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TECH

Disney Chief Robert Iger Defends Marvel Movies Against Hollywood Critics

Francis Ford Coppola called films despicable earlier this week

By Erich Schwartzel

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LAGUNA BEACH, Calif.—Walt Disney Co. Chief Executive Robert Iger pushed back forcefully at criticism from acclaimed Hollywood directors Martin Scorsese and Francis Ford Coppola about Marvel Studios' superhero movies, saying it was disrespectful to the people who work on successful films that audiences enjoy.

Mr. Scorsese, known for movies such as “Goodfellas” and “Raging Bull,” had said earlier this month the productions were more like “theme parks” than cinema. Mr. Coppola this week called them despicable.

“I reserve the word ‘despicable’ for someone who committed mass murder,” said Mr. Iger, speaking at the WSJ Tech Live conference in Laguna Beach, Calif., on Tuesday. “These are movies.”

“They want to bitch about movies, it’s certainly their right,” Mr. Iger added, saying he’d gladly put those directors’ movies up against features directed for Marvel by Taika Waititi and Ryan Coogler.

Mr. Iger is weeks away from launching his company’s Disney+ streaming service, a shift in strategy for a company that for years has profited handsomely from the traditional TV and movie business.

Disney+ will feature Disney movies and television shows for a \$6.99 monthly subscription. The launch of a flagship streaming service has reoriented his company’s managerial ranks and prompted an influx of production in anticipation of the Nov. 12 launch.

Mr. Iger said he is piloting the service himself. He spent two hours on Tuesday exploring the app and offering notes to engineers. His feedback: make the product rely less on algorithms to predict

Do you think the criticism of Disney superhero movies from other directors is warranted? Why or why not? Join the conversation below.

what consumers want.

Mr. Iger's idea came after he had clicked on a category called "Mickey Mouse Through the Years." In addition to Mickey Mouse programs, the app served up related suggestions, including Pixar Animation Studios features.

"I think if people are clicking on Mickey Mouse, they mostly want Mickey Mouse," he said.

Mr. Iger has delayed retirement several times but is now scheduled to step down in 2021. He said the Disney board discusses succession and potential CEO candidates at each meeting, adding that he expects the handover to go more smoothly than the protracted interview process that preceded him getting the top job.

"I hope it is a more clear-cut decision," said Mr. Iger.

Mr. Iger's realization that the company needed a radical shift in strategy came in August 2015, when he reported on an earnings call that Disney's ESPN sports channel was registering subscriber losses because cable customers were dropping their subscriptions.

Wall Street panicked at the prospect of one of Disney's most profitable divisions facing existential questions about its growth, sending the company's stock price tumbling and erasing billions of dollars of market value.

"The reaction was really harsh and swift," said Mr. Iger. "There was no way, in my opinion, to be timid or do something either small or incremental—it required a big change."

Since Disney announced its ambitions in streaming about two years later—including an ESPN-branded service—Wall Street has responded favorably.

Mr. Iger said the company will release Disney+ subscriber figures on quarterly earnings calls following the launch, and reiterated that the company expects the service to be profitable by 2024.

Mr. Iger said he wasn't personally involved in Disney's decision to stop accepting ads from Netflix on its entertainment platforms. But he supported his ad division's calculus, which was

based on the fact the companies will compete head-on in streaming. “My initial reaction was that it felt somewhat petty, but when it was described to me, I decided to support the decision that was made,” he said.

Apple Inc. and Amazon.com Inc. can still buy ads on Disney, Mr. Iger said, because they market products beyond entertainment.

Mr. Iger declined to comment on the challenges of doing business in China, calling it a “damned if you do, damned if you don’t” situation to remark on the topic. A tweet by an NBA executive in support of Hong Kong’s protesters recently triggered a major controversy in China and the U.S., putting the league in the delicate position of trying to stand up for free speech while not offending authorities in a growing market.

ESPN instructed talent to refrain from commentary about the political crisis in the region. Like many U.S. companies, Disney has a lot of business at stake in China, including a theme park and billions of dollars in box-office receipts.

Elaborating on why he won’t comment on China, Mr. Iger added: “To take a position that could harm our company in some form would be a big mistake.”

Write to Erich Schwartzel at erich.schwartzel@wsj.com