

The Future Media and Entertainment Tendency of The Walt Disney Company

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Abstract. The purpose of the paper is to discuss what will be the future direction of The Walt Disney Company. I analyze it by learning about the company's background and current strategies and situations with a SWOT analysis. Also, there are some recommendations for the company regarding future development.

Keywords: The Walt Disney Company; Media; Entertainment.

1. Introduction

Every girl has her princess dream, always fantasizing that she can live in a castle, so every time it is mentioned Disney, people always think of Disney Parks in Orland, Hong Kong, Turkey, or Shanghai for the first time. However, most of them neglect that Disney Parks is part of The Walt Disney Company, which, together with its subsidiaries and affiliates, is a leading diversified international family entertainment and media enterprise that includes Disney Parks, Experiences, and Products^[1]. From the beginning until now, The Walt Disney Company has provided magical, many-times-in-a-lifetime experiences for children of all ages^[2]. The Walt Disney Company has already achieved it. For example, the well-famous movie *Mickey Mouse* for young kids and the Marvel movie *The Avengers* for adults. All these movies obtain high office boxes and favors from audiences, giving The Walt Disney Company many profits and prestige. New information reveals that the Marvel Cinematic Universe (MCU) film *Avengers: Endgame* earned Disney a \$900 million profit^[3].

Indeed, all the success cannot leave from the strategies of The Walt Disney Company. On October 12, 2020, Disney announced that the new structure designed would further accelerate the company's direct-consumer process in light of the rapid success of Disney+. The company's creative engines will focus on producing content for Digital Trade Chain (DTC) and Legacy Platforms, while the newly centralized distribution group will oversee the global commercialization and distribution of all content^[4].

2. Analysis

2.1 Four Strengths

The strengths of The Walt Disney Company and the opportunities of the market allow The Walt Disney Company to become the dominant entertainment and media industry in 10 years. The following six advantages of Disney movies enable The Walt Disney Company to dominate the entertainment industry.

First, nowadays, many studios invest a lot of money in special effects, actors, and advertisements. Even though these are all very important, the movie's quality and content capture the audience. Disney movies are so successful because, in every movie, the audience is able to learn a valuable lesson from the main character. Disney's attempts have made an impact on children's views of diversity and how they relate to characters, something that is key to mothers who hope to expose their families to the world^[5]. This is why many parents are willing, supportive, and encourage their children to watch Disney movies. It is no doubt that almost every Disney movie embodies kindness. For example, *Mulan* teaches children about volunteering at their local homeless shelter, retirement home, or food bank to help those who can't help themselves; *Moana* educates the next generation on

protecting nature and animals by making sustainable choices; Anna from Frozen shows respect and kindness to people who may not always offer the same to you ^[6].

Second, Disney movies are all-inclusive regardless of age, culture, gender, race, or background ^[7]. Disney cooperates with many brands and has a strong sense of integration. Its movies are suitable for people of different ages. Therefore, Disney movie viewing crowds are more comprehensive than one generation. For instance, kids Aged 3 and under are able to watch The Many Adventures of Winnie the Pooh or Pooh's Heffalump Movie; Early Elementary-Aged kids can watch Luca or Moana; Older Elementary-Aged kids are willing to watch Raya and the Last Dragon or Godmothered ^[8].

Third, The Walt Disney Company understands what its audience is like. Many Disney movies emphasize the importance of family, which seizes most American audiences because 60% of Americans think family is the most important, and 31% of Americans think family is one of the most important ^[9]. The movies about family, such as The Incredibles, The Lion King, and Frozen, have high office boxes.

Fourth, because of the organizational culture for excellent entertainment, movies of Disney attract lots of audiences^[10]. As audiences become more demanding, increasing numbers of audiences would like to watch musical films. Hollywood once had a golden period of song and dance films. Officially The Walt Disney Company seized this feature and did not give up. Finally attracted a lot of audiences.

Fifth, The Walt Disney Company has mastered loyalty by developing strong connections with its guests^[11]. The company premiered "Steamboat Willie" in New York on November 18, 1928. Until now, Disney films are still being published.

Last but not least, the shooting technology is excellent in The Walt Disney Company, so that's why Disney movies can be created and published efficiently in high quality.

2.2 Three Weaknesses

The Walt Disney Company is world-famous but has three weaknesses.

First, The Walt Disney Company is sensitive to and fluctuates quickly by external factors, like COVID-19. In China, because of some lockdown policy, many people were not allowed to go to the public. China as the main source of income, and without Chinese audiences, the office boxes of Disney movies definitely became lowered than in the past. Before the pandemic, in 2019, revenue of Disney was 69.57 billion dollars, but during the period of COVID-19, in 2020, the revenue was 65.39 billion dollars, and in 2021 the revenue was 67.42 billion dollars^[12]. Also, Disney acquired 21st Century Fox Company on March 20, 2019, which made the money of The Walt Disney Company tight. The data shows that in 2019 there was 80.3% revenue from the United States and Canada, 9.9% from Europe, and 9.7% from the Asia Pacific. Still, in 2021 there was 80.3% revenue from the United States and Canada, 9.9% from Europe, and 9.7% from the Asia Pacific^[13]. The pandemic has had a negative effect not only on physical stores but also on The Walt Disney Company. The regions lose one—other countries, which is a significant loss for Disney.

Second, The Walt Disney Company relies too much on the markets in America and Canada, so they will be easily affected by the American and Canadian markets. 80.3% revenue of The Walt Disney Company is from America and Canada^[13]. However, the 78.1% revenue of one of the competitors - Comcast Corporation - is from the United States in 2021, which means if there are some emergencies in America, they will be influenced less negatively and recuperate easily compared to The Walt Disney Company.

Third, The Walt Disney Company will have fewer opportunities to acquire other corporations to increase its revenues. Now, ESPN, ABC, Lifetime, History, A&E, FOX, Marvel Studios, and Lucas film have already been owned by Disney^[14]. The Walt Disney Company has already been a giant in the entertainment and media market. However, The Walt Disney Company can't acquire other companies to monopolize the market because of US Antitrust Laws, which aim to curb efforts by firms to reduce competition in the marketplace or to create or maintain monopolies^[15].

2.3 Three Opportunities

Also, many opportunities can help Disney develop better.

The Walt Disney Company already has a base of technology, prestige, management, and experience. With the entertainment industry's growth in emerging markets, The Walt Disney Company will have more audiences and revenues.

Then, they can expand the range of the movies to other countries, like China, not just limited to the United States.

Finally, Disney movies cater to audiences' favors nowadays. Moreover, according to the analysis of The Walt Disney Company, they should focus more on the IP characters and the content of the movies.

2.4 Two Threats

There are two threats to The Walt Disney Company.

The first one is the severe competition in the media and entertainment market. The biggest competitor of The Walt Disney Company is Comcast Corporation. Now, innovations and contents are quite significant in the entertainment industry. One who can create innovative content can win the favors of the audience. Therefore, the competition is quite severe.

Second, now there are more and more pirated characters on the internet. This becomes the biggest threats to The Walt Disney Company. Every year, the company has to devote lots of energy and time to prevent the pirated characters.

3. Summary

Based on the SWOT analysis, The Walt Disney Company actually is the giant in the field of media and entertainment. The Walt Disney Company's film distribution brands include Walt Disney Pictures, Touchstone Pictures, Hollywood Pictures, Miramax Films, 20th Century Studios, Pixar Animation Studios, and Marvel Studios. Therefore, its future tendency is quite stable. The Walt Disney Company should continue to keep the quality of the previous movies, and make some innovations because the loyalty of the audience is essential. If it wants to have more opportunities and development in the future, the company should focus more on the IP characters. Based on the behavior of human beings, people are willing to pursue something new, so the previous IP characters are not enough. The company should explore more potential characters, and keep on the trend of the world to make movies. Also, the company should make the movies more diverse. Nowadays, increasing numbers of people are sensitive to race, gender, and culture. Therefore, the Disney movies are going to be forbidden to touch these bottom lines.

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