The Walt Disney Company

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***History of Walt Disney***

The Walt Disney Company is a multinational organization of mass media and entertainment. Its headquarter is in Burbank California. It is the world largest conglomerate in the media industry because of its highest revenue, employees, markets, etc. The company was founded in 1923 by two brothers named as Walt and Disney. The company was known as Disney Brothers Cartoon Studio. The company is a listed public limited company in New York Stock Exchange NYSE2. The total revenue of the company at the end of 2018 were US$ 59.4 billion, while the net income of the company was recorded as US$ 12.5 billion. Total assets of the company worth US$ 98.59 billion recorded at the end of the financial year 2018. The total equity of Walt Disney was recorded as US$ 52.83 billion during the same year. A total number of employees associated with the company around the world was 201,000 during 2018. The company's products and services are; films, music, cable television, video games, publishing, broadcasting, radio, and amusement parks. The company is a market leader in the animation industry in USA3. The company started its business from cartoons productions. Mickey Mouse was one of the famous movies of Disney, and the mouse character was introduced in 1928 named as Mortimer which was later on changed as Mickey Mouse. In 1934 company decided to produce its first feature-length film named as Snow White and the Seven Dwarfs. It took three years to complete and was premiered in 1937. This film produced the highest return for the company at that time. The company released many other animated movies during the 1940s which generated huge revenue for the company. However, the sale of the company was declined during world war two. During the world war two, the company produced war-related movies such as; ‘Victory Through Air Power’ and ‘Education for Death’ on aired during 1943. After the war the era of television started, Walt Disney Productions and Coca-Cola collaboration teamed up a venture into television. The NBC television network and ABC network were launched by Disney as its initial television series. Disneyland is the theme parks became the center of attraction for both parents and children. In 1955 the company opened it for the general public. Disneyland became famous because of the live broadcasting on their television channels. Another product line of the company is the productions of family-friendly movies during the 1970s. However, the movies were not as much successful and profitable as its animated contents are. Here we will discuss in detail the evolution of the company and its products and services. We will also discuss the expansion of the company market and operations, its successes and failures.

***The international market of Disney***

The market of Disney is expanded worldwide and having licensed merchandise. Its headquarter is in California while its business is expended in Japan, Hong Kong, China, and Europe. The Disneyland in Paris, Shanghai, Tokyo, and Hong Kong are generating a handsome amount of revenue for the company. Disneyland Tokyo is the third most visited theme park in the world. The first two most visited parks in the world are in the USA owned by the same company. The positive aspect of the company is to follow the local culture, norms, and values of the country. The theme park in Japan is strictly following the work ethics, Japanese culture, and other local norms of the country. It is observed that the food offered at Disneylands are according to the taste of local visitors. The food at Tokyo Disneyland or Paris Disneyland is different from the US. For the entry to the international market and compete with its competitors the company has a strategic plan. The company strategy for international operations is to utilize foreign outsourcing. Walt Disney has a contracted with many Chinese companies for different products. It outsourced its production to China because of its lower labor cost, so the products are purchased at reasonable prices. Disney sells its products in global markets like England, Spain, Italy, etc for this purpose the company uses its foreign licensing. Disney allows the licensee to produce their products because they know the choices and taste of their geographical areas. So the company follows the localization instead of globalization. They believe in the locally customized products according to the needs and requirements of the local consumers. As the products of the company are mostly related to the entertainment industry, so all the products are easily publicized. When a person visits theme parks company also displays its DVD's and video games there for being promoted and sold. The foreign markets are selected according to their economy, growth rate and population. The company has expanded its business operations to North America, Latin America, Asia, Middle East, and Europe. The competitors of the company are mostly multinational corporations with strong marketing strategies. Other competitors provide the same style of the theme parks. However, Disney has some trademarks and patents which has distinguished the company from other competitors. While in other products such as movies, cartoons, etc the company has become the market leader and the competitors are lagging in these products. The company has a strong market positioning and has its loyal customers, who value the products of Disney as a brand in the entertainment market.

***Marketing Strategy***

Despite all these advantages of the company to move into the international market and boosts its revenue and profit. There are certain barriers and challenges to the company for international trade. These challenges include economic differences, cultural differences, political and legal differences of every country. To cope with such challenges the company adopts a strategy of PESTEL Analysis of every new market. PESTEL analysis is a tool used to provide detailed information about a market. It provides information for analysis of the macro-environmental or the external market factors which could affect the operations and sales of the organization. Walt Disney also uses SWOT analysis based on the information extracted through the PESTEL analysis. Walt Disney is an American based company, spread around the world, its strategy for the entrance to a new market is to adopt their cultural values, and languages. The company's strategy is to decentralize and customize its overall activities according to the requirements of these specific cultures and consumers. Disney also has a challenge of economic differences in new global markets. Most of the products of the company are expensive, in many countries its products are beyond the affordability of the public. So the company has to revise its prices several times according to the economy of these specific countries. Walt Disney had set prices according to the locations of their theme parks and stores. The prices in the USA is several times higher than the prices in China and Africa. Walt Disney had a major challenge of understanding the legal obligations of each country and their politics. The laws related to corruption, bribery, import, exports, registrations and licensing required a lot of knowledge and experience to understand.

***Products evolution***

The company initiated its business with the production of animated cartoons back in 1923 with the available technology. The company has some famous animated films and characters, among which Micky Mouse is the renowned mouse character. This era was the silent film era with some attractive characters. Walt Disney had formed a proper cartoon studio named Walt Disney Studio. The company then moved to film industry as the theaters and cinema business was boosted. During world war II the company shifted its productions from animated films to the war-related movies. Most of its contents were to support its army in the war efforts. After world war II technology advanced and television broadcasting and channels were initiated. The company adopted that technology and owned its channel named as NBC TV in collaboration Coca-Cola company in 1954. From 1955 to 1965 the company had introduced Disneyland a theme park. Which became the center of attraction for both kids and parents. It was a unique idea of the company, and this idea was succeeded at that time1. The Disneyland business was spread around the world. In Tokyo, Paris, and Hong Kong Disneyland are generating huge revenue for the company. The company has adopted the policy of customized services according to the taste of local customers which has been proved highly successful. During the 1960s the Walt Disney studio released a large number of comedy shows and movies, in 1970s the company had released its first animated feature "Post Walt." The animated movies were highly successful while other movies did not get the attention of the audience. Some movies were successful while others flopped badly. The company evolved its products and services according to the changes in the market and technology. Walt Disney had achieved the first mover advantage in many businesses. The company has adopted the latest technology such as television, video games, radio, theaters, websites, Disneyland, and many other improvements with time. The company has boosted its sale through globalization, through which the company has expanded its market shares.

End Notes

1. "Disney History - D23". 2019. D23. Accessed March 5, 2019. <https://d23.com/disney-history/>.
2. "The Walt Disney Company." 2019. The Walt Disney Company. Accessed March 5, 2019. https://www.thewaltdisneycompany.com/.
3. Wasko, Janet. "The Walt Disney Company." In Global Media Giants, pp. 25-39. Routledge, 2016.