

Analysis of market trends and marketing strategies of film and television companies based on the 4C theory: Taking Universal and Disney as examples

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Abstract:

Today, the film and television market has become an important engine of global economic growth. The market size continues to expand, and major film and television companies have emerging marketing methods in an endless stream. However, with the innovation and advancement of technology and the ever-changing consumer demands, film and television companies also need to continue to innovate, combine marketing methods, accurately position different consumers, and open up diversified markets to improve their own competitiveness. Based on the current situation of the film and television market, this paper selects the representative Universal Pictures and The Walt Disney Company as the research objects, Systematic analysis of how film and television companies can accurately grasp customer needs based on the 4C theoretical model, propose consumer-oriented marketing suggestions through in-depth market research and data analysis, help film and television companies stand out in the fierce market competition, achieving sustainable development. At the same time, we also hope to inspire the film and television industry to think deeply and explore new marketing concepts in practice, and jointly promote the prosperity of the film and television industry.

Keywords: Marketing management; 4C Theory; consumer orientation.

1. Introduction

As cultural products, film and television play an increasingly important role in cultural communication and social value. Through the support of government policies, the production of the film and television industry has been increased, the film and television environment has been optimized, and more high-quality development opportunities and resources have been provided. Starting from 2023, a number of measures have been introduced to support the development of the film and television industry, providing strong guarantees for the film and television industry. At the same time, the continuous advancement of technology has enabled the film and television industry to undergo innovations in digitalization, the Internet, and artificial intelligence, The application of new technologies can provide audiences with a better experience and make the works more exciting. In addition, to meet the diverse needs of consumers, most countries have begun to introduce film and television theme park projects and promote the construction of large-scale local theme parks, aims to promote regional linkage development, meet people's needs for a better life, and improve people's quality of life [1]. As the

country's disposable income rises, people's demand for film and television entertainment is gradually increasing. At present, the film and television industry can effectively promote cultural characteristics, conform to the country's current cultural strategy, and can also receive strong support from the government. However, judging from the current market environment, the marketing orientation has shifted from corporate product orientation to consumer orientation.

This article aims to select two representative film and television companies, Universal Pictures and The Walt Disney Company, through comparative analysis and case analysis, we study the development trends and marketing strategies of the current film and television industry and put forward development suggestions for major film and television industries. In terms of research significance, this article summarizes the market situation and revenue segments of the film and television industry through data collection and puts forward reasonable marketing suggestions in a consumer-oriented environment, which will help various film and television industries to explore new sectors and promote industry development. This article first discusses the basic profile of Disney and Universal

Pictures, then discusses the market trends, through the analysis of the 4C theory, it analyzes the business strategies of Disney and Universal Pictures, and finally draws effective development suggestions for the current film and television market.

2. Literature Review

2.1 Introduction to Universal Pictures and Disney

Universal Pictures is a world-renowned film production and distribution company, known for its rich film library, diverse film genres and innovative film production. In 1912, Universal Pictures was founded. In the 1920s, it began to decline due to business strategies and other reasons, it did not return to the ranks of Hollywood’s top companies until the 1970s. After entering the 21st century, Universal Pictures has completely stood at the top of Hollywood. In addition to film production and distribution, Universal Pictures has also been involved in theme parks, resorts, consumer products and other fields, and has a wide range of influence across the country.

The Walt Disney Company, founded in 1923 by Walt Disney and his brother Roy Oliver Disney. Walt Disney Company is world-renowned for its outstanding achievements in many fields, including animated films, live-action films, theme parks, toys, clothing and book publishing. Disney is one of the most valuable brands in the world. Its films have not only achieved huge box office success worldwide, but also extended and expanded its brand value through multiple channels such as theme parks, resorts, and consumer products. Disney’s influence has far exceeded the film industry itself, becoming a cultural phenomenon and a leader in the global entertainment industry.

2.2 The Concept of 4C Theory

The 4C theory was first proposed by American scholar Robert Lauterborn in 1990 based on the 4P theory of marketing framework. He optimized the marketing framework based on the 4P theory, shifting the focus of marketing activities from marketers to consumers, including four aspects: consumer demand, cost, convenience and communication.

communication.

Consumer, the core of marketing. The 4C theory emphasizes that companies should understand consumers’ needs, preferences and behaviors, and then carry out targeted marketing activities based on this information; Cost, it refers to the cost that consumers are willing to pay to obtain satisfaction, or the cost price that consumers are willing to pay to satisfy their needs and desires. Including but not limited to the effort, time cost, money, etc, spent to obtain products or services; Convenience, refers to the convenience of purchasing products, that is, providing consumers with shopping convenience and ease of use. Consumers usually prefer businesses that can provide convenience for their consumption, such as convenient purchasing channels, fast delivery services, simple return and exchange procedures, etc; Communication, refers to communication with users, communication means that enterprises should communicate effectively with customers. Effective communication helps enterprises convey the value, characteristics and advantages of products or services to consumers, which plays an important role in improving consumers’ purchasing decisions [2].

3. Market Status and Trends of Disney and Universal Pictures

3.1 Universal Pictures

3.1.1 Market Revenue

According to 2023 data, Universal Comcast Group’s overall revenue is US \$30.5 billion, a year-on-year increase of 1.7%, net profit was US \$4.25 billion, a year-on-year increase of 25.1%. Universal Studios Park revenue accounts for 7% of Comcast Group’s total revenue, and traditional TV business has declined slightly. According to Table 1, Universal’s main sources of revenue can be composed of various major sectors, including traditional TV business and movie business, theme parks, and consumer goods. From 2022 to 2023, the media did not increase much, while the traditional TV business declined slightly, and the theme parks developed by the film industry showed an obvious upward trend.

Table 1. Universal revenue by segment in 2022-2023

	2nd Quartet		
	2023	2022 ⁵	Change
Content & Experiences Revenue			
Media	\$6,195	\$6,188	0.1%
Studio	3,087	3,117	(0.9%)
Theme Parks	2,209	1,804	22.4%

Headquarters & Other	13	8	60.5%
Eliminations	(631)	(664)	5.0%
Total Content & Experiences Revenue	\$10,873	\$10,453	4.0%
Content & Experiences Adjusted EBITDA	\$1,224	\$1,520	(18.2%)
Media	255	(3)	NM
Studio	833	632	31.8%
Theme Parks	(200)	(137)	(45.6%)
Headquarters & Other	56	23	141.8%
Eliminations	56	23	7.5%
Total Content & Experiences Revenue EBITDA			

3.1.2 Audience Analysis

Universal Pictures has set up parks with different movie themes, and has performance departments, amusement projects, character interactions, etc. Therefore, its audience groups can be divided into three categories: Family tourists. Families are one of the core audiences of Universal Pictures. There are not only cartoon character interactions and parent-child amusement facilities suitable for children, but also educational and entertaining performances to meet the entertainment needs of the whole family and promote parent-child relationships. Young couples and groups of friends who pursue excitement and novel experiences are deeply attracted by high-tech rides such as roller coasters and special effects theaters at Universal Pictures. At the same time, the theme restaurants and specialty shops in the park are also popular places for them to check in and share on social media. For movie buffs, fans with a deep affection for film culture, Universal Pictures is a place of pilgrimage. They can get up close to movie scenes and props, participate in movie-themed interactive experiences, and even have the opportunity to meet their favorite stars and feel the stories and feelings behind the

movie.

3.2 3.2 The Walt Disney Company

3.2.1 Market Revenue

According to Figure 3-2-1 Disney's 2022-2023 quarterly and full-year results, Disney's quarterly revenue in 2023 was US\$22.33 billion, a year-on-year increase of 4%, the parent company had a net loss of US\$460 million. Revenues from traditional television and film businesses also declined. There were 146 million paying members of Disney+ streaming this quarter. Disney theme park revenue this quarter was US\$8.3 billion, a year-on-year increase of 13%. According to Table 2, Fig 1 and Fig 2, Disney's main revenue sources are almost the same as Universal's, consisting of traditional TV business and movie business, theme parks, consumer goods, etc. Disney's revenue segment shows the characteristics of diversification and balanced development, among which the entertainment business performs particularly well and has become Disney's new growth point.

The following table summarizes fourth quarter and full year results for fiscal 2023 and 2022:

Table 2. Universal revenue by segment in 2022-2023

The following table summarizes fourth quarter and full year results for fiscal 2023 and 2022:						
	Sept,30,2023	Oct,1,2022	Change	Sept,30,2023	Oct,1,2022	Change
Revenue	\$21,241	\$20,150	5%	\$88,898	\$82,2722	7%
Income from continuing operations before income taxes	\$1,007	\$376	>100%	\$4,769	\$5,285	(10%)
Total segment operating income	\$2,976	\$1,597	86%	\$12,863	\$12,121	6%

Dean&Francis

Diluted EPS excluding certain items(1)	\$0.14	\$0.09	56%	\$1,29	\$1,75	(26%)
Cash provided by continuing operations	\$4,802	\$2524	90%	\$9,866	\$6,002	64%
Free cash flow	\$3,428	\$1,376	>100%	\$4,897	\$1,059	>100%

Revenues

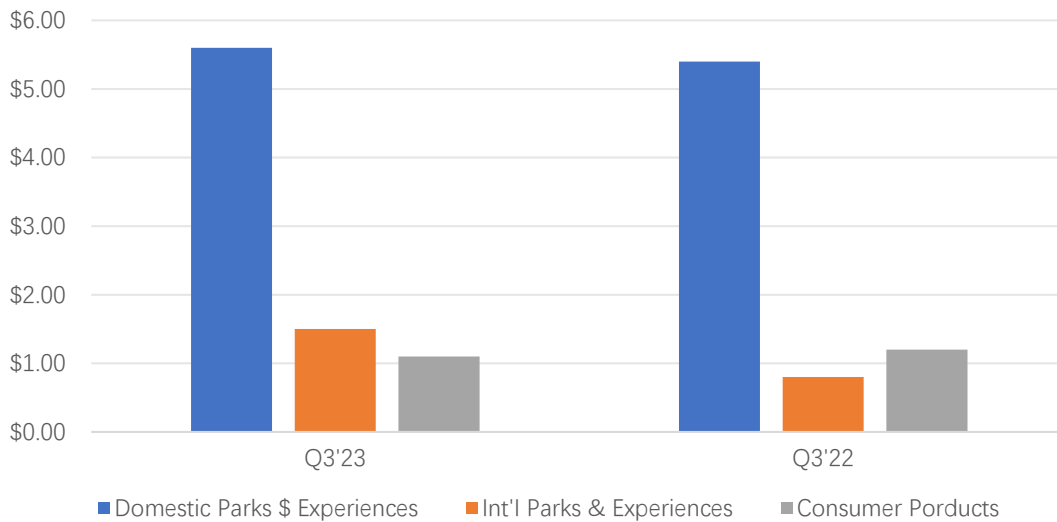


Fig. 1 Disney's revenue by segment in 2022-2023

Operating Income

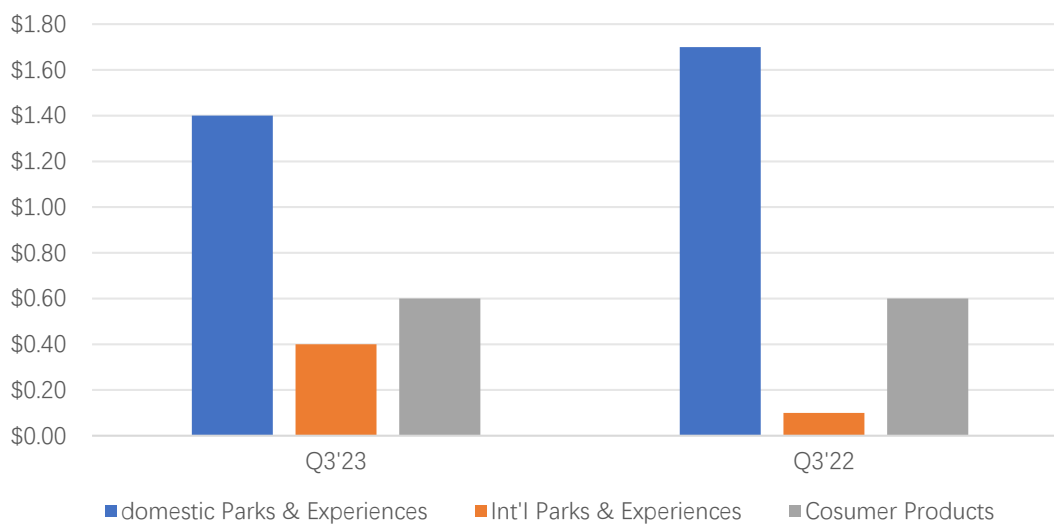


Fig. 2 Disney's operating income by segment in 2022-2023

3.2.2 Audience analysis

Disney is famous for movies such as Mermaid and Frozen. The park decorations are mainly fairy tale scenes and

specialize in creating dreamlike scenes. According to the ticket sales in recent years, there are more young people and parents with children. The post-80s and 90s total ac-

count for close to 70%. The post-00s generation followed closely behind, reaching 18%. It can be inferred from this that the age of the audience is basically concentrated between 6-35 years old. Moreover, in the Disney Park, the height requirements for the amusement projects are not high, and the number of facilities that children can participate in, and experience has been greatly increased, which promotes parent-child bonding. As for young people, Disney has many fairy tales and fantasy settings, making it the best choice for most couples.

3.3 Market Trends

From the perspective of revenue analysis, both Disney and Universal Pictures have seen a decline in their traditional TV and film businesses, and both companies are gradually reducing their investment in these areas, Disney has even indicated plans to bid farewell to the traditional television business in the future. In the theme park and experience-related business segment, revenue, operating profit and visitor volume have all grown well, and will continue to be an important growth engine for Disney and Universal. It can be concluded from this that the mainstream market is movies, theme parks and streaming media.

4. Analysis Of Universal Pictures 'Marketing Strategy Based On 4C Theory

4.1 Consumer Analysis

Universal Pictures has become popular with Harry Potter, Minions, etc. Its film and television content is more authentic than Disney. Its characters are all played by real actors, which is closer to life for consumers. Consumer demand is basically based on film and television. The protagonists in it are mainly of the same style. Therefore, Universal Pictures creates targeted and personalized services based on consumer needs. Taking Harry Potter as an example, its park has launched the same college uniforms and magic wands of the protagonists and built the same scenes as in movies and TV shows to attract consumers' interest based on their specific preferences. At the same time, with the current development of social media, most of the audience is young people, and making movies is a basic requirement for gaming. Therefore, only by understanding the needs of consumers from their perspective can we create products that people are willing to consume [3].

4.2 Cost Analysis

The cost paid by consumers is mainly related to the popularity of the film and television, the degree of park construction and personal preference. In the current Internet circulation environment, information circulation is extremely convenient, and the Internet has become the pro-

motion channel for most films. Only when the film has a good reputation among consumers will they be willing to pay for it. The popularity of film and television determines the consumption of various parks of Universal Studios to a certain extent. Take the popular Harry Potter Park as an example. In addition to the highly reproducible construction of the park, there are also exclusive light shows to watch at night. Many consumers are willing to pay for the entire park's tickets or even purchase U-Speed tickets.

4.3 Convenience Analysis

At present, the sales channels are basically online. Universal has designed its own software. After downloading and logging into this independent website, you can order tickets, speed passes, hotels and a series of package options launched during events. The page is clear and easy for consumers to use. Offline, there are also independent brand stores, and they are set up at the exit after the entertainment project and at the entrance and exit of the park, making it convenient for consumers to purchase without spending extra time looking for stores and ensuring that all consumers can encounter them. Moreover, after the COVID-19 pandemic, it triggered a trend of consumer logistics relying on self-service and technology, causing consumers to take more active control over logistics activities [4]. Online platforms can help customers place orders at any time and pay attention at all times.

4.4 Communication Analysis

The innovation of the "Internet" promotion model can realize online display and communication of websites and promote various films and TV shows through global websites. Customers obtain effective information about film and television and parks through website searches and communicate with online sales staff. Secondly, new public communication platforms can be used, such as Weibo, WeChat public accounts, etc. Public platforms have demonstrated huge communication influence in the new media era. It can regularly push articles related to product design, marketing, and services to attract customers' confidence in the brand. With the popularity of public accounts and the advancement of a series of activities, the customer circle can be effectively expanded. Third, adopt a hotspot marketing communication model. In the era of mass dissemination of information, hot events can effectively attract customers' attention [5].

5. Analysis of Disney Company 'Marketing strategies based on 4C theory

5.1 Consumer Analysis

Disney Company has become popular with films such as The Lion King and Frozen. Its film and television con-

tent are more fairy tale and fantasy. Most of the film and television characters are animals or cartoon characters. For consumers, what attracts them is the protagonist himself, and consumer demand is basically based on film and television. Mainly around cartoon characters or animals. Therefore, consumers do not have high requirements for the restoration of scenes in movies and TV shows, but they pay more attention to the fairy tale atmosphere and cartoon decoration. Therefore, Disney uses detailed design to attract consumers' interest. Take Shanghai Disney's newly opened Zootopia park as an example. Mini versions of items used by normal tourists will be designed next to them to satisfy consumers' fairy tale psychology. The peripheral design is also based on cartoon prototypes and is more gorgeous and refined.

5.2 Cost Analysis

There are a large number of interactive dolls in the Disney Park, where you can take photos, sign autographs and other interactions. Some popular characters are so popular that they may even have a group of loyal fans, and such consumers are generally willing to pay more in order to deepen their interactive impression. money to buy the same doll, etc. At the same time, the specialty resort hotels launched by Disney are also within the range of choices for consumers to travel. Because the specialty resorts have additional benefits, consumers will pay for them.

5.3 Convenience Analysis

Disney's sales methods are basically the same as Universal's, mainly online, and also have independent software. Through this software, you can also order tickets, express tickets, resorts and a series of packages launched during events. The App'page design has also made the sections clear and clear. The independent brand store location options are basically the same as Universal, but the difference from Universal is that Disney also has dedicated consumer goods sales stores in shopping malls and shopping platforms, and you can purchase products with guarantee online. And under the condition of weighing the balance, we understand what consumers prefer and value, so as to come up with planning solutions that are convenient for consumers [6].

5.4 Communication Analysis

Clarifying consumer needs is the focus of marketing, and communicating with consumers can directly and clearly understand consumers' demands for products. Communicating with consumers through online platforms is a market trend. At the same time, Disney's official online flagship store will also Live interaction increases opportunities to communicate with consumers. Satisfying consumer demands emphasizes the ability of products to

help consumers solve different problems or meet specific needs, such as requirements for product viewing, practicality, etc [7].

6. Development Risks And Suggestions For Mainstream Film And Television Companies

6.1 Risks

Through the analysis of Universal and Disney Pictures, we can see that the types of well-known films are relatively unified, so there is not much difference in the themes and IPs of their respective companies, and there is an urgent need for innovation and reform. Moreover, the traditional TV and movie business is currently declining, theme parks occupy the mainstream market, and service has become a top priority. During holidays, when passenger traffic is large, service problems can easily occur and affect brand reputation. In terms of structure, Universal has fewer shopping products, highly repetitive projects, low interactivity in the park, but highly rated high-end dining in theme restaurants, while Disney is just the opposite.

On the other hand, film and television companies launched a series of consumer products but set limited limits for their anniversary celebrations. As a result, many purchasing agents entered the market and sold them at high prices. In order to satisfy their own vanity, some bloggers even regarded counterfeit goods as genuine, disrupting the market [8].

6.2 Development Suggestions

The two major film and television companies, Universal and Disney, basically have a monopoly in the film and television market. However, the cost of technology investment is extremely high, and the cost of facility construction and maintenance is high. However, they are widely known, so they can appropriately reduce costs in marketing. On the one hand, short video marketing is more cost-effective. Compared with traditional media, Internet platforms can use big data to capture user information, accurately push content to users based on their daily habits and attract target users to the greatest extent [9].

For most film and television companies, they should also consider planning offline development routes, such as resorts, theme parks and even small experience centers, to increase their market share. At the same time, short video marketing strategies can be developed. First, locate the highlights of the film. As an important category of short video platforms, film and television has a large audience of film reviews and film highlights. The short video platform will conduct a summary analysis of videos of the same type based on the preferences of short video users,

obtain data such as the popularity of videos on the short video platform, determine the development direction of the main content, and then refine the marketing strategy [10]. Moreover, the short video platform has a huge number of viewers, and the online community can increase communication with consumers and provide timely feedback.

Leveraging media platforms has become an irreversible trend. Only by constantly adapting to user needs and achieving a more convenient user experience can we achieve longer-term development [8].

7. Conclusion

With the continuous development of the global economy and the rapid advancement of information technology, the film and television industry are undergoing unprecedented changes. As leading companies in the industry, Universal Pictures and Walt Disney Company continue to set the industry trend with their unique marketing strategies and market positioning. This article first introduces the current market environment, and then starts with the specific market profile of the two major film studios, Universal and Disney, and analyzes the marketing strategies of the two major film studios through the 4C theory, it is found that both companies focus on meeting consumer needs, reducing consumer costs, providing convenient purchasing channels, and strengthening communication with consumers. But at the same time, it also compares the changes and innovations made by the two companies based on their respective situations, making their characteristics more prominent and forming different styles. In the future, with the continuous advancement of technology and the constant changes in the market, film and television companies need to continue to innovate their marketing strategies to adapt to new market trends and consumer demands. After these analyses, some suggestions for the development of the film and television market in the current environment were obtained. However, this article only selected one marketing theory for analysis, the strategies obtained are not comprehensive. Hoping that in the future can conduct more in-depth research and discussion on this basis and

come up with more promising solutions for the development of the film and television market.

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