

# Disney cruise line competitive advantage essay sample



**ASSIGN  
BUSTER**

The Disney's cruise line has many strengths and most of those strengths are attributed to the brand name and image that Disney has created over the years. Walt Disney was ranked 7th in the top 50 Global Brand ranking of the "Weekly Business Magazine." The Disney Company has entered many different market niches over the years. These market segments are utilized very well in the Disney cruise. The company is the second largest entertainment and media corporation around the globe. The characters and products that are created cater to the customers and are later used in the cruise. One weakness is frequent change in top management. The many changes could result with the goals or visions of the company being skewed or misrepresented. Disney's core competency is to create a magical experience for the customers. Sources of Disney's competitive advantage are that they already have a very strong brand and image. Also Disney cruises can show movie premieres at sea on Disney movies that are premiering in the U. S. The ships also have decks which solely cater to children and their activities. There is a low threat of new entrants for the cruise line; therefore, Disney cruise does not worry much about competition emerging from that sector.

To enter into the Cruise Industry you need a large amount of capital. Also you have to adhere to many government regulations which can also be costly. Disney cruise has a large threat of substitute. Customers if they are not going to land based vacations can opt to go to the other cruise ships such as: The Royal Caribbean, Carnival, Norwegian Cruise, and many others. When it comes to bargaining power buyers or customers have very lower power mainly attributed to the low concentration of customers in particular

location. Customers are spread out through the country that they cannot collectively come together to control the prices. Another reason is attributed to the fact that there is simply a higher demand than what the Disney cruise might be supplying. The high demand drives the prices up and decreases the buyers bargaining power. There are two types of suppliers that the cruise ships use: the first are the ship builders and the second are the goods and services suppliers.

Ship builders have a high bargaining power because there are not a lot of ship builders and most ship builders usually design the ships also. Once you commit to designing with a certain shipbuilder you would be heavily invested in the process that it wouldn't be cost effective to simply go to another ship builder for a different design. The suppliers that supply goods and services have a low bargaining power because there are many suppliers which gives cruise ships like Disney options of quality and price. The rivalry intensity within the cruise industry is moderately low. The low rivalry is because of the different market segments that the cruise ships can decide to target. There is luxury, contemporary, and premium. One cruise ship could be luxury and another could be contemporary which reduces the chances of the cruise companies competing. The cruise industry is also in its early stages and is still growing. There are still many customers who haven't cruised yet and many of them have showed interest in cruising in the new future. These greater demand helps drive competition down.

Branden Jennings

The company analysis should address the following areas: 1. Company

Description and brief history (Branden) 2. Internal Analysis (financial

<https://assignbuster.com/disney-cruise-line-competitive-advantage-essay-sample/>

analysis, strengths, weaknesses, core competencies, and sources of competitive advantage) (Paul) 3. Company Strategy Thu 4/19

## 2. Internal Analysis

### \* Financial analysis

### \* Strengths

\* The company is the second largest entertainment and media corporation around the globe according to phoebe \* The company and its subsidiaries, present a diversified entertainment and service providing industry. The company makes movies and markets original consumer products \* Brand name and image. Walt Disney was ranked 7th in the top 50 Global Brand raking of the Weekly Business Magazine.

### \* Weaknesses

\* Frequent change in top management

### \* Core competencies

\* Disney's core competency is to create a magical experience for the customers.

### \* Sources of competitive advantage

\* Disney can offer movie premieres at sea if there are any movie premiers showing in theaters across the U. S.

\* The company ships have a deck purely for children and their leisurely activities.

### \* Porter's Five Forces

### \* Threat of New Entrants

### \* Government regulations

<https://assignbuster.com/disney-cruise-line-competitive-advantage-essay-sample/>

- \* Ship Costs
- \* Threat of Substitute
- \* Carnival Cruise
- \* Royal Caribbean
- \* Other cruise lines
- \* Bargaining Power of Buyers
- \* Low concentration of buyers
- \* High competition between buyers reduces bargaining power.
- \* Demand is greater than the supply
- \* Bargaining power of Suppliers
- \* High bargaining power: Ship builders can set the prices on the cost of building one
- \* Low bargaining power for suppliers of food and ship equipment
- \* Rivalry Intensity
- \* Cruise line industry is an oligopoly market where several major cruise liners make up more than 90% of the market share
- \* Rivalry is low: because of different market segments that each cruise company caters to.
- \* Citation
- \* <http://www.customwritingbay.com/samples/RESEARCH%20PAPER%20APA%20STYLE.pdf> \*