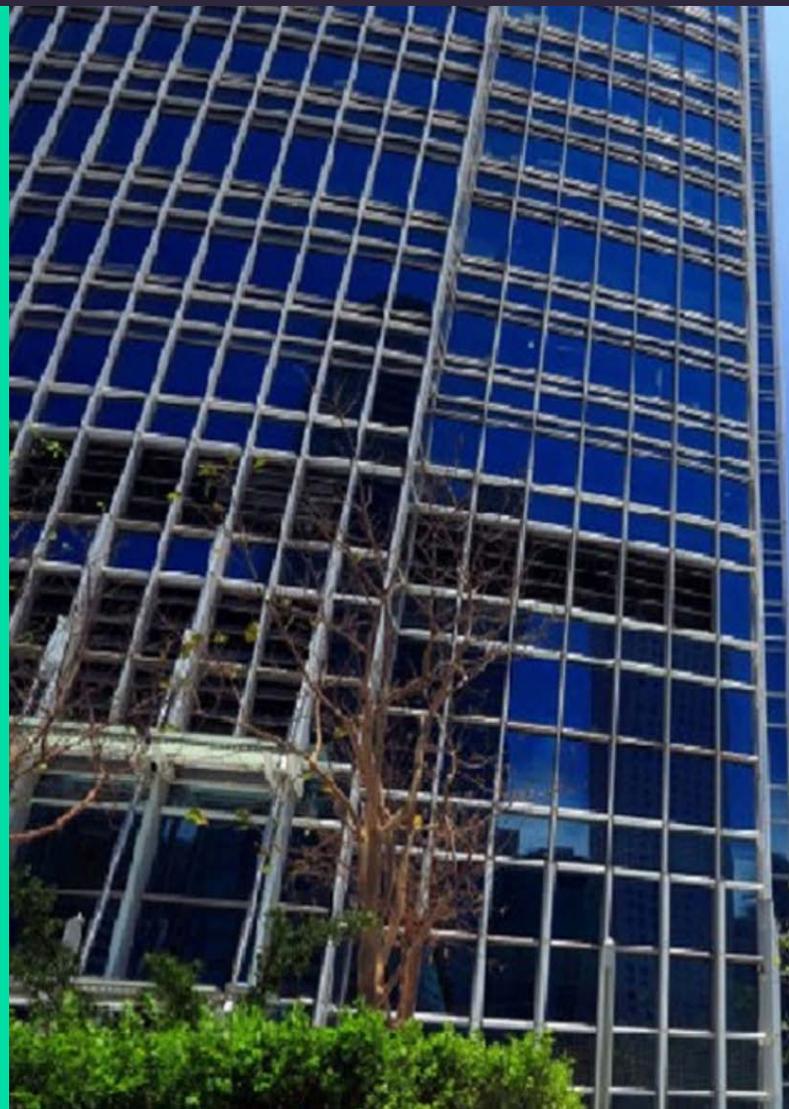


Marvel Entertainment LLC

Strategic SWOT Analysis Review

Report Code: GDMD31192SA
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Company Snapshot

1290 Avenue of the Americas	Phone	+1 2125764000	Revenue	NA
New York, NY	Fax		Net Profit	NA
10104	Website	www.marvel.com	Employees	NA
United States	Exchange		Industry	Media

Company Overview

Marvel Entertainment LLC (Marvel), a wholly-owned subsidiary of The Walt Disney Company, is one of the most prominent character-based entertainment companies. It licenses and commercializes its characters, comic publications, and film production and distribution along with its subsidiaries. The company covers areas of entertainment for kids, teenagers, and young adults through comics and animated movies, games, podcast and television show, provides advertising and custom solutions, household appliances, home decor and kitchen, and decoration items, gift cards and Books. Its apparel section are for women, men, girls and boys. Marvel Entertainment serves customers in the United States.

Key Executives

Name	Title
Isaac Perlmutter	Chairman
Kevin Feige	Chief Creative Officer

Source: Company Website, Primary and Secondary Research, GlobalData

Key Competitors

Warner Bros. Home Entertainment Group

Twentieth Century Fox Film Corp

Sony Pictures Entertainment Inc.

NBCUniversal Media LLC

Mattel, Inc

Source: Company Website, Primary and Secondary Research, GlobalData

SWOT Analysis

Marvel Entertainment LLC, SWOT Analysis	
Strengths	Weaknesses
Support from the Parent Company	Copyright Infringement Suits
Strong Business Model	Private ownership
Opportunities	Threats
Consumer Spending in the US	Intellectual Property Risks
Growth in Entertainment and Movies Industry: US	Competitive Market

Source: Company Website, Primary and Secondary Research, GlobalData

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Section 1 - About the Company

Marvel Entertainment LLC - Key Facts

Marvel Entertainment LLC, Key Facts			
Corporate Address	1290 Avenue of the Americas, New York, NY, 10104, United States		
Telephone	+1 2125764000	No. of Employees	NA
Fax		Fiscal Year End	NA
URL	www.marvel.com	Revenue (in USD Million)	NA
Industry	Consumer Goods, Media & Digital Entertainment, Retail, Wholesale & Foodservice, Tourism, Leisure & Hospitality		
Locations	United Kingdom, United States		
Source: Company Website, Primary and Secondary Research			GlobalData

Marvel Entertainment LLC - Key Employees

Marvel Entertainment LLC, Key Employees				
Name	Job Title	Board Level	Since	Age
Isaac Perlmutter	Chairman	Executive Board	2005	
Kevin Feige	Chief Creative Officer, President Marvel Studios	Senior Management		
Source: Company Website, Primary and Secondary Research				GlobalData

Marvel Entertainment LLC - Major Products and Services

Marvel is an international entertainment company. The company's major products and services include the following:

Marvel Entertainment LLC, Major Products and Services

Products:

Comics
Games
Movie DVD
Trade Packs
Clothes
Accessories

Services:

Licensing
Publishing

Source: Company Website, Primary and Secondary Research

GlobalData

Marvel Entertainment LLC - History

Marvel Entertainment LLC, History		
2019	Contracts/Agreements	In February, Marvel TV partnered with Hulu for Howard the Duck, MODOK, Hit-Monkey, Tigra & Dazzler.
2019	Contracts/Agreements	In January, the company partnered with Blizzard Developers regarding the new project.
2019	Contracts/Agreements	In May, Marvel and NetEase entered into a collaboration agreement to create original entertainment content based on internationally beloved Marvel stories.
2019	Contracts/Agreements	In May, the company and NetEase entered into a collaboration agreement to create original entertainment content based on internationally beloved Marvel stories.
2015	Contracts/Agreements	In February, DeNA partnered with Marvel Entertainment, to launch Marvel Mighty Heroes, a real-time co-op brawler starring Super Heroes and Super Villains of the Marvel Universe.
2012	Contracts/Agreements	The company and Acura entered into exclusive co-promotion campaign for the blockbuster film THOR.
2012	Contracts/Agreements	The company entered into a new licensing agreement with Lexibook granting them rights to design, manufacture and market a new series of Spider-Man electronic products in the US and Canada.
2012	Corporate Changes/Expansions	In November, the company teamed up with the Brooklyn Nets to design a new mascot for the Brooklyn Nets team.
2012	New Products/Services	In November, Marvel announced a new five-issue Dexter Comic Book Series.
2011	Contracts/Agreements	In July, Marvel announced collaboration with Dallas Cowboys to join the renowned Super Heroes from the Marvel Universe with one of the premier franchises in NFL history.
2011	Contracts/Agreements	In March, Huffy Corporation entered into a licensing agreement with Marvel, to produce products for five popular Marvel properties.
2011	Litigation	In February, lawsuit against Marvel by Stan Lee Media was dismissed again.
2011	Other	In July, a US District Court judge declared that Marvel characters co-created by Jack Kirby will remain the property of Marvel.
2010	Contracts/Agreements	The company partnered with National Basketball Association (NBA) to launch exclusive co-branded merchandise.
2010	New Products/Services	The company launched a new online store, Marvel Store through the website, www.marvelstore.com .
2009	Divestiture	The company was acquired by The Walt Disney Company.
2008	Contracts/Agreements	The company partnered with a leading Japanese Animation Studio Madhouse to create brand new characters inspired by the Marvel Universe for the Japanese market.
2008	Contracts/Agreements	The company partnered with Reebok, a leading worldwide designer, marketer and distributor of sports, fitness and casual footwear, to launch an exclusive collection of children's sneakers featuring two of the most renowned Super Heroes in the Marvel Universe, Iron Man and The Incredible Hulk.
2008	Contracts/Agreements	The company signed an exclusive licensing agreement with THQ Inc. to create video games based on the burgeoning, kid-friendly Marvel Super Hero Squad franchise.
2008	Contracts/Agreements	The company's subsidiary, Marvel Studios, entered into an agreement with

Raleigh Studios to film each of Marvel's next four films at Raleigh's facility in Manhattan Beach, California.

2007	Contracts/Agreements	The company entered into a contract with United Arab Emirate-based Al Ahli Group.
2007	New Products/Services	The company launched its comics portal (Marvel.com/digitalcomics).
2006	Contracts/Agreements	The company entered into a contract with Hasbro to offer rights for its 5,000 characters.
2006	New Products/Services	The company launched its Industry's first Hybrid Video Gaming System for teenagers.
2006	New Products/Services	The company launched its Marvel Babies brand.
2005	Corporate Changes/Expansions	The company changed its name from Marvel Enterprises to Marvel Entertainment, Inc.
2004	Contracts/Agreements	The company and Sony Pictures entered into a joint venture, called Spider-Man Merchandising.
2004	New Products/Services	The company offered its first theatrical release of Spider-Man 2.
1998	Acquisitions/Mergers/Takeovers	The company acquired Marvel Entertainment Group.
1993	Incorporation/Establishment	Marvel Entertainment, Inc. was incorporated in the year 1993.

Source: Company Website, Primary and Secondary Research

GlobalData

Marvel Entertainment LLC - Locations And Subsidiaries

Head Office

Marvel Entertainment LLC
1290 Avenue of the Americas
New York
NY
10104
United States
Tel: +1 2125764000

Other Locations & Subsidiaries

Marvel Entertainment LLC, Subsidiaries

Marvel Studios
1600 Rosecrans Avenue
Building 7 - Suite 110
90266
United States

Source: Company Website, Primary and Secondary Research

GlobalData

Section 2 – Company Analysis

Company Overview

Marvel Entertainment LLC (Marvel), a wholly-owned subsidiary of The Walt Disney Company, is one of the most prominent character-based entertainment companies. It licenses and commercializes its characters, comic publications, and film production and distribution along with its subsidiaries. The company covers areas of entertainment for kids, teenagers, and young adults through comics and animated movies, games, podcast and television show, provides advertising and custom solutions, household appliances, home decor and kitchen, and decoration items, gift cards and Books. Its apparel section arefor women, men, girls and boys. Marvel Entertainment serves customers in the United States. Marvel is headquartered in New York, the US.

Marvel Entertainment LLC - Business Description

Marvel Entertainment, LLC (Marvel) is an entertainment company with proprietary rights over library of 8,000 fictitious animated characters. Some of the prime characters in the company's library are Spider-Man, Iron Man, Thor, Ghost Rider, Captain America, The Fantastic Four, Namor the Submariner, X-Men, Nick Fury, Blade, Ant-Man Daredevil, The Incredible Hulk, The Punisher, and The Avengers, among several others.

Marvel licenses its characters for varied uses and applications. The company's characters are principally used for products and media uses; inclusive of consumer products, studio licensing, destination-based entertainment, promotions and publications. The company facilitates the use of characters for creation of entertainment projects, variety of consumer products inclusive of apparel, interactive games, electronics, home wares, stationery, DVD/home video, video games, gifts and novelties, footwear, food and beverages and collectibles. Marvel also licenses its proprietary characters for use in shopping malls, theme parks, restaurants, special events, motion pictures and others.

The company develops and publishes comic books and trade paperbacks principally in North America. Marvel's trade packs are compilation of various previously printed magazines reassembled to narrate a complete story. The company's comic books and trade paperbacks portfolio are distributed through three channels. Marvel's distribution channels include comic book specialty stores on a non-returnable basis; traditional retail outlets, inclusive of bookstores and newsstands, on a returnable basis; and on subscription sales basis.

It sells its products under five product groups, namely, Toys such as action figures, vehicles and RC toys, play sets, plush and pretend play; Clothes such as tees, sleepwear, accessories, hats, costumes, costume accessories and bags; Homegear such as bedding, electronic accessories, posters and wall art, stationery, clocks, curtains and drinkware; Collectibles such as figures, film cells and prop replicas; and characters such as Iron Man, Spider-Man, Marvel Heroes, X-Men, Captain America, Hulk, Thor, Fantastic Four and Punisher.

The company operates an online store through its website www.marvelstore.com

Marvel Entertainment LLC - SWOT Analysis

SWOT Analysis - Overview

Marvel Entertainment LLC (Marvel) is one of the world's most prominent character-based entertainment companies. The company leverages its brand equity and business model to commercialize its products in the marketplace with ease, even as copyright infringement suits and private ownership are cause for concern. Nevertheless, growth in entertainment and movies industry in the US, growing trend of online shopping and growth in consumer spending in the US could offer growth opportunities for the company. However, intense competition and counterfeit products could affect the company's profitable growth.

Marvel Entertainment LLC - Strengths

Strength - Support from the Parent Company

As a subsidiary, Marvel could capitalize on the global brand value, operational presence, financial capabilities and strategic collaborations of The Walt Disney Company (Walt Disney), is a renowned entertainment company that offers an array of family entertainment and media enterprise solutions. The company operates carries out operations through media networks; parks, experiences and products; studio entertainment; and direct-to-consumer and international (DTCI). Apart from operating popular Disney parks across the world, Walt Disney commercializes toys, apparels, books, fine arts, stationery, footwear, consumer electronics and magazines. The company also produces television production, television distribution, live-action and animated motion pictures, musical recordings, direct-to-video content and live stage plays. In FY2020, Walt Disney Company generates US\$65,388 million revenue.

Strength - Strong Business Model

Marvel capitalizes on multiple businesses in the international family entertainment and media market. The company licenses its characters for varied uses and applications. It facilitates the use of characters for creation of entertainment projects, variety of consumer products inclusive of apparel, interactive games, electronics, home wares, stationery, DVD/home video, video games, gifts and novelties, footwear, food and beverages and collectibles. Marvel licenses its proprietary characters for use in shopping malls, theme parks, restaurants, special events, motion pictures and others. Marvel also involves in developing and publishing comic books and trade paperbacks principally in North America. The company also produces and distributes feature films. Marvel also involved in marketing toys, clothes, homegear and collectibles, among others through its online properties. Such business model makes it less sensitive to the market fluctuations.

Strength - Brand Identity

Marvel enjoys a strong brand identity that provides it an edge over its competitors while attracting and retaining a loyal customer base. It is one of the most prominent character based entertainment companies in the world. The company owns a proprietary library of more than 8,000 fictitious animated characters featured in a variety of media over 75 years. These characters include world renowned Spider-Man, Iron Man, Thor, The Avengers, Ghost Rider, Captain America, The Fantastic Four, The Incredible Hulk, X-Men (including Wolverine), Blade, Daredevil, The Punisher, Namor, Nick Fury, Silver Surfer and Ant-Man, among others. It is a collection of brands through which the company strives to gain edge over its competitors.

Marvel Entertainment LLC - Weaknesses

Weakness - Copyright Infringement Suits

Involvement in various lawsuits and legal proceedings could affect the company's brand image. It also needs significant commitment on the cost and management resource front. In 2017, the US District Court for the Southern District of New York, grants in part and denies in part Marvel's motion to dismiss copyright infringement claims alleging similarities between Marvel's Iron Man character and plaintiff's Radix comic book. The court concluded that no protectable similarity existed between artistic depictions of mechanized body armor used in Iron Man films and mechanized armor used in Radix, but that similarities sufficient to survive motion to dismiss existed between promotional poster for Iron Man 3 and promotional piece of art for Radix. Earlier, Ben and Ray Lai, owners of Horizon Comics, filed a copyright infringement lawsuit against Marvel Entertainment, Marvel Studios, The Walt Disney Company and others. The plaintiff alleged unauthorized copy of mechanized body armor wore by its Radix comic characters, in Marvel and Walt Disney's Iron Man movies.

Weakness - Private ownership

Marvel being a private company it does not disclose any financial information to the public. Despite having a professional management, the company is still mired by the various challenges that a privately-owned company faces. It has limited management layers and as a result, the decisions are always taken by few members, which might be detrimental for the company. On the other hand, public limited companies have an edge over private companies as they are required to have sufficient members on the management and company's board, which provide a wider perspective of any business dilemma and provide decision making easier and efficient. These companies are also mandated to disclose their financial and operational activities, which in turn provide transparency in their operations and generating goodwill. This helps the public companies raise funds from the market at favorable terms, as private ownership puts the company at a disadvantage over its public limited counterparts.

Marvel Entertainment LLC - Opportunities

Opportunity - Consumer Spending in the US

The company could benefit from the increase in consumer spending in the US. Growing personal income, disposable personal income and personal consumption expenditure indicate improvement in consumer spending in the US, which could increase the purchase of the company's products and enhance its performance. According to the US Bureau of Economic Analysis (BEA), in January 2020, the personal income (PI) in the US increased 0.2% or US\$40.7 billion; disposable personal income (DPI) increased 0.2% or US\$30.6 billion and personal consumption expenditure increased 0.3% over that in the previous month to reach US\$46.6 billion. In December 2019, real personal consumption expenditure (Real PCE) increased 0.1% over that in the previous month. The personal consumption expenditure PCE price index increased 0.3% over the previous month.

Opportunity - Growth in Entertainment and Movies Industry: US

The growing entertainment and movies industry could help the company garner higher market share as well as enhance its revenue stream. The company operates various divisions such as studio entertainment and consumer products. Hence, the company has an opportunity to increase its sales with the strong industry growth projected in the coming years. According to in-house research, the movies and entertainment market in the US is forecast to reach a value of US\$27,366.5 million by 2023, an increase of 2.9% since 2018. The US accounts for 33.1% of the global movies & entertainment market value. The movies and entertainment market comprises the following segments: video retail, box office, and music sales. The latter remains significant, although the two film segments account for the majority of this market. Category wise, music and video is expected to be the largest segment of the movies & entertainment market in the United States, accounting for 55% of the market's total value.

Opportunity - Online Retail Market: US

Marvel operates a network of online properties and could benefit from the positive outlook of ecommerce market. According to in-house research, online retail sector in the US is forecast to grow at a CAGR of 11.5% during 2018-23 to reach US\$636.1 billion by 2023 from US\$368.5 billion in 2018. Online Pureplay form the leading distribution channel in the United States online retail sector, accounting for a 53.3% share of the total sector's value, while Multi-Channel Retail accounts for a further 46.7% of the sector. The US accounts for about 30.9% of the global online retail sector value. The retailing of electrical and electronic goods was the largest segment in the sector in 2018, which accounted for 32.7% of the total value, followed by apparel retail (21.2%), home and garden products (16%), food and grocery retail (8.7%), furniture and floor coverings (7.1%), footwear (4.1%) and other category accounted for 10.2% of the value. The company's products are sold through e-commerce portal www.biocurv.com. By providing assurance to customers about credit card payment security and timely delivery at minimal cost, more product information and availability, user friendly features and other technological enhancements, the company may further enhance its online sales and benefit from increased revenue.

Marvel Entertainment LLC - Threats

Threat - Intellectual Property Risks

Marvel's market position depends on its ability to obtain patents for its technologies and products, to defend its patents, to protect its trade secrets and to operate without infringing the valid patents or trade secrets of others. The company's intellectual property assets includes library of proprietary characters, the stories that have published for decades, the associated copyrights, trademarks and goodwill and Marvel and Marvel Comics trade names. The company's principal trademarks have been registered in the US and in certain of the countries in Western Europe, Latin America, Asia Pacific, the Middle East and Africa. Failure to protect its patent rights could adversely affect the company's competitive position and financial condition.

Threat - Competitive Market

Intense competition could challenge the company's profitable growth. Marvel operates in a highly competitive environment characterized with technological changes and the launch of new programs. The company competes with entities that own intellectual property rights in characters such as DC Comics, DreamWorks Animation, LLC. and others. It also competes with numerous publishers in the US including DC Comics, which is a part of integrated entertainment companies and have greater financial and other resources than Marvel. The company also competes with film producers such as Twentieth Century Fox and Sony Pictures. In the consumer products business, Marvel competes with Iconix Brand Group, Phillips-Van Heusen, Mattel and Warner Bros Consumer Products, among others. Such competition could affect the financial condition of the company materially, if not responded on a regular basis.

Threat - Counterfeit Market

Piracy of television programming, video content, apparel products and other goods of the company poses significant challenges to the company's businesses. Technological advances allowing the unauthorized dissemination of motion pictures, television programming and other content in unprotected digital formats increase the threat of piracy. Such technological advances make it easier to create, transmit and distribute high quality unauthorized copies of the original copyrighted content. The proliferation of unauthorized copies and piracy of the company's products could reduce its revenues. The company generates revenue through its character based clothing and goods such as bags and watches, which is highly vulnerable to counterfeit market. Such market scenario is a major threat to the company.

NOTE:

The above strategic analysis is based on in-house research and reflects the publishers opinion only

Marvel Entertainment LLC - Key Competitors

Marvel Entertainment LLC, Key Competitors

Name	Headquarters	Revenue (US\$ m)
DC Entertainment Inc		
DreamWorks Animation LLC	United States	
Iconix Brand Group, Inc.	United States	188
Mattel, Inc	United States	4,505
NBCUniversal Media LLC	United States	33,967
Sony Pictures Entertainment Inc.	United States	
Twentieth Century Fox Film Corp	United States	
Warner Bros. Home Entertainment Group	United States	
Source: Company Website, Primary and Secondary Research		GlobalData

Section 3 – Appendix

The data and analysis within this report is driven by GlobalData.

GlobalData gives you key information to drive sales, investment and deal making activity in your business.

Our coverage includes 200,000 + reports on 185,000+ companies (including 150,000+ private) across 200+ countries and 29 industries. The key industries include Alternative Energy, Oil & Gas, Clean Technology, Technology and Telecommunication, Pharmaceutical and Healthcare, Power, Financial Services, Chemical and Metal & Mining.

Methodology

GlobalData company reports are based on a core set of research techniques which ensure the best possible level of quality and accuracy of data. The key sources used include:

- Company Websites
- Company Annual Reports
- SEC Filings
- Press Releases
- Proprietary Databases

Notes

- Financial information of the company is taken from the most recently published annual reports or SEC filings
- The financial and operational data reported for the company is as per the industry defined standards
- Revenue converted to USD at average annual conversion rate as of fiscal year end

About GlobalData

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