Title page

Disney

Variables used to segment the firm's target market

Segmentation is used by Walt Disney to identify groups that it needs to target. This is an appropriate approach used for dividing the market into subgroups having homogenous characteristics and demand patterns. Walt Disney relies on a combination of demographic, psychographic and behavioral variables for targeting its customers. The primary segment group of the company include children who spend more time on television and cartoons. Disney has used merchandise, theme parks and animated cartoons for capturing the customer. The firm is also targeting adults that reflects its strategy of persuading different customer groups. The goal of Disney is to offer a family friendly environment for children and adults. The company is also targeting millennial also known as Generation Y.

The demographic variable chosen by Walt Disney is age and life-cycle stage. This reflects that the wants of consumers change with age. Disney is this inclined to target children and adults. The children targeted by the firm have ages 24 months to 12 years. The strategy is to target preschoolers having ages of 24 months and above. The second age group included for segmentation is of adults having ages between 13 to 21 years. This indicates that the company is not only focusing on children but also on adults who are still children at heart. Millennial include people who were born between 1977 to 1994. “That’s about 78 million people in the United States, with annual spending power approaching $200 billion”. The buying behaviors of millennials are more obvious so it is reasonable to capture them. Gender is also considered in demographic segmentation as Disney target both boys and girls. The purpose is to offer different experiences to the male and female audience. Females tend to be more self-expressive than females.

Psychographic segmentation is integrated for understanding psychology behind consumer behavior. this reflects "buyers are divided into groups on the basis of psychological/personality traits, lifestyle, or values. People within the same demographic group can exhibit very different psychographic profiles”. One of the common tool used for measuring psychographic behaviors is Strategic Business Insight’s (SBI) VALS. This relies on studying the psychological traits of the customers. VALS criteria identify consumer motivation on the basis of horizontal and vertical dimensions. The customers of Disney are motivated by ideas and self-expression. Similarly, the company's strategy is targeting customers on the basis of personality traits of energy, innovativeness and impulsiveness and vanity (Kotler & Keller, 2016).

The behavioral segmentation is adopted by Disney for understanding the behavior of the consumer. This allows the company to divide consumers into groups according to their knowledge of attitude and their response to a product. This strategy is focused on determining the preferences and factors that influence their buying behavior. every consumer that makes a purchase consider their needs and benefits. Disney’s strategy is to target customers of two age groups including children and adults. The purpose of including millennial is to focus on people who are spending more on entertainment. millennial are spending more money on entertainment and movies. By targeting youth and children the company would be able to create a brand image

Evaluation of attractiveness of the market segment

Disney relies on a differentiated targeting strategy for serving customer segments. The attractiveness of the identified market segment is evaluated on the basis of the segmentation process. The primary step is to solve the consumption problem of the consumers by identifying their needs and benefits associated with Disney cartoon and movies. The next step involves the identification of demographics, lifestyle and behavior of the customers. The company adopts a pre-determined segment attractiveness criteria for each segment. The factors considered for this purpose include market access, competitive intensity and market growth. Profitability is evaluated that further leads to the creation of a value proposition. It is focused on providing unique experiences to the customers. The value proposition is visible in the creation of a brand image. Walt Disney is recognized as one of the most valuable brands. The evaluation of the demographic segmentation depicts that Disney creates attractions for female customers by emphasizing on attributes of self-expression and vanity. The characters like Elsa in Frozen allow female customers to experience self-expression by emphasizing on the attributes of independence, freedom and courage (Cheu, 2013).

Psychographic segmentation is evaluated on the basis of effective marketing. The movies created by Disney offers magical experiences to the customers including children, adults and millennial. The unique experiences are created by using ingenuity and storyline ability that is delivered in an astonishing manner. The characters like Elsa, The Lion King, The Pirates of the Caribbean and Anna can be witnessed as the products offered to the customers. Incorporation of media technology such as networks, resorts, studio entertainment and parks provides an interactive environment for capturing customers. Another value proposition used by Disney is to educate children such as by giving a good moral lesson. The films and the cartoon carries a common message that good wins. This has allowed the company to gain the trust of the customers who believe that Disney is educating their children. Disney has managed to generate emotional appeal among customers by engaging them.

Disney land parks are created for providing unique attractions to customers. The services offered at the parts such as rides, shows and street parades create a positive image among visitors. This allows the company to persuade the targeted customers and convince them to use its services again. The feelings of fun, excitement reflects psychological impacts that encourage children, adults and millennial to become a long-term consumer. Disney offers different variety and physical activities having positive impacts on customers. Another psychographic attraction created by Disney include elements of vanity, self-expression and impulsivity used on the movies and cartoons.

Media networks, parks, resorts and studios of Disney aims at fulfilling the needs of all customers. Features of youthful, fun, magical and family oriented define Disney. The brand is built on the tagline ‘happiest place on earth'. This allowed the company to establish an emotional connection with the customers. Behavioral segmentation is used for identifying the needs of the customers. Considering the behavior of consumers the company has managed to build lifetime value. Giving them unique experience one time convince them to remain customers of Disney. The company has evaluated the need of customers such as by considering their emotions. The theme parks of Disney are focused on providing entertaining experiences to the customers. The needs are catered by providing customer-centric services. Smart marketing has helped the company in identifying who their customers are. The features like 3D movies fulfil customers needs of inclusivity and innovation. The behavioral segmentation stresses on addressing different preferences of customers. This is done by creating different theme parks princess parks and star wars. This strategy reflects that the company has managed to cater to the needs of all customers.

Point of parity and points of difference are considered for creating a value proposition. Point of parity identifies the features that Disney offer and represent important prospects of the company. Points of difference are also included that define the features that are different compared to the competitors. The company has offered differentiated features that created purchase intention among viewers (Rossiter, 2014). Disney’s innovative digital marketing has allowed it to establish a strong brand identity.

References

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