The Successful Business Strategy of Disney

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Abstract. COVID-19 has severely damaged many industries. Some companies have been able to overcome difficulties, while others have failed as a result. In this situation, Disney not only overcame the difficulties but also enriched the audience. Therefore, this study takes Shanghai Disneyland, a subsidiary of Disney Company, as an example to identify the main factors that contribute to the long-term success of Disneyland and the reasons for overcoming difficulties. The purpose of this study is to analyze the reasons why Disneyland can attract tourists in the long term and the strategies for its application based on the changes in the characteristics of tourist groups during this period. Through analysis, it was found that Disney's increasingly diverse roles can generate identity among more tourists, and service facilities can allow them to immerse themselves in experiencing their roles. At the same time, rich marketing methods attract tourists to repeatedly play. Finally, this article uses consumer types as the investigation entry point to analyze the marketing strategies of Disneyland, providing a reference for other companies to design people-centered marketing.

Keywords: Disney; marketing strategy; consumer characteristics.

1. Introduction

1.1. Research Background

In the context of COVID-19, the economy has severely harmed many businesses, including the Disney industry. According to Disney's financial statement, Disney has always maintained a high income with a growth trend, and its net profit reached more than 1.2 billion yuan in 2018 and more than 1 billion yuan in 2019. However, due to the outbreak, Disney saw negative growth in 2020, with a loss of more than 2 billion yuan. However, following the outbreak, its sales increased dramatically and continued to rise year after year. Its net profit in 2021 was 250700000 yuan, and in 2022, it was 3505000000 yuan, but it has not yet recovered to pre-epidemic levels [1]. China, as the world's most populated country, is a vital market for Disney enterprises. During the pandemic, Chinese people were unable to go out for consumption, which affected Disney's revenue. With the end of the epidemic era, Chinese people were no longer confined to their houses, leading to an increase in travel and consumption. At the same time, Disney has 12 theme parks across the world, which are the main source of revenue for Disney and one of the most iconic attractions in many places. As a result, understanding Chinese customer demand and trends is critical for the Disney Company's revenue generation.

1.2. Research Gap

In the past, studies on Disney have mostly concentrated on its development process, marketing, and communication methods, as it is a globally popular instance worth analyzing and learning from. A long-term study on Disney's strategy has been conducted; Shen and others use it as a research paradigm, beginning with four aspects: product experience, marketing tactics, marketing culture, and marketing objects.

This research looks into Disney's global development process and marketing strategies [2]. Some individuals have recently noted that Disney movies have steadily changed, and these researchers discovered that Disney begins delivering different stories to consumers through the changing of character qualities and character interests. Brubaker's research looked at the association between the physical portrayal of the main characters (N = 323) in Disney animated films released between 1937 and 2019 and their physical, psychological, and social characteristics [3]. The researcher's focus on

various subjects is due to the character alteration and the widespread conversation regarding Disney's change.

Although there have been many studies on how Disney changes IP and how Disney makes money from IP, few papers analyze the reasons why Disney's products are increasingly attracting consumers from the perspective of offline Disney's customer characteristics and identify strategies for their utilization. Therefore, this article proposes an analysis of the reasons for the change in the characteristics of tourist groups since the opening of Shanghai Disneyland in 2016. Studying the reasons for the change in tourist types can help Shanghai Disneyland understand the needs of tourists and how to better adapt to their needs during the peak tourism season after the epidemic.

1.3. Structure of Paper

This essay will commence by offering an overview of Disney's historical evolution, business model, and intellectual property (IP) image in order to address the existing knowledge gap. This study focuses on the Chinese market, specifically examining the customer group characteristics of Shanghai Disneyland. The objective is to investigate the factors that contribute to Disney's ability to attract this particular consumer group. In light of the aforementioned analysis, this essay will now make several recommendations for Disneyland to effectively cater to a wider range of target consumers in response to the aforementioned factors.

2. Case Description

Nonetheless, the arrival of the epidemic in 2020 also gave the EU retail industry and Primark a major blow. The constant change of the epidemic led to the EU countries' policies being tightened and loosened, and the EU retail market's performance is also changing. Before the epidemic, the EU retail market stabilized at a steady growth rate of 2%–3% [7]. Starting with the controls in March, the retail sector experienced a significant decline, down 6.8% year-on-year in that month and 17.6% year-on-year in April, before starting a slow recovery in May [7]. After multiple rounds of outbreak ultimate, in May 2021, overall sales in the EU largely returned to pre-outbreak levels and began to grow modestly. Meanwhile, the EU is an important market for Primark. With no online shops, Primark was completely unable to sell during the blockade and was forced to cease operations.

Disney is a successful brand with a massive business that touches many people's daily lives, from movies and games to amusement parks. Walt Disney and Roy Disney launched the Disney Company in 1923, and it quickly grew through comic book production. Following that, Disney began to extend its intellectual property assets offline, opening its first resort in Florida in October 1971. Following that, Disney developed an industrial chain that extended from film IP to offline vacation locations. According to a recent Disney study, the company's major business is still entertainment and media, as well as theme parks and resorts. This year, Disney's 12 theme parks have maintained high revenues and sustained growth [2].

Due to Disney World is a significant source of revenue for Disney firms, it is crucial to investigate the characteristics of the Disney consumer base. According to the 2016 Shanghai Disneyland Population Insight Report, the Shanghai Disneyland population is primarily young, with 77.1% of consumers aged 35 and under and 70% of them already married. Because Shanghai Disneyland opened in June 2016, the tourist data in this report is based on 2016 statistical findings. On May 19, 2021, the China Tourism Research Institute published a report interpreting a survey of over 3 million visitors collected by Shanghai Disney Resort over the previous five years, summarizing the major trends in the theme park industry and the various ways in which Chinese tourists can experience theme parks [4].

In addition to the great draw for parent-child family travelers, nearly half of tourists aged 20–30 did not bring their children to Shanghai Disneyland, while the proportion of tourists aged 30–50 who did not bring their children remained above 30%. Furthermore, Shanghai Disneyland has become one of the most popular leisure and holiday locations for people with gray hair. When these two reports

are compared, it is clear that parent-child families were originally the primary customer group, but the proportion of customer groups has shifted in recent years. Young people aged 20 to 30 with no children account for half of this group, and this share is increasing. Simultaneously, the share of older tourists aged 65 and up has remained constant. This means that Shanghai Disney's consumer base has grown in recent years, the age range has broadened, and the audience has gotten more diverse. More and more people are visiting Shanghai Disneyland, not just for family vacations but also for young singles who like to spend their money at Disneyland. Disneyland is also gaining popularity among the elderly.

3. Analysis of Problems

3.1. Reason on Social Identity

Princess is regarded in numerous countries and areas as a distinct concept of female identity. In the course of world history, women's social status has been passive and subordinate in comparison to men's power and subject status. Because the name 'princess' usually refers to a female identity associated with the royal line, she is frequently viewed as a representative figure of women, and as society progresses and develops, her notion progressively shifts from a definite identity to a cultural trend. Disney princesses have become an ideal image for customers as a result of this cultural trend. Consumers identify with their personal qualities, identify with their own characteristics, consider their lives as ideal lifestyles, and seek identity by visiting Disneyland and playing favorite park roles. According to the notion of social identity, people are motivated by a range of wants, motives, and ambitions. In keeping with the tradition of studying human behavior through the lens of individual objectives and motivations, researchers analyze group behavior and intergroup connections through the lens of social identity.

Researchers recognized that multiple motives may operate in a group context. Realistic concerns (such as disputes over resources) are just one factor in behavior, but people also want to feel good about themselves [5]. Turner in 1975 argued that "subjects will identify with a social category to the extent that such identification enables them to verify value significance, to the extent that it is the category most relevant to the desire for positive self-evaluation" [6]. That's the reason consumers associate their personalities with Disney princesses, go to theme parks, dress up as their favorite princesses, integrate individuals into groups, and find a sense of group identity in amusement parks to meet their needs to become such an ideal person as a princess. The more diverse images of princesses attract young people to seek a sense of identity at Disneyland.

3.2. Reasons on Promotion Strategy

The number of visitors (person times) who returned to Shanghai Disneyland climbed by 50% during the pre-pandemic era of 2017–2019. Furthermore, travelers with the Shanghai Disneyland Annual Pass visit the park an average of 10 times per year [4]. It has been discovered that the main reason Disney can lure tourists to consume several times is that it uses experiential marketing efficiently. Experiential marketing is a marketing approach that redefines and designs a way of thinking by fully activating and mobilizing consumers' sensory, emotional, thinking, action, association, and other emotional and rational variables by seeing, listening, using, and engaging. In his work "Experiential Marketing," Bernd Schmitt offered five particular techniques for experiential marketing: sensory experiential strategy, emotional experiential strategy, thinking experiential strategy, action experiential strategy, and connected experiential strategy [7].

The impact of sensory marketing can be seen in two ways: it can be used to change consumers' subconscious views of the quality of a product or service in a more abstract way. Because Disney's anime production is primarily in the form of music movies, its music has a distinct style and is widely distributed. Visitors will hear the iconic music of the theme as soon as they enter the area in the Disney theme park, connecting their experiences with the movie content in their senses, leading them to immersive experiences in the game, stimulating consumers' curiosity, and enhancing overall

activity participation. Disney theme parks use emotional experience tactics by incorporating the protagonist's image into the park's architecture, and scene design allows consumers to immerse themselves in the situation, producing resonance among consumers.

In addition, Disney has also designed interactive links with tourists, allowing them to immerse themselves more in the joyful atmosphere they create through interaction with characters. Taking the iconic daytime themed parade of Shanghai Disneyland, the "Mickey Fairy Tale Train," as an example, from 2018 to 2021, the number of visitors watching the show has been increasing year by year, with a growth rate of nearly 20% [4]. The increase in viewership indicates that the event is one of the important factors attracting tourists, so Disney's immersive gaming strategy is very effective.

3.3. Reasons on IP Strategy

Disney's IP marketing model is also a reason to attract a diverse group of tourists. Disney's path to growth is based on the creation of intellectual property (IP). It uses its own strengths and adopts relevant diversified strategies to fully expand its product line, connect upstream and downstream, and create core competitiveness from both content and channels. This creates a closed-loop ecological industrial chain of "IP + media + amusement park + products" for all-around realization. From the monetization method of this industry chain, it can be inferred that enriching the customer base first requires enriching the IP audience. Disney is good at combining the background of the times and the IP image. When the foam of the United States dissipates gradually and society is shrouded in grief and sorrow during the Great Depression, Disney applies the right medicine to the case, using the innocent story of Snow White to awaken the yearning for love and peace, and the value concept that justice will eventually overcome evil brings great inspiration; And Mickey Mouse's lively and cute image, gentle and brave personality, and the characteristics of middle-class life presented—house, car, girlfriend—all highly reflected the American Dream at that time. In addition to focusing on the female and children's markets with cartoon characters, Disney has taken a crazy dive into IP in the new century, incorporating the connected world under its umbrella, fully satisfying the ultimate fantasy of adventure and romance for adults, and expanding the audience of Disney IP. In the current era, where women's awareness is awakening and more women are starting to pursue their dreams independently and seek self-worth, Disney quickly perceives the shift in female market demand, catering to the progress of the times and changing the image of the princess. From Snow White to Ice and Snow, the image of women in Disney movies has gradually shifted from being attached to men and pursuing happiness through marriage to realizing their own dreams and pursuing their own values. Due to the advancement of the IP core, its audience has become more adult and enriched.

Secondly, the image of the princess has increased from that of a typical white woman to one of various cultural backgrounds around the world with different skin tones. Disney has enriched the audience's group image by keeping up with the times, diversifying its behavior, and establishing more audience links. In addition, Disney utilized the concept of affiliate marketing in the derivative products that monetize IP [8]. It fully utilizes its well-known flagship cartoon character images, allowing consumers to find Disney character images in any industry under the Disney brand. From the immersive fairy tale experience at Disneyland to a printed T-shirt, from a captivating series of movies to a pen, these cartoon characters and story backgrounds are intertwined and integrated in the Disney industry, creating a multi-dimensional and multi-scene experience based on Disney and bringing consumers naturally into different industries. In the Disney cultural atmosphere created by Disney, consumers are influenced by social validity in the decision-making process, making them more willing to follow social trends, visit Disneyland, and purchase Disney products [9].

Overall, the above analysis reveals that the reason why Disneyland can attract more different types of consumers and encourage them to repeat their consumption is that Disneyland can generate identity among tourists by using experiential marketing to integrate IP images and scenes into the park's building facilities and finally enriching its IP image to attract more audience groups to the park.

4. Suggestion

4.1. Suggestion on Social Identity

People obviously need a place to define themselves, and Disneyland delivers the emotional value they require. There are more things to do for that, according to Disney. The first stage is to identify the social value trend and develop additional tactics to connect individuals to Disneyland. As Allen put it today, 'all fairy tales are really adult fairy stories, and fairy tales do not concern the psychological requirements of children but rather the psychological metaphors of adult society.' As a result, as Disney film viewers become more adult-oriented in the context of the expanding dissemination of feminism and the growing need for feminist culture, the character image in the film must match the psychological needs of adults for this sort of character [8].

Similarly, interaction with team members can enhance social identity [6]. Disney should first cater to the needs of the audience in terms of IP image setting, and then, in order to satisfy tourists' sense of identity in the park, Disney Park should update the princess image. For example, setting up a theme park with a new princess image and amusement facilities that match the background For example, establishing a park with a theme of ice and snow wonders, placing roller coasters and other facilities in the background of an ice and snow world, or engaging in human-computer interactive games Let tourists become part of the main character group in the park, helping each other and pursuing their dreams in the game.

4.2. Suggestion on Promotion Strategy

In addition to recreating IP movie scenes in scene design, situational interaction can improve experiential marketing. Offline multiplayer VR experiences, for example, have a significant market. Shanghai Disney has already created a hyper-body space in Disney Town where visitors can enter the scenario using VR glasses. However, this meta-body area cannot handle a huge number of tourists, and the wait period for a single experience is brief, making it difficult to advertise extensively. As a result, before integrating VR technology into amusement park scenes, 3D or holographic technology can be completely utilized. For example, converting the roller coaster shuttle scene from a graphic design to a 3D or holographic scene and adding interactive ties with people necessitates travelers completing a specific action or character in the scene in order to proceed.

Take Universal Studios in Singapore as an example. It has applied 3D technology to the "Transformers 3D Duel" mobile amusement project in the theme area of the science fiction city. In this project, visitors take on the form of "Autobots" NEST Alliance members, brave the science fiction setting, and collaborate with allies to prevent "Deceptions" from robbing the fire source [10]. Hanghai Disney can also apply 3D to some projects and set up some interactive parts based on 3D technology. After the implementation cost of VR technology is reduced, the VR experience will be provided to every tourist.

4.3. Suggestion on IP Strategy

The measure of monetizing IP in the final portion of the production chain, which can enrich the audience, cannot be done without suitable marketing. Based on the current trend of young people's interest in blind boxes, Disney might partner with blind box brands to launch its own series and collaborate with other series to improve its awareness. Furthermore, as previously said, purchasing Disney's neighboring territories has become a fad. To strengthen its influence, its surrounding sales strategies might boost online sales and advertising. Furthermore, the price of various minor pendants can be suitably reduced, allowing more individuals to develop brand awareness by acquiring Disney peripheral dolls. As more people become deeply ingrained in Disney's brand image through purchases, the park's client base will grow in lockstep.

5. Conclusion

In summary, based on the analysis of Disney's profit situation before and after the epidemic, this article found that the tourist group characteristics of amusement parks have changed. Then, starting from the changes in their group characteristics, this indicates that the group has gradually become diversified in terms of age and economic situation. Based on this change, the paper examines the causes of the change in more detail, taking into account the rising demand for social identity recognition among tourists, the immersive experience offered by amusement park service facilities, the diversification of Disney's IP image, and various monetization marketing models. These three main factors enable Disney to stand out among numerous amusement parks and attract a wider audience with multiple visits to the park. Finally, in order to attract more groups and better meet the needs of tourists in the future, the paper proposes improvement suggestions based on the three main influencing factors mentioned above.

This article discusses three major aspects that determine Disneyland's appeal. This element suggests that offline experience is the most essential aspect for consumers, which is beneficial to boosting people-centered offline marketing design and responding to the influence of the online purchasing era. As a result, this successful marketing technique is extremely worthy of replication by other similar businesses, providing successful cases and blueprints for numerous organizations looking to monetize their movie image. Simultaneously, this article examines changes in consumer group characteristics with the goal of increasing other organizations' understanding of consumer requirements and emphasizing the relevance of the consumer experience.

However, this article also has its limitations in analyzing the population. This article only considers the consumer data of Shanghai Disneyland, which has only been open for seven years. Therefore, the time span and quantity of consumer group data are limited. In addition, Disney is not a local Chinese brand, and cultural differences in the marketing model of Disneyland can also have an impact on the results obtained from using Shanghai Disney data. Therefore, in future research on the marketing model of Disneyland based on the characteristics of consumer customer groups, it is necessary to adopt data with a larger time span and a wider range in response to the above reasons and considering cultural differences.

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