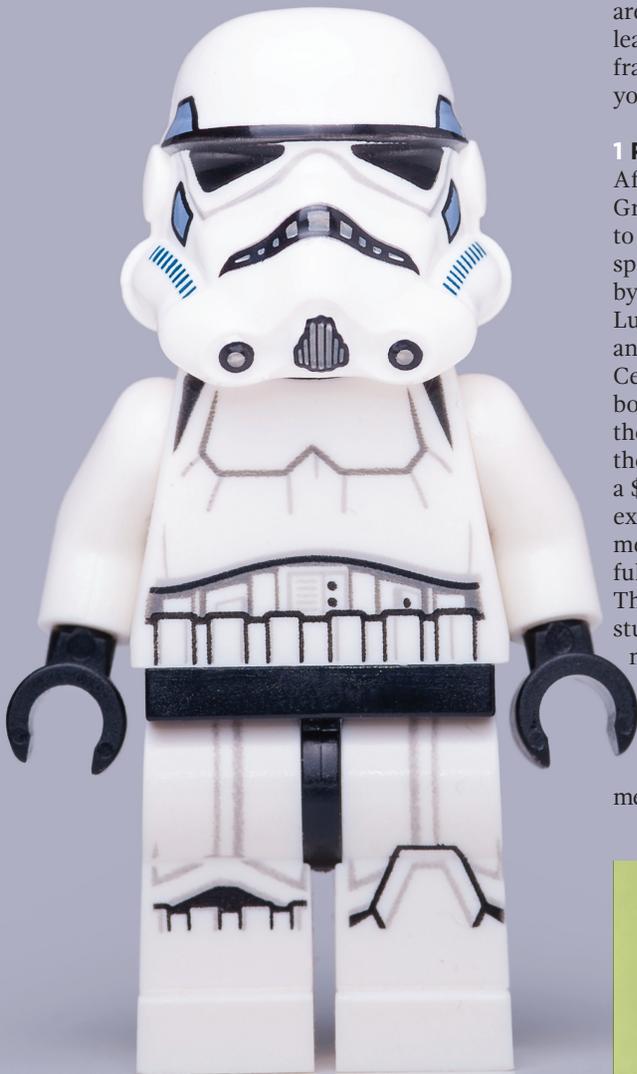


“I’m not a fan of merchandising. I don’t believe anyone is going to buy your product because you gave them a stress ball at a trade show”

# Learn by example you will



ong ago in a galaxy far, far away...

*Star Wars* went on to become the second most successful movie of all time, not just because it had a great story, but because it was a masterclass in marketing (especially for those in the creative industries).

Surely a large movie franchise is about as far from, and irrelevant to, small UK business as you can get though? That’s where you’d be wrong. Here are my top five lessons you can learn from the *Star Wars* movie franchise that you can apply to your business, whatever its size:

## 1 REJECT REJECTION

After the success of *American Graffiti*, George Lucas wanted to create a western set in outer space. The idea was rejected by several movie studios, but Lucas didn’t take no for an answer. He had a friend at 20th Century Fox – however, the board and executives rejected the idea. In order to secure the deal, Lucas passed up on a \$500,000 directing fee in exchange for just \$125,000, merchandising rights, and full rights to any sequels. This was a bargain for the studios at the time, as no other movie had ever successfully been merchandised, and they were certain the movie would fail.

I’m not a fan of merchandising. I don’t believe

anyone is going to buy your product because you gave them a stress ball at a trade show. But if you work in the arts, sports, or entertainment business, then chances are a huge percentage of your profits will come from the sale of t-shirts, albums, artworks, books, games, etc. The *Star Wars* franchise has made more than \$23 billion in merchandising alone. This doesn’t include the \$4.4 billion in ticket sales, and \$3.8 billion in home entertainment products.

The lesson: Believe in your work, and make sure you negotiate a good deal.

## 2 BE READY FOR SUCCESS

Lucas originally sold the toy merchandising rights to his movie to a company called Kenner, for a flat fee of \$100,000. However, Kenner wasn’t ready for the demand so they pre-sold an ‘Early Bird Certificate Package’ which was basically a voucher that allowed buyers to redeem *Star Wars* action figures, a display stand, stickers, and fan club membership at a later date.

By the end of 1978, Kenner had sold more than 40 million figures, for more than \$100 million. Needless to say, they were better prepared for *The Empire Strikes Back*.

Lesson: Just because you don’t have it yet doesn’t mean you can’t sell it. You can build and deliver it later, once you know the demand is there.



Lightsabers at the ready! **Kimberly Davis**, founder of Sarsaparilla Marketing and all-round marketing jedi, explains the lessons you can learn from the *Star Wars* franchise

### 3 JOINT VENTURES

*Star Wars* doesn't just promote itself, it gets other people to do it via joint venture partnerships – but not just anyone. Lucas has always been picky about who he joins 'forces' (sorry!) with and ensures there is always a relevant connection.

Volkswagen, Lego, O2, M&M's, and more have all promoted the movies and franchise through clever adverts, product crossovers etc. The partnership with Lego actually saved the failing Danish company. I recently spent £20 on an M&M's thermos with Yellow, the peanut M&M, frozen in carbonite, which says 'Melts in your mouth, not in your Han.'

You've got to admit – it's all pretty clever.

Lesson: Join forces with people and businesses which compliment your business, and promote one another.

### 4 SCARCITY

Like a seductive woman who holds something back for the imagination, JJ Abrams has kept nearly everything about *The Force Awakens* under wraps, including the storyline, images of Luke Skywalker, and more. Even the poster only had the darkness of space and the *Star Wars* logo on it. The result is people have been salivating, trying to get any glimpse they can.

Lesson: Don't give everything away all at once. Pace yourself,

tease your audience, and build anticipation.

### 5 REINVESTING YOUR MONEY

One of the real successes of *Star Wars* is that it took the very uncool genre of sci-fi and made it popular, using cutting edge special effects (that still stand up nearly 40 years later). Lucas used the money he made from *A New Hope* to take control, and create his own special effects company called Industrial Light & Magic, which branched into Skywalker Sound, Pixar, LucasFilm, and more. He basically now owns the monopoly on film special effects.

Lesson: Once you succeed and make money, you need to reinvest it in activities that will continue make you money.

### A WORD OF CAUTION

Now that Disney has taken over, it has been saturating the market with *Star Wars*, including three new films in the trilogy, three additional films on backstory, and other characters to be released during the interim years, cartoons, and even *Star Wars* Land will be built as a feature at Disneyland.

While the fan in me is over the moon with excitement, the marketer in me knows this is most likely going to be a death sentence for the franchise. It's a simple case of supply and demand; if you increase the supply of merchandise, movies, games, etc., the audience will be fatigued and lose interest, therefore lowering the demand. However, if you pace the release of new items, and constantly keep people waiting and begging for more (look at Apple, for example), then you'll always have an audience banging down the doors and queuing up to get it. So please Disney, take note and hold something back. I have some original collector cards that I'd really like to hold their value.

### Contact:

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