

Orlando Sentinel

<http://www.orlandosentinel.com/orl-nickdisney2806nov28,0,2840883.story>

Battle of the brands

Christopher Boyd
Sentinel Staff Writer

November 28, 2006

Marianne Harner's three young children ran in and out of the pool at the Nickelodeon Family Suites hotel near Lake Buena Vista, framed against a colorful backdrop of waterslides and grimacing portraits of some of their favorite cartoon characters.

The hotel, less than two miles from the gates of the Magic Kingdom, is nothing short of a shrine to the characters of the Nickelodeon network, the driving force in preteen television.

Harner, whose family spent a week in Central Florida last month, said her youngsters enjoy Walt Disney World but have a special attachment to Nickelodeon.

"When you go to the Magic Kingdom, you don't see things that are on our television," said Harner, who lives in the Bahamas. "My kids really aren't watching the Disney characters. They watch SpongeBob, and they wanted to come to Nickelodeon."

Nickelodeon launched the hotel last year in partnership with Holiday Inn. The Viacom subsidiary says Central Florida's abundance of family travelers made it a natural choice for the first Nick hotel. Yet its proximity to Walt Disney World highlights a fierce rivalry between Disney and Nickelodeon aimed at winning the hearts and minds of the nation's youngest viewers.

Robert Passikoff, president of New York marketing consultant Brand Keys, said the hotel drives home the challenge that Nickelodeon's characters pose for venerable Disney.

"Disney did its brand expansion 30 years ago, and they did quite well," Passikoff said. "But they don't have the same brand strength that Nickelodeon has right now."

Disney is dead set against remaining No. 2, and it is applying its mighty corporate power to gain the lead. Under the leadership of Disney Channel Worldwide President

ADVERTISEMENTS



Click here
to check
out this
week's
advertised
specials.

Rich Ross, it has made big strides among older children and has begun closing the gap with Nick in the 11 and under market.

"Our company is so agile that we can make things work in every category in every country in the world," Ross said. "I think our company is uniquely capable of pulling things together."

Disney Channel has unleashed a series of hits that include High School Musical, The Cheetah Girls and Hannah Montana. And it has just launched Mickey Mouse Clubhouse, a show designed to connect the iconic cartoon character to a new generation of preschoolers.

Turf battle

Nickelodeon's cable channels still command larger market shares than Disney's. Its characters -- Dora the Explorer, SpongeBob SquarePants, Diego from Go, Diego, Go!, Avatar and others -- are contributing to Nickelodeon's brand identity, which it is leveraging in an assortment of ways, including the hotel.

Nickelodeon entered the cable market 27 years ago but didn't begin developing original cartoon series until the early 1990s. Compared with Disney, which introduced Mickey Mouse in the 1920s and played a major role in the early days of children's television programming, Nickelodeon is in its infancy.

Marc E. Babej, a partner with Reason Inc., a New York marketing company, said Nickelodeon's youth helps define its style. The hotel, he said, is the kind of dramatic move that befits a challenger.

"Could you imagine a Nickelodeon theme park and Disney opening a hotel at its gates?" Babej asked. "Disney is Coca-Cola. It's the Harvard Business School. It operates with a sense of entitlement.

"Though Nickelodeon has been around for a generation-and-a-half, it's still the upstart, and it is fighting like one," Babej said.

But Disney is an adept competitor. After watching Nickelodeon rise to dominate children's cable, Disney has gone on the offensive.

During the summer, it introduced new shows aimed at drawing new viewers, and its ratings jumped 17 percent among viewers ages 2 to 11.

Nickelodeon is taking its own steps, expanding its online presence and luring more visitors to its Web sites.

Though the Disney empire dwarfs Nickelodeon's, Orlando marketing analyst Britt

Beemer said even a giant like Disney needs to be on guard.

"If Dora the Explorer is the hot item for your children and Minnie Mouse isn't, Disney has something to worry about," Beemer said. "In this area, you are either right or dead. You are either the hunter or the hunted. The hotel in Disney's backyard speaks to this. Nickelodeon knows its audience, and that audience is at Disney."

Cyma Zarghami, president of Nickelodeon and MTV Networks, said creating characters that resonate with children was what made Disney and has the power to pump up Nickelodeon.

"We put shows on television and wait for the audience to respond," Zarghami said. "The love for Dora was already really off the charts before we made our first Dora backpack."

Lifetime attachments

Like Disney, Nickelodeon has elevated its most popular characters into brands. Dora emblazons children's backpacks, toothpaste and clothing. So does SpongeBob and Blue the dog.

Zarghami said the benefits extend beyond the products. The repetition of images forms attachments that last a lifetime -- the sort of attachments that tie parents to Disney and fuel trips to the company's theme parks.

"Disney is a very nostalgic brand," Zarghami said. "I think it is the nostalgic relationship that really drives the theme parks."

By contrast, she said, Nickelodeon doesn't have one character that was on the air when it launched in 1979. But the ones it has developed since are now grist for a growing assortment of outlets.

"We have a magazine business, a new movie business and a big digital business that is emerging," Zarghami said. "The connection between all the pieces is growing our brand."

Christopher Boyd can be reached at cboyd@orlandosentinel.com or 407-420-5723.

Copyright © 2006, [Orlando Sentinel](#) | [Get home delivery - up to 50% off](#)

Get your news *on the go* by going to www.orlandosentinel.com on your mobile browser.