

Disney company

[Business](#), [Company](#)



External Environment

The Disney Company is renowned throughout the world as a leading media and entertainment company in the world. The external environment for this company is vast and has several effects on the company's operations and performance and progress. The environment includes competitors such as News Corporation and AOL Time Warner Inc, resources, technology, and the economic circumstances that influence the organization.

With media and entertainment companies experiencing a boom with a wider consumer and viewer base it is not easy to compete in the industry. Disney analyzes its general as well as its task environment thoroughly to fish for opportunities and threats. In the following text, we will identify two direct and two indirect forces have the potential to affect the company progress.

Direct Forces

Direct forces or forces from the task environment include all those forces that are closer to the organization. They conduct day-to-day transactions with the company and have a major influence on the company's performance and basic operations. The forces which come under this category include customers, competitors, suppliers and the labor market. We would be analyzing customers and competitors.

Customers

The Disney customers are highly important for Disney. The bargaining power of customers is also high. The customers decide what price they are willing to pay for a movie, what price they are willing to pay at the entrance of

Disney's theme parks and lastly but most importantly the unique customer experience they desire. Therefore customers, as recipients of Disney's services, determine the company's success and future growth.

If Disney slacks any one of these three crucial touch points it would lose its market share to other rivals. Mottos for Disney, thus, revolve around the customers like one which reads " Be so nice to the guests so that they can't believe it". Disney looks for chances to create magical moments for its customers and always making them smile. Customers are what make up Disney and if it wasn't for these customers Disney wouldn't have been where it is now.

Competitors

Disney faces a range of competitors both at a local and international level. Since the Disney Company has been able to tap a very distinctive niche in the industry and has a stronghold, the barriers to entry do exist for the animated entertainment industry. Despite these barriers competition also exists. Disney has been able to establish a mark in the movie business and the Network-television department where several powerful rivals do exist making it extremely risky.

Moreover, new cartoon figures appear every day in television shows and in movie theaters overseas. The recent merger of AOL and Time Warner poses a great threat to Disney. Moreover, Viacom and Fox Entertainment are other big competitors. In order to safeguard its position as the leading media conglomerate, Disney must continuously invest in technological and operational improvements.

Indirect Forces

Indirect forces or forces from the general environment are forces that affect the organization indirectly. It embodies the outer layer of the organizational environment. These forces aren't involved with the organizations day-to-day activities but do affect the organization's progress and performance overtime. These indirect forces include several dimensions like technological, international, socio-cultural, economic and legal-political but we will focus on technological and international dimensions.

Technological Dimension

The Disney Company provides entertainment through animation and animation and technology have a very strong link. Superior animation is supported through superior technology therefore it is imperative for Disney to be up-to-date with technology. With scientific and technological advancements occurring at an astounding pace it is often hard for companies to keep up but it is crucial for them to do so. Newer competitors are using the latest world technology and providing customers with better experiences, Disney should do the same in order to maintain its position.

International Dimension

Events occurring in other foreign countries also have a strong potential to affect Disney's progress. Since Disney operates theme parks in France, Japan, Hong Kong and USA and furthermore operates its own cruise line as well, events and relations with other countries are of great importance. This international environment also provides new competitors, customers and

suppliers and also forms social, technological and economic trends which Disney has to adapt to.

Conclusion

Disney is the world's leading entertainment company but does face many challenges and threats within its environment in terms of direct and indirect forces which have the potential to affect its operations, performance and future growth. It is imperative for Disney to analyze these forces carefully and flex its operations and strategies in accordance to them.

References

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