



HARPERCOLLINS
LEADERSHIP



HISTORY OF THE MARVEL UNIVERSE

The Marvel Story

When you're a *comic book company*
that doesn't make money *selling* comic books,

WHAT DO YOU DO?

You leverage your intellectual property in other ways. Much of what makes Marvel possible is the number of characters it has created, and now, how the studio can utilize them in different formats from diverse merchandising, standalone films, tv series, and more.

The following illustrates three key takeaways and the moments in Marvel's history that have made it the powerhouse brand that it is today.

Finding Your Niche

One of the things that made Marvel what it is today is the people behind it every step of the way. From Jack Kirby and Stan Lee, two of the key artists credited with creating a majority of stories and characters in the Marvel universe; Martin Goodman, the creator of what turned from a newsstand magazine to Marvel Comics as we know today; and Jim Galton, Avi Arad, Isaac Perlmutter, and more execs, who are responsible for Marvel's survival throughout the years. The people and the world they created for Marvel made it possible to become the giant it is today.

1934 ○ Martin Goodman created his own pulp publishing business: *Newsstand Publications*. Goodman's focus wasn't so much on the content of his magazines, but on what people were buying.

- 1934 ○ Goodman was approached by a friend who encouraged him to branch out into a new format: comic books. Goodman accepted and started a new company called Timely Comics, and their first comic was Marvel Comics (October issue).
- 1940 ○ Goodman hired an editor named Joe Simon. Simon was responsible for the hiring of Jack Kirby, one of the artists credited with creating many of Marvel's original characters, including Captain America, the Incredible Hulk, and the Fantastic Four.
- 1940 ○ Kirby hired a temporary office worker, who would become the driving creative force and face of Marvel for the next 75 years: Stanley Leiber (Stan Lee).
- Lee took over as editor in chief after only a year of experience when Simon and Kirby left Timely Comics due to conflicts.
- 1961 ○ Goodman changed the name of Timely Comics to Marvel.
- 1961 ○ Right as Lee was ready to step down because he felt he was lacking direction and creativity, Goodman asked him to come up with a team of superheroes like the Justice League. Lee had the idea of creating characters that were, "More like real people. Sure, they had superpowers, but they had flaws." It was this concept that we see play throughout nearly all of Marvel's characters today—they were made to be relatable in an enhanced sense.
- Most of the characters now familiar to moviegoers in the recent blockbuster Marvel films were created from 1961

- to 1967. Throughout the years, Marvel would break new ground by introducing the first blind superhero (Daredevil, 1964), black superheroes (Black Panther, 1968), (Luke Cage, 1972), and many more firsts in comic history.
- 1962 ○ Ant-Man, Incredible Hulk, Thor, and Spider-Man appeared in comics for the first time.
 - 1963 ○ Iron Man, Nick Fury, Doctor Strange, and the Wasp. The X-Men also appeared for the first time. Lee also introduced a team known as the Avengers.
 - 1964 ○ Captain America was revived and added to the Avengers. Black Widow, Hawkeye, and Daredevil also debuted.
 - 1975 ○ Jim Galton named Marvel president. He would serve as the head until 1991, and was widely credited with saving the company from bankruptcy. Galton was known for aggressively pursuing merchandising and licensing deals with toymakers, including Mattel.
 - 1993 ○ As part of Ronald Perelman's (MacAndrews & Forbes Incorporated's owner, who bought Marvel in 1989 from New World) "wheel 'em and deal 'em" business strategy (or lack thereof), his company wanted to break ties with a small company called Toy Biz, which was owned by Ike Perlmutter, because they deemed it too small to take on their plans for merchandising Marvel.
- Perlmutter teamed up with one of his key employees, Avi Arad, to come up with a bold proposal to stay on with Marvel. They offered 46% of Toy Biz to Marvel in exchange for

an exclusive, perpetual, royalty-free license to create toys using Marvel's characters. This deal benefited both companies as it got rid of royalties to Marvel, increasing Toy Biz's margins, and it allowed Marvel to see higher returns from toy sales versus traditional licensing deals.

Perelman used the stock he gained in Toy Biz as a way to raise funds to create Marvel Films as a private entity. He put Arad in place as the company's president and CEO and had him join Stan Lee in Hollywood.

One of the key benefits of this deal was that it put another person, who had enthusiasm for the characters beyond just pure profit, on the decision making side. One of Arad's first moves was to join Lee as an executive producer on *X-Men: The Animated Series*, where it soon after became the number-one-rated kids' cartoon.

Look For Meaningful Results

Before you can expect someone else to invest in your dreams, you must be able to show real results of success. With the success of the *X-Men: The Animated Series*, Arad was able to leverage it through apparel, trading cards, video games, and an eventual live-action film for Marvel—a step in the direction for success in the film industry.

- 1998 ○ Marvel superhero feature film *Blade*, starring Wesley Snipes, opened and was a surprise hit, earning a total of \$131 million worldwide. This success, while not enjoyed entirely by Marvel, as they received only \$25,000 in profits, served as evidence that Hollywood could and should take Marvel characters as serious threats at the box office.

- As a company still in need of cash, Marvel looked to sell film rights to nearly all of its characters now that it had proof of success. Arad and Perlmutter approached Sony to buy a majority of the rights for \$25 million. Sony rejected the offer; they were only interested in Spider-Man.
- 1999 ○ Marvel and Sony eventually came to an agreement for the rights to Spider-Man for \$10 million, as well as stipulations and revenue shares from toys and merchandising.
- 1999 ○ Twentieth Century Fox began filming X-Men. Bryan Singer was brought on to direct. Avi Arad and Stan Lee consulted with Singer often to help him stay true to the source material.
- 2000 ○ X-Men was released and went on to gross more than \$296 million worldwide.
- It was in the 2000s that Hollywood's attitude toward comic book films started to shift.
- 2001 ○ Sam Raimi, who grew up as an avid comic book reader, was tapped to direct Spider-Man. He took elements from two Spider-Man storylines to create the Toby McGuire-led smash hit.
- 2002 ○ Spider-Man opened in theaters, and it went on to earn more than \$825 million worldwide.
- The success of Spider-Man further reiterated the fact to Hollywood that comic book movies could make money. However, the success of the film was a bittersweet one

for Marvel, as part of its licensing with Sony led them to receive only \$11 million in royalties.

Marvel sued Sony, asking for \$50 million and termination of its licensing deal, as they felt Sony seemed to take credit for Spider-Man without any connection to its Marvel history.

The year of Spider-Man's success marked the year when Marvel Enterprises would finally stop losing money. The following year would see superhero films finally making their mark.

- 2003 ○ X2: X-Men United (Twentieth Century Fox), Daredevil (Twentieth Century Fox), Hulk (Universal Pictures)
- 2004 ○ The Punisher (Lionsgate and Artisan), Spider-Man 2 (Columbia Pictures), Blade Trinity (New Line Cinema)
- 2005 ○ Elektra (Twentieth Century Fox), Man-Thing (Lions Gate), Fantastic Four (Twentieth Century Fox)
- 2006 ○ X-Men: Last Stand (Twentieth Century Fox)
- 2007 ○ Ghost Rider (Columbia Pictures), Spider-Man 3 (Columbia Pictures), Fantastic Four: Rise of the Silver Surfer (Twentieth Century Fox)

Marvel seemed on the upswing with successes in the billions, but because of licensing deals with various studios, Marvel saw too little profit for their liking.

Example: Twentieth Century Fox made \$2 billion off of X-Men, but Marvel saw less than 2% from its success (\$26 million).

Take Control Of Your Own Destiny

“The movies should be made by people who love the characters, love the stories, and really care about these movies being the best they can be.”

While Marvel started seeing success with its characters, it was a bit disheartening for the company because they saw minimal profits and recognition for it. It took several meetings and workings with various execs before the head of Marvel agreed to take control of its own destiny and create their films. It was through this process that we saw the creation and expansion of a multi-billion dollar giant.

- 2005 ○ Marvel secured a \$525 million deal with Merrill Lynch, which allowed Marvel to green-light any movie it wanted with a budget of \$165 million.
- 2006 ○ Marvel Studios appointed Jon Favreau to direct its first film in the Marvel Cinematic Universe, *Iron Man*. Favreau would experience pushback from executives when he wanted to cast Robert Downey Jr. as the lead role.
- 2008 ○ *Iron Man* opened with a \$99 million weekend. Initial projections for the film’s lifetime U.S. box office was around \$100 million. The film would go on to make \$585 million worldwide.

Iron Man marked the start of the Marvel Cinematic Universe that we all know today.

2009 ○ Disney bought Marvel Entertainment for \$4 billion in cash and stock. The idea of the acquisition came to fruition three months earlier when Disney's C.E.O Bob Iger brought up the idea to Marvel's David Maisel during a meeting.

2010 ○ Disney created a separate Marvel Television division. Series would be broadcast via A.B.C., Netflix, Hulu, Freeform, and eventually Disney+.

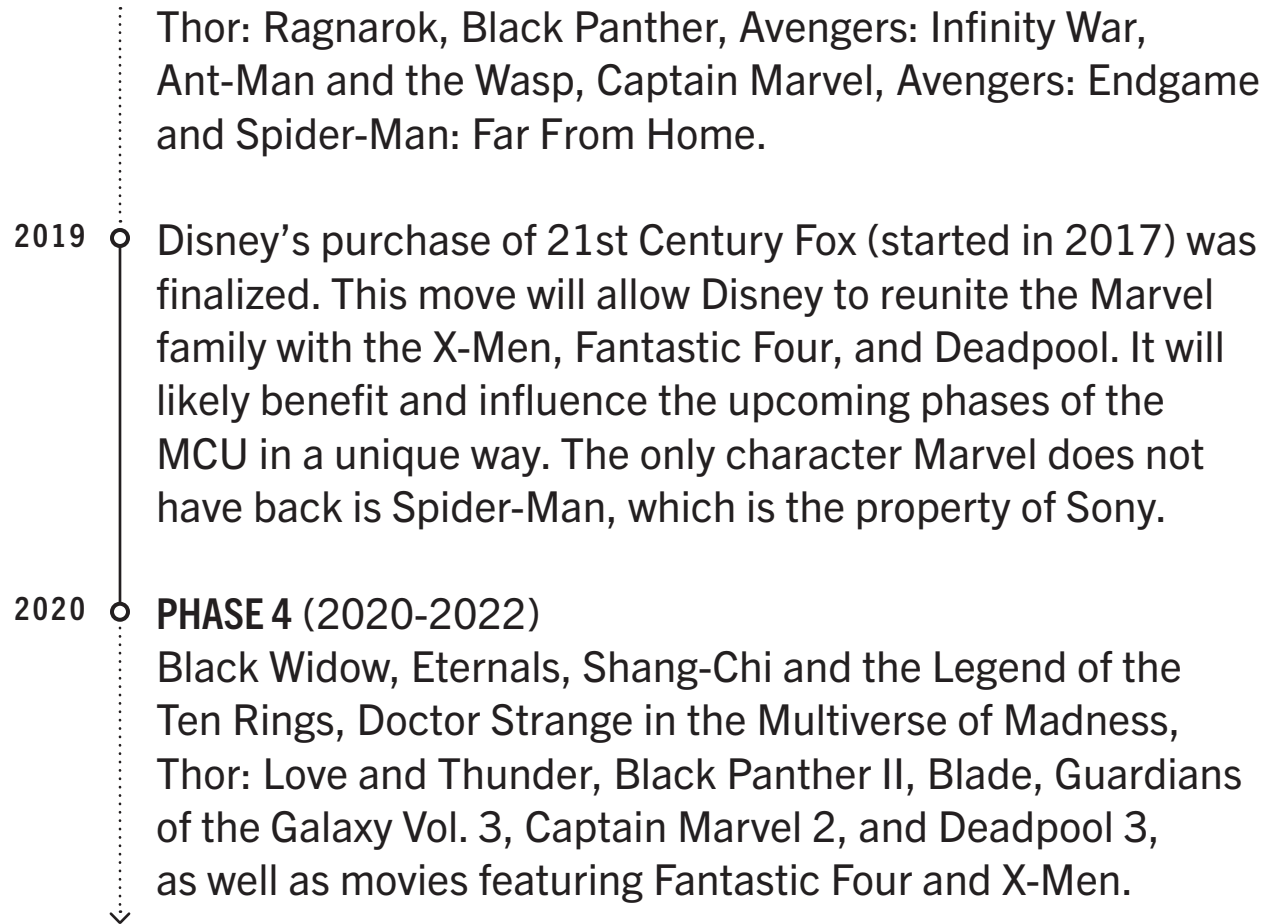
Offerings through the division include Marvel's Agents of S.H.I.E.L.D., Punisher, Jessica Jones, Luke Cage, Agent Carter, The Defenders, Cloak and Dagger, Marvel Runaways, and many more throughout the years.

With the television division created, Kevin Feige, and Hollywood veterans Louis D'Esposito (co-president of Marvel Studios) and Victoria Alonso (executive vice president of production for Marvel Studios), were able to focus on building the Marvel Cinematic Universe.

2008 ○ **PHASE 1**
Iron Man, Iron Man 2, Thor, Captain America: The First Avenger, and The Avengers

2013 ○ **PHASE 2**
Iron Man 3, Thor: The Dark World, Captain America: The Winter Soldier, Guardians of the Galaxy, Ant-Man, and Avengers: Age of Ultron.

2016 ○ **PHASE 3**
Captain America: Civil War, Doctor Strange, Guardians of the Galaxy Vol. 2, Spider-Man: Homecoming,

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- Thor: Ragnarok, Black Panther, Avengers: Infinity War, Ant-Man and the Wasp, Captain Marvel, Avengers: Endgame and Spider-Man: Far From Home.
- 2019 ○ Disney's purchase of 21st Century Fox (started in 2017) was finalized. This move will allow Disney to reunite the Marvel family with the X-Men, Fantastic Four, and Deadpool. It will likely benefit and influence the upcoming phases of the MCU in a unique way. The only character Marvel does not have back is Spider-Man, which is the property of Sony.
- 2020 ○ **PHASE 4 (2020-2022)**
Black Widow, Eternals, Shang-Chi and the Legend of the Ten Rings, Doctor Strange in the Multiverse of Madness, Thor: Love and Thunder, Black Panther II, Blade, Guardians of the Galaxy Vol. 3, Captain Marvel 2, and Deadpool 3, as well as movies featuring Fantastic Four and X-Men.