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# Disney

## Chapter 5: Analyzing Consumer Markets

**Q1. What does Disney do best to connect with its core consumers?**

**Q2. What are the risks and benefits of expanding the Disney brand in new ways?**

**1) Submitted by: Arushi Agarwal (IIT K)**

**Ans 1.**

- From its founding, Disney brand has always been synonymous with quality entertainment for the entire family. Mickey Mouse is the most famous cartoon characters till date.
- Disney basically connects with its customers by providing them with quality entertainment and innovating and excelling in it.
- Beginning with black-and-white cartoons to producing animated films, theme parks, consumer products: Disney is a brand that stands for trust, fun and entertainment that resonates with children, families and adults through some of the most amazing and iconic characters, stories and memories of all times.
- By launching the Disney channel, it maintains a regular connectivity with its audience.
- In the modern times, its biggest challenge is to maintain its 90 year old heritage and yet innovate!
- It uses emerging technologies to connect with its consumers in innovative ways. It was one of the first companies to begin regular podcasts of its television shows as well as release ongoing news about its products and interviews with Disney's employees, staff, and park officials.

**Ans 2.**

Basically, the greatest challenge Disney faces is to preserve its 90 year old heritage while innovating. It is this rich culture that fascinates young and old alike. But the benefits are no doubt worth the effort. The more it expands, the more its popularity and customer-base increases. Also, the existing ones are inclined to be connected with Disney more and more. Disney invests in foreign countries or take acquisition in areas such as theme parks, movies etc. This helps the company to bring more revenues and profits.

Though there will be constant risk of success in the market, of stability of product, expansion is a necessity.

## 2) Submitted by: Aditya Srivastava (IIT K)

### Ans 1.

Disney applies a theme based marketing strategy for its amusement parks which ensures its impact on the target audience according to the age groups. It too has got entertainment programs for keeping in mind the entire family. Its strategy accounts for problem recognition, gathering information in order to cater to the demands of its audience at individual level. Its marketing scheme is well in accordance with the social, cultural and personal choices of various countries. Psychological factors have also been targeted with the efficient use of emerging technologies. It has also effectively applied segmentation to boost its marketing strategy.

### Ans2.

The greatest risk faced by Disney is to stay true to its legacy while keeping it pertinent and up to date with the consumers. Then there is the risk of high investment and greater competition when seeking other marketing segmentations. There is also the risk of adjusting to the ever changing global or regional economic markets. Another risk is to keep pace with the changing society and technology. Another risk is to keep up the brand name that the people seek out and trust. The expansion technique helps in innovation of products and services and generation of extra revenue and market share.

## 3) Submitted by: Soumik Choudhary (IIT R)

### Ans 1.

In order to connect with its core consumers, Disney has come out with the Disney channel featuring classic films at very low costs to reach the new generation of children. It then established international theme parks to reach the audience round the world. Disney has focussed on value creation based on high standards of quality and recognition to reach out to its audience both efficiently as well as economically. Disney has begun regular podcasts of its shows and also featuring news about its other products.

### Ans 2.

The benefits of expanding in new ways is that Disney is able to touch its audience both efficiently as well as economically. It has been able to make itself relevant to the new generations in spite of being a 90-year old brand with the help of its theme parks, TV shows and consumer products.

The risk lies in the fact that Disney may not lose on its heritage and core values laid down by its founders while making itself relevant to the newer generations. Its heritage has been the backbone for its success and so it continues to find ways to make Micky Mouse(with which it began) more exciting to all.

#### **4) Submitted by: Sonali Gupta (IIT R)**

##### **Ans 1.**

Disney started to bring classic and memorable family entertainment around the world. Beginning with black and white cartoons, the company grew into the worldwide phenomenon that today includes theme parks, feature films, television networks, theatre productions, consumer products and also online presence. Disney realised that the market had consumers of all age, old, teens, and also of various different cultures and so it had to produce in accordance with different segments of market to satisfy the variety of consumers. It launched Disney Channel. In addition Disney featured classic films and sold classic disney videos to a whole new generation of children. Disney leverages all aspects of its businesses and abilities to touch its audience in multiple ways, efficiently and economically. it uses emerging technologies to connect with its customers by pod casting various television shows such as Hannah- Montana which was definitely a success in teenage group of customers. Also it releases various movies and sell out millions of DVDs out, concerts around the world, and ongoing live performances. Only a few a companies are able to connect with the customers as well as Disney did.

##### **Ans 2.**

Disney, today, is comprised of five business segments: The Walt Disney Studios, Parks and resorts, Disney Consumer products, Media Networks, Disney Channel. Disney's greatest challenge today is to keep a 90 year old brand relevant and current to its core audience while staying true to its heritage and core brand values. Disney's CEO Bob Iger explained that as a brand that people trust, it opened doors to new platforms and markets. When you deal with a company with this great legacy, you deal with conflicts between heritage and innovation. with new customers, one definitely requires to innovate with emerging technologies and to maintain the heritage it is very important to ensure an success. Also Disney invests in foreign countries and take acquisition to bulid up theme parks, movies, etc. The company will have to keep up the good work and the brand that people seek out and trust.

#### **5) Submitted by: Pushendra Trivedi (IIT BHU)**

**Ans 1.**

The best step of Disney in connecting with its core customers came around 1980's when it launched Disney channel, Touchstone pictures, and Touchstone Television. In addition, Disney featured Classic films during The Disney Sunday Night Movie. According to me, Disney worked on social factors like focussing on families. The Disney Sunday Night Movie targeted the audience that comprised of families. It helped it to remain connected to its core consumers who were aging rapidly and it also created next generation as its new consumers. It focussed on personal factors like age and stage in the life cycle. The company remained connected with its core audience by giving brand mantras like "Fun Family Entertainment".

**Ans 2.**

The risks of expanding the Disney brand in new ways is that a bad service in one sector could degrade the image of the company in other sectors. Moreover, the audience could think that the company just wants to earn more and more profit and is not focussed on its concept of providing entertainment. There are many benefits of expanding the company. The company is generating its revenue from its five business segments. The step of entering in the field of Theme parks and resorts helps in brand positioning of the company a lot. Now the consumers see using Disney products as a part of his lifestyle as Disney is attracting consumers on various aspects of life.