



## Unit 6 Case Study

### Harry Potter: Brand Wizard



Name \_\_\_\_\_

Class Period \_\_\_\_\_

#### **\*\* Harry Potter – Brand Wizard: A SEM Case Study \*\***

*How do you know when you've hit it big? Well, if selling millions of copies of books, grossing millions at the box office and selling millions more in licensed merchandise didn't provide your first, second and third clue, the announcement of a planned theme park might be a pretty good indication. We're not talking a special ride at a theme park...we're talking a complete theme park...20 acres worth.*

*Universal unveiled plans in late May of 2007 that a Harry Potter theme park will open inside Orlando's Islands of Adventure theme park (already home to 'Marvel Super Heroes' and 'Dr Seuss islands'). The "Wizarding World of Harry Potter" is slated to open doors to the general public at the Universal Orlando Resort sometime in 2009.*

*The timing of the news couldn't have been better in helping maximize the Potter hype. The summer of 2007 featured the release of the newest Potter film (Order of the Phoenix) and the last in the series of Potter books (Deathly Hallows), both virtual locks to score big at the box office and best sellers list respectively. Pottermania, it would seem, was at an all-time high. Of the park, Harry Potter author JK Rowling said: "The plans I've seen look incredibly exciting, and I don't think fans of the books or films will be disappointed." If the marketing success the Potter brand thus far are any indication, there will be little margin for disappointment.*

*Let's take a moment to examine the Potter brand by its extravagant numbers:*

- *Six Potter books have been published, collectively selling over 325 million copies worldwide*
- *Only two books have sold more copies than Potter; The Bible (2.5 billion copies sold) and The Thoughts of Chairman Mao (800 million)*
- *The Potter series of books have been translated into 61 different languages*
- *The first film in the Potter franchise grossed \$976.5 million at the global box office alone, not counting DVD sales or rescreening rights for television*
- *Each subsequent film has made it to the list of the top 20 highest grossing films in history*
- *The films have spawned six Harry Potter video games and, ultimately, led to the licensing of over 400 additional Harry Potter products (including an Harry Potter branded iPod)*
- *In the U.S., advertising expenditures for Harry Potter branded merchandise (including books, movies, DVDs and other promotional products) totals \$269.1 million from 1998 to date. Outside of the U.S. from 2000 to date, \$119.3 million was spent on total advertising for all Harry Potter branded merchandise in Canada, Germany, Italy, Netherlands, Norway, South Africa, Switzerland, and the U.K. (nielsen.com)*
- *More than \$11.8 million has been spent by U.S. consumers on Harry Potter-licensed trademark cookies, candy and gum products since June 2002 (nielsen.com)*
- *Since 2002, the Harry Potter movies have aired on U.S. television a total of 366 times (nielsen.com)*



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*What does all this mean from a business and marketing perspective? Quite simply, the boy wizard Harry Potter has spent the last decade growing into a household name, as recognizable as Elvis, The Beatles, Tiger Woods or Michael Jordan, providing marketers with a plethora of promotional opportunities. What other brand properties spark a national trend of "themed" book release parties?*

*Take for instance this excerpt from a recent posting in the Seattle Times: "Bring wands, lightning bolts and maybe a few tears to celebrate the release of the seventh and final book in the Harry Potter series." The paper featured two pages of library and book store listings, all celebrating Potter release parties. Some will feature movie marathons and trivia contests. Others will host costume contests, "wizard rock songwriting workshops" and "sorting hat" activities. One even boasted of a rock band, The Parselmouths, performing live on-site.*

*To get an even more intriguing sense of how powerful the Potter brand has become, let's go beyond the numbers. Consider the following reports as they relate to the Potter phenomenon:*

- *Applications to boarding schools have boomed in the wake of Potter's success*
- *Many parents of children with learning difficulties claim that the books themselves offer a perfect workbook for those wishing to improve their grasp of language*
- *Owls are reportedly increasingly in popularity as household pets (much to the dismay of Animal Rights activists)*
- *The locations used in the movies have become extremely popular tourist destinations (though some sites have been chastised by Warner Brothers' legal department for advertising the connection)*
- *The fictitious Potter vocabulary of "Quidditch," "Muggles," "Gryffindor," "Slytherin," "Hogwarts," et al, has now become part of household vernacular.*

*It is certainly no wonder how the Potter sensation has attracted such widespread corporate appeal, morphing over the years into a multi-billion dollar marketing machine. There is no question that the young wizard's impact crosses cultural and economic boundaries, appealing to both youth and adult consumers. That pervasive allure affords Potter marketers an exceptional platform for cross-promotional efforts, continuing to move the needle on the Potter brand.*

*The Harry Potter brand has partnered with products as diverse as bubble bath to electronic games. Notably, EA Games introduced several Harry Potter video games, Mead offered Harry Potter School Supplies, Mattel released a Harry Potter Edible Polyjuice Potion Maker and Lego produced, well, Harry Potter lego kits. This broad-based cross-promotional strategy is the driving force behind the wildly popular wizard's merchandising success.*

*In terms of brand recognition, Potter enjoys a tremendous level of awareness among consumers. According to Nielsen, 59% of U.S. consumers age 12 and older were aware that the 5th Potter film was scheduled to hit theaters in 2007. 57% of those interviewed (ages 12+) conceded that they had seen one or more of the previous Potter films.*

*That leads us to the obvious question...what is the Potter brand worth? Some estimate the Potter brand - encompassing books, films, DVDs, video games and other merchandising products - is valued at nearly \$6 billion (www.news.com). The Potter series author, JK Rowling, is a billionaire, and several British reports have reported that she has a higher net worth than Queen Elizabeth. That's when you know you've hit it big.*



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#### **\*\* Case Study Questions \*\***

- 1) *How do the concepts of licensing and branding relate to Harry Potter?*
- 2) *Is Harry Potter a brand? If so, what type of brand? Corporate brand, product brand or store brand? Explain your answer in detail.*
- 3) *Describe how the important components of brand building (brand awareness, image, equity and loyalty) are present with the Harry Potter phenomenon.*
- 4) *Explain how brand extension is present with the Potter brand. Be sure to cite specific examples to support your answer.*
- 5) *Is licensing a relevant topic when discussing the Potter brand? Why or why not?*
- 6) *In terms of Potter merchandise, who is the licensor? Who might be a licensee?*