

The market structure: disneyland company



For more than nine decades, the name Walt Disney has been preeminent in the field of family entertainment, from humble beginnings as a cartoon studio in the 1920s to today's global corporation.

The Walt Disney Company business model includes studio entertainment, media networks, parks and resorts, and consumer products, this huge business diversification started in mid-1980s when Disney set up a powerful centralized strategic planning group to guide the company's direction and growth, but the newly transformed company proved hard to manage and performed unevenly, and the larger, more complex Disney has struggled for consistent, profitability and growth.

For Disney, bigger isn't necessarily better, and creating the right blend of business is always the right formula for success.

Disney magic still in its theme parks, each year more than 43 million people visit it, making it the world's number one tourist attraction, having a Telematch games in Disney Land will be a good idea that will increase number of visitors, creating a buzz, and is just a new innovation in Disney Land business model that will narrow its focus and gotten back to the basics of serving a segment that they know best, in addition Disney Telematch games is consistent with its mission of " make people happy", we all still remember the enjoyment we feel while watching the Telematch games, I can imagine just when I am writing this how much enjoyment will be created when participating in Disney Land Telematch games, the Telematch made you laugh no matter in what kind of mood you may have been, that was the heritage of the games, and Disney Land will be recreating it again.

Disney Land Telematch games will be a global sporting competition in which the participants as an international teams or individuals representing their countries compete for the title of Disney Land world champion.

In the coming parts of this article I will try to show that Disney Land Telematch games will be a creative idea for Disney Land that is just perfect.

Target Segments:

Telematch was the name of a German television show broadcast during the 1970s till 1979 Known as Knockout in Britain and Frontier in Europe, Telematch games attracted many people and more than twenty countries participated in it is version in 1970, all family members can participate in the Disney Land Telematch games competition, thus target segment will include all visitors that are willing to play, the segment will also include television watchers who will watch the recorded competition that can be broadcast in Disney Land media networks such as ABC.

Walt Disney theme parks claimed the top eight spots worldwide in the 2011, the figures shows that a sum of 82 million visitor have visited the eight theme parks, the number is expected to increase led by Telematch games and number of in-house coverage could reach to 246 million people.

Opportunity:

Disney Telematch games can create a Buzz and adds more to the life experience that Disney theme parks creates, the happiness and joy that Telematch games generate and the family bond it creates is in consistent with the company mission of “ make people happy”.

Market Share:

The Company's theme parks and resorts compete with other forms of entertainment, tourism and recreational activities. The profitability of the leisure-time industry may be influenced by various factors that are not directly controllable, such as economic conditions including business cycle and exchange rate fluctuations, travel industry trends, amount of available leisure time, oil and transportation prices, and weather patterns and natural disasters.

Disney would fall under the “ Entertainment – Diversified” industry category as a service

Sector. News Corp., Time Warner Inc., Liberty Media Interactive, Liberty Capital Group, and

Liberty Starz Group is the Walt Disney Company's main competitors within this industry.

Eventhough the Walt Disney Company is a market leader, those other competitors can pose

definitive difficulties because they are all diversified firms with a solid presence within

the global market.

Walt Disney company has a strong market position and market share in theme parks and resorts is around 75%, the business is affected by factors that can be divided as controllable and non controllable, some of these

factors are related to seasonal cycle as theme parks and resorts business experiences fluctuations in theme park attendance and resort occupancy resulting from the seasonal nature of vacation travel. Peak attendance and resort occupancy generally occur during the summer months when school vacations occur and during early-winter and spring-holiday periods.

And here the opportunity occurs as Telematch games can be scheduled in low season period so that we can increase occupancy and revenues rates.

Exhibit F show the revenue percent of each business sector in Walt Disney Company, as illustrated theme parks and resorts comes second by 30% contribution after media and network business, this is also a good indication for us that we are improving the sector of business that can positively affect the overall picture of the company and increase its market share.

Market Structure:

Walt Disney company operates in oligobily market structure, characterized by competition among a small number of large firms that have market power, that must take their rivals' actions into account when developing their own competitive strategies.

The competitors must differentiated their products in order to gain more market power, my idea for Walt Disney is on line with market structure it operates in, Telematch games can creat a huge differentiation between Disney Land and it's competitors and can help to increase revenues through increasing market share, though company is showing strong finicial position in market it's expected that market share can be increased by at least 10% due to Telematch games.

Revenue increase will be generated through tickets, media business and hotels.

Brand Equity:

Telematch games will increase brand equity of Disney Land as a brand name selling experience, the competitive advantages for the company will increase taking into consideration the in-house coverage over media networks owned by the company.

Strategy Recommendations:

The product /market expansion grid (Exhibit A) shows that we are in diversification strategy, since we will introduce a new product for new markets represented by in-house TV watchers whom can't afford visiting Disney land theme parks but still can enjoy watching the competition, Internal and external factor analysis and SWOT analysis (Exhibit B), (Exhibit C) and (Exhibit A) supports the idea.

Competitive Factor Analysis:

Competitors for Disney land worldwide are Universal Studios Japan, Universal’s Islands of Adventure, and Lotte World, Seoul, South Korea since these locations came directly after Disney land theme parks for the number of annual visitors, the company competitive advantage is already high as Disney claims top 8 spots in 2011 global theme park industry attendance report, the company are stronger than all competitors and has all the requirements to make the Telematch games a story of success, the outcomes using competitive profile matrix (Exhibit E) supports our new Telematch games idea.

Brand Name Selection:

The new activity will carry the name of Disney land in addition to the famous name of Telematch; both brands have a heritage and will add to each other, the winner of the competition will be announced as “ Disney Land world Telematch champion”

Marketing Strategy:

The market structure Disneyland company operates in is Oligopoly, where a small number

of firms are operating, services are undifferentiated and some are differentiated, there is many barriers for new firms to enter the market and the company has some control over price, marketing strategy will focus on advertising and continue to deliver the message of “ making people happy”, the connection between family members while playing the Telematch games

and remind people of the heritage of the game that many of us still remember.

Advertising and Promotion:

The Disneyland Telematch games will require a good advertising campaign in order to attract many teams from different countries, the good advertising campaign is a must in the first round of the games and later on once it will be shown on company owned TV channels this will be the perfect advertising for it.

Product Experience:

Disney Land is all about experience, people who visited it once will always remember the life experience they went through, adding Telematch games to the existing services and games in the theme parks will be the just perfect top up, the experience of playing the games as a family will be something to treasure for life.

Conclusion:

We conclude that the new Telematch games competition will be a good add for Disneyland to reinvent itself in the market of family entertainment, it will bring back the focus to theme parks that Disney land is so good in, and will create the Buzz again around Disneyland and will give the company better position in the entertainment market and adds up to its heritage and life experience it used to provide to visitors, the SWOT analysis (Exhibit B), internal and external factors evaluation (Exhibit C&D) are encouraging and shows a high potential for success.

Disney Land Telematch games competition will also be watched through the company owned media networks and will attract more people and will give the chance for many people whom can't afford visiting the theme parks to watch it from their homes all over the world, this will be consistent with the company mission of “ make people happy”.