

Disney merges consumer product, interactive divisions

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Disney is merging its consumer product and interactive divisions, a move that acknowledges the shared goals of important product lines like the Disney Infinity video game franchise and the upcoming line of wearable toys called Playmation.

The change is "in response to changing consumer preferences in a marketplace increasingly influenced by technology," the Burbank, California, company said Monday.

The new division also includes its publishing unit, which puts out children's books, e-books and apps and had been part of consumer products previously.

The combined unit will be co-chaired by the presidents of the consumer products and interactive divisions, Leslie Ferraro and Jimmy Pitaro.

Although the Walt Disney Co. is aiming to maximize efficiencies along with speeding innovation, it is not planning any layoffs.

The change ends a rocky reporting period for the Interactive division, which posted years of big losses upon having its results broken out in late 2008. The unit was stung by an expensive foray into console games. An attempt to push into mobile and social games with the purchase of game makers Tapulous and Playdom in 2010 largely fell flat.

The division finally became consistently profitable starting in the quarter through September 2013, lifted by the launch of Disney Infinity, a video game series that links real-world toys with on-screen virtual worlds and spans characters from Disney, Pixar and in the future, Marvel and Star Wars.

Tom Staggs, Disney's chief operating officer who had been tasked with overseeing the combination, said in a statement, "a shared innovation strategy

will enable this new segment to create unique and engaging products and experiences."

Financial reporting changes will start in the quarter through December that begins Disney's fiscal 2016.

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