

Good example of walt disney franchise strategy business plan

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



Recipients: All team members, Marketing Department, Store Managers

Dear Team Members,

You all may very well know that Walt Disney Company is a giant in entertainment industry. Disney's businesses give a diversified look, but the company is devotedly focused on happy experience creation for the individual customers and families. All their business can be classified into three segments i. e. creation of entertainment, providing memorable travel experiences and distributing proprietary consumer products. They serve these segments with their products and services, which include theatrical films, TV broadcast programs, online entertainment materials, theme parks, electronic games, exotic hotels and resorts, tour packages, video games, and a range of consumer merchandise. The company keeps track of the changing consumer trends, adopt the emerging technology and respond to competition with an overwhelming array of products / services.

In the consumer and interactive products segment Disney Company runs the business through alliances and franchisees. In the consumer and interactive segment, the company develops and promotes huge range of products; hence, to penetrate the market with the help of licensees and franchisees throughout the world to sell its products. From the beginning the company has business culture of developing intellectual property such as creative characters, brand names and engaging materials that invoke fun and happiness in the customers.

The Walt Disney company generates substantial revenue by licensing characters (from films, television and print), and merchandise based on

those characters. The third parties such as toy manufacturers, retailers and publishers are building their business utilizing the licenses received from Disney. For example, many publishers have released children's books and have earned significant profit through the license. Some of the intellectual property of Disney that have demonstrated synergistic growth is the licensees are Mickey, Spider-man, Disney Princess, Cinderella, Winnie the pooh, Cars, Star Wars, Toy story, etc. Robert Iger, the present CEO of the company is the man behind consolidating the strategy based on franchisee. For capturing the brand value it has created through its films and movies such as mickey mouse, Cars, Pirates of the Caribbean, etc. Iger has aggressively sought the strategy of franchising the Disney retail outlets and manufacturing facilities.

Another important marketing move by Disney was on segmenting into narrow age groups such as tweens. The company recognized the tween community growing in significance, and was quick enough to come out with merchandise for them related to the videos such as Hannah Montana, High School musical, etc. Through the program of Cars and Pirates, Disney captured the difficult segment of tween boys. From pure product franchising, the company is experimenting with the concept of cross-platform franchising. First the company comes up with a movie or TV program that is popular among the families or age related segments. When the viewership reaches a critical mass, the company licenses the characters of the successful show for merchandising such as making toys, video games, re-enacting the scenes at the Disney studio, etc.

The merchandise offered for licensing operations include a varied range of

product categories, i. e. toys, games, video, apparel, health and beauty, stationery, food, footwear and consumer electronics. The Company licenses help to earn sizeable revenues as royalties, which are a fixed percentage of the selling price of the branded products. In order to support the retailers and the franchises the company implements appropriate promotional campaigns. Mr. Iger is very keen to promote franchisee culture and penetrate deeper into markets that are unrepresented. One more high light of the Disney franchise is that no company has a variety of offerings that are cute, attractive, family-friendly, and highly saleable characters.

Hope this account of the Disney strategy would help you all to gain marketing insights associated with franchising. If you wish to discuss further on this matter, please free to contact my team or me.

Wishing all a good day!

Warm regards,

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