

Dell - swot analysis



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SWOT ANALYSIS WALT DISNEY About the Company The Walt Disney

Company was founded in 1922, and it went on to become one of the biggest in animation and motion pictures. With family entertainment as its middle name, the company employs over 58,000 people all over the world and is a global company of its kind when it comes to multinational status and level of operations. (Barrie, 1999)

SWOT Analysis:

Strengths:

Local Human Resources: Makes use of local strength and therefore cuts cost in recruitment and employment.

Development Programs: It offers its employees a variety of development opportunities.

High Revenue: The Walt Disney company today has an annual revenue of about \$35 Billion USD - which is a major achievement for any company. (Aaker, 1991)

Tax Relief: Tax relief from the French government from 18.6% to a mere 7% when Euro Disney provided public transport with a 1.2 billion investment from the French government.

Low Cost Strategy: Its resources are its low cost strategy in business as well as its long term experience in the field which are both definite draws for the customers. (Geocities - Official Website)

Weaknesses:

Widespread HR Base: Its HR base is too widespread and there needs to be more coordination in the work culture so as to make it more flexible.

Competition: Other entertainment companies have a greater market share

abroad as Disney emphasises more on its US and Europe market share.

Therefore, it misses out on its Asian market share. (Aaker, 1991)

Buyer Money Share: The buyer money is not easy to save in the entertainment industry due to high overheads.

Low Profit Margin: The bargaining power that the customer enjoys in this industry is high especially in case of entrance fees, prices of DVDs and other such factors. Since the main focus of Disney's business is its low cost strategy, it does not save much of its buyer money and it makes less profits. The customer, in this kind of an industry, is needed for the success of such a company. Therefore, more often than not Disney has to cut profit margins in order to grab a larger chunk of the market.

Need for Investment: There is a requirement for greater investment within Disney. (Geocities - Official Website)

Opportunities:

Use of Local Resources: Disney employs people locally and can thus capture the local market in a better way through increased motivation within the work space through which employees will come up with better suggestions.

Strong Brand Identity: Disney already has the biggest brand following globally. When studied as a perception born in the consumer's mind we define the concept of 'brand' as the sum of associations that are evoked by names or symbols. This is the first step towards the creation of the proposed integrative model as using this definition implies that one is subscribing to the brand identity angle as a base for brand equity. At the same time, the scope of this definition should not merely serve to associate with the product. It must promote an association with the organization behind Mickey Mouse, by helping the customer relate the Mickey Mouse emblem with

information on Disney. This forms an important part of the brand identity process and may result in the creation of enhanced brand equity. (Aaker, 1991)

Competitive Advantage: Also, it can apply Porter's model of competitive advantage on a more global level instead of merely at the national level. This can be done along the following lines: (Porter, 1998)

Source: M E Porter, 1998

Threats:

Informal Work Culture: The company follows a very informal structure within its work culture which might pose a threat in the entrepreneurial control structure. (Aaker, 1991)

Performance Management: It does not follow a formal structure of performance management.

Competition from Gray Markets: It does not cater for piracy and a wide availability of all kinds of related services at less prices.

Legalities: The legal pressures in terms of patents and rights of people involved.

Saturation of Markets: Over saturated market for entertainment related goods and services. (Barrier, 1999)

References

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