

# Analysis and suggestion on Disney Company's business strategy

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## Abstract

As a media and entertainment company that flourished for nearly 100 years, Disney has greatly enriched people's lives. The development course of Disney has practical significance for many entertainment companies today. Through the discussion of the business strategy of Disney Company, this paper discusses some problems that may exist in the current development of Disney Company. It puts forward some relevant suggestions to solve these problems, hoping to provide help for the future development of Disney Company. The limitation of this paper is that the financial analysis of Disney Company is less.

**Key words:** Disney; Business strategy; Competition; Threat

## 1. Introduction

In the past few years, with the rapid growth of the social economy and the continuous improvement of people's living standards, more and more American media and entertainment enterprises have appeared in people's life. However, the COVID-19 pandemic has dealt a major blow to most media and entertainment industries, but some are still surviving in this difficult environment. Taking Disney Company as an example, this paper analyzes its business model and success factors. However, given the current development of Disney Company, there are still some defects, and this paper puts forward some suggestions for the future development of Disney Company. This paper has reference significance for the development of Disney Company, hoping that Disney can learn from each other in the future.

## 2. Main body

The Walt Disney Company, founded by founder Walt Disney, is headquartered in California, USA. Mickey Mouse made his animated debut in 1928. In 1937, he produced his first film, Snow White. Currently, the Disney Company operates theme parks in countries worldwide, including the United States, Tokyo, Paris, Hong Kong, and Shanghai. In addition to theme parks, Disney has film and television entertainment, media networks, amusement parks, related consumer products, and other industries. Disney ranks third among the world's top 10 media companies. Disney's current competitors include CMCSA, SONY, NFLX, and others.

### 2.1 Disney's business strategy

Firstly, the Product strategy of Disney Company: Disney includes a variety of products, including movies (movies, music, stage plays, etc.), media networks, amusement

parks and resort hotels, books and magazines (comics, games, etc.), and peripheral dolls (Descriptive Marketing Mix of Walt Disney Company with All 4Ps Covered) .

Secondly, Pricing strategy: In terms of Disney films and television, it adopts a market-oriented pricing strategy, that is, the pricing is based on the general standards of the industry, while for Disney parks and resorts, the price is acceptable to the public and can be purchased by the middle class, and the price is based on the actual perceived price of the customers in the amusement park.

Thirdly, Place strategy: Disney has developed different distribution channels according to different product categories, including Disney stores, movie theaters, official websites, mini-apps, licensing, and other businesses.

Finally, Promotion strategy: According to different products and audiences, Disney has developed different sales strategies, including advertising marketing (outdoor advertising, TV advertising), direct selling (stores, official website direct selling), public relations marketing (holding activities)

### 2.2 Why Disney is Here for the long haul

First, Disney's global reach remains enormous. The Walt Disney Company was recognized as the No. 1 media and entertainment company in the February 2023 issue of Fortune magazine's monthly online edition. As one of the "World's Most Admired Companies," Walt Disney ranks sixth out of 324 publicly traded companies worldwide. In terms of comprehensive strength, Disney has achieved the highest score in many areas, including innovation, personnel management, product quality management, stable financial performance since its establishment, and long-term investment value. There is also the use of assets within the company and the company's external social responsibility. Therefore, Disney can still be the

leading media and entertainment company for a decade or more; Disney’s global competitiveness should not be underestimated. This is also due to Disney’s precise control of goods and services, especially animated films, since the creation of the brand. It can attract consumers of all ages to pay attention to the Disney brand, making the demand for Disney products very large. Moreover, Disney has acquired so many companies that it has enough cash flow to sustain its future growth.

Second, Disney’s business model. Disney’s business model revolves around continuing the sustainable, scalable brand of Disney characters and stories. Disney, for example, has one of the world’s most recognizable and long-lived characters. Mickey Mouse first appeared in a Disney cartoon in 1928, and the story of Snow White and the Seven Dwarfs was introduced to audiences in 1937. Even today, the stories of Mickey Mouse and Snow White continue to resonate with people of all ages, and millions of people can watch Disney movies and reminisce about

their childhood. So far, Disney has created more than 2,000 characters, including princes, princesses, villains, and heroes. Disney has attracted consumers with new characters and characters, as well as nostalgia marketing with many original characters to remind their customers of the joys and feelings of youth. These characters and the stories they play are the foundation of Disney’s business model. Disney also benefits from the brand experience in various ways, including media networks, Disney-co-branded and founded parks and resorts, studio entertainment, and media interaction, such as games across major platforms, and engaging consumers to buy Disney products[Disney Business Model].

**2.3 Disney and its Competitors**

The rivalry between Disney and Comcast has been going on for decades. It involves competition among various genres, including network television, theme parks, theater productions, and acquisitions[Disney vs. Comcast].

	Network Television	Theme Parks	Theatrical Productions	Acquisitions and Streaming
The Walt Disney Company	ABC – Network ESPN – Sports	Disney Theme Parks	Marvel Cinematic Universe (MCU)	Acquired Fox Controls <i>Hulu</i> (purchased Comcast portion) Streaming: - <i>Disney+</i> - <i>ESPN+</i>
Comcast Corporation	NBC – Network NBC Sports	Universal Theme Parks	The Incredible Hulk Character	Acquired Sky Sports Streaming: - <i>Peacock</i> will launch in 2020

**Fig 1:Competition between Disney and Comcast**

The entertainment competition between Disney and Comcast is mainly manifested in theme parks. Many well-known Universal Resorts and Universal Studios are competitors of Disney as subsidiaries of Comcast. About 50 million people visited Universal Studios theme parks in 2017, making it the third-largest amusement park operator in the world. And Universal Orlando has surpassed Walt Disney World in attendance amid the coronavirus pandemic.

In response to this situation, Disney adopted a differentiation strategy. For example, Disney Company focuses on strengthening the quality of its products to attract consumers with excellent product quality. Disney also owns the rights to many well-known comic book characters, such as Mickey Mouse. Disney’s excellent marketing made customers think that only Disney was the real Mickey Mouse. In addition, Disney is more focused on young children and their families, and this decision is reflected in the fact that Disney parks do not sell alcoholic beverages to fit better children’s eating habits [Walt Disney Company Analysis: Porter’s Generic Strategies

Essay].

However, Disney’s differentiation strategy comes with some drawbacks. First, due to the product differentiation strategy, Disney prices its products slightly higher than the average market price to maintain the brand image and the company’s revenue. As a result, Disney’s competitors sell their products at a lower price than Disney’s products. As a result, some consumers of Disney no longer choose to buy products from Disney, thus losing some customers. Second, Disney is more focused on building relationships with children, while Universal Studios, which companies like Comcast own, is not just aimed at children but at all ages. Comcast is more of a “Big Disney kid” company that sells alcohol and appeals to adults than Disney. And Universal Studios does make much money for Comcast[Walt Disney Company Analysis: Porter’s Generic Strategies Essay].

**3. Conclusion and suggestions**

This paper mainly explains that after the epidemic’s end, Disney, as an established enterprise, has strong competitiveness in the international market. Still, it faces

the pressure of many new transformations and emerging entertainment companies. This paper analyzes some of Disney's business strategies and why Disney is likely to continue to play a role in international entertainment companies. To continue to ensure Disney's short-term or long-term success, it will be necessary to correct some of Disney's weaknesses, building on its current strengths.

First, Disney spends money on employee training, so high employee turnover has always been a serious problem. Disney can hire more employees who are more interested in Disney's work because interest can better integrate employees into Disney's work environment and reduce the turnover rate. Second, Disney needs to be careful. Disney's finances have taken a big hit since the 21st-century acquisition of Fox, which is very bad for Disney in the long run (who are Walt Disney's main competitors?).

At the same time, Disney faces many threats. Firstly, with the gradual development of Disney, due to the high price of Disney products and the lack of Disney stores in some countries and regions, there are more and more pirated products. As a globally known brand, Disney should focus on expanding into other parts of the world where they are currently absent (Disney business model).

Second, many of Disney's animated characters are also based on children's content, which will cause Disney to lose many adult customers (Disney business model). With the change in times, women are becoming more and more independent. Disney could introduce more characters like Queen Elsa and encourage women who watch Disney animation to become princesses and queens in their own

right.

Third, with the rise and expansion of SONY, Netflix, and Comcast, the competitive pressure on Disney in media and entertainment has greatly increased (who are Walt Disney's main competitors?). To that end, Disney can leverage its wide audience and high profile to diversify its offerings. For example, add visitor experience areas at Disneyland, where visitors can play the characters they like and interact with other visitors in their thoughts and states. Or ask customers online to create new characters that fit their expectations.

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