Your Name

Instructor Name

Course Number

Date

Walt Disney

**History**

The Walt Disney Company is a prominent diversified international family entertainment enterprise which is working in various segments including studio entertainment, parks, and resorts, interactive media, media networks, and consumer products. Initially, it was known as ‘The Disney Brothers Studio’ after Walt and Roy Disney formed a partnership in 1923. It was the beginning of what is known today as ‘The Walt Disney Company.' The company has used various strategies since its foundation in order to prosper in the entertainment industry. The company began to expand and launched the first cartoon of Disney's Mickey Mouse in the year 1928. The 1950s was a precious time period for Walt Disney as it became a spectacular place for people in order to watch their favorite cartoon characters (Bohas 23-32). The first international theme park of Disney was opened in Japan in 1983. It is notable to mention that Walt Disney expanded its business to the world of written entertainment and television by establishing its theme park which attracted people of varying ages. Walt Dream has great insight into opening various park themes in different areas of the world. It was his dream to open different parks to flourish their company. Walt Disney chose Florida to expand their business capabilities and to reach more consumers (Bohas 27-35). The inexpensive land and favorable weather made Florida a suitable place to develop company business. It was hard for Walt Disney to keep up the good peace after the death of Walt in 1966.

The company managed to grow and expand their business regardless of the loss of Walt. Walt Disney World Resort was opened in Orlando, Florida with the help of stockholders in October 1971. Walt Disney and Shanghai Shendi Group, a Chinese joint venture partner, got approval from the Chinese central government in Beijing started work on the Shanghai Disney Resort in 2011 (Zhu, Li & Xu). Additionally, in the same year, a free-to-air Disney channel was launched in Russia due to the agreement with Walt Disney Company and UTH Russia. In order to deliver the company's sport, news, and entertainment content, a distribution agreement was made in January 2012, between Walt Disney and Comcast (Carillo). The new agreement was very effective in supporting companies' mutual goal and in enhancing their multichannel business model. Companies planned to collaborate in order to establish unique viewing experiences for the consumers of Xfinity TV. In March 2013, pictures of the resort theme park in China was unveiled featuring Shanghai Disneyland.

**Products and Services**

Walt Disney is widely considered as the largest entertainment company in the entire world. It is a diversified entertainment company. The products of the Walt Disney Company includes television programs, motion pictures, plays, video games, magazines, books, and musical recordings. The services of the Walt Disney Company contains theme parks, cruise line, vacation club, resorts, radio stations, a radio network, and entertainment program broadcasting. There are various character based merchandises including consumer electronics, stationery, cosmetics, home décor, home furnishings, toys, apparels, accessories, and footwear. The brands of this company include Disney, ABC, and ESPN.

**Marketing Strategies**

 Walt Disney Company puts a lot of emphasis on marketing in order to attract customers frequently. It embraces new technology like launching an app to keep visitors informed to maximize their viewership. Disneyland uses tracking data with the help of MagicBand in order to optimize their organizational processes. It balances accessibility with exclusively to make their consumers feel special. Customer experience and criticism are always taken positively to streamline the process of purchasing and servicing product. Maximum viewership attained by delivering remarkable moments such as vivid characters, parades, and surprise performances. It is notable to mention that Walt Disney Company is known as a leader in entertainment. The company uses a renewal strategy, a growth strategy, and competitive advantage to prosper in the entertainment world (Carillo). Disney mastered the art of creating memories of people of diverse age. Disney introduced the concept of a theme park with an exceptional level of art and performance. Their strategy of introducing surprise performance with live characters amused adults along with children (Voigt et al. 117-119). Walt Disney provides unique "magic" which is difficult for other companies to present in a better way.

The company started its business with cartoons and movies, but, with the passage of time, it expands its area of interest. It has always envisioned more than just making animated movies for its viewers. The company adopted a growth strategy with the establishment of a theme park to present a live experience. The growth strategy helps Walt Disney Company to reach the global entertainment position. Due to serious competition, the company knew that there is a needed for growth. Michael Eisner increases the number of theme parks from two to nine. It is noteworthy to mention that Walt Disney is now comprised of the Animal Kingdom, Epcot, California Adventure, Disneyland, Magic Kingdom, Hong Kong Disneyland, Tokyo Disney, Disney Studios, and Euro Disney (Carillo). In accordance with their growth strategy, Walt Disney also acquires the services of the Marvel Comics, Pixar Entertainment, and the ABC television networks to increase their television and movie presence (Esty 88-91).

**Five Forces Analysis**

 Five forces analysis is essential to understand what kind of external threats Disney can encounter in order to expand its business. Porter’s five forces analysis will help them to navigate their way towards success and sustainability as it provides knowledge about the industrial environment.

Industrial Rivalry

In the amusement park industry, there are four main rivals for Disney Parks and Resorts. Some of them are flourishing in the United States, while others expanded globally to prosper their dreams. Disney is also competitive in locations outside the United States. There is strong competition among these parks to attract new customers in order to out-perform their competitors. The difference between themes and experiences is a valuable paradigm to distinguish their success. New attractions, restaurants, and infrastructures are the keys to progress in the competitive market (Voigt et al. 117-119). However, a significant amount of revenue is generated by Disney every year as compared to its competitors.



Figure: Disney Industrial Rivalry

Threat of Substitutes

 The threat of substitute is relatively high for Disney due to various reasons. Disney Parks and Resorts provides cheaper alternatives to active entertainment such as sports, concert, movie, museum, and zoo. People can go to any theater to watch a movie instead of going to a theme park. However, it is essential to understand that Disney has a unique experience due to which it can maintain relevance. Customers are unable to get the experience of animated characters, and family fun rides anywhere else which makes Disney relevant (Voigt et al. 117-119).
Potential Entrants

 The threat of potential entrants in western countries is particularly low. A significant amount of capital requires to build a new park. Shanghai Disney was created with 5.5 billion dollars (Zhu, Li & Xu). Many competitors of Disney are not much evolved to invest in new parks. Competition is tense in China due to various opportunities in the amusement park market. That is why it is hard for newcomers to make significant progress in this market. Weak position of potential entrants is a plus point for Disney.

Bargaining Power of Supplier

 There are various points based on which the bargaining power of supplier is medium for Disney. Disney is limited by the number of suppliers as there are few companies who are in the business of producing and maintaining amusement rides. The products of Premier Rides, Arrow, Vekoma, Intamin, and S & S Power are found in the theme parks around the world. Therefore, there is large flexibility of bargain for these companies with Walt Disney. Companies making toys and related characters had low bargaining power. However, Disney is limited with companies who make amusement rides. Therefore, the switching cost would be high if Disney wants to change the supplier. Due to the immense size and expanded business, suppliers do not control the bargaining power strongly as they are well aware that it could provide business for many years.

Bargaining Power of Buyers

 Disney is the leader in the parking and amusement industry due to which the bargaining power is much lower. For Walt Disney, there is a lack of concentration of the buyers' group. People have no other choice to go anywhere else due to limited choices for such entertainment. The products are differentiated that allows a visitor to consider. Switching cost is not very high for the buyers which keeps them loyal to Disney.

**Conclusion**

 In a nutshell, Walt Disney’s history dating back to nearly a century ago. Analysis of Disney demonstrates that it is both resourceful and capable. Disney is a diversified and vertical integrated company and is the master of globalization. Disney with the passage of time makes many rewards acquiring decisions. Disney is a reputable entertainment company that sells ‘dreams’ and ‘happiness’ to its customers. It is analyzed that the business of Disney is quite successful due to its effective marketing and business strategies. Merchandising helps Disney to develop in the entertainment field continuously. It acquires a large volume of revenues throughout the world due to advance technological improvement.

Works Cited

Bohas, Alexandre. "Transnational Firms and the Knowledge Structure: The Case of the Walt Disney Company." Global Society 29.1 (2015): 23-41.

Carillo, Carlos, et al. "The Walt Disney Company: A corporate strategy analysis." (2012).

Esty, Benjamin C. "Structuring loan syndicates: A case study of the Hong Kong Disneyland project loan." Journal of Applied Corporate Finance 14.3 (2001): 80-95.

Voigt, Kai-Ingo, Oana Buliga, and Kathrin Michl. "Making People Happy: The Case of the Walt Disney Company." Business Model Pioneers. Springer, Cham, 2017. 113-126.

Zhu, Li, and Dan Xu. "Marketing Strategic Change in Expansion of Disneyland: Cases Study of Disneyland's Overseas Expansion in Shanghai." (2010).