

November/December 2008

THE LICENSING BOOK

BUILDING BUSINESS THROUGH PARTNERSHIPS

GREEN

IS THE NEW BLACK

- 
- MUSIC/CELEBRITY
 - THE NEW PHILOSOPHY OF BRAND

VOEI
Studio

EDITOR'S POINT

We decided this issue was green before everything went red.

The last two months have been the worst for the economy in years. I'm not telling you anything you don't know. But I can tell you I walked down Fifth Avenue on Black Friday and barely had room to breathe—the sidewalks were chock full of shoppers in motion, except for the ones waiting in the block-long line at Saks Fifth Avenue.

So even if things dip into the red, remember that there are still shoppers out there. We're a long way off from retail Armageddon.

On that note, we forged ahead with our Green feature. Everyone I talked to scoffed if I asked about the green "trend," because becoming eco-friendly is about taking small steps toward a larger goal, not tossing product out there and then pulling it from shelves when things turn south. "Movement" is a better term.

But without any one driving factor—i.e., serious government regulation—how is the "green" movement progressing?

First, retailers are putting pressure on manufacturers. Wal-Mart recently announced eco-friendly measures that will start rolling into place in 2009. As Wal-Mart goes, manufacturers follow.

Next, industry giants can use green programs to exert peer pressure on their competitors. Take a look at Coca-Cola's comparatively long-running program to turn old cans, bottles, and billboards into new products.

If Wal-Mart's influence is top-down, and Coca-Cola's is peer-to-peer, companies like Idbids are building the green movement from the bottom up. Their popularity is directly influenced by popular media such as Discovery Communications' Planet Green network, the *Planet Earth* series, and the forthcoming *Earth* movie—all of which boast licensed products. And we might not



be having this discussion if it weren't for the real progenitors of the green movement such as Neal Pargman's Save the Earth brand, which he started in 1968. We talked to Pargman, whose famous logo is everywhere from Bank of America commercials to the bottoms of pools.

Also in this issue, we take our annual look at music and celebrity licensing. We've got quite the range this year, whether it's old-school jazz, the music of the Weather Channel, or the latest pop princess.

Our final feature for this issue is an interview with Jonathan Salem Baskin, author of the new book *Branding Only Works on Cattle*. This was unexpected. We get a lot of books here. Most of the books are bad, but I randomly opened this one and was engrossed. By page 15, I was nodding my head, and by page 50, I had emailed the publisher asking for an interview. It's a no-holds-barred look at marketing and how it can be done better, and it's definitely worth a read.

One point Baskin makes is that we're all going to have to think differently in the new economy; we need new solutions for problems we haven't faced in years. *The Licensing Book* wants to know how you're weathering the storm. If you have a story to tell, don't hesitate to call or email me. It's what we're here for.

Finally, everyone at Adventure Publishing wishes you and yours Happy Holidays and a Happy New Year.

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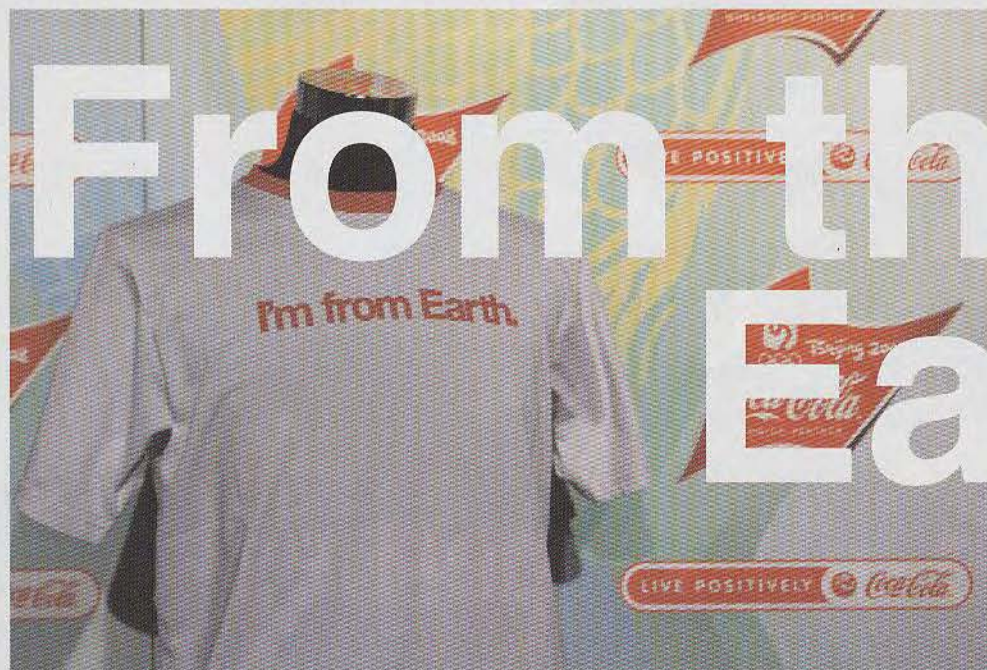
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Green Licensing: The Green Movement



From the Earth

Green products have gone from trend to mainstream, and licensors everywhere are getting in on the act.

BY BRYAN JOINER

There is a stuffed otter on my desk. It's holding a piece of seaweed. You can move its hands over its eyes so it looks like it's playing peek-a-boo. It is adorable.

It's also just as much a part of the earth as the real otter it represents. Its exterior is made of soy fiber, while the stuffing is made of 100 percent Kapok, a sustainable rainforest crop.



Setting the Standard

What does it mean to be green?

At the moment, it means very little. Say you're green, and you're green.

That's good for those who do the least to be green, but bad for companies like Aurora Naturally, who made my friend Phillipe from eco-friendly materials.

The best example of this in another sector of the marketplace is McDonald's, which unilaterally set relatively strict environmental and ethical standards for itself in an effort to head off any concerns over how and where it acquired its fish and meat. As the industry leader in fast food, McDonald's not only made a proactive move; it forced other fast food chains to look at similar changes. By unilaterally

"I think it's going to be an evolution" — Jeffrey Fisher, FAB/Starpoint

Phillipe, as I call him, is the future of toys. And he can be licensed.

More to the point, he *is* being licensed by companies everywhere. Everyone's "going green." In an economy where only the strongest brands survive, green is the new black.

So where will the change come from?

While the International Organization for Standardization (known as ISO) recently updated its 11-year-old sustainability standards, absent any American government regulation, any changes will likely stem from pressures within the industry.

ally changing the rules of the fast food business, McDonald's changed the way all fast food businesses think about their environmental and ethical standards.

Now, Wal-Mart has taken a similar approach to all of its products. This is an effort to be proactive for the company's own sake,

instead of being forced to react, as it did with the Kathie Lee Gifford sweatshop controversy. But Wal-Mart's environmental standards will affect everyone. The company is strong enough that it can set the bar, and everyone has to follow.

That's exactly what Wal-Mart has done. In October, it announced new environmental standards for manufacturers at a China summit. The Global Responsible Sourcing Initiative requires that manufacturers comply with Chinese environmental laws and regulations, reduce energy usage by 20 percent by 2012, and have greater transparency and ownership. To this end, beginning in 2009, Wal-Mart will require suppliers to provide the name and location of every factory they use to make the products they sell.

Wal-Mart will institute a three-pronged auditing system to enforce the changes. The vendors will be required to submit their own reports, while Wal-Mart will do its own random, unannounced audits. A third party would also submit reports.

While the measures have yet to take effect, and there are still some critics of the plan, it's clear that even the idea of Wal-Mart-enforced standards will change the manufacturing industry at large. But even with Wal-Mart enforcement and increased government regulation, there is no real, comprehensive green standard, and companies are slowly developing standards for what it means to be green.

"We're looking to figure this out, and

we're looking to find a way that makes sense," says Jeffrey Fisher, executive vice president of FAB/Starpoint. "That means, how do you do it so you're communicating properly to the consumer? I don't think there is one thing to do, and I think it's going to be an evolution. I think companies like Wal-Mart and some of the other retailers out

Coke Is It

Let's start at the top, where one of the world's biggest brands has taken a green approach to its consumer waste, turning it into eco-friendly merchandise. The brand is Coca-Cola.

Coca-Cola started its program in 2006, making it one of the first international behemoths to take up the green mantle. While Coca-Cola cans and bottles have been seen as a renewable resource since recycling became a standard practice, the program aimed to turn more discarded Coca-Cola materials—think reclaimed billboards and misprinted bottle labels in addition to Coke containers—into a lifestyle-branded product array. "We have literally turned trash into treasure," says Cindy Birdsong, vice president for worldwide licensing and operations.

The crux of the program are items containing rPET (recycled polyethylene terephthalate) and natural fibers such as organic cotton or bamboo. Scott Vitters, the director of Sustainable Packaging for Coca-Cola, identifies "100 percent re-use" of rPET bottles as



Save The Earth-branded picture from Burnes of Boston is made from recycled wood.



there are going to push the envelope a bit and say, 'Look guys, unless you're sustainable, we're going to have a hard time doing business with you.' What we tend to do well is we listen and take that information and try to put it into a good, working plan we can deliver to the market."

a goal of the program.

In addition, old billboards have been recycled into designer handbags, and other bag versions have been made from old beverage labels. There is also a jewelry line.

"If everyone realized that returning just one 20-ounce bottle can help make a cap and

that five can produce a T-shirt, we all might think twice before throwing them away," says John Shero, licensing strategy director for The Coca-Cola Company. "These fun products we're making merge trend with consciousness, reminding us that small steps—like recycling a few bottles—can help solve big problems. We want to motivate others to act."

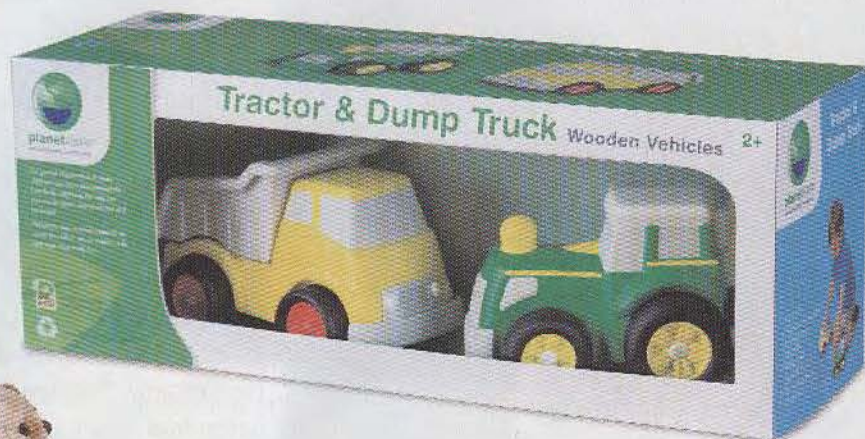
friendly.

Ibbids recently teamed with The Weather Channel to bring its three signature characters to the green section of The Weather Channel Kids website. The Ibbids will provide an environmental "tip of the week" as part of their effort to educate kids about going green.

The Ibbids were one of several compa-

Planet Toys; and PlanetCare from ToyQuest, among others. These companies are creating a rising tide to reach the next generation of consumers by creating eco-friendly toys for the young.

By working at the same time, there is thought that a "Green" aisle will be created at retail—the traditional sign of bottom-up movement.



ToyQuest Goes Green

ToyQuest, a manufacturer that works with properties from Disney, Nickelodeon, and Sesame Street, among others, introduced its own line of environmentally friendly toys at Toy Fair: PlanetCare (see dump truck at left).

The toys use recycled materials and are painted with organically based dyes. The packaging is also eco-friendly.



"We want to motivate others to act" — John Shero, The Coca-Cola Co.

Iddy Biddy steps

Some have already begun to act, taking steps that were both large and iddy biddy at the same time. Like Coca-Cola, these companies have helped moved green from a trend to a lifestyle.

One of the companies at the forefront of this movement is Ibbids. Ibbids plush toys are created with organic Egyptian cotton, and the packaging is made of environmentally friendly materials. In fact, Ibbids is so eco-conscious that its trade show booths are eco-

nies at Licensing Show that—in converse to Coca-Cola, which seeks to lead by example—has made education on environmental issues its mission. These companies seek not just to be ahead of the curve, but also to shape what the green movement will look like in the coming years. If Coca-Cola's mission is to move top-down, Ibbids and others are looking to create a groundswell from the bottom up. They are joined by properties such as Timber Tom, an eco-friendly series targeting teens and their parents; Planetpals;

Save The Earth, Planet Earth, Planet Green

It's possible that the single biggest force in moving consumers to green products, and a green lifestyle, is the BBC/Discovery Channel's *Planet Earth* series—which didn't even push green principles, per se. The groundbreaking series of high-definition looks at the world has translated briskly into DVD and board game sales, but its impact has gone beyond merchandise. The series is a stark look at what we stand to lose if we

FEATURE GREEN

don't start going green, and, in that sense, it represents the turning point from green as an idea to green as a movement more than any other property (except, perhaps, *An*

eries and the *Earth* film has paved the way for the 24-hour Planet Green television network, which devotes all of its programming to an environmentally conscious lifestyle. The

research and education. It was started in 1972 by Neal Pargman and was one of the first elements of what we now call the "green movement." Pargman saw

Discovery's Planet Green network launched in June.

Inconvenient Truth.

Planet Earth has been licensed in virtually all areas, and a follow-up movie, *Earth*, will be released in April by Disney.

The groundwork of the *Planet Earth* minis-

network launched in June, tied to a consumer products program in categories including apparel, HBA, and stationery.

* Save the Earth is a different venture entirely—it's a foundation that funds environmental

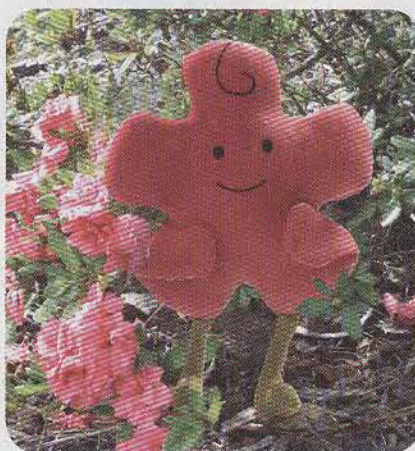
the need for environmental restrictions on products in the late 1960s, and his push has been gathering strength since then. Obviously, the green movement has taken off



So cute. So lovable. So smart! So ready for prime time or any product that's keen on being green.



Scout, the cloud Idbid
"He's a little out there."



Lola, the flower Idbid
"Pretty is as pretty does."



Waverly, the water drop Idbid
"All wet but certainly not a drip."

Visit www.idbids.com to view our award-winning toys. Email licensing@idbids.com for licensing information.

idbids™
iddy biddy steps for a greener world

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in the last two years, but that doesn't mean it—or its root causes—have only recently started. "Climate change is nothing new," he says. "It's just new to the masses. It took about 40 years before the masses caught up with the message."

Save the Earth licenses its logo—Earth, wrapped by a rainbow—for use on products from credit cards to pools. Each licensee's product is evaluated for its sustainability, but all Save the Earth licensing fees are automatically redirected to green causes, meaning that all potential licensees contribute to helping the planet.

Also, Pargman, as one of the pioneers of the green movement, sees shades of grey where others can be blinded by the word "Organic." "Organic" certification standards can differ around the world, and shipping in "organic" merchandise from India and China can actually hurt the environment by putting more carbon in the atmosphere during transit than it saves by being "organic."

It's this problem that's made it hard for Save the Earth to find an

but had green aspirations—something of a mutually beneficial transaction. "I'd make a deal with them, and I'd say 'I'll make you a three-year deal, but at the end of the first term, I'll let you renew the contract if you've got organic cotton.' It's a good way to get companies in and change them."

This makes practical sense and business sense, he says. "If you just deal with the good companies, then you'll never get the other ones, and the good ones aren't the ones we really need, because they see it—they understand. If you tell the other ones, 'We're not going to do business with you, because you're not green,' how are you ever going to get them to be green?"

As it stands, Save the Earth has licensees in pretty much every sector of the market other than apparel. Save the Earth has agreements with Bank of America, where the logo was used on a television commercial; the Sherry Bennett gallery, which has created sculptures of the logo; Tyca, which has created embossed denim jackets and tote bags; and, most, recently, Burnes of Boston, which

will launch a photo-frame collection made from reclaimed wood that comes in recyclable packaging.

"Save the Earth works with anything," says Pargman. "Every company in the green movement really wants to say 'Save the Earth,' whether you're trying to promote organic cotton or Earth-friendly materials. Saving the Earth is the ultimate goal."



PorchLight Entertainment has partnered with Caboom of Dublin on Beary Boo.



"Saving the Earth is the ultimate goal" — Neal Pargman, Save the Earth

apparel licensee, which should be, given its easy-to-recognize logo and slogan (Save the Earth owns both the logo and words "Save the Earth") and the current popularity of the green movement, the easiest part of the equation. For whatever reason, it hasn't been.

Pargman says that he would work with a domestic company that was not organic now,

MGA, Little Tikes Launch "Rated Green"

MGA Entertainment has launched a new environmentally safe line of games and toys from its Little Tikes brand with Rated Green.

Rated Green toys include card games, memory match-up games, and educational flash cards. The games and cards use non-

toxic soy-based ink, are printed on 100 percent recycled paper and come in cases made from a biodegradable corn-based resin. The 3-D Memory Game is made from bamboo.

The games will be available at retailers including Target, Toys "R" Us, and Kmart.