MMPG Forum 5

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**Disney’s Market Classification**

Disney has been working in the American market since a very long time and it has produced a very high level of goodwill among its consumers. Since its introduction in 1923, the company has expanded its business to a number of areas and is offering a wide range of products and services to the American customers.

Basically, a market is divided into various types of classes according to the amount of market share it has captured and the business type it is providing to the customers. There are four basic classifications of a business operating in any market; market leader, challenger, follower and nicher. The market leader is a company or firm that has captured the maximum market share in any market. Then comes the market challenger; a market challenger is a company or firm that is closely following the market leader and is fighting hard to increase its market share in an industry. After market challenger, there is market follower, which is a company that is following the market trends but is not making an effort to increase its market share. An at the last stage comes the market nicher, which serves small segments of the market and is not at all worried about the market share. A market nicher focusses on those aspects of the business and market which all the other classes of the business are ignoring (Kotler, & Keller, 2016).

Considering the case of Disney can be classified both in the categories of a market leader and market nicher as well. Currently, Walt Disney productions and Disney Corporation collectively hold 48% of the market share of entertainment in the United States of America which is a big number. Moreover, the company focuses on providing such services to the population of America that are not much focused by the other sort of companies like entertainment and joy land services.

**Disney’s Current Life Cycle Stage**

Walt Disney Corporation operates in a number of industries and business types. It operates in the entertainment industry via various media networks, operates multiple parks and resorts, has an entertainment studio and provides various sorts of consumer products and interactive media. Considering the entertainment aspect of the Walt Disney Company, it is still in the growth process. In fact, the whole entertainment industry is in the growth process because of the changing demographics and the orientation of the current generation.

The life cycle of Disney Corporation can also be considered to be in the boom stage as it has established a strong foothold over the American market due to its strong culture and brand value in the market. The various brands of Walt Disney Media Networks that are currently working in the market are Disney Channel, Disney Junior, ESPN, ABC, and Freeform. Some of these networks are entertainment and cartoon networks while others provide sports information and infotainment to the viewers. Some of the prominent rivals of Walt Disney in the industry are Time Warner Inc. Comcast Corporation, HBO, Netflix, and Amazon Prime.

In addition to all this, the parks and resorts being operated under the logo of Disney are Disneyland, Walt Disney World, Disney land Paris, Hong Kong Disney land, Shanghai Disney Resort, Tokyo Disney Resort, Adventures by Disney, Disney Cruise Line, Disney Vacation Club, and Walt Disney Imagineering Aulani Disney Resort and Spa. The main competition in this area is given by some prominent names in the market like Chimelong Ocean Kingdom, Six Leg, etc.

The characters portrayed by the actors and animated roles in the movies and television series is also molded in the form of toys and physical characters by Disney Consumer Products and Interactive Media. The characters are also molded in the form of novels, experiences like games and apps.

**Disney’s Pricing Method(s)**

The pricing strategies or methods adopted by the Walt Disney Corporation and Entertainments is a unique mix of various factors that gives it a competitive edge above all its rival companies operating in the same industry. Pricing is one of the integral parts of a very important and useful marketing technique, marketing mix, which can be used to attract the customers towards the products and services of the company. The other three components of the marketing mix are Product, Placement, and Promotion along with pricing, and these are collectively known as the 4ps of marketing. In the case of Walt Disney, all these 4ps keep changing and evolving, as the products of the company keep going through regular innovation and development, according to the modern trends and needs and demands of the customers.

Keeping in mind the different competitors and businesses operating in the market, Disney keeps its pricing strategies very simple and easy to understand. These prices are decided after keeping in mind the various value goals and estimating procedures that are prevailing currently in the market. Current conditions of the industry are also kept in mind while making a decision about the pricing. The various factors that contribute to the upheaval or the downfall of the prices of multiple products and services, offered by Walt Disney are market saturation, differences in growth, entry of other competitors, pricing strategies of other competitors in the industry, emerging business opportunities, and multiple other managerial concerns (Danziger, Hadar, & Morwitz, 2014). These methods or strategies are applied on a holistic basis in all the circles of the organization, i.e., in media and entertainment, parks and resorts and consumer goods and retail markets.

Two kinds of procedures are adopted by Walt Disney Inc. that are accompanying valuing systems for its various kinds of item blends. These procedures are:

1. Market-Oriented Pricing Strategy
2. Value-Based Pricing Strategy

**Pricing Adaptations**

Pricing Adaptations are those practices which are adopted by any business or organization to bring a change in its pricing models so that they can suit different geographical regions, prevailing income patterns and changing consumer demands. Price adaptation is a very basic and integral part of the whole marketing procedure, as it decides the role of product positioning, that determines how and the organization decides to present its products to its customers.

The various sorts of pricing adaptation strategies adopted by Walt Disney Inc. are mostly market-oriented. As the geographical regions that the entertainment company serves, vary heavily, the prices of the products across the globe, for the products and services offered by Walt Disney also vary. For instance, the prices for various entertainments and rides in the amusement park of Disney, Disney World, would be different in New York and can vary considerably in Paris. This variation in pricing also occurs due to the licensing conditions and the various taxation limitation in different countries. Another factor that contributes to the alteration of the pricing models all over the world is the cost of products and the rate of inflation in every geographical region. More the inflation rate more will be the cost of production and distribution of the products, hence bringing a rise in the end price of the product. Such a case can be seen in the varying prices of the movie tickets in various theaters across the globe for the same movie. Hence, in this way, Walt Disney Inc. control and regulates the prices in all its operating markets.

**References**

Danziger, S., Hadar, L., & Morwitz, V. G. (2014). Retailer pricing strategy and consumer choice under price uncertainty. *Journal of Consumer Research*, *41*(3), 761-774.

Kotler, P., & Keller, K. L. (2016). *Marketing management* (15th ed.). Boston, MA: Pearson Education Inc.