Walt disney analyses

People

“ Fiscal 2011 was a great year financially and strategically, demonstrating the strength of our brands and businesses with record revenue, net income and earnings per share,” said Disney President and CEO Robert A. Iger. “ We are confident the Company is well-positioned to deliver long-term value for our shareholders with our focus on quality content, compelling uses oftechnologyand global asset growth. ” According to the PESTEL analysis, the Walt Disney Company has been shaped mainly withrespectto social, economic and political.

First, it is politically shaped because the government and lobby groups have an important role in establishing policies, requirements and competition rules. Furthermore, the local governmental rules are crucial in establishing foreign ownership for subsidiaries or business units. Alongside with the political factors, both the economic and social factors influence the group`s profitability and activity because customers and economic conditions are closely related. For instance the financial crisis of 2007 brought serious economic downturns that affected most of the activities at Disney 11 parks.

The group is also dependent on oil prices, inflation and interest rates that might affect exchange rates. Social trends influence the company strategic decisions, mainly due to demographic changes, attitudes or certain fashion cycles. According to PESTEL, technological factors decide the competitive actors in the industry because advances in technology shape manufacturing conditions and operations, can increase capacity and improve quality. Furthermore, the environmental factors affect the activity of the company due to weather conditions that can be negative for the park`s profitability, manufacturing prices and conditions.

SWOT Analysis

Strengths

Is the largest media and entertainment company in the world and it owns 11 theme parks and various channels Disney is one of the major Hollywood studios Disney employed 150, 000 people An innovative development society: employees generate and implement ideas - fast transfer of knowledge and expertise across the markets. Global Standards are highly implemented and adopted Very popular brand around the globe: high brand awareness among the people through logo and popularity Strategy of differentiation with a very diversified portfolio Experience in international operations and development. Disney has US $62, 497, 000, 000 assets Ranked 9th in the Top 100 Global Brands of 2011 |

Weakness

High operating costsInstability in decision making: change management due to unbalances among SBUsPoor management controllingSeasonality: park occupancyWorking conditions that are poor in the production fabrics. No good customer relationship management due to innovation that demands continuity. The target client is mostly children, no range of segmentationAccusation for sexual references in some of its animations Different welfare groups protest: religion, animal (Disney Animal Kingdom)Poor management controllingReduces number of attractions: only 16 out of 11 parks.

Opportunities

Business development for different segments and in developing markets. Follow the market trends and social ones. Possibility of increase in the number of attractions due to a new segmentation. Reduction in Operating costs. Disney Television Advertising and Disney Channel MusicDisney management and training school. Online development.

Treats

Security difficulties in parks – treat of terrorismCope with the employee retention. An increase in the competition in the industry. Increase in the competition due to technology advances and innovation both on domestic and international marke. Demand for innovation on the market Economic and Financial Crisis Wages and labor costs will increase | The SWOT analysis sheds light on the context of the Walt Disney Company. It focuses both on core features/competencies but also on the diversity of the corporation`s portfolio.

Theenvironmentis highly competitive for the Walt Disney Company, but providing operations globally enables the existence of an efficiency related to the speed the information of knowledge travels around the company from unit to unit. This one of the most important features, and, thus strengths of the core competences. Disney supports, because it reduces the operational costs. Thus, the company benefits from an intensive transfer of expertise across diverse markets. By being constantly up-dated with the new technologies and innovations and by disposing of an impressive amount of knowledge, the Walt Disney Company also benefits from continuous innovation. This is fostered also by the politics of the company that allows employees the direct participation in both generating and implementing new innovative solutions across businesses.

Another important strength is the experience in international operations that sustains the brand awareness and enables the development of local knowledge, which defines synergies over strategic business units along with the existent learning curve. In terms of diversity, Disney covers a portfolio of various activities with a wide-ranging interest and this structuration protects the company from different conditions and instabilities on the markets, therefore a balanced portfolio provides security. Another important strength is the fact that Disney Corporation provides a really influent Media network that allows the company share and benefit from good imagecommunication.

For instance the ESPN Radio, the Disney Television Networks that increased group profits in the first quarter of 2011 due to strong advertising, the Toon Channel and many other entertaining shows that the group broadcasts. In terms of weaknesses, the most aggressive one is the seasonality among customers related to the objective of park occupancy, which is fulfilled only during holydays and special events. This pattern makes the activity in parks more or less dependent on the seasonality. Alongside with the seasonality, another important aspect is the unbalances that occur among its SBUs in terms of profits, cash flows and operating costs. Nevertheless, this is a cause of seasonality, but it also reflects the poor management controlling at the group level.

The opportunities are very large at the size of a group as Disney Corporation and if the strategic decisions are respected the company can benefit from: new markets, increase in advertising (which is also sustained by the Segmented Results of 2011), differentiation in strategy and use of new developed technologies in order to maintain innovation. One of the main treats of Disney would be to cope with the employee retention which is strongly connected to the employee performance evaluation and the way according to which the Walt Disney Company aligns itsgoals/strategy with its employees` needs. As customers have a direct influence over company`s profitability, it is important to maintain a good communication flow and to built ways that could provide Disney strong analysis of customer satisfaction and feedback.