Disney: Impact of Technology and Consumer Preferences

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**Q1. Impact of Technology on Disney**

Today, Disney has reinvented itself with technology. Disneyland was established in 1955 and flourished over the years. With the emergence and advancement of technology, Disney found itself falling behind, especially in the early 2000s (Jochem, 2015). The rise of social media such as Facebook, smartphones and other hand-held electronic gadgets used for the purpose of video entertainment all began to threaten Disney’s traditional way: the theme park. Technology enabled kids to not only play video games but also engage socially on their phones using Facebook, Twitter, and Snapchat. The theme park experience suddenly looked like a thing of the past. The theme park which stretched over a vast area began to feel nothing less than a hassle full of stress. Parents were irritated as they strolled in a crowded area with credit cards, keys, and maps, wearing sunscreens. They worried about their kids’s safety as well.

Technology has not only accelerated the pace of change but also opened up opportunities for innovation (Kotler & Keller, 2016). Disney is making good use of it. The problem of parents carrying too many things was resolved using a technological device called the MagicBand. It is a wristband which includes all the important things such as tracker, hotel key, ticket and credit card. Today, Disney has evolved itself into a brand that offers entertainment in the form of TV shows and movies in addition to theme parks.

In addition, Disney has completely transformed its retail using technology. It has shifted to digital commerce over the years. Retail constitutes Disney’s 56% billion business. It is a crucial piece for Disney’s future. Since the consumer preferences are changing, Disney aims at selling such physical products that bring the magical experience of Disney to the homes of customers (Keenan, 2017).

The new shopDisney website of Disney uses artificial intelligence adds a personal touch to the e-commerce experience of the customers. It caters to the likes and interests of customers based on their search results and ratings or recommendations for relevant products. Products are tailored on the website keeping in view the demographics as well. Categories are sorted for millennials, families, and children.

Disney makes good use of the technology for advertising its products. In 2018, Disney struck a deal with Google to use its artificial intelligence-based advertising technology for the several digital properties of Disney (Lafayette, 2018). In the past, Disney used Comcast's Freewheel for similar purposes. With Google, Disney will be working on improving advertising across mobile apps, video, and display. By investing billions in BAMTech, Disney will make further strides in promoting their video products.

In May 2018, Disney reorganized strategically and created such a business model that focuses primarily on direct platforms for streaming. Moreover, it announced that the new consumer digital products will all be incorporated in the parks as well. This is a welcoming step in Disney's preparation for the future in the tech-driven world (Wang, 2018). According to the CEO, this reorganization will ensure delivery of sports and entertainment across the world with improved personalization and ease of use. With the decline of TV and the emergence of streaming services such as Netflix, Disney's goal is to make its streaming service at par with Netflix. One strength of Disney is that it already enjoys rights to the content of Marvel and Pixar as well as Star Wars.

Disney has maintained a careful balance between the new and the old. Although it continued to innovate consistently, it also keeps that aura of nostalgia which keeps the old visitors hooked to it. For instance, Mickey and Minnie Mouse remained one of the central elements of Disney. Grandparents visit with their grandsons to share their childhood experience. Its future success lies in to maintain this balance between innovation and tradition.

**Q2. Impact of People’s Tastes and Preferences on Disney**

Since Disney creates consumer products, the success of its businesses depends primarily on the preferences and tastes of the consumers. These preferences and tastes, however, change in unpredictable ways, especially in the ever-changing digital landscape. The businesses of Disney will succeed only if they meet the changing tastes of the consumers. This is true for all the products and services of Disney such as films, cable and broadcast programs, games, online entertainment, and theme parks. Since Disney's market has expanded well beyond the United States, its success now depends more than ever on the tastes and preferences across various regions, cultures, incomes, age groups, etc. both within and outside the U.S (Wang, 2018).

When public preferences change, they may reduce the demand for Disney products, thereby adversely affecting their business. The success of Disney’s businesses, therefore, depends on its ability to not only predict but also adapt to the changing tastes of the public (United States Security and Exchange Commission, 2018).

For instance, Disney offers home entertainment the success of which depends in part on the entertainment format (such as VCR, DVD, online streaming, etc.) preferred by the consumers. Technology offers consumers a wide range of options for entertainment. If the options preferred by the consumers have not yet been fully developed by Disney, it will not be able to sell its products and services effectively.

In 2005, a comparison of Studio Entertainment with other divisions of Disney revealed that it performed the worst among all the divisions (Newman, 2008). The decline of Disney Studio was mainly due to the declining demand for DVD format. Studio Entertainment depends largely on the changing preferences of the public. Moreover, the timing of the release also plays a decisive role. But even release dates are determined by factors directly related to consumers. For instance, holidays or vacations are used as dates of releases. These are days when consumers are in a better position to watch. In the end, it all boils down to the decisions made by the consumers.

Disney's experience with French consumers provides a pertinent case study. When Disney decided to choose France as a location for their Euro-Disney theme park, it made several assumptions. Since some of the assumptions did not align with the tastes and preferences of the people of France, Disney faced a myriad of problems related to integration. When Disney intended to establish a theme park in France, it assumed, and correctly so, that French would be attracted by a theme park- an icon of American Culture. The high attendance of consumers proved that their assumption was correct. However, people's preference regarding the day of the visit was contrary to what Disney had assumed. Assuming that Friday would attract more customers and Monday less, the park was staffed accordingly which created problems. Alcohol had been disallowed not keeping the cultural tradition of French into account. Disney could have a better initial experience in France, had it catered to the cultural and traditional preference of the French.

Keeping in view the importance of consumer tastes and current trends, Disney constantly evolves and invests to develop such products and services that align with the consumers’ preferences (Esposito & Manley, 2017). Disney goes an extra mile to make its consumers happy. It provides personalized experiences by using collection and interpretation of data, which allows to know the likes and dislikes of their consumers. It listens to its consumers, and improves upon its services on the basis of the feedback. For instance, "Special Assistance" passes were introduced by Disney to cater to the needs of disabled guests. One of its strategies to deal with the changing and unpredictable preferences of the public is to offer their products and services in a variety of forms and through various media such as broadcast, internet, cable, TV, and film. Theme parks, travel packages, and hotels also aim at fulfilling a varied range of preferences (United States Security and Exchange Commission, 2018).

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