

An Analysis of the Competition between Universal and Disney

Luoqi Wang*

High school attached to Northeast Normal University, Changchun, China

*Corresponding author: 15040340101@xs.hnit.edu.cn

Abstract. One of the strangest feuds on the internet is the battle between Universal and Disney loyalists. Based on scale, it's a lot like fans of the Hartford Yard Goats hating the New York Yankees, but the Goats have shown a lot of promise in recent years. They hired a wizard back in 2010 and have risen fast after that. Think of them as a team full of top prospects with plenty of potential. Universal's problem is that they didn't get their start until 1990. They're effectively an expansion team compared to Disney, who founded the theme park industry in 1955. To my mind, Universal has done a tremendous job in catching up over the past decade. In 2009, they had only 23.7 million guests. By 2017, that number had more than doubled to 49.5 million. Disney's still tripled them with 150 million annual park visits, though.

Keywords: Universal, Disney, expansion, loyalists

1. Introduction

This battle between Universal and Disney has existed for a long time. Until they add a new theme park, Epic Universe will stand apart as Orlando's most impressive theme park. If it does, the one thing happens that Disney officials despise most.[1] Universal will sneak vacation money out of guests who usually head to Walt Disney World, just as happened with the Wizarding World in 2010. Even though Disney dominates in attendance, the construction of Epic Universe places the company in an odd position. It's no longer the unquestioned best of Orlando, at least until Disney adds that long-anticipated fifth gate. Universal's just placed Disney on the defensive, and a response is needed. Otherwise, the younger sibling will become the cool kid in the family.

Rumors of a rivalry between Universal Studios and The Walt Disney Company were exaggerated mainly a few years ago. During the 2018 calendar period, Disney theme parks saw three times as many visitors as Universal Studios. But one park seems more positive than the other. In the first week of August 2019, Universal Studios launched a theme park that could almost be called Disney. Even its name is self-aggrandizing. The place is known as Universal's Epic Universe, and one of Universal's most accomplished executives joked that the universe is more significant than the world. We've reached a tipping point where Universal Pictures refuses to live in Disney's shadow any longer. That's when Universal began to compete with Disney for three years or more. Such competition will continue to intensify, especially in 2020 and 2021.[1] When the epidemic was raging in the past, Universal Pictures and Disney+ were affected by the outbreak to a certain extent and had to stop working with the studio's version. The completed works were changed to post-production at home, which indirectly led to sporadic films being successfully released on streaming media even during the epidemic. At this point, the two companies must compete for dominance. Timing, Universal, and Disney+ will do the same thing, and they will all look for the right broadcast platform like HBO max, streaming like Netflix, and release their latest work on those platforms, Universal December 2021. On the 9th, the exclusive film and television broadcasting rights were granted to Amazon, and Disney+ cooperated with Marvel. Phase 5 of Marvel's superhero program begins with episodes, so they have deep mutual trust. The cooperation between the two companies and the competition between the two companies are becoming more and more like gunpowder under the unfinished epidemic. The competition for the park's popularity has also become a part of this. The grievances between Universal Studios and Disneyland are even more worthy of discussion and research than the film producers themselves.[2]

2. History: copyright competition

In 1927, before the birth of Mickey Mouse, Walt Disney's studio created a character called "Oswald the Lucky Rabbit," which was so popular that Universal Pictures quickly commissioned Disney to make it, according to Time magazine.[3] More movies. However, in February 1928, when Walt Disney was elated by the role's success, he attempted to renegotiate a new contract. Instead of offering him a better deal, Universal offered to hire Walt for a lower salary, and Disney was unhappy and vehemently rejected the insulting offer. In the end, Walter lost nearly all of his animator and Oswald's copyrights. After this incident, he and the animator Ub Iwerks, who has been working with him, created Mortimer, the mouse. It didn't take long for the character to become Mickey Mouse, one of the most recognizable characters the world has ever seen. Oswald was never quite as famous as Mickey, but Universal made bunny animated shorts until 1943. Then, in February 2006, Disney struck a deal with Universal to regain the rights to Oswald, but the character was rarely seen in the park[4].

The copyright competition between Disney and Universal Pictures began very early. In 1948, just the third year after the end of World War II, the United States played more of a role in watching the fire in this war. Some troops participated in the war, but the situation in the United States may be the best among the many victorious countries that suffered heavy casualties. In addition to the slight loss of military strength, the economic development in the country is even faster than in peacetime. Therefore, during this period, the United States has All kinds of industries that have made significant progress, and the film industry is a typical case. Disney was in the middle and early stages of entrepreneurship, and Walter and his partners were beginning to decide to strive for a breakthrough in the field of animation films, while Universal Pictures, Compared with Disney, the industry is still a relatively mature company. They are keenly aware of Disney's immaturity in copyright and intellectual property awareness in the early days of its establishment and took the opportunity to seize the copyright of many animated characters from them. Disney has no clear understanding of the threats around it. As a result, some famous animated character prototypes in the United States in the early days of its establishment have become upgraded products produced by Universal Pictures in the future. From the perspective of commercial profits, Disney was on the verge of bankruptcy in the first few years of its establishment. Disney madly contributed to significant broadcasting platforms, trying to get his works broadcast in theaters, but the result was not satisfactory. He not only lost the copyright but also lost. Therefore, during this period, Walt Disney's career was in its infancy, and encountered many difficulties and problems, and even had the departure and change of partners, but this was just the iceberg of the competition between the two companies a corner.

3. Changes in the competitive structure in theme parks

Looking at the global park economy, Disney and Universal Studios may not be secretly competing for products. Still, in mainland China, the two major parks, one south and one north, are always pulled out by the public and discussed together. Recently, because of their "high price," they have caused heated discussions almost simultaneously.

3.1 Theme parks construction in China

In early July, Shanghai Disneyland announced that the ticket price would be raised again. From January 9 next year, the maximum ticket price will reach 769 yuan. This is also the third price adjustment for Shanghai Disney in the past five years. In 2016, when Shanghai Disneyland had just opened, there were only two ticket prices, 370 yuan, and 499 yuan. Then, in mid-July, the Beijing Universal Resort (the main body of Beijing Universal Studios) came out with a 98 yuan shopping receipt for a milkshake. Although there is no definite news on the opening time, the outermost urban avenue of the park has recently completed a 17-day internal stress test. During the internal testing period, each employee can invite four relatives or friends to visit and consume on the City Avenue of Universal Studios, with a 50% discount on food and beverages and a 25% discount on peripheral products. The shopping receipts circulated on the Internet show that a basic milkshake is 98 yuan; the

official flagship store sells Fujia white wheat white beer for 10 yuan, and the price is 48 yuan at Universal Studios; the rib-eye steak sandwich is 158 yuan; tuna Italian The noodles are 118 yuan The high price makes people sigh, "can't afford it." For a long time, the theme parks in mainland China have shown a situation of "more in the south and less in the north," and local theme park brands occupy the market in the north. Therefore, many people have high hopes for Universal Studios to "settle" in Beijing. There is "the happiest place in the world" in the south and "the alma mater of fans all over the world" in the north. The two international theme parks are about to start an all-around contest.[5]

3.2 Analysis of the competition in China

In mainland China, the competition between two parks, one in the south and the other in the north, and the different geographical locations also produce different tourist experiences. To avoid the competitive pressure in southern China, Universal Studios chose to open the parks in the capital Beijing, Beijing, Beijing. Shanghai, which is almost one of China's top two giant cities, has an excellent economic environment, which is also conducive to the park's development. The base of tourists will be significant, and the high consumption level will also bring more profits and revenue. In the context of the epidemic, China, as one of the countries and regions with proper emptying, has launched a comprehensive competition between the two parks here, which is embodied in the following aspects:

3.2.1 Spell publicity

Universal Studios and Disney have strong publicity efforts in mainland China, but there is a clear gap in style and audience. Universal Studios' advertisements and gimmicks have been criticized, while Disney's high-quality publicity methods and efficient mass marketing skills let them go to the next city in this link. On November 4, 2020, the official Weibo of Beijing Universal Studios released a series of promotional advertisements, which were criticized by the majority of netizens: "rusty," "outdated," and The advance of Shanghai Disney in the publicity of the year is leading the times, which Universal Studios cannot compare with.[3]

3.2.2 Ability to attract gold

Speaking of this, the catering service in the park is an unavoidable point. The two parks also have a massive gap at this point, but this time the dominant one has become Universal Studios, and the world Like other Universal Studios, the catering facilities of Universal Studios Beijing are also excellent. Harry Potter-themed restaurants and Minion-themed snacks are all essential factors in attracting tourists, while Disney's catering services are compared to Universal's. Studios are stretched thin. Disney's food and beverages have a single variety, and the quality is also much worse, followed by the consumption of derivatives and surrounding hotels. After Shanghai Disney opened in 2016, the occupancy rate of Shanghai's star-rated hotels has remained above 70% for six consecutive quarters; survey results show that more than 95% of tourists visiting Shanghai Disney will choose to stay in Shanghai and its surrounding areas, and 83.69% of tourists will choose Disney-themed hotels and surrounding five-star and four-star hotels.

Similarly, with the "blessing" of Universal Studios, the prices of nearby hotels and homestays in Beijing will also usher in a round of increases. Disney has permanently attached great importance to the development of IP derivatives. In 2018, the Duffy family, a character IP without film and television content support, entered Shanghai Disneyland, and Xingdailu quickly became a star product. Entering the Chinese market, Xingdailu in Shanghai's unique costumes, Donald Duck in Tang suits, and localization are also important directions for Disney's derivatives.[6]

52TOYS has a cooperative relationship with Disney, and Chen Wei told Shen Ran that Disney would strictly supervise the cooperation process, "Disney princesses are not allowed to appear in one scene. For example, let Snow White, Le Pei, and Cinderella pull together. Carrots are not good because they have different stories and scenes in the world built by Disney." The number of derivatives of Universal Studios should not be underestimated. Just Harry Potter Park, wands, magic

robes, themed costumes, Butterbeer, etc., can empty tourists' wallets. According to relevant market statistics, the cheapest standard ticket to visit Universal Studios Beijing is 418 yuan. If it is in the peak season, the ticket fee will increase. In addition, the tickets for Universal Studios and the so-called superimposed fast-track ticket fee are around 500 yuan, so it takes nearly 1,000 yuan to enter Universal Studios alone. This is not counting the consumption inside the park. If you consume inside the park, food, snacks, and beverages will be higher than the regular market price, plus some necessary entertainment consumption. The consumption in Universal Studios for one day may be enough. To nearly 3,000 yuan. Such a high consumption standard is indeed very scary, but even so, many people go to Universal Studios to play. Under high consumption standards, Universal Studios naturally achieved high market revenue data. According to relevant market statistics, Universal Studios has sold more than 200,000 tickets on the first day of business, which is no worse than Disneyland. You must know that Disneyland can generate tens of billions of dollars in revenue annually, and Universal Studios is even better than Disney.[7]

4. Content competition

4.1 Fight for IP

Disneyland can be said to be the pioneer of "IP + cultural tourism." The content of film and television has been popular for some time, and its characters are well-known. Still, the popularity will eventually dissipate one day, which is not enough to support long-term value realization. By building a park, Disney has extended the vitality of the IP by giving fans a place to get in touch with the characters in the film. The princess from a few decades ago is still watched and discussed, attracting everyone to Paradise Castle. For the development of IP, the two parks take different routes. Disney is in charge of all the IP in the park, and Disney itself acquires each character. But Universal Studios is like a comprehensive venue. In addition to including Universal Pictures' IP, it cooperates with film and television companies such as Warner and Paramount. You produce the IP, and I have the venue. Classic movies such as Harry Potter, Transformers, and Jurassic World are powerful alliances with offline theme parks. Disney's IP is generally biased towards anime characters, and most of the content is fairy tale themes. The IP of Universal Studios is more diverse and adult in character image.[8]

The core IP of the two theme parks is different. From this point of view, the competition between the two is not point-to-point. Disney's overall tone of a cartoon is dreamy, and the cartoon IP is the core, while Universal Studios is still around the movie IP. Universal Studios Beijing Resort is divided into seven major sections: The Wizarding World of Harry Potter, Hollywood, Minion Land, Jurassic World, Transformers Base, Future Water World, and Kung Fu Panda Unparalleled with Chinese characteristics. Land. Integrating technological elements into the park has become a unanimous choice for the two companies, behind which is the investment of real money. According to an article published by Zou Yi, general manager of Lingyi Consulting, Disney's "Avatar-themed area" and "Star Wars-themed area" cost an average of 66,000 yuan and 110,000 yuan per square meter. The figure for the "Harry Potter-themed area" of Universal Studios Orlando in the United States is 56,000 yuan[6], and the "Nintendo-themed area" of Universal Studios in Osaka, Japan, is 94,000 yuan.

4.2 Fight for the content

The core of the competition between Universal Studios and Disney is the competition in IP. Whoever has a better IP with a higher audience will have an advantage in the competition. Universal Studios has Harry Potter and Transformers to attract audiences. Eye-catching big-budget movies and the entertainment projects transformed from these IPs will also attract many tourists to experience, and Disney has more entertainment projects that are good for children, such as Snow White, Mickey Mouse, and these dangers. The coefficient is very low, which is suitable for children's physical and mental development, so if parents, a better choice is to let their children go to Disney to experience these relatively less stressful projects. At the same time, Universal Studios has some exciting entertainment projects. Suitable for mature tourists, those with solid psychological tolerance can

better enjoy the fun and more exciting experience brought by Universal Studios. This can be found in the data. According to the data of Shiqu Speed Insight Engine, the proportion of male followers of Universal Studios is as high as 37.83%, which is significantly higher than the 21.55% of Disneyland, which also shows that Universal Studios is in the "otaku" group. Has a considerable influence. From the perspective of age distribution, Disneyland has the most significant proportion of post-95 users. In contrast, the balance of post-80s, post-85s, and post-90s users is relatively low.[9]

In contrast, the balance of post-95s users of Universal Studios is lower than that of Disneyland. Still, in the 80s, The post-85s and post-90s users have surpassed Disneyland in an all-around way, which shows that Universal Studios is more popular with adults, and Disneyland is more popular with Gen Z groups. From the perspective of crowd interest tags, Disneyland's crowd interest tags focus on food, travel, and entertainment. In contrast, Universal Studios' crowd interest tags, such as movies, fashion, and music, are more abundant. This also shows that the user base of Disneyland may be relatively homogeneous, while the user background and aesthetics of Universal Studios are more affluent.[10]

5. Conclusion

The competition between Universal and Disney is multi-level. There has been a copyright competition in history and a game on the park project in the subsequent era. Both film companies are products of the times, great companies, and complex. It is difficult to penetrate and study the competition system in the current generation. Under the background of the global epidemic, such competition will not stop but will only intensify.

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