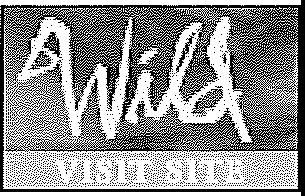
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**MAGAZINE**

# How Disney Turned 'Frozen' Into a Cash Cow

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#### It's the Economy

**By BINYAMIN APPELBAUM**

The Patriot Center at George Mason University, half an hour west of Washington, is a popular place to watch concerts, college athletics, professional wrestling and other events that command the attention of the adult world. But no event in the 29-year history of the arena has attracted as many people or earned as much money as last month's performances of "Disney on Ice Presents 'Frozen.' " For six days, waves of little blue-and-white Princess Elsas - and quite a few costumed parents - sang the movie's hit song, "Let It Go," at the top of their lungs, enjoyed $15 snow cones, posed for $25 pictures with cardboard cutouts and waved plastic sticks, which had miraculously become

$28 magic wands.

Behold the bewitching power of branding. In the year since Disney's latest princess movie, "Frozen," opened last November, Elsa and her sister, Anna, have rapidly become two of the world's most successful product endorsers.

Disney said earlier this month that it had already sold three million "Frozen" dresses in North America, which, as it happens, is roughly the number of

4-year-old girls in North America. In January, "Frozen" wedding dresses go on sale for $1,200. Next summer, "Adventures by Disney" is offering tours of Norwegian sites that inspired the film's animators at prices starting north of

$5,000. The company is also rolling out "Frozen"-branded "apples and grapes, juice, yogurt, bandages and a complete oral-care line.'' Disney estimates that "Frozen" brought in more than $1billion in retail revenue over the last year.

The chief executive, Robert A. Iger, told CNBC that he expected holiday sales to be "very, very hot."

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The creators of "Frozen," Jennifer Lee and Chris Buck, told me that they set out to create characters young girls would recognize. "I love Cinderella," Lee says. "Am I anything like her? No. I grew up and became someone more independent." Elsa and Anna, she says, "are princesses because they've got the weight of a kingdom on their shoulders, not as the solution to a happy ending."

They realized they had succeeded, and then some, soon after the movie was released, when they went to see it like ordinary people. Lee found herself in a New York theater, where many audience members already knew the words.

Then she started to hear people singing on the street. A year later, they haven't stopped. Does she ever get tired of hearing "Let It Go"? No. Not really. Not yet. "When I'm old, it will be the only thing left in my brain," she says.

Brands are said to be in decline. Studies show that customers are less loyal to companies, quicker to try something new. Products increasingly rise and fall on their own merits. "Brand names have become less important as proxies for quality," says Itamar Simonson, a professor at Stanford University. He argues that consumers now get better information about products from the Internet. But Disney, perhaps more than any other large company, appears to be impervious to the trend. It helps that the company is not selling products based on the quality of craftsmanship, but based on the quality of its stories. Disney also specializes in selling affordable luxuries. An Elsa dress is considerably more expensive than an ordinary dress, like a cup of Starbucks coffee costs more than an ordinary cup of coffee. But it is not *that* expensive. Every item of the dozens of "Frozen" products at the Disney store cost less than $100. More important, though, to Disney's success is that many of its best customers are still learning how to read and don't care what things cost. It's not as if toddlers check out Amazon reviews.

As a result, Disney is in the midst of a golden age of profitability. Disney characters have been endorsing products since 1929, when Walt Disney put Mickey Mouse on a writing tablet. But licensing, which began as a sideline, has become the main event. In most years, Disney makes more money from selling branded movie merchandise than from the actual movies. "We create products that extend the storytelling - the emotional connection that the consumer has when they're seeing the film carries on in the three-dimensional world," says Josh Silverman, the executive vice president for global licensing. A recent favorite, he says, is the Olaf snow-cone maker. Modeled after the slapstick snowman who provides the comic relief in "Frozen," it emits frosty treats from a somewhat disturbing hole in Olaf s belly.

The popularity of "Frozen" is also buoyed by the expanding toy market for girls. Princesses may seem like a permanent feature of the toyscape, but they were less common before the 1990s. "The idea that pink princess fantasy dream dolls have always been a part of girlhood is false," says Elizabeth Sweet, a lecturer at the University of California, Davis, who studies the cultural history of toys. Sweet has found that the popularity of gender-neutral toys reached a peak in the mid-197os. Since then, toy makers have embraced the market­ doubling effect of pushing certain toys to boys and other toys to girls. Sweet says the level of gender segregation has never been higher. A typical big-box store might have four aisles of blue toys and four aisles of pink toys with an aisle of yellow toys in between. "Separate but equal," she says. Legos, for example, evolved from simple packs of building blocks into play sets mostly sold to boys, often with brand tie-ins. In 2012, the company introduced Lego Friends, which are basically Legos for girls.

Disney really began to focus on princesses in 2000, after a new executive went to see a "Disney on Ice" show and was struck by how many of the girls in the audience were wearing homemade princess costumes. "They weren't even Disney products," the executive, Andy Mooney, told the writer Peggy Orenstein for her book about the rise of princesses, "Cinderella Ate My Daughter." The Disney Princess line now makes about $4 billion a year, on par with the earning power of Mickey Mouse himself. (The "Frozen" girls are not, as yet, official members of the Princess ensemble.)

This market has similarities with, of all things, the pharmaceutical industry. Drugs are marketed to patients, who tend to trust brand names over generics, and are paid for by insurance companies, under their contractual obligations. This has an inflationary effect on drug prices, leading to those eye­ popping numbers that send the uninsured fleeing U.S. drugstores to try their luck in Tijuana. Similarly, toys and the like are marketed to children and purchased by parents. People who would never buy a $15 snow cone for themselves will buy one, gladly or grudgingly, for each of their children.

After all, who wants to say no to their princess?

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