The Walt Disney Company

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MKTG 361: Introduction to Marketing

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October 25, 2023

The Walt Disney Company's Portfolio and Mission

The Walt Disney Company is a 100-year-old organization that leads the entertainment industry by engaging in multiple business segments within the industry. The company engages in studio entertainment, media networks, parks and resorts, consumer products, and interactive media (The Walt Disney Company, 2022).

The Walt Disney Company's mission is to "entertain, inform and inspire people around the globe through the power of unparalleled storytelling, reflecting the iconic brands, creative minds and innovative technologies that make ours the world's premier entertainment company" (The Walt Disney Company, 2020). By breaking down the company's mission, it is clear that The Walt Disney Company elaborates on their mission by establishing their goal, "entertain, inform and inspire," as well as explaining how they will reach these goals, "unparalleled storytelling." This plan of action can be implemented into each of the company's segments since storytelling is necessary for an immersive park and media experience. The company delivers on their promise by constantly innovating their theme parks and consistently producing media with new stories.

In this analysis, the SBU that our team will focus on is Disney's media network of video streaming, Disney+. Disney+ was founded in 2019 and is owned and operated by Disney Streaming, part of The Walt Disney Company. It is an American streaming platform that contains Disney, Pixar, Marvel, Star Wars, and National Geographic content. According to the Disney+ About Us page, there are "over 500 films, 15,000 episodes, and 80 Disney+ Originals available on Disney+" (Disney+, n.d.).

Overall Market/Industry Description

The global video streaming market was projected to grow by over 100 billion dollars from 2022 to 2023 (Fortune, 2023). The market has experienced consistent growth as streaming platforms are increasingly being used in households. Disney+ has capitalized on this opportunity by providing consumers with the opportunity to watch all their favorite media within a single platform.

One emerging trend within the industry is Ad-Supported Streaming, which has become increasingly popular as it is a more cost-effective alternative to streaming within different platforms. These platforms offer a mix of standard and premium content that is monetized by ads, allowing the platforms to lower the price of their streaming services; thus, making it more accessible. It is important to note that Disney+ has both "Basic" (ads) and "Premium" (no ads) options available.

Another specific characteristic of the global video streaming industry is the importance of original content creation. Streaming services are heavily investing in creating content that differentiates them from their competitors, allowing them to attract new customers. Lastly, the pricing and business model of the video streaming entertainment industry is an important variable that affects this market (Fortune, 2023). As streaming services increase their prices, they begin to experience losses as customers choose to cancel their subscriptions.

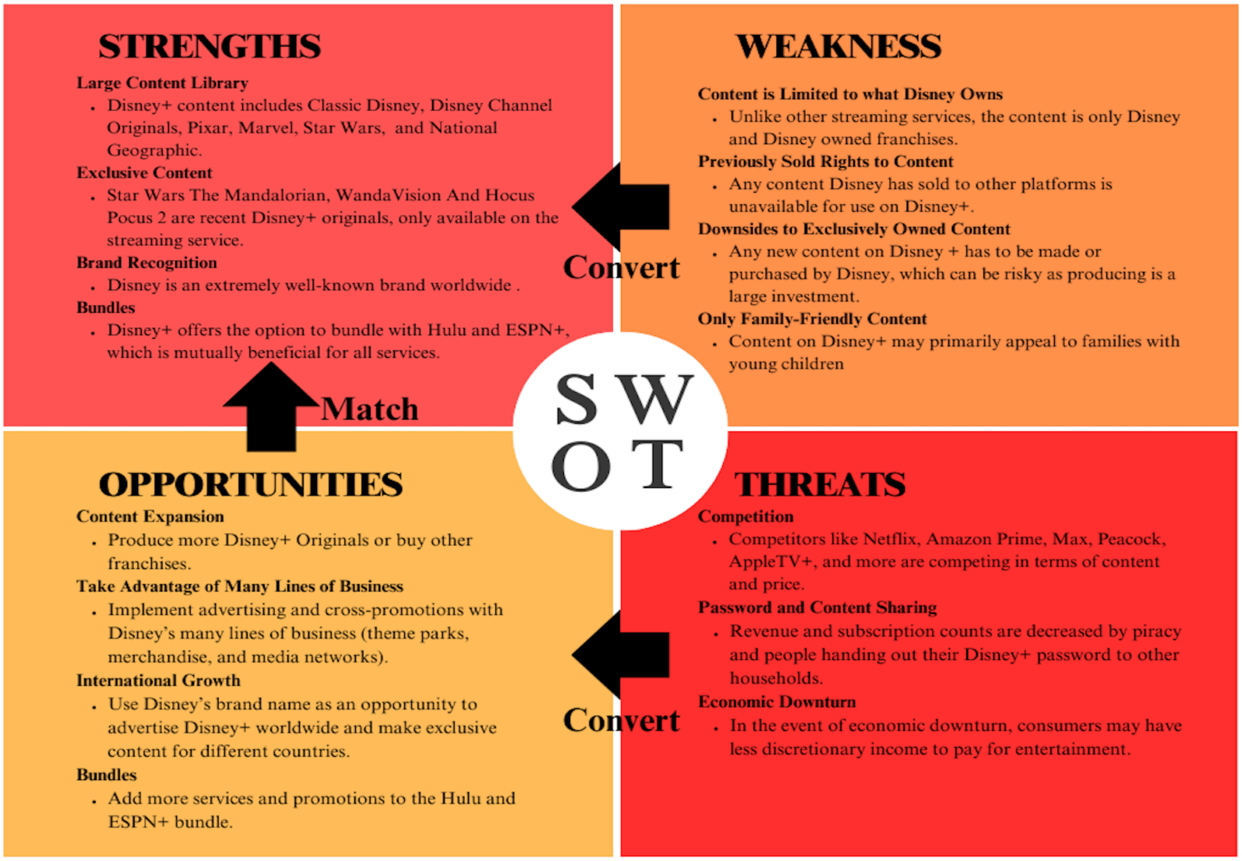
Competition Description: Netflix and Amazon Prime Video

Given that The Walt Disney Company entered the video streaming industry later, Disney+ faces 2 main competitors, Netflix and Amazon Prime Video, who have been established longer than them.

Netflix, whose streaming platform was released in 2007, was the first of its kind in the video streaming industry (Bitran, 2022). Due to this, the company has had an advantage over the rest as it paved the way for other platforms in terms of platform design and content. The company's marketing strategies include the usage of social media platforms (TikTok, Twitter, Instagram), TV commercials, and partnerships (Sperling, 2023). While Netflix has many of the same features as Disney+ regarding original content, content available for all ages, and personal algorithms developed per users, its competitive advantage lies in the broader content available (Chilingerian, 2020). Regarding more family-oriented content, Disney+'s content library has more options compared to Netflix. However, Netflix has more content for adults that includes various genres (Stead and Plesa, 2023). Besides this, Netflix has paved the way for users to interact with content. Netflix has introduced interactive films like *Black Mirror: Bandersnatch* and games based on its programming like *Too Hot to Handle: Love is a Game*.

The other major competitor to Disney+ is Amazon Prime Video, which was launched in 2011. Amazon Prime Video has similar marketing strategies to Netflix in terms of using social media platforms, commercials, and partnerships. Amazon Prime Video also has a variety of content fit for all ages, as well as original productions. Amazon Prime Video has a cheaper price point, with different plan tiers where some include advertisements (Adams, 2023). However, what differentiates Amazon Prime Video from Disney+ is that Amazon Prime Video is a perk to those who already have an Amazon Prime subscription. This opens the door to many consumers given that Amazon Prime is something many have due to fast deliveries, music, and groceries (Wilson, 2022). Since its key marketing strategy is based on the fact that Amazon Prime Video is a benefit of having an Amazon Prime membership, its customer base is wide, marking its place in the streaming industry.

SWOT Analysis



(Webb, 2023) and (Faughnder, 2022)

Segmentation + Targeting + Positioning (STP)

With operations in five main sectors—Media Networks, Parks and Resorts, Studio Entertainment, Consumer Products, and Interactive—The Walt Disney Company is a worldwide diversified entertainment giant. With its cable and broadcast television networks, Disney's Media Networks division is its largest business unit. ABC Family, the Disney Channels, and ESPN are some of these networks. Provider and affiliate fees are the main sources of income for this market (Yahoo! Finance, 2023). Disney's theme parks and resorts, both domestic and foreign, that are either owned or have a sizable ownership interest are included in the Parks and Resorts segment. This segment's primary sources of income include entry fees, food and retail sales within the parks, and other associated revenues. Disney creates a variety of content under the Studio Entertainment division, such as live-action and animated movies, straight-to-video programming, musical albums, and live theater productions. Revenue is made through distribution, and this content is distributed under several labels, including Walt Disney Pictures, Pixar, Marvel, Lucasfilm, and Touchstone. The Consumer Products industry is primarily concerned with creating a broad range of products using its substantial intellectual property. Through publishing, licensing, and company-owned retail outlets, this division makes money. Globally accessible console, smartphone, and virtual game development and distribution are under the purview of the Interactive division. It also grants publishers licensing for material on mobile devices (Yahoo Finance). To summarize, The Walt Disney Company operates in five primary segments, each of which contributes to its unique position as a powerhouse within the entertainment industry.

Between all five of its main sectors, The Walt Disney Company does not necessarily have one target market. Many may believe that the company gears towards children, however it provides goods and services aimed at people of all ages and genders. There is a specific focus on families regarding the media that The Walt Disney Company releases, its desired audience in parks and resorts, and even within its streaming platform, Disney+. The Walt Disney Company has the slogan for its theme parks that it is “the most magical place on earth.” This ideal and trademark for the brand clearly caters towards young children, but also appeals to adults. Disney attempts to attract older audiences by appealing to nostalgia, especially through campaigns and advertisements (Carmely, 2023). Marketers take this target market into consideration when determining advertising and marketing strategies guided towards both children and adults between all its sectors (Stoll, 2023).

Although The Walt Disney Company markets to audiences of all ages, it appears that regarding Disney+, there is a higher concentration on younger users, especially aged 2-17 years. This is likely due to the plethora of media featured on the platform, including many children's shows and movies.

According to the article by Kevin Urrutia, The Walt Disney Company's marketing positioning strategy consists of four key components: Exceptional Branding and Storytelling, Multi-channel presence, Strategic Partnerships and Acquisitions. By combining and utilizing these four elements, The Walt Disney Company successfully creates positive and long-term connections with its consumers. Its positioning strategy revolves around the core principles of "creating magic," appealing to family-friendliness, and inspiring innovation. These principles serve as the base of The Walt Disney Company's approach, allowing the company to create successful campaigns that resonate across all ages and generations and reinforce Disney's position as a global leader in the entertainment industry.

A positioning statement for Disney+ that would be beneficial for The Walt Disney Company to us is: For individuals looking for a high-quality video streaming service, Disney+ offers a variety of media for all ages. Unlike other streaming options, Disney+ inspires individuals with unparalleled storytelling by Disney's creative minds, and the company is very focused on building a brand that prioritizes all stakeholders involved: consumers and employees.

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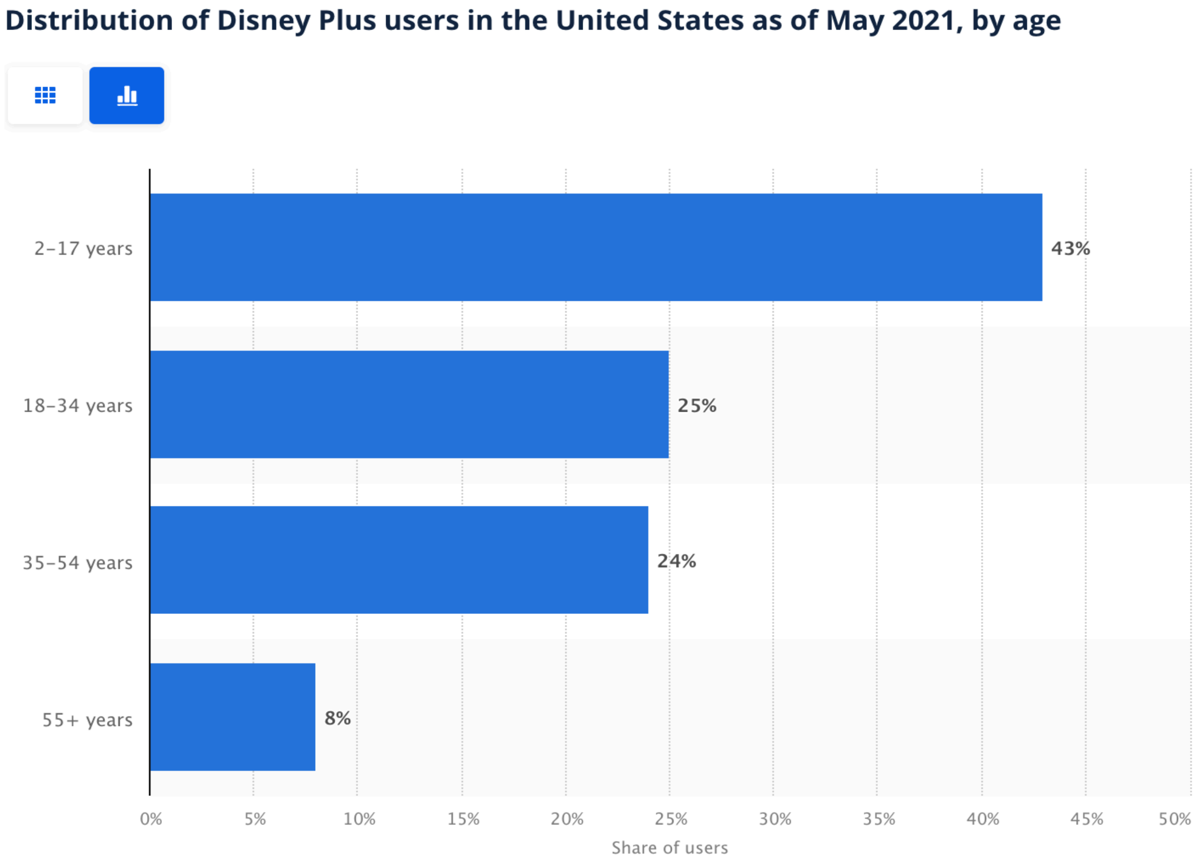
Appendix



(Stoll, 2023)