bake Oven,” CBS News, December 12, 2012. Accessed January 11, 2018, <https://www.cbsnews.com/news/top-chefs-back-gender-neutral-easy-bake-oven/>.

## Previous Controversy

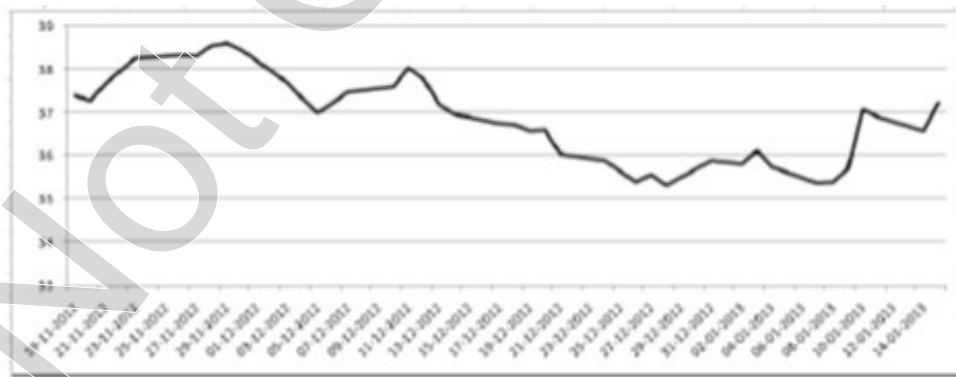
On November 13, 2012, a six-year-old girl from Ireland raised a question about Hasbro's popular game "Guess Who?" The game was a two-player guessing game with a set of 24 cards of cartoon images of male and female characters. The objective was to determine which card the opponent had selected by using simple yes or no questions. In a letter drafted by her mother, Jennifer O'Connell, the child objected to the presence of 19 male characters in the game as opposed to only five female characters. The female characters were considered undesirable by the players as questions like "Is it a girl?" potentially eliminated 19 options from the choice set. The letter pointed that it sent out a message that only boys were important.<sup>27</sup> O'Connell also posted the communication to Hasbro in her blog (<http://www.byjenniferoconnell.com/>) to create awareness among other consumers and to share her concern.

In response, Hasbro's public relation's team replied with an unconvincing letter explaining that the game was based on numerical equations depending upon five different characteristics for each character to aid the process of elimination. Criticizing the unfriendly tone of the communication, O'Connell further questioned the brand on why female gender was considered a "characteristic" and the male was not. Eventually, the mother-daughter duo received a "child-friendly" response from Hasbro appreciating their suggestions and saying that the company could "only" consider the opportunity to add more female characters.

## Financial Impact

The company was already reeling under the pressures of unfavorable market conditions and its lack of category diversification.<sup>28</sup> To add to its woes, the controversy incrementally impacted its stock prices, creating a ripple effect (Exhibit 2). In the fourth financial quarter, profits dipped by 6.3% with net revenues for the boys' toy category declining by 23% (Exhibit 3).<sup>29</sup> Cumulatively, the year saw a decline of 13% for boys and 5% for the preschool toy category. Revenue increase was only recorded in the girl categories at 7% and for games at 2%. The overall net revenue from the U.S. and Canada markets was \$2,116,297, a 6% decline from 2011 (Exhibit 4). Given the current situation, a bleak future was predicted with an estimated revenue growth of only 2.7% CAGR, between 2012 and 2017 in North America.

**Exhibit 2. Historical Stock Prices for the Month of November 2012, December 2012, and Mid-January 2013**



Source: Adapted from Yahoo Finance, Hasbro, Inc., "Historic Stock Lookup." Accessed January 13, 2018, <https://in.finance.yahoo.com/quote/HAS/history?ltr=1>.

<sup>27</sup> Brogan Driscoll. "Six-Year-Old Girl Accuses 'Guess Who?' Board Game of Sexism in Letter (PICTURES, POLL)," *The Huffington Post*, December 5, 2012, Accessed January 11, 2018, [https://www.huffingtonpost.co.uk/2012/11/21/guess-who-letter-sexism-six-year-old-girl\\_n\\_2170044.html?guccounter=1](https://www.huffingtonpost.co.uk/2012/11/21/guess-who-letter-sexism-six-year-old-girl_n_2170044.html?guccounter=1).

<sup>28</sup> Hasbro, Inc. "Hasbro Inc.," In Toys and Games, *Euromonitor*. Accessed 12 January, 2018.

<sup>29</sup> Harold Goldberg. "Why the Toy Industry Isn't Having Any Fun," Reuters Blog, February 20, 2013. Accessed January 11, 2018, <http://blogs.reuters.com/great-debate/2013/02/20/why-the-toy-industry-isnt-having-any-fun/>.

**Exhibit 3. Hasbro 2012 Net Revenues (in Million USD) Comparison 2012 and 2011**

Hasbro Product Categories	FY 2012		
	2012	2011	% Change
Boys	414	536.3	-23%
Games	430.7	373.3	15%
Girls	292.6	250	17%
Preschool	148.3	169.8	-13%

Hasbro Product Categories	FY 2012		
	2012	2011	% Change
Boys	1,577	1,821.5	-13%
Games	1,192.1	1,169.7	2%
Girls	792.3	741.4	7%
Preschool	527.6	553	-5%

Source: Adapted from Hasbro, Inc., "2012 Annual Report," Hasbro.com. Accessed 13 January, 2018.

**Exhibit 4. Hasbro 2012 Net Revenues (in USD) Comparison**

Net Revenues	2012	% change	2011	% change	2010
U.S. and Canada	2116297	-6%	2253458	-2%	2299547
International	1782119	-4%	1861901	19%	1559927
Entertainment and Licensing	181430	12%	162233	19%	136488

Source: Adapted from Hasbro Inc., "2012 Annual Report," Hasbro.com, accessed 13 January, 2018.

## Next Steps

By 2012, the Easy-Bake Oven had seen about eight makeovers and touched millions of American consumers. The product was culturally fitted to a target group, but the company had overlooked the expansion in its target audience. For years, boys had been playing with the oven while the company only associated the product with girls. Daniel's team had to decide on solutions to respond to the situation. A new product launch meant additional production and marketing costs. But was the market size of the new target male customers lucrative enough to offset the incurred expenses? The lackadaisical attitude of the company had already agitated its consumer community, which had reacted with a strong backlash. Were the existing measures of reputation management and public relations sufficient to satisfactorily address the situation in the online medium? Lastly, gender politics had opened a Pandora's Box for the organization, with its key stakeholders turning against the brand. In such a situation, how was it going to be possible to satisfy everyone but still protect the brand from being tagged as gender biased?