DOI: 10.54254/2753-7048/32/20230616

The Marketing Strategies of Disney

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Abstract: This article explores why the future prospects of Disney Company are good. This paper analyzes this problem from various aspects, such as marketing strategy, SWOT, financial analysis, and Disney Company's products. The Disney Company has demonstrated a strong future in the ever-changing entertainment and media industry. With the successful launch of Disney+, Disney has taken a critical step in digital media and is actively involved in content creation, production, and global market expansion. The company's strategic mergers and acquisitions, such as the acquisition of 21st Century Fox Media and Lucasfilm, have not only expanded its content library but also enhanced its international market share. After the analysis of the strategies of the Disney company, the paper concluded several strengths and weaknesses of the strategies and gave some suggestions for the Disney company in the future. The suggestions are about the short term and the long term, which may be applied by the Disney company.

Keywords: Disney, marketing, company strategy

1. Introduction

The Walt Disney Company (NYSE: DIS) was founded by Walt Disney and his brother Roy in 1923 and headquartered in Burbank, Los Angeles, California; with 152,000 full-time employees worldwide, it is one of the world's largest entertainment and media companies. There are four main businesses: film and television entertainment, media networks, theme parks and resorts, and consumer products. Beginning in 1923, Disney began to produce some short films with success, such as Alice Comedy, Snow White and the Seven Dwarfs, Mickey Mouse, and so on. Since then, it has evolved into a holding company for all manner of media and entertainment properties. After 1955, Disney began opening theme parks around the world and acquiring dozens of companies in the '90s and 2000s. Disney now owns and operates ABC, ESPN, Pixar, Marvel Studios and Lucasfilm.

Disney mainly focuses on four products, namely film and television entertainment content, entertainment experience, consumer products, and media and advertising marketing. The first is film and television entertainment content, Disney in 2020 through a film studio revenue of 250.1 billion dollars, and has many influential brands, such as Marvel, Mickey Mouse, Frozen, and so on. Next came entertainment experiences, with Disney opening resorts in six locations around the world, 12 theme parks, and four cruise ships, with a combined theme park and products revenue of 7.905 billion dollars in 2022. Third, in terms of consumer goods and products, Disney launched its own products, cooperated with brands, authorized its own trademarks, and launched a variety of products, such as

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toys, clothing, furniture, and so on. Finally, in terms of media and advertising revenue, Disney has a robust media platform. In 2020, Disney's media revenue will be $9 billion.

In general, Disney's scale is large, the system has been formed, it is not easy to collapse, and there is a lot of upper body space in the future. They launch streaming services, continue to innovate, partner with other companies, expand internationally, and make an impact. And now that the economy is recovering, there's more demand for entertainment.

2. Business Model and Technologies

Disney has multiple business models that fit together well. Utilizing a multi-platform approach, Disney synergizes its various branches to create a unified brand experience [1]. A compelling case is the seamless integration between Studio Entertainment and Parks & Experiences [2]. The monumental success of the “Star Wars” franchise, for example, transcended mere cinematic allure to become a prominent theme in various parks, thus fortifying cross-segment collaboration. Furthermore, Disney's astute embrace of technological innovations is epitomized by its foray into the Direct-to-Consumer market with Disney+. By recognizing the shift towards streaming services, Disney realigned its content distribution, hence navigating the swiftly metamorphosing media landscape [3]. In summation, Disney's business model is a veritable mosaic, where each piece, from network media to consumer products, is meticulously arranged to form a coherent whole [4]. This design reflects an organization that does not merely react to market forces but anticipates and shapes them, demonstrating a mastery of both fiscal discipline and imaginative enterprise [5].

Disney's most important technological change is the technological breakthrough of streaming media Disney+, which allows consumers to switch from TV or movie theaters to streaming media platforms. This allows people to watch the movies they want at home without going out to the cinema, which makes consumers more convenient and convenient. Consumers have also adapted to this form, and it is widely used.

Disney has also made changes to its services, which it can customize to give consumers a better experience. My Magic+ is a new product from Disney, and the company is also spending a lot of money on it. Customers can customize their itineraries on it for a better experience.

The third point is that Disney has improved the facilities of the theme park and increased the interaction in the theme park. Resonate with customers and give them an immersive experience. For example, in the Disney theme park, fireworks will be set off at the end of each time, which is unique in the park and can attract more consumers. Not only that, there are many employees who set up cartoon characters to interact with consumers, which not only enhances the goodwill of everyone to the cartoon characters but also makes consumers recognize the theme park and look forward to the next time.

The addition of these new technologies has allowed Disney to keep up with The Times and be at the forefront of the entertainment industry, with a promising future.

In addition, Disney is also developing a lot of new areas of technology, innovative technology and striving to lead the entertainment circuit. Disney has shown it is working on this with the appointment of its first “metaverse executive,” Mike White, to start building the metaverse strategy. Mike’s title is SVP of next-generation storytelling and consumer experiences, and it’s thought he will focus on understanding the potential of virtual reality (VR), augmented reality (ARAR 0.0%), and other metaverse-aligned technologies. What these technologies offer Disney and other entertainment and media conglomerates is a whole new range of tools for building new audience experiences. [6]

In general, Disney has kept up with The Times. Disney has made the digital transformation to provide streaming media services. Streaming media platforms such as Disney+ deliver content directly to consumers and provide consumers with convenience and unparalleled experience, thus attracting many consumers. Disney has expanded globally and diversified its services, gained a lot of fans around the world, and believes that it will attract more customers in the future. In the theme parks, Disney made technological updates to provide customers with a good experience, retain and attract customers.

3. Competitors Analysis

Disney's main competitor is Comcast. Comcast is the largest cable TV service provider in the United States and has deep roots in media and entertainment. Comcast owns NBCUniversal, which has theme parks, movie production, streaming, and other services that are very similar to Disney's. But compared with Disney, the overall color system of Disney is more light blue and light pink. Disney is more romantic. Compared with Universal Studios, Disney is more popular with children and couples.

Disney's secondary competitors are Amazon, Apple, Netflix and Tencent. These companies compete with Disney+ in streaming and are highly competitive; many have been in the industry for years, and many have a strong company behind them. But Disney's streaming service is promising because the company owns a lot of its own original content and owns the rights, accumulating a large number of fans, which is not easy for other companies to replicate.

4. Overall Strategy Evaluation

First of all, Disney has sufficient products, such as films, theme parks, TV shows, merchandise, and streaming services like Disney+. Disney products captivate customers and have a strong liquidity ability. Disney is loved by everyone through his high-quality content with vivid characters and exciting storylines. Take Toy Story as an example, Toy Story is a famous animation by Disney. After the hot broadcast of this animation, it launched its own peripheral products and launched joint products with Swarovski and other brands.

Second, Price. Disney uses both a market-oriented pricing strategy and a value-based pricing strategy for its products. Disney merchandise is more expensive than other ordinary merchandise, but it doesn't hurt consumers' love for Disney's merchandise. In contrast, it will bring better returns.

Third, Place. All of Disney's products are consumer-centric and provide convenience to consumers. So, theme parks have been opened in cities with more fans, policy support, and a developed economy, and good results have been obtained. Not only does Disney hope to do so, but the local government also hopes that Disney can open a theme park in the local area, which can make the local tourism industry rise to a level and drive the development of the local economy. To take Shanghai as an example, since the opening of Disney in Shanghai, many people have gone to Shanghai for the purpose of Disney or to Shanghai with plans to go to Disney. Disney offers services on the Internet as well as advertising, such as Disney streaming Disney+.

The last is promotion. In terms of commodities, Disney uses consumers to shape their feelings with the company's film and television characters to achieve considerable sales. On the movie side, Disney releases trailers and posters to promote their new productions. At theme parks, they set up special events, premiums, and promotions on social media. On the other hand, They spend a lot of money and time on social media and classic advertising to raise popularity.

But Disney's success is primarily because of its legacy business, such as films, TV shows, and theme parks. But after the COVID-19 pandemic, digital and streaming media have become popular, and the company has not fully adapted to the pace. furthermore, Disney didn't have a new success being created, and they needed new innovations. In many companies, entrepreneurs saw the market in the entertainment industry and began to fight for the pie in this field, leaving Disney with many new competitive teammates who needed to develop new strategies to maintain their current position.

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5. Financial analysis

Disney's income is mainly in streaming media services, theme parks, movie revenue, peripheral products, etc. Disney's income is widely distributed, and its advantage is that it can reduce the company's risk and adapt to the fast pace of change in this era. In assessing the company's financial wherewithal, the integration of profitability ratios becomes crucial [7]. For instance, the examination of the Return on Equity (ROE) illustrates the firm's ability to generate substantial returns on shareholders' investments. Leveraging this vantage point, the company's judicious capital allocation strategy is evidenced by its continued investment in growth sectors, such as the acquisition of 21st Century Fox [8].

Through meticulous examination, one discerns a strategic balance between these financial metrics, manifesting Disney's skill in maintaining fiscal stability whilst capitalizing on investment opportunities. Walt Disney had liabilities of US$28.1b due within 12 months and liabilities of US$66.4b due beyond 12 months. However Walt Disney grew its EBIT by 31% over the last twelve months, and that growth will make it easier to handle its debt. And Walt Disney has a huge market cap of $168.9 billion, and they can raise that money without worrying too much.

6. Conclusions

Disney's current advantage is that it has a strong brand and awareness, with many of its own IP and Copyrights, which other companies cannot imitate. Disney's service is broad and spreads the risk. Disney fans spread all over the world and have a powerful influence. Disney theme parks can promote the development of local tourism and drive the economic development of the city, which is what the government wants to see, so Disney also has the support of the government.

Disney's disadvantage is that it relies on traditional business models and cannot keep up with The Times and the high costs in theme parks and in creating movies. As for the new rise of streaming media, Disney did not find the opportunity to enter at the right time and spent a lot of financial resources to keep up with the development of The Times.

Disney's opportunity is to keep up with The Times, vigorously develop streaming services, and undertake digital transformation. Create new content, new subject matter, and appeal to different audiences. On a global scale, advertise in emerging countries to attract new consumers.

More competitors and times change, such as significant competitor Comcast and Disney's secondary competitors like Amazon, Apple, Netflix, and Tencent. As well as emerging industries, such as streaming media, Disney has kept up with the rhythm of streaming media to continue to lead the entertainment circuit, so we should pay more attention to these emerging industries and new technologies.

The first is to accelerate digital transformation, keep up with the development of The Times, and improve the quality of online services. The second is to innovate in the content to keep the audience fresh and attract more viewers.

Expand the global market, expand theme parks, digital media, etc., to meet the needs of consumers. Collaborate with other companies for innovation and try to collaborate across boundaries. Innovate in digital media and strive to lead the development of the digital media industry.

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