DISNEY
THE HAPPIEST BRAND ON EARTH

In 2006, Disney's Pixar released the hit movie *Cars*, which grossed $462 million worldwide. Since then, *Cars* merchandise has generated over $2 billion in sales each year. Pixar has since created a series of *Cars* shorts to be aired on the Disney Channel with a subsequent DVD release. A *Cars* sequel was released in 2011 along with an online virtual gaming world on its Web site to help build hype. In 2012, Disney's California Adventure theme park opened its 12-acre Cars Land attraction.

At Disney, the brand is the name of the game, and the cross-platform success of the *Cars* franchise is by no means an exception to the rule. Disney also has the Jonas Brothers, *Hannah Montana*, *High School Musical*, the Disney Princesses, *Pirates of the Caribbean*, and the list goes on and on. The man behind the magic is Disney's CEO, Bob Iger, who has lead a dramatic revitalization of the Disney brand since succeeding longtime head Michael Eisner in 2005. When he first took the post, his strategy shifted Disney's focus to its stable of "franchises." These franchises are distributed across Disney's multiple company platforms and divisions, such as Disney's various television broadcast platforms (the Disney Channel, ABC, ESPN), its consumer products business, theme parks, Disney's Hollywood Records music label, and Disney's publishing arm in Hyperion, just to name a few.

Iger's franchise strategy has been supported by the other major move he made upon first becoming CEO. On his first day on the job, Iger told the board that revitalizing Disney's animation business was a top priority, which would be improved through the purchase of Pixar. As part of Iger's franchise strategy the deal made perfect sense, as many of Disney's latest television shows, theme park rides, and merchandise were based on Pixar characters.

Finding a new market to push the Disney franchise into became a priority as well. With the Walt Disney Company experiencing flat growth, it was becoming evident that Disney had missed some opportunities for broader success due to a narrowing of its target market, which was at the time largely associated with younger children.

Iger's first move was to broaden Disney's viewership by moving the Disney Channel from premium to basic cable and launching local versions in key global markets. Then, Disney began pushing franchises to capture the rapidly growing tween market. Putting its support behind the Disney Channel's *High School Musical, Hannah Montana,* and the Jonas Brothers (who were emerging out of Disney's music label), Disney quickly generated a series of franchise juggernauts in the tween-girl market.

Though Disney's focus has remained on family-friendly fare, Iger has shown a new willingness to look to even broader markets, if it fits with the Disney brand. Disney's *Pirates of the Caribbean*, the first Disney film with a PG-13 rating, played a major role in refocusing the brand, being based on the classic theme park ride, and it also helped expand the Disney appeal to older kids and even adults. The *Pirates* and *Cars* franchises also provided preliminary steps for Disney's latest endeavors to crack the tween-boy (age 6 to 14) market, one traditionally difficult for media companies to sustainably capture. Their efforts focus around the new Disney XD channel, with a broad range of offerings, such as potential new franchises like the science fiction action-adventure show *Aaron Stone* and showcases of new musical talent. Disney will also be able to leverage ESPN to create original sports-based programming. The recent acquisition of Marvel Entertainment also provided Disney with a broad stable of material to create content for that platform. The channel is accompanied by a Disney XD Web site, which will promote the channel's programs, as well as offer games and original videos, social networking, and online community opportunities.

As it continues to expand and provide new franchise offerings, Disney looks to have relatively strong momentum. The success of its cross-platform franchise strategy has certainly helped it weather the economic downturn as the effects of the recession continue to recede. Disney plans to continue that strategy with the release of many film franchise sequels, including new *Cars*, *Pirates*, and *Monsters, Inc.* films. As the late Steve Jobs, former Apple CEO and Pixar stakeholder, commented, "Family is a renewable resource," and right now, Disney is making the most of it.

Sources: Richard Siklos, "Bob Iger Rocks Disney," *Fortune*, January 19, 2009, 80–86; Peter Sanders, "Disney Focuses on Boys," *Wall Street Journal*, January 8, 2009, http://online.wsj.com/article/SB123137513996262627.html (Accessed November 8, 2012); Ethan Smith, "'Alice' Boosts Disney; Theme Parks Disappoint," *Wall Street Journal*, May 12, 2010, http://online.wsj.com/article/SB10001424052748704250104575238640 019592022.html (Accessed November 8, 2012).