

Genesis of W.I.T.C.H.: a Global Brand

W.I.T.C.H. was a breakthrough for Disney in many ways. Not only was a wholly new world of characters created outside of the U.S. for the first time in the company's history: a whole new paradigm arose from the cauldron in Italy

Disney is Mickey Mouse, Donald Duck, the Lion King and, thanks to a bold decision by the U.S. headquarters and soaring talent in Italy, W.I.T.C.H.

It isn't easy for a gigantic business that generates around \$32 billion a year in revenues to embrace change. Disney is a giant standing on four pillars - Studios, Parks, Consumer Products and Media/TV Networks, from which it is a master at extracting synergy. Each of its characters is evolved into full-fledged brands and its future growth depends on its ability to develop new characters, prolonging their life cycles as much as possible. But new characters do not materialize out of nowhere like Aladdin's cave and the latest mega-hit is a vast departure from the usual pantheon of mice and ducks, Winnie the Pooh and movie characters such as the Lion King. W.I.T.C.H.'s marketing was also handled in an entirely new way for

the sprawling company, with extraordinary results. The basic Disney structure was still the platform. All Disney's lines of business use characters horizontally to maximally exploit synergy. The launch of a movie like Chicken

of vast deviation from Disney's norm - the company eschewed marking the "product" with its own globally popular brand, and a bold reliance on viral marketing.

Disney's classic brand development model starts with

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Disney's Character Portfolio



Little is backed up in terms of communication by the simultaneous launch of merchandising, books, magazines, clothing, videogames, and more. The handling of W.I.T.C.H. was more subtle, in part because

launching a blockbuster movie, whose success is all but assured through intensive marketing, then continuing with value extraction through home videos (DVDs), merchandising and publishing, television

4.: The New-Age Birth of

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shows on Disney's channels and through licensing and, for some years now, internet and videogames.

To assure a blockbuster, Disney typically needs to invest between \$100 million to \$200 million, and that's before the release in movie theaters. This includes the marketing budget, most of which is spent before the movie's release in order to create that keen anticipation that is part of the launch strategy. The traditional process of creating Disney properties based on movies is clearly very expensive and intrinsically risky.

There were other considerations which led Disney to look favorably upon the development of brands deriving from lines of business outside of movies and TV, in particular, publishing and videogames, which would naturally be exploited down the line as sources of income in the home video, merchandising and other markets.

Creating a new market segment

The emergence of new media has in turn birthed new models of character creation. One example is Lara Croft, a character who started out in videogames and morphed into a movie. W.I.T.C.H. is another global success that was conceived, promoted and managed entirely outside Disney's home turf of the U.S., entirely outside the sphere of the movie house. From Italy, where Disney's Global Magazines line of business has been based since 1999, we find an example of other paths to the development of new characters.

Until the late 90's, Disney's publishing business was almost exclusively based on the use of its traditional characters such as Mickey Mouse, Donald Duck, Winnie the Pooh and Princesses and, to a lesser extent, on characters connected to successful movies like The Lion King. In children's

publishing, Disney held an uncontested leadership position with market shares exceeding 50% in some geographical markets. At the same time, the group wanted its Global Magazines business unit to grow fast, which wasn't sustainable based on traditional characters alone. The division needed to come up with original ideas for creating new market space. The management of Global Magazines – Disney's first center of excellence and creative development outside of the U.S. – began to analyze the market, seeking to identify areas not covered by Disney's offering, or that of rivals. Their strategic analyses found a striking gap in the market not covered by any offering on a global scale: the female preteen segment. There was nothing targeting girls aged 9 to 13, who were neither little girls nor young adults, whom psychological research shows to be going through a very complex transition.

is of W.I.T.C.H.:

media content worldwide. Children everywhere have become familiar with the Japanese manga style through TV cartoons. Manga style is boxier and more modern, while the comics are presented in black and white.

For W.I.T.C.H. they chose a graphic style which preteens would perceive as being modern: a manga style in the large eyes of the members of W.I.T.C.H., which conveys strong expressiveness while maintaining some elements of traditional Disney comics, such as the coloring techniques.

Disney who? A vast change made by the management in Via Sandri was not to use the Disney brand. The magazine was launched without any visible connection to the company. This was a conscious decision which was rationally justified by the findings of the research, which indicated that Disney was perceived as being associated to the world of little girls and therefore conflicted with the adult aspirations of preteens.

Promotion. Rather than allocating a substantial marketing budget, it was decided to rely heavily on viral marketing. Preteens don't appreciate pushy campaigns. They want to be the ones who discover the latest trends within their social circles. The traditional launch budget, which was very small, concentrated on display

materials for newsstands and press advertising. No television promotions were used.

Language. The language is consistent with that used by girls of this age. The five members of W.I.T.C.H. talk just like preteens talk to each other, with the same expressions. The stories are highly articulate, with constant jumps in the plot between the two worlds of the main characters as girls and as heroines.

The choice of columns also aims at truly communicating with preteens. One example is the "fashions of the zodiac" section, a horoscope reinterpreted to provide advice on

format of a graphic novel, that is, a comic book sold in bookshops and specialized shops. Instead, W.I.T.C.H. was positioned as a comics magazine (a monthly, in Italy) with distribution through newsstands rather than bookshops, thus achieving greater exposure to the public. That allowed Disney to reach girls who weren't regular comics readers.

The name. W.I.T.C.H. is an acronym made up of the initials of Will, Irma, Taranee, Cornelia and Hay Lin, while the word itself was found through qualitative research to be perceived as positive and



what kind of clothes to wear.

Distribution channel and format. Normally, a comic book with the graphic detail and the quality of W.I.T.C.H. would be distributed in the

friendly, without any negative connotations.

Despite the high quality of its printing and the number of pages, pricing was positioned to fit the newsstand and be in

line with the prices of comparable magazines. In Italy, for example, the price is now €2.30 per issue.

The strategic profile behind W.I.T.C.H. can be summarized in a value curve chart called a Strategic Canvas, which clearly shows how W.I.T.C.H. is strongly innovative compared both to the past and the present-day offering.

This curve allowed Disney to offer uncontested value innovation to the target of preteen girls, laying the foundations for successful sales and profits that were unprecedented in the world of publishing. Via Sandri had found a "blue ocean" (to use the term from the worldwide bestseller *Blue Ocean Strategy* by Professors Chan Kim and Renée Mauborgne of INSEAD), that is - new market space in which to offer an uncontested value proposition. This triggered totally new potential demand and allowed the Global Magazines business unit (and not only them) to identify an excellent growth vector.

The value curve and the concept behind W.I.T.C.H. were tested through qualitative research in order to obtain confirmation from the future readers that they were heading in the right direction. Given their ambition of making this a magazine for global distribution, the research was conducted in seven differ-

ent countries, covering both Europe and the United States. The findings provided positive confirmation with almost perfect consistency. And so, the decision was made to go ahead with the magazine's launch.

Global success

When the "zero issue" of W.I.T.C.H. and its strategic positioning were presented at an international meeting, Disney's publishing partners were intrigued by the proposal's originality, but were also skeptical: "Preteen girls don't read and you can't create demand that just isn't out there"; "It's not supported by a TV show and the launch budget is low"; and "A character outside of the Disney tradition is too risky". At that point, Disney decided not to be insistent with its international partners. W.I.T.C.H. comics were launched only in

Italy, where Disney operated directly without using licensed publishers. The launch took place in April 2001, precisely following the strategic profile described in the value curve, with a total marketing budget of under €250,000.

The first issue sold 80,000 copies out of its print-run of 200,000. Following that, viral marketing and word-of-mouth started up and it saw impressive, progressive growth, reaching 200,000 copies by Issue 15.

The launch in Italy: constant growth as of the first issue

After W.I.T.C.H.'s success in Italy, Disney's publishing partners overcame their doubts and put their excellent marketing structures to work. Disney Global Magazines can count on a global network of highly skilled publishing partners



(e.g., Egmont, Hachette and Sanoma) which allows them to reach international markets thoroughly and rapidly. The international launches began in 2002, and followed the same value curve. The new universe of characters and viral marketing worked everywhere and W.I.T.C.H. took off not only in Europe and Latin America, but also in Saudi Arabia and China, that is, even in countries that are culturally very different from Western models. In all the international editions, the texts are translated literally and no adaptations of any kind are made to the stories or graphics, the only exception being that in Muslim countries the girls' tops are slightly lengthened in order to cover their navels.

In 2004, three years after its launch in Italy, W.I.T.C.H. had become a globally distributed magazine found in 70 countries with 20 million copies sold around the world. Its penetration among the target of young female readers was extremely high, with peaks of 40% in Northern European countries. W.I.T.C.H. established itself as the fourth leading magazine in the world in terms of international editions (following Reader's Digest, Cosmopolitan and Elle) and the international press hailed it as a success with articles and critiques in The Wall Street Journal, Publisher's Weekly,

Variety and other publications. The worldwide success exceeded even the most optimistic expectations, laying the foundations for new global characters within the Disney company.

W.I.T.C.H. becomes a priority in the Disney portfolio

Through the magazine's format, W.I.T.C.H. comics naturally created a close relationship with its readers, building up an authentic community that was loyal to the brand. This was key to the success of its later uses in other product segments, and is even more valuable when considering digital media applications, which allow for an even more direct manifestation of all the relational potential expressed by the brand.

After its publishing success, Disney grasped that they had a new property with the capacity for global distribution and utilization. In 2004 W.I.T.C.H. became a priority within Disney's character portfolio for all lines of business, putting the incredibly strong capacity of a media group like Disney at the service of W.I.T.C.H. The W.I.T.C.H. universe was used for the production and sales of merchandising - toys, clothes, stationery and books. In parallel came the intensification of internet activities, both those controlled by

Disney and informal sites developed and run independently by avid W.I.T.C.H. readers. Value extraction reached a peak with the creation of the TV series aired on the Jetix channel, which is controlled by Disney Media Networks, as well as licensed sales to other TV networks in a dozen countries. Following came the sale of home video DVDs. The final market to be tackled was that of videogames, with the launch of a product set entirely in the fantastical world of W.I.T.C.H.

W.I.T.C.H.: From magazine to franchise

In just over four years, from 2001 to late 2005, W.I.T.C.H. completed its value extraction chain, achieving the status which in Disney is called a "franchise", that is, a character that can be adapted and used by all of its business segments and can express its values, which are strongly recognized by its readership. This made it a permanent member of the overall portfolio of Disney's global brands, standing alongside icons such as the Lion King and Winnie the Pooh. W.I.T.C.H. has become a full-fledged example of what marketing experts define as very strong brand equity, following David A. Aaker's categories, in terms of name awareness and perceived quality and, most of all, as regards brand

associations, highly distinctive emotional associations which characterize the mental positioning and perceptions of its reference target. The truly unique aspect is that the emotional associations connected to W.I.T.C.H. are extremely consistent from Italy to China. Not only is W.I.T.C.H. a brand with a strong degree of equity, but it's also global, that is, capable of getting through to preteen girls all around the globe in the same way. All of this has generated brand loyalty strong enough

to other girls. One direct outcome is evident in the growing sales figures (an anomaly in the world of magazine sales) which, as of the very first issue, continue to rise with each following issue to remarkable levels. In business terms, this kind of brand equity is the ultimate aspiration of many companies.

The emotional associations are reflected every day in the letters received by editorial staffs around the world and in the messages posted within W.I.T.C.H. internet communities.

the section - Write to Will, Irma, etc., or by testing what the readers thought of the main characters' behavior and decisions through the section "Poll of the Month". The twelve W.I.T.C.H. sites around the world welcome over 620,000 unique visitors. A constant success is the interactive section where they can consult the Oracle and keep in contact with the world of W.I.T.C.H. even when they've finished reading the comics. In addition to the sites promoted by Disney are a series of sites created and frequented by W.I.T.C.H. communities with blogs, chat rooms and "inside information" exchanged among the heroines' fans. All of these results in the enjoyment and diffusion among its target also generated extraordinary financial results for Disney. In just four years, the W.I.T.C.H. property generated over \$500 million in revenues through publishing products, comics magazines and books, merchandising products from clothing to toys, and videogame sales. Considering that the cost of research and development was below \$500,000, we're looking at an extraordinary return on investment and, on the whole, an initiative which maintained a very low-risk profile, particularly when compared with similar initiatives in the world of cinema, television

W.I.T.C.H. brand associations: an element of brand equity



to explain why this is a perfect example of viral marketing wherever it emerges. W.I.T.C.H. readers, be they in Italy, Poland or China, have formed a community that fully identifies with the brand, one in which girls show how proud they are of having discovered W.I.T.C.H. by recommending it

Indeed, digital media is playing a greater and greater role in furthering the W.I.T.C.H. brand and communities. For instance, they create an interactive channel for dialogue between readers and the editorial staff by requesting that letters be addressed directly to the individual heroines through



or videogames.

W.I.T.C.H. represented a fundamental turning point for Disney publishing and took on a more important role within the giant entertainment multinational's business portfolio. W.I.T.C.H. demonstrated how very strong brand equity can be generated through a product, in this case comics, which has contained costs in terms of both research and development as well as its launch, yet can generate new universes of characters thanks to its well-developed narrative and visual contents, verifying its potential on an international scale.

W.I.T.C.H. also ushered in a new way of thinking within Disney, definitively casting off the assumption that the process of developing new properties must start with a blockbuster movie. Disney now accepts the idea that new characters can also be developed starting from television shows, from

new media such as videogames, from publishing, or from a combined launch through several of these media.

For a company that lives and thrives on the strength, vitality and extensiveness of its character portfolio, this paradigm shift has significant strategic and operational implications. For instance, the creation of multiple centers of basic research for the development of new, original characters, the need for the lines of business to work together as early as the conception phase of new characters, the possibility of increasing the extensiveness of the pipeline of new character-brands coming out, and the reduction of the overall risk inherent in the process itself and the relative investments. W.I.T.C.H. also represented another "first" for Disney: a new world of original characters created outside of the U.S. This first took place in Italy and was the result of a bold organizational decision made by the main offices in the United States, which well recognized the value of Italy's creative resources and tradition in the world of comics, placing them at the service of its global business. W.I.T.C.H. is an excellent example of how a fully Italian team was capable of conceiv-

ing and commercializing a new product for the global market, showing how, when national talent works in an appropriate context, international success is within reach.

Finally, it must be remembered that behind the success of W.I.T.C.H. and the resulting paradigm shifts in Disney lies an extraordinary innovation for the market. W.I.T.C.H.'s value curve is so innovative that it allowed the company to unleash demand that had previously not existed, thus creating new market space. Based on our experience, extraordinary results of uncontested growth are always connected to uncontested value innovations for the end client. W.I.T.C.H. is further proof of the great importance of this business practice, which is universally recognized - yet applied all too rarely.

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