Bob Iger is back, and his sights are set on Disney+

Article

The news: In a surprise Sunday announcement, **Disney** replaced one CEO named Bob with another, ousting two-year CEO **Bob Chapek** and replacing him with his predecessor **Bob Iger**.

In a statement, Disney thanked Chapek and said Iger would return for a two-year tenure to lead the company through an "increasingly complex period of industry transformation [that Iger] is uniquely situated to lead the Company through." According to The New York Times, the CEO switcheroo came as a surprise to Chapek.

Bye Bob, hi Bob: If Iger expanded Disney's horizons, acquiring **Star Wars, Marvel** and other properties that transformed Disney into one of the largest conglomerates in the world, Chapek laser-focused them again around streaming.

- The company went all-in on Disney+ under Chapek's leadership during the pandemic, but recent earnings reveal that the strategy bred severe losses. Disney has struggled to eke out a profit on its flagship streaming service. In Q3, losses nearly doubled to $1.45 billion despite a dramatic 12.1 million increase in subscribers. But Disney warned that even those numbers would start to decrease in following quarters.
- At the same time, Chapek's tenure oversaw significant political failures and internal strife that damaged Disney's prim and proper brand reputation. Chapek's inaction around Florida's "Don't Say Gay" bill early in the year won the company the ire of hurt employees as well as Florida politicians and damaged its consumer perception. Public battles with stars like Scarlett Johannsen also hurt its reputation.
- Iger is viewed as a singular leader of the company. Under his tenure, Disney acquired **Pixar**, Marvel, **Lucasfilm**, and more—acquisitions that propelled Disney from media giant to media empire and holder of beloved creative properties.

The streaming... problem? Chapek's leadership coincided with the pandemic and was mostly centered around the launch and development of Disney+. Now, the streaming service is a—maybe *the*—center of Disney's business. But it's not without its setbacks.

- The streaming market is incredibly competitive, and was so even before Disney+ launched at the end of 2019. The extreme saturation of the US streaming market has hurt nearly all streamers, slowing subscriber growth and leaving companies scrambling to find markets to expand to and ways to increase average revenue per user (ARPU).
- For Disney, that's come in the form of pricier subscriptions, streaming ads, and talk of an **Amazon**-like "Prime" service. Those are relatively sound ideas used by competitors, but therein lies the issue. **In pursuing streaming, Disney suddenly became like everyone else:** no longer a singular brand but yet another streaming service subject to the same woes as its rivals.
- Even the upcoming ad-supported tier for Disney+ is a sea change from the company's prior, guarded attitude around advertisements.

The future under Iger: It's too late for Disney to divest itself of streaming, nor is it a good idea to. But Iger's second tenure will likely see a significant restructuring around the streaming service and an attempt to reinvigorate Disney's brand identity. Iger is known for his high-impact acquisitions and may look to make similar moves now that he's back at the helm.

- The past year has not been kind to streaming, advertising, and media in general, which means companies like **Roku** or others that could significantly advance Disney's streaming position have suddenly become much more affordable to snatch up.