

Strategic Analysis of Disney Branding Management- a SWOT situational analysis and recommendations

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Keywords: Marketing, Social media communication, Brand image optimization, SWOT Situational analysis, Disney.

Abstract: Disney is one of the world's most successful companies in both the film and amusement park industry. Despite its success in the past decades, it simultaneously faces numerous challenges and problems. This study reviews the development history of Disney and Disneyland and conducts a SWOT analysis to reveal the business situations and market environment it is currently embedded. Based on our analysis, it is found that Disney has substantial competitiveness in its brand image and brand equity featured by its renowned intellectual properties. However, it also encounters a huge competition and uncertain external factors like COVID-19 and social political disputes. Based on these findings, an array of suggestions is put forward in this study aiming to optimize the business operation of Disney in the future. Regarding the contributions, this study practically shed light on the business development of industrial branding and management for the entertainment and film industry players.

1. Introduction

Mr. Walt Disney, the founder of Disney, said, "as long as the imagination lives, Disney lives". In the modern world, when people think of "princess", they would associate with the Disney brand. Many movie characters created by Disney are also deeply rooted in people's minds, such as Mickey Mouse, Snow White and many other classic characters. This brand has accompanied many children through their childhood and brought joy to life for many people. Moreover, the Disney brand has a wide audience. Since Disney's movie series emphasizes more on the fantasy fairy tale world, many people believe that only children will like the Disney brand. This is not the case. Many Disney movies contain warm family elements, and in Disney theme parks, or Disneyland, family tickets are also available, so we often see families going to watch the movies or playing together in Disney theme parks. A family trip to Disney is also a good experience, so the audiences of the Disney brand are much diversified, including the elderly, parents, and children.

This article aims to analyze the Disney branding strategy, especially in line with the contemporary digital world and business environment. Although the brand is well known, there are some difficulties in communication, such as the weak social media promotion and contested branding strategies in Disneyland. It can be argued that even though the Disney brand is in a leading position in the world's film media industry, Disney still has a lot to learn from its other competing brands, which will be presented in the investigation conducted in this paper. In the following text, we will perform the analysis of Disney branding practices from the following aspects: background, problems statements of the brand, situation analysis and pertinent recommendations.

2. Background of Disney and Disneyland

Although almost everyone has heard of Disney, they may not know the history of this brand. Disney has a history of nearly 98 years in total. To have an in-depth glance at its brand history, in 1923, Disney Brothers Studio, founded by Walt and his brother Roy O. Disney, produces the Alice in Cartoon land series. In 1928, Walt loses the Oswald contract and produces Steamboat Willie, the first animated film with sound, starring Mickey Mouse (Appendix 1). In 1930, the character of Pluto was first introduced. In 1934, the Donald Duck character was first introduced. In 1937, Disney makes its first film Snow White (Appendix 2). In 1941, Disney's cartoonists strike as the United States becomes embroiled in World War II and the company begins producing morale-boosting propaganda for the government. In 1995, Disneyland, a theme park featuring those Disney cartoon characters, opens in Anaheim, California (Appendix 3).

Later, with the death of Walt Disney Company leaders, the Disney brand also experienced many changes. For instance, Disney slowly acquired many brands, such as Pixar and Marvel. Currently, aside from various films made annually, Disney has built Disneyland parks in California, Florida, Paris, Tokyo, Shanghai, and Hong Kong. Therefore, it can be said that Disney has two streams of business: one is in the film industry, and the other is regarding Disney-branded amusement parks and other accessory products. Both segments are equally significant.

To date, the total number of Disney employees this year is 20,300 [1]. All employees are dedicated to realizing the mission of the Disney brand: "to entertain, inform and inspire people around the globe through the power of unparalleled storytelling, reflecting the iconic brands, creative minds and innovative technologies that make ours the world's premier entertainment company." So far, Disney is still a very influential brand in the film communication industry. The characters he created are the childhood of many people. The most classical Disney image, the Mickey Mouse, has been very popular. This has led many customers to Disney's unique complex: their childhood. Many people perceive that happiness that cannot be reflected in real life can be realized in Disney. Disney's world can contain any fantasy. Furthermore, Disney has also invested a lot of money in buying copyright, building, and maintaining Disneyland and complex film production. When Forbes' 2020 List of the world's 100 Most Valuable Brands was released, the Walt Disney Company ranked the seventh.

3. A Swot situational analysis of disney

After the general contextual delineation above, a SWOT situational analysis about Disney is presented in this section. Based on the analysis, related suggestions can be proposed to enhance the competitiveness of Disney, with respect to its marketing and branding practices.

3.1 Strengths

People's high recognition of Disney's characters and symbols would be the foremost strength for Disney. In terms of attractiveness, Disney is unique. It has lots of audiences of different ages and different areas. Their main audiences are children from 4 to 12 years old, because these children like fairytales most and they believe in fantasy due to their young and innocent minds. They believe that the fantastic exist, and they like to visit amusement parks, watch Disney movies, and buy products. Besides those children, teenagers are also a critical audience segment [2]. They would like to visit amusement parks because they like to play roller coasters and other rides. They also buy products and watch Disney movies because they have lots of memories with this brand. Most surprisingly, adults also account for a large portion of the audience. Although the fantasy world seems to attract young children more, many adults also love romantic.

Elder costumers are usually parents or relatives of the younger audience [3]. They might have a young family member, and they bought Disney products because of these younger relatives. Disney's audiences most care about whether they get leisure or relax. They go to an amusement park to get happiness and relaxation. If they don't have a great experience, they might turn to other competitors next time and see other amusement parks and their products as an alternative. The main reason for the audience to choose Disney is because they have deep connections with Disney's characters. They may

be fans of the characters, or the characters growing together with them, and they have lots of memories with the characters. They can also be attracted to the Disney stories and therefore would like to see the characters or settings. Their choice involved lots of steps. Firstly, they will think about whether they can get leisure or not; next, they need to invite others to go with them (for the amusement park industry); Additionally, if the audience is a child, then he/she need to get parent's approval because they cannot decide by themselves [4]. Although the steps may be a lot, they are not too complicated to be understood. Disney has a large portion of audiences that only be interested in their products, and therefore can always have a portion of unchanged constant income.

Besides its essential attractiveness, it has strong intellectual property protection, and this can help it get revenue and produce more ideas based on that. For the company, its external stakeholders are from different areas and aspects. The main ones are non-governmental organizations (NGOs), MSIs, and labour unions. Though they also include peer companies, government agencies, and socially responsible investors. Disney is an entertainment company. It also has a strong financial status. Its operating income can reach 14.868 billion dollars per year. Disney has 223,000 employees, and the employees are creative that they could always come up with new thoughts. Disney spends lots of money and time training their employees because they need to provide the visitors with better experiences. They need ideas because they need to continually produce new products like new series of movies new rides in an amusement park. But their talented employees are from lots of areas. They see Disney as their home instead of only a company. They all have a different and deep connection with Disney; therefore, they love to use their ideas to help with the brand they love. This way, Disney is never lacking ideas. It provides films, music, video games, amusement park It is mainly an entertainment company, and its brand positioning is to create happiness and wonder. Their parks, toys, and movies all create a sense of joy [5].

3.2 Weaknesses

Besides, though a company has many strengths, several weaknesses impact the company's growth. It is always a challenge for companies to negate their weaknesses. As a top-rated company, Disney may have some weaknesses, but their strengths can help them get rid of their weaknesses very quickly.

To have an overall understanding of its weakness, there is a report that Disney is suffering a loss of more than \$1 billion due to their poor financial planning. Disney spends an enormous amount of money on training. It can be a significant weakness for the company. Also, the company spends a lot on their merchandise and other products. The demand for these products varies with market conditions. Therefore, the company needs to plan its manufacturing unit based on the demand obtained from market research. The company does not engage in proper marketing and promotional activities [7]. It can be a significant weakness of a company that needs to survive in a highly competitive market.

Disney also has several problems pertinent to its pricing strategy. Overpricing for products in Disneyland is considered a prominent internal problem blamed by many visitors. Many tourists complained that the goods in Disneyland are very expensive, and many consumers will be very tangled when buying because they can't imagine spending a lot of money on a pile of things rarely used in life. For them, they will think that this consumption is not a good experience consumption [8]. So, this makes the communication between the Disney brand and customers very bad, creating substantial tourist dissatisfaction [9].

3.3 Opportunities

In recent years, people started to prefer leisure time, and more people would like to spend more time entertaining. Therefore, entertainment companies may have more opportunities in this era. This macroscopic trend would give Disney a larger market basis. The company has also spent lots of time and effort in trying new industries and areas, for example, movies, video games, and toys. Disney may get better and better in these aspects. The increasing popularity of augmented reality brings benefits to Disney recently. Children, teenagers, and even adults are more and more likely to learn about the fantasy world, this can largely increase Disney consumers [10].

Shifting free trading policies and more culture exchange lead Disney all around the world. This not only popular the brand, but also can give Disney new ideas and new products. They can popular their brand in a different culture by connecting that culture with their products, and therefore, it is easy for Disney to become a worldwide brand. Disney is a famous band, and it has its unique brand image and has created lots of recognizable symbols like their fairytale characters that can be utilized for its ongoing innovation.

Disney's marketing objective is to continue to appeal to the customers and enable their brand to grow. They mainly communicate with the audience and customers by using their APP, social media page, and websites. In the future, many social communication tools can be further applied, which reacts as another opportunity for Disney. Last but not least, Disney is still lacking development in other emerging or developing countries. If these markets can be further developed, Disney would have better performance.

3.4 Threats

In terms of external threats, Disney is also largely affected by many situations and factors. Like many other companies, COVID-19 is a big issue that has bothered the Disneyland amusement park industry. New Coronavirus broke out in the world, which reduced the flow of people in many Disney parks and reduced the number of people who went to the cinema to watch Disney movies. Due to coronavirus, Disneyland theme parks had lost 2.4 billion incomes. The parks remain closed since last year, and the cost might get larger and larger. This has reduced Disney's revenue in 2020.

Aside from the COVID-19, Disney Film is also facing increasing competition worldwide. More and more other film industries have captured the market. Taking China, for example, many domestic films are getting better and better, and the film intention has become more and more profound. This makes many Chinese audiences choose to watch domestic films and give up Disney films. Of course, this phenomenon is not only in China. As the sense of nationalism becomes more and more profound in people's hearts, people in many countries will choose to support their products. Maybe the Disney film industry is still popular in the United States, but in other countries, its dominant market position has been greatly challenged [11].

Moreover, concerning the amusement park, Disney faced many competitors, such as universal studios, which became more and more famous in recent years. The Universal Studios brand also has many offline theme parks. The amusement facilities inside may be more exciting than Disney. Today's young people are also more daring to try these exciting games [12]. This sort of fierce competition has caused threats to Disney. Walt Disney has lots of competitors in many different areas as an entertainment company. The most significant competitor would be Universal Studios.

Universal Studios have a similar structure as Walt Disney as they both have developed in similar areas. Universal Studios also produce movies, theme park and sells products just like Disney. They even have a similar target audience, the key audience of Universal Studios is families, youngsters, kids, and tourists from all over the world. Disney's target audience is also people of all ages and most teenagers and families. They also have a similar theme park for what's produced. The Universal Studios theme park has a distribution network that includes online shops, physical stores, the internet, and television to distribute its related products. The first of them was opened in Hollywood in the year 1964 and Universal Orlando Resort in the year 1990 in Orlando at Florida.

In the year 1999, it expanded to become a vacation resort. As a leading global entertainment destination, Universal Studios Hollywood delivers highly themed immersive lands that translate to real-life interpretations of iconic movies and television shows. The theme park has movies, television shows, theme parks, related products. It is really popular among people [12]. For example, in the new section of Harry Potter, the fans of Harry Potters can all get involved in the magic world as they dreamed. It's quite effective as people can easily get related to their favor. The relationships between the target audience and Universal Studios are mostly emotional and full of belief. There is no "need" in the product they are selling and it's full of emotion as to want to collect more, it provides satisfaction and happiness [13]. Like the movie, it changes from curious emotions to belief as the customers slowly learn more about the brand. It already became a belief for a lot of people by the development of

Universal Studios. There are emails and phone numbers that Universal Studios could contact their customers. The brand would gain more information from the audience so that they could improve themselves to fit the customers' needs better. The audience would also give them ideas to provide more events and strengthen up the brand [14].

As a summary of this section, Table 1 below demonstrates major strengths, weaknesses, opportunities, and weaknesses pertaining to Disney.

Table 1. Summary of SWOT analysis of Disney.

Dimension	Definition
Strength	Brand recognition and image Business acquisition Financial competitiveness Market leadership Intellectual Property
Weakness	Lack of innovation Lack of new technological adoption Too much investment in training Too much marketing spending Overpricing strategy Redundant organizational structure
Opportunity	Technological innovation The trend for more needs of leisure Creative team and human resources Chances of growth in other emerging markets
Threat	Covid-19 pandemic Competition from the film industry Competition from the amusement park industry Nationalism and Protectionism Other political impact

4. Recommendation and Conclusion

According to the analysis, it can be seen that Disney has a great amount of competitiveness. Nevertheless, the company also faces multiple challenges. First, regarding the price of its products, the competitors of Disney are providing the products and programs to the public at a very low price compared to the cost of products of the company and they can act as a threat for the Disney Company. Meanwhile, The Walt Disney Company has faced many weaknesses which have been identified by the above SWOT analysis. For instance, the company has very limited innovations, and the company needs to innovate continuously for the development of the product. In adopting new technologies, the company has faced reactive approaches instead of aggressive approaches. The company needs to focus on the expansion of its amusement park and all other different types of parks. Limited expansion of the park is a weakness for Disney. According to Koontz's analysis, the company has focused on the quality of products and features instead of focusing on continuous innovations. Limited diversification is also a weakness that has been identified during this analysis of Disney. In other words, Disney should enhance its performance in all these aspects.

The objective for the change of Disney would be to improve the brand to follow contemporary trends. Disney is mostly relying on the classic, "old" characters they provide before. It needs more new ideas to keep the brand fresh. The new proposed Target audience of Disney would be people that were inspired by Disney stories before but not familiar with the brand, also some elder people and more teenagers that understand the deeper that Disney tries to show. Disney wants to inspire people, and they have attempted this goal. One study showed that watching Disney characters help one another – a common thread – inspired children to help their friends. Another study by Coyne revealed that

Disney films are rich in so-called “prosocial” behaviour, such as sharing, helping others, or offering compliments or encouragement. Disney is using Nostalgia to Establish and Maintain Customer Loyalty and Targeting Audience Segments with a Multi-Channel Strategy. The broad area Disney has also created a huge number of customers. Disney's current brand positioning is to create happiness, then sell happy, pay much attention to the experience of consumption, to bring customers a unique gaming experience.

Disney faces several competitors across its various markets, with ViacomCBS (VIAC), Charter Communications (CHTR), Sony (SNE), and Comcast (CMCSA) being its main competitors. Also, the most significant one is Universal Studios. The new positioning will be inspired and encourage people by what's created by Disney. The new positioning is not just bringing happiness but also bringing inspiration that could help people. Walt Disney World has been visited by more than 700 million people in the last forty years and that number is assumed to be climbing with the strong corporate identity they have. The famous slogan of Disney is “The happiest place in the world” and “Where dreams come true”. It tries to show the customers that Disney Land is where the customers will be happy. It's just a short-term inspiration. The new brand identity could have the slogan that “Where happy comes”, which means not just Disney is the happy place but also means after the customers come to Disney, happiness will come to them and be with them. It became a longer-term affection, and it could always remind the customers of the happy moments.

As for its logo design, the current brand logo is blue and a Cinderella's castle, the colour would be more fantasy as adding some pink and purple in it and add more fantasy (Appendix A4). Disney's events could be conducting more memories flashback; it can be more than just happy but also satisfying. Inside the theme park, Disney could also provide more entertainments that the audience could get in touch with the characters. This new identity is for everyone who loves Disney's fairy tales or movies [15]. The channels to be used can be movies commercials and advertisements for a theme park where people can easily memorize and have the impression easily.

In conclusion, Disney is a famous and unique brand. It's the childhood memory of most people, it represents dreams and fantasy that's non-replaceable. Its special brand positioning and industries involved all make it different from other competitors. Disney is sure “The happiest place in the world” and “where dreams come true”. The classic and popular characters Disney had created is one of the main reasons for the brand's popularity. It left a deep impression on people and was widely circulated. Disney has become more than just a brand, but also a symbol, a belief for a variety of people. In contrast, Disney has faced several problems. It's a variety of industries may cause financial problems while developing, and the current situation of COVID can cause harm. Because of its various development, the costs are always huge. But overall, Disney has lots of strength and future opportunities, and it can grow stronger and stronger in this social trend of preferring leisure and relaxation. Disney is always improving and producing, and their variable products can be suitable for most people.

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