

The rivalry between Disney and Universal studios in the midst of the pandemic

Chengkai Zhang*

High school attached to the Northeast University, Changchun, China

*Corresponding author: 631607010603@mails.cqjtu.edu.cn

Abstract. Disney and Universal has been rivals for several decades, they have produced a large number of excellent films and have their own theme parks separately. In the moment of epidemic outbreak, both of them undergo challenges. This paper compared the Disney and Universal studios, and analyzed the two companies how to deal with and solve difficulties in epidemic situation, facing what difficulty brought for the two big companies. Those two company's competition did not stop, instead, they thought of another way of competition. In a rapidly changing network era, the competition between the two studios is also becoming increasingly fierce. This paper analyzes their differences in content production and theme parks, and also points out the different strategies in IP operation between them. The paper concludes that the success of Disney and Universal Studios lies in that they take the production of cultural content centering on film and television IP as their core business strategy.

Keywords: The multiverse; Labor-management conflict; Disney; Universal studios

1. Introduction

Due to the impact of the epidemic, the release date of many major films of Universal Pictures was postponed, which was a big blow to Universal Pictures[1], and Universal Studio could not operate normally due to the epidemic[2]. At the same time, Disney, its old rival, was also busy due to the impact of the epidemic. Like other Hollywood studios, Disney has been hit hard in every aspect since the outbreak of the terrible epidemic. Since February, as the epidemic caused most cinemas around the world to close one after another, Hollywood blockbusters have adjusted their global release schedule, forcing the withdrawal of nearly 100 films. The studio with the largest number of withdrawals and the biggest impact is Undoubtedly Disney. Disney is also the most affected by the pandemic, as it has more films waiting to be released than any other studio because it includes subsidiaries such as Marvel, Pixar and 20th Century Pictures.

2. Competition used to be fierce

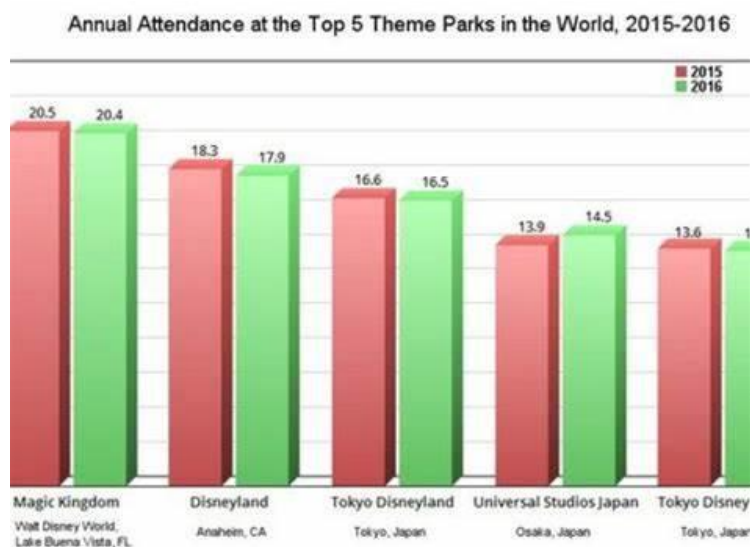


Figure 1. Annual attendance at the top 5 theme parks in the world 2015-2016 [3]

Diagram represents the profit contrast Disney and Universal studios for Disney, the most prominent is the magical world of the subject, the subject is not only the most-visited theme, but also 10% more than the Japanese Universal studios, compared to the same state of Universal studios, Universal studios in Japan is much more profitable than Japan Disney, which is also a benefit of Universal Studios' multiple IP. For Disney, its authorization is much less than that of Universal Studios, so its customer flow is much less than that of Universal Studios, which is also a big blow to Disney Japan.

Universal Studios and Disney had a very serious competition for a long time before. Universal Studios and Disney have many similarities in the two major park brands[4]. The two famous film and television companies are both from the United States. Currently, there are six Disney parks in the world, including three in Asia, which are located in Tokyo, Hong Kong and Shanghai, while Universal Studios has five, two in the United States, and the other three are all in Asia, which are located in Osaka, Singapore and Beijing. Historically backed by publicly traded Comcast Corp, Universal's stock has risen steadily in recent years and is now valued at about \$270 billion. Universal studios is part of Comcast corp. NBCUniversal business, along with cable, broadband and telecommunications services. In the first half of 2020, NBCUniversal was the most troubling of Comcast's businesses, with both its filmed entertainment and theme park divisions seeing revenue declines of 20 to 30 percent, but growth in other businesses and its presence on the media track supported the stock. Disney, like Universal Studios, also suffered from the impact of the epidemic to a certain extent, but as its streaming service grew faster than expected during the epidemic, its shares rose in volatility[5]. As for The history of Disney, in the third quarter financial results recently released, Disney recorded a total revenue of 17.022 billion dollars for the quarter, a high year-on-year increase but still not back to there bound in global traffic, although the Parks and Products business line is still much smaller than Media and Entertainment, about a tenth the size.

Competition for the two of them before long ago appeared in Universal studios want to set up a studio in Shanghai, but in order to have a potential conflict more Disney can only choose in building in Beijing, and why do you say this is a kind of conflict, because in China at that time, most people like an amusement park, which was the most famous amusement park also is Universal studios and Disney, At that time when the Disney in Shanghai is ready to build, belong to one step ahead of the Universal studios, which is a big blow for Universal studios, because China's population, for tourism and also like this IP culture, so when people know Disney to be set up in Shanghai, we are positive feedback, In this way, Universal Studios will naturally lack people's attention. Once the attention of Universal Studios decreases, it means that The consumption level of Chinese residents to Universal Studios decreases, which also leads to the decrease of the turnover of Universal Studios. This phenomenon is also bad news for Universal Studios. Therefore, Universal Studios decided to build a park in Beijing, so as to not only get a Chinese market, but also Chinese tourists who like Universal Studios' IP can be satisfied in Universal Studios[6]. And the way to avoid conflict with Disney is to build their own parks on other maps, such a marketing strategy is also a turning point for Universal Studios, China's monopolized domestic market has improved.

3. Differences in Ip theme selection between two theme parks

From this perspective, it is not hard to see that Disney's overall style, tone and Ip are all inclined to the cartoon dream of Disney's overall tone and centered on cartoon Ip. Universal Studios is indeed a completely different direction. Universal Studios still focuses on movie Ip. Universal Studios in Beijing has retained the original ORIGINAL IP, such as Harry Potter, Transformers, minions and so on, and added some Chinese elements, such as Kung Fu panda, tea culture and other themes, which is a great hotspot for Chinese tourists. People are ecstatic to hear that there is a Chinese element in Universal Studios. Disney's "Avatar" and "Star Wars" zones cost 66,000 yuan and 110,000 yuan per square meter on average. Universal Orlando in the United States spent 56,000 yuan for the Harry

Potter-themed area, while Universal Osaka in Japan spent 94,000 yuan for the Nintendo-themed area[7].

Analyze the competition between Disney and Universal Studios from the perspective of IP, we can summarize the relationship between the two companies, because the operation mode of two companies is complementary. This paper firstly analyzes the importance of the park from the perspective of Disney, which is no exaggeration to say that Disney is the pioneer of "IP+ cultural travel". For Disney, both film and theme park is very popular with people. A lot of people's leisure time will be spend in Disney, and not just because of Disney parks or how good the film and television in creative ways, more is because there's a lot of IP, Walt Disney himself has a well-known toy story, a popular Star Wars around the world, Moreover is every child's fairy tale, like Snow White, Cinderella such well-known IP these for Disney also just one of his many IP, but no matter how hot the IP, the heat have dispersed a day, Disney by building, let fans have a place to come into contact with the film characters, Extended the vitality of IP. Princesses of decades ago are still watched and discussed, attracting people to the paradise castle. For Disney another strong point is worth mentioning, that is with the manufacture of toys, because Disney is especially good at hatching IP with content, and through the form of authorization and other brand cooperation, again in paradise with its own IP to build all kinds of games project, accurately touch up to the user, this model is also a lot of companies want to follow. In this way, people can understand and accept Disney's IP more, which means that more people will be willing to pay for it. But when it comes to IP development, the two parks are taking very different paths. Disney owns all the IP in the park, and every character is owned or acquired by Disney. But Universal studios is more like a hodgepodge, all kinds of IP we can all see in Universal studios, in addition to their own IP, also cooperate with warner and Paramount pictures, Universal studios philosophy can be said to be fashionable, his idea is that other companies out of IP, and Universal studios is responsible for the site. Just like Harry Potter, Transformers, Jurassic World these classic movies are Universal Studios fancy is as Universal Studios in the more able to hit the IP appeared in front of everyone. Relatively speaking, Disney's IP focuses on cartoon characters, and most of its content is based on fairy tales, which takes children's opinions into account. The IP of Universal Studios is more diversified and adult in character image.

Paid subscribers⁽²⁾ as of:

(in millions)	January 1, 2022	January 2, 2021	% Change Better (Worse)
Disney+			
Domestic (U.S. and Canada)	42.9	36.3	18 %
International (excluding Disney+ Hotstar) ⁽³⁾	41.1	29.4	40 %
Disney+ (excluding Disney+ Hotstar) ⁽⁴⁾	84.0	65.7	28 %
Disney+ Hotstar	45.9	29.2	57 %
Total Disney+ ⁽⁴⁾	129.8	94.9	37 %
ESPN+	21.3	12.1	76 %
Hulu			
SVOD Only	40.9	35.4	16 %
Live TV + SVOD	4.3	4.0	8 %
Total Hulu ⁽⁴⁾	45.3	39.4	15 %

Figure 2. Paid subscribers of Disney+[8]

In terms of earnings, the big increase came from its iconic Disney+ streaming service, which saw net subscribers rise 11.7 million quarter-on-quarter compared to the fourth quarter of 2021. That compared with analyst expectations of 7 million and increased the company's total subscriber base to 129.8 million from 118.1 million. Not only did the number of subscribers increase, but we also

experienced an increase in the average price paid per subscriber on the platform. That's \$4.41 a month, up from \$4.08 a month and \$4 a month in the previous quarter. To illustrate how big the deal is, factoring in the growth experienced just in the most recent quarter, which does not reflect price increases, would result in an additional \$47.74 million in monthly revenue, which would mean an additional \$572.83 million per year. Taking into account the price increase alone, and using the company's most recent subscriber count, the price increase would result in an additional \$42.83 million per month or \$514.01 million per year. At an annual run rate, the service should generate about \$6.87 billion in revenue.

Even as the two companies continue to compete, they have also discovered that the core problem is how to ensure that a steady stream of IP generation and the emergence of blockbuster will be the key to the success of Disney or Universal Studios. To that end, Disney has been pushing hard on streaming. Disney owns three streaming platforms, Disney+, ESPN and Hulu. Disney+, which launched in 2019 [9], features movies and television content produced by Walt Disney Pictures Group, ESPN, a sports network controlled by Disney, and Hulu, a video website owned by Disney that focuses on movies and TV shows. In its fiscal first quarter of 2021, Disney reported revenue of \$16.25 billion, down 22.17% from a year earlier. Overall net profit fell sharply, but the streaming business recovered. Disney+ reached 94.9 million paid subscribers, versus a market estimate of 90.7 million, an increase of more than 100% year over year. Two other streaming platforms are also doing well, with ESPN now having 12.1 million subscribers, up 83% year over year. Hulu has 39.4 million subscribers, up 30% year over year [10].

In this respect, Disney's job is much better than Universal Studios, and Universal Studios' approach is just as you can see, that is to attract more partners, which can not only reduce its error rate, but also attract more people to Universal Studios

Although the two companies are still in competition, I think in the near future the two companies can produce a joint film or sponsor together, so that more people will come to watch it, because it is not only a symbol of reconciliation between the two companies, but also a good expectation to meet the fans all over the world. Because it is widely believed that Universal Pictures and Disney are both very famous and powerful film and television companies in Hollywood, the cooperation between these two companies is bound to attract the attention of most people, because people want to see their favorite characters from the two companies appear in the same movie. That satisfy the desire of the fans also let the film industry is becoming more popular now, so that there will be more investors to invest in two big enterprises, and in the future the development of science and technology and the progress of The Times, believe that the development of film industry in the future will be better and better, and more in the future cooperation between IP appear Universal studios and Disney will be more and more, The Although there is a competition between the two companies, but the aim of the company and the original meaning is the same, is to let more audience love and accept their works, and the main reason for the two companies compete or because the two companies are the most popular film and television company in the people's attention, so there is a lot of similarities between two large companies, Such as the company's main purpose is to let people become more like their movies, and two of the company's purpose is to let people can through the way of watching movies in the boring life happy, make people can find belongs to own in the boring work at ordinary times utopia, let oneself in fatigue life find belongs to own happiness cooperation between the two will also bring different visual experience to the audience.

4. Conclusion

On the whole, Universal Studios and Disney have similarities in time, and their unique experience in space treatment lies in breaking the obvious boundary between technical space, architectural space and performance space, and providing a number of film and television cultural Spaces with their own characteristics by taking film and TELEVISION IP scenes as separate units. As an important part of film and television IP, film and television scenes are transformed into the physical space design of

theme parks, thus forming new ideas and expansion of IP. As the subject of cultural travel experience, tourists here have the dual identity of "tourists + audience". Before entering the scene, most tourists have preset their psychological expectation and imagination of the scene through the experience of watching the film. Such a space scene is both unfamiliar and familiar to visitors. In each scene, visitors can not only feel the changing ecological environment with landscape characteristics, experience the physiological stimulation brought by technical facilities, but also watch real scenes or magic performances and interact with film and television characters. The cultural space provided by film and television IP scenes not only integrates architecture, technology and performance space, but also realizes the connection between real space and film space. Another advantage of the two companies in dividing scenic spots by FILM and TELEVISION IP scenes lies in clearly marking the characteristics of scenic spots with the help of the genre concept of movies. Because the minions park is linked to the IP of children's cartoon movies, it highlights the meaning of "meng". "Meng turns the roller coaster" is equivalent to indicating the suitable population of riding facilities. Transformers, like the movie of the same name, is a favorite among teenagers, especially boys. As the first attraction of several Universal Studios in the world, Kung Fu Panda has settled in Beijing because of its Chinese theme. At different stages of their development, Universal Studios and Disney have also encountered operational difficulties such as aging equipment, outdated ideas and declining tourist flows. The main ideas and countermeasures to get out of the bottleneck and restore brilliance are based on original IP of film and television, constantly seeking movie stories that audiences and tourists are interested in, and creating new theme park scenes on this basis, so as to form regular updates and regional differences.

The success of Disney and Universal Studios lies in that they take the production of cultural content centering on film and television IP as their core business strategy. Under the guidance of innovation consciousness and copyright consciousness, they always insist on intensive cultivation of cultural resources contained in film and television stories to transform them into intangible cultural capital. Film and television IP is the product of social economic capital injected into film and television cultural production, as well as the concentrated embodiment of cultural capital. Cultural capital is the accumulation of cultural value embodied in the form of wealth. Accumulation takes time, requires "precision manufacturing"; Accumulation in turn needs to be realized in the continuous flow of goods and services. Take "Disney Princesses" as an example. On the one hand, Disney creates twelve princesses with distinctive images and personalities through a series of animated films; on the other hand, Disney constantly launches costumes, books, toys and other peripheral products designed around the Disney princesses. This really reflects the reproducibility of cultural capital itself. In addition to the heavy investment of economic capital, Universal Studios and Disney are also the materialization and objectification of cultural capital after time accumulation, circulation and sharpening. China's local theme park industry, which only roughly processes its own film and television resources and hopes to gain gains by throwing money at them, obviously relies too much on monetary capital and lacks understanding of cultural capital.

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