

WALT DISNEY

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EXECUTIVE SUMMARY

- This year makes it a century since Disney has been entertaining the world.
- It is the world's biggest media and entertainment firm with a market value of \$180 billion. (they are still ruling the box office with four of the top ten highest grossing films of 2022)
- The "sub-industries" that they are present in includes media network such as broadcast & cable-tv; streaming services; theme parks and resorts; studio entertainment; consumer products, etc.



P

- Shifting trade policies
- Intellectual property protection
- Political conditions in major markets
- Bureaucracy and interference in Entertainment
- Level of corruption
- Anti-trust laws related to Entertainment
- Pricing regulations
- Taxation
- Product labeling and other requirements
- Wage and employment regulations
- Industrial safety regulations

E

- Inflation rate
- Exchange rates & stability of host country currency
- Supply and demand
- Infrastructure quality
- Skill level of workforce
- Type of economic system in countries of operation
- Efficiency of financial markets
- Labor costs and productivity
- Economic growth rate
- Business cycle stage
- Interest rates
- Unemployment rate
- Discretionary income

S

- Demographics and skill level of population
- The class structure and power structure of the society
- Product preferences/flavors
- Cultural differences in various countries
- Consumer attitudes toward Disney
- Social responsibility
- Leisure interests



T

- Recent technological developments by Disney's competitors
- Technology's impact on product offering
- Technology's impact on cost structure and value chain structure
- Rate of technological diffusion



L

- Anti-trust law in Entertainment
- Discrimination law
- Copyright, patents / Intellectual property law
- Consumer protection and e-commerce
- Employment laws
- Health and safety laws
- Data protection laws



E

- Weather and climate changes (esp. For theme parks)
- Pollution regulating laws
- Recycling/Waste management
- Attitude towards ecological products and services
- Attitude towards renewable energy



Force

Significance

<i>New Entrants</i>	<ul style="list-style-type: none">• <u>Success of Some</u>: Amazon Studios plus other Indie studios such as A24 and video game companies• <u>Barriers to Entry</u>: Internet access and phone cameras reduce barriers, but some production is still costly• <u>Established Companies</u>: Big companies have expertise, strong reputations, economies of scale, brand loyalty
<i>Suppliers</i>	<ul style="list-style-type: none">• <u>Supplier Availability</u>: Supplies and skills shortage due to pandemic and supply chain disruption• <u>Company Bargaining Power</u>: Big companies with power can push for long/favorable contracts and achieve economies of scale with certain supplies
<i>Buyers</i>	<ul style="list-style-type: none">• <u>Options</u>: Many choices available for customers seeking entertainment• <u>Loyalty</u>: Customers have affinity for certain IPs such as <i>Star Wars</i>, <i>Marvel</i>, etc.
<i>Substitutes</i>	<ul style="list-style-type: none">• <u>Availability of Alternatives</u>: Many alternatives for entertainment including streaming services, amusement parks, digital content creators, audiobooks, and video games• <u>Pricing</u>: Low switching cost, plus some alternatives are free (YouTube, TikTok, Twitch, Tubi)
<i>Industry Competitors</i>	<ul style="list-style-type: none">• <u>Differentiation</u>: Mild differentiation between competitor offerings• <u>Competition</u>: Many established companies with capital and reputations. High barriers to exit/sunk cost• <u>Market Branch in Decline</u>: Decrease in popularity of traditional movies & cable TV increasing competition in other branches such as DTC streaming services

FIVE FORCES ANALYSIS



SWOT ANALYSIS

STRENGTH

- Brand Recognition
- Smart Acquisitions
- Integrated Branches

WEAKNESS

- Risky Movie Investments
- Merchandise Planning
- Frequent Management Changes
- Expensive Products and Services

OPPORTUNITY

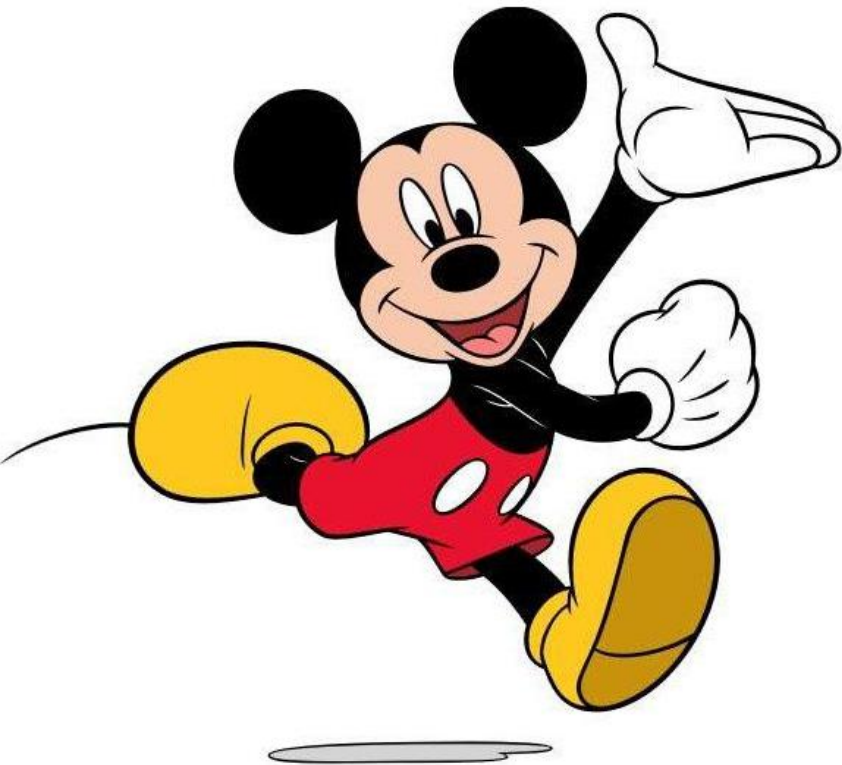
- International Expansion
- Video games
- Expand Social Media Presence

THREAT

- Piracy
- Competition
- Weather Conditions
- Covid-19



COMPETITIVE STRATEGY



Maintain affordable subscription prices

- Disney+ can price their subscription service far lower than Netflix and other competing streaming services.
- A customer who sees the price increase for Netflix might look for a lower-priced service or notice that they can bundle Disney+, Hulu and ESPN+ for less than the price of an HD Netflix subscription.

Disney Metaverse

- Creating a metaverse means integrating all the services they provide in order to create an immersive experience for their customers.
- This strategy would incorporate well with Disney because they have both the digital component with their streaming service, Disney+, and they have the physical aspect with their numerous parks.

KEY RESOURCES FOR DISNEY TO COMPETE

- Use Disney+ as a loss-leader for their other businesses. With streaming prices on an increasing slope, Disney can ensure that their streaming platform is the most affordable in order to attract new customers while keeping their current customers.
- Form a partnership with Microsoft or Nintendo or Sony to develop a video game that can be played on popular consoles. This will be exciting for Disney lovers because they get to play video games with their favorite character. It completes the "Disney experience" for them.
- Creation of Unique Disney theme parks in other regions such as Africa, Australia, India, Brazil, Dubai, etc.
- Mobile movie theatre program





PRE END