The meaning of Christmas
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BUSINESS

You're a Good Magnet for Holiday Ads, Charlie Brown

In a twist that might make its round-headed hero exclaim, "Good grief," Charles M. Schulz's "A Charlie Brown Christmas" — the animated television special about love conquering materialism that airs tonight on ABC — now fuels a $1.2-billion-a-year global publishing, merchandising and marketing machine.

Millions of Americans will tune in, as they have every December for 40 years, to watch Charlie Brown and his gang learn that friendship and faith are more important than presents.

And this year, as every year, advertisers clamored to buy time during the cartoon to hype their holiday movies and toys. So many advertisers, in fact, that ABC had to turn some away.

"They chase us for this show," said Geri Wang, ABC's senior vice president for prime-time sales. "It provides a safe, warm and family-feel-good message."

Those who got into the coveted program paid as much as $200,000 for each 30-second spot, which is more than what advertisers have paid for such hot new hits as ABC's "Commander in Chief."

That is just one reason Schulz's estate, the Charles M. Schulz Creative Assn., earned an estimated $35 million in 2004, according to Forbes magazine. Powered by "Peanuts"-related products that include clothing, cosmetics, dishes, toys and stationery, Schulz has become the second-most-profitable "dead celebrity," Forbes found, with only the estate of Elvis Presley collecting more.

"It is ironic that something so totally noncommercial has become so commercial," said Doug Stern, chief executive of United Media, the licensing arm and syndicator of the comic strip that still runs in 2,400 newspapers five years after Schulz's death.

"Peanuts" accounts for more than 90% of United Media's licensing revenue, according to regulatory filings. Last year, United Media took in more than $100 million in revenue.

"In a sense, the financial success has been an unintended consequence," said Stern, who believed Schulz was more focused on drawing his comic strip than on the merchandise it generated. "The artist's soul shines through."

Schulz and his creations have had strong ties to corporate America almost since the beginning.

In 1950, after several failed attempts, Schulz sold his comic strip "Li'l Folks" to United Media, the licensing arm and syndicator of the comic strip that still runs in 2,400 newspapers five years after Schulz's death.

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In 1950, after several failed attempts, Schulz sold his comic strip "Li'l Folks" to United Feature Syndicate, which renamed the comic "Peanuts" — a title Schulz never liked.

The strip was a hit, and within a few years marketers came calling. Eastman Kodak Co. featured the characters in a camera handbook in 1955. The first plastic Snoopy doll was produced in 1958.

Schulz then teamed up with Hallmark Cards, allowing the family-owned Kansas City, Mo., company to produce a line of greeting cards. Since they were first offered in 1960, Hallmark has sold more than 1.5 billion Peanuts cards.

But it was Schulz's relationship with Ford Motor Co. that would lead the comic strip characters to make their debut on television and cement their status as cultural icons.

When the car company first asked to use his gang of innocents in its TV commercials, Schulz — known as Sparky to his family and friends — initially resisted the idea. He changed his mind, however, when ad agency J. Walter Thompson introduced him to Bill Melendez.

A gregarious animator from Los Angeles who had worked at Walt Disney Co. on such
classics as "Pinocchio" and "Bambi," Melendez impressed Schulz by not embellishing his characters, instead taking care to duplicate the flat look and feel of the comic strip. The resulting black-and-white commercial of Linus and Lucy inspecting Ford's line of 1962 Falcons preserved the characters' sweetness, with Linus knocking his little cartoon fist on the Falcon's simulated wood side panels for good luck.

Meanwhile, a young TV producer from San Francisco who had filmed a documentary for NBC about one of baseball's best players, Willie Mays, wanted to do a sequel about the worst player, Charlie Brown.

The producer, Lee Mendelson, spent much of 1963 working on the project, which featured animation by Melendez. But in the end, no network or advertising sponsors wanted to buy it.

That changed in April 1965, when the "Peanuts" characters were featured on the cover of Time magazine. Suddenly, an ad agency called Mendelson to say that Coca-Cola Co. wanted to sponsor an animated Charlie Brown Christmas special. Could they do that?

"I said, 'Absolutely,' " Mendelson, now 72, recalled in an interview. "Once I said it, I couldn't take it back, so I called Schulz and said: 'I just sold a Charlie Brown Christmas.' And he said, 'What's that?' "

Schulz, Mendelson and Melendez scrambled to draw up an outline for the show, complete with a school play with Nativity scenes, a stubby tree and an undercurrent of anti-commercialism.

Mendelson suggested adding a laugh track, a popular device in the 1960s, but Schulz said no. Schulz also decreed that only children's voices would be featured.

Schulz, a Midwesterner who had taught Sunday school, wanted Linus to quote a passage from the Bible about the birth of Jesus to present the "true meaning of Christmas."

His collaborators worried it might feel preachy.

"I was dead set against it," Melendez, now 89, recalled during an interview at his Sherman Oaks office. "It was too religious, too dangerous."

Melendez has never forgotten Schulz's response: "Sparky said, 'Bill, if we don't do it, then who will?' "

Coca-Cola approved the story outline and agreed to cover production costs of less than $150,000. Schulz wrote the script and Melendez got busy on the drawings. For the soundtrack, producer Mendelson turned to a San Francisco jazz pianist, Vince Guaraldi. Mendelson wrote the lyrics for the show's opening number, "Christmas Time Is Here," on an envelope.

When they finished about a week before the show's December premiere, Mendelson and Melendez were disappointed with the show's slow pace.

"We thought that we had ruined Charlie Brown," Mendelson recalled.

CBS executives thought the show was awful, Mendelson said. They complained that there wasn't enough action and that the jazz soundtrack was all wrong for a children's show. Besides, they asked, what kids would talk in such a grown-up manner?

With the premiere broadcast just days away, it was too late to pull the plug. But as others braced for a flop, there remained one true believer in the little Christmas show.

"Sparky liked it from the beginning," Mendelson said.

In December 1965, the first viewers tuned in to see snowflakes gently falling on a frozen pond. Charlie Brown and his friend Linus trudge through the snow with ice skates slung over their shoulders. They stop at a brick wall.

"I think there's something wrong with me," Charlie Brown confides, his round head cupped in his hand. "Christmas is coming, but I'm not happy. I just don't feel the way I'm supposed to feel."

To cure his depression, he consults with Lucy at her 5-cent psychiatric booth. She ultimately tells him: "Let's face it. We all know that Christmas is a big commercial racket."

Then she lowers her voice: "It's run by a big Eastern syndicate, you know."

"Well," Charlie Brown says defiantly: "This is one play that's not going to be commercial."

The exchange was an inside joke for Schulz, who some believe intended the "Eastern syndicate" to refer to United Feature Syndicate, which still owns the copyright to his characters. Just as Charlie Brown vowed to direct a noncommercial play, Schulz was vowing to do the same in his Christmas special.
The show was an immediate success. Nearly half of all homes with TV sets tuned in that night in 1965, and the show would go on to win an Emmy for best animated special.

Over the years, the show would bring in more than $50 million to the producers, United Media, Schulz and, later, his estate, and the two networks that have broadcast it.

Last year, ABC raked in $5.75 million in ad revenue for its two telecasts of "A Charlie Brown Christmas," according to TNS Media Intelligence, which tracks ad spending. More than 13.6 million people watched the show, which led its time slot in all key demographic groups.

More than 30 companies bought ad time, collectively forking over five times the nearly $1 million in license fees that ABC paid to run the show.

ABC is anticipating another big audience tonight, and, thus, more happy advertisers. Companies that committed to buying time during the show last summer paid about $170,000 for a 30-second spot. Now, with so much demand, the price tag for latecomers has topped $200,000.

This year, the show attracted some companies that don't typically buy a lot of network prime time. Like Welch's.

"Kids grew up watching this show, and now they are parents watching it with their kids," said Jim Callahan, spokesman for the Massachusetts-based grape farmers cooperative. "It brings you back to your childhood, when you were drinking grape juice and getting a purple mustache."

Stacey Lynn Koerner, an executive vice president of Initiative, a major ad-buying firm, agreed.

"It hearkens back to a much simpler time," she said. "Even though we get caught up in the hustle and bustle and all of the buying, we hold up that ideal of what the holidays were back then."

A host of products are now on sale to tie in with the show's 40th anniversary: a music CD, a puzzle, a commemorative book and, for $24, a "pathetic Christmas tree" — just like the one in the special — with droopy branches and one red ball ornament.

And Charlie Brown's global reach is expanding. Snoopy dolls, cellphones, dishes and pans sell in Japan. In China, 120 Snoopy stores offer T-shirts, pajamas, plush dolls, cosmetics and skin-care products. Plans call for 240 such stores in mainland China within two years. And coming soon to Guangdong province: Snoopy Fun Garden, a mini theme park.

What would Schulz think about all this? His widow, Jeannie, said in an interview that over the years, when he received complaints from fans about the commercial exploitation of the characters, he would say, "Once you open the door, it's somewhat out of your hands."

To Jeannie Schulz, the show endures in large part because of its "innocence and honesty."

"The things that Sparky felt strongly about are a big part of what made the show a success," she said. Besides, she added, "Sparky said there would always be a market for innocence."