

An Analysis of Disney's Marketing Strategy Analysis-Based on SWOT Theory

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Abstract: Disney has become a global entertainment powerhouse, leveraging its brand strength and diversified business operations to maintain its industry dominance. Effective marketing strategies are essential to sustaining its competitive edge in an evolving media landscape. Therefore, this study examines Disney's marketing strategy through a short film case study, using SWOT analysis to evaluate its strengths, weaknesses, opportunities, and threats. This research applies SWOT analysis to understand Disney's strategic positioning. By analyzing its internal advantages and limitations, along with external market conditions, the study provides a comprehensive evaluation of Disney's approach. The findings reveal that Disney's strengths lie in its strong brand identity, extensive intellectual property, and diverse revenue streams. However, challenges include high production costs and dependence on theatrical releases. Opportunities such as digital expansion and global market growth enhance its potential, while threats like increasing competition and changing consumer behaviors pose risks. It can be argued that Disney's ability to adapt and integrate new market trends is key to maintaining its leadership in the entertainment industry.

Keywords: Disney, Marketing Strategy, SWOT Analysis, Digital Expansion, Brand Management

1. Introduction

Disney has evolved from a small animation studio in 1923 to a global entertainment empire, encompassing various sectors such as film, television, theme parks, and digital media [1]. Scholars have analyzed Disney's success from diverse perspectives, including brand management, digital expansion, and integrated marketing communication. Zhu [1] emphasizes the contribution of Disney's robust brand positioning and consumer engagement strategies to its competitive advantage. Pitre [2] explores Disney's digital expansion, particularly through its streaming service Disney+, and its integration of traditional storytelling with modern consumer demands. Geist [3] delves into Disney's strategic marketing towards children, emphasizing segmentation and brand loyalty tactics. This study employs a SWOT analysis framework to examine Disney's marketing strategies from four key dimensions: strengths, weaknesses, opportunities, and threats. The aim is to provide strategic insights for Disney's future development. By analyzing how Disney leverages its strengths, addresses weaknesses, seizes opportunities, and mitigates potential threats, this research offers recommendations on how the company can maintain its market leadership and achieve long-term success. This study will analyze Disney's latest financial reports and market data to explore the impact of its marketing strategies on sales performance and profitability. Additionally, it will integrate

relevant literature and case studies to thoroughly analyze Disney's competitive advantages and challenges across various sectors, providing recommendations and insights for its future development. This research will offer strategic insights for Disney's future development, providing recommendations on how to maintain market leadership and achieve long-term success. By analyzing Disney's marketing strategies, this study will assist the company in better understanding consumer needs, optimizing products and services, and formulating more effective marketing campaigns. Furthermore, it will offer recommendations and insights for other entertainment companies, aiding their success in the highly competitive market environment.

2. Marketing strategy analysis

2.1. Strengths

Disney's strengths stem from its globally recognized brand, extensive consumer base, and diversified business operations [1]. The company's ability to deliver high-quality content across multiple platforms, including film, television, streaming, and theme parks, reinforces its dominance in the entertainment industry [2]. Disney's focus on continuous innovation has enabled it to adapt to changing market trends and emerging technologies [3].

One of Disney's key strengths is its strong brand loyalty. Consumers across generations associate Disney with trusted family entertainment, allowing the company to cultivate a loyal audience [4]. This brand trust extends to Disney's merchandise, where character-based products drive strong retail sales worldwide.

Another strength is Disney's expansive global presence. The company operates theme parks, resorts, and cruise lines in multiple regions, catering to a vast and diverse customer base. Its ability to generate revenue from multiple sources, including media networks, studio entertainment, consumer products, and direct-to-consumer streaming services, ensures financial stability and growth [5].

Disney's effective synergy across its business units generates unique cross-promotional opportunities. Films and television shows not only enhance theme park attractions but also bolster merchandise and video game sales, thereby maximizing brand exposure and profitability. Moreover, strategic acquisitions such as Marvel, Lucasfilm, and 21st Century Fox have significantly expanded its content library, thereby strengthening its competitive edge in both the streaming and film industries.

Disney's strong financial health allows it to invest in advanced digital technologies, such as artificial intelligence and virtual reality, to enhance consumer experiences. With a focus on sustainability, the company has also integrated environmentally friendly initiatives into its parks and productions, aligning with evolving consumer expectations and corporate social responsibility commitments.

Ultimately, Disney's ability to continuously evolve and adapt to consumer trends, technological advancements, and shifting market dynamics ensures its position as a leader in the global entertainment industry.

2.2. Weaknesses

Despite its global success, Disney faces several internal challenges that impact its operations and profitability. One of the most significant weaknesses is the high cost of content production. The company invests heavily in film and television productions, theme parks, and technological innovations, making it vulnerable to financial risks when projects underperform [3]. Managing these expenses while maintaining quality remains an ongoing struggle. In 2024, Disney allocated approximately \$30 billion toward content creation, with blockbuster films costing between \$200 million and \$300 million each, and high-budget TV series requiring up to \$25 million per episode [6]. Managing these expenses while maintaining quality remains an ongoing struggle.

Another critical weakness is Disney's heavy reliance on a few key franchises, such as Marvel, Star Wars, and Pixar films. While these franchises have been successful, over-dependence on them poses risks if consumer interest declines. A major flop in one of these franchise films could negatively impact merchandise sales, streaming subscriptions, and box office revenues [2].

Additionally, Disney's revenue streams are highly dependent on traditional business models, including theme parks and theatrical releases. Global crises, such as the COVID-19 pandemic, have demonstrated how these revenue streams can be significantly disrupted, leading to operational challenges and financial losses. The shift to streaming has helped mitigate some losses, but the platform requires continuous investment to compete with dominant industry players like Netflix and Amazon Prime [4].

Regulatory and geopolitical challenges also present major hurdles for Disney. Operating in various international markets means complying with diverse regulations and adapting content to different cultural standards. Controversies related to film content, theme park expansions, or political issues can lead to market restrictions and negative public perception.

To mitigate these weaknesses, Disney is compelled to adopt cost management strategies, diversify its content portfolio beyond established franchises, and persistently adapt its digital offerings, thereby ensuring its competitiveness in the rapidly evolving entertainment industry. For instance, expanding into new genres such as educational programming, documentaries, or reality TV could help reduce reliance on blockbuster films. Additionally, strengthening partnerships with independent filmmakers and regional studios could provide fresh creative content while lowering production costs. These steps would bolster resilience against financial and market volatility.

2.3. Opportunities

Disney has numerous growth opportunities, particularly in digital expansion and emerging markets [7]. The rapid growth of Disney+ provides a chance to capitalize on streaming trends and global audience expansion [2]. Furthermore, the increasing profitability of Disney's streaming division, which added 4.4 million new core Disney+ subscribers in the last quarter, suggests that the company's strategic focus on digital services will continue to yield financial gains [5].

Expanding theme park operations in emerging markets offers another major opportunity [4]. With rising disposable income in countries like China and India, Disney can further develop localized content and attractions tailored to regional audiences. Additionally, the demand for interactive entertainment experiences, including AR and VR integrations in theme parks and gaming, presents a significant growth avenue. Partnerships with tech firms and content creators can enhance Disney's digital ecosystem, allowing for more innovative offerings. Furthermore, increasing demand for ad-supported streaming services enables Disney to diversify its revenue streams and attract budget-conscious consumers. Disney has numerous growth opportunities, particularly in digital expansion and emerging markets [7]. The rapid growth of Disney+ provides a chance to capitalize on streaming trends and global audience expansion [2]. Furthermore, the growing profitability of Disney's streaming division, as evidenced by the addition of 4.4 million new core Disney+ subscribers in the previous quarter, indicates that the company's strategic emphasis on digital services is likely to perpetuate financial growth [5]. Business Strategy Hub notes that the company has significant potential in expanding theme park operations in emerging markets, as well as in the growing demand for live experiences and interactive entertainment [4].

2.4. Threats

Intense competition from streaming giants such as Netflix and Amazon Prime poses a significant threat to Disney's digital market share [7]. Furthermore, changing consumer preferences and

regulatory challenges in different countries can impact business operations [2]. Economic downturns may also affect discretionary spending on entertainment, influencing Disney's revenue streams [3].

Additionally, challenges in Disney's traditional cable and theme park sectors, where revenue has been declining due to rising costs and shifting consumer behavior, further underscore the need for strategic adaptations [5,4] also points out that rapid technological advancements and piracy pose additional risks to Disney's content-driven business model. Furthermore, increasing competition in animation and gaming sectors from companies like DreamWorks and Sony Animation further challenges Disney's dominance. Rising production and labor costs, along with geopolitical tensions affecting international expansion, pose additional financial and operational risks for Disney's future growth. Additionally, labor shortages and growing union pressure in the U.S. could disrupt theme park operations and film production schedules [6]. For instance, strikes by park employees over wages in 2023 led to temporary closures and increased labor expenses.

Beyond economic and competitive pressures, environmental factors also threaten Disney's stability, moreover, climate change presents emerging risks to Disney's operations, particularly its theme parks, which are vulnerable to extreme weather events such as hurricanes and flooding. For instance, Hurricane Ian in 2022 forced temporary closures of Walt Disney World, disrupting revenue and raising repair costs. Supply chain disruptions, exacerbated by global environmental policies and resource scarcity, could also increase the cost of merchandise and park construction materials, further straining Disney's profitability [6].

In conclusion, Disney confronts a complex array of threats, including intense competition from streaming platforms, technological disruptions, piracy, declining traditional revenue streams, labor shortages, union pressures, climate-related risks, and supply chain challenges. To address these, Disney must diversify its revenue sources, strengthen its digital and operational resilience, and adopt sustainable practices while enhancing workforce stability. Through such targeted strategies, Disney can safeguard its market position and ensure long-term growth in a dynamic entertainment landscape.

3. Conclusion

Disney's marketing strategy has played a crucial role in maintaining its global dominance by effectively leveraging its brand identity, intellectual property, and diversified business model. The SWOT analysis illustrates that while Disney benefits from strong brand loyalty, extensive content assets, and financial resources, it also faces challenges such as high production costs, reliance on key franchises, and increasing competition in the streaming industry.

One of Disney's key opportunities lies in its expanding digital presence, particularly through Disney+ and other streaming services, as well as in the potential for further theme park expansions in emerging markets. However, threats such as shifting consumer preferences, economic downturns, regulatory challenges, labor shortages, climate change, and supply chain issues pose risks to long-term profitability.

To sustain its market leadership, Disney must continue innovating in content creation, digital strategy, and operational efficiency, while addressing workforce stability and environmental sustainability. Emphasizing international expansion and technological advancements, while managing costs and mitigating market risks, will be essential in ensuring long-term growth.

However, this study is limited by its focus on secondary data and SWOT analysis, which provides a broad strategic overview but lacks an in-depth financial or consumer behavior analysis. Future research could incorporate primary data sources to offer a more detailed examination of Disney's marketing impact. This analysis underscores the need for Disney to balance its reliance on traditional revenue with proactive adaptation to digital trends, labor pressures, and environmental challenges, ensuring resilience in a competitive global market.

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