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# Marketing in the Streaming and Gaming Industries: A Study of the Nostalgia Marketing Strategy and its Effectiveness

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## **Abstract**

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The purpose of this thesis is to study nostalgia marketing, and why has it become so popular in movie, tv show, streaming and gaming industry.

Keywords: Marketing, Nostalgia, Business, Streaming platforms, Memories, Movies, TV Series

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## **Glossary**

MCU      Marvel Cinematic Universe. American media franchise that focuses on creating superhero films produced by Marvel Studios.

NES      Nintendo Entertainment System. Gaming console from Nintendo.

PS1      Playstation 1. Gaming console from Sony. Released in 1994.

# 1 Introduction

Nostalgia marketing has been a huge marketing strategy for companies throughout the years. The strategy captivates consumers with a blast from the past to remind the good old days, especially when they were young and there were few responsibilities to fulfill. This thesis goes through the background and framework for the bachelor's thesis. The idea for this topic came from the interest in how nostalgic feeling affects the consumer's buying behavior, and how companies use nostalgia marketing strategy to achieve their goals. There are different companies from many different industries that have used nostalgia marketing successfully.

The main point of this research is to find out how effective is nostalgia marketing and how it affects the consumers in good or bad and to show the rising trend of nostalgia marketing. The psychological view describes what is a nostalgic feeling and what it does to the consumers when they feel nostalgic. There have been companies that nostalgia marketing has backfired on, either forcing it on people or trying too hard to bring out the nostalgia. Nostalgia captivates the consumers with positive memories from our youth or childhood. Many brands or companies know how to connect their marketing with positive ideas or different concepts from the past. (Nnamani, 2021).

The two main industries to focus on are movies, including streaming, and the gaming industry in the last decade these two industries have used this strategy with huge success and high revenue rates, by creating a lot of remakes and sequels for popular movies and games. The numbers and contents are easily obtainable for these industries through the internet and different literature.

As we know what happened in the summer of 2016 when Pokemon GO was released. In no time it reached more than 10 million downloads and broke the record of being the fastest mobile game downloaded within a week (Molina,

2016). The success story of Pokemon GO tells us the power of nostalgia since 72% of players of Pokemon GO have played the original pokemon games during their lifetime. Up to 36% of the players are aged between 16-and 25 (Analysis of Pokémon GO: A Success Two Decades in the Making, 2016). In 2019 the game was downloaded more than a billion times (Thubron, 2019).

The streaming platforms have dominated the movie and tv series industry in the last decade. The competition level is high in the streaming industry, and many companies have begun to take advantage of Nostalgia marketing in that industry. The companies are spending millions to bring old tv shows back alive like The Office and Friends. These nostalgic tv shows are outperforming the newer material in which the streaming platforms are investing a lot of resources, yet not achieving the same amount of views and attention (Mercado, 2021).

## **2 Research Question & Methodology**

### **2.1 Research questions**

The main reason for this thesis is to study nostalgia marketing, and how effective it is in this day and age. The thesis covers the subject from a business and psychological point of view. The goal is to discover the effectiveness of nostalgia marketing good or bad, and the two main focused industries are streaming platforms that have both tv-series and movies, and the second is the gaming industry. In the last decade, there have been many movies, tv-series or video games that have been remade. The most popular franchises have become even more popular to the new generation after having a sequel after one or two decades after the last release, and many video games are getting a new remake after remake, as the technology is getting advanced and new consoles pop up. The research topic of this thesis was chosen due to the writers' personal interest to the nostalgia marketing strategy, and how popular it has become in these two

industries. The objective is to understand and improve the knowledge of nostalgia marketing. The research aims to find the answer to the topics below:

- What is a nostalgic feeling, and how does it affect our mind?
- What is nostalgia marketing, and how effective is it?
- Which companies has succeeded with nostalgia marketing
- Drawback from nostalgia marketing

## 2.2 Methodology

The methodology used in this research to gain a broader understanding of the topic are qualified internet sources, books, published literature, and different articles found online. As nostalgia marketing was entitled retro marketing before, in this research the aim is to focus more on the literature, and internet sources, that are using nostalgia marketing as the topic. By critically evaluating all the sources, and gathering the finest data possible related to the topic. The research method is more exploratory to obtain a deeper understanding of the subject, since the lack of academic books, and literature related to the topic.

For this thesis, the psychological point of view related to the topic is covered by scientific research papers and qualified internet sources. However, nostalgia marketing strategy, and how effective is it, is the main objective of this research. The information collected is intended for it and attempted to be collected in a way that, for example, the data gathered from a psychological point of view covers information that would support nostalgia marketing.



### 3 What is Nostalgia?

Nostalgia is the longing feeling for the past when everything seemed better and easier. It treasures countless music tracks and fun memories. Every person knows the feeling when nostalgia hits. The word nostalgia was invented a long time ago, originally it indicated homesickness. It helps us to identify the sense of who we are currently, and who we become over time. Since over time, we are constantly changing, and we change at a fast rate that we are not even near the same as we were a few years ago. Nostalgia reminds us of who we were in the past and it helps us to bring back our authentic self, it also reminds us of our old self, and then compares that to who we think we are today. It allows a sense of who we want to be further in the future. Nostalgia also serves as a social emotion, it helps us to connect to other people. It is part of what bonds us to our relatives, such as; our parents, siblings, and our friends. As we become older, it broadens out to a larger group of people we interact with during our life. Nostalgia is a healthy social emotion that connects us to past memories (Luna & Batcho, 2019).

Nostalgia also let us feel bitter-sweet emotions. It is sweet since we are remembering the good old times. However, the bitterness comes from the feeling that we know for sure, that we cannot regain the good old times back, those times are gone forever. We cannot go back in time, so the bitter longing for what we can never have back, makes nostalgia feel so strong, with the experience of being able to relive or revisit the memory again (Luna & Batcho, 2019).

#### 3.1 How Nostalgia Weakens the Desire for Money?

There have been experiments on how nostalgia weakens the desire for money. The six experiments tested the assumption that consumers who would have a nostalgic feeling would desire money less than their neutral correspondents.

### 3.1.1 The First Experiment

The first experiment was about the willingness to pay that tested the initial hypothesis that people who are feeling nostalgic would desire less money than those who do not feel nostalgic. The participants were given two different advertisements for the same product that displayed the same photo, yet the difference between these two was that the first advertisement had a quote “Remember special occasions with others from your past. . . . Take a moment to cherish your childhood memories.” That focuses more on the past. The copy given to the neutral correspondents had the quote “A special occasion with others . . . Think about making new memories starting today and well into your future.” This quote was more focused on the future (Lasaleta, Sedikides and Vohs, 2014).

After 30 seconds the participants were asked to evaluate the advertisement on three different attributes, amusing, attractive, and likable. This research indicated that there are similar cognitive functions when thinking about past memories and the future. There was an overlap between these two processes by past and future memory generation, this provides a strong test for the initial hypothesis that there are unique components to nostalgia that will lead the participants to desire less money (Lasaleta, Sedikides and Vohs, 2014).

Two pretests were conducted to confirm the effectiveness of the manipulation to alter correspondents' minds to have nostalgic feelings. After correspondents view the advertisements when the other was based on nostalgia, while the other was neutral advertisement the correspondents responded to three features whether they feel “Right now, I feel quite nostalgic”, “Right now, I am feeling nostalgic” or “I feel nostalgic at the moment” these three features were set to same single nostalgia average index. As expected, correspondents who were viewing the nostalgic advertisement mentioned feeling more nostalgia than the correspondents who viewed the neutral advertisement (Lasaleta, Sedikides and Vohs, 2014).

The second pretest to verify the initial hypothesis with the manipulation of correspondents to feel nostalgia through social connection. The past test already demonstrated this effect, yet it was important to confirm the experiment by replicating the effect with the same population and receiving a new sample from the same participants as the main experiment. The correspondents were randomly assigned to view the neutral or nostalgia advertisement. After this, the correspondents indicated the amount to which they felt the most social connection and support by going through the Multidimensional Scale of Perceived Social Support (Zimet, Dahlem, Zimet & Farley, 1988). This test consists of 12 different scales with three subscales: You felt supported by family, friends, or other people close to you. These scales include “I get the emotional support from my family” (Family subscale); “My friends put a lot of effort trying to help me” (Friends subscale), “There is a special person who cares about me and my feelings” (Significant other subscales). All the answers were combined to form a social connectivity index, and to confirm the manipulation of the correspondents the ones who viewed the nostalgia advertisement felt a stronger social connection than those correspondents viewing the neutral advertisement (Lasaleta, Sedikides and Vohs, 2014).

After all this, the correspondents completed a different measurement task that was product evaluation. The correspondents got a booklet showing names and pictures of 24 different products, then they had to report their willingness to pay for each product. The booklet had high-end to low-end products, including a house or a bottle of Coke (Lasaleta, Sedikides and Vohs, 2014).

### 3.1.2 Results of the First Experiment

The advertisement test was whether the nostalgia versus neutral advertisements was diverse in their claim. The favorability index contained the likable, amusement, and attractiveness ratings that were subjected to test the nostalgia condition as the predictor. The advertisements were viewed equally across both

favorable conditions. However, the differences in the advertisements' favorability cannot be the key component in measuring the correspondent's willingness to pay (Lasaleta, Sedikides and Vohs, 2014).

The experiment to test the correspondents' willingness to pay when viewing the advertisement that encourages the correspondents to think nostalgia rather than new memories they would offer higher prices in the willingness to pay task to confirm the initial hypothesis. The average willingness to pay varied since the function of the products was different from the Bottle of coke to the house. In the test, the willingness to pay scores were standardized before counting them through statistical analyses. Two different measurements were conducted, nostalgic versus neutral advertisement. There was a mixed-measures analysis of variance, with memory type subject between the product type and the factors predicting the correspondents' willingness to pay. The results revealed through analysis confirmed the main effect of memory conditioning. The willingness to pay for correspondents in the nostalgic condition was higher than the correspondents in the neutral condition. The products did not carry any effect on willingness to pay (Lasaleta, Sedikides and Vohs, 2014).

The first experiment demonstrated that the correspondents who viewed the advertisement that cause them to have nostalgic memories, compared to other correspondents who were prompted to think about creating new memories, had more willingness to pay for the products. With the first experiment, it is possible that the nostalgic feeling decreased the valuation of different resources and not only money. However, it is possible that nostalgic feeling increases the valuation of the products, therefore reflecting the higher willingness to pay results of the experiment (Lasaleta, Sedikides and Vohs, 2014).

### 3.1.3 Other Experiments

The second experiment was based on a “dictator game” the main objective was to test the influence of nostalgia on the desire for more money by combining evidence from measures and methods varied from those used in the first experiment. The third experiment was based on the importance of money. A fourth was based on the value of money. The fifth was named unpleasant sounds, instead of asking correspondents how much they wanted money or the products, they were asked at what costs they would be willing to acquire to gain money. The last experiment was based on how much are the correspondents willing to suffer and endure to gain money (Lasaleta, Sedikides and Vohs, 2014).

## 3.2 Nostalgia Marketing

Nostalgia marketing is a powerful marketing strategy, and it has something special to offer to each customer. As we get older, all of us develop good memories from the days when we were young. The music we listened to, the games we played, and even the food we ate. Our experiences and memories from the past help us to form the personalities, and identities we are today. What comes to the definition of nostalgia marketing, the easiest way of explaining the strategy and how it works is to line up the advertising campaigns, with things or ideas that evoke emotional responses from the past. Emotional marketing has the ability, to convince the customers to act, and advocate for their beloved and favorite brands. Piercing into powerful memories can be one of the strongest ways to evoke emotion, especially when targeting Millennials. As the marketplace has become highly competitive, the nostalgia marketing strategy has allowed new and old brands to touch their customers on a strong emotional level. There are large companies that have begun to show how useful the strategy can be such as; Netflix and Nintendo. Every industry seems to have some room for nostalgia marketing, it works best when the companies understand their customers and listen to what customers crave the most (Harvey, 2020.).

In the past years, as the tv has begun to create a much more solid history, the televisual content has been struck with a nostalgic wave, and the wave has led to the revival of many old-time favorite franchises in the televisual world. The trend is a consequence of a wider technological environment, as the televisual content is growing more interconnected and serialized, whether the content is real, fictional, or real. However, throughout time with the continuous dialogue between the past and the present in the media. This puzzling structure, which involves recycling and reformations among the rest, contributes to combining the preexisting connections linking the median domain, and different forms of nostalgia. Nostalgia is not a new thing in the present history, since it has been around the society since the ancient years. However, the appearance of digital media has created alternative bounds for triggering nostalgia globally. As data and information are easily accessible online, the data is always available, and nostalgia turns into a self-generated condition of longing for the past, that replies to technological changes, socio-cultural dynamics, and commercial frameworks. The primary belief of nostalgia is that it involves memories, without some form of memory, there is no nostalgia (Taurino *et al.*, 2020, p. 9-10)

## 4 Successful Nostalgia Marketing

### 4.1 Streaming Platforms

The streaming platforms are spending hundreds of millions to buy the rights for successful TV shows from the 90s and 00s. The rights for the famous TV shows have a lot of weight for the subscribers of the streaming platform. This situation is not only limited to the largest streaming platform Netflix. It is one of the enormous competitive advantages for the streaming platforms, which acquire the right to show old famous TV shows. Netflix used to have the famous tv shows The Office, and Friends on their platform. However, in 2020 Peacock bought the rights for The Office, for \$500 million. When HBO Max bought the rights for Friends over 5 years with \$425 million, they also managed to buy exclusive rights

for the famous TV show The Big Bang Theory by paying over billion dollars. After Netflix lost the rights for these tv shows, they managed to acquire rights for Seinfeld for \$500 million over 5 years. The bidding war is going to continue, as more major players such as Netflix, Disney+, Peacock, HBO Max, and other streaming platforms are trying to fill the airtime with old famous TV shows (Poirier, 2019).

Although using the recycled content on the viewing platform is not a new thing, the content on the television has at all times been a mix of recycled and new tv shows. The TV industry revenues were based on selling shows over and over again. Especially, until the late 90s, when most of the content and shows were recycled (Poirier, 2019).

The streaming platforms have a very high turn rate, and that is a problem. The customers subscribe to their platform for a few months, then watch their favorite shows. After they have watched their favorite shows, the customers cancel their subscription. The streaming platforms are meant to find a way to lure in the viewers and continue their subscription. The favorite old shows are thus trying to encourage the customers to engage, and the favorite shows or sitcoms work well in this consideration. The shows are equivalent to comfort food for the viewers (Poirier, 2019).

Figure 1. Illustrates the viewing hours of Friends and The Office on Netflix, and how the shows have way more viewing hours than the Netflix Original series such as Orange is the New Black and Ozark.

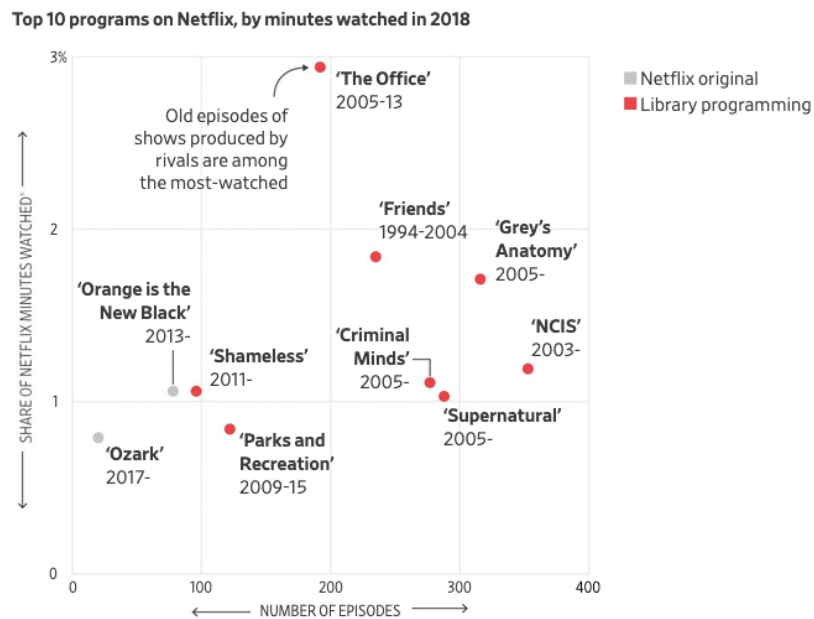


Figure 1. Top 10 programs on Netflix, by minutes watched in 2018 (Poirier, 2019).

## 4.2 Netflix

Netflix is the largest streaming platform in the world, it has around 220 million active subscribers globally in 2022 (Poindexter, 2022). Netflix's success has been a story of disruption, that shows how a smaller company with a few resources is able to successfully challenge already established stable businesses. As Netflix has used highly nostalgic content during the nostalgic trend in this modern society, especially with their production of Netflix Originals. The company has been producing highly affective and emotional content, connecting the customers with longing for the past with their brand. As the company is continuing the production of already known movies and series that already have a dedicated audience such as *Fuller House*, and *The Gilmore Girls*. One of the largest hits for Netflix self-produced content, has been *Stranger Things* (Stephan et al., 2020, p.26).



#### 4.2.1 Stranger Things

*Stranger Things* is set in Hawkins, Pennsylvania, in the 1980s. The story is based on strange, abnormal events in a small town. Most of the story focuses on a tiny group of middle school kids, and they are affected by the vanishing of their friend. Their friend is replaced by a girl with telekinetic powers. The first season is based around the disappearance of their friend, and also understanding and exploring a parallel universe. As the second season expands coverage and makes the opposing entity less concrete. The series induces nostalgia, as Netflix has used a lot of references from different series and movies from the past as well as things and events from the 1980s. In the first season, the main antagonist is the Demogorgon from a fantasy tabletop role-playing game called Dungeons and Dragons. There is a scene that is based on the escape from *E.T.*, and in the second season, there are more references to movies from the 1980s, similar to the scene from (*Stand By Me*) where the kids are walking on the train tracks. At one point the group is fighting against criminals that are possible of supernatural origin referencing (*goonies*). While facing off against the supernatural criminals the kids are wearing the outfits from (*Ghostbusters*) (Stephan *et al.*, 2020, p. 30-31)

#### 4.2.2 Programmed Nostalgia

Netflix has consistently prospered on programming nostalgia. When decade ago Netflix became the favored way of movie renting, and it was appraised as a dream video store. As it was renting classic films such as *Laura* (1944), *Sunset Boulevard* (1950), and *The Godfather* trilogy from the Golden Age of Hollywood, so people could have a nostalgic movie weekend, and relive those moments. In recent years, the concept of movie rentals, video stores, and Netflix sending films by mail is a distant nostalgic memory. Netflix is transforming and recreating itself all the time. As the company is transitioning to streaming, as creating new content with its original series. It has expanded to a huge streaming platform that is an

enormous creator of nostalgic content. One of the ways of transferring and captivating the nostalgia from older movies is to recreate them as long-form series as Netflix original. As Netflix's subscription base has become more of a streaming media company, instead of "movie rental by mail" the company has also evolved its strategy for infusing nostalgia. This approach of recreating the older movies or series offers the viewers an opportunity to relive the memories again in immeasurable ways. (Biesen *et al.*, 2020, p. 41-42).

Netflix has evolved its programming to imbue nostalgia into the different line-up of films and tv series. As the company has created a strategy to produce a continuation or expansion for already successful franchises. The conversion of past media contents to present-time has the ability to rework the original material in a different form, so the new content mirrors or has iterations from already successful film or tv show franchises. As the nostalgic element is found by connecting the original material with the new, with the purpose of engaging the past viewers and fans, while enjoying the beloved content, at the same time, the new content is luring more audiences to consume the product that seems to be new, still, it is embedded in a sense of recollection. Economically this is a great way to lure engagement from the past fans and newer audiences. The company's strong way of recreating the traditional films and tv shows into media program content to maximize the "binge-watching" reception that creates a unique viewing experience that the competing streaming platforms and media companies are striving to replicate. (Biesen *et al.*, 2020, p. 42).

#### 4.2.3 Cost Efficient Nostalgia Marketing for Other Brands

Stranger Things season 3 attracted more than 40 million viewers in the first four days since its release, it is more than any other film or tv show on Netflix. The company has used this opportunity to monetize on the high viewer count, as many brands have partnered with Netflix to advertise and take advantage of the popularity of the famous series by creating different product campaigns that

merge into the 1980's show's story charged with nostalgia (Delage, 2019). Coca-Cola brought back its old product called "New Coke" back to markets for a brief duration, as part of the partnership. The product was shown in a few selected episodes of Stranger Things. The idea was to promote the New Coke product as well as Coca-Cola's original drink. The New Coke formula was originally released in 1985, which was a total flop. As Stranger Things is based on the 1980's and Coca-Cola thought the consumers will scream for the drink after thirty years, which they once declined to like (Steinberg, 2019). The advertisement for the series was a huge success, compared to the cost of traditional advertising, and estimating the monetary value of the Coca-Cola product presence in a show. The screen time was not the only thing the company get, as the talk around the show and the partnered brands that helped the drive might be even more important. Coca-Cola received more than 33 billion media impressions within two months, and the impressions delivered a gigantic \$1.2 billion in media value, according to marketing agency Hollywood Branded (Cerullo, 2019).

Other brands have also appeared on Stranger Things and they have partnerships with Netflix such as Adidas, Burger King, Cadillac, Casio, Chevrolet, Dairy Queen, Kellogg's, Nike 7-Eleven, and many more. The appearances of certain products are crucial for the show based in the 1980s. Around 100 brands have products appearing in Season 3 of Stranger Things and within the first three days of its release, the advertisement value for those products was around \$15 million (Delage, 2019). Netflix does not charge the brands for the product placement in Stranger Things. As the company is a subscription-based that gains revenue from the membership fees, and they are not dependent on the ad dollars like typical cable networks to generate revenue. There are some rare exceptions the company has made with the paid product placement in its other shows and films (Cerullo, 2019).

### 4.3 Disney

Is there any better feeling than settling down to watch your favorite Disney movies? There are a few options you might consider, as Disney is recreating the favorite movies of our childhood while making billions. Disney is currently remaking the classic Disney movies, in 2019 the company remade three different movies and made over 2\$ billion within the first seven months after releasing the first. As Dumbo remake grossed over \$350 million, the remake of Aladdin grossed over a billion, and The Lion King grossed over a billion dollars in a couple of weeks. There appears to be no end to the impressive sales as the movie remakes from Disney from the past several years of each remake have earned over 1\$ billion. In 2010's Alice in Wonderland, then 2016's The Jungle Book, and 2017's Beauty and the Beast. Disney has earned more than \$7 billion in revenue in less than a decade by remaking classic movies. In the last decade, Disney has been thriving with the nostalgia marketing strategy (Lok, 2021).

Figure 2. Illustrates the gross revenue from Worldwide box office sales and reported budget for Disney live-action remakes.

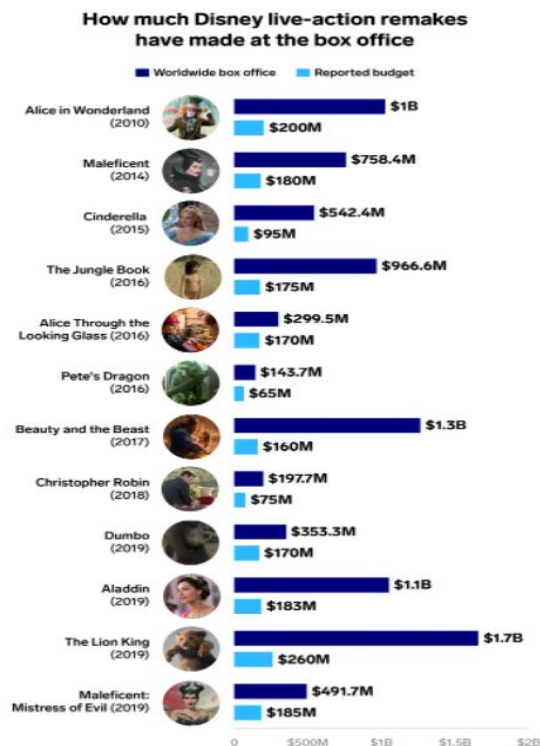


Figure 2. How much Disney live-action remakes have made at the box office and the reported budget. (Acuna, 2020)

However, in general, only very few films will earn \$1 billion in gross revenue sales at the box office, and still, four movie remakes from Disney achieved it in 2019 alone. Lately, the nostalgia marketing strategy has become a path to success for many companies, and Disney has capitalized a lot by remaking the beloved classic movies by raising the emotional experiences back from our childhood. Nostalgia marketing appears to be easier and less time-consuming, so the company doesn't need to create original ideas, while still generating huge amounts of revenue. For Disney, it is a great way to capitalize on this emotional nostalgic feeling and desire by bringing viewers the classic movies that connect them with the past (Lok, 2021).

The nostalgia marketing strategy is performing well for Disney as it is creating nostalgic stories combined with great voice actors and celebrities. The revival of the classic films is showing how powerful customer loyalty is for Disney. The customers want to share the classic films and remakes with others, and relive those cherished moments and stories of the different Disney characters through the latest remakes. For example, Generation X parents who used to watch the classic versions with their parents, are now sharing the same experience with their children by watching the remakes and reliving the beloved story they loved when they were young. The Millennials still remember the classic films, and they get to relive those moments, as Disney releases a remake of one of their favourite films from childhood. For the new generation the remakes are probably their first exposure to the classic stories, and the nostalgic feeling is not present. Yet, they can still feel the hype from the others, who remember the originals. To this extent, the remakes are appealing to many generations and the experience can be shared with relatives and society (Lok, 2021).

### 4.3.1 Investments of Disney

In 2005 Bob Iger became the CEO of Disney, Iger has facilitated big investments for the company. The first huge investment was in 2006 when Disney bought Pixar for \$7.4 billion in 2006, and Marvel Entertainment for \$4 billion in 2009. Both investments have made billions at the box office while breaking records. Iger facilitated the purchase of Lucasfilm in 2012 (Whitten, 2018).

### 4.3.2 Marvel Entertainment

In 2009, Disney bought Marvel Entertainment for more than \$4 billion, this investment changed the industry of superhero films and series for good. The handout created two different divisions known as Marvel Television and Marvel Studios. After the deal, Marvel comic books became much more popular within the non-comic book community. Now the Marvel Cinematic Universe (MCU) is constantly creating box office hits, and The Avengers movies are one of the most successful stories (Peterson, 2022).

In 2019 The Avengers: Endgame beat the record of the highest-earning movie of all time surpassing Avatar. Marvel Studios also re-released the movie in theaters with some extra footage to boost its earnings, leading the movie's total to \$2.79 billion. While Avatar a film from 2009 that was directed by James Cameron earned \$2.78 billion. Endgame also claimed the title of the highest-earning movie in the MCU. The movie was a success at the box office on its opening weekend and earned more than \$1.2 billion worldwide and \$356 million in North America. The film was a huge success on its opening weekend, bringing more money than any other movie in history, as well as on its opening day it was the highest-earning movie of all time. When Endgame was released it was the seventh film in the MCU to hit over \$1 billion worldwide. Before Endgame the last Marvel movie to gross \$1 billion was Captain Marvel (Peterson, 2022). The latest addition to reaching the \$1 billion landmark is Spider-Man: No Way Home grossing \$1.8 billion worldwide (Tartaglione, 2022). More than 20 films released within the MCU

have grossed over \$100 million mark in the US domestically. As the top three highest-earning Marvel films of all time are among the top ten of highest-earning films in the US of all time (Peterson, 2022).

As Marvel became part of Disney, the company gained over 5000 rights to unique Marvel's characters, and the deal offered an enormous platform to show the Marvel Universe offerings and superheroes to non-comic fans. Disney is one of the leading media animation companies worldwide, the company has done everything to reach its goals. As the company owns 20<sup>th</sup> Century Fox, and Pixar. However, even though Disney bought the Marvel Entertainment, the company does not own all the Marvel heroes trademarks. For example, the company is sharing the rights for Spider-Man with Sony (Peterson, 2022).

#### 4.3.3 Lucasfilm

Disney purchased Lucasfilm in 2012 for \$4 billion. Lucasfilm is the production company for the legendary Star Wars series. The deal started a fresh new era for the Star Wars franchise, and Disney made back the investment and more in just a couple of years. In 2018 the four Star Wars feature films the house of mouse has produced earned almost \$5 billion at the box office worldwide. Disney is also gaining money on digital sales, DVD, and BluRay, as well as the licensing agreements for the Star Wars brand. Disney has also made two Star Wars theme parks. So the box office, merchandise sales, and licensing agreements of the Star Wars franchise has made more than the original investment from Disney (Whitten, 2018).

In 2018 The first three films from The Star Wars franchise made over \$1 billion at the box office worldwide, and "The Force Awakens" reached up to \$2 billion. One film that did not reach the billion landmark was "Solo: A Star Wars Story". However, the movie still made a lot of money making under \$400 million worldwide, and it was a success, yet comparing the movie in the realm of Star Wars franchise, it was a bit of dissapointment. Since most of the new movies from

the Star Wars franchise are expected to be a grand slam for Disney (Whitten, 2018).

Figure 3. Illustrates the box office sales domestically and internationally for Star Wars franchise movies produced by Disney.

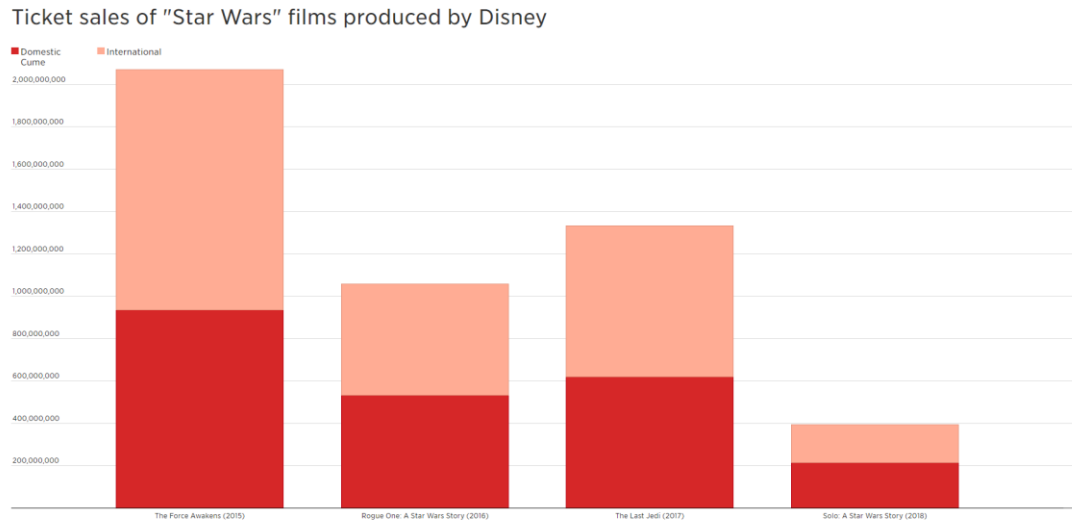


Figure 3. Ticket sales of Star Wars films produced by Disney (Whitten, 2018).

Disney has also made a lot of cash flow by selling licenses to other companies. In the past years, Hasbro has paid at least \$730 million for the Star Wars license plus 18% of the Star Wars licensed toys sales, the royalties were increased to 20% in 2015. In the toy industry, the common royalty fee is around 10%, so the Star Wars toy license is among the most expensive out there. Due to this reason, a large toy company such as Hasbro is able to afford the license. In 2013 the license agreement for Star Wars toys cost another \$225 million for Hasbro, and the license would last until 2020. At the same time, the toy company extended the license for Marvel toys from 2013 to 2020, that cost roughly a third of what Hasbro paid for the Star Wars license. This offers an idea of how expensive the license for the Star Wars franchise is (The Cost Of Hasbro's Star Wars License – Jedi Temple Archives, 2018).



## 5 Gaming Industry

The gaming industry is constantly changing as new technology becomes available to the gaming community. As the technology is getting more advanced and complex, the trend of nostalgia marketing is increasing since remakes of the classic games are getting remade continuously for the newer gaming consoles. Marketing the games entirely based on Nostalgia has already been proven throughout the years to be effective. As new remakes of the classic titles are coming back to the market such as Crash Bandicoot, Spyro, Doom, and many more (Carredu, 2017).

### 5.1 Nintendo

Nintendo is the most recognizable name within the gaming community. As it has managed to remain one of the most known and admired names in the gaming industry. Globally the gaming community has loved the games from the company for many years, with some of their childhood has been fully shaped by their games such as Super Mario, and Zelda. The games were admired for easy playability, soundtracks, and the main characters. Instead of graphics, and fanciness. These games from Nintendo have been around for many decades, and the characters from the games, are admired by millions of people worldwide. Despite the franchises being around for decades, Nintendo always manages to bring something new to the table, to meet the hype of their new releases (Bot, 2020).

Japanese video game phenomenon decided in 2016 to rerelease mini versions of its vintage gaming consoles, which included the classic Nintendo Entertainment System (NES), and the Super NES gaming consoles. As the revenue was falling and the company had operating losses from 2012 to 2014, and the company barely received a profitable year in 2015. The strategy felt odd at first, since the company did not develop any new consoles, yet returned to its

roots. The rereleased consoles had built-in games on them, and the NES console cost only \$60, while Super NES was \$80. The strategy was considered a cash grab to increase short-term sales, and it was examined as Nintendo should have done something new, instead of trying to bring back the nostalgia. This was part of the strategy, as the intention was not to sell as many retro consoles as possible. The marketing of the NES and Super NES were intended to draw consumers' attention to the new gaming console Nintendo Switch that was released in 2017. As the retail price of the new console was between \$300-400 it succeeded well in its first year. Nintendo Switch sold almost 20 million units from the first quarter of 2017 through the autumn of 2018. It was more than the rival consoles, Xbox One and the PlayStation 4 (Abrams, 2019).

Since the launch of the Nintendo Switch in 2017, Nintendo fans have been calling for other rereleases or another Virtual Console Service that include the older consoles N64 and Gamecube from Nintendo. The most popular trend in the gaming industry is the idea of gazing backward, there certainly is something about revisiting the games we used to play in our childhood with family and friends. The consumers within the gaming industry are proven to spend more money while trying to chase the childhood memories (McCarthy, 2019).

Nintendo owns one of the most valuable media, and not just known video game franchises. As the company owns the trademark for Pokémon and it is the part-owner of The Pokémon Company. Nintendo has generated huge revenue streams between, films, video games, merchandise, books, etc. estimated to be over \$95 billion. It is more than any other media franchise in the world, including Mickey Mouse and Star Wars. Nintendo also owns Mario which is the best-selling video game franchise of all time. And the whole franchise sale value for Mario is an estimated \$38 billion. In addition, the company has other franchises including The Wii Series, Donkey Kong, and Zelda, that each have generated more than \$4 billion in income (Wenning, 2020).

## 5.2 Crash Bandicoot

Originally Crash Bandicoot trilogy was made for Playstation 1 (PS1) from 1996 to 1998. In 2017 game developer company Vicarious Vicious remastered the Crash Bandicoot trilogy, titled “Crash N.Sane Trilogy” the remake was first released only for the Playstation platform (ARTICLE: Is Nostalgia Still a Good Marketing Approach for New Games?, 2018). In 2018 “Crash N.Sane Trilogy” became available for other consoles such as Nintendo Switch, Xbox One, and PC. The trilogy was the top seller in the Nintendo Switch sales for up to eight weeks. The first original Crash Bandicoot game released in 1996 sold almost 7 million copies, while the expansions sold around 7 million copies. However, the remake from the trilogy broke the landmark of 10 million units sold in 2019 (Flavius, 2019). One of the successful remakes of the Crash Bandicoot series was “Crash Team Racing Nitro-Fueled” released in June of 2019. The remake sold over 550 thousand units digitally in its first month (Yaden, 2019), while the original title as “Crash Team Racing” sold almost 5 million copies worldwide (Crash Team Racing, 2022).

## 6 Criticism & Solutions on Nostalgia Marketing

Everywhere we look these days the marketers are hoping to awaken our happy memories from childhood. Especially the entertainment companies from all the genres are remaking our old favorites from the past such as Star Wars, Pókemon, and Gilmore Girls. The marketers assume that the marketing of nostalgia will automatically yield success. Since it is less risky to remake an old product or resurrect an old successful brand, instead of creating a new one. However, this strategy can easily backfire if the nostalgic brand or product lacks relevance. Even though nostalgia might draw consumers to notice the brand or product, the nostalgic feeling alone will not inspire the consumers to purchase the brand automatically. So it can be an expensive mistake to assume that the nostalgic feeling alone will bring success to the brand (Markov, 2017).

Even though nostalgia is a powerful marketing tool, it cannot be the only pillar that holds the brand or the product, as it rarely resonates on its own. In most cases nostalgia needs to be infused with other attributes, to activate the purchase behavior of the consumers. As multi-dimensional branding is proven to be the most effective way to benefit from nostalgia marketing. Marketing nostalgia is tricky across different generations, as nostalgia is perceived differently among each generation. It is not surprising or rare, since any marketing strategy is not equally effective across all age groups. The motivation for each generation to purchase a brand is different since there is a larger disparity in what is received as nostalgia, since the feeling focuses on a memory from the past, and obviously that differs for each age group. For example, a brand that focuses to evoke memories of a Boomer, the brand must be careful to not appear as outdated or antiquated to a Millennial. Some brands are easier to market using nostalgia for example if the brand is shaped for a specific generational segment it is way easier to market by using nostalgia than the one intended for a universal appeal. It is not set in stone that the nostalgia cannot resonate with different age groups with the same brand. The brand called Mad Libs was successfully developed for mobile phones and the app has been downloaded more than 6 million times. The app is a great example of a nostalgic brand, that is resonating with each age group, it is timeless and appropriate even for young people. For the older generation, it infuses nostalgia with fond memories, and for the younger generation, it resonates with playful, and fun memories (Markov, 2017).

If nostalgia is too forced the consumers can sense it. The marketing has to be done strategically, it must be authentic, and within the boundaries of the brand personality. If the brand fails to add anything new, the nostalgia is perceived as forced, so the brands need to find the balance between their past and future to align with the frame of mind of the consumer (Newmaster, 2020).

Companies work hard to get the competitive advantage, and the leading position in their industry, by promoting innovation and technological breakthroughs, and sometimes nostalgia marketing can act against the desired attributes the brand want to follow. As nostalgia is rooting for the brand's legacy it can also promote leadership, still looking backwards could have negative outcomes to other brand attributes. For that reason it is critical that the company's brand management carefully values nostalgia and the role of it, to avoid pitfall of conflicting messages between product that is driven by nostalgia, and the products with other characteristics, such as innovation. Especially if the company has portfolio of brands. Nintendo is great example of using nostalgia marketing well to promote its innovative and technological leadership. When the company released the updated version of NES, that was originally released in 1985. The tagline for the rerelease of NES was "Play the system that started it all." This was a way to remind the consumers for the leadership role of the company in the gaming industry (Markov, 2017).

## **7 Conclusion**

Nostalgia marketing has been around for a long time, in this day and age the strategy is getting much more popular within companies, especially in the entertainment industry as digitalization has opened up efficient and easier ways to communicate and spread information to the consumers. However, the strategy can easily backfire on companies if the consumers sense the nostalgia is forced on them. Nostalgia marketing appears to be making a lot of results, particularly in the movie, tv-show, and gaming industry. As many of the already beloved franchises are getting remake after remake, by creating more and more attention from the consumers largely from the younger generations. Still, the strategy has something for everybody, all the time. The revenue streams for the nostalgic products are high for the companies, and the old product or brand is not as expensive as creating a new one, since the nostalgic product has already proven to be a success, and many companies are squeezing everything out from the

already successful product. In Hollywood, most of the successful movies from the last decade have already been released many times before in different forms, while the directors are still trying to squeeze out the last drop from the hype by creating almost the same movie over and over again. Of course, there are different variations, and each of the movies is a unique experience, yet the story behind is almost the same. There would be no nostalgic feeling if the product or brand have not already been made or developed before. As the nostalgia must have the beloved memory from the past. The technology has created a huge impact on nostalgia marketing, especially for the gaming industry, as more advanced and innovative technologies are produced, the old video games are coming back with better graphics and gameplay, still being almost the same. Nostalgia appears to be riding its wave on marketing between each generation, as time goes on. The marketing strategy is repeating itself, just waiting for the right time to come up with the product or brand, to captivate the old consumers of the already successful products. Nostalgia is one of the most powerful tools for marketing if used correctly.

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