

An Analysis of the Marketing Strategies Employed by Film Companies of their Proprietary Intellectual Properties: A Case Study of Walt Disney Company

Xiaoru Liang

Occidental College, Los Angeles, United States of America

mliang2@oxy.edu

Abstract. This comprehensive study meticulously explores the intricate ways in which the Walt Disney Company leverages its vast intellectual property (IP) assets to fortify brand recognition, amplify audience engagement, and catalyze revenue growth. It conducts a profound investigation into Disney's marketing strategies, revealing how these strategies are meticulously crafted across various business units to harness the full potential of their IPs. The research delves into the four fundamental pillars of marketing—the product, pricing, place, and promotion—demonstrating how Disney's IPs are seamlessly woven into each to consolidate its dominance in the entertainment industry. Further, the study employs sophisticated analytical tools, such as Porter's Five Forces model and the Boston Consulting Group (BCG) Matrix, to dissect Disney's strategic positioning. It evaluates the marketing effectiveness of the company's IP utilization, offering a nuanced perspective on how Disney's IPs are not just assets but strategic weapons in navigating the competitive entertainment landscape. The research provides insights into how Disney's IP settings are optimized, contributing to the company's ability to innovate, adapt, and maintain its market leadership in a rapidly evolving industry. By examining case studies and analyzing data, the study uncovers the symbiotic relationship between Disney's IPs and its marketing prowess, illustrating the company's strategic acumen in leveraging its creative content for sustainable business success.

Keywords: Intellectual Properties, Marketing Strategies, Entertainment Industry.

1. Introduction

It is impossible to overestimate the importance of intellectual property (IP) settings in the film industry, especially when considering a titan like The Walt Disney Company. Disney's vast IP portfolio, which includes everything from popular characters to successful franchise, is the foundation of its worldwide brand recognition and income production. Disney's promotional techniques are greatly influenced by IP setting, which have an impact on everything from consumer items and theme park experiences to marketing campaigns. Gaining an understanding of Disney's IPs exploitation provides valuable insight into modern branding tactics and their influence on market leadership in the entertainment industry.

The rights and creative asset that Disney owns or licenses, including as characters, plots, and brand names connected to its motion pictures, television series, theme parks, and products, are referred to as IP settings in the context of film production and distribution. These resources improve Disney's competitive edge and market positioning; they are more than just artistic component. Disney builds strong relationships with audiences all over the world throughout the effective use of intellectual properties, which fosters brands loyalty and maintain income streams across a variety of business sectors.

The goal of this study is to investigate how Disney's IP settings influence its marketing approach. Its specific goal is to examine how Disney strategically employs its intellectual assets in a variety of media and consumer touchpoints in order to raise brands awareness, pique audience interest, and boosts sale. This research aims to identify the mechanism through which IP settings support Disney's promotional efforts and sustain its competitive edge in the ever-changing entertainment landscape. It will do this by analyzing Disney's approaches using frameworks such as the Boston Consulting Group (BCG) Matrix and Porter's generic strategy.

This research will use analytical framework to analyze the various ways Disney makes money off of its intellectual property. Fundamentally, the study approach combines real-world industry studies with theoretical marketing models. First, the study will compare, and contrasts Disney's various IP uses with the BCG Matrix to clarify how various IP categories—Stars, Cash Cows, Question Marks, and Dogs—affect resource allocation and strategic marketing choice. The dynamic natures of Disney's IP management in responding to consumer preference and market changes is demonstrated by this segmentation. Second, Disney's competitive dynamics and its strategic posture within the market are examined via the lens of Porter's Five dynamics Analysis. Disney's strategic marketing modalities within the entertainment industry examined holistically by taking into account factors including competitive rivalry, threat of alternatives, bargaining power of suppliers and customers, and entry obstacles [1].

2. Introduction to Disney Recent Success and Challenges

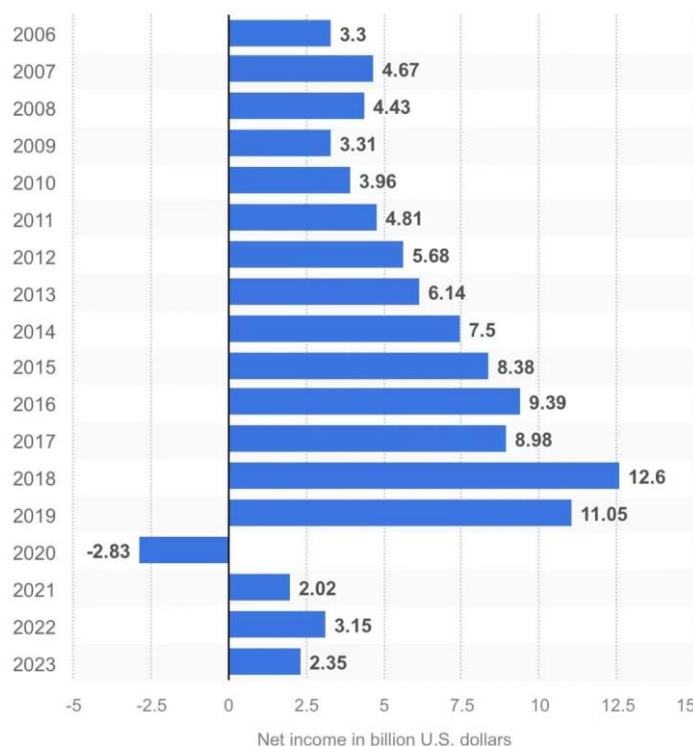


Figure 1. Net Income of the Walt Disney Company in fiscal years worldwide from 2006 to 2023

Disney's net income increased gradually, rising from \$3.3 billion in 2006 to \$12.6 billion in 2019. Through merger and acquisitions (such as the purchase of Marvel in 2009 and Lucasfilm in 2012) and the introduction of successful films franchises (such as the Star Wars and Avengers franchises), Disney were able to dramatically increase its net income during this time. Disney's 2020 net income was negative (\$2.83 billion) as result of the COVID-19 pandemic (Fig 1).

Even with a slight rebound in 2021, net income was still further less than pre-epidemic levels at \$2.02 billion. The difficulties in recovering from the pandemic are evident in net income, which decrease to \$2.35 billion in 2023 after declining to \$3.15 billion in 2022.

The marketing and commercialization plans for the intellectual property (movies, cartoon characters, stories, etc.) which the Disney Company owns is referred to as IP (Intellectual Property) setup. Disney relies heavily on its intellectual property resources to draw customers and viewer.

IP settings like Frozen and Star Wars-themed rides and events contributes to the prosperity of Disney Parks & Resorts [2].

Disney's IPs is commercialized to create revenue from a variety of sources, including cinema ticket sales, streaming subscriptions (like Disney+), sale of ancillary products, theme park tickets, and hotel accommodation.

The impact of the pandemic is primarily to blame to 2020's negative net revenue growth, with movie release delays and theme park closures being the main culprits.

Disney accelerated the creations and growth of its streaming service, Disney+, to help offset some of the epidemic negative financial effect.

Disney must keep making investments in order to sustain and improved its market position given the fierce competition in streaming industry.

2.1. Market Share in Industry

Table 1. DIS’s Market Share relative to its competitors, as of Q1 2024

Company Name	Revenues 12 Months Ending Q1 2024	Market Share 12 Months Q1 2024	Market Share MRQ Q1 2024	Market Share A Quarter Before Q4 2023
Walt Disney Co.	89,203	4.94%	4.98%	4.66%

The market share of Walt Disney Co. increased to 4.94% in Q1 2024 from 4.66% in Q4 2023, the previous quarter, and 4.94% throughout the previous year (Table 1).

Disney's marketing initiative utilizing successful intellectual property sets have improved the company's brand appeals and diversified revenue streams while also bolstering its competitiveness in the international markets. These factors together have contributed to growth of Disney's market share.

Table 2. DIS's vs. Market shares relative to its competitors, as of Q1 2024 within the Hotels & Tourism Industry

Company Name	Market Share 12 Months Ending Q1 2024	Market Share 12 Months Ending Q4 2023	Market Share MRQ Q1 2024	Market Share Q4 2023
Walt Disney Co.	94.88%	94.72%	96.58%	94.33%

In the hotel and travel sector, The Disney Company's market share is still expanding. This was shown in the most recent quarter (Q1 2024), when it increased significant from 94.33% to 96.58% (Table 2).

Table 3. DIS's vs. Market share relative to its competitors, as of Q1 2024 within the Services Sector

Company Name	Market Share 12 Months Ending Q1 2024	Market Share 12 Months Ending Q4 2023	Market Share MRQ Q1 2024	Market Share Q4 2023
Walt Disney Co.	29.48%	29.51%	29.51%	29.75%

Disney's market share in the Services sector has remained relatively stable over the past 12 months, declining slightly. Despite the slight decline, Disney's market share in the Services sector remained above 29%, demonstrate the effectiveness of its IP setup in marketing. The strong appeal of its IP resource and diversified revenue stream have enabled Disney to maintain a high market share amidst competitions (Table 3).

2.2. Sales Distribution of Walt Disney Co.

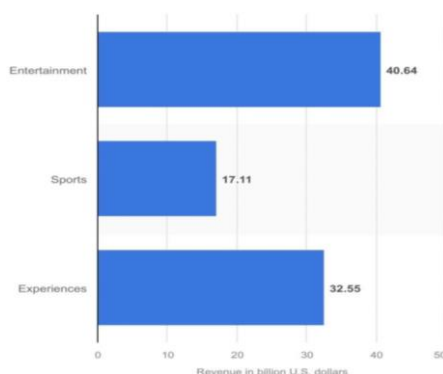


Figure 2. Revenue of DIS in fiscal year 2023, by operating segment

Disney's greatest source of income, the Entertainment business is expected to generate over \$40 billion in 2023, up 3% from the previous year. The linear network, direct-to-consumer sales, and contents licensing is all included in the entertainment division [3]. In the fourth quarter of 2023, the DTC business—that include streaming services like Disney+ and Hulu—generated over \$5.0 billion in revenue (Fig 2).

The second-largest revenue stream, the Experiences section, brought \$3.26 billion in 2023, an increase of around 16% from the previous year. Disney parks and holiday destinations make up the majority of this category; Disney parks are the most visited places worldwide. For instance, 17 million people visit Belleek, Florida's Magic Kingdom Park in 2022.

The sport division (which includes ESPN properties) contributed 19% of the company's revenue in 2023, total \$1.7 billion.

Disney make the most of its intellectual property (IP) by offering immersive services and entertaining content. Disney excels in film and televisions, but also builds its brand value and customer engagement through its parks and resorts by incorporating IP throughout its different industries. Even while the company entertainment segment continues to generate the most income, the experiences and sport divisions also contribute significantly to revenue. This proves that Disney's business mixed diversification has successfully reduced the risks associated with a single operation.

3. Marketing-Mix

3.1. Products (Boston Consulting Group Matrix)

The Matrix of the Boston Consulting Group (BCG) provides deep insights into how they employ intellectual property (IP) settings for marketing tactics. Disney's varied portfolio includes consumer goods, television networks, theme parks, and films. It features a distinctive mix of celebrities, cash cows, dogs, and question marks. Each category under the BCG Matrix reflects Disney's methodological allocation of resources, strategic marketing, and its ability to capitalize on IP settings (Table 4).

Table 4. Disney Product Classification

Movies	Theme Parks
Pixar Lucasfilm Marvel Studios Touchstone Disney Plus Straming	Disneyland (California) Walt Disney World (Florida) Disney Paris (France--Euro Disney) Hong Kong Disneyland Resort Shanghai Disney Resort
Consumer Products	Television
Any shirt, hat, mug, etc., that has Disney or a Disney character on it	ABC TV network FOX ESPN International Disney Channel cable network

3.1.1 Stars

Marvel Studios, Pixar Animation Studios, and Disney+ Streaming Service, among others—showcase how the corporation effectively uses its intellectual rights to not simply penetrate but also dominate new industries and sectors. Marvel Studios, for example, successfully leverages cross-promotion through Disney's extensive ecosystem to consistently draw in a wide audience by combining compelling narrative and crossover characters. Here, promotional techniques include using social medias, enlisting celebrities in commercials, and building suspense by releasing information at the right time. Disney's aggressive entries into the digital sphere is symbolized by

Disney+, which leverage the company's vast library of cherished characters and brands to gain a firm footing in the highly competitive streaming market [4].

3.1.2 Cash Cows

Theme parks like Walt Disney World Resort and ESPN, ABC Television, and other cash cows in Disney's portfolio show how well-managed and promoted well-known intellectual properties can bring to consistent income. By using digital platform and a variety of programming to keep their audiences interested, ESPN and ABC are able to sustain their position throughout content syndication and strategic broadcasting rights. Disney theme parks make the most of the rich history of Disney’s intellectual properties by developing engaging experiences that strengthen brand loyalty. In order to maintain visitor interests and spending, proactive marketing techniques are used, such as updating park attractions to reflect new IPs and organizing seasonal events around movie premieres.

3.1.3 Dogs

Disney's IP settings may not be maximizing their potential in some countries, as indicated by the categorizations of International Disney Channels as Dogs. This is probably because of fierce local competition or shifting consumer preference. The task at hand involves a reevaluation, which may involve localizing materials, forming alliances with local content providers, or utilizing digital channels to improve accessibility and interaction online with the worldwide trend towards streaming service.

3.1.4 Question mark

Hulu, which is rated with question marks, is at pivotal point in Disney's strategic assessments about growth and market share expansion. Hulu's position implies potential but also unpredictability, necessitating wise investment choices to strengthen its position in the market. Disney has the ability to enhanced Hulu's offerings by utilizing its robust intellectual property portfolio. This might involve integrating Hulu with other Disney platforms, providing exclusive programming, or expanding internationally (Table 5).

Table 5. BCG Matrix of Disney Product

Stars: The Walt Disney Company (DIS)	Disney+ Streaming Service Marvel Studios Pixar Animation Studios Walt Disney Parks, Experiences and Products
Cash Cows: DIS	ESPN ABC Television Walt Disney Resort and Disneyland Resort Consumer Products
Dogs: DIS	International Disney Channels
Question Marks: DIS	Hulu

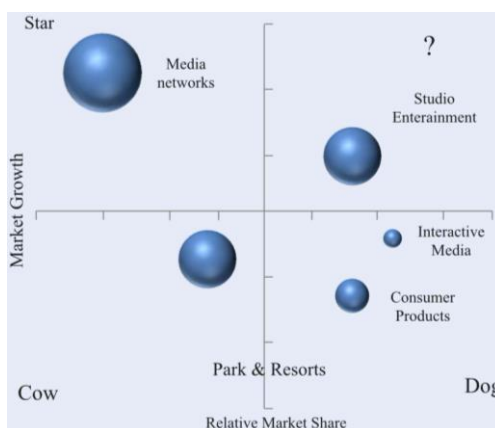


Figure 3. BCG Matrix of Disney Products

Disney's skills at using its intellectual properties (IPs) in a variety of industries—while juggling innovations and preserving well-known brands—shows that it has a thorough awareness of the ever-changing entertainment landscapes. Its many assets is strategically categorized inside the BCG Matrix, highlighting the importance of ongoing assessment, investment, and innovation in preserving market leadership. Disney's task and chance are to maximize its Dogs and Question Marks, make the most of its strong Stars, and make sure their Cash Cows keep bringing in money.

It takes careful attention to customer behavior, market trend monitoring, and utilizing technology innovations for content distribution and engagement to keep this delicate balance. As Disney moves forward, the company's ability to adapt its IP promotional strategy to the evolving media landscape will be crucial for its sustained dominance in the entertainment industry (Fig 3).

3.2. Price

With Disney's attempts to launch ad-supported subscription model for Disney+, The Walt Disney Company demonstrating a strategic evolution that takes into account the nuances of the streaming market as well as the dynamics of consumer behavior. This action is a classic reaction to the fierce pricing wars and competitiveness that have come to define the streaming market. Disney has demonstrated skill in manipulating price, a crucial component of the marketing mix, to enhance its market position and create a more comprehensive narrative about its content offerings and brand.

Disney's announcement emphasizes a move toward more flexible and responsive pricing tactics in an effort to reach a larger market share. Disney is placing a calculated wager in boosting its subscriber base in the face of mounting worry about user attrition and market saturation by incorporating ad-supported model that is priced enticingly lower than its current subscriptions. This tactic emphasizes how crucial price is as a tool for navigating the competitive market, since brand connections are no longer the only factor influencing consumers loyalty [5].

Disney uses its intellectual property (IP) setting as a key component of its pricing strategy because they are an effective instrument for values proposition and differentiation. Disney's unrivaled IP catalog not only make its streaming platform more appealing, but it also allows it to take a marketing position that emphasizes nostalgia, fandom, and access to exclusive material as major selling factor. Disney's pricing strategies becomes more sophisticated as a result of this strategic usage of IPs, which allow the company to position its offers on distinct values that is driven by content that is exclusive to them rather than merely prices competitiveness.

3.3. Place

Disney's strategic deployments of placement strategies, especially within its streaming operations and broader entertainment framework, exhibits a profound grasp of market dynamics, consumer preferences, and the strategy value of intellectual property (IP) assets. The company's deliberate orchestration of its distribution networks and market positioning is fundamentally anchored the strategic utilization of its extensive IP portfolio. These assets not only augments Disney's competitive advantage but also enhance its international footprints, defining the architectures of its market engagement strategy.

Through diverse array of dissemination channels, encompassing both traditional cinema releases and digital conduit like Disney+, the company has significantly broadened its market access, providing widespread content availability across varied consumer demographics. This omnichannel approaches not only aims at maximizing content accessibility; it strategically positions Disney's offering at every conceivable touchpoint of consumer engagement, thereby optimizing market penetrations and engagement metrics.

The tactical leverage of flagship outlets and theme parks, acting as direct extension of Disney's IP universe, translates cinematic narrative into experiential realities. These venues not only serve as vital revenues generators but also function as dynamic marketing instruments, amplifying Disney's IP visibility and enhance consumer brand allegiance [6].

The stratagem for global expansions also underscores Disney’s placement approach. Acknowledging the universal attraction of its IPs, Disney customizes its content and promotional strategies to aligns with local cultural dynamics and tastes, a strategy pivotal for successes across heterogeneous markets. By offering localized content versions, adopting multilingual dubbing and subtitle, and implementing geo-specific marketing initiatives, Disney ensures its IPs' global appeal, thereby consolidating its international markets stance (Table 6).

Table 6. All Disney IP List

Disney Animation and Pixar	Mickey Mouse Universe Disney Princessess “Frozen” Franchise Pixar Films
Marvel	Avengers Spider-Man X-Men Fantastic Four Guardians of the Galaxy
Lucasfilm	Star Wars Franchise Indians Jones
20th Century Studios	Avatar The Simpsons X-Men
Television Networks	ABC Shows ESPN Sports Properties Disney Channel Originals
Other Notable IPs and Franchises	The Muppets Winnie the Pooh Pirates of the Caribbean The Chronicles of Narnia Kingdom Hearts
Acquisitions and Partnerships	National Geographic Fox Entertainment Group

The significance of Disney's IP assets is central to its positioning strategy. With a portfolio spanning Marvel to Star Wars, the IPs not only generates dedicated fanbases but also enable Disney to access and captivate a myriad of market segments. Through strategic dissemination a crosses diverse platforms, Disney tailors its offerings to appeal across a wide age and interest spectrum, from young audiences engage with Pixar animations in Disney+ to adult seeking nostalgia throughout Star Wars' theatrical representations and exclusive digital content [7].

Furthermore, Disney’s acquisition strategy concerning IPs have markedly strengthened its positioning capabilities. By integrating Marvel, Pixar, and Star Wars into its operational fold, Disney has not only expanded its’ audience reach but also solidified its market positioning within territories where these IPs exhibit strong cultural resonance. This integration strategy facilitates Disney in creating specialized content, thematic broadcast channels, and tailored experiences within its amusement parks, catering to the distinct preferences of various consumers cohort.

3.4. Promotion

3.4.1 Cross-platform content integration

By leveraging contents across movies, TV shows, theme parks, merchandise, and digital platforms like Disney+, the company ensure multiple revenue streams from a single IP. For instance, the Marvel Cinematic Universe (MCU) extend beyond the silver screen to Disney+ series, creating an intertwined narrative which drives subscription sales while keeping audiences engaged between movies release.

This strategy enhances the lifetime value of each IP, translating into sustained revenue inflow from multiple channels—box office sales, streaming subscriptions, and ancillary merchandises. The financial implications are significant, as demonstrated by Disney's ability to turn films success into a catalyst for revenue growth across its ecosystems, effectively turning each IP into a robust, multi-dimensional assets.

3.4.2 Merchandising

Transforming its IPs into a diverse portfolio of consumer products not only generates direct revenues throughout product sales but also serves as a continuous engagement tool that keeps fans connected to the IPs. By collaborating with global retailer and launching limited-edition collaborations, Disney company tap into different consumer segments, broadening its market base. For example, the "Star Wars" franchise, beyond its cinematic achievements, have seen remarkable financial success in merchandise sales, contributing significantly to Disney's revenue. The strategic releases of merchandise in sync with movie premieres or special events creates a buzz, driving both sales and brand visibility. Disney's adeptness at merchandising turns each IP into a perennial revenue generator, diversifying income streams and reducing reliance's on cyclical box office performance.

3.4.3 Digital & social media marketing

The strategic uses of digital and social media marketing represent a cost-effective yet powerful tool in Disney's promotional arsenal. By leveraging platform such as Instagram, Twitter, and TikTok, Disney maximize the online visibility of its IPs, engaging with a global audience at a fraction of traditional marketing costs. Social media campaigns, influencer collaborations, and interactive content create viral marketing moment, significantly amplifying the reach and impact of promotional activities. Moreover, digital marketing initiatives drive direct financial outcome by enhancing subscription growth of Disney+, increasing online merchandise sale, and promoting digital rentals and purchases of films. The financial leverage gained from digital and social media marketing was substantial, offering high ROI on promotional spend while fostering deep, direct relationship with the consumer base.

4. Porter's Genetic Strategies

4.1. Threat of New Entrants

The entry barriers in the entertainment and media industry is significantly high due to substantial capital requirement, the need for creative and technical talent, and the challenge of establishing brand recognition. Disney's portfolio of IP acts as a formidable barrier to new entrants. The company's strategy of continuously developing and promote these IPs enhances its competitive moat, making it is challenging for new companies to competes directly with Disney.

4.2. Bargaining Power of Suppliers

In the context of IP, suppliers can include content creators, artists, and other creative talent. Disney's acquisition and developments of IPs give it a unique advantage, reducing its reliance in external suppliers for content. By owning a vast and diverse library of IPs, Disney could negotiate more favorable terms with suppliers, mitigating the risk of increased costs or loss of content to competitor. Furthermore, through its promotional strategies, Disney enhance the value of its IPs, which in turn attracts top talent seeking to be associate with high-profile, successful franchises.

4.3. Bargaining Power of Buyers

Disney's IPs serve as a critical tool in reducing the bargaining power of buyers by creating differentiated and unique contents that is difficult to substitute. Through strategic promotion of its IPs across various platforms—movies, streaming services, merchandise, and theme parks—Disney create an integrated entertainment experience that locks to consumers, reduces price sensitivity, and fosters

brand loyalty. This cross-promotion effectively enhances consumer retention and reduces their inclination in switching to competitors [8].

4.4. Threat of Substitute Products or Services

The entertainment and media industry are ripe with alternatives, from traditional TV and cinema on digital streaming and user-generated content platforms. Disney's strategic use of IP settings mitigates the threat of substitute by offering unparalleled entertainment experiences that is difficult to replicate. Through storytelling excellence, thematic depth, and brand integration across its parks, merchandise, and digital platforms, Disney's IPs offer a value proposition that goes beyond mere content consumptions, making substitution less appealing. Additionally, exclusive content available only throughout Disney's channels further strengthens its competitive position against substitute products.

4.5. Competitive Rivalry Among Existing Competitors

The ongoing investment in IP development, promotion, and integration across business segment allows Disney to deliver consistent, high-quality entertainment, setting it apart from competitors. Additionally, Disney's IPs enable strategic partnerships, content exclusiveness, and merchandise deals that drive revenue and deep market penetration, making it a formidable competitor in a crowded marketplace.

5. Conclusion

This study clearly shows how Disney's intellectual property (IP) is a valuable tool for its marketing campaigns, impacting everything from consumer goods and theme parks to media contents of several platforms. Disney uses its intellectual properties (IPs) strategically to increase revenue across a variety of business divisions in addition to increasing audience engagement and brand awareness. Disney was able to maintain its market leadership and competitive edge in the global entertainment business by leveraging its vast library of cherished characters and story lines to create a unified and immersive brand experience through the utilization of IP settings.

A full examination of Disney's usage of intellectual property (IP) in several business divisions is provided by the research, which includes specific examples such as theme parks, motion pictures, and digital platforms like Disney+. It incorporates market share figures and financial data making a strong connection between IP management and financial results while also assisting in quantifying the effects of IP settings on Disney's overall performance. Furthermore, the study explores particular industries, such as theme park and streaming services, offering sector-specific analysis that demonstrates how IP settings are adjusted to satisfy a range of market opportunities and needs.

Nonetheless, the essay primarily commends Disney's approach without offering much criticism or insights into possible drawbacks or difficulties the firm may encounter in managing its intellectual property. More fair assessment of the success of Disney's IP tactics in relation with industry norms would be provided by adding the opinions of industry experts who were not affiliated with Disney to the research.

References

- [1] A. Nicolas, J.-L. Barrat, J. Rottler, Effects of inertia on the steady-shear rheology of disordered solids. *Phys. Rev. Lett.* 116, 058303 (2016).
- [2] A. Lohrasebi, T. Koslowski, Modeling water purification by an aquaporin-inspired graphene-based nano-channel. *J. Mol. Model.* 25, 280 (2019). <https://doi.org/10.1007/s00894-019-4160-y>.
- [3] P. M. Deshpande, C. M. Smith, Integrating Brand Loyalty into Marketing Strategy: Analysis on the Disney Brand. *Journal of Brand Management*, 24, 337-353 (2017).

- [4] H. S. Jin, L. S. Lee, The Effect of Experience Design on the Branding Strategy of Entertainment Properties: A Disney Context. *Journal of Business and Retail Management Research*, 10, 11-27 (2016).
- [5] M. K. Shafer, E. J. Poague, Understanding Intellectual Property Strategy in the Film Industry: A Comparative Analysis of Major Studios and Independent Film Companies. *International Journal of Film and Media Arts*, 3, 45-59 (2018).
- [6] R. D. Johnson, V. K. Gupta, Analyzing the Impact of Streaming Services on Film Production and Distribution. *Entertainment Economics*, 2, 89-104 (2020).
- [7] K. R. Schilling, Beyond Streaming: Innovations in Film Distribution and Viewing Experience. *Cinema Journal*, 58, 145-151 (2019).
- [8] M. Liang, An Analysis of Marketing Strategies Employed by Film Companies for Proprietary Intellectual Properties: A Walt Disney Company Case Study. Occidental College, Los Angeles, United States of America (2024).