

# A Comprehensive Study of Disney's Business Strategy

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**Abstract.** This paper studies the Wyatt Disney Company, mainly from the development history of the Disney Company, the main business, the advantages and disadvantages of the business strategy, and the main consumers in four aspects. The first part of a detailed study of the Disney company's founding history, philosophy, the development history of the company's main business, etc.; the second part of an analysis of Disney's main business from the animation production, media and theme parks in three parts; the third and fourth parts of the study of Disney's business model, from a different point of view, to analyze the strengths and weaknesses of the Disney company's business strategy and put forward relevant recommendations; the fifth part of the consumer groups from The fifth part of the study examines the specific types of consumers and how to expand the consumer group through acquisitions and other methods. Through this study, the strengths and weaknesses of Disney's business strategy are analyzed and recommendations are made for the reference of other companies of the same type.

**Keywords:** Disney, corporate analysis, strategy.

## 1. Introduction

Disney, known as The Walt Disney Company after its founder Walt Disney, is a large multinational corporation based in Burbank, USA. Founded in 1923 as the Disney Brothers Cartoon Studio by Walt Disney and Roy Disney, Disney has become one of the largest entertainment companies in the world, continually striving to provide the most exceptional entertainment experiences and maintaining the company's tradition of excellence in the constant pursuit of quality and innovation. Disney's major businesses include entertainment production, theme parks, toys, books, video games and media networks. In 1923, Walt Disney and brother Roy O. Disney signed a distribution agreement in Hollywood for the first short film, Alice Comedy, marking the official founding of The Disney Company. 1928 saw the debut of Mickey Mouse in the world's first synchronized sound animated film, Steamboat Willie, and in December 1937, Disney Animation Studios released the first full-length animated film, Snow White and the Seven Dwarfs, which entered Los Angeles theaters and became a huge hit. For some time afterward, Disney film and television continued to export, but Walt, not content with his own accomplishments in the creation of film and television entertainment, began the expansion of a whole new business territory of theme parks in 1955. Then, on October 1, 1971, the 28,000-acre Walt Disney World in Florida opened. As filmmaking changed in the 1980s, the popularity of family films declined, and Disney attempted to reverse this trend with the creation of Touchstone Pictures and the 1984 release of *Mermaids*.

Back in 1996, Disney's media and entertainment segment of the business was in full swing with the acquisition of Capital Cities/ABC, as well as the ownership additions of 10 television stations, 21 radio stations, 7 daily newspapers and 4 cable networks. Meanwhile, Disney's pool of IP resources continues to grow. The 2009 acquisition of Marvel, the 2012 acquisition of Lucas, and the 2019 acquisition of 21st Century Fox have resulted in box office hits such as *Star Wars*, *Ant-Man*, *Bumblebee*, and *The Avengers 3*. Through the study of Disney Company, people can understand the development history of Disney, its main business and its business strategy, from which we can find out the strengths and weaknesses and make suggestions, and at the same time, we can also provide experience to other peers. [1] Through the study of Disney's main business and consumer groups to deepen the understanding of Disney's degree, and from it to analyze Disney's mode of operation and its advantages and disadvantages, and shortcomings of the proposed improvement methods, so that Disney can obtain more capital gains, and to make the peer entertainment companies to understand

the main mode of operation of the Disney company to derive from the suggested reference to the way of doing business and can be resolved to solve the same problem.

## 2. Main Business

The Walt Disney Company is a large entertainment company founded in the United States [1], has nearly a hundred years of development history, the main business from the beginning of animation production to expand to the media network, theme parks and resorts, film and television entertainment and consumer products and interactive media and many other areas, showing a diversified development situation. Disney's animation production, all began with a well-known character-Mickey Mouse, he was Walt on the train on the whim of the creation of a cartoon image based on the mouse, first named Mortimer, and later in his wife's suggestion to change to "Mickey", so that everyone did not expect is that Mickey will become the most successful cartoon characters in history, and become the basis of the Disney empire. Subsequently, Walt used Mickey's image to create the series of animations "Airplane Fan" and "Flying Gauchos", which kicked off the Mickey series of animations. In November of the same year, "Willy Steamboat" was released, becoming the world's first step in fully synchronized audio animation [2], which was a huge success. Due to the explosion of Mickey, Walt continued this series, dropping out of other famous characters such as Donald Duck. Since Disney's founding, Mickey Mouse has always been the cornerstone of the company and its brand image, even though its business has expanded into other areas and it has many other cartoon characters. Here's an example of Disney's streaming launch in 2019. In August 2016, Disney acquired BAMTech for \$1 billion, and on August 8, 2017, acquired a controlling interest in BAMTech for \$1.58 billion. At the same time, Disney announced that it was about to launch a second direct-to-consumer entertainment service. In December of the same year, Disney made a significant announcement regarding its business strategy by expressing its intention to acquire the key entertainment assets of Twenty-First Century Fox. The primary objective behind this acquisition was to expand Disney's in-house content offerings, thereby strengthening its position in the highly competitive streaming platform market. As part of this strategic move, Disney's Chief Operating Officer, Robert Iger, revealed on November 8, 2018, that the streaming service would be named Disney+. Subsequently, on November 12, 2019, Disney+ was officially launched in the United States, Canada, and other markets. Fast forward to the present, Disney+ has emerged as a dominant player in the streaming industry, boasting an impressive lineup of strong intellectual properties (IPs) that include renowned brands such as Pixar, Marvel, Star Wars, National Geographic, and the iconic Disney franchise. Moving on to the theme park segment, the inception of Disney's theme park journey can be traced back to 1954 when Walt Disney embarked on a mission to create a family-oriented park that would bring joy and create lasting memories for visitors of all ages. Walt personally oversaw the design and construction of the entire park, which he aptly named "The Dream Project." In 1955, the world witnessed the grand opening of the first-ever "Disney Theme Park," and the demand for tickets on the opening day was so high that they became exceptionally difficult to obtain. Buoyed by the resounding success of Disneyland, Walt Disney ventured into further conceptualization, leading to the acquisition of a vast 43-mile parcel of wilderness land in Florida in 1965. This acquisition served as the foundation for the development of another groundbreaking theme park, Walt Disney World, which officially opened its doors to the public in 1971. Since then, Disney's theme park expansion has been nothing short of extraordinary, with the company establishing four additional themed resorts in Tokyo, Japan, and Paris, France. These resorts not only feature unique and immersive theme parks but also offer a wide range of complementary amenities such as themed stores, restaurants, and hotels, thereby providing comprehensive services to cater to the needs of tourists. Undoubtedly, the theme park segment has become one of the primary revenue streams for the Disney Company.

### 3. Dominance

Disney is now 100 years old as a multinational entertainment company. This 100-year history highlights the Disney Company's unique competitive advantages that have allowed it to stand in the market of entertainment companies where the wind is blowing. In this essay, Disney's competitive advantages are categorized as follows:

#### 3.1. A Rich Mix of Cultures and Innovations

Taking Disney movies as an example, the Disney Company has incorporated the cultures of many countries into its movie creations. For example, the movie "Mulan" tells the story of a real female hero in Chinese history, which is completely different from the traditional "prince saves the princess" in European and American fairy tales. Many of the terms in this movie are defined differently from the Western perception, which gives a lot of shock to some non-native Chinese people. Take "witch" as an example, in western culture, which is always a symbol of evil, and people often use this word as a metaphor for some vicious and cunning people, whereas in Chinese culture, as shown in Mulan, which is often used to refer to some powerful and mysterious people who can communicate directly with the gods that the Chinese people believe in. [3] Therefore, this movie, because of the Chinese culture contained in it, not only makes the Chinese people willing to relive this history by watching it, but also makes some people from other countries go to watch this movie in order to understand the Chinese culture and Chinese history. [4] In addition to Chinese culture style movies like Mulan, the Disney Company also has Arab cultural themes like Aladdin's Lamp, New Zealand indigenous culture themes like Ocean's Edge, and so on. These movies are culturally diverse, allowing the public to pick and choose their preferred themes to watch, bringing in a lot of movie airplay for the Disney Company. And again, when it comes to the establishment of Disney theme parks everywhere. Disney Castle is the existence of every visitor to the Disney theme parks will be amazed by it, people think the reason is that Disney Castle is a combination of the best culture of many countries, the designers based on the French Castle and the Bavarian Castle, with reference to a large number of famous buildings and construction. [5] In addition, Disney theme parks have brought many scenes that can only appear in movies to reality, Mickey Minnie, Linnaeus Bell, Captain Jack, and many princesses and princes in Disney theme parks and tourists' zero distance contact. From the Disney theme park's proud annual business volume, when Walt's idea is absolutely very powerful [6].

#### 3.2. Great Actors

The Disney Company has a long list of great actors and actresses such as Britney Spears, Christina Aguilera, Justin Timberlake, Hilary Duff, Jesse McCartney, Lindsay Lohan, Ryan Gosling and many more. Every great cast member who signs with Disney will not only bring a better interpretation to the movies Disney stars in, but will also bring many of these stars' personal fans to Disney Pictures.

#### 3.3. Deep Thoughts

When it comes to the film and television industry, Disney has consistently demonstrated a remarkable attention to detail and a commitment to producing high-quality content. Each character, no matter how small, receives meticulous attention in their development, showcasing Disney's dedication to delivering exceptional storytelling. Moreover, Disney's films and television shows often delve into profound themes and concepts, capturing the imagination of audiences worldwide. One notable example of Disney's thought-provoking storytelling is the film "Zootopia" (known as "Zootropolis" in some regions). This animated feature became a box office sensation, reaching new heights for Disney's film and television division. "Zootopia" explores the themes of "freedom" and the concept of racial discrimination in a unique and thought-provoking manner, prompting viewers to engage in deeper reflections about society and its complexities. [7] The film's setting, an anthropomorphic city inhabited by various animal species, serves as a metaphorical representation of our own world. Through the experiences of the main characters, who are a mismatched duo consisting

of a determined rabbit named Judy Hopps and a sly fox named Nick Wilde, "Zootopia" tackles issues of prejudice, stereotypes, and the pursuit of equality. By addressing these complex themes in a family-friendly format, Disney encourages audiences of all ages to contemplate the significance of inclusivity, understanding, and embracing diversity. The film's success not only captivated viewers with its stunning animation and engaging storyline but also sparked meaningful discussions about social issues, showcasing the power of Disney's film and television productions to inspire introspection and promote positive change. Overall, Disney's commitment to pushing the boundaries of storytelling and tackling thought-provoking subjects has cemented its position as a leader in the film and television industry. Through their finely crafted productions, Disney continues to ignite deep thinking and foster meaningful conversations among audiences worldwide.

### **3.4. Numerous Excellent Copyrights**

Disney owns enough rights to crush half the animation world. Mickey Mouse, Snow White, Pirates of the Caribbean, Ariel, and more. Disney owns so many copyrights that they have the resources to support Disney to add more elements to the Disney theme parks that can attract more tourists, and can create some of the Disney characters like Wreck-It Ralph to increase the number of viewers. This is an advantage that no other animation studio can match. The vast majority of Disney's IP has an extremely high re-creation value. Take the Disney movie Pirates of the Caribbean for example. The Disney Company has released a total of five movies based on this IP, with a sixth on the way, and each of them has had very high ratings and a small number of fans. In addition to the movies, Disney has also made many customized products for the Pirates of the Caribbean IP, from the famous theme song he's a Pirate to the Pirates of the Caribbean themed parks at Disneyland, which are very popular among tourists. These products do not cost a lot, but they are worth a lot more because of the unique and irreplaceable IP of the Disney Company. A small IP is turned into a highly profitable line of products by the Disney industry team. The creativity of each of Disney's IPs is higher than that of other companies [8].

## **4. Inferior**

### **4.1. Film and Television Industry**

Disney first made its fortune in the movie and television industry and created many classics in the early days, but as the last few years have gone by, Disney's movie and television industry has gradually declined.

### **4.2. IP Innovation**

As early as the beginning of the creation of Disney, there have been many familiar Intellectual Property (IP) characters, from the earliest Mickey Mouse, Donald Duck, and later Snow White, etc., all of which have attracted the general public, which has also brought Disney a huge amount of traffic. But ever since Disney started its IP acquisition journey, Disney has never released a classic character like Mickey Mouse. With the addition of many new IPs, people gradually forget the classic characters that attracted them to Disney in the beginning, and only some loyal fans rely on the sentiment to support them. This also laid a hidden danger for Disney's subsequent development.

### **4.3. Theme Park**

In 2016, Shanghai Disney officially opened, as the first Disney theme park on the mainland, Shanghai Disney attracted a large number of tourists right after its opening. Meanwhile, Shanghai Disney has continued to innovate and introduced many world-first entertainment programs, making it even more popular. At the same time, Shanghai Disney also has a lot of problems, according to statistics, as of 2022, the number of college students in China is 46.55 million, this group has the significant characteristics of fun-loving, known as the main force of the theme park. In order to adapt

to this phenomenon, most of the entertainment venues in China have increased the number of student tickets as a type of ticket, while Disney has ignored this point and only set up children's tickets, standard tickets and senior tickets, which makes Disney lose a lot of traffic in the invisible.

#### 4.4. The Disadvantages

Disney is a streaming service recently launched by the film and entertainment giant, The Walt Disney Company, to take on Amazon, Netflix, and other streamers. With its launch comes some problems. For example, a person who has purchased Disney+ may share the account with his family or friends, or several people may make a joint purchase, which will result in a decrease in Disney revenue.

### 5. Consumers

Again, when it comes to the consumer population of Disney companies. As we all know, the consumer population of all companies on the market can be divided into two main groups according to age: minors and adults. Most of Disney's products: movie and television productions, theme parks, music, etc., are mainly consumed by minors. The consumer groups are mainly minors, of course, there are some adults who love Disney products. In order to broaden the consumer market, the Disney Company has begun to make large acquisitions of entertainment assets. Since Disney spent \$7.4 billion to acquire Pixar Animation Studios in 2006, Disney has been on a path of acquisitions. In 2009 Disney acquired 'Marvel Comics', known as the giant of American comics, for \$4.24 billion, a move that gave Disney all the pitchforks for the vast majority of the comic book characters. Disney once again acquired Lucasfilm for \$4.05 billion, [9] Lucasfilm is known for the year Lucasfilm is known for publishing the Star Wars franchise, but not only that, Lucasfilm has also produced Jurassic Park, Transformers, and other hit movies, so Disney's acquisition was worth every penny. After these three important acquisitions, Disney will own most of the world's most-watched Marvel superheroes, Star Wars IPs and Pixar's IPs, which means that Disney's film and television industry will no longer be limited to minors, a move that opens up the market for Disney in a big way. The move of Disney's acquisition can be said to have greatly opened the market for the Disney Company [10].

### 6. Conclusion

This essay analyzes the business strategies of the Disney Company, analyzing the Disney Company's profit-making methods, sales groups, strengths and weaknesses, as well as its main businesses in terms of Disney's major fields, including but not limited to the Disney Company's film and television field, book field, theme park field, online game field, and music field. Combining Disney's consumer base with current affairs, the study aims to analyze and make recommendations on Disney's internal operations. It is found that the main interest income of the Disney Company is the film and television industry and theme parks, which have many advantages but still need to be further checked and improved in order to obtain more interest income. For example, more innovation is needed in the movie and television industry, and traditional Disney IPs such as Mickey Mouse can be further produced so that they can be brought into the public's view once again with a new look. Theme parks should also listen extensively to the views of the community and incorporate more humanized designs, such as changes in ticket prices, improvements in facilities, and increases in parks. If Disney can correct and improve these problems, people believe that Disney's film and television industry can be created and revitalized as well as acquired in these ways to make Disney movies really suitable for young and old, and to become a carrier of spreading culture and positive energy; similarly, Disney's theme parks should be changed, and Disney should be committed to making the theme parks a fairy tale kingdom that exists in the real world, in this way, the theme parks should also be changed, and Disney should be committed to making the theme parks a fairy tale kingdom that exists in the real world. Similarly, Disney's theme parks should also be changed, and Disney should

endeavor to make the theme parks a fairy tale kingdom existing in the real world. Finally, it is hoped that Disney will have a better future development through its own changes and can be recognized and supported by more groups, obtaining more benefits and a better reputation.

### Authors Contribution

All the authors contributed equally and their names were listed in alphabetical order.

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