

Strategic Analysis of Disney's Acquisition of 21st Century Fox: Market Expansion, Synergies, and Competitive Impacts

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Abstract: This study employs a case analysis approach to examine the strategic motivations behind Disney's acquisition of 21st Century Fox, investigating its impacts on Disney and the broader media industry. The analysis aims to uncover the underlying strategic motivation, evaluate the merger's effectiveness, and assess its influence on the global entertainment market's competitive landscape. Findings reveal that Disney leveraged the acquisition to expand market share, bolster its streaming capabilities, and diversify international distribution channels. By integrating Fox's iconic film and television intellectual property with technological innovation, Disney successfully strengthened its competitiveness across television, film, and streaming sectors. This research contributes novel insights by systematically analyzing post-merger synergies and their implications for stakeholders. Investors are advised to prioritize evaluations of synergy potential while monitoring risks arising from shifting industry dynamics. Investors are advised to conduct thorough analyses to assess how shifting competitive landscapes, including regulatory responses, technological disruptions, and evolving consumer preferences, all of these factors can affect may impact long-term returns. By balancing opportunistic synergy capture with robust risk mitigation frameworks, investors can navigate the complexities of M&A-driven market transformations more effectively.

Keywords: Mergers and Acquisitions, Integration, Synergy, Market Expansion.

1. Introduction

The Walt Disney Company is an American multinational mass media and entertainment conglomerate founded in 1923, originally as an animation studio. In 1928, it established its leadership in the animation industry with the short film *Steamboat Willie*, featuring Mickey Mouse—a character who became immensely popular and later symbolized the Disney brand. By 1934, Disney noted that profits from merchandise related to Mickey Mouse far exceeded those from its films. Subsequently, the company evolved into a global entertainment and media leader, with operations spanning film production, television networks, theme parks, consumer products, and more. Its iconic works include *The Lion King*, *Snow White and the Seven Dwarfs*, and *Frozen*. Additionally, Disney expanded its influence through acquisitions of other entertainment firms, such as Pixar in 2006, Lucasfilm in 2012, and major assets of 21st Century Fox in 2019. These acquisitions cemented Disney's dominance in the global entertainment market.

21st Century Fox was an American multinational media corporation, originating from Rupert Murdoch's 1985 creation of the Fox Broadcasting Company. Fox held significant influence in global

media, particularly in news, sports, and entertainment programming. Over decades, Fox grew into one of the world's largest and most influential media groups through acquisitions and expansion. However, rising digital media trends and shifting global competition pressured the company. Ultimately, in 2019, Fox decided to sell its film and television entertainment divisions to Disney, refocusing on news and sports.

Disney's acquisition of 21st Century Fox began in 2017, when the company announced plans to purchase Fox's assets, including its film studio, television studios, and international TV operations—for 52.4 billion [1]. In June 2018, Comcast corporation, the largest U.S. cable and home Internet service provider, entered the bidding war with an all cash offer of 65 billion [2], intensifying Disney's pursuit. Disney countered with a \$71.3 billion cash-and-stock deal, securing the agreement with Fox [3]. Regulatory approvals followed, culminating in final approval on March 20, 2019, reducing Hollywood's "Big Six" studios to the "Big Five." Fox assets like 20th Century Fox, FX Networks, and Hulu shares transitioned to Disney, while remaining divisions such as Fox News and Fox Sports were reorganized into the new "Fox Corporation."

This article aims to deeply analyze Disney's acquisition of 21st Century Fox. First, it explores the strategic motivations behind the merger, examining its impact on Disney's market share and competitiveness. Second, it investigates the transaction's effects on industry dynamics, particularly in streaming and film production. Finally, it analyzes post-merger synergies, detailing how Disney optimized operations, sales, and management to maximize acquisition benefits.

1.1. Strategic Objectives of Mergers and Acquisitions

1.1.1. Market Expansion

Datta, Basuil, and Agarwal argue that geographic and product market expansion through mergers and acquisitions (M&A) represents one of the core motivations for corporate deals. They emphasize that successful M&A enables firms to rapidly enter new markets, reducing the time and risks associated with organic growth [4]. Hossain highlights in his research that synergy is the most common strategic objective in M&A, particularly in cost savings and revenue growth. He notes that successful acquisitions often achieve synergies by integrating supply chains, sharing technologies, or cross-selling products and services [5]. Meyer-Waarden and Cloarec explore how technology-driven M&A helps firms maintain competitiveness in rapidly evolving markets. Using artificial intelligence and autonomous driving technologies as examples, they stress that acquisitions serve as critical pathways to acquiring cutting-edge technologies [6]. Keenan, Monteath, and Wójcik discuss how M&A enhances firms' competitive positioning through the consolidation of industry resources. They argue that cross-industry M&A allows companies to occupy more advantageous positions within global production networks [7].

Table 1: Disney Earnings: 2016 and 2023 Form 10-K and Press Release with Subscriber Data for Hulu, Disney+, and More

Year	DisneyStreaming Subscribers (Million)	Total Global Streaming Subscribers (Million)	Market Share
2016	15	400	3.75
2023	150.2	1200	12.5

Note: In 2016 Disney only held a 30% stake in Hulu, the 2019 Disney+ (112.1M), Hulu (48.5M), ESPN+ (26.0M)

As shown in Table 1, Disney expanded its market share and further solidified its global influence in the entertainment and media industry, spanning film, television production, and streaming—through its acquisition of 21st Century Fox. Fox's portfolio included powerful film franchises such as

X-Men, *Deadpool*, and the *Avatar* series, which significantly enriched Disney's content library. By leveraging its global distribution and marketing networks, Disney could amplify these IPs' reach, attracting broader audiences and expanding its market dominance. This deal marked one of the most strategic IP consolidations in entertainment history. Notably, the *X-Men* characters, originally sold to Fox by Marvel during its 1990s financial crisis, were repatriated to Marvel Studios under Disney's ownership, generating intense anticipation among global Marvel fans. Through Disney's sophisticated marketing infrastructure, these iconic franchises' global appeal would be further unlocked, cultivating new fan bases worldwide.

While Disney was already a leader among Hollywood's "Big Six" studios prior to the Fox acquisition, the impetus for the merger arose from competition posed by streaming giant Netflix. By circumventing traditional theatrical release models, Netflix directly delivered content to consumers at lower costs than cinema tickets, posing a significant challenge. To counter this, Disney acquired Fox's stake in streaming platform Hulu before launching Disney+ in 2019. By 2023, Disney+ had amassed over 100 million global subscribers, reflecting explosive growth. While Netflix retained its lead, Disney's competitiveness in streaming was sharply enhanced. Fox's content library provided critical support for Disney+, enabling stronger global user acquisition, particularly in international markets.

Beyond film, Fox's television and broadcasting operations held deep international roots. Integrating Fox's global TV networks—with strong footprints in Latin America, Europe, and Asia—allowed Disney to optimize content production and distribution worldwide. For instance, Fox's Latin American TV channels and Indian broadcasting assets granted Disney immediate access to local markets. By consolidating these resources, Disney could expand its global TV and broadcasting networks, tailoring Disney+ and Hulu content to regional preferences while accelerating international expansion.

1.1.2. Competitive Defense

21st Century Fox possessed renowned IPs such as *Avatar*, *Deadpool*, and *X-Men*, alongside robust distribution channels, particularly in Europe and Asia. Disney's acquisition of Fox not only bolstered its content library but also secured powerful international distribution networks through Fox's global TV assets, including Star India and Sky TV.

Star India, one of India's largest television networks and a key Fox asset, spans news, sports, entertainment, and movie channels, commanding a vast audience. The acquisition also granted Disney access to Star India's digital platforms like Hotstar—now rebranded as Disney+ Hotstar—India's leading streaming service attracting massive viewership for sports, blockbuster films, and TV series. Integrating Hotstar into Disney+ significantly strengthened Disney's streaming presence across India and neighboring regions.

Sky TV, one of the UK's largest pay-TV providers, offers extensive services and content with deep reach across Europe, including Italy, Germany, and beyond. A leader in European sports broadcasting, Sky holds exclusive rights to premier leagues like the English Premier League and Serie A, reinforcing its dominance in both traditional TV and digital realms via streaming platforms Sky Go and Now TV. These assets provided critical infrastructure for Disney's global content distribution.

In streaming, Disney aimed to counter rivals like Netflix by announcing plans to phase out all Disney content from Netflix within two years post-acquisition, redirecting audiences to its proprietary platforms. This strategic move, combined with Fox's IP and distribution networks, positioned Disney to dominate the streaming landscape while expanding its global entertainment empire.

1.2. Complementary business gaps or expansion of existing businesses

1.2.1. Streaming Media Field

In recent years, the rise of streaming platforms has posed challenges to Disney from competitors like Netflix and Amazon Prime Video. To counter these formidable rivals, Disney needed to integrate its film IPs while expanding its streaming footprint. Hulu, a subsidiary of Fox, emerged as a critical tool in Disney's arsenal to compete against Netflix and Amazon Prime Video. Following the acquisition of Hulu, Disney gradually rolled out its own streaming service, Disney+. As shown in Figure 1 and Figure 2, while Netflix maintains a significantly larger user base than Disney+—260.3 million subscribers versus 150 million as of 2023—Disney+ has demonstrated notably faster growth. From 2020 to 2024, Disney+ achieved an average annual growth rate of approximately 31.2%, compared to Netflix's 16.5%. Netflix's slowdown reflects its maturing user base, with saturation in most markets limiting expansion.

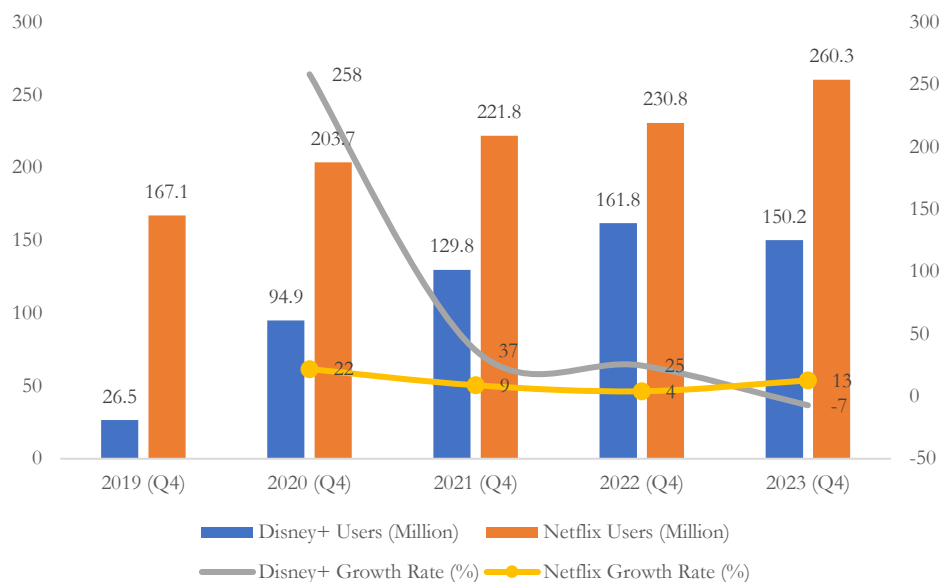


Figure 1: Comparison of Disney+ and Netflix's subscriber size and their growth rates

Data source: Data from Netflix's quarterly and annual earnings reports (Forms 10-K and 10-Q)

Photo credit: Original

Fox's robust portfolio in film and television production, including iconic IPs such as *X-Men*, *Deadpool*, and *Avatar*, provided Disney+ with substantial content support, addressing gaps in Disney's content diversity. Post-acquisition, Disney integrated these popular IPs into its streaming library, significantly enhancing platform appeal and attracting film enthusiasts, thereby intensifying competition with streaming giants. By leveraging Fox's assets, Disney aimed to not only fortify its streaming ecosystem but also to challenge Netflix's dominance in the global streaming landscape.

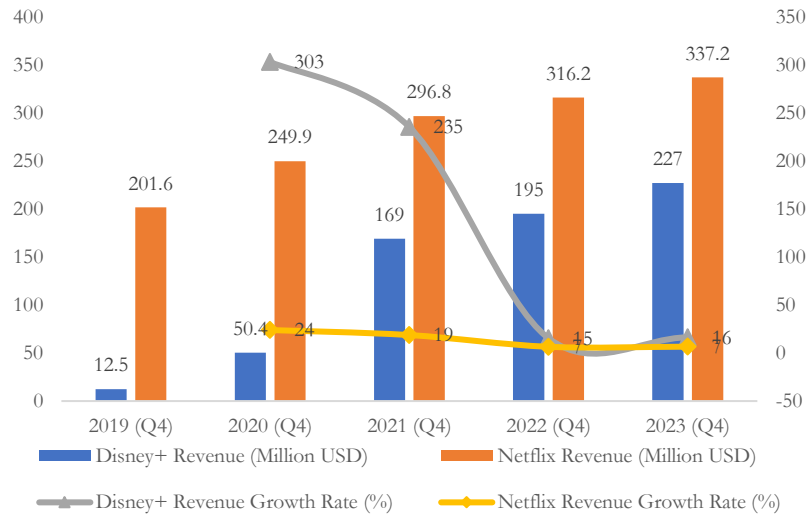


Figure 2: Comparison of Disney+ and Netflix's Revenues and their Growth Rates

Data source: Data from The Walt Disney Company's quarterly and annual earnings reports
Photo credit: Original

1.2.2. Expansion of Television Networks and Content

By acquiring Fox's television networks, such as National Geographic and FX Networks, Disney expanded its TV operations to address previous gaps in its portfolio. While Disney traditionally focused on family-friendly entertainment, animated films, and children's programming, Fox brought a broader range of diversified and mature content to the table. As shown in Figure 3, this acquisition enabled Disney to diversify its offerings, capturing audiences across different age groups and preferences, thereby achieving wider market reach. By integrating Fox's assets, Disney not only strengthened its content ecosystem but also expanded its appeal to demographic segments previously underserved by its existing portfolio.

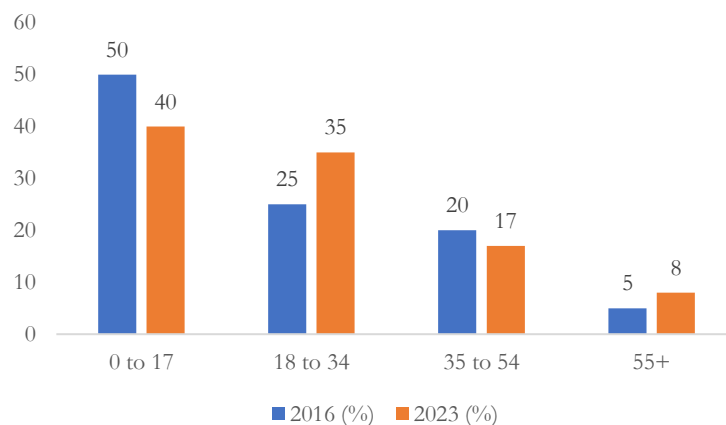


Figure 3: Comparison of Audience Structure for Disney's Traditional Film and Television Business in 2016 vs. Integrated Film and Television Business in 2023

Data source: Statista (Disney Channel audience data 2014-2023)
Photo credit: Original

1.2.3. Regional Sports Program Networks

Fox's regional sports programming also held significant appeal for Disney, as sports content increasingly becomes a critical driver for attracting audiences and boosting subscription numbers. By acquiring Fox, Disney could substantially fill critical gaps in its own sports portfolio while introducing diverse revenue streams such as advertising income and broadcasting rights, thereby enhancing its influence in the global entertainment market.

2. Market

2.1. Competitive Landscape

2.1.1. Whether or not the industry is highly concentrated

Industry concentration is influenced by multiple factors. Bain identified entry barriers as a critical determinant of industry concentration, arguing that such barriers limit new entrants, enabling incumbent firms to maintain high market share and concentration [8]. From the perspective of imperfect competition, Robinson analyzed the formation mechanism of industry concentration, attributing it primarily to economies of scale and technological progress [9]. McAfee & McMillan highlighted scale economies and corporate behavior as key drivers, suggesting that firms consolidate their market positions through M&A and strategic alliances, thereby elevating industry concentration [10]. Huo & Li examined the impact of market competition and corporate strategies on concentration, noting that in highly concentrated markets, firms prioritize non-price competition to secure market share, further entrenching concentration [11]. The consequences of high industry concentration are multifaceted. Johnson, R. K., & White, S. proposed that increased concentration can have dual effects on competition and innovation: while enabling firms to gain advantages via scale and innovation, it may also stifle competitive dynamics and innovation incentives [12]. Brown, L. M., & Green, P. found that rising concentration significantly suppresses productive entrepreneurship but may stimulate unproductive activities, as entrants face higher barriers and pivot to non-productive resource extraction [13]. Williams, A., & Harris, D. linked heightened concentration to economic inequality, as monopolistic profits concentrate among a few firms or individuals, exacerbating resource disparities [14]. Smith, J. A. argued that concentration depresses wage growth, as firms retain scale-driven profits rather than sharing gains with labor [15].

Post-Fox acquisition, Disney further elevated industry concentration, reducing Hollywood's "Big Six" studios to the "Big Five." In traditional filmmaking, integrated IPs fortified Disney's content moat, compressing competitors' space. The deal also secured a 60% Hulu stake, making Disney the dominant controller of America's second-largest streaming platform. Together with Disney+ and ESPN+, Hulu forms a "streaming trio" competing directly with Netflix and Amazon Prime Video. By integrating content and distribution strengths, Disney created a self-reinforcing ecosystem, solidifying its dominance across media landscapes.

2.1.2. Will mergers and acquisitions weaken competition in the industry

Post-merger, competition between Disney and other entertainment giants like Warner Bros., Sony, and Universal became more direct and intense. These major studios continue to vie for audiences, copyrights, premium content, and innovation. The acquisition indeed raised industry entry barriers, particularly for newcomers or mid-sized firms, which struggle to compete directly with giants possessing vast content libraries and financial resources. However, this does not imply competition has vanished. For instance, Netflix—once a niche player emerging from the cracks of traditional studio dominance—has grown into a streaming leader, posing significant challenges to Disney. Its

trajectory demonstrates that even in highly consolidated markets, disruptive innovation can reshape competitive dynamics, underscoring the industry's enduring adaptability despite consolidation pressures.

2.2. Consumer Perception

Following Disney's acquisition of Fox, its brand influence continued to expand. On the one hand, Marvel fans expressed high anticipation for the merger, as the return of IPs like *X-Men* and *Fantastic Four* under Marvel's umbrella implied stronger cross-character interactions. By integrating Fox's content libraries, Disney expanded its entertainment offerings, enhancing user engagement through diversified storytelling and interconnected universes. On the other hand, the consolidation raised concerns over homogenized content production, as creative decisions might be increasingly driven by franchise synergies rather than original innovation. Critics argue that such integration could limit filmmakers' artistic autonomy, potentially stifling creative experimentation in favor of formulaic blockbuster outputs.

2.3. Regulatory Concerns

Antitrust laws primarily aim to ensure that mergers do not excessively weaken market competition or create unfair competitive conditions [16]. During Disney's acquisition of Fox, regulatory bodies assessed whether the merger would reduce competitiveness in specific market segments or lead to monopolistic outcomes. If the merged entity's market share in certain niches approached or exceeded a defined threshold, it could trigger antitrust scrutiny. Additionally, if the merger raised barriers to entry, thereby diminishing market rivalry, it would also fall under antitrust review. By acquiring Fox, Disney consolidated high-profile IP portfolios and secured distribution channels across Asia and Europe, erecting significant challenges for new entrants or smaller competitors seeking to survive in the industry [17]. Disney announced its intent to acquire Fox in 2017 but only finalized the deal in 2019, following exhaustive regulatory reviews. Authorities were concerned that the combined entity might amass excessive control over content resources, marginalize competitors, limit market access, and drive-up prices or reduce content diversity. To address these concerns, U.S. regulators mandated measures such as requiring Disney to divest 22 regional sports networks (RSNs) to mitigate antitrust risks, ensuring the merger would not inflate sports programming prices or stifle competition in the streaming sector [18]. The European Commission, meanwhile, focused on the merger's impact on European film and sports content licensing. During its review, the Commission demanded that Disney sell off certain assets to curb its market dominance in key areas and preserve a competitive environment post-merger [19]. After complying with these regulatory stipulations, Disney completed its acquisition of Fox on March 20, 2019.

2.4. Stakeholder Analysis

2.4.1. Shareholders

Datta, Basuil, and Agarwal argue that shareholders are typically the most critical stakeholders in mergers and acquisitions (M&A), with their primary focus on whether the deal enhances corporate value and shareholder returns. Their support for M&A often stems from anticipated synergies, market expansion, and technology acquisition—factors that could drive higher stock prices and long-term gains. However, shareholders also face risks if the merger fails, such as share price declines eroding their investment returns [4]. Fox shareholders endorsed the acquisition, and Disney ultimately structured the deal as a combination of cash and stock. For Fox shareholders, holding Disney shares

may have been more appealing, as Disney is a larger, more stable company with greater stock growth potential.

2.4.2. Workers

Hossain posits that employees' primary concerns during mergers and acquisitions (M&A) revolve around job security, compensation changes, and cultural integration. Successful cultural integration can boost employee morale, while failures may lead to demoralization and turnover. Employees of the acquired company often face substantial uncertainty [20]. Post-merger, companies typically undergo structural reorganization to eliminate redundant roles and enhance efficiency. After Disney's acquisition of Fox, the integration of two distinct corporate cultures required management to reevaluate overlapping positions and adjust roles to align with the new organizational structure. For instance, the closure of Fox's Blue Sky Studios resulted in layoffs. Simultaneously, Disney retained critical technical talent to expand its streaming operations, and the rapid growth of Disney+ created numerous new job opportunities.

2.4.3. Management

Keenan, Monteath, and Wójcik highlight that management teams in M&A may prioritize personal interests—such as job security, compensation, and equity incentives—over maximizing shareholder value. When interests diverge, management may engage in short-term behaviors, such as accepting excessive acquisition premiums in exchange for personal gains [6]. In the case of Disney's acquisition of Fox, the interests of Disney's management and shareholders were largely aligned. The management team championed the merger to enhance corporate value and capture a larger market share.

2.4.4. Consumer

In their research, Meyer-Waarden and Cloare argue that while mergers and acquisitions (M&A) can enhance consumer experiences through diversified content and technological innovation, they may also lead to higher prices and reduced choice due to increased market concentration. Consumers often benefit from short-term content variety but may face higher subscription costs or service monopolies in the long run [7].

Following Disney's acquisition of Fox, Disney+ expanded its content library and secured more film copyrights, significantly improving viewing experiences for existing Disney fans. However, from a broader consumer perspective, choices narrowed as market consolidation occurred. With different streaming platforms holding exclusive copyrights to various films, consumers were compelled to subscribe to multiple services to access their preferred content, effectively increasing overall subscription expenses.

3. Synergies

3.1. Operational Synergies

After Disney's successful 71.3 billion acquisition of Fox, while receiving a number of awards including X-Men, Avatar, Deadpool, the deal also incurred significant costs.

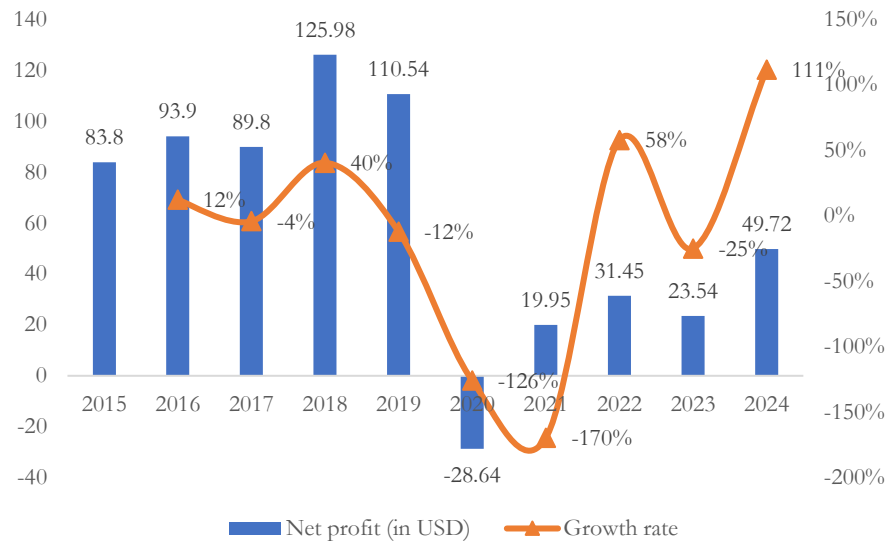


Figure 4: Net profit from 2016 to 2023

Data source: Disney FY Annual Report (Form 10-K)

Photo credit: Originals

As shown in Figure 4, the success of Disney can be attributed to several factors: the launch of streaming service Disney+, substantial box office revenues, expanded content libraries post-Fox acquisition, and steady income from Disney parks. In addition to higher expenses from the Fox acquisition, the main cause of 2020's negative net profit was the COVID-19 pandemic, which had a significant negative effect on Disney's theme parks, movie theaters, and live entertainment businesses. According to Disney's 2020 fiscal report, pandemic-related disruptions—such as park closures and film production halts—resulted in approximately \$7.4 billion in lost revenue. Following the merger's completion in 2019, Disney laid off some Fox employees, particularly in film production, television divisions, and administrative roles. In 2020, declining demand due to the pandemic prompted Disney to announce further large-scale layoffs. By November 2020, Disney stated it would cut about 32,000 jobs, primarily within its theme park division. The merged entity benefited from enhanced bargaining power, as Disney's market share expanded post-Fox acquisition. As shown in Table 2, the enlarged scale of the combined company diversified revenue streams, indicating financial stability and stronger negotiation leverage with suppliers, as Disney could offer greater financial backing and partnership commitments. Additionally, Disney effectively integrated Fox's resources post-merger, leveraging Fox's distribution channels in Asia and Europe alongside its own U.S. networks to further global expansion. Fox's content, technology, and film production capabilities also enabled Disney to reduce movie production costs.

Table 2: Disney Revenue Structure Comparison 2016-2023

	Revenues for 2016 (in billions of dollars)	Share of 2016 (%)	Revenues for 2023 (in billions of dollars)	Share of 2023 (%)
Media Platform	236.89	42.6	400.27	45
MainCompany +Sports Products	169.74	30.5	324.33	36.5
Movie	94.4	17	0	0

Table 2: (continued).

Entertainment				
ConsumerGoods Amusement parks	55.29	9.9	0	0
ESPN Sports	0	0	171.4	19.3
Other operations (investigative)	-7.02	0	0	0
Total revenue	556.32	100	888.98	100

3.2. Sales synergies

3.2.1. Content IP Integration

Following Disney's acquisition of Fox, the company successfully integrated both parties' customer resources and marketing channels. The *Deadpool* and *X-Men* franchises had already amassed large fan bases under Fox, and with their return to Marvel, Disney could further solidify its existing Marvel fan community and enhance audience and fan loyalty to the brand. New characters and unique storylines introduced more possibilities and diverse narrative developments, while new film and series franchises boosted the appeal of the Marvel brand and expanded its customer base. Additionally, prior to the merger, Disney and Fox catered to fans of different ages and preferences. By integrating Fox's film and television resources, Disney redirected Fox's original fan base to its own platforms, thereby broadening its fanbase.

3.2.2. Integration of distribution channels

The acquisition of Fox enriched Disney's distribution channels in traditional film and television. By leveraging Fox's distribution networks in Asia and Europe, combined with Disney's own U.S. distribution channels, Disney essentially achieved a globalized distribution footprint, thereby increasing sales revenue worldwide. This synergistic effect allowed Disney to rapidly expand into new markets and capture local fan bases.

3.2.3. Synergies of Streaming Platforms

The integration of streaming platforms further diversified Disney's sales channels. Through the Fox acquisition, Disney gained diverse assets including Hulu, 20th Century Fox, and National Geographic, expanding its streaming operations. Post-merger, Disney launched Disney+ and combined the strengths of Hulu and ESPN+ to steadily increase its streaming market share, gradually capturing diverse audiences such as families, adults, and sports fans. This not only complemented Disney's existing family-oriented entertainment ecosystem but also attracted broader demographics through differentiated content. The consolidated distribution channels significantly boosted Disney's streaming subscription revenue. According to Disney's 2023 fiscal data, its streaming business (including Disney+, Hulu, and ESPN+) generated 8.4 billion annual revenue, up from \$7.4 billion in fiscal year 2022. Over four years (2020–2023), total growth reached 200%, rising from 2.8 billion to 8.4 billion. These figures demonstrate that streaming synergies drove subscription revenue growth.

3.2.4. Bundling of Products and Services

Disney can leverage Fox's content and brands to create bundled sales with its own products, such as Disney merchandise and theme park tickets, thereby boosting overall revenue and diversifying income streams.

3.3. Managing Synergies

3.3.1. Cultural Conflicts

Cultural differences between Disney and Fox may trigger clashes. Disney prioritizes family-friendly content creation and long-term brand building, emphasizing creativity and corporate social responsibility. Many Disney films and animations, such as *The Lion King* and *Frozen*, cater to broad audiences across all age groups, offering educational value and positive moral guidance suitable for family viewing. Meanwhile, Disney remains committed to long-term brand development, maintaining its leadership in filmmaking through continuous innovation in technology, visual effects, and cinematic techniques. Additionally, the company actively upholds social responsibility by incorporating multiculturalism and inclusivity into its works, striving to represent diverse audiences from various backgrounds and identities.

In contrast, Fox leans more toward adult entertainment, news reporting, and blockbuster films, with a corporate culture that may be more liberal and challenging. Fox has a strong legacy in producing adult-oriented films like *Deadpool* and *The Devil's Advocate*, which feature mature and complex narratives focused on character depth and reflections of contemporary social contexts. Fox News, under the Fox umbrella, often challenges traditional media authority with a more libertarian approach, appealing to specific viewer demographics.

Disney's team, however, has ample experience in post-merger integrations and has established dedicated cultural integration teams to assist employees in adapting to Disney's culture, thereby enhancing operational efficiency.

3.3.2. Has management efficiency improved?

Fox and Disney had overlapping functional departments in content production, distribution, marketing, and other areas. After the merger, certain departments and management layers were streamlined. Furthermore, by integrating Fox's film, television, and advertising sales operations into Disney's existing divisions, redundant management processes were eliminated, reducing overhead costs and the complexity of cross-departmental communication. This centralized management approach not only lowered expenses but also enhanced operational efficiency.

3.3.3. Complementary strengths of the management team

The leadership teams of Disney and Fox achieved complementary strengths across multiple fronts, particularly in content creation, distribution channels, and brand management. Their successful integration has forged a more robust Disney. Meanwhile, the merged entity can share data insights to accurately capture preferences of diverse fan bases, leveraging big data analytics for precision-targeted marketing strategies.

4. Conclusion

This article examines the strategic motivations and industry implications of Disney's acquisition of 21st Century Fox, analyzing how this merger propelled Disney to a more dominant position in the global entertainment and media landscape, particularly enhancing its competitiveness in film,

streaming, and international markets. Through a case study approach, the article explores the process and outcomes of Disney's merger with 21st Century Fox. The research aims to uncover the strategic rationale behind the acquisition, evaluate its results and effectiveness, and assess its broader impact on the global film and entertainment industry. The merger generated synergies enabling Disney to achieve integrated content IP portfolios, expand its streaming capabilities, and diversify global distribution channels. Not only did Disney solidify its influence in traditional film and television, but it also strengthened its streaming sector competitiveness. For investors, it is crucial to monitor post-merger synergies and shifts in industry competitive dynamics. When evaluating companies, ongoing attention should be paid to M&A progress and evolving market competition environments.

Although this paper explains the strategic motivations behind Disney's acquisition of 21st Century Fox and its impact on Disney and the industry, there are still some shortcomings. In the streaming sector, while this paper mentions Disney's competitors, such as Netflix and Amazon Prime Video, and discusses how Disney's expansion in streaming after the Fox acquisition has narrowed the gap with Netflix, it does not explore in depth how these companies have adjusted their strategies and responded to the market changes brought by Disney's acquisition of Fox.

Future research could focus on the long-term effects of Disney's acquisition of 21st Century Fox, conducting an in-depth analysis of how Disney's main competitors have strategically responded to the acquisition. This would provide a more comprehensive evaluation of the changes in the industry's competitive landscape.

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