

The most popular cartoon company the walt disney marketing essay



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A company's vision begins with a cultural value, like selling hope, that appeals to the market at large (this puts the customer or consumer in the picture from the get go), followed by the organization's purpose in meeting that cultural value. Currently, vision statements are common in strategic planning. When companies provide a vision statement, it is often to get employees working toward the same objectives, using common approaches, with the same motivation. Many organizations today develop a vision statement that answers questions like "What do we want to become?" Many vision statements are a single statement or sentence. For example, although Disney does not have a stated vision statement its vision is "to make people happy". According to Disney, a successful vision accomplishes six goals:

It has been said that, an organizational mission is an organization's reason for existence. The organization's mission often reflects the values and beliefs of top managers within the company. "The mission of The Walt Disney Company is to be one of the world's leading producers and providers of entertainment and information" (Leebron, 1979). Using our portfolio of brands to differentiate our content, services and consumer products, we seek to develop the most creative, innovative and profitable entertainment experiences and related products in the world (Leebron, 1979). The company's mission is to reach the stated purpose as there is always room for improvement in regard in a company's vision and mission statements and the Disney Company has never lost sight of that one thing, that it was all started by a mouse. Decades later, Mickey Mouse is still the crown jewel of the Disney World franchise, representing all the good will and imagination

that Disney represents. Mickey's also a constant reminder that the company has strong roots and it embraces those American values.

Competitive Analysis: Porter's Five-Forces Model

Porter's Five-Forces Model of competitive analysis is a widely used approach for developing strategies in the industry. According to Porter's model, the following three steps: (1) Identify key aspects or element of each competitive force that impact the firm, (2) Evaluate how strong and important each element is for the firm and (3) Decide whether the collective strength of the elements is worth the firm entering or staying in the industry can reveal whether competition in a given industry is such that the company can make an acceptable profit (David, 2009). Examples include new entrants, customers, and competitors.

The External Assessment: Opportunities and Threats

Societal Environment - Disney's main product, theme park and resorts are competing in a saturated United States market. This market is also highly competitive, for example, Busch Entertainment and Time Warner/Turner are major competitors.

Task Environment - Because of the capital required to enter the industry Disney faces no threat from new entrants. Additionally, Disney's massive production allows it to have leverage over many suppliers. Disney's main concern is other huge competing entertainment companies such as Busch Entertainment, Time Warner/Turner, etc.

An External Factor Evaluation (EFE) Matrix allows strategies to summarize and evaluate economical, social, cultural, demographic, environmental, political, governmental, legal, technological, and competitive information by listing key external factors (opportunities and threats) and assigning to each factor a weight that ranges from 0.0 (not important) to 1.0 (very important). The weight indicates the relative importance of that factor to being successful in the company's industry (David, 2009). The weighted score assigns a rating between 1 and 4 to each external factor to indicate how effectively the company's current strategies respond to the factor, where 4 = the response is superior, 3 = the response is above average, 2 = the response is average and 1 = the response is poor (Ratings are company-based, whereas the weights are industry-based). To get the weighted score, multiply each factor's weight by its rating to determine a weighted score then find the sum of the weighted scores for each variable to determine the total weighted score for the organization (David, 2009). Regardless of the number of key opportunities and threats included in the External Factor Analysis Summary, the highest possible total weighted score for an organization is 4.0 and the lowest possible total weighted score is 1.0.

The Walt Disney Company

External Factor Analysis Summary (EFAS)

External Factors

Weight

Rating

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Weighted Score

Opportunities

Expansion to China and India

0.15

4

0.60

Growing Internet Market

0.15

4

0.60

Disney Stores at Malls

0.10

3

0.30

Children Software Market

0.10

3

0. 30

Expansion into Latin America

0. 10

3

0. 30

E-Commerce

0. 10

3

0. 30

Threats

Growing Competition in Theme Park Industry

0. 15

5

0. 75

Warner Bros. in Animation

0. 15

3

0. 45

Total Score

1. 00

3. 60

Source: Adopted from External Environment: Opportunities and Threats.

Scribd. 10 Mar. 2010.

Intensive Strategies

Market penetration, market development, and product development are used to evaluate an organization's intensive strategies because they require intensive efforts if a company's competitive position with existing products is to improve (David, 2009). Marketing efforts of the Disney Company is to offer their existing products in the current markets by attracting the competitor's customer and looking for potential customer for the existing products. For example, Disney's move into the retail industry opened up far more merchandising opportunities and is having a profound effect on how its characters are developed and marketed (Zook, Allen, and Smith, 2000). Another example of market penetration is how Disney has entered the wireless arenas and how they hope to achieve success. In the report, Disney in Wireless: Will the Mouse Make Mobile Massive? Visiongain believe that Disney should focus on widening their global market penetration by establishing relationships with major operators in untouched markets.

Market development involves introducing present products or services into new geographic areas (David, 2009). The goal of market development is to find new markets and then market those products/services which can be done on geographical such as city, country, region, state etc. and demographical such as age, sex, gender, class etc (Zook, Allen, and Smith, 2000). For example, Disney's efforts to build a new theme park in Hong Kong, is an example of market development.

Product development is a strategy that seeks increased sales by improving or modifying present products and services which takes time and money. Product development usually entails large research and development expenditures (David, 2009). For example, Walt Disney Parks and Resorts reorganize to create a "One-Disney" experience by simplifying the Parks and Resorts operating structure, streamlining decision-making and eliminating redundancy. "We know that our Guests want a 'one-Disney' experience and we must organize around that expectation," said Jay Rasulo (Disney Online, 2006). "The long-term success of Parks and Resorts depends upon our ability to adapt and innovate and respond to Guest preferences" (Disney Online, 2006). "These changes are essential to maintaining our leadership position in family tourism and reflect today's economic realities" (Disney Online, 2006).

The Strength-Weaknesses-Opportunities-Threats (SWOT) Matrix

The SWOT analysis is an important tool that helps managers to develop four types of strategies: SO (strengths-opportunities) Strategies, WO

(weaknesses-opportunities) Strategies, ST (strengths-threats) Strategies, and
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WT (weaknesses-threats) Strategies (David, 2009). The SWOT Analysis of the Walt Disney Company examines the company's key business structure and operations, history and products, and provides summary analysis of its key revenue lines and strategy.

SWOT Analysis – The Walt Disney Company

STRENGTHS

- Global Standardization
- Target Customer: Children
- Creative Process
- Popular Brand Name
- Diversification
- Disruption

WEAKNESSES

- High sunk cost
- Excessive Research & Development
- Constant Up gradation
- High Investment
- High Risk Factor

OPPORTUNITIES

- Merchandise
- Global Localization: Think global, Act Local
- Characters of national or regional appeal
- Cheaper alternatives to soft toys
- Disney Music Channel
- Disney School of Management/Training Institute

THREATS

- Competitors: National, Regional & Global
- Employee Retention
- Highly Demanding in terms of Sales, Creativity and Innovation
- Unprofitable or hasty acquisition
- Brand Consistency
- Product Differentiation

Source: Adopted from External Environment: Opportunities and Threats.

Scribd. 10 Mar. 2010.

Although, the Walt Disney Company has been around since 1923, throughout the 87 years, they have adapted and adopted the different concepts that are

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ideal in order to run successful business operations. Market penetration, market development, and product develop is also vital so that the organization continues to set itself apart from competitors. The Disney Company has established itself as the nation's leader in family entertainment by sticking to its vision and mission statement "to make people happy" by "nurturing the imaginations of children and celebrating American qualities." I think that Disney should continue to globalize into the foreign market inevitably increasing profits and financial stability. Also continue to focus on overall customer satisfaction with all business segments to meet or exceed its current standards. Even though the Disney Company is currently in the maturity stage they should continue to strive to offer additional services and expand their market place in the next five years is essential for Disney to continue to grow. As an organizations it should continue to do what it has done for the past 87 years to continue to be admired for the way it does business as for the memorable products. If Walt Disney Company continues to do what it has done, a bright future is undeniable.