

Case 3: Digital technology helps Crayola brighten its brand

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- Crayola is leader in high-quality crayons, markers, modeling clays, creative toys and innovative art tools
- The popularity of Crayola is under assault because consumer taste is changing:
 - Digital products are starting to supplant physical ones in the world of children play
- As a result, Crayola has been embarked on organizational change and new product development
 - Reframed its business model, introduced a new innovation process for product development, and created new products and revenue streams
- The company offers new range of products like the iMarker, an all-in-one digital pen, crayon, and pencil designed for use with the Colour HD iPad app
- Has moved into marketing via online advertising: social media push

Analyze Crayola's problem. What management, organization, and technology factors contributed to the problem?

- **Management**
 - With the advent of computers and web-based learning, children are leaving behind handheld art supplied at an increasingly younger age
 - As children reach the age of four or five, when they become old enough to play with a computer, they become less interested in toys and crayons in favour of electronics
- **Organization**
 - The traditional box of Crayola crayons is under assault, not by competitors, but by changing times
- **Technology**
 - Digital products are starting to supplant physical ones in the world of children's play

What competitive strategies is Crayola pursuing? how does digital technology support this strategy?

- The organization restructures around consumer insights and needs rather than specific product lines

- Crayola's purpose has always been to nourish originality and to help parents and teachers raise creative and inspired children
- The firm's broader mission is to help children play in colourful ways
- Crayola reframed its business model, introduced a new innovation process for product development, and created new products and revenue streams
 - The company transformed itself from a manufacturer of crayons and art tools into a trusted source of tools and experiences for creative play

What people issues did Crayola have to address in designing its new technology-based products?

- The company found that parents were looking for toys that were less messy than traditional markers or finger paint
 - The company's new digital toys are "100 percent mess-proof" and technology has helped Crayola make its other products less messy as well
- The company understands how digital technology can play a part in different ages
 - The My First Crayola line is targeted specifically at one-year-olds while Crayola Catwalk Creations is designed for tweens (9-12 yrs) girls who like expressing themselves through fashion
- Crayola's core "mom" audience is turning to the web for gift and usage ideas, comparing prices, and reading reviews before making purchases
 - The company's web site has been thoughtfully designed for children, parents, and educators
 - The website also can be used for ordering Crayola products online

How has digital technology changed Crayola's business model and the way it runs its business?

- Crayola changed the way it markets its products and has been investing more and more in digital marketing
 - The company uses online advertising, promotions, social media pushes, and other digital activation programs that allow Crayola to connect with parents and educators invested in raising children's creativity level
- Because of its new array of products and services, Crayola has experienced better growth