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Marvel Studios Audit

Marvel Studios is a subsidiary of The Walt Disney Company. Overseen by (Disney COO) Alan Horn and (Marvel Studios President) Kevin Feige, Marvel's movie division created a fictional universe that currently spans over eleven years—with no end in sight. Titled the *Marvel Cinematic Universe*, or simply the *MCU*, the comic book powerhouse continues to grow more popular than ever, as consumers cannot get enough of their favorite characters.

The passion that consumers have for Marvel's content is exemplified through the studio's box office earnings. As of 2019, the *MCU* has produced nine movies that have grossed over \$1 billion worldwide at the box office: (2019) *Avengers: Endgame*, (2018) *Avengers: Infinity War*, (2012) *The Avengers*, (2015) *Avengers: Age of Ultron*, (2018) *Black Panther*, (2013) *Iron Man 3*, (2016) *Captain America: Civil War*, (2019) *Spider-Man: Far From Home*, and (2019) *Captain Marvel* (Box Office Mojo). As a whole, Disney has earned more than \$18.2 billion globally off of Marvel Studios—purchasing it for \$4 billion in 2009 ([Whitten](#)). And in terms of box office records, *Endgame* is the highest grossing movie of all time, earning over \$2.7 billion worldwide (Box Office Mojo).

Product

When it comes what Marvel Studios is actually selling, it is its intellectual property. Not only have characters like *Iron Man*, *Captain America*, and *Thor* become household names, but the roster of popular on screen- characters continues to grow. When speaking about Marvel's deep catalogue of characters, (pop culture influencer) Jeremy Conrad accredited the studio's

diversity push, saying, “Marvel is wisely making sure that they have characters on screen that everyone can identify with,” ([Russo](#)). In regards to Conrad’s comments, Marvel’s diversity improvements started with 2018’s *Black Panther*, which was nominated for Best Picture at last year’s Oscars. In 2019, Marvel Studios released *Captain Marvel*—its first movie with a female lead—often credited as Marvel’s strongest hero. And within the next three years, Marvel will be giving its fans a *Black Widow* prequel, a female *Thor* movie, and *Sheng Chi*, a narrative based on an Asian superhero. Oh and not to mention, the two time Oscar winner, Mahershala Ali, has been announced as *Blade*—the vampire slayer.

Having said this, while it has become apparent just how much Marvel fans appreciate the on screen diversity, part of what has made these movies so successful has been the several cinematic- crossover events within the *MCU*. When examining their success, (pop culture influencer) Daniel Richtman said, “Marvel has done something no one has ever done before and every major franchise and studio is trying to mimic that with interconnected storytelling and a similar tone,” ([Russo](#)). With that said, consumers have seen DC Comics, *The Fast & The Furious*, and other big studios/ franchises try to replicate Marvel’s success—utilizing interconnected narratives to create cinematic universes. And while there might have some success replicating Marvel Studios, Marvel movies are still performing off the charts at the box office, with the studio known for blurring action with humor, while still embracing dramatic-episodic storytelling.

Place

This is an interesting category for Marvel Studios. Although the streaming boom has somewhat challenged box office earnings for film studios, especially with the indie genre

transitioning primarily to platforms like Netflix and Amazon, box office earnings have never been stronger for blockbusters—which makes movie theaters Marvel’s main source of revenue. For example, when discussing the earnings potential for last summer’s *Spider-Man* movie, box office analyst Shawn Robbins stressed, “Getting a jump on the Fourth of July stateside will help the film's business spread out across the week,” ([Russo](#)). While it may be short, this quote exemplifies Marvel’s relation to *place* in a nutshell: people buying theater seats keeps the studio in business. And to go even further with this concept, the art of releasing movies—specifically blockbusters—is strategically planned out. Marvel Studios, for instance, has consistently released films around Cinco De Mayo, 4th of July, and Thanksgiving, because consumers are often free from work, and school to purchase movie tickets.

However, while movie theaters are truly important to Marvel’s operation, streaming is another platform that it will soon be utilizing. Just recently, it was announced that the *MCU* will be expanding into Disney’s up and coming streaming service: Disney +. New shows include *The Falcon & The Winter Soldier*, *WandaVision*, *Loki*, and many more. Each of these shows will star the A-list celebrities who have played their respective characters on the big screen, and as Feige put it, “These episodes will intersect with the movies in a very big way... It’s a totally new form of storytelling that we get to play with and explore,” ([Lang](#)). So, not only is Marvel utilizing the big screen, but it is also taking advantage of the shifting demands in television, creating content that will further engage its established fan base, while also reaching new consumers as well. In other words, Marvel Studios is using its relation to place to innovate its content—keeping its content unique and fresh.

Price

Marvel Studios' relation to price comes down to the cost of movie theater tickets, and the cost of Disney +. During the first three months of 2019, the cost of the average movie theater ticket was \$9.01—a small decrease from the \$9.16 cost from the same time frame of 2018. The top demographics of people who went to the movies for 1Q19 were 18-24 year olds (27.3%), and 25-34 year olds (24.1%) ([Hayden](#)). According to (reporter) Erik Hayden, the decline in ticket prices for 1Q19 was because “overall box office has been slow so far,” ([Hayden](#)). However, Marvel Studios has not felt any collateral damage, as 2018's *Black Panther* and *Infinity War* both grossed well over \$2 billion. And, in 2019, *Captain Marvel*, *Endgame*, and *Spider-Man: Far From Home* each grossed well over \$1 billion worldwide (Box Office Mojo).

In terms of Disney +, Marvel Studios (of course) benefits from the user subscriptions. The new streaming platform is obtainable November 12th, and will cost \$6.99/month. When discussing Disney +, and how it compares to its other competitors, (writer) Connie Chen wrote, “Disney + is much more focused and narrow in scope by revolving entirely around Disney content. Luckily, it doesn't actually feel that limited since Walt Disney Studios and Walt Disney Television create everything from animated kids' movies to action and sci-fi thrillers,” ([Chen](#)). So, Marvel Studios is sure to benefit from Disney +, as they are clearly one of those compelling reasons that consumers would be willing to either invest into something new, or choose the platform over the likes of Netflix, Amazon, or Hulu. Having said this, because Disney+ offers more than just Marvel content, it gives consumers more of an incentive to subscribe, as they are receiving a wide variety of shows and movies to pick from—which is also beneficial to Marvel because consumers will still be exposed to its section of content.

Promotion

A key way that Marvel Studios promotes its work is through Comic Cons. When discussing the impact of these events, (box office analyst) Paul Dergarabedian said, “Comic Con is a huge stage and platform to showcase upcoming content, strategies and synergies... Any superhero brand is missing out on a huge opportunity if this is not taken full advantage of, no question,” ([Russo](#)). Because Marvel Studios has such a keen understanding of how important it is to showcase its content, and to connect with its consumers, it has consistently been able to capitalize on these big comic book events, building enormous buzz over what is to come in the future of the *MCU*.

Additionally, Marvel Studios has been known to practice a *hush marketing approach* during marketing campaigns for their content. For example, nothing about *Endgame* was revealed until the movie was four months out from its release. While it may be a head scratcher to some, this campaign was brilliant, as it created an obsession over every little detail speculated upon, in regards to the film. And in fact, when *Endgame*'s trailer did drop last December, it surpassed 40 million views in a little over a day ([Russo](#)). This shows just how eager consumers were to get their first look at the movie—further justifying that depriving its consumers has been beneficial to Marvel Studios' marketing scheme.

However, there is somewhat of a downside to the way Marvel Studios promotes its movies. When discussing this problem, (Chapman professor) Kia Afra said, “Just watching the ‘Avengers: Endgame’ trailer demands an understanding of not only the Avengers series, but also the various other interconnected Marvel franchises,” ([Russo](#)). Now, although *Endgame*, and the other Marvel Studio movies have performed well at the box office, Afra's point is fair to consider. Marvel's cinematic stories are starting to rely on characters that are not as well known

as say *Iron Man* or *Hulk*. Will the common eye—who has mild interests in Marvel, be able to randomly identify *Sheng Chi* or *Blade*? Brand recognition is a huge part of what Marvel does, so to ask their consumers to go through this process again is definitely something to be skeptical about. I am not saying that it will not work out, as Marvel has proved that consumers can enjoy an *Ant-Man* film. However, I do think Afra's emphasis on just how demanding the trailer was could certainly foreshadow challenges for future content.

Lastly, Marvel uses its movies to promote sequels, other franchises, and spin offs. Starting back with 2008's *Iron Man*, Marvel has utilized post credit- screen storytelling, hinting where character's stories could go in future installments. Notable moments include Sam Jackson's debut as *Nick Fury* in *Iron Man*, the *Thanos* cameo in 2012's *The Avengers*, and *Spider-Man*'s identity being outed in *Far From Home*.

Final Thoughts

I think Marvel is in a really good position, especially since *Spider-Man* is staying within the studio's control (for now). Using established characters like Spidey, *Captain Marvel*, and *Thor*, allows Marvel to form new bonds with its consumers—allowing them to see just how cool *Sheng Chi*, and others will be. This will certainly be done through more crossover narratives—just like how *Black Panther* was introduced in 2016's *Civil War*.

As a whole, the *MCU* will continue to develop existing franchises while creating new ones. Consumers love the individual plot lines, and how they blend with the bigger narratives. However, Marvel needs to continue evolving, or other competitors (like DC) will take control of the market. You may laugh at this statement—especially since DC's attempt at a cinematic universe has been, well, laughable. But, creating comic book films like *Joker* may be DC's

calling card—bringing them back to the coveted *Dark Knight* days (prioritizing dark narratives over cinematic universes). Especially with new *Wonder Woman*, *Batman*, and *Suicide Squad* films, DC is sure to make a push for some of that markets control.

Nonetheless, just because DC has potential, that does not mean that Marvel Studios will fail. More than one studio can succeed—which has been seen numerous times throughout box office history. Also, Marvel has utilized a *hush* approach with its acquisition of *The Fantastic Four* and *X-Men*, which (each) consist of mainstream characters—having great box office potential.

So, to conclude, Marvel Studios will have all the opportunity in the world to continue its historic run of box office dominance. It will all come down to creating content that is innovative, while still remaining true to what the studio does best: creating narratives that make its consumers laugh, cry, and most importantly, want to come back for more.

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