

## **Disney Acquires Marvel!**

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*"Nobody can produce and market franchises better than Disney, and nobody has the extensive library of characters that would make great franchises that Marvel has."*

*- Stan "The Man" Lee*

Spider-Man, Iron Man, Captain America, The Incredible Hulk, Donald Duck? What's wrong with this picture? On August 31, 2009, The Walt Disney Company publicly announced their plans to acquire Marvel Entertainment for \$4 billion, including divisions and subsidiaries Marvel Publishing, publisher of Marvel Comics; Marvel Toys (formerly Toy Biz); Marvel Studios, its film and television production company; and Marvel Animation. With the addition of this powerhouse of prepubescent entertainment has The Walt Disney Company cornered the market on youth? Will the Marvel Comics we grew up on change or be neutered? Will we see Blade duke it out with Goofy in the latest Pixar blockbuster? Is this another example of soul-sucking corporatism at work, or just smart brand positioning as Marvel artist and DMAC professor Mark Sparacio seems to think: "Disney could sink more money into marketing and advertising and because they have their Disney stores throughout the country and the world, Disney can now put Marvel's comics and other merchandise in these stores to boost sales. Plus they can put more money into special effects in the movies as well."

When Marvel began publishing as Timely Publications in 1939, creative teams came and went with no smashing success -- that is until the late 1950s when Jack Kirby and Stan Lee began inserting familial and social issues into their new creations. It was the beginning of the Marvel Revolution, the reinvention of the superhero, and the creation of many of the characters we see in movies today - Fantastic Four, Incredible Hulk, X-Men, Iron Man. The way comics were made was changed forever, and so too the way they were read. By the 1970s Marvel booted out the Comics Code Authority, which regulated comic book content in the U.S., and started publishing even more socially aware stories, such as the dangers of drug use. Marvel's radical transformation didn't go unnoticed by corporate America.

In the late 1980s, New World Entertainment, owned by Ronald Perelman's MacAndrews & Forbes Holdings, bought Marvel -- a purchase that saw Marvel's characters positioned in animated series and toy lines, further establishing the comic book powerhouse as a household name. Perelman channeled the future at the time when he said, "It is a mini-Disney in terms of intellectual property. Disney's got much more highly recognized characters and softer characters, whereas our characters are termed action heroes. But at Marvel we are now in the business of the creation and marketing of characters."

Marvel Comics continued to gain in popularity during the 1990s comic-book boom, a time when many creators of independent comic titles were making as much money as movie stars. Perelman took the company public, and its back catalog ended up in the hands of The Walt Disney Company - another indication of the future to come. But with every boom there is a bust, and in 1996 Marvel declared bankruptcy. Reorganization followed and ownership fell into the hands Isaac Perlmutter, owner of Toy Biz, a Marvel subsidiary. Perlmutter breathed new life into the company and created Marvel Studios, with his business partner, Avi Arad, who initiated the production of films based off Marvel's robust line characters, exciting fans with features true to

the source material. "Blade," the first film licensed by the new studio, grossed over \$100 million worldwide. "X-Men" followed, earning nearly \$300 million. Again, the entertainment industry took notice, and Disney stepped up to the plate to purchase Marvel.

In light of Marvel's many ownership changes, a fair question to ask is whether or not Disney will allow Marvel's pre-existing deals with movie studios, video game companies, and theme parks to remain unaltered. Disney's initial press release on the acquisition revealed that Marvel's licensing and distribution agreements should remain in place, at least until they run their course. Even more contrary to the initial scrutiny, Disney went so far as to praise Marvel's licensing agreements with top video game producers and publishers, indicating that Disney is dedicated to a long-term relationship with Marvel rather than a quick cash grab, which could leave Marvel's creative synergy and brand value depleted. Nevertheless, Disney does look to the future on the topic of Marvel's main cash cow - its movie properties - with eager anticipation.

As said, Disney does respect Marvel's distribution deals with Paramount and other studios, but noted that it's in their best interest to be the sole distributor of Marvel films. DMAC's well-regarded art professor, David Matthews, has a level-headed perspective on the situation. Besides being a fellow comic geek, he opened and ran his own comic shop at the fresh young age of 17. He stated, "Their investment falters if their movies don't perform as well as they have. That's primarily why they bought Marvel, because of the movie franchise. Marvel's still getting revenue from that. They didn't buy it necessarily to make their own movies, but just to get the profits from those." Matthews indicated that Disney3D could easily be incorporated into Marvel's films should the company decide that the stereoscopic 3D experience would benefit future Marvel movies. Key Marvel and Pixar executives and creatives have already met to discuss future potential and got "pretty excited, very fast."

It's difficult to avoid the parallels between Pixar and Marvel. In 2006, Disney purchased the leading animation studio for \$7.4 billion. Both companies made it clear that they were not merging. Conditions were even laid out to ensure that Pixar remained a separate entity. When a billion dollar investment is hinged upon the creativity of the men and women whose talents you've purchased, you do not try to hinder that. This is a lesson that Disney has learned well, the company indicating they'll take the same hands-off approach with Marvel. Mark Sparacio adds, "DC Comics has been owned (relatively quietly) by Time/Warner for about forty years. The execs from Time Warner pretty much had a hands off policy and let DC Comics do their own thing. I think that this might be the way Disney-Pixar goes with Marvel at first. Marvel has done very well creatively for almost fifty years with characters such as Spider-man, The Fantastic Four, Hulk, The X-Men, Iron Man and so on, so they might leave Marvel alone creatively for a while."

As in the past, what goes on at Marvel is causing wide ranging industry reaction. Warner Brothers, owner of Marvel rival DC comics, has restructured in a surprise move to create DC Entertainment in order to "strategically integrate the DC Comics business, brand and characters deeply into Warner Bros. Entertainment and all its content and distribution businesses." Warner Brothers has already managed to turn DC Comics character, Batman, into the fourth highest grossing film of all time, raking in over \$1 billion. This is entertainment war, and the heavy artillery is just now being deployed. Disney may not have cornered the market on adolescence just yet, though acquiring Marvel is an important step towards that goal. "Disney's market share on males is pretty pitiful," notes Professor Matthews. "I mean it's not very good at all. So they primarily did it for market share."

So are the fears of Marvel's creative castration justified? Can you actually super-corporatize that which is and has been a corporation? Mark Sparacio doesn't think so, stating, "I think they will leave the comics/creative side to the Marvel guys until Disney thinks that they might have to jump in. In theory this should be an unbelievably good fit for both Marvel, Disney, and the fans." If anything, the Disney-Marvel merger just opens up more opportunities that may prove advantageous for graduates of schools such as DMAC; the brand positioning power that Disney is capable of probably portends that there will be even more action-packed entertainment generated by Marvel -- to the delight of the massive built-in fan base.

The bottom line is that if Disney wanted tame, neutered characters it need not have spent the billions to look outside its own backyard. There's a history of dynamic, controversial vitality in Marvel Comics, and spectators like Dave Matthews and Mark Sparacio don't expect that to change one bit. In fact, they only expect to see much more of it. A good sign for future animators graduating from DMAC!