

MULTIPLICATION IS THE NAME OF THE GAME

THEY TOUR HARDER THAN A ROCK BAND AND HAVE PLAYED TO CAPACITY CROWDS ACROSS AUSTRALIA AND THE US. BUT OFFSTAGE THE WIGGLES ARE ADOPTING SOME INNOVATIVE BUSINESS TECHNIQUES TO EXPAND THEIR BRAND

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*The original brand Wiggles
shoot for the stars: Clockwise
from right, Greg Page, Jeff
Fatt, Murray Cook and
Anthony Field.*



WHAT HAPPENS when you mix cold spaghetti, mashed banana, a big red car, and a man in a purple skivvy who keeps dozing off? If you don't know then you need to speak to a three year old. Along with millions of other children, they'll know all about the unique brand that is The Wiggles.

It's a brilliantly simple concept. Four funny men – Murray Cook, Anthony Field, Greg Page and Jeff Fatt in colour-coded skivvies – playing catchy tunes based on sound musical principles.

But with annual revenue of around \$50 million, a recent Australian export award and a growing merchandise arm with everything from magazines to wiggling guitars and wallpaper, The Wiggles is far from a simple business success. The band is now rolling out versions of itself in an unusual franchising operation that will see them dancing and singing in several countries simultaneously. The alternative Wiggles are being developed in special "boot camps" in Australia and with on-the-job training, and are backed by an increasingly sophisticated management and production team.

It all began at Macquarie University, where Cook (the red Wiggle), Page (yellow), and Field (blue) met while studying early childhood education. Field was then in a well-known soft rock band called The Cockroaches, where he met Fatt (purple). They got together to record some children's songs and then went on to tour Australia, performing in community halls and doubling up in budget motels.

"Jeff was in charge of the merchandise and he used to carry it around in a Globite suitcase," says Field, who plays the drums and is a favourite with middle-class mums.

The original idea, 15 years ago, was to make one CD, but they forgot to stop. To date they have sold 17 million DVDs and 5 million CDs. Last year they won another Aria for best children's album, as well as the prestigious Australian Exporter of The Year award after their business strategies underwent close inspection in a field peppered with leading Australian companies such as Qantas, one of The Wiggles principal sponsors.

They now have television partnerships as well

distribution and licensing agreements in Australia, the US, Latin America, Asia, the UK and New Zealand.

In the early days The Wiggles gave little thought to anything beyond the next tour or the next DVD. That's all changed: 2001 revenues of \$A9 million are forecast to grow to more than \$A50 million in 2004-5, with the US accounting for 62 per cent.

The Wiggles' growth from a local children's act on ABC television to a global phenomenon started when they focused on gaining a foothold in the US – a notoriously difficult market to crack – seven years ago. Last November, they played in stadiums in major cities across North America before sell-out crowds, with almost 900,000 people turning out to yell and dance to tunes such as *Toot Toot*, *Chugga Chugga*, *Big Red Car*.

The band's general manager for business affairs, Mike Conway, always thought The Wiggles' stage shows were a winner and it's to him that they now attribute much of the renewed focus and drive they've acquired in recent years.

"While on stage they were absolutely sensational, but offstage they had not really presented themselves in the best way possible for a global organisation," he says.

Conway arrived at Wiggles HQ three and a half years ago via a career in health management and stints with Deloitte and Ernst and Young, and as CEO of Standards Australia, the peak non-government standards body.

"It was probably the longest job interview in history," says Conway. He and Page, the lead singer, met through their children's school and bonded over cricket and the shared thrill of performing with Elvis Presley's TCB band in Sydney and Las Vegas.

Originally from Manchester in the UK, Conway has a social sciences degree and an MBA from Lancashire Business School. Until he joined The Wiggles, by their own admission they lacked strategic planning and gave little thought to budgets. "We were successful so we didn't worry," says Cook.

Conway drew on years spent working with leading organisations implementing and managing people, processes, culture and technology. He had played guitar in a support band at a Rolling Stones gig but had never worked at the business end of the entertainment industry. He didn't see that as an issue.

"The principles for managing The Wiggles are just like those for any other business," he says. "We needed to get those procedures right first before we could attempt to go global. You need to create sensible procedures within a frame of reference if you are talking to companies such as Disney, Discovery or Nickelodeon. You've got to be able to show them how you will fulfil your obligations. Without them organisations grow too quickly."

After succeeding in the US, The Wiggles started to

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look at other markets. The obvious ones were the UK and Japan, the latter a rich market with a rich culture and not too far away from their Australian base. China is now on the horizon, and there may be European partnerships too if the right partners emerge, Conway says.

“Based on everything I have seen, this concept can work anywhere in the world,” he says. Even in the Middle East. Last month, Conway went to Dubai to meet some groups interested in forming a relationship in the region. Dorothy the Dinosaur, a Wiggles costume character, presented a few shows there to pave the way.

Now the emphasis is on franchising. For some time the band had been on the lookout for a way to take their music into other cultures, says Murray Cook. “The songs are great and the kids connect with them. We knew they should connect with kids in other cultures but it’s really hard if you don’t speak the language.”

It also isn’t easy to replicate a concept when the commodity is human. Says Fatt, “A lot of shows have animated characters with mouths that don’t move, which it’s OK to dub, but for us touring is a big part of our work.”

A local version of the group was formed in Taiwan a couple of years ago. The country was selected because “we could work with Playhouse Disney, a long-established partner that understands The Wiggles”, says Conway. “We wanted to explore how the concept could be used in another culture, a complex culture with a complex language where the market could be ring-fenced but was slightly off the radar.”

In Taiwan, The Wiggles set the production standards for the Disney production team to follow, says the general manager for operations and communications, Paul Field (older brother of Anthony).

While the Taiwanese Wiggles are still going strong, says Paul, the originals soon realised that they needed to retain control of production. “The vision was no longer exactly our own,” he says.

In developing the franchising model, The Wiggles took into account the danger of letting others loose with their concept and products. The challenge was to make sure that someone else would give it the same commitment and wouldn’t dilute or damage the brand.

“That comes down to processes and standards,” says Conway. “In all future partnerships, The Wiggles will be the producers. We will come and find the talent and invite our partners to sit next to us throughout the auditions as well as the education and production processes.”

The next target is Latin America. A Spanish-language version of The Wiggles that sees two female characters, Katty and Zoë, joining Francisco and Fernando, will perform live and on screen all of the song and dance routines loved by English-speaking audiences.

THE WIGGLES TOOK INTO ACCOUNT THE DANGERS OF LETTING OTHERS LOOSE WITH THEIR CONCEPTS

“With the Latin American group, we’ve taken more control,” says Cook. “It’s been good because we had to go over what it is that makes The Wiggles and revisited what we learnt at university. They have our 15 years of our experience behind them.”

Just like the original band, the Latin American version will focus on touring. Their television programs have been produced in Sydney under Paul Field’s supervision. Recruited from Australia’s large and longstanding immigrant community, the Spanish-speaking Wiggles were boot-camped with The Wiggles cast and crew. All know the show inside out after appearing in supporting roles during the 100-gig tour of North America, together with 25 Australian shows.

How much does it cost to create a Wiggle? Conway has never worked it out but he says that costs will be reduced as a new \$A4 million custom-built sound studio and post-production facility cranks up this month at Nor West, near Baulkham Hills, Sydney. The new headquarters will increase economies of scale and enable The Wiggles in all of their permutations to complete most of their production in-house.

“The new studios will enable us to bring the Taiwanese Wiggles down to boot camp, train the Japanese Wiggles when they come on board, and produce new material by the Latin American Wiggles using common sets, props and production processes,” says Conway.

Good communicators all, Page, Cook and Field also constantly draw on their training as early childhood educators and recognise the importance of seeing things from a child’s perspective. They never play down to their audiences. Consideration for others is always encouraged, violent and dangerous activities are never modelled, and the emphasis on health and safety is meticulous without being heavy-handed.

On a In September last year, the Gold Coast theme park Dreamworld opened Wiggly World, a Wiggles-themed experience, developed by Macquarie Leisure at a cost of \$A4 million. The Big Red Car ride is the flagship attraction and already overall gate takings are exceeding expectations, says Dreamworld’s CEO, Stephen Gregg.

AT WIGGLY WORLD, GATE TAKINGS FOR THE BIG RED CAR RIDE ARE EXCEEDING ALL EXPECTATIONS

The attraction features lots of shady spaces and a huge soft-toy play area. The Wiggly Cafe with its wholesome food makes a change from the fast-food outlets elsewhere in the park. The Wiggles have strict policies about the nutritional value of the products they endorse. Junk food is off the menu.

Conway cites the Dreamworld project as an example of the value that The Wiggles add. "It is not just the value of having The Wiggles participate in a project – it can have an impact on other things such as the share price."

Conway and Paul Field have been to theme park trade fairs in the US to look at other possible settings for the ride. Last year they also launched a Wiggles play centre in Seven Hills, Sydney, and another is due to open soon at Tuggerah on the NSW Central Coast soon. "We've only been in this environment for 12 months but if we get a model that works, we might work with a few partners in America," says Conway.

For the moment touring is the main focus, because that's what The Wiggles enjoy most. But how long can they keep at it? Are they likely to enjoy the same kind of longevity as adult stadium bands such as U2 and the Rolling Stones? "Mike has steered us to start thinking about what we want to do if in 10 to 15 years we want to hang up our skivvies," says Cook.

Taking it easy and keeping the big things simple is perhaps the key to The Wiggles' success. In that respect, little has changed except that the production values are now much higher.

"The bottom line doesn't drive what they do," says Conway. "Energy and passion drives it, but now they have underlying business plans."

"We have a slightly different model from rock bands who have outside management and pay commissions," says Anthony Field. "We work more closely. Our people are employed by us; we feel we can trust them." While Jeff Fatt famously sleeps every time he appears on stage, Field tends to doze off around The Wiggles' boardroom table. "I've fallen asleep at many board meetings," he says. "I've fallen asleep trusting." ♦

ON THE WEB

They earn nothing, have no money in their pockets and are an increasingly influential consumer group. Kids. So how do we market to them? **MIRIAM HECHTMAN** scans the web for advice on what kids want.

www.brandchild.com

In his book *Brandchild*, branding guru Martin Lindstrom discovered some astonishing things about today's kids and their relationship with brands. Though more a shopfront (buy the book, buy the book) than an information portal, the website does offer visitors access to further information about Lindstrom as well as a link to Millward Brown, the consultancy that undertook the research, and its research instrument Kidspeak plus tips on marketing to that age group.

www.brandnoise.com

This blog will keep you up to date with the latest trends in branding, with links to relevant articles, favourite blogs and associated research. It's easy to navigate, with helpful external links accessible from each news feed. From information on girls burning their Barbie dolls to ending the promotion of junk food, the category Toddlers/Kids cites various attention-grabbing reports, creating a chronology of interesting and unusual data about the kids market.

www.brandchannel

Feel free to argue: this website encourages a good old-fashioned brand debate. Links to brand-related books and articles will keep you informed, as will access to a brand directory of consultancies, designers and speakers. A simple search function allows you to filter subject matter and there is a good section on kids-related branding. Although it is US-centric, the site also includes a job listing section and an events calendar that covers Sydney. And for those visitors who need help with the lingo, a brand glossary will set you up. Because often it's not what you say but how you say it.

www.allbusiness.com/articles/StartingBusiness/1965-25-1819.html#

This one is not a website – just a useful article with seven clear points you need to take into account when marketing specifically to kids. They include using cool packaging, showing children in groups, and using kid-friendly language.