

Mickey Mouse *and* the Marlboro Man

Disney and Philip Morris USA share the same ad agency. Not that it means anything.

OF ALL MAJOR STUDIOS, Disney would appear to have the most brand equity to lose by pushing tobacco at kids.

Perhaps that's why The Disney Company was the first major media company to announce a policy on tobacco in film, in late 2004.

Unfortunately, Disney's policy seems more intent on protecting the Disney brand than protecting Disney's audience.

For example, the company pledges to reduce tobacco content in *Disney-branded* movies—almost all G/PG-rated and contributing little to kids' total exposure to tobacco on screen. But it makes

PHILIP MORRIS (ALIAS ALTRIA) NO STRANGER TO OTHER MEDIA GIANTS



Time Warner CEO RICHARD PARSONS [L] sat on Philip Morris' board for ten years. Since 1999, Warner Bros. has delivered an estimated 10 billion tobacco impressions to U.S. theater audiences alone. *News Corp. CEO* RUPERT MURDOCH [R] served on Philip Morris' board and PM's ex-chairman GEOFFREY BIBLE sat on *News Corp.*'s.

only nebulous promises about its prolific PG-13 film labels: Touchstone and Miramax.

Disney's policy has been in effect for more than a year, time enough to see how well it works.



MICKEY AND MARLBORO ARE owned by Disney and Altria (Philip Morris), respectively. Has Disney ever asked Altria for permission to use Marlboros on screen, the way studios clear all other intellectual property? And how often has Disney displayed a competing brand? [ANSWER IN BOX]

Results: The percentage of Disney's live-action releases with tobacco shows no substantial change since Disney adopted its tobacco policy.

Bottom-line: Since 1999, tobacco incidents in Disney films have recruited an estimated average of 66,000 new teen smokers, annually, worth \$690 million in lifetime sales revenue (NPV) to Philip Morris and other tobacco giants.

Put another way, for every \$1 Disney Studio Entertainment generated in 2005 operating income, it also generated about 72¢ in profit for Big Tobacco.

What can other film companies and their corporate parents learn from Disney's Mickey Mouse effort?

1] When you make corporate policy on tobacco in film, follow the basic management rule: the policy must be concrete and verifiable. Vague terms and waffling language provide neither internal guidance nor external reassurance.

2] Delay gains nothing. Global consensus solidly opposes promoting tobacco to young people. The film industry has big enough challenges

without acting like Big Tobacco's sidekick. You're going to have to do the right thing some time. Who goes first gets the most credit.

3] Using the industry's existing rating system to discourage tobacco in G, PG and PG-13 movies breaks no new ground. Creative freedom is unimpaired.

4] Just get tobacco out of kid-rated movies. *It's really that simple.*

THE DISNEY COMPANY'S TRACK RECORD ON TOBACCO

BRAND DISPLAY (TOP-GROSSING FILMS)

89 percent of the tobacco brands displayed in Disney films 1991-2004 were Philip Morris brands; 78 percent were Marlboro

% OF FILMS WITH TOBACCO 1999-2005

RATING	DISNEY	INDUSTRY AVG.
G/PG	40%	44%
PG-13	84%	74%
R-rated	93%	85%

% WITH TOBACCO UNDER ANNOUNCED POLICY

RATING	(2004)	(2005)
G/PG	44%	43%
PG-13	73%	71%
R-rated	100%	100%

THE DISNEY COMPANY has one of the worst records on tobacco in the industry. Its announced policy on tobacco in movies has yet to reduce adolescent exposure.



SMOKE FREE MOVIES

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