

Disneyland Business Model Analysis

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Abstract. The research value of Disney, as a global entertainment conglomerate, is rooted in the dual challenges of industry transformation and intensifying global competition. This paper presents an economic analysis of The Walt Disney Company. To provide a holistic view of Disney's market position and future prospects, the analysis combines SWOT analysis and Porter's Five Forces framework. Through SWOT analysis, the study identifies Disney's core internal strengths—including robust brand equity, diversified business segments, and an extensive intellectual property portfolio—while also examining external opportunities such as digital streaming expansion and emerging market growth. Conversely, potential risks and competitive threats are also highlighted. Porter's Five Forces analysis further reveals Disney's favorable industry dynamics, including strong bargaining power with suppliers and buyers, minimal threat from new entrants and substitutes due to its unique value proposition, and manageable competitive rivalry through continuous innovation.

Keywords: Disney, Business analytics, Entertainment industry, SWOT, Porter's Five Force analysis

1. Introduction

The Walt Disney Company, headquartered in Burbank, California, is a globally renowned entertainment conglomerate founded by Walt Disney and Roy Disney in 1923. Initially established as the "Disney Brothers Studio" to produce animated short films, it rose to prominence in 1928 with the release of "Steamboat Willie," the first synchronized sound cartoon featuring Mickey Mouse. This success was followed by numerous iconic animated films, which garnered global admiration [1]. In addition to its animated film legacy, Disney has also excelled in the theme park and resort industry, with destinations like Disneyland and Walt Disney World offering immersive and innovative experiences that attract millions of visitors annually.

In recent years, there have also been many analytical reports on The Walt Disney Company, such as Financial Statement Analysis under the Harvard Analytical Framework—Taking The Walt Disney Company in the United States as an Example, which was released on October 25, 2024. It mainly analyzes the company's profitability, debt-paying ability, and growth potential [2]. Walt Disney Profit 2025|US2546871060|DIS-Eulerpool analyzes the annual performance and growth of Walt Disney. It suggests that the higher EBIT compared to last year indicates improved operating efficiency, and the increased revenue shows enhanced overall profitability. It also provides investors

with insights into expectations for the next few years, helping to assess potential risks and returns [3]. This article will examine the fundamental components of Disney theme park operations through five dimensions: core business, revenue streams, market positioning and brand strength, innovation strategy, and customer experience and loyalty. Examine the present circumstances, obstacles, and future opportunities of Disneyland utilizing business frameworks such as SWOT analysis, linear regression models, and Porter's Five Forces analysis.

2. Core business of Disney theme park

Disneyland's business model provides a full range of entertainment experiences and monetizes them through diversified revenue streams. Disneyland attracts a large number of visitors through its core business of theme parks, water parks, resort hotels and entertainment shows. Its primary revenue streams comprise ticket sales, food & beverage services, retail sales, and hotel accommodations. Disneyland maintains its competitive edge through continuous innovation in delivering unique experiences. In addition, Disneyland also focuses on market positioning and brand power, further increasing its commercial value through marketing strategies that shape Disney's brand image and attract target audiences. Disneyland's business model successfully combines entertainment, service and brand identity to provide visitors with a one-of-a-kind experience that has led to sustained economic growth and market leadership. Disney theme parks are renowned for their ability to provide a comprehensive entertainment experience that appeals to visitors of all ages. With diverse themes and stories, each park section offers a unique and enchanting world for guests to explore. From Main Street, U.S.A. to the Magic Kingdoms, there is something to captivate the interests of every age group [4,5].

The meticulously designed environments and attention to detail in every aspect of the parks further enhance the overall experience. From the architecture and landscaping to the decorations and themed elements, every corner of a Disney park is crafted to transport visitors into a unique and immersive environment, bringing their favorite stories and characters to life. As family-friendly destinations, Disney parks provide age-appropriate facilities and activities for all generations. Dedicated play areas, kids' theaters, and parent-child activities ensure that families can enjoy quality time together and create cherished memories.

3. Revenue sources

“Global Top 100 Cultural Tourism Enterprises | The Legendary Disney of the Century” released on July 2, 2025 introduced Disney's new initiatives for 2025. In January, Disney announced the launch of 73 film and television works over the next three years, including Captain America 4, Toy Story 5, etc., and also planned to build its seventh landmark theme park in Abu Dhabi, UAE. Additionally, it mentioned that on February 5, 2025, Disney reported its first-quarter financial results for the 2025 fiscal year, with total revenue reaching \$24.69 billion, a 5% year-on-year increase, and net profit attributable to the parent company of approximately \$2.554 billion, up 34% year-on-year. “Disney Financial Report Analysis: 2025 Financial Data and Basic Analysis|Financial Report Assistant Stock Investment Guide”, released on July 4, 2025, showed that Disney's market value was \$222.849 billion as of that day, with a price-earnings ratio of 19.12, a price-book ratio of 2.18, an ROE of 5.69%, and a price-sales ratio of 4.71. It also noted that its three-month and six-month growth rates were 40.32% and 12.36% respectively [6].

Analyzing the report, Disneyland is arguably one of the most stable businesses in Disney's business. Disney systematically raises theme park ticket prices biennially based on constant-dollar

metrics, even if visitors perceive no immediate change. This strategy extends to all on-site sales and services pricing. Like Netflix's annual price increases, Disneyland will also raise prices for park tickets, products sold and services inside the park. Consistent annual visitor growth, combined with continuous price increases, directly boosts profitability.

The confidence in raising prices is the "scale effect" repeatedly mentioned in Disney's business. Dining and retail contribute significantly to revenue, leveraging diversified offerings from themed restaurants to exclusive merchandise. During their visit, visitors usually purchase food, drinks, souvenirs, etc. to enhance their park experience. Disney increases revenue from dining and retail sales by offering a variety of appealing dining options and merchandise, as well as limited-edition products related to specific themes. In addition, there are several resorts and hotels around Disneyland, providing visitors with a comprehensive accommodation experience. Hotel stays are also an important source of revenue for Disney. On-site accommodations provide prioritized park access and integrated amenities, catering to varied budgets through tiered options (luxury resorts to value hotels). Disney attracts different levels of visitors and increases revenue from hotel stays by offering accommodation options of different grades and prices, such as luxury hotels, resort villas, and budget hotels.

4. Market positioning and brand power

Disney theme parks have the following characteristics in terms of market positioning:

Family Entertainment and Travel Experience: Disney theme parks strategically position themselves as premier destinations for multigenerational family experiences, integrating entertainment, hospitality, and immersive storytelling. The activities, rides and entertainment programs within the park are focused on meeting the needs and preferences of family members. Whether it's kids, young adults or adults, there's something for everyone.

Global Leading Brand: As a globally renowned brand, Disney Theme Park has strong competitiveness and influence in the market. Its brand value and image attract a large number of visitors, making it one of the most popular theme parks worldwide [7].

The target audience of Disney theme parks mainly includes:

Families: Disney prioritizes multigenerational families as core guests, tailoring offerings across age segments—from toddler-friendly attractions to adult-centric dining and events.

Children: Disney theme parks are particularly appealing to children. There are many rides and role-play experiences themed around Disney's classic animated movies, satisfying children's yearning and love for fantasy worlds and animated characters.

Disney fans: Disney theme parks also attract a large number of Disney fans. These fans have a passion for Disney's characters, stories, and characters, and the park offers an opportunity to get up close and personal with these classic elements, allowing them to immerse themselves in the world of Disney.

The unique selling points of Disney theme parks are reflected in the following aspects:

Storytelling: Disney theme parks stand out for their unique storytelling. Each area within the park is based on a specific theme and story, allowing visitors to immerse themselves in the storylines and characters from Disney's animated films.

High-quality entertainment content: Disney theme parks focus on providing high-quality entertainment content. From thoughtfully designed rides to spectacular shows, the park's entertainment is crafted to provide guests with an exciting, fun and memorable experience.

Family-Friendly and Full-Service: Disney Theme Parks is committed to providing a family-friendly environment and a full range of services. Proactive safety protocols, age-optimized

amenities, and dedicated childcare zones collectively ensure seamless guest experiences while reinforcing Disney's family-centric ethos. In addition, there are a variety of dining and retail services in the park to meet the needs of visitors.

In short, Disney theme parks have successfully positioned themselves in the global family entertainment and tourism market through their unique brand power, high-quality content and comprehensive services, and continue to attract the attention and visits of a wide range of tourists. The influence of its brand and its unique storytelling experiences and entertainment projects are among the key factors of its success.

5. Innovative strategies

Disney theme parks have implemented a range of innovative strategies to remain competitive and continually evolve. These strategies include leveraging technological advancements, providing immersive experiences, and employing effective storytelling techniques.

One of the key ways Disney has stayed ahead is through the integration of cutting-edge technology. Disney has embraced virtual reality (VR) and augmented reality (AR) to elevate the guest experience through innovative technology integration. These technologies allow guests to interact with characters and become part of the storyline, elevating the overall enjoyment. Disney has also introduced streamlining tools such as smart wristbands and mobile apps, allowing guests to manage their park experience efficiently.

Immersive experiences form a core pillar of Disney's success, driven by meticulous design and thematic integration. The parks are meticulously designed to transport visitors into a world of enchantment. From intricate architecture and captivating music to detailed decorations and staff role-playing, every element contributes to an authentic fairytale ambiance. Visitors have the opportunity to engage with beloved Disney characters and participate in activities, fostering a deep sense of immersion and wonder [8,9].

Disney is globally acclaimed for its mastery in storytelling techniques, leveraging iconic narratives to deepen emotional engagement. The parks seamlessly weave narratives throughout their attractions, shows, and interactive experiences. Drawing inspiration from classic animated films and stories, these narratives allow visitors to connect emotionally with the Disney universe. By immersing guests in a cohesive and captivating storyline, Disney provides a more profound understanding and connection to their brand.

By implementing these innovative strategies, Disney continues to enhance the visitor experience and maintain a competitive advantage. The integration of technology, immersive experiences, and effective storytelling creates a truly unique and unforgettable theme park experience for visitors.

6. Customer experience and loyalty

Disney theme parks are widely known for delivering exceptional customer experiences, characterized by personalized services, meticulous attention to detail, and outstanding hospitality. Disney delivers personalized services primarily via innovative technologies, with MagicBand wearables and the My Disney Experience app serving as key touchpoints. For example, guests can wear smart wristbands that allow them to access their hotel rooms, make purchases, and even reserve ride times. The My Disney Experience mobile app further enhances personalization by providing guests with real-time updates, personalized itineraries, and recommendations based on their preferences and previous visits [4].

Disney's loyalty cultivation framework rests on three pillars: experiential excellence, structured rewards, and amplified advocacy.

Firstly, Disney focuses on creating a consistently exceptional customer experience. Every aspect of a visit to a Disney theme park is meticulously designed to exceed expectations, from the immersive environments and high-quality attractions to the friendly and attentive staff. By consistently delivering magical moments and unforgettable experiences, Disney builds trust and loyalty with their guests, making them more likely to return.

Secondly, Disney provides an array of loyalty programs and incentives to promote repeat patronage.

Disney constantly fosters favorable word-of-mouth promotion through multiple channels. They furnish guests with possibilities to disseminate their experiences on social media, implement referral programs, and motivate guests to submit evaluations and feedback. Through active engagement with customers and encouraging them to share their experiences, Disney leverages the efficacy of positive word-of-mouth, which frequently surpasses traditional marketing strategies in influence [10]. In conclusion, Disney cultivates customer loyalty by consistently delivering exceptional experiences, offering loyalty programs and incentives, creating emotional connections through storytelling, and encouraging positive word-of-mouth promotion. These strategies not only encourage repeat visits but also inspire guests to become enthusiastic advocates for the Disney brand, further expanding their customer base.

7. Challenges and future outlook

In order to better identify the potential problems of Disneyland, this article will use financial analysis to find the problems and future directions. SWOT analysis is an analysis method that evaluates the internal and external environment of an organization, and the following is a SWOT analysis of Disneyland:

Strengths:

1. Strong brand influence: Disney theme parks are globally recognized and have widespread brand awareness and loyalty.
2. Exceptional customer experience: Disney parks are renowned for their personalized services, meticulous attention to detail, and outstanding staff service, providing unique and unforgettable experiences for customers.
3. Diversified product portfolio: Disney theme parks offer not only world-class rides and shows but also a variety of products, including hotels, dining, and shopping, catering to different customer needs.

Weaknesses:

1. High prices: The ticket prices of Disney theme parks are relatively high, which may limit the access of some potential customers.
2. High dependence on the tourism industry: Disney parks' operations are affected by factors such as economic downturns, and political stability, which can impact visitor traffic and revenue.
3. Need for continuous innovation: As a leading theme park, Disney needs to constantly innovate and provide new experiences to maintain attractiveness and competitive advantage.

Opportunities:

1. Growth in emerging markets: Disney theme parks can further expand their market share in international markets, particularly in Asia and emerging markets such as China and India.
2. Digital innovation: Disney is deploying AI-driven wearable tech and metaverse integrations to enhance Gen Z engagement through hybrid physical-digital experiences.

3. Sustainable development: Disney has implemented net-zero emissions roadmaps and circular economy models across its global park operations.

Threats:

1. Intensified competition: The theme park industry is highly competitive, with new competitors constantly emerging, posing a threat to Disney's market share.

2. Changing consumer preferences: Consumer demands and preferences are constantly evolving, and Disney theme parks need to adapt and adjust to these changes to maintain attractiveness.

3. Unforeseen events: Unpredictable events such as natural disasters, terrorist attacks, and pandemics can negatively impact the operations and visitor traffic of Disney theme parks.

By leveraging its brand influence, providing exceptional customer experiences, and innovating with a diversified product portfolio, Disney theme parks can capitalize on new opportunities. Additionally, by addressing challenges such as high prices, dependence on the tourism industry, and continuous innovation, while mitigating threats from intensified competition and changing consumer preferences, Disney can achieve sustainable growth and maintain its leadership position in the theme park industry.

8. Conclusion

In conclusion, the analysis of Disney theme parks' business model has shed light on several key findings. The strength of their brand and intellectual property, diversified revenue streams, and integrated operations have been identified as significant factors contributing to their success. Disney's strong brand influence and renowned intellectual property have positioned them uniquely in the market, providing visitors with a distinct experience that sets them apart from other theme parks. The ability to leverage their brand and intellectual property has allowed Disney to attract a loyal customer base and maintain a competitive edge. Moreover, the diversification of revenue streams beyond ticket sales has been crucial to their financial success. By incorporating hotels, dining, retail, and licensed merchandise, Disney has reduced reliance on ticket sales and unlocked additional sources of revenue. This diversification has helped them withstand market fluctuations and economic challenges. Disney's business model illustrates how a robust brand, varied revenue streams, and cohesive processes can facilitate enduring success. By adopting innovation, entering new areas, and remaining responsive to changing consumer preferences, Disney can sustain its success and uphold its market-leading status. It is imperative for Disney to maintain vigilance and adjust to the evolving dynamics of the theme park sector. Confronting obstacles such as escalating competition, evolving consumer tastes, and unexpected occurrences will be essential for sustained success. By utilizing its strengths, seizing opportunities, and addressing dangers, Disney can effectively manage these issues and persist in providing enchanting experiences to global tourists.

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